

**IOWA RACING AND GAMING COMMISSION
MINUTES
OCTOER 5, 2023**

The Iowa Racing and Gaming Commission (IRGC) met on Thursday, October 5, 2023 at Hard Rock Hotel & Casino Sioux City in Sioux City, Iowa. Commission members present were Daryl Olsen, Chair; Mark Campbell, Vice Chair, and member Julie Andres. Commissioner Alan Ostergren participated remotely.

APPROVE AGENDA: Chair Olsen called the meeting to order at 10:30 AM. He advised Commission staff had received a request to defer Agenda Item 11E, and requested a motion to approve the agenda as amended. Commissioner Campbell so moved. Commissioner Andres seconded the motion, which carried unanimously.

WELCOME: Doug Fisher, General Manager, welcomed everyone to Hard Rock on behalf of the 400 team members, and introduced the management team. He noted the facility received the Triple A Four Diamond rating for the ninth straight year; and were named in the “25 Best of Gaming” by the Readers’ Choice Awards. Mr. Fisher advised they have paid \$30 million to Missouri River Historical Development (MRHD), their non-profit license holder. He thanked Jolly Time Popcorn and Palmer’s Candy, both headquartered in Sioux City, for providing the refreshments for the meeting.

Mr. Fisher introduced Mayor Bob Scott, who thanked the Commission for their hard work to keep gaming safe.

Steve Huisenga, President of MRHD, welcomed everyone to Sioux City and introduced members of the MRHD Board. He thanked the Commissioners for their work on behalf of the gaming industry. He noted the World Buffet space is going to be remodeled. Mr. Huisenga highlighted some of the attractions within Sioux City. He advised the new Executive Director has made an impact in the community and has worked to improve their procedures. Mr. Huisenga advised there will be six grant cycles in 2024.

APPROVE MINUTES: Chair Olsen requested a motion to approve the minutes from the August 24, 2023 Commission meeting. Commissioner Andres moved to approve the minutes as submitted. Commissioner Campbell seconded the motion, which carried unanimously.

ANNOUNCEMENTS: Brian Ohorilko, Administrator of IRGC, advised the next Commission meeting will be at Prairie Meadows Racetrack & Casino on November 16th; all submissions for the meeting are due in the Des Moines Commission office by November 2nd. There will be no meeting in December. The first meeting of 2024 will be held on January 25th at Q Casino.

Mr. Ohorilko stated the Commission would be holding another industry roundtable with the gaming operators to discuss regulatory challenges and assess long term plans. He indicated he would be sending out a schedule. A virtual option will be available to allow corporate members to attend.

Mr. Ohorilko introduced Gaming Representative Janet Schroeder, who is assigned to the Hard Rock Hotel & Casino, and expressed appreciation for her work on behalf of the Commission.

HORSERACING STUDY PRESENTATIONS: The Commission heard presentations from Thomas Zitt, Ph.D., Executive Vice President of The Innovation Group and Doug Reed from Racing, Gaming & Entertainment LLC. Chair Olsen stated the Commission would evaluate the presentations and announce their decision at the November Commission meeting.

IDPAIR: Jonathan Aiwasian, CEO, advised the company is made up of former operators and big data engineers focused on helping responsible gaming tools evolve with changing player behaviors, noting current tools were designed for a one-app gambler. Mr. Aiwasian presented information regarding idPair's system.

DUBUQUE RACING ASSOCIATION, LTD. (DRA): Chair Olsen requested that Mr. Dixon address the remodeling request first and then the financing.

