



**Testimony of Matthew T. Schuler, Executive
Director Ohio Casino Control Commission
House Bill 96
Ohio House of Representatives
Agriculture Committee
February 19, 2025**

Chair Creech, Vice-Chair Newman, Ranking Member Miller and members of the committee, thank you for the opportunity to testify in support of the Administration's budget recommendation for the Ohio Casino Control Commission.

MISSION OF THE CASINO CONTROL COMMISSION

As detailed in the Constitution and the law, the mission of the Commission is to ensure the integrity of casino gaming, sports gaming, fantasy sports contests, and skill-based amusement machines.

The Commission fulfills its Constitutional mission and the statutory requirements of the law through four main functions

- Licensing and Investigations
- Regulatory Compliance
- Enforcement of the Law
- Responsible Gambling Programs and Services

Licensing and Investigations

The law requires every person conducting or participating in gaming to be licensed. Using the criteria set forth by the General Assembly in ORC 3772, 3774, and 3775, the Commission conducts probity investigations of each applicant to determine eligibility for licensure. Probity investigations determine whether an applicant possesses good character, honesty, integrity, and financial stability.

The Commission has completed suitability investigations and has issued initial, new, or renewal licenses for the following number of individuals and entities in the FY 22-23 and FY 24-25 bienniums (last 4 months of FY 25 estimated).

Casino Gaming:	FY 22 - FY 23	FY 24- FY 25
Operators	3	2
Management Companies	0	0
Holding Companies	24	39
Gaming-Related Vendors	15	27
Key Employees	165	190
Casino Gaming Employees	3,337	2,983
Total	3,544	3,241
Sports Gaming:		
Type A, B, & C Sports Gaming Proprietors	53	0
Management Services Providers (Including Mobile)	40	2
Sports Gaming Supplier	41	21
Holding Company	116	24
Key Sports Gaming Employee	571	179
Standard Sports Gaming Employee	2,711	2,324
Type-C Sports Gaming Host	1,160	27
Total	4,692	2,577
Skill-Based Amusement Machine Gaming:		
Type B & C Operators	112	108
Vendors	9	6
Key Employees*	338	4
Type-C Location	217	91
Total	676	209
Fantasy Contest Gaming:		
Fantasy Contest Operators	15	11

All probity investigations result in a recommendation to the Commission to grant or deny a license. These recommendations are made following an extensive background check that includes criminal, financial, and regulatory history, tax record examination, credit history analysis, database checks for bankruptcies and outstanding liens or judgments, and retrieval of court records.

The licensing process does not end once a license is issued. Suitability is an ongoing requirement for all licensees, and the Commission has the authority to reopen a licensing investigation at any time. License holders have a duty to update the Commission regarding any change to information provided in their application. When license holders are required to file for renewal, the Commission must ensure that all applicants remain suitable.

Regulatory Compliance

The Commission ensures that its licensees comply with the law, the Ohio Administrative Code and each operator's Commission approved, detailed internal control systems. These regulatory systems are designed with protections to ensure that no one can commit an error or fraud and have the ability to conceal that error or fraud.

Statutorily, the Commission is required to regulate the multifaceted operations of a gaming business. These include, but are not limited to, the following:

- Accounting
- Advertising
- Approved Sports Gaming Wagers
- Auditing
- Chips, Cards, and Dice Specifications
- Customer Identity Verification
- Digital Wallet Creation
- Electronic Gaming Equipment (EGE)
- Geolocation Requirements & Geolocation Provider Certification
- Independent Testing Lab Certification
- IT System Architecture
- Player Funds Protection
- Prompt Payouts
- Security
- Surveillance
- Table Game Rules
- Table Games Hardware

The Commission employs individuals with specialized knowledge in these areas to carry out their responsibilities. Regular and special audits are conducted throughout the year to ensure compliance with all requirements. Financial audits are also conducted to confirm accuracy of revenue reporting.

The following work was completed during the current biennium.

