

# MINUTES

## WEST VIRGINIA LOTTERY COMMISSION

July 26, 2017

### **Call to Order – Approval of Minutes**

The monthly meeting of the West Virginia Lottery Commission was called to order at Lottery Headquarters on Wednesday, July 26, 2017 at 11:00 a.m.

Commission Members present: Chairman Ken Greear, Vice Chairman Clayton, Douglas Bicksler, Andy Kniceley, William Laird, Dan Marshall and Roy Shrewsbury.

Also present were: Alan Larrick, Dean Patrick, Jim Cox, Robin Graley, Tommy Young, Ray Moore, Keith Morgan, David Bradley, Bob Humphrey, Danielle Boyd, June Somerville and the public.

A motion to approve the minutes of the June 19, 2017 monthly meeting was made by Vice Chairman Clayton. This motion was seconded by Commissioner Shrewsbury and passed by unanimous voice vote.

A motion to approve the minutes of the June 15, 2017 conference call was made by Commissioner Shrewsbury, seconded by Vice Chairman Clayton and passed by unanimous voice vote.

**Special Orders of Business:**

Danielle Boyd administered the Oath of Office to Andy Kniceley and Dan Marshall.

**Election of Chairman and Vice Chairman**

**VOTE:** Commissioner Shrewsbury moved to retain Kenneth Greear as Chairman for Fiscal Year 2018. This motion was seconded by Commissioner Marshall and passed by unanimous voice vote.

**VOTE:** Commissioner Shrewsbury moved to retain William Clayton as Vice Chairman for Fiscal Year 2017. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

Chairman Greear reappointed Vice Chairman Clayton as Chairman of the Games, Rules, Security and Marketing Committee and William Clayton as Chairman of the Finance Committee. Vice Chairman Clayton accepted this appointment.

Chairman Greear appointed Commissioner Shrewsbury as Chairman of the Games, Rules, Security and Marketing Committee and William Clayton as Chairman of the Finance Committee. Commissioner Shrewsbury accepted the appointment.

Chairman Greear appointed Commissioners Kniceley and Marshall to the Games, Rules, Security and Marketing Committee.

**Report of the Director**

Director Larrick thanked Chairman Greear and Vice Chairman Clayton for their continued service to the Commissioner and State.

Director Larrick welcomed Commissioners Kniceley and Marshall to the Commission.

Director Larrick was pleased to inform the Commission that the Lottery, for the 20<sup>th</sup> straight year received the Comprehensive Annual Financial Report (CAFR) award for the year ended June 30, 2016.

Director Larrick reported he approved Interblock USA L.C., as a new Table Games Supplier.

Director Larrick reported approving the relicensing of:  
Tech Art Manufacturing, Inc. – A Table Games Supplier and Limited Gaming Facility Level 2 Supplier  
The United States Playing Card Company – A Table Games Supplier  
Konami Gaming, Inc. – A Limited Gaming Facility Level 1 Supplier

**- Financial Report**

Dean Patrick reviewed the financial report for the month of June.

**- Marketing**

Randy Burnside reviewed the monthly Marketing report.

**- Security Division – Traditional**

Ray Moore provided the Racetrack/Traditional Security report.

**- Security Division – Limited Video Lottery**

Ray Moore reviewed the Limited Video Lottery Security report.

**- Security - Table Games/Casino/Video**

Ray Moore provided the report for the Table Games Division.

**- Video Lottery**

Bob Humphrey reviewed the monthly report for the Video Lottery Division.

**- Licensing**

Jim Cox provided the Licensing report.

**III. Questions for Contractor**

There were no questions.

**Committee Issues - Finance and Audit Committee**

The first item was approval of the reallocation of up to \$190,624.53 for expenses related to the document imaging project originating in FY2009.

**VOTE:** Vice Chairman Clayton moved to approve the reallocation of up to \$190,624.53 for expenses related to the document imaging project originating in FY2009. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

The next item was approval of the reallocation of up to \$6,512,722.00 for expenses related to the purchase of the new video lottery central system.

**VOTE:** Vice Chairman Clayton moved to approve the reallocation of up to \$6,512,722 for expenses related to the purchase of the new video lottery central system. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

The next item was approval of the reallocation of up to \$1,400,000.00 for expenses for the purchase of the Lottery's backup facility.

**VOTE:** Vice Chairman Clayton moved to approve the allocation of up to \$1,400,000.00 for expenses for the purchase of the Lottery's backup facility. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

The next item was approval of the transfer of \$4.5 million from the Lottery's Racetrack Video Lottery administrative fees to comply with W.Va. Code §29-22A-10(b)(1) (Racetrack Video Lottery Modernization Fund).

**VOTE:** Vice Chairman Clayton moved to approve the transfer of \$4.5 million from the Lottery's Racetrack Video Lottery administrative fees to comply with W.Va. Code §29-22A-10(b)(1) (Racetrack Video Lottery Modernization Fund). This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

The next item was possible approval of the Director's recommendation to impose a 100% civil penalty in the amount of \$8,310.10 against Fraternal Order of Orioles #284 for first Non-Sufficient Funds.

