

AGENDA  
KANSAS RACING AND GAMING COMMISSION  
10:00 a.m., Friday, April 13, 2018

EAST TOWER CONFERENCE ROOM  
EISENHOWER STATE OFFICE BUILDING  
700 SW Harrison, Suite 410  
Topeka, KS 66603

- A. CALL TO ORDER
- B. APPROVAL OF AGENDA
- C. APPROVAL OF MINUTES

- 1. [Minutes of February 16, 2018](#)

- D. INTRODUCTION OF NEW COMMISSIONERS

- E. CONSENT AGENDA

*Items listed on the consent agenda are routine in nature. If requested by a commissioner, an item may be removed from the Consent Agenda and placed under Commission Items for further discussion and consideration.*

- 1. Approvals and revocations for certain lottery facility games and related components
    - a. [GLI Approval Letters March 2018](#)
    - b. [BMM Approval Letters March 2018](#)
  - 2. Internal Control amendment approvals
    - a. [Boot Hill Casino internal control amendment approvals](#)
    - b. [Kansas Star Casino internal control amendment approvals](#)
    - c. [Hollywood Casino at Kansas Speedway internal control amendment approvals](#)
    - d. [Kansas Crossing Casino internal control amendment approvals](#)
  - 3. Disciplinary Review Board Settlement/Waivers
    - Ryan Rhinehart, 2018-2002
    - Bally Gaming, Inc., 2018-8003

- a. [Staff Memo](#)

F. Lottery Gaming Facility Reports/Items

- 1. Boot Hill Casino and Resort
  - a. [Monthly Report](#)
  - b. [February Revenue Report](#)
  - c. [March Revenue Report](#)
- 2. Kansas Star Casino
  - a. [Monthly Report](#)
  - b. [February Revenue Report](#)
  - c. [March Revenue Report](#)
- 3. Hollywood Casino at Kansas Speedway
  - a. [Monthly Report](#)
  - b. [February Revenue Report](#)
  - c. [March Revenue Report](#)
- 4. Kansas Crossing Casino
  - a. [Monthly Report](#)
  - b. [February Revenue Report](#)
  - c. [March Revenue Report](#)

G. COMMISSION ITEMS – OLD BUSINESS

NONE

H. COMMISSION ITEMS- NEW BUSINESS

- 1. Kansas Greyhound Association Contract

*Commission Action:*            *Commission Review and Discussion*

*Staff Presentation:*            *Brandi White, Director of Admin, Finance, and Audit*

*Staff Recommendation: Commission Approval*

a. [Staff Memo](#)

I. PUBLIC COMMENTS

J. STAFF REPORTS

1. Sarah Lynch-Chaput, Legal Assistant

a. [Voluntary Exclusion Program Report](#)

2. Don Brownlee, Executive Director

K. EXECUTIVE SESSIONS

*The Commission conducts executive sessions in accordance with the Kansas Open Meetings Act and all discussions are limited to the specified purposes listed in K.S.A. 75-4319. The Commission utilizes executive sessions to consult with the Commission's attorney on confidential legal matters, to discuss confidential personnel matters, to protect the confidentiality of necessarily closed information including licensee background reports, and to protect the integrity of gaming information and the confidentiality of lottery gaming facility manager finances.*

1. Attorney/Client Privilege

2. Background Reports

3. Confidential Facility Manager Financial Information – Kansas Star Casino, LLC

4. Confidential Security Systems Training (KCJIS)

L. OTHER BUSINESS/FURTHER COMMISSION ACTION

1. Consideration of proposed gaming licenses and renewals

M. ADJOURNMENT

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – FEBRUARY 16, 2018

CALL TO ORDER  
(A.)

Chairman Brandon Jones called the February 16, 2018 meeting to order at 10:00 a.m. The meeting was held in the East Tower Conference Room of the Eisenhower State Office Building, 700 SW Harrison, in Topeka, KS. Commissioner Dennis McKinney was present. Commissioner David Moses appeared by phone. Others present included Executive Director Don Brownlee, General Counsel Judith Taylor, Director of Administration, Finance, and Audit Brandi White, Director of Security and Licensing Joe Herridge, Recording Secretary Sarah Lynch-Chaput, and other staff.

MOTION, APPROVE  
AMENDED AGENDA  
(B.)

Commissioner McKinney (Moses) moved to approve the amended agenda. Motion carried unanimously.

MOTION, APPROVE  
JANUARY 12, 2018  
MEETING MINUTES  
(C.1.)

Commissioner McKinney (Moses) moved to approve the minutes of the January 12, 2018 meeting. Motion carried unanimously.

MOTION, APPROVE  
CONSENT AGENDA  
(D.)

Commissioner McKinney (Moses) moved to approve the consent agenda. Motion carried unanimously.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; BOOT  
HILL CASINO & RESORT  
(E.1.a.)

Diane Giardine, General Manager, reported:

- January 2018 revenue numbers compared to January 2017:
  - Total gaming revenue increase of 3.4%
  - Total slot revenue up 3.2%
  - Table games revenue up 4.6%
- Past Promotions and Events:
  - New Year's Eve Party
  - Big Game Party, February 4<sup>th</sup>
  - Valentine's Day Earn and Win
- Upcoming Promotions and Events:
  - Home Sweet Home Promotion Continuing – Mortgage/Rent For a Year Giveaway
  - Earn and Win Free Play and Prizes
  - Hot Seats
  - Birthday Parties

- Stay & Play Hotel Packages
- Tanya Tucker, March 3<sup>rd</sup>
- Jeff Dunham, April 6<sup>th</sup>
- Gaither Vocal Band, April 7<sup>th</sup>
- Skillet for King and Country, April 13<sup>th</sup>
- Rain – A Tribute to the Beatles, April 25<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
STAR  
(E.2.a.)

Rick Goldstein, Interim General Manager, reported:

- January 2018 revenue numbers compared to January 2017:
  - Admissions up 6.5%
  - Total gross gaming revenue up 6.6%
  - Slot coin-in up 3.9%
  - Table game drop down 3.8%
  - Table game hold up 1.4 points
  - Poker revenue down 22.8%
- Past Events and Promotions:
  - Progressive \$120,000 Payday, December 21<sup>st</sup>
  - 2017 Cadillac ATS Giveaway, December 29<sup>th</sup>
  - 38 Special, January 27<sup>th</sup>
  - Rick Springfield, February 10<sup>th</sup>
- Upcoming Events and Promotions:
  - USA Kids Wrestling, March 10<sup>th</sup>
  - Collective Soul, March 17<sup>th</sup>
  - Evolution Fighting Championship, April 7<sup>th</sup>
  - Jeff Foxworthy, April 14<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS;  
HOLLYWOOD CASINO AT  
KANSAS SPEEDWAY  
(E.3.a.)

Richard Skinner, General Manager, reported:

- January 2018 revenue numbers compared to January 2017:
  - Total gaming revenue was \$11.2 million, a decrease of \$202,000 or 1.8%
  - Table games revenue was \$1.3 million, a decrease of \$288,000 or 18.1%
  - Slot revenue was \$9.9 million, an increase of \$86,000 or about 1.0%
- January Events and Promotions:
  - Direct Mail Featuring Weekend Bonus Free Play Offers
  - Play, Earn, and Get Promotion, January 1<sup>st</sup>
  - Marquee Millionaire, January 15<sup>th</sup>

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS; KANSAS  
CROSSING CASINO  
(E.4.a.)

Doug Fisher, General Manager, reported:

- January 2018 revenue numbers compared to December 2017:
  - Net Slot Win increased 1%
  - Net Table Win decreased 20%
  - Net Gaming Revenue decreased 3%
- Past Events and Promotions:
  - Cast Iron Skillet Giveaway, January 13<sup>th</sup> and 20<sup>th</sup>
  - Comedians John Bush and Dwayne Clark, January 19<sup>th</sup>
  - Logan Mize, January 27<sup>th</sup>
  - Winter Wheels; Top Prize is a Dodge Durango, January 27<sup>th</sup>
  - Winter Dance Party; A Tribute to Buddy Holly, Ritchie Valens, and The Big Bopper, February 3<sup>rd</sup>
- Upcoming Events and Promotions:
  - Biathlon Blackjack Tournament, February 10<sup>th</sup>
  - 18x Slot Points, February 18<sup>th</sup>
  - Barrel of Bucks, February 23<sup>rd</sup>
  - “Curling for Cash” Promotion, February 24<sup>th</sup>
  - Comedians Willie Farrell and Andy Hartley, February 17<sup>th</sup>
  - Classic Rock Experience, February 23<sup>rd</sup>
  - County/Southern Rock/Hip Hop Artists – The LACS, March 3<sup>rd</sup>

COMMISSION ITEMS –  
OLD BUSINESS;  
(F.)

There were no old business items.

COMMISSION ITEMS –  
NEW BUSINESS;  
(G.)

There were no new business items.

PUBLIC COMMENTS  
(H.)

There were no public comments.

STAFF REPORTS  
(I.1.A. and I.2)

Sarah Lynch-Chaput, Legal Assistant, reported on the Voluntary Exclusion Program statistics for the month of January 2018.

Executive Director Brownlee reported:

- The KRGC budget was reported to senate subcommittee February 1<sup>st</sup>. There were no questions or

discussions from the committee, and no action was taken by the subcommittee that day.

- There are two legislative bills in committee that would allow sports betting. Neither bill has had a hearing.
- The House Federal and State Affairs committee held a hearing on House Bill No. 2545 to amend the Kansas Expanded Lottery Act regarding racetrack gaming facilities.
- Roger Bailey has transferred from his position as enforcement agent supervisor at Hollywood Casino to the electronic security manager position in Topeka.
- Due to commissioner scheduling conflicts, the March commission meeting is cancelled. The next meeting is scheduled for April 13, 2018 at 10:00 a.m. in Topeka.
- The June 15, 2018 meeting will be held at Kansas Star Casino in Mulvane, KS.

MOTION, EXECUTIVE  
SESSIONS  
(J.)

Commissioner Jones (McKinney) moved that the Commission go into executive session for the purpose of reviewing the list of confidential backgrounds for licensing. Those included in the executive session, in addition to the commissioners, were the executive director, general counsel, and director of security. The total time for the executive session was anticipated to be fifteen minutes until 10:55 a.m. No action is to be taken in executive session, and the subject discussed is to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously and the meeting was adjourned to executive session at 10:40 a.m.

RECONVENE

The commission meeting returned to open session at 10:55 a.m. with all members present.

MOTION TO DENY,  
CONDITIONALLY  
APPROVE, APPROVE  
RECONSIDERATION,  
DENY  
RECONSIDERATION,  
TABLE, AND APPROVE  
LICENSE APPLICATIONS

Commissioner McKinney (Moses) moved to *deny* one license application, *conditionally approve* three license applications, and *approve* the remaining 207 license applications from the February 16, 2018 list of background reports referred to the commission for action. Motion carried unanimously.

(K.)

MOTION, EXECUTIVE  
SESSIONS

(J.)

Commissioner McKinney (Jones) moved that the Commission go into executive sessions for the purpose of (1) attorney/client privilege and (2) confidential facility manager financial information. Those included in the attorney/client privilege executive session in addition to the commissioners were the executive director and general counsel. Those included in the confidential facility manager financial information executive session in addition to the commissioners were the executive director; general counsel; director of administration, audit, and finance; Adrian Perez, managing auditor; and Todd Allen, auditor. The total time for the executive sessions was anticipated to be twenty-five minutes until 11:20 a.m. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. The motion carried unanimously.

RECONVENE

The commission meeting returned to open session at 11:20 a.m. with Chairman Jones and Commissioner McKinney present. No action was taken on any subject discussed in the executive sessions.

ADJOURN

(L.)

Chairman Jones adjourned the meeting at 11:22 a.m.

SUBMITTED BY:

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David Moses  
Interim Secretary

APPROVED BY:

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Brandon Jones  
Chairman

	<u>Manufacturer</u>	<u>Report Number</u>	<u>ID Number</u>	<u>Version</u>	<u>Game Name</u>	<u>Function</u>
1	AINSWORTH GAMING TEC	MO-73-AWG-17-38	GDINQY1F	1F	THREE AMIGOS RIDE AGAIN	PERSONALITY PGM
2	ARISTOCRAT	MO-35-ARI-17-04	TED_SCH_01	VERTEX	Ted/Zorro	OTHER
3	ARISTOCRAT	MO-73-ARI-17-144	171277-290	171277-290	N/A	HARDWARE
4	ARISTOCRAT	MO-73-ARI-17-144	171278-290	171278-290	N/A	HARDWARE
5	ARISTOCRAT	MO-73-ARI-17-145	222801	222801	N/A	HARDWARE
6	ARISTOCRAT	MO-73-ARI-17-145	225050	225050	N/A	HARDWARE
7	ARISTOCRAT	MO-73-ARI-17-145	225801	225801	N/A	HARDWARE
8	ARISTOCRAT	MO-73-ARI-17-145	225900	225900	N/A	HARDWARE
9	ARISTOCRAT	MO-73-ARI-18-01	170345-4	170345-4	N/A	HARDWARE
10	ARISTOCRAT	MO-73-ARI-18-01	439103-2	439103-2	N/A	HARDWARE
11	ARISTOCRAT	MO-73-ARI-18-01	494362-05	494362-05	N/A	HARDWARE
12	ARISTOCRAT	MO-73-ARI-18-01	UBC	P6.2	N/A	OTHER
13	ARISTOCRAT	MO-73-ARI-18-04	1.01-66281	GEN7/GEN8	Zorro	PERSONALITY PGM
14	ARISTOCRAT	MO-73-ARI-18-06	1.03-66127	GEN8	Ted	PERSONALITY PGM
15	ARISTOCRAT	MO-73-ARI-18-07	1.01-66084	GEN8	Firecracker Wilds	PERSONALITY PGM

16	ARISTOCRAT	MO-73-ARI-18-08	1.01-66015	GEN8	Buffalo Max	PERSONALITY PGM
17	ARISTOCRAT	MO-73-ARI-18-09	1.01-66082	GEN8	Double Bliss Jackpot	PERSONALITY PGM
18	ARISTOCRAT	MO-73-ARI-18-10	1.01-66088	GEN8	Gold and Rich Double Jackpot	PERSONALITY PGM
19	ARISTOCRAT	MO-73-ARI-18-13	1.01-66085	GEN8	Lucky Ruby	PERSONALITY PGM
20	ARISTOCRAT	MO-73-ARI-18-15	1.01-63813	GEN8	Pan Am	PERSONALITY PGM
21	ARISTOCRAT	MO-73-ARI-18-20	1.01-66177	GEN8	Dancing Foo	PERSONALITY PGM
22	ARISTOCRAT	MO-73-ARI-18-21	GS88_SCH_01	VERTEX	Gold Stacks 88	OTHER
23	ARISTOCRAT	MO-73-ARI-18-25	1.01-63792	GEN8	Diamond Burst	PERSONALITY PGM
24	ARISTOCRAT	MO-73-ARI-18-26	1.01-63791	GEN8	Double Hot Fire Frenzy	PERSONALITY PGM
25	ARISTOCRAT	MO-73-ARI-18-27	1.01-66138	GEN8	Double Gold Riches	PERSONALITY PGM
26	ARISTOCRAT	MO-73-ARI-18-28	LibL_SCH_01	VERTEX	Liberty Link Schedule	OTHER
27	ARISTOCRAT	MO-73-ARI-18-29	1.01-63787	GEN 8	Britney One More Time	PERSONALITY PGM
28	ARISTOCRAT	MO-73-ARI-18-30	BrtOMT_SCH_01	VERTEX	Britney One More Time Schedule	OTHER
29	ARISTOCRAT	MO-73-ARI-18-31	1.01-66137	GEN8	Super Star 7s	PERSONALITY PGM
30	ARISTOCRAT	MO-73-ARI-18-32	1.01-66086	GEN8	Diamond Prize	PERSONALITY PGM
31	ARISTOCRAT	MO-73-ARI-18-33	1.01-66087	GEN8	Money Surge	PERSONALITY PGM
32	ARISTOCRAT	MO-73-ARI-18-34	CRZYHJP_01	VERTEX	Crazy Hot Jackpots	OTHER
33	ARISTOCRAT	MO-73-ARI-18-37	1.02-66178	GEN8	Lunar Festival	PERSONALITY PGM
34	ARISTOCRAT	MO-73-ARI-18-38	1.01-66213	GEN8	Elvira Mistress of the Dark	PERSONALITY PGM
35	ARISTOCRAT	SY-73-ARI-18-02	CountScanner_1.1.1.C AB	1.1.1	N/A	SYSTEM
36	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD232759/12.10.30 01.2	N/A	SYSTEM
37	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD236980/12.10.11 02.8	N/A	System
38	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD236984/12.10.11 40.3	N/A	SYSTEM
39	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD236985/12.10.11 01.31	N/A	System
40	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD236987/12.10.11 10.2	N/A	SYSTEM

41	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD236988/12.10.30 20.29	N/A	SYSTEM
42	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD242835/12.7.303 0.3	N/A	System
43	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD242836/12.7.101 2.12	N/A	SYSTEM
44	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD242837/12.7.100 9.1	N/A	System
45	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD242838/12.7.100 0.1	N/A	System
46	ARISTOCRAT	SY-73-ARI-18-03	JackpotFill	TD250956/12.10.11 40.2	N/A	System
47	ARISTOCRAT	SY-73-ARI-18-04	nConnect	1.7.3021.4	N/A	SYSTEM
48	ARISTOCRAT	SY-73-ARI-18-06	AX98696_F2_07_02_7 7_ISP.bin	2.1.1.1	N/A	SYSTEM
49	ARISTOCRAT	SY-73-ARI-18-06	os1177.S3DA	2.1.1.1	N/A	SYSTEM
50	ARISTOCRAT	SY-73-ARI-18-06	Rootsys.img	1.1.77	N/A	SYSTEM
51	ARISTOCRAT	SY-73-ARI-18-06	sbc87120008.S3DA	2.1.1.1	N/A	SYSTEM
52	ARISTOCRAT	SY-73-ARI-18-06	Sentinel.img	2.1.1.1	N/A	SYSTEM
53	ARISTOCRAT	SY-73-ARI-18-06	sentinel2.1.1.1.S3DA	2.1.1.1	N/A	SYSTEM
54	ARISTOCRAT	SY-73-ARI-18-06	Senux_OS1.1.77_Senti nel2.1.1.1.img	2.1.1.1	N/A	SYSTEM
55	ARISTOCRAT	SY-73-ARI-18-06	vm7277.S3DA	2.1.1.1	N/A	SYSTEM
56	BALLY	MO-08-BAL-18-01	A105-000-1010	1010	CASH SPIN DELUXE	PERSONALITY PGM
57	BALLY	MO-10-BAL-17-01	BAL_270885B	BAL_270885B	WILLY WONKA DREAM FACTORY LANGUAGE PACK (ENGLISH)	SOUND/GRAPHICS
58	BALLY	MO-209-BAL-18-01	A10A-000-1000	1000	Monopoly Hot Shot	PERSONALITY PGM
59	BALLY	MO-22-BAL-17-14	AWI03X0000A	A	N/A	OTHER
60	BALLY	MO-252-BAL-17-05	1457814	1457814	N/A	HARDWARE
61	BALLY	MO-394-BAL-17-01	ABIP0320211A	A	N/A	OTHER
62	BALLY	MO-394-BAL-17-05	1453298	1453298 A1	N/A	HARDWARE
63	BALLY	MO-394-BAL-17-05	1481224	1481224 REV A1	N/A	HARDWARE
64	BALLY	MO-394-BAL-17-05	1481260	1481260 REV B	N/A	HARDWARE

