



□□□□ □□□ □□□□□□□□ □□□□□□□□

## CHEROKEE NATION GAMING COMMISSION

**MEETING DATE / LOCATION:** 28 February 2020  
Cherokee Nation Housing Authority - Tahlequah  
Conference Room

**COMMISSIONERS PRESENT:** John Sparks, Chairman  
Steven Barrick, Vice Chairman  
Jennifer Goins, Commissioner  
Linda O'Leary, Commissioner  
Shawna Baker, Commissioner

**COMMISSION STAFF:** Janice Walters Purcell, Executive Director  
Shannon Vahdatipour, Interim Audit Manager  
Tiffany Cochran, Compliance Manager  
Kristi Cole, Licensing Agent  
Meagan Thompson, Licensing Agent  
Kyle Sourjohn, Compliance Officer  
Bess Warren, Special Projects Officer  
Tracy Christie, Gaming Systems Analyst  
Stephanie Choate, Gaming Auditor  
Christa McCoy, Budget Analyst

**CHEROKEE NATION ENTERTAINMENT:** Gary Weddell, Gaming Operations  
Jennifer Watkins, Compliance  
Angelia Jobe, Information Technology  
Reba Chambers, Compliance  
Bear Christensen, Compliance  
Monica Richards, Accounting  
Kyle Culver, Marketing  
Jessica Graham, Legal  
Melody Cable, Audit  
Donald Childers, Surveillance & Loss Prevention  
Joe Washum, Safety & Environment  
Todd Hembree, Legal

**VISITORS:** John Young, Office of the Attorney General

CHEROKEE NATION GAMING COMMISSION MEETING MINUTES

28 February 2020

Cherokee Nation Housing Authority - Tahlequah  
Conference Room

**I. CALL TO ORDER:**

Chairman Sparks called the meeting to order at approximately 9:53 a.m.

**II. ROLL CALL:**

Present: Chairman Sparks  
Vice Chairman Barrick  
Commissioner O'Leary  
Commissioner Baker

Absent: Commissioner Goins

A quorum was established.

**III. APPROVAL OF AGENDA:**

Commissioner Baker motioned to approve the agenda; seconded by Commissioner O'Leary.  
Motion carried.

**IV. APPROVAL OF MINUTES:**

Commissioner O'Leary motioned to approve the 31 January 2020 meeting minutes; seconded by Commissioner Barrick. Motion passed.

Commissioner Goins entered at 9:55 a.m.

**V. 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. Christa McCoy was introduced as the new Budget Analyst for CNGC.

**VI. CNE REPORTS:**

Commissioner O'Leary motioned to enter into executive session at 9:57 a.m. to discuss items VI. A-D. The motion was seconded by Commissioner Baker. Motion carried.

- A. FINANCIAL REPORT
- B. FACILITIES REPORT
- C. TRIBAL GAMING COMPACT
- D. ARKANSAS GAMING

Commissioner O’Leary motioned to exit the executive session at 11:18 a.m. The motion was seconded by Commissioner Barrick. Motion carried.

## **VII. OLD BUSINESS:**

- A. CNGC TRIBAL INTERNAL CONTROL STANDARDS-PROPOSED REVISIONS – J. WALTERS PURCELL

Executive Director Purcell informed the Commission that the Tribal Internal Control Standards are still pending. CNGC received a letter from outside counsel which was announced in the January 2020 meeting. The Executive Director requested permission to disseminate letter/ legal memo to the Commissioners and looks forward to any recommendations from the Commissioners. John Young stated that finality needs to be achieved and there has been a request to publish within ninety (90) days and also Cherokee Nation Entertainment (CNE) has requested that the Commission publish the revisions within ninety (90) days for finality purposes. Executive Director Purcell suggested that the Commission bring matter up for a vote on the revisions in sixty (60) days after the outside counsel reports and CNE comments have been reviewed by the Commissioners.

Chairman Sparks stated that a Motion on a formal action item is not being requested but just an announcement that the Commission is receiving information from our Counsel. Chairman Sparks stated that the information received from Counsel will be distributed to the Commissioners and after the Commissioners have reviewed it at next meeting, Commissioners will aspire to set a formal time line to vote on the final version of language at the following Commission meeting. This is not in the form of a Motion but Point of Order clarifying the item brought up in Minutes. Chairman Sparks recognized Bear Christensen (CNE) who asked if the final version will include CNGC comments as well as CNGC addressing CNE comments. Chairman Sparks stated that CNGC will comply with the Administrative Procedures Act (APA) and it would include initial offerings, responses and changes as required by the Administrative Procedure Act and it would allow for justification of the placement of the changes needed in response to the relative CNE comments.

