

The Nevada Gaming Control Board's Investigations Division:

A Year in Review

By Luke Rippee

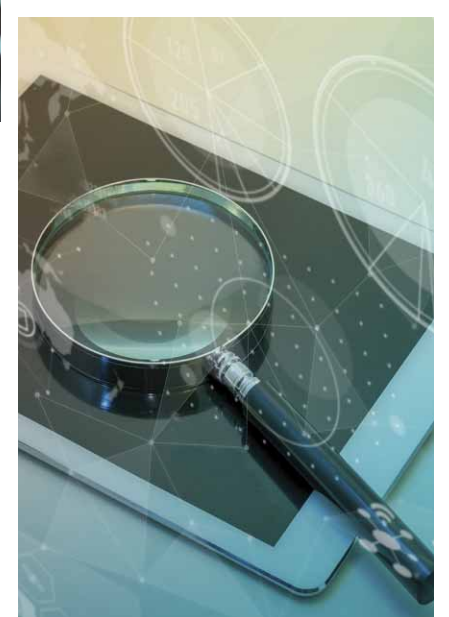


RECAP
2023

Nevada Gaming Application Portal (NVGAP):

Exciting developments are happening in the Nevada Gaming Control Board's ("Board") Investigations Division. Special Agent Crystal Keel has been instrumental in working on creating the Nevada Gaming Application Portal, or NVGAP. NVGAP is a new web application allowing Nevada gaming applicants to electronically process applications. Attorneys, compliance officers, and enrolled agents will have access to NVGAP to assist their applicants with preparing, uploading, and filing applications and supporting documentation to the Board.

Ensure you subscribe to Board's industry notices at <https://hal.nv.gov/form/Gaming/Subscribe> to receive future information about NVGAP, including go-live and training dates.



2023 Statistics:

In calendar year 2023, the Investigations Division, which includes the Corporate Securities Section and the Corporate Compliance Unit, placed 115 nonrestricted agenda items before the Board. The volume of applications represents a 10.4% increase compared to calendar year 2022. 544 total nonrestricted applications were processed in calendar year 2023. Additionally, there were 140 restricted agenda items placed on the Board's agenda in calendar year 2023, which included approximately 333 total restricted applications.

The Investigations Division remains very busy as the Nevada gaming market stays strong and licensees continue to seek growth opportunities requiring the filing of applications. Although licenses in Nevada are perpetual, its licensees are continuously restructuring operations and certain restructurings, transfers of interest, as well as changes in ownership require Nevada Gaming Commission ("Commission") approval. Additionally, because some form of gambling including lotteries is now allowed in 48 of 50 U.S. states, international

companies and private equity companies continue to file applications seeking investment opportunities in Nevada. Recently, the Investigations Division completed investigations on private equity companies investing in manufacturers/distributors and slot route operators, not just brick and mortar casinos. The repeal of the Professional and Amateur Sports Protection Act (PASPA) has also provided opportunities for new companies to partner with existing Nevada licensees. Technology is constantly changing in the Nevada gaming industry, which results in opportunities for gaming technology companies that require existing licensees to seek new or additional licenses and registrations. Agents overseeing

restricted investigations are encountering more complex business structures compared to the mom-and-pop operators and sole proprietors that were historically more common. Thus, these more involved complex structures require further investigation and review of the ownership and business organization.