65	BALLY	MO-394-BAL-17-05	1486845	1486845 REV A	N/A	HARDWARE
66	BALLY	MO-394-BAL-17-06	1489580	N/A	N/A	HARDWARE
67	BALLY	MO-73-BAL-17-10	A03E-000-1000	1000	SWORD OF DESTINY	PERSONALITY PGM
68	BALLY	MO-73-BAL-17-14	A030-000-1000	1000	Angel Blade	PERSONALITY PGM
69	BALLY	MO-73-BAL-17-85	BAL_270883A	BAL_270883A	CONTROL LOGIC	PERSONALITY PGM
70	BALLY	MO-73-BAL-17-85	BAL_270884A	BAL_270884A	WILLY WONKA DREAM FACTORY COMMON ART	SOUND/GRAPHICS
71	BALLY	MO-73-BAL-18-03	BAL_270789A	BAL_270789A	CONTROL LOGIC	PERSONALITY PGM
72	BALLY	MO-73-BAL-18-03	BAL_270790A	BAL_270790A	ULTIMATE FIRE LINK BY THE BAY COMMON ART	SOUND/GRAPHICS
73	BALLY	MO-73-BAL-18-03	BAL_270791A	BAL_270791A	ULTIMATE FIRE LINK BY THE BAY LANGUAGE PACK (ENGLISH)	SOUND/GRAPHICS
74	BALLY	MO-73-BAL-18-06	5RUSABA24	GURUSAB24	N/A	PRINTER
75	BALLY	MO-73-BAL-18-10	BAL_270963A	BAL_270963A	CONTROL LOGIC	PERSONALITY PGM
76	BALLY	MO-73-BAL-18-10	BAL_270964A	BAL_270964A	ULTIMATE FIRE LINK GLACIER GOLD COMMON ART	SOUND/GRAPHICS
77	BALLY	MO-73-BAL-18-10	BAL_270965A	BAL_270965A	ULTIMATE FIRE LINK GLACIER GOLD LANGUAGE PACK (ENGLISH)	SOUND/GRAPHICS
78	BALLY	MO-73-BAL-18-14	A0AE-000-1010	1010	FORTUNES 3	PERSONALITY PGM
79	BALLY	MO-73-BAL-18-18	A11F-000-1000	1000	Lock It Link Piggy Bankin'	PERSONALITY PGM
80	BALLY	PA-31-BAL-17-01	1495627	1495627	N/A	HARDWARE
81	BALLY	PA-31-BAL-17-01	1486818-xx	1486818-xx	N/A	HARDWARE
82	BALLY	PA-31-BAL-17-01	1490672-xx	1490672-xx	N/A	HARDWARE
83	BALLY	PA-31-BAL-17-01	1493820-xx	1493820-xx	N/A	HARDWARE
84	BALLY	PA-31-BAL-17-01	TJ-1	TJ-1	N/A	MACHINE
85	Bally West	LO-394-SHU-16-02	TABLE GAME ANALYSIS	N/A	STADIUM BLACKJACK	TABLE GAME
86	Bally West	MO-122-SHU-10-01	one2six OTS	1.4.0	Software OTS	OTHER
87	Bally West	MO-122-SHU-10-01	one2six OTS	1.4.0	Software OTS	OTHER
88	Bally West	MO-122-SHU-10-01	one2six OTS	1.4.0	Software OTS	OTHER
89	Bally West	MO-122-SHU-10-01	one2six OTS	1.4.0	Software OTS	OTHER
90	Bally West	MO-22-SHU-15-07	79500	79500	N/A	HARDWARE

91	Bally West	MO-22-SHU-15-07	OTS_Plus_CardRec_5.0 .007.bin	5.0.007	N/A	OTHER
92	Bally West	MO-22-SHU-15-07	OTS_Plus_CardRec_5.0 .007_setup.enc1	5.0.007	N/A	OTHER
93	Bally West	MO-22-SHU-15-07	OTS_Plus_Games_1.0. 061.xml	1.0.061	N/A	OTHER
94	Bally West	MO-22-SHU-15-07	OTS_Plus_Games_1.0. 061_setup.enc1	1.0.061	N/A	OTHER
95	Bally West	MO-73-SHU-16-08	OTS_Plus_UI_2.0.029. bin	2.0.029	N/A	OTHER
96	Bally West	MO-73-SHU-16-08	OTS_Plus_UI_2.0.029_ setup.enc1	2.0.029	N/A	OTHER
97	Bally West	MO-73-SHU-17-08	ServerControl.exe	10.5.1.2	Fusion Hybrid Stadium Blackjack	SYSTEM
98	Bally West	PA-123-SHU-08-02	one2six card shuffler	P/N 60500	Automatic Card Shuffler	HARDWARE
99	Bally West	SY-73-SHU-16-03	4DTALL21	EE1882-12	Fusion Hybrid Stadium Blackjack	OTHER
100	Bally West	SY-73-SHU-16-03	6RLDISP23	EE1886-08	Fusion Hybrid Stadium Blackjack	SOUND/GRAPHICS
101	Bally West	SY-73-SHU-16-03	9RCDISP19	EE1885-09	Fusion Hybrid Stadium Blackjack	SOUND/GRAPHICS
102	Bally West	SY-73-SHU-16-03	AdminConsole.exe	8.0.1.6	Fusion Hybrid Stadium Blackjack	SYSTEM
103	Bally West	SY-73-SHU-17-03	1REBAR32	EE1884-14	Fusion Hybrid	PERSONALITY PGM
104	Bally West	SY-73-SHU-17-03	W4INS63D	EE1883-12	Fusion Hybrid	MAIN PGM
105	Everi Games, Inc.	MO-10-MMG-18-04	7620	1.0.0-5	MFm_WillieNelsonShotgunWillie	PERSONALITY PGM
106	Everi Games, Inc.	MO-214-MMG-18-01	7622	1.0.0-4	MFm_WillieNelsonWhiskeyRiver	PERSONALITY PGM
107	Everi Games, Inc.	MO-22-MMG-17-28	7149	1.0.0-5	MF_SuperJackpotDoubleLion	PERSONALITY PGM
108	Everi Games, Inc.	MO-22-MMG-17-29	7151	1.0.0-4	MF_SuperJackpotWildGems	PERSONALITY PGM
109	Everi Games, Inc.	MO-22-MMG-17-30	7150	1.0.0-4	MF_SuperJackpotSevenSeas	PERSONALITY PGM
110	Everi Games, Inc.	MO-22-MMG-18-10	7636	1.0.0-6	MF_LOLStitched	PERSONALITY PGM

111	Everi Games, Inc.	MO-294-MMG-17-10	6884	1.0.0-7	MF_StarMagic	PERSONALITY PGM
112	Everi Games, Inc.	MO-294-MMG-17-67	7710-7709	OS1.46x86_L1.18.2-44_P1.18.3-3	OS1.46x86_L1.18.2-44_P1.18.3-3	MAIN PGM
113	Everi Games, Inc.	MO-294-MMG-17-67	7711-7709	OS2.26x86_L1.18.2-44_P1.18.3-3	OS2.26x86_L1.18.2-44_P1.18.3-3	MAIN PGM
114	Everi Games, Inc.	MO-294-MMG-17-67	7712-7709	OS2015.56x64_L1.18.2-44_P1.18.3-3	OS2015.56x64_L1.18.2-44_P1.18.3-3	MAIN PGM
115	Everi Games, Inc.	MO-294-MMG-17-68	7687-7686	OS2017.58x64_L1.19.0-45_P1.19.0-8	OS2017.58x64_L1.19.0-45_P1.19.0-8	MAIN PGM
116	Everi Games, Inc.	MO-294-MMG-17-68	7688-7686	OS1.46x86_L1.19.0-45_P1.19.0-8	OS1.46x86_L1.19.0-45_P1.19.0-8	MAIN PGM
117	Everi Games, Inc.	MO-294-MMG-17-68	7689-7686	OS2.26x86_L1.19.0-45_P1.19.0-8	OS2.26x86_L1.19.0-45_P1.19.0-8	MAIN PGM
118	Everi Games, Inc.	MO-324-MMG-16-01	6501	1.0.0-8	MF_FortunaGoddessOfLuck	PERSONALITY PGM
119	Everi Games, Inc.	MO-324-MMG-16-03	6740	1.0.0-6	MF_MoneyFrog	PERSONALITY PGM
120	Everi Games, Inc.	MO-394-MMG-18-02	7725	1.0.0-2	MF_LightningZapStitched	PERSONALITY PGM
121	Everi Games, Inc.	MO-73-MMG-16-16	6890	1.0.0-4	MFm_BlazinGems	PERSONALITY PGM
122	Everi Games, Inc.	MO-73-MMG-16-17	6578	1.0.0-6	MF_Yardbirds2Foxy'sRevenge	PERSONALITY PGM
123	Everi Games, Inc.	MO-73-MMG-18-01	7528	1.0.0-6	MF_ShengShiGuiFei	PERSONALITY PGM
124	Everi Games, Inc.	MO-73-MMG-18-01	7529	1.0.0-4	MF_BaiShouFengXiang	PERSONALITY PGM
125	Everi Games, Inc.	MO-73-MMG-18-01	7645	1.0.0-4	MF_BaiShouFengXiang	PERSONALITY PGM
126	Everi Games, Inc.	MO-73-MMG-18-01	7647	1.0.0-6	MF_ShengShiGuiFei	PERSONALITY PGM
127	Everi Games, Inc.	MO-73-MMG-18-02	7632	1.0.0-4	MF_FortunaGoddessOfLuckStitched	PERSONALITY PGM

128	Everi Games, Inc.	PA-22-MMG-18-01	EPX-01-5527	N/A	Empire 5527 Video Reel Cabinet	MACHINE
129	IGT	MO-10-IGT-17-12	GAME020003MTUN01	ASCENT GAME PACKAGE	WHEEL OF FORTUNE - MEGATOWER TRIPLE DOUBLE DIAMOND	PERSONALITY PGM
130	IGT	MO-10-IGT-17-12	GI020003MTUN001	ASCENT INSTALL	WHEEL OF FORTUNE - MEGATOWER TRIPLE DOUBLE DIAMOND	INSTALLER
131	IGT	MO-10-IGT-18-01	GAME020003DDGN12	ASCENT GAME PACKAGE	WHEEL OF FORTUNE TRIPLE DOUBLE DIAMOND	PERSONALITY PGM
132	IGT	MO-10-IGT-18-01	GI020003DDGN012	ASCENT INSTALL	WHEEL OF FORTUNE TRIPLE DOUBLE DIAMOND	INSTALLER
133	IGT	MO-22-IGT-17-308	DIAGUNV00111	N/A	Universal Ascent and UC Diagnostic	OTHER
134	IGT	MO-22-IGT-18-03	APR00004	N/A	SECURE AVP 4.0 AUTHENTICATION PROCESSOR	OTHER
135	IGT	MO-22-IGT-18-11	GAME020001TRYM04	ASCENT GAME PACKAGE	HOT POKER DICE PHARAOHS FORTUNE	PERSONALITY PGM
136	IGT	MO-22-IGT-18-11	GI020001TRYM004	ASCENT INSTALL	HOT POKER DICE PHARAOHS FORTUNE	INSTALLER
137	IGT	MO-22-IGT-18-19	GAME020003TSDD05	ASCENT GAME PACKAGE	TRIPLE HOT ICE	PERSONALITY PGM
138	IGT	MO-22-IGT-18-19	GI020003TSDD005	ASCENT INSTALL	TRIPLE HOT ICE	INSTALLER
139	IGT	MO-22-IGT-18-21	GAME020009CCUQ01	ASCENT GAME PACKAGE	CASH CLIMB Heavenly Treasures	PERSONALITY PGM
140	IGT	MO-22-IGT-18-21	GI020009CCUQ001	ASCENT INSTALL	CASH CLIMB Heavenly Treasures	INSTALLER
141	IGT	MO-22-IGT-18-21	UCG0161A1	N/A	CASH CLIMB	OTHER
142	IGT	MO-22-IGT-18-21	UCGS161A1	N/A	CASH CLIMB MLP SIGN CONTROLLER	OTHER
143	IGT	MO-22-IGT-18-22	GAME020009CCVQ01	ASCENT GAME PACKAGE	CASH CLIMB Greek Glory	PERSONALITY PGM
144	IGT	MO-22-IGT-18-22	GI020009CCVQ001	ASCENT INSTALL	CASH CLIMB Greek Glory	INSTALLER
145	IGT	MO-22-IGT-18-23	GAME020001F1RM01	ASCENT GAME PACKAGE	PYRAMID PROGRESSIVES	PERSONALITY PGM

146	IGT	MO-22-IGT-18-23	GI020001F1RM001	ASCENT INSTALL	PYRAMID PROGRESSIVES	INSTALLER
147	IGT	MO-22-IGT-18-24	GAME020001F1PM01	ASCENT GAME PACKAGE	BIG 5 CATS	PERSONALITY PGM
148	IGT	MO-22-IGT-18-24	GI020001F1PM001	ASCENT INSTALL	BIG 5 CATS	INSTALLER
149	IGT	MO-22-IGT-18-25	GAME020009TLIM01	ASCENT GAME PACKAGE	BIG 5 SAFARI	PERSONALITY PGM
150	IGT	MO-22-IGT-18-25	GI020009TLIM001	ASCENT INSTALL	BIG 5 SAFARI	INSTALLER
151	IGT	MO-286-IGT-17-06	GAME014-004A2W-N02	AVP GAME PACKAGE	WHEEL OF FORTUNE TRIPLE RED HOT BELLS	PERSONALITY PGM
152	IGT	MO-286-IGT-17-06	GI014-004A2W-N002	AVP INSTALL	WHEEL OF FORTUNE TRIPLE RED HOT BELLS	INSTALLER
153	IGT	MO-286-IGT-17-06	GI014-004A2W-N002.V02	AVP INSTALL	WHEEL OF FORTUNE TRIPLE RED HOT BELLS	INSTALLER
154	IGT	MO-394-IGT-16-72	AF014-MM-PKR027-02	AVP FEATURE PACKAGE	SUPER STAR POKER	OTHER
155	IGT	MO-50-IGT-18-01	GAME014-001PFB-D12	AVP GAME PACKAGE	Super Star Poker	PERSONALITY PGM
156	IGT	MO-50-IGT-18-01	PI014-001PFB-D012	AVP INSTALL	Super Star Poker	INSTALLER
157	IGT	MO-50-IGT-18-01	PI014-001PFB-D012.V02	AVP INSTALL	Super Star Poker	INSTALLER
158	IGT	MO-50-IGT-18-03	GAME020005FLBP01	ASCENT GAME PACKAGE	WHEEL OF FORTUNE CA\$H LINK LATIN GETAWAYS	PERSONALITY PGM
159	IGT	MO-50-IGT-18-03	GI020005FLBP001	ASCENT INSTALL	WHEEL OF FORTUNE CA\$H LINK LATIN GETAWAYS	INSTALLER
160	IGT	MO-50-IGT-18-03	UCG0173B1	N/A	WOF CA\$H LINK S/A	OTHER
161	IGT	MO-50-IGT-18-03	UCGS173A1	N/A	WOF CA\$H LINK SIGN CONTROLLER	OTHER
162	IGT	MO-73-IGT-17-50	GAME020001D1HM01	ASCENT GAME PACKAGE	MYSTERY OF THE CONGO	PERSONALITY PGM
163	IGT	MO-73-IGT-17-50	GI020001D1HM001	ASCENT INSTALL	MYSTERY OF THE CONGO	INSTALLER
164	INCREDIBLE TECHNOLOG	MO-73-INT-17-42	G00230	01.07.159	Money Multiplier	PERSONALITY PGM
165	INCREDIBLE TECHNOLOG	MO-73-INT-17-46	G00203	01.02.24	Wild Spell	PERSONALITY PGM

166	INCREDIBLE TECHNOLOG	MO-73-INT-18-01	G00238	01.01.46	Big 3 Hypersonic	PERSONALITY PGM
167	KONAMI GAMING INC.	MO-04-KON-16-01	PSA-66-ST5	5RNEVKN21	JCM GEN 5 PRINTER FIRMWARE	PRINTER
168	KONAMI GAMING INC.	MO-394-KON-16-02	GEN5	PSA-66-ST5	JCM GEN5 PRINTER HARDWARE	HARDWARE
169	KONAMI GAMING INC.	MO-73-KON-17-143	KGI_M526MLK030WD03	GAME PROGRAM	Sparkling Roses	PERSONALITY PGM
170	KONAMI GAMING INC.	MO-73-KON-18-32	KGI_L772SPB070WD03	PROGRESSIVE	Cai Lai Si Ji	PROGRESSIVE
171	KONAMI GAMING INC.	MO-73-KON-18-39	KGI_M562MSQ020WD00	GAME PROGRAM	Star Watch Magma	PERSONALITY PGM
172	KONAMI GAMING INC.	MO-73-KON-18-40	KGI_M561MSQ020WD00	GAME PROGRAM	Star Watch Fire	PERSONALITY PGM
173	NRT TECHNOLOGY CORP.	SY-73-NTC-18-03	CHS.1.3.0.0-Patch_Bug2782_TLS12.exe	01.03.18	N/A	KIOSK
174	WMS	MO-536-WMS-17-02	SEA6-000-1000	1000 H19.080	MICHAEL JACKSON LEGEND	PERSONALITY PGM