Alex Dixon, President and Chief Executive Officer, stated they are excited to reinvest in the property. The multi-phase multi-year project will cost between \$75-\$80 million for the proposed remodel and expansion project. The temporary casino will open on October 13th. Mr. Dixon requested Commission approval to proceed with Phases 2 and 3 of the project. Phase 2 includes the remodel of the existing lower casino, entertainment and rotunda areas; this phase will also include turning the current Farmhouse Restaurant into a new Sports Bar restaurant and new sportsbook. Phase 3 involves remodeling the temporary casino into a family entertainment zone for all ages, which will include banquet space. Phase 4 will be the construction of the new hotel tower with a roof-top restaurant in 2025, while Phase 5 will cover the remodel of the facility façade, landscaping, parking and outdoor signage. Mr. Dixon advised it has been 15 years since the last major renovations at the facility. DRA did receive a Destination Iowa Grant to assist with the changes to the outside concert venue. Mr. Dixon stated the ring over the casino floor is a nod to their start as a greyhound racetrack.

Mr. Dixon stated they are seeking approval of financing from MidwestOne Bank, the lead bank, in the amount of \$29,717,196.09. They will be using a local general contractor, and 99.7% of construction costs will go to Iowa-based concerns, and 78.4% will be paid to Dubuque-area contractors. He advised 100% of the funds will come from Iowa-based banks

Mr. Dixon stated there are plans to build an amphitheater at the river, creating a permanent outdoor concert venue, which will allow them to convert the current outdoor concert area into meeting/banquet space.

Mr. Dixon advised that Dubuque Initiatives, a non-profit corporation, has agreed to help partially finance the design and construction of the roof-top restaurant.

Commissioner Campbell noted everyone is impressed with the forthcoming changes, but expressed concern that the gaming floor is being reduced by approximately 50% with the number of slot machines being reduced from 636 to 500. Mr. Dixon indicated that was correct, but stated

there is a lot of space that is used inefficiently in the current layout. He stated that even though they are reducing the number of slots, they feel they can increase the overall occupancy.

Hearing no further comments or questions, Chair Olsen requested a motion regarding the request for remodeling pursuant to 491 IAC 5.4(15). Commissioner Andres moved to approve the remodel request for Phases 2 and 3 as presented by Dubuque Racing Association, Ltd. Commissioner Campbell seconded the motion, which carried unanimously.

Chair Olsen requested a motion regarding the request for approval of financing pursuant to 491 IAC 5.4(8). Commissioner Campbell moved to approve the financing package as submitted by Dubuque Racing Association, Ltd. Commissioner Andres seconded the motion, which carried unanimously.

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

Dubuque Racing Association, Ltd.: Mr. Dixon presented the following lease agreements and contracts for Commission approval:

- City of Dubuque – Amended & Restated Lease Agreement (RP)
- City of Dubuque – Lease Agreement for Land – Lots 2 and 3 (RP)
- Contracts:
 - Conlon Construction – Contractor for Phases 1-3 of the Casino Remodel
 - Midwest One Bank – Loan Coordination Fees for Construction Loan
 - National Event Promotions – Entertainment – Artist Booking Agency (OSV)
 - Pinnacle Entertainment, Inc. – Entertainment – Artist Booking Agency (OSV)
 - Wired Production Group – Entertainment – Production Services

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

Grand Falls Casino Resort, LLC: Sharon Haselhoff, General Manager, presented the following contracts for Commission approval:

- HD Supply, Inc. – Environmental Services Supplies
- Nexstar Broadcasting Inc. d/b/a KELO-TV – Television Advertising (OSV)
- Popkes, Inc. – Bulk Fuel Purchases
- Wells Fargo Business Elite Card – Credit Card Purchases

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

Riverside Casino and Golf Resort, LLC: Damon John, General Manager, presented the following contracts for Commission approval:

- Black Top, Inc. F/S/O – Clint Black – Entertainment on December 7-8, 2023 (OSV)
- Power Promotions – Continuity Gift – December 2023 (OSV)
- TurfWerks – Golf Course Equipment

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

Wild Rose Emmetsburg, L.L.C.: Steve Cody, General Manager, presented the following contracts for Commission approval:

