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CHEROKEE NATION GAMING COMMISSION

MEETING DATE / LOCATION: 20 October 2017
Cherokee Nation Gaming Commission
Conference Room

COMMISSIONERS PRESENT: John Sparks, Chairman
Steven Barrick, Vice Chairman
Jennifer Goins, Commissioner
Tina Glory-Jordan, Commissioner
Janice Walters-Purcell, Commissioner

COMMISSIONERS ABSENT: None

COMMISSION STAFF: Jamie Hummingbird, Director
Tammy Dry, Executive Assistant
Rhonda Trumbla, Special Projects Officer
Tracy Christie, Gaming Systems Analyst
Traci Asher, Internal Audit Manager
Kelly Myers, Licensing Manager
Gena Caviness, Compliance Manager
Jeannie Bunch, Compliance Officer

CHEROKEE NATION ENTERTAINMENT: Monica Richards, Finance
Bear Christensen, Compliance
Tim Baker, CNB Legal
Dustin Dye, CNB Audit
Jennifer Province, VP Corporate Marketing
David Ledford, VP of IT
Jennifer Watkins, Compliance Manager
Joshua Anderson, Surveillance
Jennifer Bryant, Human Resources
April Alley, Loss Prevention
Reba Chambers, Compliance Manager
Kevin Scrapper, Sr. Manager Corporate Marketing
Samantha Hendricks, Human Resources

VISITORS: Todd Hembree, CN Office of the Attorney General
Courtney Jordan, CN Office of the Attorney General

CHEROKEE NATION GAMING COMMISSION MEETING MINUTES

20 October 2017

Cherokee Nation Gaming Commission
Conference Room

CALL TO ORDER :

Chairman Sparks called the meeting to order at approximately 9:37 a.m.

ROLL CALL:

Present: Chairman Sparks
Vice-Chairman Barrick
Commissioner Jordan

Absent: Commissioner Goins
Commissioner Purcell

A quorum was established with three (3) members present

APPROVAL OF AGENDA:

Commissioner Barrick motioned to approve the agenda; seconded by Commissioner Jordan. Motion carried.

APPROVAL OF MINUTES:

Commissioner Barrick motioned to approve the 8 September 2017 meeting minutes; seconded by Commissioner Jordan. Motion carried.

INTRODUCTION OF GUESTS:

Introductions were made by attendees from the Cherokee Nation Gaming Commission (CNGC), Cherokee Nation Entertainment (CNE), Cherokee Nation Businesses (CNB), Cherokee Nation (CN), and guests.

Commissioner Barrick motioned to enter into executive session at 9:43 a.m. for the CNE August financial and facilities reports; seconded by Commissioner Jordan. Motion carried.

Commissioners Goins and Purcell arrived at 9:49 a.m.

CNE REPORTS:

Commissioner Goins motioned to exit executive session at 10:02 a.m. The motion was seconded by Commissioner Barrick. Motion carried.

No action taken.

OLD BUSINESS:

A. MGT SOFTWARE UPGRADE – G. CAVINESS

Gena reported that there was nothing new to report since CNE was still evaluating MGT. She requested to table this item to the November meeting. Bear reported that there were concerns that were mainly on the business side of this review. Chairman Sparks suggested moving this to Item VI under CNE Reports on the next agenda.

Commissioner Barrick motioned to table to the next meeting; seconded by Commissioner Goins. Motion carried.

B. BACKGROUND INVESTIGATION SHARING – J. HUMMINGBIRD

Jamie reported that there had been several discussions between CNGC and CNE since the last meeting and a course of action has been agreed upon regarding the routing and process. The next step would be for CNGC and CNE to meet jointly with the background service provider, American Checked, to outline the logistical pieces of the transition. They hope to have this meeting within the next week.

Tim agreed and reported that they are making a lot of headway and it should be closing completion within the next week. He also explained that there will be times they will need the Director's approval on certain positions that are needed earlier. Commissioner Jordan suggested leaving this item under old business for the next meeting. Jamie anticipates that there will be some things that will require commission action and it will be left under old business until all is resolved.

NEW BUSINESS

A. PERMITS & LICENSES – K. MYERS

Kelly presented the following and recommended approval.

- One hundred thirty-seven (137) individual(s) for temporary permits

Commissioner Barrick motioned to approve; seconded by Commissioner Goins. Motion carried.

- Eighty-three (83) individual(s) for suitability determination including Commissioner Purcell

Commissioner Goins motioned to approve; seconded by Commissioner Jordan. Motion carried. Commissioner Purcell abstained.

- Fifty-three (53) orders including Commissioner Jordan

Commissioner Purcell motioned to approve; seconded by Commissioner Barrick. Motion carried. Commissioner Jordan abstained.

- Two hundred and ninety-two (292) renewals for 9 November 2017

Commissioner Barrick motioned to approve; seconded by Commissioner Purcell. Motion carried.