FY 2024

133 Audits
1,030 Independent testing laboratories' EGE reports evaluated
7,603 Slot machine software verifications completed - 7603
1,196 Financial investigation reports reviewed
1,932 Internal controls reviewed

FY 2025 (Not including the next four months)

120 Audits
498 Independent Testing Laboratories' reports evaluated
5,249 Slot machine software verifications completed
714 Patron Inquiries reviewed
760 Investigation Reports reviewed
563 Internal Controls reviewed

Enforcement

The Commission is a law enforcement agency and is responsible for enforcing the Casino and Sports Gaming Control Laws. The Enforcement Division is comprised of gaming agents, investigators, and a criminal intelligence analyst. Gaming agents are certified peace officers in the State of Ohio and have arrest authority on all casino properties as well as outside of the casino when enforcing the criminal provisions of the Casino and Sports Gaming Control Laws. Agents are headquartered at their respective casinos and staff a 24-7 operation.

Gaming agents have worked collaboratively on joint investigations with Bulk Currency Task Forces statewide, the Federal Bureau of Investigation, the Drug Enforcement Agency, the Internal Revenue Service and the Secret Service, as well as city police departments and county sheriff's offices.

To date, the Division has addressed crimes including cheating, theft, robbery, credit card fraud, money laundering, forgery and counterfeiting. So far, during this fiscal biennium, 448 charges for felonies and misdemeanors have been presented to prosecutors.

Gaming agents also investigate illegal casino operations around the state. Illegal casinos, typically found in old strip malls, offer slot machines and pay cash in violation of Ohio law. They attempt to avoid scrutiny by law enforcement and local governments by claiming that the devices are skill-based amusement machines, which are legal under Ohio law. In reality, these devices are slot machines under the law because they incorporate an element of chance, players are awarded cash payouts, or both. Please see attachment1.

To date, working with local law enforcement and county prosecutors, the Commission has served warrants on 160 locations and seized/disabled over 7,100 slot machines. This number exceeds the combined total of all slot machines at Ohio's four casinos. It is common for the operators of these lucrative criminal enterprises to be charged with illegal gambling, money laundering, and tax evasion, among other offenses.

The Commission's share of the court-ordered financial proceeds from these cases is deposited into the Enforcement Fund, which is used to support ongoing and additional illegal casino investigations around the state.

Responsible Gambling

Ohio was the first state to bring the resources of multiple agencies together to maximize efforts and results through the creation of Ohio for Responsible Gambling (ORG). This initiative involves the Ohio Department of Mental Health and Addiction Services, the Ohio Lottery Commission, and the Ohio Casino Control Commission and works to coordinate each agency's statutorily dedicated problem gambling resources toward data-driven, strategic goals for prevention, and treatment.

The Constitution dedicates 2% of the tax on casino revenue to fund problem gambling and other addiction services. The money is allocated through an agreement between OhioMHAS and the Commission's Executive Director. While a significant amount of funding is distributed to county mental health boards for treatment and prevention efforts,

funds are also set aside for state-level programming that is beyond the capacity of the boards, including the following:

- **Problem Gambling Helpline**
- **Awareness Campaigns**
 - [Pause Before you Play](#) – Focused generally on safer gambling practices
 - [Change the Game](#) – Focused on youth gambling prevention
 - [More Than a Bet](#) – Raise awareness of the harms of threats and harassment of student athletes
- **No Cost Treatment Options**
- **Time Out Ohio – Voluntary Exclusion Program**
- **Ohio Gambling Telehealth Network** – Treatment without geographical limitations
- **Workforce Development**
 - Certification Training (Stage I, II, III)
 - Ohio Gambling Disorder Clinical Fellowship - prepare clinicians to provide clinical services for gambling disorder
 - University of Cincinnati Pilot Project – Add gambling disorder treatment to social work curriculum

Additionally, 2% of the tax on sports gaming revenue and certain license fees are dedicated to fund problem sports gambling services. Current initiatives include the following:

- **GamBan** - Once downloaded, blocks thousands of legal and illegal websites and apps worldwide
- **GamFin** – Access to financial counseling for individuals and families in financial distress
- **RecoverMe** – An App that provides individualized counseling and other tools for individuals to manage a gambling disorder.
- **Student Athlete Wellbeing App** – Access to confidential mental health counseling, problem gambling counseling, and anonymous reporting of harassment and threats
- **Statewide Sports Gambling Survey** – Data gathering to inform campaigns, programs, and services

FUNDING OF THE CASINO CONTROL COMMISSION

Pursuant to the Constitution, gross casino revenues are taxed at a rate of 33%. The Commission is funded through 3% of this tax as well as license fees associated with casino gaming, sports gaming, skill games, and fantasy contests.

