



SOUTH DAKOTA COMMISSION ON GAMING

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South Dakota Commission on Gaming Administrative Hearing and Quarterly Business Meeting City Hall, Deadwood, South Dakota

MINUTES

December 28, 2022

At 9:00 a.m. the meeting was called to order. Chairman Karen Wagner, Vice Chairman Karl Fischer, Commissioner Bob Goetz, Commissioner Spencer Hawley, and Commissioner Harry Christianson were present. Staff members present for the meeting were Doug Abraham, Commission Attorney; Susan Christian, Executive Secretary; Mark Heltzel, Deputy Executive Secretary; Larry Eliason, State Racing Steward; Brandon Snyder, Enforcement Agent; and Phil Schlieff, IT Specialist.

The meeting was called to order by Chairman Wagner at 9:00 a.m. a roll call was taken, and a quorum was present.

Commissioner Goetz	Aye
Vice Chairman Fischer	Aye
Commissioner Hawley	Aye
Commissioner Christianson	Aye
Chairman Wagner	Aye

Conflicts of Interest Disclosure

On a roll call no conflicts of interest were disclosed.

Commissioner Goetz	Nay
Vice Chairman Fischer	Nay
Commissioner Hawley	Nay
Commissioner Christianson	Nay
Chairman Wagner	Nay

Administrative Hearings

The hearings officer was Chairman Wagner. The following cases were scheduled to be heard:

- 1) Stewards Ruling Number 2022-01-FTP Gilbert W. Ecoffey
- 2) Stewards Ruling Number 2022-03-FTP Robert D. Johnson
- 3) Stewards Ruling Number 2022-06-FTP Perry Cavanaugh
- 4) SDCG vs Mathew Steinlicht
- 5) SDCG vs BY Development

Robert D. Johnson

The purpose of the hearing is to take action on Stewards Ruling Number 2022-03-FTP. The hearing is held under the authority and jurisdiction SDCL 42-7-56 (8), (12) and (13), 42-7-96 and 42-7-91, and ARSD 20:04:28:02, 20:04:28:04, 20:04:28:13, and 20:04:17:05. Mr. Johnson was present for the hearing. The matter asserted is that on October 1, 2022, and October 2, 2022, at the Ft. Pierre racetrack there were three horses that were tested with permitted drug substances above the level allowed per ARSD 20:04:27:14. Staff is recommending a significant penalty be imposed of a fine of approximately half of the monies earned by the horses and assigning ½ point in total for these violations for purposes of the MMV point system. The decision on this matter was deferred to Executive Session.

A brief recess was taken at 9:50 a.m. and resumed at 10:05 a.m.

Gilbert W. Ecoffey

The purpose of the hearing is to take action on Stewards Ruling Number 2022-01-FTP. The hearing is held under the authority and jurisdiction SDCL 42-7-56 (8), (12) and (13), 42-7-96 and 42-7-91, and ARSD 20:04:28:02, 20:04:28:04, 20:04:28:13, and 20:04:17:05. Mr. Ecoffey participated in the hearing via Zoom. The matter asserted is that on October 1, 2022, and October 2, 2022, at the Ft. Pierre racetrack there were eight horses that were tested with permitted drug substances above the level allowed per ARSD 20:04:27:14. Staff is recommending a significant penalty be imposed of a fine of approximately half of the monies earned by the horses and assigning ½ point in total for these violations for purposes of the MMV point system. The decision on this matter was deferred to Executive Session.

Perry Cavanaugh

The purpose of the hearing is to take action on Stewards Ruling Number 2022-06-FTP. The hearing is held under the authority and jurisdiction SDCL 42-7-96 and 42-7-91, and ARSD 20:04:28:02, 20:04:28:04, 20:04:28:13, and 20:04:17:05. Mr. Cavanaugh participated in the hearing via Zoom. The matter asserted is that on October 1, 2022, at the Ft. Pierre racetrack there were two horses that were tested with permitted drug substances above the level allowed per ARSD 20:04:27:14. Staff is recommending a significant penalty be imposed of a fine of approximately half of the monies earned by the horses and assigning ½ point in total for these violations for purposes of the MMV point system. The decision on this matter was deferred to Executive Session.

Mathew Steinlicht

The purpose of the hearing is to take action on an Initial Complaint that was filed which alleges that licensee has engaged in conduct constituting grounds for disciplinary action pursuant to 20:18:09:01. The conduct complained against alleges that while working at Mustang Sally's during the month of August 2022, Mathew Steinlicht placed multiple proxy sports bets for multiple underage individuals. Violating SDCL 42-7B-35 and 42-7B-83. Legal Counsel for Mr. Steinlicht was not present for the hearing. On November 28, 2022, a letter was received from Mr. Steinlicht stating he was invoking his fifth amendment right and voluntarily surrendering his license. Staff is recommending revocation of his gaming license. The decision on this matter was deferred to Executive Session.

BY Development

Present for the hearing representing BY Development was Roger Tellinghuisen, Attorney, and David Schneider, General Manager. The purpose of the hearing is to take action on an Initial Complaint that was filed which alleges grounds for disciplinary action as a result of allowing a person who is less than twenty-one years of age to participate in gaming, loiter and be present at a gaming area, and having a retail license with not one licensed employee that is full view and control of gaming operated on the premises the licensee violated SDCL 42-7B-35, SDCL 42-7B-40, and ARSD 20:18:12.01:23. The matter asserted is that on October 30, 2022, a 19-year-old and a 20-year-old underage individuals were participating in gaming and loitering in a gaming area at Cadillac Jacks Gaming Resort. This incident was self-reported. Staff is recommending a significant penalty. The decision on this matter was deferred to Executive Session.