Vendors:

- Two (2) Class A Company Order(s)
- Twelve (12) Class A Individual Order(s)
- Five (5) Class A Company Renewal(s) for 9 November 2017
- Thirty-four (34) Class A Individual Renewals for 9 November 2017

Commissioner Barrick motioned to approve; seconded by Commissioner Goins. Motion carried.

Chairman Sparks requested that the Vendors be listed separately from the individual licenses.

B. LICENSE CLASSIFICATIONS – K. MYERS

Kelly presented six (6) new and/or updated license classifications. The Vice President of Human Resources was placed as inactive per CNEs request. Kelly requested for approval.

Commissioner Purcell motioned to approve; seconded by Commissioner Jordan. Motion carried.

C. GAME & SYSTEM APPROVALS – G. CAVINESS

Gena provided a revised memo and presented.

- Aristocrat 6
- Bally 3
- Rocket Gaming 4
- VGT 13
- AGS 2
- Ainsworth 2
- IGT 9

IGT electronic theme upgrades - 2 IGT

New Cabinets – 2 Bally and 1 IGT

Class 2 Game Clients – 3 VGT

New Class III OS/Main Programs – 1 Bally and 1 Ainsworth

Commissioner Goins motioned to approve as presented; seconded by Commissioner Purcell. Motion carried.

Jamie reported that there had been a number of card and table games they have been working on with CNE to address comments and outstanding items. After discussions with the policy writers and people in the poker room, there will be modifications made to the policies and pamphlets associated with the game rules and game play. They are ready to move forward once the modifications are made. With respect to a few games, Jamie requested that authority be delegated to him to approve the games once the policies are modified and the changes needed are reflected in the policies and the pamphlets. This will ensure the games can be rolled out at the convenience of operations.

Commissioner Purcell motioned to approve the games for play at all facilities upon verification of the game documentations by CNE and CNGC to quickly facilitate the process; seconded by Commissioner Jordan. Motion carried.

Discussion was held over the Commission delegating authority to Jamie. Commissioner Jordan requested that Courtney Jordan research this issue and return with information for the Commissioners. Commissioner Purcell requested the information prior to the next meeting for preparation purposes.

Tim added that Bear will have some written information to provide at the next meeting.

D. PROMOTIONS & CALENDAR OF EVENTS – J. BUNCH

Jeannie presented the promotions and calendar of events and recommended approval as listed excluding the Hunting for Cash promotions listed for Tahlequah and Fort Gibson at CNEs request.

Commissioner Purcell motioned to approve with the exclusions stated; seconded by Commissioner Jordan. Motion carried.

Jeannie presented promotions submitted by CNE to replace the Tahlequah and Fort Gibson promotions that were pulled. She will meet with Jennifer Province to work out the details and edits on these promotions. She requested that Jamie be given authority to approve when they are ready. Commissioner Jordan does not want to do this on a regular basis and would prefer to approve when they are completed or they may get left behind at times. She does not want to place too much power with one person when the commission remains primarily responsible.

Commissioner Goins motioned to grant Jamie authority to approve until the next meeting for the Commissions final approval; seconded by Commissioner Barrick. Commissioners Purcell and Jordan opposed. Motion passed by the Chairman Sparks.

Confidential Addendum - Catoosa

Jeannie presented these promotions and requested approval.

Commissioner Jordan motioned to approve; seconded by Commissioner Purcell. Motion carried.

E. TOURNAMENTS – J. BUNCH

Jeannie presented the tournaments and calendar of events and recommended approval as listed.

Commissioner Jordan motioned to approve as presented; seconded by Commissioner Barrick. Motion carried.

F. IN-HOUSE PROGRESSIVE TRANSFER – J. BUNCH

Jeannie reported that CNE had requested approval to transfer retired in-house progressive funds to promotional funds for the direct benefit of e-games patrons and recommended approval.

Commissioner Purcell motioned to approve the request; seconded by Commissioner Goins. Motion carried.

G. CNGC 2017 AUDIT CYCLE UPDATE – T. ASHER

Traci presented the revised CNGC audit plan for 2018 and requested approval for a revision to the plan. The request is to change the July-June audit cycle back to the fiscal year cycle. It was changed to the July-June cycle at the external auditors request to allow them to begin reviewing information earlier before beginning on the financial audits. After discussing this with the National Indian Gaming Commission (NIGC), it was found that it should correspond with the business year in order to meet the annual requirements.

Commissioner Barrick motioned to approve the revised audit plan; seconded by Commissioner Goins. Motion carried.

Traci presented the Drop and Count Audit and the Full Facility Review for Grove and requested approval for release to management, tribal council, and administration. After discussions, Commissioner Jordan requested more time to review and proceed with this at the next meeting to be discussed at length in executive session.

Traci provided reports of the Finance and Key & Access audits. She requested approval to release these to the external auditors.

Commissioner Barrick motioned to approve the release as requested; seconded by Commissioner Goins. Motion carried.