Executive Director Purcell asked if the CNE comments had been previously distributed to the Commissioners. John Young specified that the comments from CNE were incorporated in the legal memo. Chairman Sparks suggested that once all pending documents have been

distributed, the Commissioners may entertain a Motion in form or substance to adopt the language at a future CNGC Commission meeting.

## **VIII. NEW BUSINESS**

### A. PERMITS & LICENSES – K. COLE

Kristi Cole presented the following and requested approval:

#### 1. Employees

- Seventy-four (74) individual(s) for temporary permits
- Fifty-eight (58) individual(s) for suitability determinations
- Eighty-four (84) license orders
- Two hundred sixty-four (264) renewals

Commissioner Goins motioned to approve; seconded by Commissioner O’Leary.

Chairman Sparks asked if there were any questions, and, Executive Director Purcell had questions on some of the licensing and the purpose of certain employees being required to obtain a gaming license. This included employees such as sous chefs or baristas. Kristi Cole stated that barista employees have cash handling duties, they take the money. The Chairman asked if the cash received is deposited into the same cage bank account as gaming money in the facility, Kristi Cole stated that barista employees have cash handling duties and the Chairman asked if the cash is deposited into the same cage bank account as gaming funds in the facility. Chairman said that has been a consideration in granting of a license. Kristi Cole stated that she believed the cash is deposited into the same account. However, Chairman Sparks suggested that this discussion may not be appropriate at this time since it is the issuance of an individual license and not a license classification, It might not need to be brought up under licenses section but may be brought up under a more appropriate time, such as license classifications.

Chairman Sparks recognized Todd Hembree who requested that a further discussion of the current employees required to be licensed be added to a future agenda. This would allow for an in-depth review of what a gaming employee is and the Legislative limitations that have gone forward and this classification goes further than the NIGC. Chairman Sparks stated that if this would be presented at a future meeting, it would be referenced under for example item VIII. B. and examined as an issue of classifications and not individual license issuances. Todd Hembree agreed and stated that once the item has been placed on a future agenda, CNE will make such a request and CNE will distribute a list of job classifications that CNE believes do not require a gaming license for the Commission’s review.

Following the discussion, the motion carried.

#### 2. Vendor & Vendor Representatives

Kristi Cole presented the following and requested approval:

- Four (4) Class A company orders for 28 February 2020
- Seventeen (17) individual Class A orders for 28 February 2020
- Ten (10) Class A company renewals for 27 March 2020
- Sixty-two (62) individual renewals 27 March 2020

Commissioner Baker motioned to approve as submitted; seconded by Commissioner O'Leary.

Chairman Sparks recognized Todd Hembree. Mr. Hembree requested that the vendor issue be required to obtain a gaming license be placed on a future Commission meeting agenda to determine if it complies with the NIGC minimums of Cherokee Nation Law and the Cherokee Nation Attorney General's Opinion that was issued in 2015 regarding vendor and vendors classification.

Following the request, the motion carried.

#### B. LICENSE CLASSIFICATIONS – K. COLE

Chairman Sparks recognized Kristi Cole who presented twelve (12) different or updated license classifications and requested approval, only one is a new one which is an edit to change name from Manager Rock Shop and Rock Spa to Manager Rock Shop. The job description was included in the Commissioners packet. Chairman Sparks stated, the request is motion to approve the change of the license classification and also the deactivation of all the others.

Commissioner Baker motioned to approve; seconded by Commissioner Barrick.

Chairman Sparks asked if there were any questions, Executive Director Purcell asked if the CNGC licensed the Rock Spa and is the Spa required to possess a gaming license. Kristi Cole deferred to Meagan Thompson who stated that Yes, we do license the Spa. CNGC typically does not license the receptionist or workers in the Spa but does license the management in the Rock Shop because of ability to hire and fire. Kristi Cole stated that the action to approve the Manager of Rock Shop as denoted in the license classification memo was requested by CNE. Chairman Sparks recognized Bear Christensen who clarified that CNE's request was based on the current CNGC regulations of gaming license requirements and was not an endorsement of the license classifications. CNE further stated that CNGC and CNE need to address the issue of Cherokee Law in terms of licensing.

Chairman Sparks was reminded that in a previous meeting there was a request to provide in context an organizational charts provided alongside the license classification memorandums. Chairman Sparks renewed the Request to Staff and the Regulated entity that the issued needs to be addressed pursuant to the APA .

Following the discussion, the motion carried.

