

**IOWA RACING AND GAMING COMMISSION
MINUTES
AUGUST 24, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, August 24, 2023 at Riverside Casino and Golf Resort in Riverside, Iowa. Commission members present were Daryl Olsen, Chair; and members Julie Andres and Amy Burkhart. Commissioner Alan Ostergren participated telephonically.

APPROVE AGENDA: Chair Olsen called the meeting to order at 8:30 AM, and requested a motion to approve the agenda. Commissioner Burkhart moved to approve the agenda as submitted. Commissioner Andres seconded the motion, which carried unanimously.

WELCOME: Damon John, General Manager, welcomed everyone to the property, and recognized IRGC Gaming Representatives Scott Ditch and Tori Aplara assigned to the facility. He advised Riverside employees get along well with them and thanked them for their work. Mr. John noted the Riverside facility opened on August 31, 2006, and has been privileged to hold a license for the last 17 years along with their non-profit operator, Washington County Riverboat Foundation (WCRF). The mission since Day 1 has been to provide the best guest service, best food and entertainment and maintaining the property. He stated none of the successes over the last 17 years would be possible without the hard work and dedication of the approximate 700 employees. Team members care deeply about the mission, one another and the community. Mr. John stated the Riverside staff recently won the "Give Back to Iowa Volunteer Challenge" in the large business category for the seventh time in the last nine years. During the months of April and May, team members logged over 2,500 volunteer hours across various activities in the region. He noted they narrowly edged out their sister property, Grand Falls Casino Resort, and next year would be a battle between the two properties. In September, team members will volunteer for the annual National Disabled Veteran's Golf Clinic. Veterans from around the country come to Riverside for the event put on the US Department of Veteran's Affairs and the local VA; over 600 veterans are expected to attend. Mr. John stated the property would be hosting their annual anniversary fireworks poolside at dusk on Saturday, August 26th. He stated they celebrate each year because they are proud of the facility. He thanked everyone for attending and introduced Stephanie Sexton, President of the WCRF.

Ms. Sexton welcomed everyone to the facility and thanked them for attending. She stated that as of March 2023, WCRF has been able to gift approximately \$59 million. During the spring grant cycle, WCRF distributed approximately \$1.6 million; municipal grants totaled \$639,000. They also granted \$15,000 to the Golf for Injured Veterans Everywhere organization (GIVE). These grants bring the total amount distributed by WCRF to over \$61 million. They are excited to see what the fall grant applications will inspire. Ms. Sexton stated WCRF is looking forward to their continued partnership with Riverside Casino and Golf Resort to further grow, uplift and transform the region.

MINUTES: Chair Olsen requested a motion to approve the minutes from the July 7, 2023 Commission meeting. Commissioner Ostergren moved to approve the minutes as submitted. Commissioner Andres seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised there is no Commission meeting in September. He stated in October the Commission will meet at Hard Rock Hotel & Casino in Sioux City; all submissions are due ten days prior to the meeting. He noted the Commission would be visiting Grand Falls Casino Resort the afternoon and evening of October 4th. The Commission will meet at Prairie Meadows Racetrack and Casino on November 16th.

Mr. Ohorilko also recognized Commission Gaming Representatives Scott Ditch and Tori Aplara for their work on behalf of the Commission.

RULES: Mr. Ohorilko stated the rules before the Commission under Notice of Intended Action propose changes to Chapter 4, "Contested Cases and Other Proceedings", Chapter 13, "Sports Wagering", and Chapter 14, "Fantasy Sports Contests". He stated the existing rules in Iowa are solid and have been utilized by many states that legalized sports wagering after Iowa. There is an expectation of compliance; people are complying at high rates, and the available information has shown no evidence of match fixing or points shaving on any markets to date. The proposed rules further strengthen certain regulatory areas by creating additional check points for participants in sports wagering. He stated he is looking forward to receiving feedback as the rule package makes its way through the process. Mr. Ohorilko requested approval of the Notice of Intended Action for the rule package.

Hearing no comment or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the Notice of Intended Action for the proposed rules. Commissioner Andres seconded the motion, which carried unanimously.

CONTRACT APPROVALS (OSV – OUT OF STATE VENDOR; RP – RELATED PARTY):

Riverside Casino and Golf Resort, LLC: Mr. John presented the following contracts for Commission approval:

- Cummins Allison – Maintenance and Supplies
- Woodruff Construction – Renovating the Pool and Wellness Center Area

Mr. John advised the Woodruff Construction contract is to move the Wellness Center from the current location to the indoor pool area. The new space will have large glass windows overlooking the pool area and will be more convenient for guests.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by Riverside Casino and Golf Resort, LLC. Commissioner Andres seconded the motion, which carried unanimously.

Rhythm City Casino, LLC: Mr. John presented the following contracts on behalf of Rhythm City Casino, LLC:

- Cummins Allison – Count Room Equipment and Maintenance
- DLR Group, Inc. – Design Services for Hotel Expansion and Amenities
- Kohl’s Department Stores – Kohl’s Gift Cards for Promotional Giveaways
- Lonny Bengé – Production for Entertainment Acts

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contracts as submitted by Rhythm City Casino, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Chad Moine, General Manager, presented a contract with the City of Waterloo for Police Coverage at the Casino.