Dustin reported on additional reports and made himself available for questions. There were no questions.

H. ROLAND TRAVEL PLAZA BANKROLL FORMULA – J. HUMMINGBIRD

CNE requested approval of the minimum bankroll for the Roland Travel Plaza. The formula used by CNE incorporates all the elements that are pertinent for the facility. Jamie reported that the formula is adequate to cover a facility of this size and recommended that the Commission approve the request.

Commissioner Jordan motioned to approve the request; seconded by Commissioner Purcell. Motion carried.

I. SICS SUBMISSION DEADLINE – J. HUMMINGBIRD

Jamie reported that the Commission adopted the final Tribal Internal Control Standards (TICS) at the August meeting. At that time, the Commission also set a sixty (60) day deadline for CNE to submit the System of Internal Controls (SICS) to comply with the

revised TICS. It was also discussed that some technical corrections would need to be made due to various issues associated with the TICS. Jamie recommended that the deadline be suspended until the changes are reviewed by the Commission and approved to afford CNE adequate time to revise their controls and submit them. This would be with the exception that the SICS changes necessary as a result of the NIGCs internal control assessment are received by Monday, 23 October 2017; CNE agreed to sixty (60) days from the enactment of the final TICS for those related to NIGCs assessment report. Bear stated that they will be submitted on Monday. Jamie stated that those meant to satisfy the internal control assessment can be acted upon if received by Monday. The deadline suspension would be for all remaining SICS to be developed until another date is set.

Bear reported that they will have the SICS revisions ready to submit to Jamie on Monday. He questioned coming into compliance with the new TICS because the new TICS were brought to the minimum of 542 and 543. NIGC showed the areas where CNE were not in compliance with 543. Jamie clarified that CNGC did not mean that CNE was out of compliance. There are portions of the new TICS where some elements of 542 and/or 543 were inadvertently omitted. Some language was different than what appears in 542 and 543 so they are looking to do technical cleanup; some changes are minor and others have a larger amount of corrections needed. CNGC shared some corrections that Jamie and his staff had worked on with the Attorney General, Todd and Chrissy Nimmo prior to the enactment of the last version of the TICS to show there were portions that needed to be added in that were not included.

Commissioner Jordan requested that the Commissioners receive the work that Jamie and his staff are doing for them to review subsequent with the Attorney General's office.

Chairman Sparks suggested that the Commissioners be copied on the email exchanges between CNGC and the legal department, with attachments.

After a discussion at length, Commissioner Goins motioned to suspend the sixty (60) day deadline for non-internal control assessment related SICS; seconded by Commissioner Barrick. Commissioners Purcell and Jordan abstained. Motion passed by Chairman Sparks.

The meeting covered the Director's Report at this time. See respective line item below.

A break was taken at 12:45 p.m.

J. INVESTIGATIONS, LICENSE ACTIONS & HEARINGS – MYERS/CAVINESS

Commissioner Goins motioned to enter into executive session at 12:55 p.m. for briefings on the hearings and/or investigations and hear each individual as scheduled; seconded by Commissioner Jordan. Motion carried.

Commissioner Purcell motioned to exit executive session and return to regular session at 1:22 p.m. The motion was seconded by Commissioner Jordan. Motion carried.

Kelly made the following recommendations and requested approval.

Tab 1

Action: Reschedule to the November meeting.

Tab 2

Action: License denial for failure to appear.

Tab 3

Action: Reschedule to the November meeting.

Tab 4

Action: Reschedule to the November meeting.

Tab 5 – Present

Action: Found suitable and must re-do the criminal section of the application correctly.

Tab 6

Action: License revocation for substance abuse violation.

Tab 7

Action: Reschedule to the November meeting.

Commissioner Goins motioned to approve the recommendations; Seconded by Commissioner Jordan. Motion carried.

The meeting proceeded to open session at this time. See respective line item below.

DIRECTORS REPORT - J. HUMMINGBIRD

Jamie recognized Kelly for being elected another term as Chairwoman for the Oklahoma Tribal Gaming Regulators Association (OTGRA). Jamie let his report stand as submitted and offered to answer any questions. There were no questions.

Item J was covered at this time. See respective line item above.

OPEN SESSION:

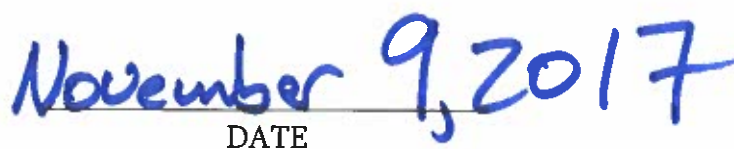
Discussions for the next two commission meeting dates took place. It was decided to keep the November meeting on November 9th. The December meeting will be changed to December 15th.

ADJOURNMENT:

Commissioner Purcell motioned to adjourn at 1:37 p.m. The motion was seconded by Commissioner Jordan. Motion carried.

Approval of Minutes:


CHAIRMAN SPARKS


DATE