	<b>Manufacturer</b>	<b>Report Number</b>	<b>ID Number</b>	<b>Version</b>	<b>Game Name</b>	<b>Function</b>	<b>Replace With</b>	<b>Replaced By</b>
1	ARISTOCRAT	SY-73-ARI-17-26	Sentinel.img	2.0.1.1	N/A	SYSTEM	Sentinel.img	13-May-2018
2	ARISTOCRAT	SY-73-ARI-17-26	Senux_OS1.1.72_Sentinel2.0.1.1.img	2.0.1.1	N/A	SYSTEM	Senux_OS1.1.77_Sentinel2.1.1.1.img	13-May-2018
3	ARISTOCRAT	SY-73-ARI-17-35	Sentinel.img	2.1.0.6	N/A	SYSTEM	Sentinel.img	13-May-2018
4	ARISTOCRAT	SY-73-ARI-17-35	Senux_OS1.1.77_Sentinel2.1.0.6.img	2.1.0.6	N/A	SYSTEM	Senux_OS1.1.77_Sentinel2.1.1.1.img	13-May-2018
5	Everi Games, Inc.	MO-252-MMG-17-08	7401-7366	OS1.46x86_L2.3.7-41_P1.17.0-24	OS1.46x86_L2.3.7-41_P1.17.0-24	MAIN PGM	7710-7709	13-May-2018
6	Everi Games, Inc.	MO-252-MMG-17-08	7402-7366	OS2.26x86_L2.3.7-41_P1.17.0-24	OS2.26x86_L2.3.7-41_P1.17.0-24	MAIN PGM	7711-7709	13-May-2018
7	Everi Games, Inc.	MO-252-MMG-17-08	7403-7366	OS2015.56x64_L2.3.7-41_P1.17.0-24	OS2015.56x64_L2.3.7-41_P1.17.0-24	MAIN PGM	7712-7709	13-May-2018

	<u>Manufacturer</u>	<u>Report Number</u>	<u>ID Number</u>	<u>Version</u>	<u>Game Name</u>	<u>Function</u>
1	Aristicrat	MO-73-ARI-17-118	5.08.0-1.00.5	N/A	GEN7/GEN7X/GEN8	PLATFORM/MARKET
2	Everi Gaming	MO-22-MMG-17-36	7477	4.0.1-11	MF ORT Games Drive	PERSONALITY PGM
3	Everi Gaming	SY-73-GAC-17-01	UXCHW.exe	22.12.0.0	N/A	KIOSK
4	Everi Gaming	SY-73-GAC-17-04	UIM.JPA.dll	2.23.0.0	N/A	KIOSK
5	KONAMI GAMING INC.	MO-73-KON-17-133	KGI_M562MSQ013WD00	GAME PROGRAM	Star Watch Magma	PERSONALITY PGM
6	KONAMI GAMING INC.	MO-73-KON-17-137	KGI_M561MSQ013WD00	GAME PROGRAM	Star Watch Fire	PERSONALITY PGM

	<u>Manufacturer</u>	<u>Report Number</u>	<u>ID Number</u>	<u>Version</u>	<u>Game Name</u>	<u>Function</u>
1	Aristocrat	ATI11082KS	1.01-63784	GEN8	Valkyrie Thunder – Cash Fusion	Game
2	Aristocrat	ATI11402KS	1.01-66111	GEN8	Makin' Cash	Game
3	Aristocrat	ATI11861KS	1.02-66323	GEN8	Long Teng Hu Xiao - Dragon Flies	Game
4	Aristocrat	ATI11871KS	1.02-66324	GEN8	Long Teng Hu Xiao - Tiger Roars	Game

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Don Brownlee, Executive Director

Jeff Colyer, Governor

**Boot Hill Casino Internal Control Amendments**

April 13, 2018

<b><u>Item #/ (Description)</u></b>	<b><u>Regulation Waiver?</u></b>	<b><u>Regulation/IC Reference</u></b>	<b><u>Staff Recommendation</u></b>
BH483 – Internship Job Descriptions	No	IC 700.010.03 ; IC 700.010.04	Approval
BH505 – Blackjack (TriLux)	No	IC 250.030	Approval
BH506 – Craps	No	KAR 112-108-6 / IC 250.010	Approval

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**Kansas Star Casino Internal Control Amendments**

April 13, 2018

<b><u>Item #/ (Description)</u></b>	<b><u>Regulation Waiver?</u></b>	<b><u>Regulation/IC Reference</u></b>	<b><u>Staff Recommendation</u></b>
KS230 – EGM Asset Numbers	No	KAR 112-104-1/ Slots - Section 6 Machine Characteristics	Approval
KS246 – Three Card Poker’s Six Card Bonus	No	KAR 112-108-6; 112-108-6 (a) and (c) / Table Games Rules of Game - Section 18 Three Card Poker’s Six Card Bonus	Approval

### Hollywood Casino Internal Control Amendments

April 13, 2018

<b><u>Item #/ (Description)</u></b>	<b><u>Regulation Waiver?</u></b>	<b><u>Regulation/IC Reference</u></b>	<b><u>Staff Recommendation</u></b>
HW76 – Check Cashing*	Yes	KAR 112-104-10 / Chapter F: 4.02(E)	Approval
HW117 – Information Technology	No	KAR 112-104-25 / Chapter I: Information Technology	Approval
HW131 – Tips and Gratuity	No	KAR 112-108-26 / Chapter P: 4.03, 4.04, 4.05, 4.06, and 4.08	Approval
HW132 – Blackjack	No	Chapter D: Blackjack	Approval
HW133 – Table Games	Yes	KAR 112-108-35(a)(3) / Chapter B: 10.01(C)	Approval

\*HW76 was approved as a temporary waiver and evaluated for a 6 month trial period. HW76 is now ready for final approval.

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### Kansas Crossing Casino Internal Control Amendments

April 13, 2018

<b><u>Item #/ (Description)</u></b>	<b><u>Regulation Waiver?</u></b>	<b><u>Regulation/IC Reference</u></b>	<b><u>Staff Recommendation</u></b>
KC60 Changing Offsite Storage to CNB	No	KAR 112-107-20/ KCC77	Approval
KC61 Manual Fill Corrections	No	KAR 112-108-31/ KCC121	Approval
KC62 Card and Dice Destruct	No	KAR 112-108-21; KAR 112-108-23/ KCC 111; KCC113	Approval
KC63 Blocking \$10,000 ticket from printing	No	KAR 112-107-18/ KCC75	Approval
KC 64 EGM and TG Drop Malfunction	No	KAR 11-108-48; KAR 112-104-18/ KCC26; KCC 138	Approval



**Kansas Racing and Gaming Commission**  
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## **STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** April 13, 2018

**AGENDA ITEM:** **Disciplinary Review Board Summary Proceeding Orders for:**  
**2018-2002 Ryan William Rhinehart**  
**2018-8002 Bally Gaming Inc.**

**PRESENTER:** None – Consent Agenda

**ISSUE SUMMARY:** Pursuant to K.A.R. 112-114-1 *et seq.*, the Kansas Racing and Gaming Commission's Disciplinary Review Board (DRB) considered potential gaming regulation violations by licensee Ryan William Rhinehart and gaming supplier Bally Gaming Inc. A Summary Proceeding Order and Notice of Hearing and Right to Waive (Summary Proceeding Order) was issued to each.

### **2018-2002 Ryan William Rhinehart**

On June 11, 2017, Ryan Rhinehart, a security supervisor, was on duty at Kansas Star Casino. A table games dealer reported to the security department that she was missing her wedding ring and believed she took it off in the employee restroom while washing her hands. Security did not find the ring but surveillance footage showed that the dealer had the ring on before she entered the restroom and did not have it on after returning from the restroom. The dealer later filed a theft report with Mr. Rhinehart. Mr. Rhinehart told the dealer she could also file a theft report with the police department and took a photo of the dealer's picture of her ring. Mr. Rhinehart never reported the theft of the ring to the KRGC and never documented the incident in a security incident report. The DRB and Mr. Rhinehart entered into a Settlement Agreement in which Mr. Rhinehart agreed to pay a \$1,000.00 fine. In the Settlement Agreement, Mr. Rhinehart stipulated to the above facts and waived his right to a hearing. See attached Summary Proceeding Order and Settlement Agreement.

### **2018-8002 Bally Gaming Inc.**

On February 23, 2017, Bally Gaming Inc. shipped a WMS Monopoly Wheel Luxury Diamonds EGM to Kansas Crossing Casino with unapproved inserts, which are the external displays that show jackpot amounts, winning reel combinations, and game instructions. After the EGM arrived, Bally Gaming Inc.'s technicians correctly configured the EGM software to award a \$10,000.00 top jackpot amount but installed unapproved inserts which prominently showed "JACKPOT PAYS \$50,000." Bally Gaming Inc.'s technicians also shipped and installed other unapproved and inaccurate inserts on the EGM. On November 10, 2017, a patron hit the winning combination for the top jackpot but was told he would only receive \$10,000.00. The

patron disputed the jackpot amount and filed a complaint. After an investigation, the KRGC's Executive Director issued a letter to Kansas Crossing Casino which concluded that the patron was entitled to the full \$50,000.00 jackpot. Kansas Crossing Casino awarded the patron the full \$50,000.00 jackpot amount. Because Bally Gaming Inc. both shipped and installed the unapproved inserts on the EGM, Bally Gaming Inc. was ordered to pay a \$20,000 fine. Bally Gaming Inc. has stipulated to the above facts and waived the right to a hearing. See attached Summary Proceeding Order and Hearing Waiver.

**COMMISSION ACTION REQUIRED/REQUESTED:** Approve the Settlement Agreement entered into by Ryan Rhinehart in KRGC Case No. 2018-2002. Accept the Hearing Waiver filed by Bally Gaming Inc. and uphold the DRB's Summary Proceeding Order issued in KRGC Case No. 2018-8002.

**STAFF RECOMMENDATIONS:** Staff recommends the Commission approve the Settlement Agreement entered into by Ryan Rhinehart in KRGC Case No. 2018-2002. Staff recommends the Commission accept the Hearing Waiver filed by Bally Gaming Inc. and uphold the DRB's findings of fact, conclusions of law, and sanction issued in KRGC Case No. 2018-8002.

**STATE OF KANSAS  
KANSAS RACING AND GAMING COMMISSION  
700 SW HARRISON, SUITE 500  
TOPEKA, KS 66603**

**IN THE MATTER OF**

**KRGC Case No. 2018-2002**

**Ryan William Rhinehart, Respondent.**

**SUMMARY PROCEEDING ORDER AND  
NOTICE OF HEARING AND RIGHT TO WAIVE**

The Kansas Racing and Gaming Commission (KRGC), through its Disciplinary Review Board (DRB), hereby gives notice that Ryan William Rhinehart (Respondent), a security supervisor, has violated KRGC regulations K.A.R. 112-100-2(d), K.A.R. 112-100-3(b), K.A.R. 112-100-4, 112-105-1(a), K.A.R. 112-105-5(a), (b), & (c), K.A.R. 112-113-1(a)(5); Kansas Star Casino Internal Controls Security Sect. 2 pg. 1, Security Sect. 5 pg. 1; and the Kansas Star Casino Security Supervisor Job Description Sect. 2 pg. 12 by failing to report and document a suspected theft and by failing to cooperate with a KRGC investigation:

**FINDINGS OF FACT**

1. On July 6, 2012, the Respondent received a temporary occupation permit for a position as a security officer from the KRGC. On April 1, 2013, Respondent was promoted to security supervisor. Respondent received a permanent level II gaming license on August 16, 2013, which is currently in active status.

**Failure to Report and Document Suspected Theft**

2. K.A.R. 112-100-2(d) requires that “[e]ach licensee . . . shall report any suspected illegal activity or regulatory violations that impact Kansas to the commission security staff within 24 hours of becoming aware of the matter.”
3. K.A.R. 112-105-1(a) requires that “[t]he . . . security department shall do the

following: . . .

- (7) record any unusual occurrences, including suspected illegal activity; . . .
- (9) report security violations or suspected illegal activity to the commission security staff within 24 hours;
- (10) report to the commission's security staff, within 24 hours, any facts that the facility manager has reasonable grounds to believe indicate a violation of law, violation of the facility manager's minimum internal control standards, or violation of regulations. . . .”

4. K.A.R. 112-105-5(a) requires that “. . . a report is prepared regarding each incident observed by or reported to a security department employee that the employee suspects involves any one of the following:

- (1) Criminal conduct; . . . [and]
- (5) violation of any of the commission's regulations. . . .”

5. Pursuant to K.A.R. 112-100-2(d), K.A.R. 112-105-1, and K.A.R. 112-105-5, Kansas Star Casino implemented Kansas Star Casino Internal Controls Security Sect. 2 pg. 1, which states: “[t]he [Security] department will record all unusual occurrences within the casino for which the assignment of a Security department employee is made. Each incident will be recorded on an Incident Report and included in a permanent log book inserting incident number, the date and time, nature of incident, the person(s) involved in the incident and the Security department employee assigned. If the occurrence is a violation of the law, the KRGC agent on duty will be notified of the violation. If the occurrence is a violation of Commission rules and regulations, the Commission will be notified.”

6. K.A.R. 112-113-1(a) states that “any licensee may be sanctioned for . . . (5) failing to follow . . . the facility manager’s minimum internal control system. . . .”
7. K.A.R. 112-105-5(b) requires that “[e]ach report shall include the following, at a minimum:
  - (1) The name of the person preparing the report;
  - (2) the date and time of the incident;
  - (3) the names of the security personnel present;
  - (4) the nature of the incident;
  - (5) the names of the persons involved, if available;
  - (6) the names of any witnesses, if available; and
  - (7) the security department’s action.”
8. Pursuant to K.A.R. 112-105-5, Kansas Star Casino implemented Kansas Star Casino Internal Controls Security Sect. 5 pg. 1 which states: “[a] Security Incident Report will contain the following information:
  1. Incident report number.
  2. Date of report.
  3. Location of incident.
  4. Date and time of the incident.
  5. Type of incident.
  6. Names and addresses of witnesses and subjects involved in the incident.
  7. Detailed narrative of the incident.
  8. Identification of any video covering the incident.
  9. Required signatures.”

9. KRGC regulation K.A.R. 112-105-5(c) further requires that: “[e]ach security department report shall be provided to commission security employees within 24 hours of the incident reported.”
10. The Kansas Star Casino Security Supervisor Job Description Sect. 2 pg. 12, as part of Kansas Star Casino’s internal controls, states under “2. Essential duties and responsibilities[:] . . .
  - s. Ensure that all procedures are followed as outlined in the Internal Controls and KRGC regulations. . . .
  - y. Review Security reports and forward to appropriate locations.
  - z. . . . [T]ake appropriate disciplinary action, investigate complaints, investigate violations of Kansas Star Casino policy and procedures and write detailed reports. . . .
  - hh. Comply with all Internal Controls, Kansas Star Casino and departmental policies and procedures, safety regulations and KRGC regulations. . . .”
11. On June 11, 2017, Respondent was on duty as a security supervisor at Kansas Star Casino.
12. At approximately 1:30 a.m., a table games dealer, Catherine Solf, called a security officer to report that her wedding ring was missing and she thought she had left it in the employee bathroom. The casino’s employee bathroom is not accessible from the gaming floor and is not accessible to the public.
13. A security officer and table games dealer searched the bathroom but did not find the ring. Surveillance footage showed that Ms. Solf had her ring on before she went to the restroom and did not have her ring on when she returned to her table.

14. Ms. Solf asked the security officer how to file a theft report for her ring. The security officer informed Ms. Solf that she needed to come to the casino in person and file the report with a security supervisor.
15. At approximately 12:00 p.m. that same day, Ms. Solf met with Respondent to file the theft report. Respondent told Ms. Solf that the casino's security department could write a theft report but advised she should also file a theft report with the Mulvane Police Department.
16. Respondent took a photo of a picture of Ms. Solf's ring that Ms. Solf showed him.
17. Respondent did not report the theft of Ms. Solf's ring to the KRGC.
18. Respondent did not create a security incident report documenting the theft of Ms. Solf's ring. The Kansas Star Casino security department does not have a security incident report documenting this incident.
19. On June 13, 2017, Ms. Solf filed a theft report with the Mulvane Police Department. At approximately 8:00 p.m. that day, a Mulvane police officer called the KRGC office at Kansas Star Casino to ask about the theft. Until the Mulvane police officer called, KRGC agents were unaware that a theft had occurred in the casino's employee bathroom.

**Failure to Cooperate with KRGC Investigation**

20. K.A.R. 112-100-3(b) requires that "[e]ach person that is subject to investigation shall have a duty to cooperate with the commission during any investigation and to provide the information that the commission requests."
21. K.A.R. 112-100-4 requires that "[e]ach . . . licensee shall be responsible for knowing and complying with the applicable provisions of the [Kansas expanded

lottery] act, these regulations, and each amendment to the law or regulations. . . .”

22. Once KRGC agents were informed that Ms. Solf’s ring was stolen, a KRGC agent requested written statements from all of the security department employees, including the Respondent, who were involved in investigating the theft. The two other security department employees involved in the incident provided a written statement to the KRGC agent within a day of his request.
23. Respondent did not provide a written statement until approximately two weeks after the KRGC agent’s initial request. In that two week period, the KRGC agent had attempted to follow up with the Respondent regarding his statement on at least three occasions.
24. In Respondent’s written statement, Respondent described the incident as a theft and stated that he had suggested to Ms. Solf that she file a police report regarding the theft of her ring.

#### **CONCLUSIONS OF LAW**

25. Respondent violated K.A.R. 112-100-2(d), K.A.R. 112-105-1(a)(7), (9), & (10), and Kansas Star Casino Internal Controls Security Sect. 2 pg. 1 when Respondent failed to report the theft of Ms. Solf’s ring to the KRGC within 24 hours of becoming aware of the matter. The theft of Ms. Solf’s ring qualified as both suspected illegal activity and potential regulatory violations because the theft was likely committed by a casino employee due to members of the public not having access to that restroom. Thus, Respondent had a duty to report this theft and failed to do so.
26. Respondent violated K.A.R. 112-105-1(a)(7), K.A.R. 112-105-5(a)(1) & (5),

Kansas Star Casino Internal Controls Security Sect. 2 pg. 1, and Kansas Star Casino Security Supervisor Job Description Sect. 2 pg. 12, when Respondent failed to document or ensure that another security department employee had documented the theft of Ms. Solf's ring in a security incident report. Because no security incident report was ever created, Respondent further failed to document the specific information about the incident that is required by K.A.R. 112-105-5(b) and Kansas Star Casino Internal Controls Security Sect. 5 pg. 1.

27. Respondent violated K.A.R. 112-105-5(c) when Respondent failed to create and send a security incident report to the KRGC within 24 hours of the incident being reported. This regulatory requirement exists so that all incidents are contemporaneously documented and reported. The reliability of witness memory and ability to gather evidence degrades over time, thus security department employees are required to record information and alert KRGC agents within 24 hours of becoming aware of an incident. When Respondent failed to notify KRGC agents and submit a security incident report to the KRGC within 24 hours of becoming aware of the theft, Respondent impeded KRGC law enforcement agents' ability to immediately conduct an investigation into a probable casino employee theft. Thus, in addition to violating KRGC regulations and Kansas Star Casino internal controls, Respondent's actions endangered the security of the gaming facility.
28. Respondent violated K.A.R. 112-100-3(b) when Respondent failed to cooperate during this investigation by failing to provide a written statement after the KRGC agent requested one from him. The KRGC agent had to repeat his request for

Respondent's written statement on three occasions before the Respondent complied. The two other security department employees who were involved in this incident submitted their written statements within a day of the KRGC agent's request. In contrast, Respondent did not submit his written statement until almost two weeks after the agent requested it and two full weeks after the theft occurred. A contemporaneous description of an incident enables the witness to recall details more thoroughly and accurately. Respondent's ability to clearly recall details of the incident a full two weeks after it occurred was likely diminished. Pursuant to K.A.R. 112-100-3(b), Respondent had a duty to cooperate and provide information to the KRGC when it was requested. By failing to provide his written statement after it was initially requested, Respondent failed to cooperate with the KRGC's investigation in violation of K.A.R. 112-100-3(b).