Tiffany Cochran presented the following:

1. Electronic Gaming Machines

**Electronic Game Themes**

|              |    |
|--------------|----|
| ➤ Aristocrat | 3  |
| ➤ AGS        | 10 |
| ➤ Bally      | 15 |
| ➤ Everi      | 11 |
| ➤ Konami     | 16 |
| ➤ IGT        | 4  |
| ➤ VGT        | 6  |

**New Main Program**

|       |   |
|-------|---|
| ➤ AGS | 1 |
|-------|---|

**New Gaming Components**

|         |   |
|---------|---|
| ➤ AGS   | 7 |
| ➤ Everi | 1 |
| ➤ Bally | 1 |

**Executive Director Approved Items**

|       |   |
|-------|---|
| ➤ AGS | 3 |
| ➤ IGT | 1 |

Commissioner O’Leary motioned to approve as listed; seconded by Commissioner Goins. Motion carried.

2. Felt Approval

Tiffany Cochran reported that CNE submitted and requested approval for one (1) new Table Games Free Bet felt design for the Roland property. The modification would include a “Pot of Gold” side bet and be added to the Roland Table Games felt archive.

Executive Director Purcell granted approval on 7 February 2020 to allow the property to move forward with ordering the felt and requested affirmation of Executive Director Approval.

Commissioner Goins motioned to approve the affirmation of Executive Director’s approval as listed; seconded by Commissioner Barrick. Motion carried.

#### D. PROMOTIONS & CALENDAR OF EVENTS – T. COCHRAN

Tiffany Cochran presented the report for Jeannie Bunch and requested approval for promotions at the Casino properties and requested approval for Calendar of Events and Promotions.

Commissioner Barrick motioned to approve as distributed; seconded by Commissioner O’Leary. Motion passes.

#### E. TOURNAMENTS – T. COCHRAN

Tiffany Cochran made the presentation and requested approval for one (1) schedule of event for advertising only and ten (10) temporary suspensions at the Hard Rock Catoosa facility. In addition, a request was made for one (1) schedule of event for advertising only and six (6) temporary suspensions at the West Siloam Springs facility and request for a Motion to Approve the Tournaments.

Commissioner Baker motioned to approve as listed; seconded by Commissioner Goins. Motion passes.

#### F. IN-HOUSE PROGRESSIVE TRANSFERS – T. COCHRAN

Tiffany Cochran presented a request by CNE for the transfer 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 O’Leary motioned to approve as listed; seconded by Commissioner Barrick. Motion carried.

#### G. CNGC AUDIT CYCLE UPDATE – S. VAHDATIPOUR

Interim Audit Manager, Shannon Vahdatipour was recognized and reported that since the audit department update was distributed, the fieldwork observations for the 20-02AP Gaming Promotions/Bingo audit were postponed. Because of that, the field work will be rescheduled and may impact the completion date for that audit.

Shannon Vahdatipour requested to suspend audit reporting for sixty (60) days. The basis for the request is that sometimes when CNGC has a SICS finding the SICS interpretation may be different between CNGC and CNE. CNGC and CNE have discussed a request to the Cherokee Nation Attorney General for a SICS interpretation. Audit would like to request to suspend audit reports for sixty days because the interpretation may assist in determining what criteria is required to be included in the CNE SICS. The CNGC audit staff would continue to conduct fieldwork but would suspend reporting compilation until the interpretation was complete. Not sure if an official motion needed but at that point Chairman Sparks asked about suspension of the audit reporting and if is allowable.

John Young asked if the audits could be issued without the SICS interpretation results and include a note indicating this. He expressed his concerns that the sixty (60) day suspension would be a departure from the CNGC's regulatory requirements. Executive Director Purcell was concerned since Audit(s) are NIGC requirements, it would not be feasible to suspend reporting. Executive Director Purcell reiterated the same concern and suggested issuing the reports without the SICS interpretation(s) and amending the report once the interpretation results are finalized.

Shannon Vahdatipour reported that the 19-03AP Gaming Systems, 19-06AP Drop & Count, 19-07AP Key & Access, and 19-08AP Financial Transactions audits were included in the current Commission packet and requested Commission approval before releasing it to the Tribal Council, CNE, and Cherokee Nation Principal Chief's office. Executive Director Purcell requested that the reports be released to the Tribal Council members confidentially since the Audit contained proprietary information.

Commissioner O'Leary motioned to approve the release of the four (4) audits with regard to the Executive Director's recommendations; seconded by Commissioner Goins. Motion carried.

H. SICS MEMO – B. WARREN

Bess Warren reported that CNGC is currently requesting approval for one (1) new SICS submission and provided details regarding one (1) revised SICS submission. Both were referenced in the memorandum from Bess Warren.

