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CHEROKEE NATION GAMING COMMISSION

MEETING DATE / LOCATION:

9 February 2018
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
Debra Wilson, Administrative Officer
Traci Asher, Audit Manager
Kelly Myers, Licensing Manager
Gena Caviness, Compliance Manager
Jeannie Bunch, Compliance Officer
Kyle Sourjohn, Compliance Officer

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
Reba Chambers, Compliance
Dena Geib, CNB Legal
Donald Childers, Surveillance & Loss Prevention
April Alley, Loss Prevention
Angelia Jobe, CNE IT
Tim Mannon, Corporate Gaming

VISITORS:

Courtney Jordan, Office of the Attorney General
Joel Haaser, BKD External Audit

CHEROKEE NATION GAMING COMMISSION MEETING MINUTES

9 February 2018

Cherokee Nation Gaming Commission

Conference Room

CALL TO ORDER :

Chairman Sparks called the meeting to order at approximately 9:41 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 Purcell motioned to approve the agenda; seconded by Commissioner Barrick. Motion carried.

APPROVAL OF MINUTES:

Commissioner Goins motioned to approve the 12 January 2018 minutes; seconded by Commissioner Purcell. 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 9:44 a.m. for the CNE December financial and facilities reports; seconded by Commissioner Jordan. Motion carried.

CNE REPORTS:

A. FINANCIAL REPORT – M. RICHARDS

B. FACILITIES REPORT – M. FULTON

Commissioner Goins motioned to exit executive session at 10:44 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

Kelly reported that they are at the ending stages. HotLink has developed the front end system that will allow CNE Operations to run the preliminary background check. Once they accept the individual it will automatically generate an update and send to CNGC. CNE is currently running tests to decipher what account numbers to use and will get with HotLink on that. This process will be easier for CNE without having two (2) separate systems. The licensing fee will be reduced by fifty-dollars for the new Key and Primary Management Officials since CNE is paying that amount for the preliminary checks.

Commissioner Purcell asked if this will affect the CNGC budget. Jamie explained that it will even out since CNGC will charge only what is needed to cover the expense, so if the expense decreases, the charge will decrease. There will be less revenue coming in because CNGC will be charging less for the initial gaming license. Chairman Sparks requested a flow chart showing the figures for added clarification.

Commissioner Jordan asked why the charge is reducing and who is saving the fifty-dollars. Kelly explained that CNE Operations will see the savings since they will recover the cost by payroll deduction. Commissioner Jordan explained her understanding of the outcome as a small increase in dividend for the Cherokee people. Jamie and Kelly will prepare a flow chart to present. Commissioner Jordan asked to be notified when the sharing is implemented. No action required.

B. SICS REVIEW AND APPROVAL – J. HUMMINGBIRD

Jamie handed out a memorandum of update to the Commissioners and reported that a number of System of Internal Control Standards (SICS) have previously been presented. The seven (7) poker games are completed and awaiting action from CNE. CNGC is in the process of reviewing other SICS submitted by CNE for various projects. CNE had questions on some comments made by CNGC on SICS related to the NIGC Oversight Internal Control Assessment (OICA) and will be submitting those to CNGC. There will be a continual mode of SICS review for the foreseeable future. There were no SICS to present for approval.

Commissioner Jordan asked who was responsible at the time. Jamie and Jennifer Watkins explained the process and Jennifer added that they will be meeting on the revisions made from the 17 November 2017 meeting due to some outstanding questions. Commissioner Jordan questioned the extensive amount of time it takes on the policy process. Bear explained that the volume of documents they submit to CNGC is huge due to the amount of changes that are made in various projects. CNGC and CNE have discussed ways the process can be improved. He explained that there were many at this time and it is complicated in terms of how they are trying to move them forward and CNGC and CNE have staff working on them. Jamie added that there are additional policies that arise through the normal course of business that require policies and procedures, desk procedures, Standard Operating Procedures (SOP), etc. Jennifer reported that there are seventy-five policies that are not OICA SICS awaiting review. Commissioner Jordan asked if the policies awaiting review mean more money for the Cherokee people once they are completed. Bear replied that there will be better efficiencies once they are completed. Jamie reported that they are worked on as they are received and it is a lengthy process for submission and review. Commissioner Jordan suggested finding a way to be more efficient by progressing and completing at a faster pace. No action required.

NEW BUSINESS

A. PERMITS & LICENSES – K. MYERS

Kelly presented and requested approval.

