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## CHEROKEE NATION GAMING COMMISSION

**MEETING DATE / LOCATION:** 15 December 2017  
Hard Rock Hotel Casino & Resort  
7<sup>th</sup> Floor Board 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  
Debra Wilson, Administrative Officer  
Rhonda Trumbula, Special Projects Officer  
Tracy Christie, Gaming Systems Analyst  
Traci Asher, Internal Audit Manager  
Kelly Myers, Licensing Manager  
Jeannie Bunch, Compliance Officer  
Kyle Sourjohn, Compliance Officer  
Kristi Cole, Licensing Agent  
Stacy Abad, Licensing Agent

**CHEROKEE NATION ENTERTAINMENT:** Gary Weddell, Operations  
Monica Richards, Finance  
Bear Christensen, Compliance  
Melody Cable, CNB Audit  
Jennifer Watkins, Compliance Manager  
David Ledford, CNE IT  
Jennifer Province, CNE Marketing  
Joshua Anderson, Surveillance  
Donald Childers, Surveillance Loss Prevention  
Kevin Scrapper, Marketing  
Reba Chambers, Compliance  
Dena Geib, CNB Legal  
Jennifer Bryant, Human Resources

**VISITORS:** Chrissy Nimmo, Office of the Attorney General

# CHEROKEE NATION GAMING COMMISSION MEETING MINUTES

15 December 2017  
Hard Rock Hotel & Casino Resort  
7<sup>th</sup> Floor Board Room

## CALL TO ORDER :

Chairman Sparks called the meeting to order at approximately 9:36 a.m.

## ROLL CALL:

Present: Chairman Sparks  
Vice-Chairman Barrick  
Commissioner Jordan  
Commissioner Purcell  
Commissioner Goins

A quorum was established with all members present

## APPROVAL OF AGENDA:

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

## APPROVAL OF MINUTES:

Commissioner Barrick motioned to approve the 9 November 2017 and the 1 December 2017 minutes; seconded by Commissioner Goins. 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 Purcell motioned to enter into executive session at 9:43 a.m. for the CNE October financial and facilities reports; seconded by Commissioner Goins. Motion carried.

## CNE REPORTS:

A. FINANCIAL REPORT – M. RICHARDS

B. FACILITIES REPORT – M. FULTON

Commissioner Barrick motioned to exit executive session at 10:04 a.m. The motion was seconded by Commissioner Jordan. Motion carried.

No action taken.

OLD BUSINESS:

A. BACKGROUND INVESTIGATION SHARING-UPDATE (NO ACTION) – J. HUMMINGBIRD

Jamie reported that their attempts to meet with AmericanChecked have been held up due to scheduling conflicts. He sent them a list of questions and scenarios and has received word from AmericanChecked President Julie Hackman that the list was forwarded to their compliance officers and attorneys to review. The questions center around the logistical issues that need to be addressed before the transition. Adjustments need to be made to the online application system, data base and the respective agreements with AmericanChecked. Jamie asked that the answers be provided in writing with a timeline to give an idea of how long it will take to make the technical changes as well as proceeding with the contract amendments. Once Jamie received the information from Julie, he will get the information out to everyone to begin the process.

Dena Geib reported that CNE has provided all that has been asked of them and does not understand why a meeting is necessary. Jamie explained that some information he receives would be provided to CNE for informational purposes and additional information such as contracts and technical items that CNE may need to act upon by getting Human Resources involved.

Commissioner Jordan inquired on a timeframe on this. Jamie reported that January was the target. The potential problem he foresees is a set back from technical aspects linking the accounts. The remaining process will be short. Jamie will obtain a cost estimation for the services and provide to the commissioners and CNE legal before the next meeting to determine the long term cost and savings per Commissioner Jordan's request.

B. SICS REVIEW AND APPROVAL – J. HUMMINGBIRD

Jamie reported that packet included an update on the System of Internal Control Standards (SICS) that were submitted to comply with the National Indian Gaming Commission's (NIGC) internal control assessment. They met with CNE and made some suggested corrections that Bear reported were in progress. Once those are received, they will be brought up in January.

The second item was related to the poker policies and procedures. The information on Chinese, Open Face Chinese, and Pineapple Open Face Chinese was received after the packet was submitted. These have a couple of items to correct and they will be ready. The policy language will be reviewed when received from CNE and will be presented to the Commission. CNE will look into the gaming claims on Badaci, Baduci, Badugi for submission to CNGC.