- Doll Distributing – Alcohol for Casino and Restaurant
- Liebl Marketing Group – Marketing Agency for Advertisement
- Premier Mechanical Services, Inc. – Monthly Maintenance Fees and Repairs to HVAC System
- Blacktop Service Company – Parking Lot Repairs

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

Ameristar Casino Council Bluffs, LLC: Paul Czak, General Manager, presented the following contracts for Commission approval:

- Core BTS – Surveillance/IT Supplies and Support (OSV)
- Edward Don & Company – Kitchen Equipment
- Pinnacle Construction, Inc. – General Contractor

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

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

- Lamar Advertising of LaCrosse – Billboard Advertising to our Wisconsin Market
- Knight Abbey – Direct Marketing and Advertising for the Casino (OSV)

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 Campbell seconded the motion, which carried unanimously.

IOC Bettendorf, L.C.: Thomas Roberts, General Manager for Harvey's Iowa Management Company LLC and Horseshoe Casino Council Bluffs, presented the following contracts on behalf of IOC Bettendorf, L.C. for Commission approval:

- Plex Travel, LLC – Third Party Planner to Facilitate Booking Sports Team Hotel Rooms
- 7G Distributing LLC – Alcoholic Beverage Vendor

Commissioner Andres asked if this was for advertising. Mr. Roberts advised the hotel is a travel venue for the city. Rooms are booked through an agency that offers discounts.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contracts as submitted by IOC Bettendorf, L.C. Commissioner Campbell seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Chad Moine, General Manager, presented the following contracts for Commission approval:

- Altofer – Renewal of Service Warranty Coverage for Power Generation System
- Insight Direct USA Inc. – Purchase of Juniper Networking Equipment and Installation Hardware

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

Diamond Jo Worth, LLC: Scott Smith, General Manager, presented a contract with Hart-Hammer, Inc. for mechanical upgrades for Commission approval.

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

Harvey's Iowa Management Company LLC: Mr. Roberts presented a contract with VSR Industries for slot bases and lock provider (OSV).

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the contract as presented by Harvey's Iowa Management Company LLC. Commissioner Andres seconded the motion, which carried unanimously.

IOWA WEST RACING ASSOCIATION (IWRA) D/B/A HORSESHOE CASINO COUNCIL BLUFFS:

Application for Pari-Mutuel License and Granting of Race Dates; Racetrack Enclosure Gambling License, and Sports Wagering License for January 1, 2024 through December 31, 2024: Mr. Roberts and Brenda Mainwaring, President of the IWRA, were present to address the agenda item. Stating that Caesars Entertainment has been a great partner, Ms. Mainwaring requested approval of the license renewal. She noted the original building is almost 40 years old, but Caesars has done a lot of work to ensure the infrastructure is safe and made other improvements to bring in

new players. Ms. Mainwaring stated IWRA has invested millions in the MidAmerica Rec Center, noting that Horseshoe Casino was the original attraction in the area. She noted Tesla has opened the largest service center for the region in Council Bluffs. Ms. Mainwaring stated IWRA is also working on adding a wrestling center to the Iowa West Field House.

Mr. Roberts noted the property faced competition in 2022 from the casinos starting operations in Nebraska. From an economic standpoint, gaming revenue decreased 9.9%. He noted they started the hotel renovation in the fourth quarter of 2022. They spent \$3.6 million to repair the frontage road. They continue to review their options for getting JB's open. Mr. Roberts requested approval of the license renewal.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve Iowa West Racing Association's Application for a Pari-Mutuel License, Racetrack Enclosure License and Sports Wagering License for January 1, 2024 through December 31, 2024 with the following conditions:

- Staff be provided with an accurate and updated list of all signals being taken by the simulcast venue on an ongoing basis.
- Import contracts continue to be available on demand to staff to ensure regulatory compliance.

Commissioner Andres seconded the motion, which carried unanimously.