Commissioner O'Leary motioned to approve one (1) new SICS submission; seconded by Commissioner Barrick. Motion carried.

Following the SICS approval, Chairman Sparks suggested the Commission temporarily table item VIII. I. until the completion of item VIII. J.

Commissioner Baker made the motion to momentarily table items VIII. I.; seconded by Commissioner Goins. Motion passed.

I. INVESTIGATIONS, LICENSE ACTIONS & HEARINGS – K. COLE

Kristi Cole made the following recommendations and requested approval:

**Tab 1**

Action: Suitable.

**Tab 2**

Action: Eighteen (18) month license revocation.



**Tab 3**

Action: Eighteen (18) month license revocation.

**Tab 4**

Action: Eighteen (18) month license revocation.

**Tab 5**

Action: Eighteen (18) month license revocation.

**Tab 6**

Action: License revocation.

**Tab 7**

Action: License revocation.

**Tab 8**

Action: License revocation.

Following the licensing hearings, the Commission exited the executive session at 1:03 p.m.

Commissioner O'Leary motioned to approve the staff recommendations; seconded by Commissioner Barrick. Motion carried.

**J. MOTION TO CORRECT/AMEND NOVEMBER 28, 2019 MINUTES – J. WALTERS PURCELL**

Executive Director Purcell informed the Commission that in the review of the original minutes for 28 November 2019 which listed Jamie Hummingbird as the presenter of item VII. A., Jamie Hummingbird requested the Minutes be corrected to reflect that Executive Director Purcell was the presenter.

Commissioner Baker motioned to adopt the amended minutes for the 28 November 2019 meeting; seconded by Commissioner O'Leary. Motion carried.

**K. PLAYERS CLUB – CAGE PERMISSION EDIT – J. WALTERS PURCELL**

Executive Director Purcell reported that CNE has requested approval for an update of the cage permissions matrix in order to add cashier access to the composite screen. Also, CNE requested the update of the cage permissions matrix to add three (3) new venues within the cage system to authorize complimentary item coupons.

Since there were two (2) separate requests at hand, two (2) motions were required.

The Motions would include, a Motion to Update Permission Screen Matrix to provide cashier access to composite screen, and Motion for cashier to obtain composite screen at three locations, after discussion;

Commissioner O'Leary motioned to approve the cage permissions matrix update to add composite screen access at all properties; seconded by Commissioner Baker. Motion carried.

Commissioner Baker motioned to approve the cage permissions matrix update to add of three (3) new venues within the system; seconded by Commissioner O'Leary. Motion carried.

CNE additionally requested that the change include venue locations for updates..

Following item VIII. K., Chairman Sparks requested a short break before entering into executive session.

Upon return from the break, Commissioner O'Leary motioned to enter into executive session at 12:29 p.m. to complete item VIII. I. The motion was seconded by Commissioner Barrick. Motion carried.

#### **IX. EXECUTIVE DIRECTOR'S REPORT**

Executive Director Purcell reminded the Commission that a new date was needed for the 27 March 2020 meeting due to Chairman Sparks and Vice Chairman Barrick attending a conference. Vice Chairman Barrick stated that he would be unavailable the week of 16 March 2020 as well. Kristi Cole stated that that employees found non-suitable in regards to the license hearings are required to be informed fourteen (14) days in advance of the Commission meeting. However, the license hearing must be within thirty (30) days of the suitability determination. Commissioner Baker informed the Commission that she would be out of town on 3 April. After discussion, the Commission decided to move the meeting from Friday, 27 March 2020 to Wednesday, 1 April 2020 at 9:30 A.M.

Tiffany Cochran asked if Executive Director Approval will be sufficient to authorize CNE promotions to be held before the Commission meeting on 1 April 2020. Chairman Sparks stated that Executive Director Approval would be granted.

Chairman Sparks also reminded the Commission that in the future, it would be beneficial if the Commissioners could be more intentional about arriving to the meetings on time.

No action taken.

#### **X. OPEN SESSION:**

Executive Director Purcell recommended that the legal counsel for CNGC confer with the legal counsel for CNE in order to discuss license classification issues. Also, that the discussion would be added to the next meeting agenda as an official item.

**XI. ADJOURNMENT:**

Commissioner O'Leary motioned to adjourn at 1:18 p.m. The motion was seconded by Commissioner Baker. Motion carried.

Approval of Minutes:

  
\_\_\_\_\_  
CHAIRMAN SPARKS

April 1, 2020  
\_\_\_\_\_  
DATE