



SOUTH DAKOTA COMMISSION ON GAMING

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

MINUTES

September 12, 2023

At 9:00 a.m. the meeting was called to order. Chairman Karen Wagner, Vice Chairman Harry Christianson, Commissioner Spencer Hawley, and Commissioner Bob Goetz were present. Staff members present for the meeting were Doug Abraham, Commission Attorney; Susan Christian, Executive Secretary; Mark Heltzel, Deputy Executive Secretary; and Phil Schlieff, IT Specialist. Participating in the meeting via Zoom was Eric Weiss and Shawn McGraw with Odds and Compliance; and Josh Tollefson with Vantage Point Solutions.

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

Conflicts of Interest Disclosure

On a roll call no conflicts of interest were disclosed.

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

On a roll call all were present.

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

Adoption of Quarterly Business Meeting Agenda

Chairman Wagner stated there was one change to the agenda to move the public comment section to after the Executive Session.

Commissioner Goetz made a motion to approve the meeting agenda with the change. Commissioner Hawley seconded the motion which carried unanimously.

Administrative Hearings

The following cases were scheduled to be heard:

- One Four Times Diamond themed slot machine with Serial #1359395
- One Spider-Man 2 themed Pachinko style slot machine with Serial#A038107

Chairman Wagner served as the hearing officer.

The Matter of One Four Times Diamond seized slot machine

The purpose of the hearing is to determine if the Four Times Diamond themed slot machine Serial #1359395 which was seized from Deadwood Mountain Grand event center on August 25, 2023, is contraband and may be destroyed pursuant to SDCL 42-7B-39. Larry Carr was served notice of the hearing by certified mail but was not present for the hearing. Staff recommended that pursuant to 42-7B-39.2 which provides that any slot machine seized pursuant to the provisions of 42-7B-39 may be destroyed after notice and without hearing of the person from whom the slot machine was seized fails to appear at the time and place scheduled in the hearing notice.

Vice Chairman Christianson made a motion that the slot machine be destroyed. Commissioner Hawley seconded the motion which carried unanimously.

The Matter of One Spider-Man 2 seized slot machine

The purpose of the hearing is to determine if the Spider-Man 2 themed slot machine Serial #A038107 which was seized from a residence on August 26, 2023, is contraband and may be destroyed pursuant to SDCL 42-7B-39. Timothy Ray Evans was served notice of the hearing by certified mail but was not present for the hearing. Staff recommended that pursuant to 42-7B-39.2 which provides that any slot machine seized pursuant to the provisions of 42-7B-39 may be destroyed after notice and without hearing of the person from whom the slot machine was seized fails to appear at the time and place scheduled in the hearing notice.

Commissioner Hawley made a motion that the slot machine be destroyed. Vice Chairman Christianson seconded the motion which carried unanimously.

The hearing portion of the meeting was concluded at 9:07 a.m.

General Meeting

Chairman Wagner called the general meeting to order at 9:08 a.m.

June 13, 2023, Quarterly Meeting

Commissioner Goetz made a motion to adopt the minutes as drafted for the June 13, 2023, quarterly meeting. Commissioner Hawley seconded the motion which carried unanimously.

Old Business

There was no old business to be discussed at the meeting.

Remarks by Executive Secretary

Susan Christian, Executive Secretary, gave a brief report on the following items:

- Letter and emails were sent out regarding the process of moving the office to the new location in Spearfish. We will be physically at the new location on Monday September 18, 2023, and please be patient while we move through this transition. Unfortunately, we were unable to find a small office space for the agents in Deadwood but will continue to keep looking. Office staff will still be going to Deadwood to do observations and audits.
- In July attended the NCLGS conference in Denver with Doug Abraham. Items discussed at the conference were skilled based slot machines, a new version of cashless wagering, micro betting in the sports world, slot machine programs are being written based on physic engine and our rules don't address that, and cashless kiosk for sports wagering.
- Our staff will not be attending the G2E this year but instead will direct the cost to a two-day training for staff and the industry on new technology. Asking for feedback from the industry on technology that they would want to be more versed on so can plan a strategy on items for the training.
- Inquires are being made on Fantasy Sports which is a prohibited event under our rules.
- A reminder that when entering a contract for services with a licensed or unlicensed company will need to submit the contracts for review and approval before entering the contract.
- Ft. Pierre is having their 75th racing season on October 7th and October 8th. Staff will be on site October 2nd though October 8th.