#### **STATEMENT OF POLICY**

Under the Kansas Expanded Lottery Act, the Kansas Racing and Gaming Commission is required to oversee the enforcement of state laws, enforcement of internal controls, and the credentialing of employees at Kansas lottery gaming facilities. The Kansas Expanded Lottery Act directed the Kansas Racing and Gaming Commission to adopt rules and regulations to oversee all lottery gaming facility operations. Pursuant to this mandate, the Kansas Racing and Gaming Commission created regulations that subject a licensee to sanctions, including license suspension or revocation, when the licensee violates any provision of the Kansas Expanded Lottery Act, KRGC regulations, or a facility manager's internal controls.

By requiring licensees to adhere to the Kansas Expanded Lottery Act, KRGC

regulations, and the facility manager's internal controls, the Kansas Racing and Gaming Commission ensures the integrity of gaming in Kansas. KRGC regulations and internal controls regarding procedures for reporting to the KRGC and contemporaneously documenting suspected illegal activity and regulatory violations are integral to ensuring misconduct and illegal activity are not covered up and do not persist. Enforcement of these provisions is necessary to protect the public interest and the integrity of gaming in the state of Kansas.

### SANCTION

29. In accordance with K.A.R. 112-113-1(c), the DRB may consider certain factors in considering appropriate sanctions, including risk to the public and to the integrity of gaming operations created by the conduct of the licensee; the nature of the violation; culpability of the licensee; any justification or excuse for the conduct; the licensee's history with respect to compliance; and corrective action taken by the licensee. Moreover, K.A.R. 112-113-1(e) states "it shall be no absolute defense that the licensee . . . inadvertently, unintentionally, or unknowingly" committed a regulatory violation and "shall affect only the degree of the sanction to be imposed. . . ."
30. The DRB considers the following factors:
  - a. Respondent has a history of regulatory violations. In October 2014, the DRB found that Respondent committed regulatory violations by failing to investigate a missing key, failing to document that missing key in a security incident report, and failing to report the missing key to a KRGC agent. Respondent was ordered to certify that he reviewed the relevant

regulations, internal controls, and security plan provisions; to create a narrative describing his regulatory violations and how he will prevent future violations; and to pay a \$300.00 fine. Respondent entered into a payment arrangement with the KRGC and paid \$200.00 of the \$300.00 fine. Respondent did not submit the certification that he reviewed the relevant rules and regulations and did not submit the above-described narrative. In March 2016, Respondent's license was suspended for ten days before he paid the remainder of the fine and submitted the above-described certification and narrative.

- b. There is no justification or excuse for the conduct. Respondent has previously been sanctioned for failing to report an incident to the KRGC and for failing to document that incident in a security incident report. In addition to Respondent's general duty under K.A.R. 112-100-4 to know and comply with KRGC regulations, Respondent was directly and specifically notified of these regulatory requirements through the DRB's previous sanction.
- c. Respondent acknowledged that he knew this incident qualified as theft. Respondent knowingly chose not to report suspected criminal activity to the KRGC or to document it in an incident report. Respondent also knowingly chose to not cooperate with a KRGC's agent's investigation after the agent repeatedly requested the Respondent's written statement over a two week period.
- d. Respondent took no corrective action. As of the date of this order, the

Kansas Star Casino security department does not have a security incident report describing this incident.

- e. Respondent's actions endangered the security of the gaming facility when he failed to report or document this incident thereby preventing a contemporaneous investigation by KRGC law enforcement agents into a theft that was likely committed by a casino employee. A theft that was likely committed by a casino employee is of heightened concern to both the gaming facility and the state of Kansas. Respondent's violations prevented a more swift and effective investigation into potential employee theft.
- f. Respondent began his employment with Kansas Star Casino as a security officer in July 2012. Respondent has been employed as a security supervisor since April 2013, for over four years at the time of this incident.

- 31. Based on the above-described findings of fact, conclusions of law, statement of policy, and sanction factors the DRB orders the Respondent to serve a ten-day unpaid suspension. The ten-day suspension shall total 80 hours. The ten-day suspension may be served over different pay periods. The dates of the ten-day unpaid suspension shall be determined by the KRGC supervising enforcement agent for the gaming facility where Respondent is employed.
- 32. Respondent is entitled to a hearing on the above matter, which Respondent may waive by signing and returning the enclosed Hearing Waiver to the KRGC by mail, email, or fax. (See Notice of Hearing and Right to Waive below.)

33. If Respondent waives the right to a hearing, the ten-day unpaid suspension must be served within 30 days of this Order becoming final and effective. Once the suspension is served, Respondent must also send a timesheet showing the suspension occurred to the KRGC by mail, email, or fax to the address listed below within 30 days of this Order becoming final and effective.
34. If Respondent does not serve the ordered ten-day unpaid suspension or does not send a timesheet showing the suspension occurred within 30 days of this Order becoming final and effective, Respondent's license will be automatically indefinitely suspended at the end of the business day without further notification or action taken by the Commission until all terms of this Order are fulfilled and the Respondent's license is reinstated by the KRGC.
35. This Order shall become part of Respondent's permanent KRGC licensing file.

**ORDER**

In accordance with the above-described findings of fact, conclusions of law, statement of policy, and sanction factors,

IT IS HEREBY ORDERED that the Kansas Racing and Gaming Commission suspend Respondent's license for ten days.

**IT IS SO ORDERED,**

  
\_\_\_\_\_  
Joe Herridge, Director of Security  
Disciplinary Review Board

## **NOTICE OF HEARING AND RIGHT TO WAIVE**

Respondent is entitled to a hearing on the above matter. This right to a hearing may be waived at Respondent's option. (See instructions below for Waiving Right to a Hearing.)

### **Hearing - Presentation of Written Evidence:**

Unless Respondent waives the right to a hearing, this matter will be presented to the Commission on **Friday March 16, 2018 at 10:00 a.m.** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603. (Date and location subject to change.)

Written evidence will be presented along with brief oral arguments by the agency and Respondent. Surveillance video may also be presented. Neither party will present live witness testimony at this time. Respondent has the right to be represented by counsel at the Respondent's expense.

If Respondent does not appear at the hearing, a decision will be made on the evidence presented, and any decision will become final agency action. If Respondent has written evidence to present to the Commission, copies of all relevant written evidence must be sent (by mail, email, or fax) **no later than March 2, 2018** to the address below.

Following arguments, the Commission will consider the arguments and evidence presented, and if the Commission determines no further evidence is necessary for a finding, the Commission will issue its Order. The Commission can uphold, overturn, or amend the Disciplinary Review Board's Summary Order. If the Commission determines further evidence is necessary for a finding, the case will be continued to the next commission meeting to allow for a full evidentiary hearing. If the Commission issues an Order without a full evidentiary hearing, the Respondent has an automatic right to a full evidentiary hearing where witness testimony will be taken. The right to a full evidentiary hearing may be waived by Respondent prior to the scheduled hearing (see Waiving Right to a Hearing below).

### **Full Evidentiary Hearing – Presentation of Witness Testimony:**

The full evidentiary hearing with witnesses, if required, will be held at the regularly scheduled Commission meeting on **Friday April 13, 2018 at 10:00 a.m.** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603. (Date and location subject to change.)

At this hearing, Respondent has the right to produce additional evidence and witnesses on the Respondent's behalf, the right to cross-examine any witness who may testify against the Respondent, and the right to examine any evidence that may be produced against the Respondent. Respondent may request to appear by phone.

The Commission will issue a final Order either directly after deliberation or within 30 days of the hearing date. This Order will constitute final agency action and is subject to appeal under the Kansas Judicial Review Act. If Respondent does not appear at the hearing in person or

by phone, a decision will be made on the evidence presented, and any decision will become final agency action subject to appeal under the Kansas Judicial Review Act. The agency officer to receive service of any petition for judicial review on behalf of the Kansas Racing and Gaming Commission is Judith Taylor, General Counsel, at the address below. Any sanction imposed by the Order may be stayed pending appeal.

Respondent shall submit any additional exhibits and a witness list no later than March 30, 2018 to Judith Taylor, General Counsel, at the address below.

If a full evidentiary hearing is held, the hearing will be conducted in accordance with KRGC regulations. Regulations may be found at <http://www.krgc.ks.gov/index.php/racing-gaming-law/regulations/gaming-regulations/21-government/statute-regulations/30-article-114-rules-of-hearings>. (You may also request that a copy of the regulations be sent to you.)

**Appearing by Phone:**

Respondent is expected to appear in person for all hearings. Respondent *may* be allowed to appear by phone, at the Commission's discretion, upon written request (by mail, email, or fax) to the address below no later than five days prior to the hearing. If allowed to appear by phone, KRGC will *not* be responsible for sound quality issues that arise from Respondent's use of a cell phone, voice-over-internet (VOIP) connection, or other non-landline phone connection. Sound quality issues could affect the Commission's ability to understand Respondent's testimony, thus every effort to appear in person should be made.

**Waiving Right to a Hearing:**

Respondent may choose to waive the right to a hearing by signing and returning the enclosed Hearing Waiver (by fax, email, or mail) at the address below. If Respondent chooses to waive the right to a hearing, the above Order becomes final and effective on March 16, 2018 or on the day of waiver, whichever is later. The suspension must be served within 30 days of this Order becoming final.

Send all requests to appear by phone, hearing waivers, written exhibits, witness testimony lists, notices, and petitions for judicial review to:

Judith Taylor, General Counsel  
700 SW Harrison, Suite 500  
Topeka, KS 66603-3754  
(785) 296-0900 (fax)  
[judy.taylor@krgc.ks.gov](mailto:judy.taylor@krgc.ks.gov)

Nothing stated herein precludes Respondent from entering into informal settlement negotiations which could make a hearing unnecessary. To discuss your case, you may contact Michelle Neis, Enforcement Attorney, at 785-296-5800 or by email at [michelle.neis@krgc.ks.gov](mailto:michelle.neis@krgc.ks.gov).

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**CERTIFICATE OF SERVICE**

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I certify that on this 22<sup>nd</sup> day of January, 2018 (date of service), I served a copy of the above Summary Proceeding Order and Notice of Hearing and Right to Waive on the following by U.S. Mail, first class postage prepaid, addressed to:

Ryan William Rhinehart  
1031 E Redwood Rd  
Derby, KS 67037

  
\_\_\_\_\_  
Commission Representative

cc: KRGC Licensing File  
Disciplinary Review Board Members  
Harry Spencer, KRGC Supervisory Agent at Kansas Star Casino  
Rick Goldstein, Kansas Star Casino Interim General Manager  
Kansas Star Casino Human Resource Department

**STATE OF KANSAS  
KANSAS RACING AND GAMING COMMISSION  
700 SW HARRISON, SUITE 500  
TOPEKA, KS 66603**

**IN THE MATTER OF**

**KRGC Case No. 2018-2002**

**Ryan William Rhinehart, Respondent.**

**SETTLEMENT AGREEMENT**

A Summary Proceeding Order and Notice of Hearing and Right to Waive (Summary Order) was served on Respondent on January 22, 2018. Pursuant to K.A.R. 112-114-5, and through its Executive Director Don Brownlee, the Kansas Racing and Gaming Commission (KRGC) and Ryan William Rhinehart (Respondent) desire to resolve this matter in lieu of a formal administrative hearing. This Settlement Agreement is based upon the following Facts,

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Conclusions of Law, and Terms and Conditions:

**FINDINGS OF FACT**

1. On July 6, 2012, the Respondent received a temporary occupation permit for a position as a security officer from the KRGC. On April 1, 2013, Respondent was promoted to security supervisor. Respondent received a permanent level II gaming license on August 16, 2013, which is currently in active status.

**Failure to Report and Document Suspected Theft**

2. K.A.R. 112-100-2(d) requires that “[e]ach licensee . . . shall report any suspected illegal activity or regulatory violations that impact Kansas to the commission security staff within 24 hours of becoming aware of the matter.”
3. K.A.R. 112-105-1(a) requires that “[t]he . . . security department shall do the following: . . .

- (7) record any unusual occurrences, including suspected illegal activity; . . .
  - (9) report security violations or suspected illegal activity to the commission security staff within 24 hours;
  - (10) report to the commission's security staff, within 24 hours, any facts that the facility manager has reasonable grounds to believe indicate a violation of law, violation of the facility manager's minimum internal control standards, or violation of regulations. . . ."
4. K.A.R. 112-105-5(a) requires that ". . . a report is prepared regarding each incident observed by or reported to a security department employee that the employee suspects involves any one of the following:
- (1) Criminal conduct; . . . [and]
  - (5) violation of any of the commission's regulations. . . ."
5. Pursuant to K.A.R. 112-100-2(d), K.A.R. 112-105-1, and K.A.R. 112-105-5, Kansas Star Casino implemented Kansas Star Casino Internal Controls Security Sect. 2 pg. 1, which states: "[t]he [Security] department will record all unusual occurrences within the casino for which the assignment of a Security department employee is made. Each incident will be recorded on an Incident Report and included in a permanent log book inserting incident number, the date and time, nature of incident, the person(s) involved in the incident and the Security department employee assigned. If the occurrence is a violation of the law, the KRGC agent on duty will be notified of the violation. If the occurrence is a violation of Commission rules and regulations, the Commission will be notified."
6. K.A.R. 112-113-1(a) states that "any licensee may be sanctioned for . . . (5)

failing to follow . . . the facility manager’s minimum internal control system. . . .”

7. K.A.R. 112-105-5(b) requires that “[e]ach report shall include the following, at a minimum:

- (1) The name of the person preparing the report;
- (2) the date and time of the incident;
- (3) the names of the security personnel present;
- (4) the nature of the incident;
- (5) the names of the persons involved, if available;
- (6) the names of any witnesses, if available; and
- (7) the security department’s action.”

8. Pursuant to K.A.R. 112-105-5, Kansas Star Casino implemented Kansas Star

Casino Internal Controls Security Sect. 5 pg. 1 which states: “[a] Security Incident Report will contain the following information:

- 1. Incident report number.
- 2. Date of report.
- 3. Location of incident.
- 4. Date and time of the incident.
- 5. Type of incident.
- 6. Names and addresses of witnesses and subjects involved in the incident.
- 7. Detailed narrative of the incident.
- 8. Identification of any video covering the incident.
- 9. Required signatures.”

9. KRGC regulation K.A.R. 112-105-5(c) further requires that: “[e]ach security

department report shall be provided to commission security employees within 24 hours of the incident reported.”

10. The Kansas Star Casino Security Supervisor Job Description Sect. 2 pg. 12, as part of Kansas Star Casino’s internal controls, states under “2. Essential duties and responsibilities[:] . . .
  - s. Ensure that all procedures are followed as outlined in the Internal Controls and KRGC regulations. . . .
  - y. Review Security reports and forward to appropriate locations.
  - z. . . . [T]ake appropriate disciplinary action, investigate complaints, investigate violations of Kansas Star Casino policy and procedures and write detailed reports. . . .

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- hh. Comply with all Internal Controls, Kansas Star Casino and departmental policies and procedures, safety regulations and KRGC regulations. . . .”
11. On June 11, 2017, Respondent was on duty as a security supervisor at Kansas Star Casino.
12. At approximately 1:30 a.m., a table games dealer, Catherine Solf, called a security officer to report that her wedding ring was missing and she thought she had left it in the employee bathroom. The casino’s employee bathroom is not accessible from the gaming floor and is not accessible to the public.
13. A security officer and table games dealer searched the bathroom but did not find the ring. Surveillance footage showed that Ms. Solf had her ring on before she went to the restroom and did not have her ring on when she returned to her table.
14. Ms. Solf asked the security officer how to file a theft report for her ring. The

security officer informed Ms. Solf that she needed to come to the casino in person and file the report with a security supervisor.

15. At approximately 12:00 p.m. that same day, Ms. Solf met with Respondent to file the theft report. Respondent told Ms. Solf that the casino's security department could write a theft report but advised she should also file a theft report with the Mulvane Police Department.
  16. Respondent took a photo of a picture of Ms. Solf's ring that Ms. Solf showed him.
  17. Respondent did not report the theft of Ms. Solf's ring to the KRGC.
  18. Respondent did not create a security incident report documenting the theft of Ms. Solf's ring. The Kansas Star Casino security department does not have a security incident report documenting this incident.
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19. On June 13, 2017, Ms. Solf filed a theft report with the Mulvane Police Department. At approximately 8:00 p.m. that day, a Mulvane police officer called the KRGC office at Kansas Star Casino to ask about the theft. Until the Mulvane police officer called, KRGC agents were unaware that a theft had occurred in the casino's employee bathroom.

**Failure to Cooperate with KRGC Investigation**

20. K.A.R. 112-100-3(b) requires that "[e]ach person that is subject to investigation shall have a duty to cooperate with the commission during any investigation and to provide the information that the commission requests."
21. K.A.R. 112-100-4 requires that "[e]ach . . . licensee shall be responsible for knowing and complying with the applicable provisions of the [Kansas expanded lottery] act, these regulations, and each amendment to the law or regulations. . . ."

22. Once KRGC agents were informed that Ms. Solf's ring was stolen, a KRGC agent requested written statements from all of the security department employees, including the Respondent, who were involved in investigating the theft. The two other security department employees involved in the incident provided a written statement to the KRGC agent within a day of his request.
23. Respondent did not provide a written statement until approximately two weeks after the KRGC agent's initial request. In that two week period, the KRGC agent had attempted to follow up with the Respondent regarding his statement on at least three occasions.
24. In Respondent's written statement, Respondent described the incident as a theft and stated that he had suggested to Ms. Solf that she file a police report regarding the theft of her ring.
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#### CONCLUSIONS OF LAW

25. Respondent violated K.A.R. 112-100-2(d), K.A.R. 112-105-1(a)(7), (9), & (10), and Kansas Star Casino Internal Controls Security Sect. 2 pg. 1 when Respondent failed to report the theft of Ms. Solf's ring to the KRGC within 24 hours of becoming aware of the matter. The theft of Ms. Solf's ring qualified as both suspected illegal activity and potential regulatory violations because the theft was likely committed by a casino employee due to members of the public not having access to that restroom. Thus, Respondent had a duty to report this theft and failed to do so.
26. Respondent violated K.A.R. 112-105-1(a)(7), K.A.R. 112-105-5(a)(1) & (5), Kansas Star Casino Internal Controls Security Sect. 2 pg. 1, and Kansas Star

Casino Security Supervisor Job Description Sect. 2 pg. 12, when Respondent failed to document or ensure that another security department employee had documented the theft of Ms. Solf's ring in a security incident report. Because no security incident report was ever created, Respondent further failed to document the specific information about the incident that is required by K.A.R. 112-105-5(b) and Kansas Star Casino Internal Controls Security Sect. 5 pg. 1.

