

# MINUTES

## WEST VIRGINIA LOTTERY COMMISSION

September 28, 2017

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

The monthly meeting of the West Virginia Lottery Commission was called to order at Lottery Headquarters in Charleston, WV on Thursday, September 28, 2017 at 11:02 a.m.

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

Also present were: Director Larrick, Robin Graley, Dean Patrick, Tommy Young, Ray Moore, Bob Humphrey Keith Morgan, Danielle Boyd, June Somerville, Patsy Young Greiner and the public.

A motion to approve the minutes of August 30, 2017 monthly meeting was made by Vice Chairman Clayton. This motion was seconded by Commissioner Bicksler and passed by unanimous voice vote.

A motion to approve the minutes of the August 23, 2017 conference call was made by Commissioner Shrewsbury, seconded by Commissioner Marshall and passed by unanimous voice vote.

## **Report of the Director**

Director Larrick reported on the Scientific Games Conversion to the new Connexus system, connecting to legacy terminal controllers at the Casinos and LVL locations.

Director Larrick reported Legislative interims were held last week and it is expected the traditional lottery rule changes will be scheduled on the agenda before the Joint Committee on Rule Making in October or November.

Director Larrick reported the Lottery served as a co-sponsor of the West Virginia Teacher of the Year program for the first time this year. He attended the banquet at the Clay Center honoring the 2018 recipient Katlin Thorsell, an agriculture teacher at Washington High School in Jefferson County.

Director Larrick approved the following re-licensing applications: Dynamic Gaming Systems, LLC, a Table Games Supplier, Winning Ways, LLC a Junket Operator, Kenneth Froom Tours, Inc. a Junket Operator and Casino Sales International, Inc. a Junket Operator.

Director Larrick introduced Amberly Ball, recently hired in Human Resources as Office Assistant.

### **- Finance**

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

### **- Marketing**

Tommy Young reviewed the monthly Marketing report. Randy Burnside provided an update on the Lottery's social media efforts.

### **- 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**

Patsy Young Greiner reviewed the Licensing report..

### **III. Questions for Contractor**

There were no questions for IGT.

### **IV. Finance and Audit Committee**

The first item was approval of the Director's recommendation to impose a 100% civil penalty in the amount of \$9,912.69 against limited video lottery retailer Nadaclue, LLC, dba Saratoga Hot Spot II, for first Non-Sufficient Funds.

**VOTE:** Vice Chairman Clayton moved to approve a civil penalty in the amount of \$991.26 against limited video lottery retailer Nadaclue, LLC, dba Saratoga Hot Spot II, for first Non-Sufficient Funds. This motion was seconded by Commissioner Marshall and passed by unanimous voice vote.

The next item was a review of Fiscal Year 2017 Financial Audit of the Lottery Commission by Gibbons and Kawash.

The next item was a presentation of the SOC 1 Type 2 Report on the IGT System by Arnett Carbis Toothman LLP.

The next item was a review of the West Virginia Lottery Internal Audit of the Video Lottery Division.

The next item was a review of questions regarding the August financial statements.

The next item was a request of Wheeling Island Casino for a new side bet for Blackjack, "TriLux Bonus with Lucky George to be added to WV Lottery MICS.

**VOTE:** Commissioner Shrewsbury moved to approve the request of Wheeling Island Casino for a new side bet for Blackjack, "TriLux Bonus with Lucky George to be added to WV Lottery MICS. This motion was seconded by Commissioner Kniceley and passed by unanimous voice vote.

The next items for approval were: one new Konami Gaming, Inc. K2V-Advantage Belly Door Security Kit for the racetracks, one new JCM GEN5 Printer and New Printer Software for use by Konami Gaming, Inc. for the racetracks, one new JCM GEN5 Printer for use by Bally Gaming, Inc. for the racetracks, one new JCM Printer and New Printer Software for use by Incredible Technologies, Inc. for the racetracks, one new Bally Gaming, Inc. Hardware Component for the racetracks, one new JCM GEN5 Printer Software for use by Bally Gaming, Inc. for the racetracks, one new JCM GEN5 Printer and New Printer Firmware for use by Everi Games Inc. (formerly known as Multimedia Games, Inc.) for the racetracks, one new Konami Gaming, Inc. Dynamic LCD See Thru Button Panel for the racetracks, one new Everi Games Inc. (formerly known as Multimedia Games, Inc.) MForce Personality Program Entitled "Carnival in Rio Wild Match" for the racetracks, one new Everi Games Inc. (formerly known as

Multimedia Games, Inc.) MForce Personality Program Entitled "Diamond Days" for the racetracks, one new Bally Gaming, Inc. "ArgOS" "Meteor Money" Personality Program for the racetracks, one new Bally Gaming, Inc. "ArgOS" "Candy Kisses" Personality Program for the racetracks, one new Bally Gaming, Inc. "ArgOS" "Quick Hit Ultra Pays Monkey's Fortune" Personality Program for the racetracks, one new Bally Gaming, Inc. "ArgOS" "Golden Wheels Sun Warrior" Personality Program for the racetracks, one new IGT "Ascent S3000" GI\* "Gentlemen Prefer Blondes" Installation Media and one new GAME\* Package for the racetracks, one new IGT "AVP" GI\* "Multi-Race Caveman Keno" Installation Media and one new GAME\* Package for limited video lottery, one new IGT "Ascent S3000" GI\* "How to Marry a Millionaire" Installation Media, one new GAME\* Package and one new Universal Controller (UC) Program for the racetracks. Approval letters from GLI have been received and reviewed.