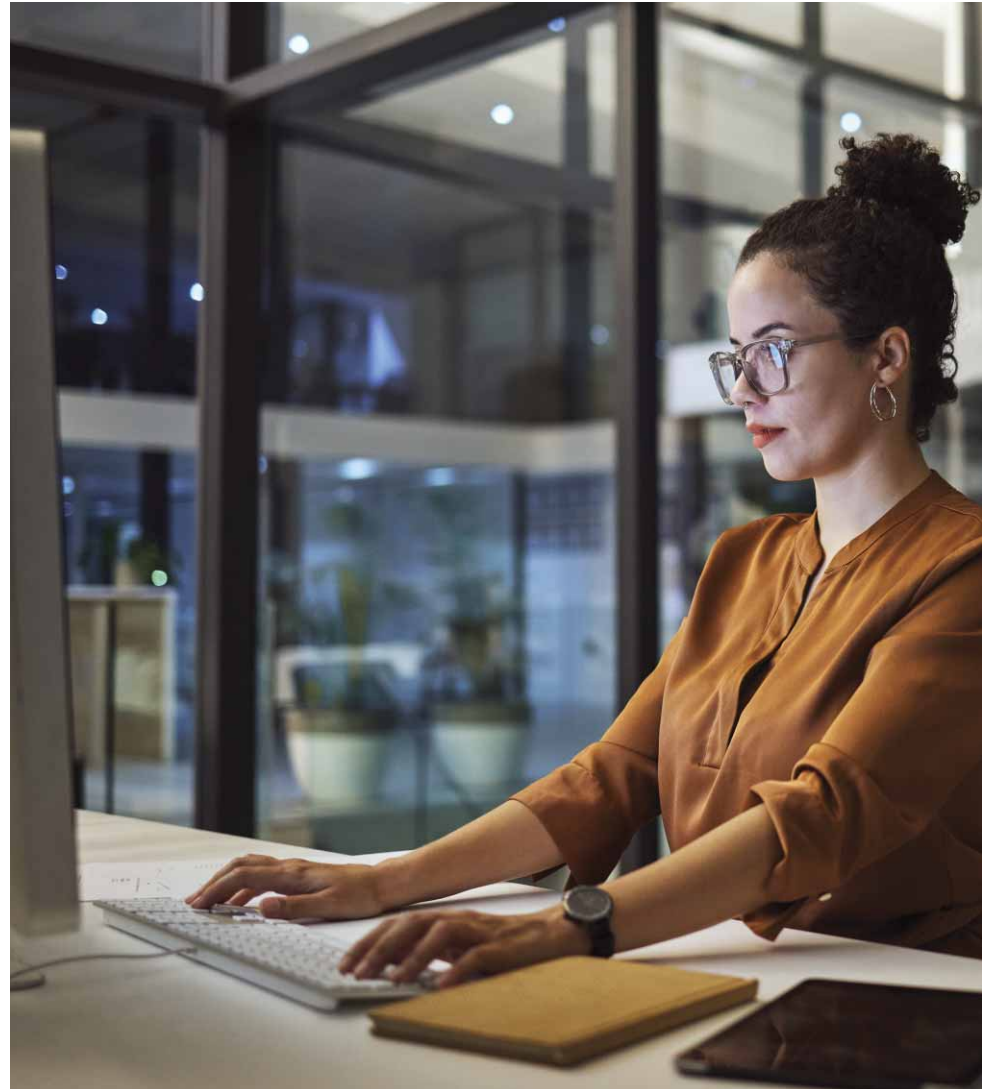
Statutory Enactments

A couple of important changes for the Investigations Division resulted from the passage of SB14 during the 2023 Legislative Session. First, the Board Chair is now authorized to grant administrative approval to specified heirs or representatives of a licensee who is deceased or been judicially declared disabled. Pursuant to the new Regulation, the authorized person can temporarily engage in certain gaming activities without first needed to obtain a state gaming license. This process allows the licensee's estate to more efficiently administer the disposition and closing of the estate, while still complying with all applicable gaming laws. It also prevents unapproved gaming operations in Nevada.

This significant change has been welcomed by the industry because it eases the burden on a licensee's family who are grieving the loss of a loved one and dealing with pressing estate matters.

The second important change occurred in September 2023 with the repeal of Regulation 3.100. This eliminated the requirement for licensees to file 3.100 Key Employee Reports. This amendment saves Nevada licensees considerable time and expense rather than submitting the reports on a biannual basis.

Lastly, the Board, specifically Senior Agent Candice Nishizawa in the Compliance Unit, worked diligently on SB 266 with the industry and policy makers to improve the foreign gaming reporting requirements and the forms required to be submitted by licensees participating in foreign gaming. The amendments to Foreign Gaming have provided the Board with information that can be reviewed much more efficiently, and have eliminated an unnecessary paperwork burden on licensees.





Board Personnel Highlights:

At the 2023 *Gaming Law Conference*, the Board panel featured Dianne Presson, Investigations Service Manager and Board Liaison in the Investigations Division. Presson worked in the gaming industry for 10 years before becoming a Board agent where she has spent the past 23 plus years.

In May 2024, during State of Nevada employee recognition week, Nevada Governor Joe Lombardo recognized Presson for her outstanding accomplishments. As the Board Liaison, Presson responds to gaming regulatory inquiries from around the world and is responsible for coordinating training and meetings with national and international government agencies. In 2023, Presson and staff processed 2,912 license verification requests, a 2.5% increase from 2022.

Presson also oversees registration applications and investigations for associated equipment (manufacturer and distributor) (NGC Regulations 14.020 & 4.200), independent agents (NGC Regulations 25 & 4.200), independent hosts (NGC Regulations 5.345 & 4.200), service providers (cash access and wagering instrument, cloud computing, and information technology) (NGC Regulations 5.240 & 4.200), and hosting centers (NGC Regulations 5.230 & 4.200). In 2023, her team completed 86 new and renewal registrations.

In March 2024, former Board Compliance Unit Supervisor Pam Brown retired after more than 30 years of service for the state of Nevada. Brown was replaced by current Supervisor Sean Crowley. Crowley has over 17 years of experience with the Corporate Securities Section where he was most recently served as a Special Agent leading various teams conducting numerous investigations, including many high-profile international licensing investigations. In addition, the name of the unit changed to the Corporate Compliance Unit that is located in Carson City and includes Supervisor Crowley and his team of four agents.

In April 2024, the Board and the Investigations Division its Las Vegas offices from the Grant Sawyer Building to the first floor at 7 State of Nevada Way, Las Vegas, NV, 89119. At press time, the Board meetings and Commission meetings are still being held at the Grant Sawyer Building, but future Southern Nevada meetings will be held at the State of Nevada Campus in Las Vegas. ■



Luke Rippee is a Deputy Chief with the Nevada Gaming Control Board's Investigations Division. He was previously Supervisor of the Corporate Securities Section, Compliance Unit. Deputy Chief Rippee has 16 years of experience conducting corporate licensing investigations, special investigations, and compliance reviews for the Board.