27. Respondent violated K.A.R. 112-105-5(c) when Respondent failed to create and send a security incident report to the KRGC within 24 hours of the incident being reported. This regulatory requirement exists so that all incidents are contemporaneously documented and reported. The reliability of witness memory and ability to gather evidence degrades over time, thus security department

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employees are required to record information and alert KRGC agents within 24 hours of becoming aware of an incident. When Respondent failed to notify KRGC agents and submit a security incident report to the KRGC within 24 hours of becoming aware of the theft, Respondent impeded KRGC law enforcement agents' ability to immediately conduct an investigation into a probable casino employee theft. Thus, in addition to violating KRGC regulations and Kansas Star Casino internal controls, Respondent's actions endangered the security of the gaming facility.

28. Respondent violated K.A.R. 112-100-3(b) when Respondent failed to cooperate during this investigation by failing to provide a written statement after the KRGC agent requested one from him. The KRGC agent had to repeat his request for Respondent's written statement on three occasions before the Respondent

complied. The two other security department employees who were involved in this incident submitted their written statements within a day of the KRGC agent's request. In contrast, Respondent did not submit his written statement until almost two weeks after the agent requested it and two full weeks after the theft occurred. A contemporaneous description of an incident enables the witness to recall details more thoroughly and accurately. Respondent's ability to clearly recall details of the incident a full two weeks after it occurred was likely diminished. Pursuant to K.A.R. 112-100-3(b), Respondent had a duty to cooperate and provide information to the KRGC when it was requested. By failing to provide his written statement after it was initially requested, Respondent failed to cooperate with the KRGC's investigation in violation of K.A.R. 112-100-3(b).

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#### **TERMS AND CONDITIONS**

29. Respondent stipulates to the Facts stated above.
30. Respondent stipulates to the Conclusions of Law stated above.
31. Respondent and the KRGC agree that this Settlement Agreement was reached to avoid the potential expense and inconvenience of a hearing related to the above.
32. Respondent agrees to pay a \$1,000.00 fine. Respondent agrees to make the following payments by the following dates:
  - a. March 8, 2018: \$200.00
  - b. March 22, 2018: \$200.00
  - c. April 5, 2018: \$200.00
  - d. April 19, 2018: \$200.00
  - e. May 3, 2018: \$200.00

- 33. Respondent's checks shall be made payable to the Kansas Racing and Gaming Commission and shall be sent to the following address:

Kansas Racing & Gaming Commission  
Attn: Judith Taylor, General Counsel  
700 SW Harrison, Suite 500  
Topeka, KS 66603

- 34. Respondent agrees that if Respondent fails to make any payment by the listed date and does not pay the \$1,000.00 fine in full, Respondent's license will be automatically indefinitely suspended at the end of the business day without further notification or action taken by the Commission until all terms of this Order are fulfilled and the Respondent's license is reinstated by the KRGC. Any unpaid amount shall be considered a debt and will be submitted to the State of Kansas

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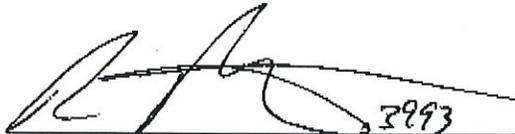
Setoff Program.

- 35. This Settlement Agreement extends only to the violations referenced here. If the KRGC later discovers facts that give rise to additional or separate violations that are not expressed in this matter, the KRGC may pursue any action for such violations even if the later violations are similar or related to an incident described here.
- 36. This Settlement Agreement constitutes the entire agreement between the parties. No other understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement.
- 37. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by the parties.
- 38. This Settlement Agreement is subject to approval by the Kansas Racing and

Gaming Commission.

- 39. This Settlement Agreement shall become part of Respondent's permanent KRGC licensing file.

This Settlement Agreement shall be effective upon signing of the parties:



Ryan William Rhinehart  
License No. 2003993

2-28-2018  
Date



Don Brownlee, Executive Director  
Kansas Racing and Gaming Commission

3-5-18  
Date

**STATE OF KANSAS  
KANSAS RACING AND GAMING COMMISSION  
700 SW HARRISON, SUITE 500  
TOPEKA, KS 66603**

**IN THE MATTER OF**

**KRGC Case No. 2018-8002**

**Bally Gaming Inc., Respondent.**

**SUMMARY PROCEEDING ORDER AND  
NOTICE OF HEARING AND RIGHT TO WAIVE**

The Kansas Racing and Gaming Commission (KRGC), through its Disciplinary Review Board (DRB), hereby gives notice that Bally Gaming Inc. (Respondent), a gaming supplier, has violated KRGC regulations K.A.R. 112-100-4, K.A.R. 112-102-8(b)(3), K.A.R. 112-107-2(a), 112-107-3(h), 112-107-5(a), and K.A.R. 112-110-1 by shipping and installing unapproved inserts on an electronic gaming machine (EGM) at Kansas Crossing Casino which displayed inaccurate and misleading information, including the jackpot amount:

**FINDINGS OF FACT**

1. On June 25, 2009, Respondent received a temporary supplier permit from the KRGC. On July 16, 2012, Respondent received its permanent gaming supplier certification, which is currently in active status.
2. On February 23, 2017, Respondent shipped a WMS Monopoly Wheel Luxury Diamonds EGM to Kansas Crossing Casino which arrived on March 1, 2017. After this EGM arrived at Kansas Crossing Casino, the Respondent's technicians configured the EGM software and installed all of the EGM inserts, which are the external displays that show jackpot amounts, winning reel combinations, and game instructions.
3. The WMS Monopoly Wheel Luxury Diamonds EGM was approved and

configured to have a \$1.00 wager denomination, a max bet of \$5.00, and a \$10,000.00 top jackpot for the combination of three lined up Triple Monopoly Wild symbols.

4. On the front of the EGM, one insert showed three Triple Monopoly Wild symbols directly above the larger words "PAYS JACKPOT." On the top of the machine directly above the three symbols, in a larger font, a separate insert showed "JACKPOT PAYS \$50,000." The "\$50,000" was the largest and most prominently displayed word on the front of the EGM.
5. Lower on the EGM in a smaller font, three Triple Monopoly Wild symbols were shown directly next to the number "10000." The insert did not state whether the "10000" was to be awarded in credits or currency and did not otherwise display symbols to indicate the award unit.
6. Respondent never received approval from the KRGC to ship or install the "JACKPOT PAYS \$50,000" insert. Respondent did receive approval from the KRGC for an insert that that was *not* installed which showed "JACKPOT PAYS 10,000 CREDITS."
7. In another area on the front of the EGM, Respondent installed a notice that stated: "Multi-denomination link – The amount wagered times the odds of winning the jackpot are equivalent for all denominations. The Top Progressive Jackpot is paid in 20 annual equal installments or the winner may elect to receive a discounted lump sum payment. Payments will be initiated only after Jackpot verification."
8. Respondent never received approval from the KRGC to ship or install this notice. This unapproved notice was inaccurate for the following reasons:

- a. The EGM was not approved or configured to allow multi-denomination wagers. The EGM was approved and configured to only accept \$1.00 denomination wagers.
  - b. The EGM's approved top jackpot award was a fixed \$10,000.00, *not* a progressive jackpot in which the payout increased as patrons placed wagers.
  - c. The EGM was not approved to award an annuity jackpot nor was it approved for patrons to be awarded a "discounted lump sum payment" if they elected to not receive annuity payments.
  - d. The words "multi-denomination link" imply that the EGM was a linked or wide area progressive, meaning the jackpot was linked to other progressive EGMs, all of which would be contributing to a larger pooled jackpot. The WMS Monopoly Wheel Luxury Diamonds EGM was only approved and configured to be a stand-alone progressive EGM.
9. On November 10, 2017, at approximately 3:46 p.m., a patron, Hai Do, wagered the maximum bet of \$5.00 and hit the winning combination of three Triple Monopoly Wild symbols. The payout screen displayed that Mr. Do had won 10,000 credits and that one credit equaled \$1.00.
  10. Mr. Do disputed the \$10,000.00 jackpot amount and argued that the top of the EGM showed that three Triple Monopoly Wild symbols resulted in a \$50,000 jackpot. Mr. Do did not accept the \$10,000.00 and it was put into safekeeping by the casino.
  11. On December 6, 2017, the KRGC's Executive Director issued a letter to Kansas

Crossing Casino which was copied to the Respondent and Mr. Do, stating that the KRGC had conducted an investigation and concluded that the EGM inserts were conflicting and inaccurate, that a reasonable player would have believed he was entitled to the advertised \$50,000.00 top jackpot award, and that Kansas Crossing Casino was responsible for ensuring Mr. Do received the full jackpot amount.

12. On December 8, 2017, Mr. Do claimed the \$50,000.00 jackpot at Kansas Crossing Casino.
13. After the KRGC concluded that Kansas Crossing Casino was obligated to pay Mr. Do the full \$50,000.00 jackpot, Respondent gave Kansas Crossing Casino a \$40,000.00 credit toward Kansas Crossing Casino's future purchases of Respondent's products or services.
14. K.A.R. 112-100-4 states: "[e]ach . . . certificate holder . . . shall be responsible for knowing and complying with the applicable provisions of the [Kansas expanded lottery] act [KELA], these regulations, and each amendment to the law or regulations relating to the certificate. . . ."
15. K.A.R. 112-102-8(b) states: ". . . a certificate holder may be sanctioned by the commission under K.A.R. 112-113-1 if the certificate holder . . . (3) has violated any provision of [KELA] or any regulation adopted under [KELA]. . . ."
16. K.A.R. 112-113-1(a) states: "[a]ny . . . certificate holder . . . may be sanctioned for violating any provision of [KELA], [KRGC] regulations, or any other law that directly or indirectly affects the integrity of gaming in Kansas. . . ."
17. K.A.R. 112-107-2(a) states: "[e]ach EGM prototype and the associated equipment operated in this state shall be approved in accordance with [KELA], this article,

and article 110.”

18. K.A.R. 112-107-3(h) states: “[w]hen . . . a gaming supplier seeks commission approval of an LFG [lottery facility game], equipment, device, or software, or any modification . . . the . . . supplier shall submit the following to the independent testing laboratory: . . .
  - (1) A prototype of the equipment, device, or software accompanied by a written request for testing and approval. . . .
  - (4) a complete and accurate description of the equipment, device, or software, accompanied by related diagrams, schematics, and specifications, together with documentation with regard to the manner in which the product was tested before its submission to the commission;
  - (6) for an LFG prototype, the following additional information, which shall be provided to the commission: . . .
    - (C) a copy of all graphical images displayed on the LFG, including reel strips, rules, instructions, and pay tables. . . .”
19. K.A.R. 112-107-5(a) states: “[t]he transportation of any LFG into . . . this state shall be approved in advance by the executive director. The person causing the LFG to be transported or moved shall notify the executive director of the proposed importation . . . at least 15 days before the LFG is moved. . . .”
20. K.A.R. 112-110-1 states: “[t]he following texts by gaming laboratories international (GLI) are hereby adopted by reference: (a) ‘GLI-11: gaming devices in casinos,’ version 2.0, dated April 20, 2007. . . .”
21. GLI-11 Version 2.0 § 4.2.1(a) states: “[p]ayglances or video displays shall be

clearly identified and shall accurately state the rules of the game and the award that will be paid to the player when the player obtains a specific win. The payglasses or video displays shall clearly indicate whether awards are designated in credits, currency, or some other unit. . . . Payglasses or video displays shall not be certified if the information is inaccurate or may cause confusion. The ‘reasonable player’ standard shall be used for evaluation. . . .

22. GLI-11 Version 2.0 § 4.2.2 states: “[a] gaming device shall display, or shall have displayed on the glass; the following information to the player at all times the machine is available for player input: . . .

(h) All possible winning outcomes, or be available as a menu item or on the help menu;

(i) Win amounts for each possible winning outcome, or be available as a menu or help screen item; . . .

(l) The denomination being played shall be clearly displayed. . . .”

#### **CONCLUSIONS OF LAW**

23. Pursuant to K.A.R. 112-100-4, Respondent (as a gaming supplier certificate holder) has the duty to know and comply with all applicable provisions of the Kansas Expanded Lottery Act and KRGC regulations.

24. K.A.R. 112-102-8(b) and K.A.R. 112-113-1(a) provide that the Respondent (as a gaming supplier certificate holder) and its employees (as licensees) can be sanctioned for violating any applicable provision of the Kansas Expanded Lottery Act or KRGC regulations. KRGC regulations set forth specific requirements the Respondent must abide by to guarantee the integrity of all LFGs, including

EGMs, operating within the state of Kansas.

25. K.A.R. 112-107-2(a) requires that EGMs and their associated equipment be approved by the KRGC to operate in the state of Kansas. K.A.R. 112-107-3(h) lists what Respondent must submit to the independent testing laboratory when Respondent seeks KRGC approval for an LFG. This includes submitting a prototype of the equipment, a complete and accurate description of the equipment, and a copy of all graphical images displayed on the LFG. K.A.R. 112-107-3(h). K.A.R. 112-110-1 adopted by reference GLI standard 11, version 2.0, which further details the specific technical requirements that EGMs must fulfill to receive KRGC approval. K.A.R. 112-107-5(a) requires that Respondent notify and receive advance approval from the KRGC before shipping an LFG into Kansas. All of these regulatory requirements exist so that the KRGC can verify that only EGMs which have proven to operate fairly and accurately are played by the public in Kansas. When Respondent fails to fulfill these requirements, deficient EGMs can be placed into play directly impacting members of the public and compromising the integrity of gaming in Kansas.
26. Respondent violated K.A.R. 112-107-2(a) when Respondent installed unapproved inserts on a WMS Monopoly Wheel Luxury Diamonds EGM that was operated at Kansas Crossing Casino. Because the EGM's inserts were associated equipment, Respondent had a duty to receive KRGC approval before installing them and Respondent failed to do so in violation of K.A.R. 112-107-2(a).
27. Respondent violated K.A.R. 112-107-3(h) when Respondent failed to submit the inserts that Respondent installed to the independent testing laboratory for

analysis. Respondent failed to submit a prototype of the inserts, a complete and accurate description of the inserts, and a copy of the graphical images that were shown on the EGM. Instead, Respondent had submitted and received approval for different inserts that correctly displayed that the top jackpot amount equaled \$10,000.00. Had Respondent shipped and installed the inserts that had been examined by the independent testing laboratory and approved by the KRGC, this incident would not have occurred.

28. Respondent violated K.A.R. 112-110-1 and GLI-11 Version 2.0 § 4.2.1(a) when Respondent installed an insert on an EGM that inaccurately stated the award that would be paid to the player when the player obtained a specific win. By installing an insert that showed “JACKPOT PAYS \$50,000” when the EGM was approved and configured to only award \$10,000.00, Respondent caused the EGM’s payglass to be inaccurate and caused patrons to be reasonably confused in violation of GLI-11 Version 2.0 § 4.2.1(a).
29. Respondent further violated GLI-11 Version 2.0 § 4.2.1(a) when Respondent’s insert showed the winning combination next to the number 10,000 without clearly designating whether the jackpot would be awarded in credits or currency. Because Respondent failed to ensure that the insert clearly designated the award unit, it was reasonable for a player to surmise that wagering the max bet of \$5.00 multiplied by 10,000 would result in a \$50,000 jackpot.
30. Respondent violated K.A.R. 112-110-1 and GLI-11 Version 2.0 § 4.2.2(h) & (i) when Respondent installed inserts that showed different win amounts for the same winning combination. On one insert three Triple Monopoly Wild symbols

indicated the player would win \$50,000.00 and on another insert three Triple Monopoly Wild symbols depicted the player would win “10,000.” Because the actual winning outcome was not accurately depicted on the EGM, Respondent failed to display the correct winning outcomes and amounts as required by GLI-11 Version 2.0 § 4.2.2(h) & (i).

31. Respondent violated GLI-11 Version 2.0 § 4.2.2(l) when Respondent placed an unapproved notice on the EGM that described the EGM as a “multi-denomination link” EGM. Because the WMS Monopoly Wheel Luxury Diamonds EGM was only approved and configured to accept \$1.00 denomination wagers, a notice describing the EGM as accepting multiple denomination wagers was unclear and violated GLI-11 Version 2.0 § 4.2.2(l).
32. Respondent violated K.A.R. 112-107-5 when Respondent shipped the WMS Monopoly Wheel Luxury Diamonds EGM into Kansas with unapproved inserts that showed inaccurate and misleading information. The WMS Monopoly Wheel Luxury Diamonds EGM with the properly submitted and examined inserts was approved for shipment by the KRGC. Respondent did not receive KRGC approval to ship the WMS Monopoly Wheel Luxury Diamonds EGM with unexamined and inaccurate inserts. Thus, Respondent violated K.A.R. 112-107-5(a).

#### **STATEMENT OF POLICY**

Under the Kansas Expanded Lottery Act, the Kansas Racing and Gaming Commission is required to oversee the enforcement of state laws and the enforcement of all requirements for LFGs, including EGMs. Pursuant to this mandate, the Kansas Racing and Gaming Commission’s regulations adopted by reference technical standards created by GLI to ensure that EGMs that are

shipped to and configured in Kansas operate fairly and as intended. To enforce these requirements, the Kansas Racing and Gaming Commission promulgated regulations that subject a gaming supplier to sanctions when the gaming supplier or its employees violate any provision of KELA or KRGC regulations.

By requiring gaming suppliers to adhere to KRGC regulations, the Kansas Racing and Gaming Commission ensures the integrity of gaming in Kansas. Regulations regarding EGMs are integral to ensuring all EGMs operating at lottery gaming facilities are compliant with basic fairness and quality control standards. When a gaming supplier ships and installs unapproved EGM inserts, patrons playing those EGMs can be directly harmed by misleading displays and gaming facilities' reputations can suffer. Enforcement of these provisions is necessary to protect the public interest and integrity of gaming in the state of Kansas.

#### **SANCTION**

33. In accordance with K.A.R. 112-113-1(c), the DRB may consider certain factors in considering appropriate sanctions, including risk to the public and to the integrity of gaming operations created by the conduct of the certificate holder; the nature of the violation; culpability of the certificate holder; any justification or excuse for the conduct; the certificate holder's history with respect to compliance; and any corrective action taken. Moreover, K.A.R. 112-113-1(e) states "it shall be no absolute defense that the licensee [or] certificate holder . . . inadvertently, unintentionally, or unknowingly" committed a regulatory violation and "shall affect only the degree of the sanction to be imposed. . . ."
34. The DRB considers the following factors:
  - a. Respondent had been certified as a gaming supplier for approximately

eight years at the time of these violations.