Commissioner Burkhart commended Mr. Moine for working to find a solution to the security concerns previously raised.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contract as submitted by IOC Black Hawk County, Inc. Commissioner Burkhart seconded the motion, which carried unanimously.

HGI-Lakeside, LLC: Marc Estrada, Director of Finance, presented a contract with Edge Commercial, LLC for an insurance claim for repairs to the facility due to a weather event.

Commissioner Burkhart noted Lakeside is receiving a significant sum from the insurance claim. She noted the Commission recently approved a totally new facility that was close to this figure. She inquired if other items rather than just repairing the facility were considered.

Mr. Estrada stated Lakeside has an ongoing contract with Edge who is the contractor for the casino renovation. He noted many other buildings in the area also had significant damage from the weather event. He stated Lakeside wished they could have done more to advance the renovation, but due to timing, no additional improvements other than repairs to the facility were considered.

Commissioner Andres asked if Lakeside was already in the renovations process when the damage occurred. Mr. Estrada advised they were already planning the renovation and proceeding with that project.

Chair Olsen asked if all of the damage was to the outside of the facility. Mr. Estrada answered in the affirmative.

Commissioner Andres asked if the insurance was written so that Lakeside was constrained in how the funds would be utilized. Mr. Estrada answered in the affirmative.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contract as submitted by HGI-Lakeside, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

Wild Rose Jefferson, L.L.C.: Travis Dvorak, General Manager, presented the following contracts for Commission approval:

- Tri-City Electric Co of Iowa Corp – HVAC Maintenance and Contracted Electrical Work
- Core-Mark Midcontinent d/b/a Farner Bocken – Food Distributor
- Ideal Floors – New Carpet and Install on Casino Floor

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by Wild Rose Jefferson, L.L.C. Commissioner Andres seconded the motion, which carried unanimously.

SCE Partners, LLC: Doug Fisher, General Manager, presented the following contracts for Commission approval:

- Core-Mark Midcontinent d/b/a Farner Bocken – Purchase Cigarettes and Sundries
- Volbeat, LLC – Battery Park Concert – Volbeat (OSV)
- Disturbing Tha Peace Touring, Inc. – Battery Park Concert - Ludacris (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by SCE Partners, LLC. Commissioner Andres seconded the motion, which carried unanimously.

Dubuque Racing Association, Ltd.: Brian Rakestraw, Chief Operating/Financial Officer, presented the following contracts for Commission approval:

- Bailee Touring Corporation – Entertainment – Artist Jelly Roll (OSV)
- Giese Sheet Metal Co. – HVAC Work at Casino and Hotel
- Sonifi Solutions, Inc. – Provide High Definition Content per Hilton Brand Standards (OSV)
- International Game Technology (IGT) – IGT Customer Agreement/Q Sportsbook (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contracts as submitted by Dubuque Racing Association, Ltd. Commissioner Burkhart seconded the motion, which carried unanimously.

Diamond Jo, LLC: John Sanchez, Director of Finance, presented the following contracts for Commission approval:

- Associated Computer Systems, LTD – Replacing Network Switch Infrastructure
- Conference Technologies, Inc. – Mississippi Moon Bar – AV System Upgrades

- Commercial Flooring Co. – Removal and Installation of Back-of-House Flooring

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by Diamond Jo, LLC. Commissioner Andres seconded the motion, which carried unanimously.

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with Conference Technologies, Inc. for an AV System and IP Video Distribution.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contract as submitted by Diamond Jo Worth, LLC. Commissioner Burkhart seconded the motion, which carried unanimously.

Casino Queen Marquette, Inc.: Sean Bateman, General Manager, presented the following contracts for Commission approval:

- Core-Mark Midcontinent, Inc. – Distributor – Cigarettes, Proteins, and Pre-Packaged Items
- King Foodservice – Food Distributor

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contracts as submitted by Casino Queen Marquette, Inc. Commissioner Burkhart seconded the motion, which carried unanimously.

Harveys Iowa Management Company, LLC: Thomas Roberts, General Manager, presented the following contracts for Commission approval:

- Delta Airlines – Air Travel Vendor
- Sonifi Solutions – Pay-Per-View Provider for Hotel (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Burkhart moved to approve the contracts as submitted by Harvey's Iowa Management Co., Inc. Commissioner Andres seconded the motion, which carried unanimously.

Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs: Mr. Roberts presented the following contracts for Commission approval:

- R. W. Smith and Co./TriMark-Hockenbergs – Food Service Product Provider
- World Link Trading, Ltd. – Asian Food and Promotional Item Vendor (OSV)

Chair Olsen called for any comments or questions. Commissioner Burkhart thanked Mr. Roberts for providing the additional information pertaining to the World Link Trading contract, and moved to approve the contracts as submitted by Iowa West Racing Association d/b/a Horseshoe Casino Council Bluffs. Commissioner Andres seconded the motion, which carried unanimously.