1. Employees

- Ninety-four (94) individual(s) for temporary permits
- Sixty-four (64) individual(s) for suitability determination
- Ninety-one (91) orders
- Two hundred and thirty-one (231) renewals for 9 March 2018

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

2. Vendor & Vendor Representatives

- Four (4) Class A Company Order(s) for 9 February 2018
- Thirty-three (33) Class A Individual Order(s) for 9 February 2018
- Three (3) Class A Company Renewal(s) for 9 March 2018
- Thirty-three (33) Class A Individual Renewals for 9 March 2018

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

B. LICENSE CLASSIFICATIONS – K. MYERS

None to present

C. GAME & SYSTEM APPROVALS – G. CAVINESS

1. Electronic Games

a. Themes

➤ Konami	11
➤ VGT	14
➤ IGT	5
➤ Bally	4
➤ Aristocrat	2
➤ Ainsworth	1

b. Upgraded Class 2 OS/Main Program(s)

➤ VGT	2
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c. Upgraded Class 2 Servers

➤ VGT	2
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d. Director Approved Item(s)

➤ Aristocrat	3
➤ Bally	6
➤ IGT	4
➤ AGS	1
➤ Everi	2

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

2. Table & Card Games

a. Table Felt

CNE requested approval for a new Hard Rock Poker felt to be utilized in the Hard Rock Poker room. Gena recommended approval.

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

Gena explained the areas of concern they look for in the felts. Jamie added they also look for any particular notice or layout that should be visible to coincide with the game play.

b. Chip Approval

CNE requested approval for a new Hard Rock five (5) dollar chip that will be ordered due to the World Series of Poker tournament in March to be utilized in the Hard Rock Tulsa gaming facility. Gena recommended approval.

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

3. Systems

Gena spoke to the memo included in the packet for the purpose of updating the commissioners of the CNGC's review of the United Tote Kiosk which is a new Off Track Betting (OTB) Kiosk that CNE requested approval for. This will replace CNE's current totalizer company, AmTote.

This was given conditional approval by the Director on 31 January 2018. CNGC granted a thirty (30) day window for CNE to submit SICS that they are currently revising. This gives CNE time to work out any glitches with the process of the new kiosk and submit to CNGC for review. She hoped to have SICS to present for approval at the next meeting. No action required.

D. PROMOTIONS & CALENDAR OF EVENTS – J. BUNCH

1. General

Jeannie presented the promotions and calendar of events. CNE requested approval to change the dates for Tahlequah and Fort Gibson from 3 March 2018 to 1 March 2018. She recommended approval as listed, including the date changes explained.

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

2. Catoosa Confidential Memo

Jeannie presented and requested approval for the promotions as listed and affirmation on the Director approved items.

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

E. TOURNAMENTS – J. BUNCH

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

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

F. IN-HOUSE PROGRESSIVE TRANSFERS – J. BUNCH

Jeannie reported that she had reviewed the information and recommended approval for the transfer of retired in-house progressive (IHP) 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 handed out a memorandum regarding the Implementation Review. This is done on a quarterly basis and the purpose of the memorandum was to provide information on the status of their findings. The next team will review all pending and give another status report.

Commissioner Jordan suggested that the report requested previously on the policies be in the same format at this report.

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

Commissioner Barrick motioned to enter into executive session at 11:45 a.m. for briefings on the hearings and/or investigations and hear each individual as scheduled; seconded by Commissioner Jordan. Motion carried.

Commissioner Goins motioned to exit executive session and return to regular session at 1:52 p.m. The motion was seconded by Commissioner Purcell. Motion carried.

Kelly made the following recommendations and requested approval.

Tab 1 - Present

Action: Found Suitable.

Tab 2 - Present

Action: Reinstate a twelve (12) month conditional license.

Tab 3 - Present

Action: License Revocation

Tab 4 - Present

Action: License Revocation

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

DIRECTORS REPORT - J. HUMMINGBIRD

Jamie let the report stand and opened up for questions. There were no questions.

OPEN SESSION:

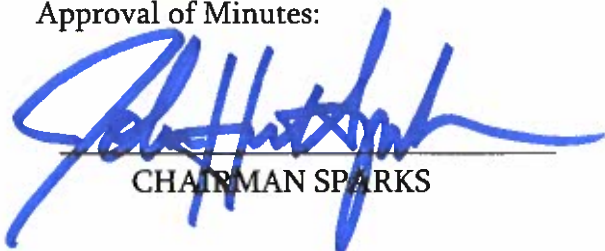
Tammy reminded the commissioners of upcoming conferences and will email a list with links for additional information. She asked that they let her know which conferences they would like to attend.

Kelly invited everyone to the Oklahoma Tribal Gaming Regulators Association (OTGRA) meeting taking place the following week.

ADJOURNMENT:

Commissioner Purcell motioned to adjourn at 1:55 p.m. The motion was seconded by Commissioner Goins. Motion carried.

Approval of Minutes:


CHAIRMAN SPARKS


DATE