- b. Respondent compromised the integrity of gaming in Kansas. Because Respondent shipped and installed an unapproved insert, the jackpot display was inaccurate and misleading. Inaccurate and misleading jackpot displays cast doubt upon the gaming facility's fairness and honesty thereby compromising the integrity of gaming in Kansas.
- c. Respondent's violations negatively impacted a member of the public. The patron who hit the winning combination on the EGM reasonably believed he was entitled to the advertised \$50,000.00 jackpot but was initially told he had only won \$10,000.00. The patron had to file a dispute with the KRGC to be paid the advertised \$50,000.00 jackpot amount which he did not receive until almost a full month after he hit the winning combination.
- d. Respondent's violations negatively impacted Kansas Crossing Casino. Because Respondent installed an unapproved insert, Kansas Crossing Casino paid out \$40,000.00 more than the intended \$10,000.00 jackpot that the EGM was configured to pay. Respondent further negatively impacted Kansas Crossing Casino's reputation by creating the perception that the casino was displaying and advertising a much larger jackpot amount than the casino actually intended to pay.
- e. There is no justification or excuse for the conduct. If Respondent had not shipped the unapproved insert, the incident would not have occurred. If at Kansas Crossing Casino, Respondent's employees had performed a basic inspection after installing the inserts and configuring the EGM, they

would have discovered the discrepancy between the EGM's configuration and incorrect jackpot insert thereby preventing this incident from occurring.

- f. Respondent is directly culpable for this incident. Respondent shipped the unapproved inserts, installed those unapproved inserts on the EGM, and configured the EGM but failed to notice the conflicting jackpot information. Had Respondent shipped and installed the approved inserts as required by KRGC regulations, this incident would not have occurred.
  - g. Respondent took some corrective action. After the KRGC's Executive Director issued a letter to Kansas Crossing Casino stating that the KRGC had concluded that the patron was entitled to the advertised \$50,000.00 jackpot, the patron was paid in full by Kansas Crossing Casino and Respondent provided a \$40,000.00 credit toward Kansas Crossing Casino's future purchases of Respondent's products or services.
  - h. Respondent has previously committed regulatory violations in Kansas. In KRGC Case No. 2014-9001, Respondent shipped unapproved software for fourteen EGMs to Kansas Star Casino and paid a \$5,000.00 fine plus \$3,927.00 in restitution to the state for lost revenue.
35. Based on the above-described findings of fact, conclusions of law, statement of policy, and sanction factors the DRB orders the Respondent to pay a \$20,000.00 fine.
36. Payment shall be sent to the following address:

Kansas Racing and Gaming Commission  
Attn: Judith Taylor, General Counsel  
700 SW Harrison, Suite 500  
Topeka, KS 66603-3754

37. Respondent is entitled to a hearing on the above matter, which Respondent may waive by signing and returning the enclosed Hearing Waiver to the KRGC by mail, email, or fax. (See Notice of Hearing and Right to Waive below.)
38. If Respondent waives the right to a hearing, the \$20,000.00 fine must be paid within 30 days of this Order becoming final and effective.
39. If Respondent does not pay the ordered fine within 30 days of this Order becoming final and effective, Respondent's certificate will be automatically indefinitely suspended at the end of the business day without further notification or action taken by the Commission until all terms of this Order are fulfilled and the Respondent's certificate is reinstated by the KRGC.
40. This Order shall become part of the Respondent's permanent KRGC licensing file.

**ORDER**

In accordance with the above-described findings of fact, conclusions of law, statement of policy, and sanction factors,

IT IS HEREBY ORDERED that the Kansas Racing and Gaming Commission issue a fine of \$20,000.00 to the Respondent.

**IT IS SO ORDERED,**

  
Joe Herridge, Director of Security  
Disciplinary Review Board

## NOTICE OF HEARING AND RIGHT TO WAIVE

Respondent is entitled to a hearing on the above matter. This right to a hearing may be waived at Respondent's option. (See instructions below for Waiving Right to a Hearing.)

### Hearing - Presentation of Written Evidence:

Unless Respondent waives the right to a hearing, this matter will be presented to the Commission on **Friday April 13, 2018 at 10:00 a.m.** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603. (Date and location subject to change.)

Written evidence will be presented along with brief oral arguments by the agency and Respondent. Surveillance video may also be presented. Neither party will present live witness testimony at this time. Respondent is not required to be represented by counsel at this hearing, but may choose to do so at the Respondent's expense.

If Respondent does not appear at the hearing, a decision will be made on the evidence presented, and any decision will become final agency action. If Respondent has written evidence to present to the Commission, copies of all relevant written evidence must be sent (by mail, email, or fax) no later than March 30, 2018 to the address below.

Following arguments, the Commission will consider the arguments and evidence presented, and if the Commission determines no further evidence is necessary for a finding, the Commission will issue its Order. The Commission can uphold, overturn, or amend the Disciplinary Review Board's Summary Order. If the Commission determines further evidence is necessary for a finding, the case will be continued to the next commission meeting to allow for a full evidentiary hearing. If the Commission issues an Order without a full evidentiary hearing, the Respondent has an automatic right to a full evidentiary hearing where witness testimony will be taken. The right to a full evidentiary hearing may be waived by Respondent prior to the scheduled hearing (see Waiving Right to a Hearing below).

### Full Evidentiary Hearing – Presentation of Witness Testimony:

The full evidentiary hearing with witnesses, if required, will be held at the regularly scheduled Commission meeting on **Friday May 11, 2018 at 10:00 a.m.** at the Eisenhower State Office Building, 700 SW Harrison, Suite 410, Topeka, KS 66603. (Date and location subject to change).

At this hearing, Respondent has the right to produce additional evidence and witnesses on the Respondent's behalf, the right to cross-examine any witness who may testify against the Respondent, and the right to examine any evidence that may be produced against the Respondent.

The Commission will issue a final Order either directly after deliberation or within 30 days of the hearing date. This Order will constitute final agency action and is subject to appeal under the Kansas Judicial Review Act. If Respondent does not appear at the hearing in person or

by phone, a decision will be made on the evidence presented, and any decision will become final agency action subject to appeal under the Kansas Judicial Review Act. The agency officer to receive service of any petition for judicial review on behalf of the Kansas Racing and Gaming Commission is Judith Taylor, General Counsel, at the address below. Any sanction imposed by the Order may be stayed pending appeal.

Respondent shall submit any additional exhibits and a witness list no later than April 27, 2018 to Judith Taylor, General Counsel, at the address below.

If a full evidentiary hearing is held, the hearing will be conducted in accordance with KRGC regulations. Regulations may be found at <http://www.krgc.ks.gov/index.php/racing-gaming-law/regulations/gaming-regulations/21-government/statute-regulations/30-article-114-rules-of-hearings>. (Respondent may also request that a copy of the regulations be sent.)

**Waiving Right to a Hearing:**

Respondent may waive the right to either hearing by a representative signing and returning the enclosed Hearing Waiver (by fax, mail, or email) to the address below. If Respondent waives the right to a hearing, the above Order becomes final and effective on April 13, 2018, or on the day of waiver, whichever is later. The fine must be paid within 30 days of this Order becoming final.

Send all hearing waivers, written exhibits, witness testimony lists, notices, and petitions for judicial review to:

Judith Taylor  
General Counsel  
700 SW Harrison, Suite 500  
Topeka, KS 66603-3754  
(785) 296-0900 (fax)  
[judy.taylor@krgc.ks.gov](mailto:judy.taylor@krgc.ks.gov)

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**CERTIFICATE OF SERVICE**

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I certify that on this 8<sup>th</sup> day of March, 2018, I served a copy of the above Summary Proceeding Order and Notice of Hearing and Right to Waive by U.S. Mail, first class postage prepaid, to the following addresses:

Derik Mooberry  
President of Bally Gaming Inc.  
6601 S Bermuda Road  
Las Vegas, NV 89119

David Smail  
Executive Vice President and Chief Legal Officer  
6601 S Bermuda Road  
Las Vegas, NV 89119

Michael Quartieri  
Executive Vice President, Chief Financial Officer, Corporate Secretary  
6601 S Bermuda Road  
Las Vegas, NV 89119

  
\_\_\_\_\_  
Commission Representative

cc: KRGC Licensing File  
Disciplinary Review Board Members  
Rick Wilson, KRGC Supervisory Agent at Kansas Crossing Casino

STATE OF KANSAS  
KANSAS RACING AND GAMING COMMISSION  
700 SW HARRISON, SUITE 500  
TOPEKA, KS 66603

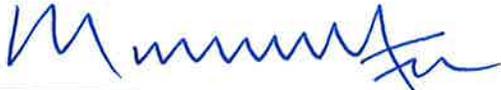
IN THE MATTER OF

KRGC Case No. 2018-8002

Bally Gaming Inc., Respondent.

HEARING WAIVER

I, MICHAEL FRIES, on behalf of the Respondent, stipulate to the Facts  
(print name)  
and Conclusions of Law as set forth in the Summary Proceeding Order and Notice of Hearing  
and Right to Waive (Summary Order) issued to Bally Gaming Inc. and therefore waive the right  
to a hearing. Respondent agrees to fulfill the terms of the Summary Order and pay the  
\$20,000.00 fine issued by the Disciplinary Review Board.



\_\_\_\_\_  
Bally Gaming Inc. Representative

03/26/2018

\_\_\_\_\_  
Date

License No. 2000811

BOOT HILL CASINO & RESORT  
REPORT PRESENTED TO  
THE KANSAS RACING AND GAMING COMMISSION  
APRIL 13, 2018

BY: Diane Giardine

- 1) For the month of February 2018, BHCR experienced a decrease in Total Gaming Revenue of 4.62% over prior year February 2017. Total Slot revenue was down 4.42% while Table Games revenue was down 6.01%.
- 2) For the month of March 2018, BHCR experienced an increase in Total Gaming Revenue of 14.01% over prior year March 2017. Total Slot revenue was up 10.55% while Table Games revenue was up 42.77%.

Upcoming Promotions & Events

- Money Machine Mania
- Jackpot Redraws
- Hot Seats
- Free Spin Promotions
- Free Gift Promotions
- Stay & Play Hotel Packages
- Birthday Parties

Upcoming Entertainment & Events

- Jeff Dunham Passively Aggressive at United Wireless Arena, April 6, 2018
- Gaither Vocal Band at United Wireless Arena, April 7, 2018
- Skillet for King and Country at United Wireless Arena, April 13, 2018
- Rain – A Tribute to the Beatles at United Wireless Arena, April 25, 2018
- Estrellas de Mariachi at United Wireless Arena, May 12, 2018
- Justin Moore – Dodge City Days Concert at United Wireless Arena, July 28, 2018

**BOOT HILL CASINO & RESORT**

**Lottery Gaming Facility Revenue-Unaudited\***

	February 2018	February 2017	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	2,898,579.64	3,032,759.36	23,026,164.26	23,330,631.06
Table games	397,617.83	422,963.50	3,308,287.10	3,329,884.50
Other #	<u>25.77</u>	<u>28.74</u>	<u>5,760.90</u>	<u>4,913.42</u>
Total Lottery Gaming Facility Revenue	<u>3,296,223.24</u>	<u>3,455,751.60</u>	<u>26,340,212.26</u>	<u>26,665,428.98</u>
State Share 22%	725,169.11	760,265.35	5,794,846.70	5,866,394.38
Local Share 3%	98,886.70	103,672.55	790,206.37	799,962.87
Problem Gambling Share 2%	65,924.46	69,115.03	526,804.25	533,308.58
Casino Share 73%	2,406,242.97	2,522,698.67	19,228,354.95	19,465,763.16

**\*Unaudited-as reported by the Kansas Lottery Central Computer system.**

**#Other sweeps, principally lost and found funds.**

**BOOT HILL CASINO & RESORT**

**Lottery Gaming Facility Revenue-Unaudited\***

	March 2018	March 2017	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	3,551,100.93	3,211,923.43	26,577,265.19	26,542,554.49
Table games	551,570.75	386,251.64	3,859,857.85	3,716,136.14
Other #	<u>1,934.44</u>	<u>2,065.59</u>	<u>7,695.34</u>	<u>6,979.01</u>
Total Lottery Gaming Facility Revenue	<u><u>4,104,606.12</u></u>	<u><u>3,600,240.66</u></u>	<u><u>30,444,818.38</u></u>	<u><u>30,265,669.64</u></u>
State Share 22%	903,013.35	792,052.95	6,697,860.04	6,658,447.32
Local Share 3%	123,138.18	108,007.22	913,344.55	907,970.09
Problem Gambling Share 2%	82,092.12	72,004.81	608,896.37	605,313.39
Casino Share 73%	2,996,362.47	2,628,175.68	22,224,717.42	22,093,938.84

***\*Unaudited-as reported by the Kansas Lottery Central Computer system.***

***#Other sweeps, principally lost and found funds.***

**KANSAS STAR CASINO  
REPORT PRESENTED TO  
THE KANSAS RACING AND GAMING COMMISSION**

**April 13, 2018**

**BY:**

**Rick Goldstein –Assistant General Manager**

**Operational Notes**

- **February admissions up 2.3% from February 2017.**
- **March admissions down 0.4% from March 2017.**

**Past Arena Events**

- **February 16 – Asian Variety Show**
- **March 10 – USA Kids Wrestling**
- **March 17 – Collective Soul**
- **March 31 – Tom Arnold**
- **April 7 – Evolution Fighting Championship**

**Upcoming Events**

- **April 14 – Jeff Foxworthy**
- **April 21 – 20<sup>th</sup> Annual Marauders Car Show**
- **April 28 – Masters of Illusion**
- **May 19 – IBA World Flyweight Championship Boxing**
- **June 16 – Bill Engvall**
- **August 3 – Peter Frampton**
- **August 18 – Jay Leno**

## **February 2018 Revenue #'s**

- **Total Gross Gaming Revenue down 1.4% from February 2017.**
- **Slot Coin-In (Handle) down 1.7% from February 2017.**
- **Slot hold (gross) up 0.13 pts to February 2017.**
- **Table Game drop up 6.0% from February 2017.**
- **Table Game hold is down 2.8 pts vs. February 2017.**
- **Poker Room revenue down 14.5% from February 2017.**

## **March 2018 Revenue #'s**

- **Total Gross Gaming Revenue up 6.0% from March 2017.**
- **Slot Coin-In (Handle) up 6.2% from March 2017.**
- **Slot hold (gross) flat to March 2017.**
- **Table Game drop up 1.1% from March 2017.**
- **Table Game hold is up 1.6 pts vs. March 2017.**
- **Poker Room revenue down 20.8% from March 2017.**

**KANSAS STAR CASINO & RESORT**

**Lottery Gaming Facility Revenue-Unaudited\***

	February 2018	February 2017	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	12,877,825.30	12,808,579.04	101,743,961.71	98,714,441.82
Table games	2,057,425.29	2,226,898.60	17,206,844.26	17,847,672.36
Other #	<u>17.95</u>	<u>45.21</u>	<u>11,844.90</u>	<u>15,230.15</u>
Total Lottery Gaming Facility Revenue	<u>14,935,268.54</u>	<u>15,035,522.85</u>	<u>118,962,650.87</u>	<u>116,577,344.33</u>
State Share 22% (Tier 1)**	3,285,759.08	3,307,815.03	26,171,783.19	25,647,015.75
State Share 2% marginal (Tier 2)**	-	-	-	2,402.53
Local Share 3%	448,058.06	451,065.69	3,568,879.53	3,497,320.33
Problem Gambling Share 2%	298,705.37	300,710.46	2,379,253.02	2,331,546.89
Casino Share 73%	10,902,746.03	10,975,931.68	86,842,735.14	85,099,058.83

***\*Unaudited-as reported by the Kansas Lottery Central Computer system.***

***#Other sweeps, principally lost and found funds.***

**KANSAS STAR CASINO & RESORT**

**Lottery Gaming Facility Revenue-Unaudited\***

	March 2018	March 2017	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	15,438,845.21	14,312,939.44	117,182,806.92	113,027,381.26
Table games	2,637,969.31	2,474,461.03	19,844,813.57	20,322,133.39
Other #	<u>5,987.24</u>	<u>5,662.47</u>	<u>17,832.14</u>	<u>20,892.62</u>
Total Lottery Gaming Facility Revenue	<u>18,082,801.76</u>	<u>16,793,062.94</u>	<u>137,045,452.63</u>	<u>133,370,407.27</u>
State Share 22% (Tier 1)**	3,978,216.39	3,694,473.85	30,149,999.58	29,341,489.60
State Share 2% marginal (Tier 2)**	-	-	-	2,402.53
Local Share 3%	542,484.05	503,791.89	4,111,363.58	4,001,112.22
Problem Gambling Share 2%	361,656.04	335,861.26	2,740,909.05	2,667,408.15
Casino Share 73%	13,200,445.28	12,258,935.95	100,043,180.42	97,357,994.78

***\*Unaudited-as reported by the Kansas Lottery Central Computer system.***

***#Other sweeps, principally lost and found funds.***

***\*\*During Kansas Star's Fiscal Year of January 1, 2016 to December 31, 2016, revenue exceeded the tax Tier 1 as stated in their contract. The Tier 2 tax rate was applied to the revenue above Tier 1.***

HOLLYWOOD CASINO AT KANSAS SPEEDWAY  
REPORT PRESENTED TO  
THE KANSAS RACING AND GAMING COMMISSION  
April 13, 2018

BY: RICK SKINNER – VICE PRESIDENT & GENERAL MANAGER

**February 2018**

Total Gaming Revenue for February 2018 was \$11.6M which was a decrease of \$142K, or 1.2%, compared to February of 2017.

Slot Revenue was \$10.3M which was a decrease of \$189K, or 1.8%, below prior year.

Table Games Revenue was up in February at \$1.4M, which was an increase of \$47K, or 3.6%, compared to last year.

February, weather wise, was a tale of two months for Hollywood Casino. Due to inclement weather and frigid temperatures the property trailed prior year through the first two weeks of the month. The second half of the month saw the property outpace prior year as favorable weather finally arrived. From a marketing perspective, February was highlighted by the redemption period for Play, Earn and Get, Marquee Millionaire Slot Tournament, President's Day Mystery Bonus, and our \$10k Suited Blackjack promotion.

**March 2018**

Gaming Revenue for March 2018 was \$14.3M which was an increase of \$875K, or 6.5%, over March of 2017.

Slot Revenue was \$12.7M which was an increase of just over \$1.0M or 8.8%, above prior year.