Contracts: Mr. Roberts presented the following contracts for Commission approval:

- FlaktGroup SEMCO – HVAC Repair for Rooftop Units (OSV)
- VSR Industries – Slot Bases and Lock Provider (OSV)

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the contracts as submitted by Horseshoe Casino Council Bluffs. Commissioner Campbell seconded the motion, which carried unanimously.

PRAIRIE MEADOWS RACETRACK AND CASINO, INC. D/B/A PRAIRIE MEADOWS RACETRACK AND CASINO:

Application for Pari-Mutuel License and Granting of Race Dates; Racetrack Enclosure Gambling License, and Sports Wagering License for January 1, 2024 through December 31, 2024: Gary Palmer and Derron Heldt, General Manager and Vice President of Racing respectively, were present to address the agenda item.

Mr. Palmer advised the hotel was recently remodeled at a cost of approximately \$15 million; all escalators on the property were replaced as well as the carpet in the casino.

Mr. Heldt advised following discussions concerning the racing calendar, it has been decided to move the potential make-up date of Thursday, September 19th to Sunday, September 29th, which would be the final day of racing. Racing will commence with the thoroughbreds on May 10th, and the mixed meet will commence on Sunday, June 24th.

Mr. Heldt stated there are 27 barns on the backside; eleven have windows which allow the horses to look out and provide better ventilation. They will be replacing the windows in the remaining 16 barns; they will do three barns per year over the next few years to improve the ventilation.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve Prairie Meadows Racetrack and Casino, Inc.'s Application for Pari-Mutuel License, Racetrack Enclosure License and Sports Wagering License for January 1, 2024 through December 31, 2024, and grant race dates as amended with the following conditions:

- The export contracts must continue to have the review and approval by staff to ensure regulatory compliance.
- The import contracts must continue to be available on demand to staff to ensure regulatory compliance.
- All marketing promotions that may affect live racing, particularly the racing schedule and post times, shall have **prior approval** from the IRGC.

Mr. Heldt advised the amended race calendar would be included in the Season Approval submission in January.

Commissioner Campbell seconded the motion, which carried unanimously.

Recap of Race Meet: Mr. Heldt noted the 2023 race meet ended on Saturday, September 30th. He indicated the handle was mixed. For thoroughbreds, off track was down in 2023, \$32,147,469 versus \$35,278,550 for 2022, or down 8.8%. On track handle for the thoroughbreds was also down 3.40%, \$2,148,012 for 2023 versus \$2,223,726 for 2022.

For the quarter horses, off track handle increased over \$1.8 million in 2023 versus 2022, \$6,297,330 versus \$4,449,764 and on track was up 7.63% - \$538,384 versus \$500,196.

There were 17 days of thoroughbred racing and 60 days of mixed racing. Field size for the thoroughbreds was 6.3, down from 6.6 last year; quarter horse field sizes were 7.85 this year, up from approximately 6 entries per race last year.

Mr. Heldt provided some highlights from the race meet. He stated the Iowa Thoroughbred Breeders and Owners Association held their annual fall sale on August 31st. There were 50 horses for sale; two horses sold for \$50,000. In September, Keeneland had their annual sale; 5,000 horses were for sale.

Mr. Heldt advised there were four thoroughbred catastrophic injuries during the race meet. With the implementation of HISA, the track surface is measured for depth, moisture and how hard the surface is. He noted industry standards for 2022 were 1.25 catastrophic injuires per 1,000 starts; Prairie Meadows was at 1.14. Mr. Heldt stated Prairie Meadows takes great pride in their racing surface. He advised they hired a new track superintendent this year. Mr. Heldt stated there were two skeleton injuries where the horse could not be saved, and two were from horses bleeding

internally and died within 72 hours. There were also four catastrophic injuries on the quarter horse side; however, there is no industry standard.

Mr. Heldt stated preparation work on the track surface for the 2024 racing season commenced yesterday. He advised four roofs will be re-shingled, some areas between the barns will be re-asphalted as well as doing some other repair work on the backside.