**VOTE:** Commissioner Shrewsbury moved to approve: one new Konami Gaming, Inc. K2V- Advantage Belly Door Security Kit for the racetracks, one new JCM GEN5 Printer and New Printer Software for use by Konami Gaming, Inc. for the racetracks, one new JCM GEN5 Printer for use by Bally Gaming, Inc. for the racetracks, one new JCM Printer and New Printer Software for use by Incredible Technologies, Inc. for the racetracks, one new Bally Gaming, Inc. Hardware Component for the racetracks, one new JCM GEN5 Printer Software for use by Bally Gaming, Inc. for the racetracks, one new JCM GEN5 Printer and New Printer Firmware for use by Everi Games Inc. (formerly known as Multimedia Games, Inc.) for the racetracks, one new Konami Gaming, Inc. Dynamic LCD See Thru Button Panel for the racetracks, one new Everi Games Inc. (formerly known as Multimedia Games, Inc.) MForce Personality Program Entitled

“Carnival in Rio Wild Match” for the racetracks, one new Everi Games Inc. (formerly known as Multimedia Games, Inc.) MForce Personality Program Entitled “Diamond Days” for the racetracks, one new Bally Gaming, Inc. “ArgOS” “Meteor Money” Personality Program for the racetracks, one new Bally Gaming, Inc. “ArgOS” “Candy Kisses” Personality Program for the racetracks, one new Bally Gaming, Inc. “ArgOS” “Quick Hit Ultra Pays Monkey’s Fortune” Personality Program for the racetracks, one new Bally Gaming, Inc. “ArgOS” “Golden Wheels Sun Warrior” Personality Program for the racetracks, one new IGT “Ascent S3000” GI\* “Gentlemen Prefer Blondes” Installation Media and one new GAME\* Package for the racetracks, one new IGT “AVP” GI\* “Multi-Race Caveman Keno” Installation Media and one new GAME\* Package for limited video lottery, one new IGT “Ascent S3000” GI\* “How to Marry a Millionaire” Installation Media, one new GAME\* Package and one new Universal Controller (UC) Program for the racetracks. This motion was seconded by Commissioner Laird and passed by unanimous voice vote.

**V. - Unfinished Business**

There was no Unfinished Business.

**- New Business**

The next item was relicensing applications of limited video lottery terminal Operators. Tim Gibbons and Vince Centofanti of Gibbons & Kawash and Dean Patrick reviewed the following operators’ applications for approval. Mr. Gibbons recommended the following applicants for relicensing:

- **A-1 Amusement, Inc.**
- **Action Gaming, Inc.**

- **Advanced Lottery Technologies LLC**
- **Ajax Amusement Machines, Inc.**
- **BAT's Inc.**
- **Blue Diamond LLC**
- **Buck's Inc.**
- **Clay Music Company**
- **Coin Op Vending Corp.**
- **Derrick Video, LLC**
- **Dice, LLC**
- **Dustyn Enterprises**
- **Ellifritz Amusement Company**
- **Game Room Amusements, Vending and Sales, Inc.**
- **Grand Slam Gaming and Entertainment, Inc.**
- **J & J Amusement. LLC**
- **Jack's Amusement**
- **K. & K. Music Company**
- **LeeJay, Inc.**
- **Mountaineer Music, LLC**
- **Poke, Inc.**
- **Progressive Video Lottery, Ltd.**
- **Random World, Ltd.**
- **S&B Gaming LLC**

- **Shaffer Amusement Company, LLC**
- **Southern Amusement Company, Inc.**
- **Trans-Allegheny Enterprises, LLC**
- **Valley Coin Machine Company, LLC**
- **Vast Vending, Inc.**
- **Viking Vending Services LLC.**
- **Viking Video & Music, Inc.**
- **Warden Amusement, Inc.**
- **Wheeling Coin, LLC**
- **Woodward Video, LLC**
- **Worldwide Gaming, LLC**

**VOTE:** Commissioner Shrewsbury moved to approve the relicensing applications of above-referenced Limited Video Lottery Operators with the exception of three operators ( Derrick Video, LLC, Mountaineer Music, LLC and Viking Video & Music, Inc.) who will be conditionally approved based on their submission of audited financial statements within 90 days. This motion was seconded by Commissioner Kniceley and passed by unanimous voice vote.

The next item was a review of limited video lottery manufacturers:

- **Bally Gaming, Inc.**
- **Grand Vision Gaming**
- **IGT**
- **International Game Technology, PLC**



- **Scientific Games International, Inc. (SGI)**

The next item was a review of the Director's plan for relicensing limited video lottery retailers.

The next item was a review of the Director's plan for a relicensing of limited video lottery service technicians.

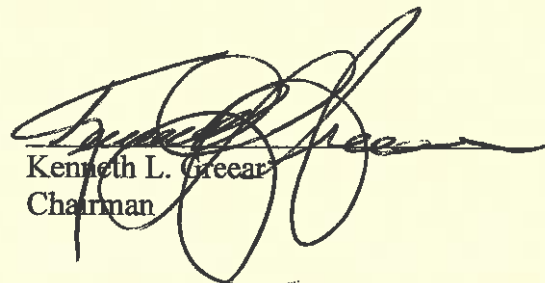
**VIII. Scheduling of the next monthly meeting**

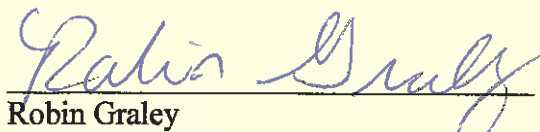
The date for the next monthly meeting was set for October 26, 2017 at 9:30 a.m. at Wheeling Island Hotel Casino Racetrack. The date for the conference call was set for October 18, 2017 at 12:00 noon.

**VOTE:** Vice Chairman Clayton 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 Bicksler and passed by unanimous voice vote.

  
Kenneth L. Greear  
Chairman

  
Robin Graley  
Recording Secretary