Commissioner Purcell commented that this item was discussed in October. She had not received any information between October and this day that would help in making an informed decision.

Chrissy reported that the Attorney General's office is not included in the SICS approval process unless legal questions arise that would concern the AG's office and they are included in the Tribal Internal Control Standards (TICS) approval process. Jamie added that the only communication they have had with the Attorney General's office in regard to the TICS has been submitted.

Commissioner Jordan commented that CNGC and CNE need to meet and make progress through the meetings to get this completed.

Chairman Sparks requested that the commissioners be copied in the email exchanges regarding this item.

Jennifer Watkins reported that the game pamphlets have been submitted to CNGC. Jamie will get with her on minor needed corrections and they will be ready before the next meeting. Commissioner Jordan asked Jamie if the three (3) Chinese games and Firebet would be on the floor before the next meeting. Jamie and Jennifer Watkins verified they would be.

There are concerns on the gaming claims language specifically OP11. OP11 and what is on the pamphlets is contradictory. It is possible that the "three Bs" could be implemented before the next meeting depending on when the corrections are made and submitted to CNGC.

Jamie was hopeful that all issues can be resolved and that all seven (7) games could be on the floor by the next meeting. Chairman Sparks requested that the Commissioners be notified when they are on the floor. Commissioner Jordan added by requesting that they be notified if a special meeting is needed to get the games on the floor.

## NEW BUSINESS

### A. PERMITS & LICENSES – K. MYERS

#### 1. Employees

- One hundred (100) individual(s) for temporary permits
- Seventy (70) individual(s) for suitability determination
- Fifty-five (55) orders
- Two hundred and ten (210) renewals for 12 January 2018

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

#### 2. Vendor & Vendor Representatives

Kelly presented and requested approval.

- Four (4) Class A Company Order(s) for 15 December 2017
- Forty-three (43) Class A Individual Order(s) for 15 December 2017
- Two (2) Class A Company Renewal(s) for 12 January 2018
- Twenty-three (23) Class A Individual Renewals for 12 January 2018

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

### B. LICENSE CLASSIFICATIONS – K. MYERS

Kelly presented three (3) updated license classifications for approval.

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

Commissioner Jordan asked what the timeframe is for approval of a job once the Licensing department receives a job description. Kelly stated that it is always the following month provided they are received before the packet goes out. The turnaround is timely since Jamie has authority to approve when CNE submits a request.

### C. GAME & SYSTEM APPROVALS – G. CAVINESS

#### 1. Electronic Game Themes

- IGT 15
- Konami 5

- Everi 10
- VGT 2
- Bally 4
- Aristocrat 2
- Rocket Gaming 5
- Aruze 3

**New Cabinet**

- IGT 1

**Class 2 Server Upgrade**

- AGS 1

**Upgraded Class 3 OS/Main Programs**

- Konami 1
- Bally 1
- Aruze 2
- IGT 1

**New Gaming Components**

- Everi 3

**Director Approved Items**

- IGT 3
- Aristocrat 1
- Bally 3

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

2. Table & Card Games

None

3. Systems

Commissioner Goins motioned to approve the addition of the NeWave System Approval to the agenda; seconded by Commissioner Barrick. Motion carried.

### **NeWave System Approval**

Jamie reported that the Internal Revenue Service (IRS) sent out a notice in February 2017 that they were making changes to the requirements for the 1042S form that is required for foreign nationals to be submitted for reportable jackpots. Bear notified CNGC in June that they were making some changes to the system to allow for the new reporting to be processed electronically. It is now ready to roll out and is time sensitive. All new forms have to contain this new information and submitted to the IRS by March 2018. The 1042S forms that have been submitted up until this new system is implemented will be manually updated by CNE with the IRS system.

Bear reported that the 1042S form is used for the non-resident alien guests. This form has to be issued to any of those guests that have winnings and thirty (30) percent is withheld from the winnings. The purpose of this system is for better tracking for the IRS. It has not gone through Q&A testing but is being scheduled to go to the lab for testing.

Jamie requested a delegation of authority to authorize the change to the 1042S electronic reporting once it has been cleared through the lab and tested to satisfy IRS requirements. After which, will be brought back to the commission for final affirmation.

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

### **Atrient Kiosk**

Jamie reported that the trial period for this has expired. CNE would like to move forward and roll out to all properties. This is currently available at two (2) properties. With CNE currently working on updating and revising the policies, Jamie requests authority to approve full implementation of the Atrient Kiosk at all properties once they are received and reviewed. This will be brought back to the commission for final affirmation.