Contracts: Mr. Palmer presented the following contracts for Commission approval:

- Bolton & Hay – Foodservice Equipment and Supplies
- Des Moines Steel Fence – Fence Installation and Repair
- J F Ahern Company - Fire Sprinkler Servicing
- Master's Transportation – Shuttle Bus (OSV)
- Sysco Foods of Iowa – Food Products

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 Campbell seconded the motion, which carried unanimously.

HEARINGS:

Catfish Bend Casinos II, LLC: Mr. Ohorilko advised Catfish Bend Casinos II, LLC and Commission staff had entered into a Stipulated Agreement for violations of Iowa Code 99F.4(18), 99F.9(5), 491 IAC 6.5(1)“a”, 661 IAC 141.5(9), 141.10(6) and (7) (Surveillance; Minor). This is a two count stipulation; the first count relates to not maintaining surveillance video for the required number of days. There were 19 cameras that were only retaining video for ten days rather than the required 21 days. The issue was discovered when Commission staff was following up on a security report and was informed the matter could not be confirmed as coverage was not available. Mr. Ohorilko advised the malfunction has been rectified. Count two: On December 8, 2022, Catfish Bend advised Commission staff that a 17-year old café employee had been gaining access to the gaming floor and sports wagering area when making food deliveries to these areas on multiple occasions. Mr. Ohorilko stated the statute provides that an 18-year old may be employed to work on the gaming floor. During the course of the investigation, Commission staff expressed concerns that supervisors were not aware of the age requirement, and that security lacked the training and procedures on how to properly identify unlicensed employees or vendor employees and how to determine who could properly enter and work on the gaming floor. Mr. Ohorilko advised Catfish Bend has agreed to pay an administrative penalty up to \$20,000 each for Count 1 and Count 2.

Rob Higgins, General Manager, accepted full responsibility for these infractions. With regard to Count 1, he advised an upgrade of the cameras for the surveillance system commenced on October 29, 2021 and was completed on July 29, 2022. The cameras were set to the default setting for retention rather than the 21 days. Additionally, the longtime surveillance director at the facility retired due to health issues, and a new surveillance director was named effective July 11, 2022. Mr. Higgins stated measures have been put in place to ensure this does not happen again. He advised the new security director has been certified on the surveillance system.

With regard to Count 2, Mr. Higgins noted the PointsBet Sportsbook is across the hallway from the Boogaloo Café. He advised they just hired a new Food and Beverage director, who did not come from the gaming environment, and was not aware that an employee had to be 18 to work on the gaming floor. Mr. Higgins noted the individual did not gamble, but was in and out multiple times.

Commissioner Campbell noted the facility has a unique layout, and asked how they plan to address the matter. Mr. Higgins noted IRGC waived the badge requirements for the Class "O" employees so the facility has created a badge that is different than the gaming badges so security can easily identify them as Huckleberry Fun City employees. He stated there have been no further issues. Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$20,000 for Count 1, and \$5,000 for Count 2. Commissioner Andres seconded the motion, which carried unanimously.

Penn Sports Interactive, LLC: Mr. Ohorilko stated Commission staff and Penn Sports Interactive, LLC have entered a Stipulated Agreement for a violation of Iowa Code § 99F.1(29) (Impermissible Wagers). On September 30, 2022, a licensee reported to the Commission that proposition wagers on individual performances involving Iowa athletes had been allowed for wagering in the state. An investigation determined that the platform provider, Kambi who works with multiple casinos in Iowa, posted some impermissible wagering markets on its mobile platform. Barstool's mobile sportsbook uses Kambi's software platform. Further investigation found that Barstool's mobile sportsbook accepted and settled 810 proposition bets involving individual performances involving Iowa athletes totaling \$15,555.59. In March 2022, Barstool's mobile sportsbook accepted and settled 157 proposition bets on individual performances involving Iowa athletes totaling \$1,776.39. Mr. Ohorilko advised Barstool Sportsbook credited the account of any customer that placed a losing proposition wager. He stated Penn Sports Interactive has agreed to an administrative penalty up to \$10,000.