**VOTE:** Vice Chairman Clayton moved to approve a civil penalty in the amount of \$831. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

The last item was a review of questions regarding the June financial statements.

**- Games, Rules, Security and Marketing Committee**

The first item was possible approval of a request of Dat Quoc Nguyen of Harrisonburg, VA to be removed from the West Virginia Lottery exclusion list.

**VOTE:** Commissioner Shrewsbury moved to approve the request of Dat Quoc Nguyen of Harrisonburg, VA to be removed from the West Virginia Lottery exclusion list. This motion was seconded by Commissioner Laird and passed by unanimous voice vote.

The next item was possible approval of the request of The Greenbrier Casino requesting a new side bet for Blackjack be added to the Table games Minimum Internal Control Standards.

**VOTE:** Commissioner Shrewsbury moved to approve the request of The Greenbrier Casino requesting a new side bet for Blackjack be added to the Table games Minimum Internal Control Standards. This motion was seconded by Commissioner Laird passed by unanimous voice vote.

The next items for approval were: one new Everi Games Inc. (formerly known as Multimedia Games, Inc.) MForce Personality Program entitled "Super Jackpot Double Lion" for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Blazing Dice" Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Monty Python and the Holy Grail Black Knight" Personality Program and New Associated Software for the racetracks, one new Aruze Gaming America, Inc. "Tower Stack Feature Rose" Personality Program and one new Security GAL Chip for the racetracks, one new Aruze Gaming America, Inc. "Ultra Stack Feature Africa" Personality Program and one new Security GAL Chip for the racetracks, one New Aruze Gaming America, Inc. "Ultra Stack Feature Rose" Personality Program and one new Security GAL Chip for the racetracks, two new Ainsworth Game Technology Ltd. "Rumble Rumble Bear" Personality Programs for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Goldslinger Tumblin' Dice" Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Power Gems Egyptian Realm" Personality Program and New Associated Software for the racetracks, one New Bally Gaming, Inc. "ALPHA II" "Sorcerer's Treasure" Personality

Program and New Associated Software for the racetracks, one New Bally Gaming, Inc. "ALPHA II" "Wild Rhino" Personality Program and New Associated Software for the racetracks, one New Grand Vision Gaming Operating System, one new "Multi-Game" Main Program and New Associated Software for the limited video lottery, one new Grand Vision Gaming RAM Clear Program for the limited video lottery, two new Grand Vision Gaming Hardware Components for the limited video lottery, Three New Grand Vision Gaming Hardware Components and one new BIOS Program for the limited video lottery, one new UBA 24 External Boot Rom for use by Grand Vision Gaming for the limited video lottery, one new JCM Bill Validator Software Program for use by Grand Vision Gaming for the limited video lottery, New Grand Vision Gaming LED Lighting for the limited video lottery, one new Grand Vision Gaming Hexagon Topper Kit for the limited video lottery, one new Grand Vision Gaming Fiber Optic Communication Board for the limited video lottery, one new Grand Vision Gaming GVDD21S Upright Video Machine for the limited video lottery, one new Nonoptix Paycheck 3/4 Printer Software for use by Grand Vision Gaming for the limited video lottery, one new Grand Vision Gaming GVBT19S Bar-Top Video Machines, one new Grand Vision Gaming X2823S Upright Video Machine and New Associated Software for the limited video lottery, one new Bally Gaming, Inc. "ALPHA II" "Goldslinger Hot Hands" Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. "ArgOS" "Lock It Link Night Life" Personality Program for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Moonlit Mermaids" Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Zen Panda" Personality Program and New Associated Software for the racetracks, one new



Konami Gaming, Inc. Concerto Stack KGP 3.5 PDM2 Upright Video Gaming Machine for the racetracks, one new Konami Gaming, Inc. Concerto Crescent KGP 3.5 PDM2 Upright Video Gaming Machine for the racetracks, one new Konami Gaming, Inc. KP3.5 "Dragon Fury" Personality Program for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Fu Dao Le 8 Line" Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Zhen Chan" Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Zhen Chan 8 Line" Personality Program and New Associated Software for the racetracks, one new IGT Dynamic Player Panel Software for the racetracks, one new Bally Gaming, Inc. "ArgOS" Windows Component for the racetracks, two new Bally Gaming, Inc. Associated Software Components for the racetracks. Approval letters from GLI have been received and reviewed.