While Slot Revenue was up significantly, Table Games was down coming in at \$1.6M, which was a decrease of \$153K, or 8.7% compared to last year.

March was a strong month for Hollywood Casino. The month was driven by our standard direct mail and social media campaigns. In addition, we had multiple events including the \$25k Big Wheel Bonanza, NCL Cruise Event, VIP Drum Drawing, Ham Certificate Giveaway and our Kansas Lottery Scratch Off Promotion. March also saw our new partnership with Sporting KC "kickoff" at their first home game on March 4<sup>th</sup>.

## HOLLYWOOD CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	February 2018	February 2017	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	10,256,239.88	10,445,356.26	84,574,308.68	81,698,760.56
Table games	1,374,651.32	1,327,401.34	11,706,479.56	12,482,763.01
Other #	<u>7.25</u>	<u>85.67</u>	<u>16,721.87</u>	<u>14,517.00</u>
Total Lottery Gaming Facility Revenue	<u>11,630,898.45</u>	<u>11,772,843.27</u>	<u>96,297,510.11</u>	<u>94,196,040.57</u>
State Share 22%	2,558,797.66	2,590,025.52	21,185,452.22	20,723,128.93
Local Share 3%	348,926.95	353,185.30	2,888,925.30	2,825,881.22
Problem Gambling Share 2%	232,617.97	235,456.87	1,925,950.20	1,883,920.81
Casino Share 73%	8,490,555.87	8,594,175.59	70,297,182.38	68,763,109.62

***\*Unaudited-as reported by the Kansas Lottery Central Computer system.***

***#Other sweeps, principally lost and found funds.***

## HOLLYWOOD CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	March 2018	March 2017	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	12,733,614.68	11,706,092.99	97,307,923.36	93,404,853.55
Table games	1,598,225.60	1,751,866.29	13,304,705.16	14,234,629.30
Other #	<u>6,059.99</u>	<u>5,068.77</u>	<u>22,781.86</u>	<u>19,585.77</u>
Total Lottery Gaming Facility Revenue	<u>14,337,900.27</u>	<u>13,463,028.05</u>	<u>110,635,410.38</u>	<u>107,659,068.62</u>
State Share 22%	3,154,338.06	2,961,866.17	24,339,790.28	23,684,995.10
Local Share 3%	430,137.01	403,890.84	3,319,062.31	3,229,772.06
Problem Gambling Share 2%	286,758.01	269,260.56	2,212,708.21	2,153,181.37
Casino Share 73%	10,466,667.20	9,828,010.48	80,763,849.58	78,591,120.09

***\*Unaudited-as reported by the Kansas Lottery Central Computer system.***

***#Other sweeps, principally lost and found funds.***

KANSAS CROSSING CASINO + HOTEL  
REPORT PRESENTED TO  
THE KANSAS RACING AND GAMING COMMISSION  
April 13, 2018

BY: Doug Fisher

Compared to January, in February Kansas Crossing Casino experienced;

- 16.6% increase in Net Slot Win
- 36.8% increase in Table Win
- 18.9% overall increase in in Net Gaming Revenue

Compared to February, in March Kansas Crossing Casino experienced;

- 13.9% increase in Net Slot Win
- 6.4% decrease in Table Win
- 11.6% overall increase in in Net Gaming Revenue

**Promotions + Events**

- **February**
  - 10<sup>th</sup> - Biathlon Blackjack Tournament
  - 18<sup>th</sup> – 18x Slot Points
  - 23<sup>rd</sup> – Barrel of Bucks
  - 24<sup>th</sup> – “Curling for Cash”
  - Every Wednesday – Camp 49 Slot Tournament
- **March**
  - 10<sup>th</sup> - Craps Tournament
  - 18<sup>th</sup> – 18x Slot Points
  - 24<sup>th</sup> – Rock, Paper, Scissors... Tahoe
  - Every Wednesday – Camp 49 Drawings
  - Every Sunday – Roulette Classes
- **April –**
  - Month long 1<sup>st</sup> Anniversary Celebration
    - 7<sup>th</sup> – Win \$1,000 in Free Play every month for 1 year
    - 8<sup>th</sup> - Free hot dogs, cookies, and commemorative t-shirts
    - 14<sup>th</sup> – Win \$1,000 in cash every month for 1 year
    - 21<sup>st</sup> – Win Mortgage payment every month for 1 year
    - 28<sup>th</sup> – Win 1 year’s salary
  - 28<sup>th</sup> – Blackjack Tournament
  - Every Wednesday – Camp 49 Drawings

## The Corral Stage

- Previous Events
  - February 17<sup>th</sup> – Comedians Willie Farrell and Andy Hartley
  - February 23<sup>rd</sup> – Classic Rock Experience
  - March 3<sup>rd</sup> – Country/Southern Rock/Hip Hop Artists - The LACS.
  - March 17<sup>th</sup> – Members Only
- Upcoming Events
  - May 12 – Preacher Lawson
  - May 18/19 – Elvis Explosion
  - June 8 – Hairball.

## Responsible Gaming Awareness Month Activities

- Human Resources created a responsible gaming crossword puzzle for the Team Members.
- In March, all Team Members wore Problem Gambling Awareness Month ribbons (see below)
- Team Members wearing the ribbons were featured on the Southeast Kansas Problem Gambling Task Force Facebook page. (see below)



## KANSAS CROSSING CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	February 2018	February 2017	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	2,786,316.40	-	18,194,221.30	-
Table games	313,394.00	-	2,108,553.00	-
Other #	<u>51.97</u>	<u>-</u>	<u>2,476.72</u>	<u>-</u>
Total Lottery Gaming Facility Revenue	<u><u>3,099,762.37</u></u>	<u><u>-</u></u>	<u><u>20,305,251.02</u></u>	<u><u>-</u></u>
State Share 22%	681,947.72	-	4,467,155.22	-
Local Share 3%	92,992.87	-	609,157.53	-
Problem Gambling Share 2%	61,995.25	-	406,105.02	-
Casino Share 73%	2,262,826.53	-	14,822,833.24	-

***\*Unaudited-as reported by the Kansas Lottery Central Computer system.***

***#Other sweeps, principally lost and found funds.***

## KANSAS CROSSING CASINO & RESORT

### Lottery Gaming Facility Revenue-Unaudited\*

	March 2018	March 2017	Fiscal YTD 2018	Fiscal YTD 2017
Electronic gaming machines	3,165,768.40	523,909.35	21,359,989.70	523,909.35
Table games	291,295.00	32,480.00	2,399,848.00	32,480.00
Other #	<u>7.40</u>	<u>-</u>	<u>2,484.12</u>	<u>-</u>
Total Lottery Gaming Facility Revenue	<u>3,457,070.80</u>	<u>556,389.35</u>	<u>23,762,321.82</u>	<u>556,389.35</u>
State Share 22%	760,555.58	122,405.66	5,227,710.80	122,405.66
Local Share 3%	103,712.12	16,691.68	712,869.65	16,691.68
Problem Gambling Share 2%	69,141.42	11,127.79	475,246.44	11,127.79
Casino Share 73%	2,523,661.68	406,164.23	17,346,494.93	406,164.23

***\*Unaudited-as reported by the Kansas Lottery Central Computer system.***

***#Other sweeps, principally lost and found funds.***

***\*\*Kansas Crossing's March 2017 revenue stems from the controlled demo on 03/27/2017, soft openings on 03/29/2017 & 03/20/2017, and the official opening on 03/31/2017.***

**February 2018 Casino Financials**

<b>Casino Gaming Revenue for Month Ending February 28, 2018</b>					
Revenue Source	Boot Hill Casino	Kansas Star Casino	Hollywood Casino	Kansas Crossing Casino	Total All Casinos
EGM	\$ 2,898,580	\$ 12,877,825	\$ 10,256,240	\$ 2,786,316	\$ 28,818,961
Table Games	397,619	2,057,425	1,374,651	313,394	4,143,090
Other #	25	18	7	52	102
<b>Total</b>	<b>\$ 3,296,223</b>	<b>\$ 14,935,269</b>	<b>\$ 11,630,898</b>	<b>\$ 3,099,762</b>	<b>\$ 32,962,153</b>

<b>Cumulative Casino Gaming Revenue for Month Ending February 28, 2018</b>					
Fiscal Year	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
2010	\$ 20,663,987	\$ -	\$ -	\$ -	\$ 20,663,987
2011	40,055,280	-	-	-	40,055,280
2012	43,886,501	98,855,928	54,622,687	-	197,365,116
2013	43,353,504	192,187,166	124,993,721	-	360,534,391
2014	39,906,275	181,079,650	132,036,392	-	353,022,317
2015	40,513,186	181,754,051	142,759,065	-	365,026,302
2016	38,937,088	181,600,677	143,833,330	-	364,371,095
2017	40,222,932	178,105,968	144,582,037	8,206,260	371,117,197
2018	26,340,212	118,962,651	96,297,510	20,305,251	261,905,624
<b>Total Since Opening</b>	<b>\$ 333,878,965</b>	<b>\$ 1,132,546,091</b>	<b>\$ 839,124,742</b>	<b>\$ 28,511,511</b>	<b>\$ 2,334,061,309</b>

<b>Fund Distribution FY 2018</b>					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
State of Kansas	\$ 5,794,847	\$ 26,171,783	\$ 21,185,452	\$ 4,467,155	\$ 57,619,237
Local Governments	790,206	3,568,880	2,888,925	609,158	7,857,169
Problem Gambling and Addictions Fund	526,804	2,379,253	1,925,950	406,105	5,238,112
Casino Manager	19,228,355	86,842,735	70,297,182	14,822,833	191,191,106
<b>Total</b>	<b>\$ 26,340,212</b>	<b>\$ 118,962,651</b>	<b>\$ 96,297,510</b>	<b>\$ 20,305,251</b>	<b>\$ 261,905,624</b>

<b>Fund Distribution Since Opening</b>					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
State of Kansas	\$ 73,453,372.36	\$ 249,160,139.99	\$ 184,607,443.26	\$ 6,272,532.42	\$ 513,493,488.04
Local Governments	10,016,368.96	33,976,382.73	25,173,742.26	855,345.33	70,021,839.28
Problem Gambling and Addictions Fund	6,677,579.31	22,650,921.82	16,782,494.84	570,230.22	46,681,226.19
Casino Manager	243,731,644.64	826,758,646.34	612,561,061.74	20,813,403.04	1,703,864,755.76
<b>Total</b>	<b>\$ 333,878,965.26</b>	<b>\$ 1,132,546,090.87</b>	<b>\$ 839,124,742.11</b>	<b>\$ 28,511,511.02</b>	<b>\$ 2,334,061,309.26</b>

*\*Unaudited-as reported by the Kansas Lottery Central Computer system.*

*#Other sweeps, principally lost and found funds.*

**March 2018 Casino Financials**

<b>Casino Gaming Revenue for Month Ending March 31, 2018</b>					
Revenue Source	Boot Hill Casino	Kansas Star Casino	Hollywood Casino	Kansas Crossing Casino	Total All Casinos
<b>EGM</b>	\$ 3,551,101	\$ 15,438,845	\$ 12,733,615	\$ 3,165,768	\$ 34,889,329
<b>Table Games</b>	551,571	2,637,969	1,598,226	291,295	5,079,061
<b>Other #</b>	1,934	5,987	6,060	7	13,989
<b>Total</b>	\$ 4,104,606	\$ 18,082,802	\$ 14,337,900	\$ 3,457,071	\$ 39,982,379

<b>Cumulative Casino Gaming Revenue for Month Ending March 31, 2018</b>					
Fiscal Year	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
<b>2010</b>	\$ 20,663,987	\$ -	\$ -	\$ -	\$ 20,663,987
<b>2011</b>	40,055,280	-	-	-	40,055,280
<b>2012</b>	43,886,501	98,855,928	54,622,687	-	197,365,116
<b>2013</b>	43,353,504	192,187,166	124,993,721	-	360,534,391
<b>2014</b>	39,906,275	181,079,650	132,036,392	-	353,022,317
<b>2015</b>	40,513,186	181,754,051	142,759,065	-	365,026,302
<b>2016</b>	38,937,088	181,600,677	143,833,330	-	364,371,095
<b>2017</b>	40,222,932	178,105,968	144,582,037	8,206,260	371,117,197
<b>2018</b>	30,444,818	137,045,453	110,635,410	23,762,322	301,888,003
<b>Total Since Opening</b>	\$ 337,983,571	\$ 1,150,628,893	\$ 853,462,642	\$ 31,968,582	\$ 2,374,043,688

<b>Fund Distribution FY 2018</b>					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
<b>State of Kansas</b>	\$ 6,697,860	\$ 30,150,000	\$ 24,339,790	\$ 5,227,711	\$ 66,415,361
<b>Local Governments</b>	913,345	4,111,364	3,319,062	712,870	9,056,640
<b>Problem Gambling and Addictions Fund</b>	608,896	2,740,909	2,212,708	475,246	6,037,760
<b>Casino Manager</b>	22,224,717	100,043,180	80,763,850	17,346,495	220,378,242
<b>Total</b>	\$ 30,444,818	\$ 137,045,453	\$ 110,635,410	\$ 23,762,322	\$ 301,888,003

<b>Fund Distribution Since Opening</b>					
Recipients	Boot Hill	Kansas Star	Hollywood	Kansas Crossing	Total All Casinos
<b>State of Kansas</b>	\$ 74,356,385.70	\$ 253,138,356.38	\$ 187,761,781.32	\$ 7,033,088.00	\$ 522,289,611.41
<b>Local Governments</b>	10,139,507.14	34,518,866.78	25,603,879.27	959,057.45	71,221,310.65
<b>Problem Gambling and Addictions Fund</b>	6,759,671.43	23,012,577.85	17,069,252.85	639,371.64	47,480,873.76
<b>Casino Manager</b>	246,728,007.11	839,959,091.62	623,027,728.94	23,337,064.73	1,733,051,892.39
<b>Total</b>	\$ 337,983,571.38	\$ 1,150,628,892.63	\$ 853,462,642.38	\$ 31,968,581.82	\$ 2,374,043,688.21

*\*Unaudited-as reported by the Kansas Lottery Central Computer system.*

*#Other sweeps, principally lost and found funds.*



**Kansas Racing and Gaming Commission**  
700 SW Harrison, Suite 500, Topeka, Kansas 66603  
(785) 296-5800, Fax (785) 296-0900

## **STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** April 13, 2018

**AGENDA ITEM:** Request for Renewal of Kansas Greyhound Registry Contract

**PRESENTER:** Brandi White, Director of Admin, Finance and Audit

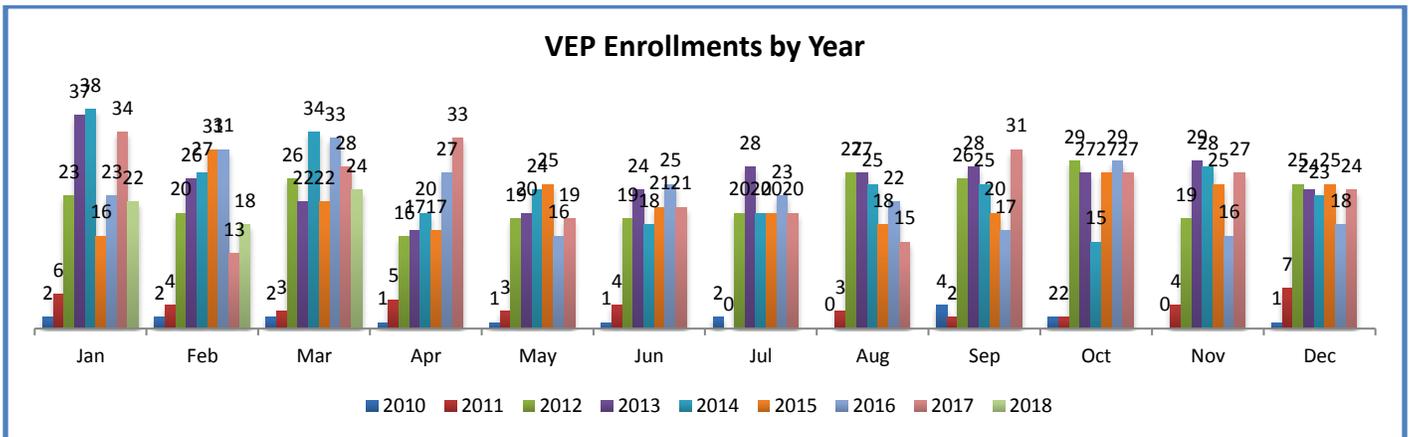
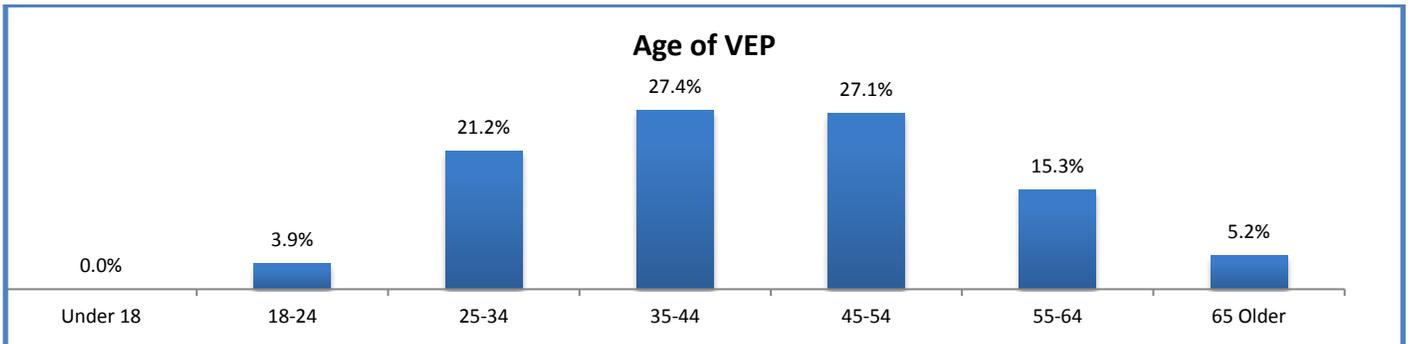
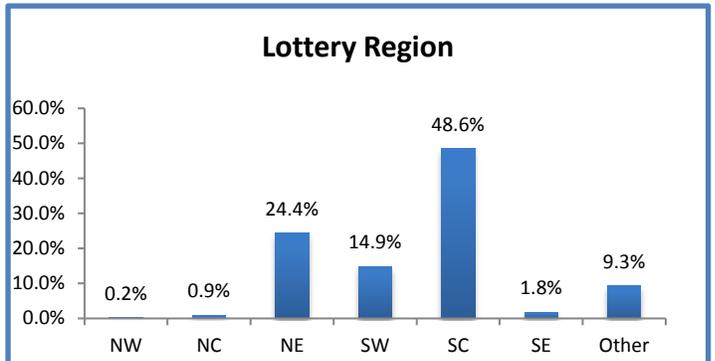
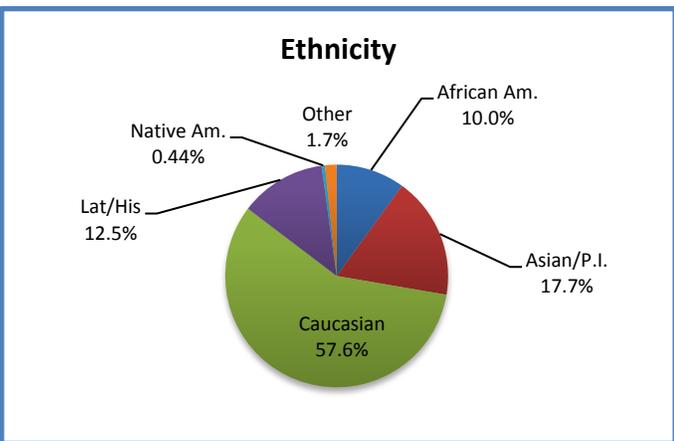
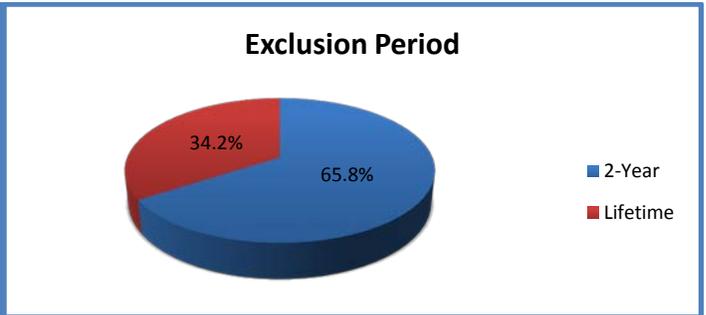
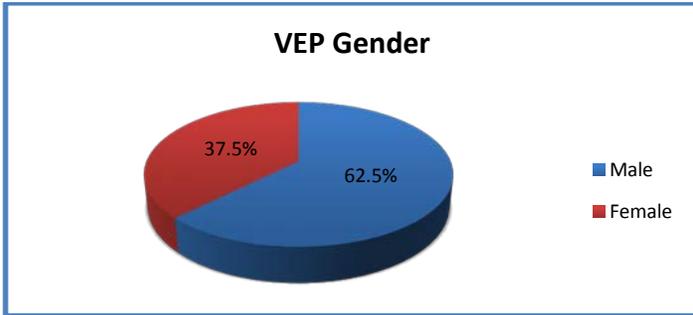
**ISSUE SUMMARY:** Historically, the Kansas Racing and Gaming Commission (KRGC) contracted with the Kansas Greyhound Association (KGA) to operate the Kansas Greyhound Registry (KGR) for the State of Kansas. The KGR is tasked with ensuring that greyhounds registered as Kansas Bred were bred in Kansas and spend at least the first six months of their lives on Kansas soil. Kansas Bred registered greyhounds qualify for extra monies on a monthly basis calculated by the number of points earned by winning certain races and special stake races. The most recently executed contract between KRGC and the KGA was for calendar year 2017. The KGA has requested a contract for calendar year 2018 and they are not requesting any funding for calendar year 2018.