Adam Kates, Senior Director of Compliance, emphasized Penn Sport's commitment to compliance, and advised that as of January 2023 Barstool started moving away from using Kambi; and are no longer tied to a third party. He stated the compliance department is monitoring the site to ensure proposition wagers on individual athletes are not allowed in the state of Iowa.

Hearing no comments or questions, Chair Olsen requested a motion. Commissioner Andres thanked Mr. Kates and Penn Sports for their efforts in addressing this issue. She moved to approve the Stipulated Agreement with an administrative penalty of \$10,000. Commissioner Campbell seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, Inc.: Mr. Ohorilko stated Commission staff and Ameristar Casino Council Bluffs, Inc. have entered into a Stipulated Agreement for violations of Iowa Code § 99F.1(29) (Impermissible Wagers). He indicated the Stipulated Agreement is for two counts with Count 1 being related to the previous hearing; however, it only affects the retail operation. An investigation revealed The Sportsbook at Ameristar Council Bluffs accepted and settled 39 proposition wagers totaling \$565.53 in handle. Retail wagering is anonymous; therefore,

Ameristar was unable to correct all of the wagers made. Count 2 relates to impermissible wagers offered for Super Bowl LVII. As retail wagering is typically anonymous, there is no direct mechanism for voiding wagers and returning the funds prior to the event occurring. In this instance, The Sportsbook at Ameristar Council Bluffs knew the patrons and was able to return the bets prior to the start of the event. Mr. Ohorilko stated Ameristar Casino Council Bluffs, Inc. has agreed to an administrative penalty between \$5,000 and \$20,000 for Count 1 and \$5,000 for Count 2.

Mr. Czak stated he did not have any additional information to present regarding Count 1. He noted there were only four wagers involved in Count 2 and the money was returned to the patrons.

Hearing no further comments or discussion, Chair Olsen called for a motion. Commissioner Campbell moved to approve the Stipulated Agreement with an administrative penalty of \$10,000 for Count 1 and \$5,000 for Count 2. Commissioner Andres seconded the motion, which carried unanimously.

Ameristar Casino Council Bluffs, Inc.: Mr. Ohorilko stated Commission staff and Ameristar Casino Council Bluffs, Inc. have entered into a Stipulated Agreement for a violation of Iowa Code § 99F.9(5) (Minor). On October 8, 2022, an underage individual entered Ameristar's elite players club lounge unchallenged. While in the lounge, the underage individual was served multiple alcoholic beverages without being asked for identification. Mr. Ohorilko advised the Iowa Alcoholic Beverages Division did assess a \$500 civil penalty to the facility. The individual also entered the gaming floor unchallenged, and was on the floor for 32 minutes. While on the gaming floor, the underage individual was provided an alcoholic beverage by an adult companion. Mr. Ohorilko stated Ameristar Casino Council Bluffs, Inc. has agreed to an administrative penalty in an amount up to \$20,000.

Mr. Czak stated this is the worst call to get as the facility has failed at compliance. He noted while the individual gained access to the gaming floor unchallenged, Ameristar's staff did not provide/serve alcohol to the individual, someone else did. Mr. Czak stated they have provided additional coaching/training to the bartender in the VIP lounge. They terminated the security officer who allowed the individual onto the gaming floor unchallenged.

Commissioner Campbell, noting the facility can not control what other customers do, moved to approve the Stipulated Agreement with an administrative penalty of \$20,000. Commissioner Andres seconded the motion, which carried unanimously.

IOC Black Hawk County, Inc.: Mr. Ohorilko advised Commission staff and IOC Black Hawk County, Inc. have entered into a Stipulated Agreement for various violations of 491 IAC 5.4(5)“b” and/or 491 IAC 11.2(2)“b” related to security and allowing gambling while visibly intoxicated.

