Andy Beshear Governor



Public Protection Cabinet Kentucky Horse Racing Commission 4063 Iron Works Parkway, Building B Lexington, KY 40511 Telephone: (859) 246-2040 Fax: (859) 246-2039 Ray A. Perry Secretary

Marc Guilfoil Executive Director

Jonathan Rabinowitz Chairman

September 22, 2021

Sent via Electronic Mail

Darold Londo Darold.Londo@oakgrovegaming.com WKY Development, LLC d/b/a Oak Grove Racing, Gaming & Hotel 777 Winners Way Oak Grove, KY 42262

Re: Notice of Administrative Fine

Dear Mr. Londo:

The Kentucky Horse Racing Commission ("Commission") has determined that WKY Development, LLC d/b/a Oak Grove Racing, Gaming & Hotel ("Oak Grove Racing") deployed an entertaining game theme ("EGT") operated through the Ainsworth Game Technology ("Ainsworth") pari-mutuel wagering system that had been revoked by the Commission.

On December 15, 2020, the Commission's Director of Pari-mutuel Wagering and Compliance Waqas Ahmed notified all associations offering pari-mutuel wagering through Ainsworth's pari-mutuel wagering system that the Commission's approval to operate Rumble Rumble Bison version 2020.6.24.8 was revoked. All associations were directed to comply with the directive by December 16, 2020. On December 18, 2020, Oak Grove Racing Compliance Officer Karen Miller informed the Commission that it had complied with its' directive. On February 25, 2021, the Commission approved Rumble Bison version 2021.1.13.8 that introduced modifications to correct non-accounting errors with version 2020.6.4.8.

On September 3, 2021, Oak Grove Racing's Director of Operations David Boehm informed Mr. Ahmed that Oak Grove Racing, upon conducting an internal audit, had been operating several Ainsworth terminals with Rumble Rumble Bison version 2020.6.24.8 since July 2, 2021. Oak Grove Racing immediately placed the non-compliant terminals out of service and notified the Commission in writing.

Title 810 of the Kentucky Administrative Regulations states that all pari-mutuel wagers on a historical horse race or races shall be exotic wagers. See 810 KAR 6:010 Section 1. Furthermore, "[a]n association shall not offer an exotic wager on any live or historical horse or races without the prior written approval of the commission." See 810 KAR 6:010 Section 2(1). Finally, "[a]n association shall not implement any change or modification to the practices, procedures, or representations upon which the





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approval of the exotic wager was based without the prior written approval of the commission." See 810 KAR 6:010 Section 2(7).

Based upon the Commission's review of the events surrounding the letter submitted by Oak Grove Racing, it is evident that Oak Grove Racing offered exotic wagering on an EGT that was not approved by the Commission. The Commission has therefore determined that Oak Grove Racing was not compliant with Title 810 of the Kentucky Administrative Regulations for a period of sixty-three (63) days. Based upon these violations, the Commission hereby imposes a fine against Oak Grove Racing in the amount of \$1,000.00 per day from July 2, 2021, through September 3, 2021, pursuant to KRS 230.320(1), KRS 230.260(11), 810 KAR 6:001 Section 1(19)(e) and 810 KAR 8:030, Section 10(1)(d). The Commission has also determined that three (3) mitigating factors exist:

- 1. The violations were not intentional.
- 2. The association's actions did not put patrons at risk and there were no complaints regarding the erroneous presentation of wagers consistent with Rumble Rumble Bear version 2020.6.24.8.
- 3. The association conducted an internal audit and self-reported the results of such audit in a sufficient manner.

Due to the existence of these mitigating factors, the penalization is stayed on the condition that Oak Grove Racing incurs no further violations of the Commission's pari-mutuel wagering statutes or regulations within three hundred sixty-five (365) days from the date of this ruling.

If you wish to appeal this decision, you may request a KRS 13B hearing pursuant to 810 KAR 8:030 Section 2(1) and 810 KAR 9:010.

Sincerely,

Marc A. Guilfoil Executive Director Kentucky Horse Racing Commission





David Boehm WKY Development, LLC d/b/a Oak Grove Racing, Gaming & Hotel 777 Winners Way Oak Grove, KY 42262 David.Boehm@oakgrovegaming.com

September 3, 2021

Mr. Marc A. Guilfoil Executive Director Kentucky Horse Racing Commission 4063 Iron Works Parkway, Bldg. B Lexington, KY 40511

## RE: Oak Grove Racing, Gaming & Hotel

Dear Mr. Guilfoil:

WKY Development, LLC, dba Oak Grove Racing, Gaming & Hotel, conducted an internal audit which revealed an outdated software version 2020.6.24.8. The Rumble Rumble Bison, was the affected themes and the software will be updated to the correct version, 2021.1.13.8, at EOD.

The five affected terminals were immediately placed out of service and a phone call was made to the Director of Pari-Mutuel Wagering and Compliance, Waqas Ahmed. The terminals will remain out of service until additional communications are had with Director of Pari-Mutuel Wagering and Compliance, Waqas Ahmed.

We remain available should you have any questions regarding this information.

Sincerely,

David Boehm Senior Director of Gaming and Racing Operations - OGG

cc: Darold Londo - General Manager and President - OGG Duncan McConnell – Senior Director Gaming Operations – CDI Corporate

Attachment

| From:       | Ahmed, Waqas (PPC)   |
|-------------|--|
| Sent:       | Tuesday, December 15, 2020 5:59 PM   |
| То:         | scobb@theredmile.com; Jeff Inman; Patrick Duggan (Derby City);   |
|             | David.Boehm@Oakgrovegaming.com; Rick.Williams@turfwaypark.com; Johan Mirkovic<br>(johanmirkovic@kentuckydowns.com) |
| Cc:         | CCalitri@agtslots.com; Guilfoil, Marc (PPC)  |
| Subject:    | Rumble Rumble Bison  |
| Importance: | High   |

Dear all-

During a recent conversation, Ainsworth informed the KHRC that **Rumble Rumble Bison 2020.6.24.8** has the possibility to show an entertaining display video animation that contradicts the horse races displayed and pari-mutuel accounting used to calculate the win. I confirmed with them that this was not just a glitch and that they expect this problem to continue if the game is kept in service. Chris and his team will provide us with the formal report once it is drafted. Based on this, the approval to operate this theme is revoked.

All racing associations are required to suspend the operation of any Ainsworth terminal operating Rumble Rumble Bison 2020.6.24.8 no later than 12:00 pm EDT on Wednesday, December 16, 2020. As an alternative, racing associations may choose to convert Ainsworth terminals operating the effected entertaining game theme ("EGT") to an Ainsworth EGT currently approved by the KHRC no later than 12:00 pm EDT on Wednesday, December 16, 2020.

Please let me know if you have any questions. Waqas