The hearing portion of the meeting concluded at 12:05 p.m.

A brief recess was taken.

General Meeting

Chairman Wagner called the general meeting to order at 12:15 p.m.

Adoption of Quarterly Business Meeting Agenda

Chairman Wagner requested to make the following changes to the agenda:

- Remove Old Business
- Remove Comments Executive Secretary Susan Christian
- Replace the two sections above with the Executive Session portion of the meeting.

Vice Chairman Fischer made a motion to adopt the agenda with the changes. Commissioner Hawley seconded the motion which carried unanimously.

September 28, 2022, Quarterly Meeting

Commissioner Hawley made a motion to adopt the minutes as drafted for the September 28, 2022, quarterly meeting. Commissioner Goetz seconded the motion which carried unanimously.

Executive Session

Commissioner Christianson made a motion to go into Executive Session. Vice Chairman Fischer seconded the motion which carried unanimously.

At 12:20 p.m. the Commissioners went into Executive Session pursuant to SDCL 1-25-2 (1) (3) and (4) and 42-7B-8.1 (4).

The Executive Session concluded at 12:44 p.m. with the following actions taken.

Decisions on Administrative Hearings

Gilbert W. Ecoffey

Commissioner Hawley made a motion to impose a \$1,000.00 fine due not later than February 1, 2023, and ½ point assessed to the MMV point system. Commissioner Christianson seconded the motion which carried unanimously.

Robert D. Johnson

Commissioner Hawley made a motion to impose a \$1,000.00 fine due not later than February 1, 2023, and ½ point assessed to the MMV point system. Commissioner Goetz seconded the motion which carried unanimously.

Perry Cavanaugh

Commissioner Hawley made a motion to impose a \$500.00 fine due not later than February 1, 2023, and ½ point assessed to the MMV point system. Vice Chairman Fischer seconded the motion which carried unanimously.

Mathew Steinlicht

Commissioner Goetz made a motion for the permanent revocation of the support license for Mathew Steinlicht. Vice Chairman Fischer seconded the motion which carried unanimously.

BY Development

Vice Chairman Fischer made a motion to impose a \$5,000.00 fine due not later than February 1, 2023. Commissioner Goetz seconded the motion which carried unanimously.

Live Racing Matters

Verendrye Benevolent Association Racing Dates

- October 7, 2023
- October 8, 2023

Commissioner Hawley made a motion to approve the 2023 live horse racing dates as presented by the Verendrye Benevolent Association. Commissioner Goetz seconded the motion which carried unanimously.

Release of Deposit In Lieu of Bond

Commissioner Goetz made a motion to approve Resolution 12-14-22-01. Vice Chairman Fischer seconded the motion which carried unanimously.

Racing Licensing Matters

Triple Crown Simulcast Site Renewal

Vice Chairman Fischer made a motion to approve the simulcast site renewal. Commissioner Goetz seconded the motion which carried unanimously.

AmWest Simulcast Provider Renewal

Commissioner Goetz made a motion to approve the simulcast provider renewal. Vice Chairman Fischer seconded the motion which carried unanimously.

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Heltzel recommended approval of the following:

- | | | |
|-------------------|-----------------------|-----------------------|
| ➤ Jessica Edelman | ➤ Alexis Herman | ➤ David Stella |
| ➤ Lorrie Papka | ➤ Paul Salem | ➤ Victoria Jarman |
| ➤ Daniel George | ➤ John Kilroy, Jr. | ➤ Mark Gregory |
| ➤ Amanda Aspen | ➤ Joseph Levin | ➤ Peter Isola |
| ➤ Monique Pontius | ➤ Mary Jammet | ➤ John Gibson |
| ➤ Ken Owens | ➤ Daniel Taylor | ➤ David Satz |
| ➤ Sally Clevenger | ➤ Gary Fritz | ➤ Rose Gonzalez-Costa |
| ➤ Adam Greenblatt | ➤ Rose McKinney-James | ➤ Destiny Maynard |

Commissioner Hawley made a motion to approve the Key license approvals as staff recommended. Commissioner Goetz seconded the motion which carried unanimously.

2023 Key License Renewals

Deputy Executive Secretary Heltzel recommended approval of the Key license renewals as listed on pages 68-69 in the meeting packet.

Commissioner Goetz made a motion to approve the Key license renewals as staff recommended. Commissioner Christianson seconded the motion which carried unanimously.

Approval of Dates of 2023 Quarterly Meetings

- Tuesday March 14, 2023
- Tuesday June 13, 2023
- Tuesday September 12, 2023
- Tuesday December 12, 2023

Vice Chairman Fischer made a motion to approve the dates scheduled for the 2023 quarterly meetings. Commissioner Hawley seconded the motion which carried unanimously.

Public Comment

Mike Rodman, Executive Director of the Deadwood Gaming Association, informed the Commission that the DGA does not have any potential legislation going forward for the 2023 Legislative Session. They have been working with Susan and staff on the potential rule changes as it relates to the changes for under twenty-one in the casinos and have got some great compromises put together so looking forward to the March meeting. He thanked Susan and staff for working with the industry.

Chairman Wagner requested from Mike Rodman an updated report for the March meeting related to their policies and procedures for individuals under the age of twenty-one in the casinos.

Adjournment

Vice Chairman Fischer made a motion to adjourn the meeting. Commissioner Goetz seconded the motion which carried unanimously.

The meeting was adjourned at 12:59 p.m.

Respectfully Submitted,

Kathy Beringer



Karen Wagner, Madam Chairman



Susan Christian, Executive Secretary