- In June 2021, the Alcohol Beverages Division (ABD), the Waterloo Police Department (WPD), Iowa State Patrol (ISP), and the Division of Criminal Investigation (DCI) conducted a “sting” at Isle Casino Hotel Waterloo due to reported concerns of over service and other alcohol related issues. There were serious incidents where individuals were

determined to be intoxicated by investigators from these agencies. The patrons were requested to consent to a preliminary breath test (PBT). Prior to the “sting” operation, local Commission gaming representatives investigated a number of incidents involving the facility’s identification and safe removal of intoxicated, impaired or other undesirable individuals and maintain its premises and facilities for the safety of all patrons and employees.

- On July 15, 2022, there was a hotel party involving 30-36 minors. The incident became disorderly, and there were a number of complaints passed on to security. Commission staff did not feel the complaints were responded to timely. During this incident, a very young individual became intoxicated to the point of unconsciousness. The individual was dragged through the hotel to the entrance of the casino. Security staffing was above the minimum requirement, but was not at “the standard” staffing as provided in the yearly security plan. Local law enforcement and emergency medical staff responded timely once contacted. No minor in the hotel room was served alcohol by Isle Casino Hotel Waterloo. Commission staff noted there was no formal security training with regard to de-escalation and riot control at that time.
- On August 5, 2022 and September 11, 2022, there was some inconsistent reporting of incidents by security and surveillance. Security reported both incidents as a “slip/fall” and surveillance reported the incident on August 5th as a “possible intoxication”. They reported the September 11th incident as an “emergency medical response”.
- On February 23, 2023, there was an allegation that a female patron was assaulted in the front lobby of the property, where three security officers were standing at the entrance podium to the gaming floor. Concerns were voiced regarding the response to the situation.
- Commission staff conducted an audit of the facility’s security staffing for 2022; they randomly chose one week out of each month to audit. The audit revealed security staffing met the minimum number required under the facility’s security plan; however, the facility never reached the “standard” staffing number as provided in the yearly security plan in any of the weeks audited.

Mr. Ohorilko stated Isle Casino Hotel Waterloo has been very cooperative during the negotiations. They have added and continue to maintain a certified police presence on site in accordance with intervals agreed upon with the Commission. The number of incidents has declined. He stated the facility has increased the number of security personnel, increased training, and have trespassed a number of individuals. Additionally, they have hired a new security leader with almost a decade of casino security experience in multiple jurisdictions. Mr. Ohorilko stated Isle Casino Hotel Waterloo has agreed to an administrative penalty up to \$100,000.

Chad Moine, General Manager, stated the facility takes public safety very seriously and strives to provide a safe environment for their guests and team members. He noted a lot of changes have been made on the training front. He stated they contacted the corporate office and learned they have a corporate training program for security. Mr. Moine noted they had hired a new security department head with casino industry experience in larger jurisdictions; they have hired additional security personnel and have a local police officer on site as requested for 8 hours a day but have made a request to increase that to 10 hours per day. They have a back-up plan in place with the Black Hawk County Sheriff’s Department.

Mr. Moine stated they have removed all 16 ounce products and have increased the size of the glass used for mixed drinks. Training for beverage servers will be done quarterly rather than annually. He thanked Commission staff for working with them to institute best practices to improve safety at the facility.

Commissioner Andres asked if there have been additional incidents since those set out in the Stipulated Agreement. Mr. Moine answered in the negative, citing the permanent trespass of 38 individuals from the property.

Commissioner Campbell asked about additional contact with the Alcohol Beverages Division. Mr. Moine stated there has not been any further contact. Commissioner Campbell expressed concern that the situation has reached the point where everyone is comfortable. He stated he does not want to get to this point again. Mr. Moine advised they have a one-year agreement for the CPO and intend to maintain it through the next licensing approval process.