Mike Rodman, Executive Director of the Deadwood Gaming Association, was invited to talk about responsible gaming education month. On August 21st attended the city commission meeting with the Executive Secretary, Susan Christian, and the mayor proclaimed the month of September as responsible gaming education month. Tool kits were sent to casinos about recommitted awareness. The Deadwood Gaming Association along with the SD Commission on Gaming is a part of the SD Council on responsible gaming and are the entities that fund the gaming help line.

Approval of Integrity and Security Assessment Scope Per ARSD 20:18:35.01:07

Per **ARSD 20:18:35.01:06** approval has been given to Odds on Compliance and Vantage Points Solution to be an independent information technology security professional to conduct the annual system integrity and security risk assessment providing the Commission approves the companies proposed scope of the assessment to be conducted.

A comparison to **ARSD 20:18:35.01:07** of each of the company's scope submitted was conducted by staff. Based on this comparison the companies comply with the scope requirements and approval of their scope is recommended.

Odds on Compliance

Eric Weiss and Shawn McGraw gave a brief explanation on Odds and Compliance, Information Security Management System Audit Statement of Work.

Commissioner Hawley made a motion to approve Odds on Compliance. Commissioner Goetz seconded the motion which carried unanimously.

Vantage Points Solution

Lynden Overweg and Josh Tollefson gave a brief explanation on Vantage Points Solutions Gaming Integrity and Security Assessment.

Commissioner Goetz made a motion to approve Vantage Points Solution. Commissioner Hawley seconded the motion which carried unanimously.

Stipulation and Assurance of Voluntary Compliance

Internet Sports Int', LTD-ISS SDCG License #12253-SW Compliant #23-05-25-JM

A monetary penalty of \$6,000.00 to be paid not later than August 31, 2023, was imposed for a complaint that was filed alleging that the Defendant engaged in conduct constituting grounds for disciplinary action in that from May 4, 2023, through May 6, 2023, Internet Sports International, Ltd, offered wagers on the Kentucky Derby at sports wagering kiosks in three Deadwood locations. An informal consultation was held, and licensee agreed to the penalty and paid the fine.

Vice Chairman Christianson made a motion to accept the Stipulation and Assurance of Voluntary Compliance and the imposed penalty. Commissioner Hawley seconded the motion which carried unanimously.

Brian Kindsfater SDCG License #0081-KY Complaint #23-05-29-JM

A monetary penalty of \$150.00 to be paid not later than August 31, 2023, was imposed for a complaint that was filed alleging that the Defendant engaged in conduct constituting grounds for disciplinary action in that the Defendant allowed wagers to be accepted on a prohibited event. An informal consultation was held, and licensee agreed to the penalty and paid the fine.

Commissioner Hawley made a motion to accept the Stipulation and Assurance of Voluntary Compliance and the imposed penalty. Commissioner Goetz seconded the motion which carried unanimously.

Deadwood Licensing Matters

Key License Approvals

Deputy Executive Secretary Heltzel recommended approval of the following:

- Daniel Schrementi
- Heather Scheibenstock
- Brandon Maser
- Kristy Jo
- Virginia Shanks
- Heather Rollo
- Dawn Quaschnick
- Dylan Cole
- Hamish McLennan
- Secil Watson
- James O'Dell
- Preston Haynes
- Andrew Archibald
- David Farahi
- Timothy Throsby
- Paul Finch, Jr.
- Antonia Korsanos
- Shelly Swanson

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

Key License Renewal

Deputy Executive Secretary Heltzel recommended approval of the following:

- Jim Vinson

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

Business License Renewals

Deputy Executive Secretary Heltzel recommended approval of the following:

- Tim & Monica Conrad-Operators License 0108-OP, which is unassigned at this time.
- Deadwood Miners-Retail License 12569-RT, which is unassigned at this time.

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

Date of Next Meeting

Commissioner Goetz made a motion to approve the next scheduled commission meeting on December 12, 2023. Vice Chairman Christianson seconded the motion which carried unanimously.

Executive Session

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

At 9:46 a.m. the Commissioners went into Executive Session pursuant to SDCL 1-25-2

The Executive Session was concluded at 9:58 a.m. with no action taken.

Public Comment

There was no participation for the comment period of the meeting. Chairman Wagner stated that going forward the comment section will be limited to three minutes per person.

Adjournment

With no further business to be discussed Commissioner Goetz made a motion to adjourn the meeting. Commissioner Hawley seconded the motion which carried unanimously.

The meeting was adjourned at 10:00 a.m.

Respectfully Submitted,

Kathy Beringer


Karen Wagner, Madam Chairman


Susan Christian, Executive Secretary