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

## **D. PROMOTIONS & CALENDAR OF EVENTS – J. BUNCH**

Jeannie presented the promotions and calendar of events and requested approval.

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

### **Catoosa Confidential Memo**

Jeannie presented and requested approval for the Gaming Commission Reports (GCR).

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

#### F. IN-HOUSE PROGRESSIVE TRANSFERS – J. BUNCH

Jeannie reported that she had reviewed the information and recommended approval for the transfer of \$41,435.29 in retired in-house progressive funds to promotional funds for the direct benefit of e-games patrons.

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

#### G. CNGC 2017 AUDIT CYCLE UPDATE – T. ASHER

Traci reported that the packets included the Information Technology Audit required by the National Indian Gaming Commission. There were seven (7) issues identified and CNE management provided an action plan so that CNGC can follow up. She requested approval for release and distribution.

Commissioner Barrick motioned to approve; seconded by Commissioner Goins.

Commissioner Jordan asked if this report was time sensitive. Traci stated that it was not unless CNE management had questions. CNE has been provided with the detailed report, are aware of the findings, and have responded. This request for approval is to release the final report to executive management, the tribal council, and CN administration. This report is for informational purposes.

Commissioner Jordan requested that this report be a part of the next meeting's agenda.

Commissioner Purcell asked if corrections were made to address CNEs objections to the TICS criteria. Commissioner Jordan asked which set of TICS, old or new were applied. Traci reported that the scope period of this report was before the new set became effective and they used the old set. As of the effective date of 18 August the new audit programs have the new TICS. The audit schedule recently approved will be under the new TICS. Traci reported that there will be a Financial Transaction Report (FTR) audit but will not



be impacted much by the TICS. Commissioner Jordan withdrew her request to bring this up at the next meeting.

All commissioners were in favor to release the audit, none opposed. Motion carried.

Traci added that a bi-annual gaming funds report that was conducted by CNB was included in the packet. No action required.

#### H. COMPACT GAMING PRIZE CLAIM REGULATION-PROPOSED REVISION – J. HUMMINGBIRD

Jamie reported that he brought to the Commissioner's attention in November a gaming prize claim that was submitted. In reviewing the prize claim process, there were two (2) steps that the individual went through before notifying CNGC of the prize claim. The current regulation contains language that was supposed to be modified to remove the second process or step, which was patterned after the class II gaming claims process.

Commissioner Jordan motioned to table this item to the January meeting so that the AGs office can review the regulation; seconded by Commissioner Goins. Motion carried.

#### I. 2018 GAMING FACILITY LICENSES – J HUMMINGBIRD

Jamie recommended approval for the 2018 gaming facility licenses for all CNE casinos.

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

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

Commissioner Barrick motioned to enter into executive session at 11:30 a.m. for briefings on the hearings and/or investigations and hear each individual as scheduled; seconded by Commissioner Goins. Motion carried.

Commissioner Jordan motioned to exit executive session and return to regular session at 1:29 p.m. The motion was seconded by Commissioner Barrick. Motion carried.

Kelly made the following recommendations and requested approval.

##### **Tab 1 - Present**

Action: License denial – Eligible to reapply upon change in status to current felony conviction.

##### **Tab 2 - Present**

Action: Found suitable – Granted a twelve (12) month conditional license with no additional criminal activity.

**Tab 3 - Present**

Action: License denial for criminal activity.

**Tab 4 - Present**

Action: License denial criminal activity.

**Tab 5**

Action: Placed as inactive.

**Tab 6**

Action: License revocation for violation of substance abuse policy.

**Tab 7**

Action: License revocation for violation of substance abuse policy.

**Tab 8**

Action: License revocation for violation of substance abuse policy.

**Tab 9**

Action: Scheduled for January 2018.

**Tab 10**

Action: Scheduled for January 2018.

**Tab 11**

Action: License revocation for listed violations.

**Tab 12- Present**

Action: License revocation for listed violations.

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

**DIRECTORS REPORT - J. HUMMINGBIRD**

Jamie let the report stand as submitted unless there were any questions.

**OPEN SESSION:**

None

ADJOURNMENT:

Commissioner Goins motioned to adjourn at 1:31 p.m. The motion was seconded by Commissioner Jordan. Motion carried.

Approval of Minutes:

  
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CHAIRMAN STARKS

  
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DATE