The Commission is requesting appropriation authority of \$17.8 million for FY 2026 and \$18.8 million for FY27. The requested increase is to provide funding for 2 license investigators to support the Commission's new sports gaming responsibilities and meet the increased payroll costs associated with requirements in the OCSEA and FOP bargaining unit contracts. See Attachment 2.

Generally, 90% of the Commission's budget pays for salaries and benefits. The other

10% is for purchased personal services, supplies & maintenance, and equipment. The Commission’s table of organization is attached.

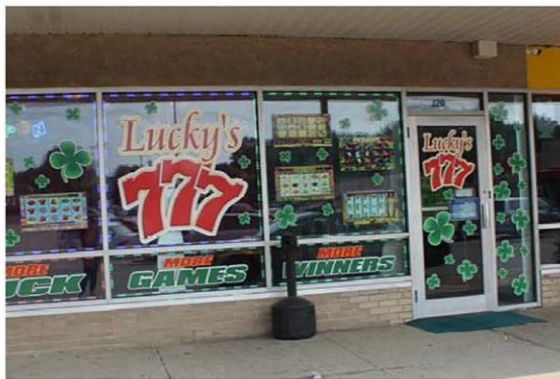
Additionally, the Commission is requesting appropriation authority of \$156,800 in FY 2026 and \$200,547 in FY 2027 for the Enforcement Fund to provide clothing requirements, enforcement specific equipment, training, and investigative tools for the gaming agents.

Also, for the second time, the Commission is seeking appropriation authority of \$3,500,000 in each fiscal year for the newly created Problem Sports Gambling Fund. The fund receives 2% of the tax on gross sports gaming revenue and 2% of certain sports gaming license fees. The fund will be used in coordination with the existing Problem Gambling and Other Addictions Fund with a specific focus on prevention and treatment for those at-risk and those with a sports gambling problem.

Account	Actual			Estimate	Request			
	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	% Change	FY 2027	% Change
Operating Fund								
Payroll	12,663,884	13,298,035	14,095,691	15,200,000	16,246,394	6.88%	17,022,482	4.78%
Purchased Personal Services ¹	41,637	47,026	79,492	155,000	126,047	-18.68%	143,979	14.23%
Supplies and Maintenance ²	1,156,737	1,362,116	1,412,101	1,353,000	1,467,487	8.46%	1,545,734	5.33%
Equipment ³	18,388	25,582	61,315	45,000	16,000	-64.44%	137,000	756.25%
Judgments, Settlements & Bonds	0	5,000	370	0	0	0	0	0
Transfers and Non-Expense	0	1,047	1,549	0	0	0	0	0
Total	13,880,646	14,738,806	15,650,518	16,753,000	17,855,928	6.58%	18,849,195	5.56%
Staff	100	101	102	106	108		108	
Enforcement Fund								
510 Purchased Personal Services	2,330	3,810	3,040	23,000	5,205	-77.37%	5,240	0.67%
520 Supplies and Maintenance	107,845	112,306	98,620	155,000	146,275	-5.63%	149,707	2.35%
530 Equipment	0	0	4,290	72,000	5,200	-92.78%	45,600	776.92%
Total	110,175	116,116	105,950	250,000	156,680	-37.33%	200,547	28.00%
Problem Sports Gambling Fund								
510 Purchased Personal Services	0	0	577,000	2,750,000	2,925,000	6.36%	2,925,000	0.00%
520 Supplies and Maintenance	0	0	34,900	750,000	575,000	-23.33%	575,000	0.00%
Total	0	0	0	3,500,000	3,500,000	0.00%	3,500,000	0.00%
Grand Total	13,990,821	14,854,922	15,756,468	20,503,000	21,512,608	4.92%	22,549,742	4.82%
1 Purchased Personal Services:	Training, Administrative Hearings, Research Services							
2 Supplies & Maintenance	Rent, Travel Expenses, Intrastate Agency Payments (BCI/FBI Fingerprint Fees, Attorney General Fees, DAS Fees, Vehicles)							
3 Equipment	Ammunition, Computers, Firearms, Protective Gear, Surveillance Equipment, Etc.							

Chair Creech, Vice-Chair Newman, Ranking Member Miller, and members of the committee, thank you for the opportunity to present the Commission’s budget proposal. I would be happy to answer any questions you may have.

Attachment 1



Attachment 2

OCCC TABLE OF ORGANIZATION