**COMMISSION ACTION REQUIRED/REQUESTED:** Commission review, and approval of the Kansas Greyhound Registry Contract for calendar year 2018 with no funding provided.

**STAFF RECOMMENDATIONS:** Staff recommends approval.

## Voluntary Exclusion Program January 2010 – March 2018

Voluntary Exclusions = 1841  
Violation Incidents = 205 (168 individuals)





**Kansas Racing and Gaming Commission**  
 700 SW Harrison, Suite 500, Topeka, Kansas 66603  
 (785) 296-5800, Fax (785) 296-0900

**STAFF AGENDA MEMORANDUM**

**MEETING DATE:** April 13, 2018  
**AGENDA ITEM:** Quarterly Reports on (1) staff out-of-state travel, (2) licensing and (3) illegal gambling  
**PRESENTER:** Don Brownlee

To ensure that it is being consistent and efficient, the commission has requested quarterly updates on out-of-state travel, licensing matters, and illegal gambling efforts.

**I. OUT-OF-STATE TRAVEL**

The quarterly out-of-state travel report includes the employees who traveled and the purpose of the trip and the total expenses incurred for the trip. Because the Commission maintains its background investigation details as highly confidential, the quarterly travel report does not include out-of-state trips for investigative or targeted purposes.

For the first quarter (January through March) of 2018, commission staff out-of-state travel includes:

<b>Purpose of Trip</b>	<b>Traveler</b>	<b>Dates</b>	<b>Destination</b>	<b>Registration</b>	<b>Total</b>
FBI Leeda Training	DJ Lopez	02/04/18 – 02/09/18	Springfield, MO	\$650	\$1,176.65
FBI Leeda Training	Harry Spencer	02/04/18 – 02/09/18	Springfield, MO	\$650	\$930.50
GLI Roundtable	Don Brownlee	03/05/18 – 03/09/18	Las Vegas, NV	\$0	\$1,155.13
World Game Protection Conference	Todd Allen	03/11/18 – 03/16/18	Las Vegas, NV	\$995	\$1,327.52
World Game Protection Conference	Adrian Perez	03/11/18 – 03/16/18	Las Vegas, NV	\$995	\$1,803.23
Financial Investigation Practical Skills Training	Shaun Stapleton	03/12/18 – 03/15/18	Joplin, MO	\$0	\$765.58
Street Survival Seminar	Brad Smith	03/13/18 – 03/15/18	Kansas City, MO	\$229	\$772.36
Street Survival Seminar	Mike McMoran	03/13/18 – 03/15/18	Kansas City, MO	\$229	\$669.36

Street Survival Seminar	Kent Schoen	03/13/18 – 03/15/18	Kansas City, MO	\$229	\$669.36
Street Survival Seminar	Eric Lalicker	03/13/18 – 03/15/18	Kansas City, MO	\$229	\$669.36

**LICENSING**

Objectives of the commission include conducting timely, but thorough, background investigations on all gaming employees, management contractors, manufacturers and distributors seeking licensure at lottery gaming facilities located in this state. Background investigations are conducted to protect the public interest by maintaining a legitimate and viable gaming industry assuring honesty, good character and integrity of racing and gaming facility operators, employees, and vendors. Following is the licensing report for the January through March 2018 quarter. The three previous quarters are included for comparison purposes.

	Jan-Mar 2018	Oct-Dec 2017	Jul-Sep 2017	Apr-Jun 2017
<b>VENDORS, SUPPLIERS, MANAGERS:</b>				
Corporate permanent licenses approved	2	1	0	7
Corporate temporary licenses approved*	2	3	0	2
Corporate employee licenses approved	41	49	100	124
Corporate renewal licenses approved	7	6	4	105
Corporate employee licenses renewed	76	117	131	80
Corporate employee licenses denied	0	0	2	2
<b>BOOT HILL CASINO EMPLOYEE LICENSES</b>				
Permanent license approvals	8	28	30	17
Temporary license approvals*	18	8	16	15
Renewal license approvals	14	29	34	7
Licenses denied	0	1	0	0
<b>HOLLYWOOD CASINO EMPLOYEE LICENSES</b>				
Permanent license approvals	51	96	90	36
Temporary license approvals*	78	82	74	58
Renewal license approvals	31	87	132	31
Licenses denied	1	4	6	4
<b>KANSAS STAR CASINO EMPLOYEE LICENSES</b>				
Permanent license approvals	68	65	107	50
Temporary license approvals*	82	60	51	108
Renewal license approvals	57	103	109	42
Licenses denied	1	1	2	1
<b>KANSAS CROSSING CASINO EMPLOYEE LICENSES</b>				
Permanent license approvals	24	21	60	110
Temporary license approvals*	22	44	17	1
Renewal license approvals	3	0	2	3
Licenses denied	0	0	4	2

\*Temporary licenses approved will still need to be permanently approved in future quarter(s) once all backgrounding activities are completed.

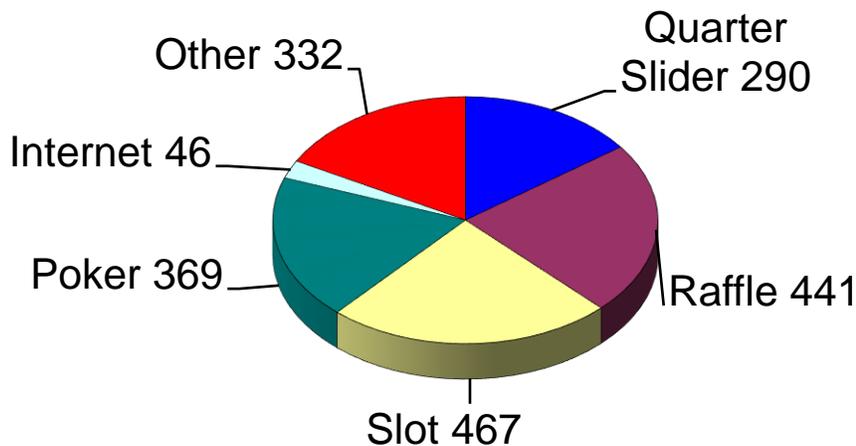
**II. ILLEGAL GAMBLING**

Following passage of expanded gaming in Kansas, the Kansas Racing and Gaming Commission has been the go-to resource for local law enforcement, prosecutors and the public on illegal gambling questions, education and complaints. The KRGC responds to email and phone complaints and inquiries, conducts continuing legal education seminars for prosecutors, assists local law enforcement agencies with illegal gambling investigations, and conducts civil seizures of illegal gambling devices for forfeiture, all in an effort to curtail illegal gambling in bars, restaurants, convenience stores and other venues throughout Kansas.

Since 2008, the Commission has received 1,945 total illegal gambling-related questions or complaints from the general public. During the first quarter of 2018, the Commission received thirty-two (32) calls and emails from the general public, down three (3) from the previous quarter and up four (4) from the first quarter of 2017.

Of the thirty-two calls and emails received in Q-1, eleven (11) involved raffles; four (4) involved slot machines; five (5) involved poker tournaments; and twelve (12) involved other types of gambling. Of the twelve (12) other calls received, two (2) involved bingo; three (3) involved the legality of “bracket” events; two (2) involved silent auction fundraisers; and five (5) were general gambling inquiries.

**Breakdown of illegal gambling inquiries and complaints to-date:**



The above chart does not reflect calls and activity related to the following:

- Reports made to KRGC agents by other law enforcement officers around the state.
- Discussions with local law enforcement and district and county attorneys regarding the legal aspects of illegal gambling and the services that KRGC can provide.
- Time spent by agents and legal counsel to assist in active local investigations and prosecutions.
- Time spent pursuing seizures and forfeitures of illegal gambling devices.
- Inquiries from the public that are answered through access to KRGC’s Illegal Gambling Frequently Asked Questions (FAQs) web page. KRGC updated the FAQs portion of the webpage

in late January 2014. During the four years since KRGC began tracking the new page, there have been a total of 11,085 unique page views. A total of 1,074 unique page views were made during the first quarter of 2018. The Illegal Gambling FAQs page can be found here:

<http://www.krgc.ks.gov/index.php/racing-gaming-law/illegal-gambling/faq-s-2> . It may also be accessed from the KRGC main page ([www.krgc.ks.gov](http://www.krgc.ks.gov)) by selecting Public Info/Illegal Gambling FAQ's from the drop down menu option.

During the first quarter of 2018, the KRGC also:

- participated in an interview with a Wichita news station about illegal gambling devices to air in May 2018;
- assisted the Wichita Police Department on the seizure of approximately seventy-three illegal gambling devices;
- served eight search warrants on thirty-four illegal gambling devices in Hutchinson, KS;
- seized eight illegal gambling devices in Hays, KS;
- seized fourteen illegal gambling devices in McPherson, Kansas;
- agreed to handle four forfeiture matters on behalf of other counties; and
- obtained court orders from Rush County and Sumner County for the destruction of ten illegal gambling devices, one laptop computer, miscellaneous machine parts, monitors and other gambling-related equipment.

All Departments		Cash Fund Balances as of March 31, 2018															
DeptID	All	ELARF				Backgrounds				Illegal Gambling				Racing			
All Funds		Beg. Balance	4,227,066			Beg. Balance	315,957			Beg. Balance	15,326			Beg. Balance	69,292		
		Revenue	3,961,977			Revenue	97,430			Revenue	1,377			Revenue	1,013		
		Expenses	4,203,221			Expenses	126,816			Expenses	505			Expenses	1,303		
		End Balance	3,985,822			End Balance	286,571			End Balance	16,197			End Balance	69,002		
Fund	BudgetUnit	Grand Total All Funding Sources															
		YTD FY2017 ACTUALS	YTD FY2018 ACTUALS	\$ VARIANCE	% VARIANCE	March FY2017 ACTUALS	March FY2018 ACTUALS	\$ VARIANCE	% VARIANCE	YTD FY2018 BUDGET	YTD FY2018 ACTUALS	\$ VARIANCE	% VARIANCE				
51000	Payroll	3,349,296	3,687,883	338,587	10%	376,131	379,869	3,738	1%	4,769,767	3,687,883	-1,081,884	-23%				
10	Shrinkage	0	0	0	0%	0	0	0	0%	-133,872	0	133,872	-100%				
<b>Net Salaries and Wages</b>		<b>3,349,296</b>	<b>3,687,883</b>	<b>338,587</b>	<b>10%</b>	<b>376,131</b>	<b>379,869</b>	<b>3,738</b>	<b>1%</b>	<b>4,635,895</b>	<b>3,687,883</b>	<b>-948,012</b>	<b>-20%</b>				
52000	Communication	63,118	53,677	-9,440	-15%	7,528	6,093	-1,435	-19%	63,900	53,677	-10,223	-16%				
52100	Freight and Express	1,495	1,513	17	1%	36	0	-36	-100%	1,013	1,513	500	49%				
52200	Printing and Advertising	0	0	0	0%	0	0	0	0%	1,088	0	-1,088	-100%				
52300	Rents	157,827	162,564	4,737	3%	85	475	390	458%	180,863	162,564	-18,299	-10%				
52400	Repair/Service/Mainten	45,452	16,198	-29,254	-64%	35,843	38	-35,805	-100%	41,781	16,198	-25,583	-61%				
52510	InState Travel and Subsistence	65,959	30,543	-35,416	-54%	10,538	4,117	-6,421	-61%	61,758	30,543	-31,215	-51%				
52520	Out of State Travel and Subsistence	20,537	36,760	16,224	79%	2,141	516	-1,625	-76%	51,968	36,760	-15,207	-29%				
52530	International Travel and Subsistence	0	0	0	0%	0	0	0	0%	0	0	0	0%				
52600	Fees-Other Services	240,267	233,774	-6,493	-3%	5,613	13,351	7,737	138%	243,506	233,774	-9,731	-4%				
52700	Fee-Professional Services	5,007	7,501	2,494	50%	758	0	-758	-100%	97,275	7,501	-89,774	-92%				
52900	Other Contractual Services	4,817	4,136	-681	-14%	0	154	154	0%	11,020	4,136	-6,884	-62%				
<b>Subtotal Contractual Services</b>		<b>604,479</b>	<b>546,666</b>	<b>-57,813</b>	<b>-10%</b>	<b>62,543</b>	<b>24,743</b>	<b>-37,799</b>	<b>-60%</b>	<b>754,169</b>	<b>546,666</b>	<b>-207,503</b>	<b>-28%</b>				
53200	Food for Human Consumption	16	56	40	260%	16	0	-16	-100%	0	56	56	0%				
53400	Maint Constr Material Supply	2,657	494	-2,162	-81%	55	0	-55	-100%	2,625	494	-2,131	-81%				
53500	Vehicle Part Supply Accessory	5,593	5,059	-533	-10%	936	727	-210	-22%	20,141	5,059	-15,082	-75%				
53600	Pro Science Supply Material	417	613	196	47%	0	0	0	0%	20,070	613	-19,457	-97%				
53700	Office and Data Supplies	26,571	11,708	-14,863	-56%	864	1,524	660	76%	56,325	11,708	-44,617	-79%				
53900	Other Supplies and Materials	21,030	9,266	-11,764	-56%	435	262	-173	-40%	6,116	9,266	3,150	52%				
<b>Subtotal Commodities</b>		<b>56,282</b>	<b>27,196</b>	<b>-29,086</b>	<b>-52%</b>	<b>2,306</b>	<b>2,513</b>	<b>206</b>	<b>9%</b>	<b>105,278</b>	<b>27,196</b>	<b>-78,081</b>	<b>-74%</b>				
<b>54000</b>	<b>TOTAL Capital Outlay</b>	<b>142,846</b>	<b>7,314</b>	<b>-135,532</b>	<b>-95%</b>	<b>762</b>	<b>0</b>	<b>-762</b>	<b>-100%</b>	<b>97,725</b>	<b>7,314</b>	<b>-90,411</b>	<b>-93%</b>				
55960	Vol Retirement Incentive	523	0	-523	-100%	0	0	0	0%	0	0	0	0%				
56000	Debt Service - Principal	0	0	0	0%	0	0	0	0%	0	0	0	0%				
56100	Payments for Interest and Service	0	0	0	0%	0	0	0	0%	0	0	0	0%				
<b>Subtotal VRIP and Debt Service</b>		<b>523</b>	<b>0</b>	<b>-523</b>	<b>-100%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0%</b>				
<b>Grand Total</b>		<b>4,153,426</b>	<b>4,269,059</b>	<b>115,634</b>	<b>3%</b>	<b>441,742</b>	<b>407,124</b>	<b>-34,617</b>	<b>-8%</b>	<b>5,593,067</b>	<b>4,269,059</b>	<b>-1,324,007</b>	<b>-24%</b>				

\*This report has not been audited by the State of Kansas and is intended solely for the use of the Executive Director of the Kansas Racing and Gaming Commission.

# April 2018 - March 2019

## Kansas Racing and Gaming Commission Planner

Apr 2018						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

APRIL

*13 Commission Meeting*

Oct 2018						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

May 2018						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

MAY

*11 Commission Meeting*

Nov 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

*15 Commission Meeting - Kansas Star*

JUNE

Jun 2018						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JULY

*13 Commission Meeting*

Dec 2018						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

AUGUST

*17 Commission Meeting*

Jul 2018						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

SEPTEMBER

*14 Commission Meeting*

Jan 2019						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

OCTOBER

*12 Commission Meeting*

Aug 2018						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

NOVEMBER

*16 Commission Meeting*

Feb 2019						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

DECEMBER

*14 Commission Meeting*

Sep 2018						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

JANUARY

*11 Commission Meeting*

Mar 2019						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

FEBRUARY

*15 Commission Meeting*

MARCH

*15 Commission Meeting*