Commissioner Andres noted they had hired a new security director, and asked what steps they plan to take to retain him. Mr. Moine stated he is loyal to Caesars as he has been with the company for approximately ten years. He stated he believe he is happy in the area, but can't guarantee he won't leave. He stated they do have a succession plan.

Commissioner Ostergren stated Mr. Moine's responses increased his comfort level. He stated this situation should serve as an eye-opener for the industry.

Hearing no further comments, Chair Olsen requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$100,000. Commissioner Campbell seconded the motion, which carried unanimously.

Circa Sports Iowa LLC: Mr. Ohorilko stated Commission staff and Circa Sports Iowa LLC have entered into Stipulated Agreement for a violation of Iowa Code § 99F.4(22) (Self-Exclusion). Licensees are required to upload and download information to and from the Commission's self-exclusion system at least once every seven days. Circa Sports downloaded the updated information on April 1, 2023. The next download should have occurred on or before April 8, 2023, but was not completed until April 10, 2023. Mr. Ohorilko stated Circa Sports Iowa LLC has agreed to an administrative penalty in an amount between \$5,000 and \$20,000. He advised this their first violation in the last 365 days.

Sean McGuinness, outside legal counsel; Daureen Sloan, Chief Compliance Officer, and Jeff Benson were present to address the matter. Ms. Sloan stated she worked with the staff regarding this matter when it was brought to their attention. She stated measures have been put in place to prevent this from reoccurring.

Mr. Benson advised there are now six people trained to complete this process. Calendar invites will be sent to everyone. He indicated they will also be performing the process two times per week to ensure it is being completed timely. Mr. Benson stated Circa is committed to responsible

gaming and feels the corrective measures are in place to prevent this situation from happening again.

Commissioner Campbell asked if there is a patch available to the state system for the licensees. Mr. Ohorilko advised there is a process that is automatic. He stated the Commission is seeing more interest; eight companies have made inquiries in the last six months.

Hearing no further comments or questions, Chair Olsen requested a motion. Commissioner Andres moved to approve the Stipulated Agreement with an administrative penalty of \$5,000. Commissioner Campbell seconded the motion, which carried unanimously.

PUBLIC COMMENT: Jon Moss, Executive Director of the Iowa Horsemen's Benevolent and Protective Association, stated the Racehorse Health and Safety Act (RHSA) is more cost effective and resolves some of the legal issues surrounding the Horseracing Integrity and Safety Act by giving states back the ability to improve thoroughbred and quarter horse racing. He feels it would bring back common sense in the regulation of racing.

He stated it was a good season of racing at Prairie Meadows, but there were some things that occurred as a result of HISA regulations that were detrimental to racing. He provided some examples.

ADMINISTRATIVE BUSINESS: Mr. Ohorilko provided an update on the last set of proposed rules. He noted staff had received some comments from the industry and are working to resolve those issues at this time. Everyone is working to find solutions to resolve the areas of concern. He noted there will be a public hearing on the proposed rules at the Des Moines office on October 10th, and staff is scheduled to appear before the Rules Review Committee. Mr. Ohorilko stated he does expect some modifications when they come before the Commission for final adoption, which could occur in January.

Commissioner Campbell asked about security and facial recognition. Mr. Ohorilko stated everything was considered in the purview of what is an appropriate level of due diligence for Know Your Customer (KYC), which is name, address, social security number, up to providing a picture and facial recognition. He stated facial recognition was not part of the package as he felt it would be difficult to get approval from the industry. Mr. Ohorilko stated he is not aware of any state jurisdiction that requires facial recognition but is aware of companies that are doing facial recognition. He noted it is a tool that is out there and may be considered at some point.

Chair Olsen called for any other business to come before the Commission. Mr. Ohorilko advised this is the time of year when the reversion of license fees is announced. He stated the Commission will be reverting \$428,899.81 to the industry for FY 2023. Mr. Ohorilko stated Prairie Meadows would be receiving a larger portion due to racing related costs.

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

MINUTES TAKEN BY:



JULIE D. HERRICK