Prairie Meadows Racetrack and Casino, Inc.: Gary Palmer, General Manager, presented the following contracts for Commission approval:

- American Teletimer – Photo Finish/Replay Service and System Maintenance (OSV)
- Elder Corporation – Dirt and Sand
- Harms Oil (James Oil) – Fuel Purchases
- Hy-Vee Inc. – Sponsorship of Events at Iowa Speedway and Food Products
- Infomax Office Systems – Print Center Copier Supplies and Service
- Iowa State Fair – Iowa State Fair Tickets
- J F Ahern Company – Fire Sprinkler Servicing
- Laser Tech (Office Express) – Office and Housekeeping Supplies
- Loffredo Fresh Produce – Food Products
- McAninch Corporation – Dirt, Sand and Paving Materials
- Nestle USA (Starbucks) – Starbucks Coffee
- Neumann Brothers – General Contractor
- Tony Cee Associates – Talent Booking Agency (OSV)
- True North Companies – Insurance Brokerage Services

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contracts as submitted by Prairie Meadows Racetrack and Casino, Inc. Commissioner Burkhardt seconded the motion, which carried unanimously.

HEARINGS:

American Wagering, Inc.: Mr. Ohorilko advised Commission staff and American Wagering, Inc., doing business as Caesars Sportsbook, have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.1(29) relating to authorized sporting events that are offered for wagering. He noted American Wagering is licensed in Iowa to conduct advance deposit sports wagering as a mobile operator and retail as they are licensed as a vendor. The Stipulated Agreement has two counts with the first one related to the mobile operation. There were three instances of offering an unauthorized wager. The first was a wager on the Super Bowl coin toss, which occurred prior to the statute being changed. There were also some proposition bets or negative outcome wagers such as the number of interceptions thrown and also a wager on a pre-recorded event. Mr. Ohorilko advised that for the impermissible wagers made on the mobile platform, Caesars Sportsbook did go back and refund the losing wagers. Count 2 relates to the retail operation. Wagers were offered on the Super Bowl coin toss prior to being authorized and on negative outcome situations. The retail environment does not allow the sportsbook to go back and correct the situation after the fact. Mr. Ohorilko stated American Wagering, Inc. has agreed to an administrative penalty in an amount up to \$10,000 for Count 1 and up to \$10,000 for Count 2.

Doug Gross, legal counsel, stated Mr. Ohorilko accurately described the situation. The issues were identified and resolved. He stated American Wagering, Inc. agrees with the consent order. Mr. Gross advised a new Training Compliance leader has been hired to insure these issues do not reoccur and the processes have been corrected.

Commissioner Ostergren stated he had contacted Mr. Ohorilko as to how the sportsbooks had treated the impermissible wagers. Mr. Ohorilko stated American Wagering, Inc. refunded customers that had placed wagers on the unauthorized markets that had lost their wagers, specifically with regard to the coin toss wager, \$55,000 in losing wagers were voided. With regard to how revenue is reported to the State, which is taxed, the refunds were disallowed as a deductible expense for tax purposes.

Commissioner Ostergren stated it was important that the sportsbook took corrective action on its own.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the Stipulated Agreement as presented with an administrative penalty of \$10,000 for Count 1 and \$10,000 for Count 2 for a total of \$20,000. Commissioner Burkhart seconded the motion, which carried unanimously.

Rush Street Interactive IA, LLC: Mr. Ohorilko stated Commission staff and Rush Street Interactive IA, LLC have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.1(29) relating to impermissible wagers. Rush Street Interactive IA, LLC does business as BetRivers. BetRivers uses Kambi as their software platform provider. Similar to a previous incident before the Commission, Kambi provided their sports wagering partners wagers on individual performances of Iowa college athletes, which is prohibited by statute. The wager was offered on January 1, September 10, and September 24, 2022. The wagers were accepted by BetRivers and settled in the amount of \$2,400. Subsequently, there was another series of wagers offered on March 17, 18, 20, and 25, 2022; BetRivers accepted and settled 42 wagers in the amount of \$766. Mr. Ohorilko stated BetRivers has credited the customer accounts that placed a losing wager. He stated Rush Street has acknowledged the facts and agreed to an administrative penalty up to \$10,000.

Laura McAllister Cox, Chief Executive Officer for Rush Street Interactive, LP, stated the company takes their compliance requirements very seriously across the board. She noted the focus today was on multiple impermissible wagers from 2022. She stated Rush Street has worked with Kambi to ensure the accuracy of the wagers placed on Rush Street's system to prevent unapproved wagers. Additionally, they have implemented weekly audits of the Iowa offerings. She stated Rush Street is confident these measures and points of communication will remedy the gaps that lead to this situation.

Chair Olsen called for any comments or questions. Commissioner Burkhart moved to approve the Stipulated Agreement with an administrative penalty of \$5,000. Commissioner Andres seconded the motion, which carried unanimously.

PUBLIC COMMENT/ADMINISTRATIVE BUSINESS: None.

ADJOURN: Hearing no further business to come before the Commission, Chair Olsen adjourned the meeting.

MINUTES TAKEN BY:



JULIE D. HERRICK