**VOTE:** Commissioner Shrewsbury moved to approve: one new Everi Games Inc. (formerly known as Multimedia Games, Inc.) MForce Personality Program entitled "Super Jackpot Double Lion" for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Blazing Dice" Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Monty Python and the Holy Grail Black Knight" Personality Program and New Associated Software for the racetracks, one new Aruze Gaming America, Inc. "Tower Stack Feature Rose" Personality Program and one new Security GAL Chip for the racetracks, one new Aruze Gaming America, Inc. "Ultra Stack Feature Africa" Personality Program and one new Security GAL Chip for the racetracks, one New Aruze Gaming America, Inc. "Ultra Stack Feature Rose" Personality Program and one new Security GAL Chip for the racetracks, two new Ainsworth Game



Technology Ltd. "Rumble Rumble Bear" Personality Programs for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Goldslinger Tumblin' Dice" Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. "ALPHA II" "Power Gems Egyptian Realm" Personality Program and New Associated Software for the racetracks, one New Bally Gaming, Inc. "ALPHA II" "Sorcerer's Treasure" Personality Program and New Associated Software for the racetracks, one New Bally Gaming, Inc. "ALPHA II" "Wild Rhino" Personality Program and New Associated Software for the racetracks, one New Grand Vision Gaming Operating System, one new "Multi-Game" Main Program and New Associated Software for the limited video lottery, one new Grand Vision Gaming RAM Clear Program for the limited video lottery, two new Grand Vision Gaming Hardware Components for the limited video lottery, Three New Grand Vision Gaming Hardware Components and one new BIOS Program for the limited video lottery, one new UBA 24 External Boot Rom for use by Grand Vision Gaming for the limited video lottery, one new JCM Bill Validator Software Program for use by Grand Vision Gaming for the limited video lottery, New Grand Vision Gaming LED Lighting for the limited video lottery, one new Grand Vision Gaming Hexagon Topper Kit for the limited video lottery, one new Grand Vision Gaming Fiber Optic Communication Board for the limited video lottery, one new Grand Vision Gaming GVDD21S Upright Video Machine for the limited video lottery, one new Nonoptix Paycheck 3/4 Printer Software for use by Grand Vision Gaming for the limited video lottery, one new Grand Vision Gaming GVBT19S Bar-Top Video Machines, one new Grand Vision Gaming X2823S Upright Video Machine and New Associated Software for the limited video lottery, one new Bally Gaming, Inc. "ALPHA II" "Goldslinger Hot

Hands” Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. “ArgOS” “Lock It Link Night Life” Personality Program for the racetracks, one new Bally Gaming, Inc. “ALPHA II” “Moonlit Mermaids” Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. “ALPHA II” “Zen Panda” Personality Program and New Associated Software for the racetracks, one new Konami Gaming, Inc. Concerto Stack KGP 3.5 PDM2 Upright Video Gaming Machine for the racetracks, one new Konami Gaming, Inc. Concerto Crescent KGP 3.5 PDM2 Upright Video Gaming Machine for the racetracks, one new Konami Gaming, Inc. KP3.5 “Dragon Fury” Personality Program for the racetracks, one new Bally Gaming, Inc. “ALPHA II” “Fu Dao Le 8 Line” Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. “ALPHA II” “Zhen Chan” Personality Program and New Associated Software for the racetracks, one new Bally Gaming, Inc. “ALPHA II” “Zhen Chan 8 Line” Personality Program and New Associated Software for the racetracks, one new IGT Dynamic Player Panel Software for the racetracks, one new Bally Gaming, Inc. “ArgOS” Windows Component for the racetracks, two new Bally Gaming, Inc. Associated Software Components for the racetracks. This motion was seconded by Commissioner Laird and passed by unanimous voice vote.

**- Unfinished Business**

There was no Unfinished Business.

**- New Business**

The only item was possible approval of change to proposed State Lottery Rule based on information provided during comment period.

**VOTE:** Vice Chairman Clayton moved to approve a change to proposed State Lottery Rule based on information provided during comment period. This motion was seconded by Commissioner Shrewsbury and passed by unanimous voice vote.

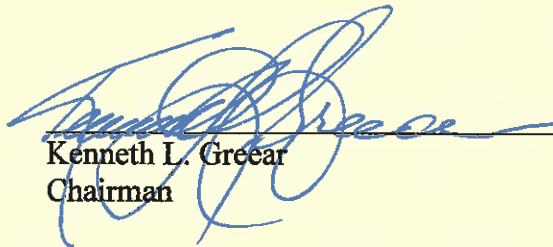
**VIII. Scheduling of the next monthly meeting**

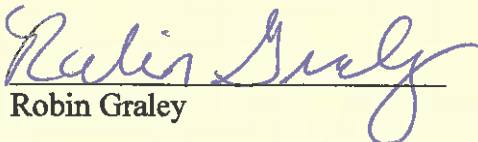
The date for the next monthly meeting was set for August 30, 2017 at 11:00 a.m. at Lottery headquarters. The date for the conference call was set for August 23, 2017 at 12:00 noon.

**VOTE:** Commissioner Shrewsbury moved to accept the meeting dates. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

**IX. Adjourn**

**VOTE:** Vice Chairman Clayton moved to adjourn the meeting. This motion was seconded by Commissioner Shrewsbury and passed by unanimous voice vote.

  
Kenneth L. Greear  
Chairman

  
Robin Graley