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MISSOURI GAMING COMMISSION
STATE OF MISSOURI

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Open Meeting

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March 27, 2019

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MISSOURI GAMING COMMISSION
STATE OF MISSOURI

Open Meeting

Missouri Gaming Commission
3417 Knipp Drive
Jefferson City, Missouri
March 27, 2019

BEFORE: Brian Jamison, Chairman
Thomas Neer, Commissioner
Richard F. Lombardo, Commissioner
Daniel P. Finney III, Commissioner
Brandon Boulware, Commissioner

REPORTED BY:
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1 (WHEREUPON, the hearing began at
2 9:30 a.m.)

3 COMMISSIONER JAMISON: I'll call the
4 March 27, 2019 Missouri Gaming Commission meeting
5 to order. Angie, would you please call the roll.

6 MS. FRANKS: Commissioner Boulware.

7 COMMISSIONER BOULWARE: Present.

8 MS. FRANKS: Commissioner Finney.

9 COMMISSIONER FINNEY: Present.

10 MS. FRANKS: Commissioner Lombardo.

11 COMMISSIONER LOMBARDO: Present.

12 MS. FRANKS: Commissioner Neer.

13 COMMISSIONER NEER: Present.

14 MS. FRANKS: Chairman Jamison.

15 COMMISSIONER JAMISON: Present.

16 Before we get to our agenda, I would like to take
17 an opportunity to welcome our new Executive
18 Director, David Grothaus, to his first commission
19 meeting in this role, and glad to have you here
20 today.

21 MR. GROTHAUS: Thank you. Glad to be
22 here.

23 COMMISSIONER JAMISON: The Chair
24 would entertain a motion on the minutes of the
25 February 27th meeting.

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1 MR. GROTHAUS: Mr. Chairman, could we
2 do some employee presentations?

3 COMMISSIONER JAMISON: Yes.

4 MR. GROTHAUS: I'm going to have
5 Cheryl Alonzo come in and do MGC employee
6 presentations.

7 MS. ALONZO: We have a years of
8 service award for Carolyn Kerr. Please come on up.
9 As many of you know, Carolyn Kerr is our legal
10 counsel. She's responsible for many of the appeals
11 hearings. She also works a lot on our rules for
12 us, and she also does proposed orders of
13 discipline. And Carolyn has five years of service
14 with the Missouri Gaming Commission and 22 years of
15 service with the State of Missouri. So
16 congratulations.

17 (Applause.)

18 MS. ALONZO: All right. Thank you
19 very much.

20 COMMISSIONER JAMISON:
21 Congratulations, Carolyn.

22 MR. GROTHAUS: Now Captain Larry
23 Plunkett from the Gaming Division of the Highway
24 Patrol.

25 CAPTAIN PLUNKETT: Good morning.

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1 Could I get Zach Harrison, Bryan Graham, Bruce
2 Becker and Greg Prussman to step forward, please.

3 As you know, we've got about 110
4 officers that work in the division, and we have a
5 variety of troopers, corporals and sergeants
6 serving in different capacities. If you guys want
7 to just kind of line up there. At least look like
8 you were in the military at one time.

9 But it is truly a distinct privilege
10 to get to work with such a great group of people
11 that come to work every day regardless of what the
12 weather is, that are dedicated to public service,
13 that come in to an organization full of great
14 people and they try to do their best to stand out
15 even amongst that group.

16 And I'm proud to present these guys
17 today. These are the four people that we promoted
18 in the year 2019. We've got I think as much as 24
19 years of service with Sergeant Becker, and I think,
20 Zach, you're on your 11th or 12th year, and you
21 guys have got about 22. About 22 years.

22 So as most of you know, in this
23 division we're blessed with having -- with veteran,
24 mature people that come out here and have daily
25 contact with all the patrons of these casinos and

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1 doing our investigation work, and it just makes our
2 job as a staff much, much easier. We're very proud
3 of these guys. It was our distinct honor to get to
4 promote them.

5 We just want to bring them in and
6 present them to you guys and let you see who you've
7 got working for you out there for you each and
8 every day. They went against pretty stiff
9 competition. They have to take a test every two
10 years, and we also rate them amongst their peers
11 every year. So these are the four that stood out
12 for 2019, and we just want to congratulate them on
13 the promotion and thank you guys for what you do.

14 (Applause.)

15 CAPTAIN PLUNKETT: We've got Greg M.
16 Prussman. We're promoting him to the rank of
17 sergeant 1st day of February 2019.
18 Congratulations, Greg. Appreciate what you do.

19 SERGEANT PRUSSMAN: Thank you very
20 much.

21 CAPTAIN PLUNKETT: We're going to
22 show you your set of stripes there.

23 SERGEANT PRUSSMAN: Thank you very
24 much.

25 CAPTAIN PLUNKETT: Bruce, step over

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1 here. Bruce, like I said, he's the senior of this
2 group. He's got 24 years with the Missouri State
3 Highway Patrol, and he also served as a colonel in
4 the Army Reserve. So we appreciate what you do.
5 There's your first set of stripes.

6 Zach. Corporal Zach Harrison, he's
7 kind of getting to be a familiar flier here. We
8 see you a lot up here giving you awards and stuff.
9 Zach does a great job. Same thing. We're
10 promoting Zach to corporal 1st day of February
11 2019. So appreciate that. Congratulations.
12 Thanks for what you do. There's your corporal
13 stripes. You still do own a uniform, right?

14 CORPORAL HARRISON: Yes.

15 CAPTAIN PLUNKETT: Good.

16 COMMISSIONER JAMISON: That's kind of
17 a tough question to ask him in a public venue.

18 CAPTAIN PLUNKETT: It is. Actually,
19 you've got to buy, what, guys, two every three
20 years or something like that regardless if you wear
21 them or not. Most of us still got them in the
22 bags, I think, don't we?

23 Last but not least is Bryan Graham.
24 Graham works up at the Boonville boat for us. Been
25 there a long time, does a great job, and we're just

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1 really pleased to get to do this with you today.
2 So congratulations.

3 MR. GRAHAM: Thank you, sir.
4 (Applause.)

5 CAPTAIN PLUNKETT: We ask a lot of
6 these guys. I want to make this clear. We have
7 guys -- not all these guys have actually been
8 promoted into what we call supervision positions,
9 but we had the discussion with each and every one
10 of them. When you take these stripes, you're
11 expected to be more of a leader than you were
12 yesterday, and they all accept that challenge.
13 We're grateful to have you guys with us. So thanks
14 again. Thank you for the opportunity.

15 MR. GROTHAUS: Thank you,
16 Mr. Chairman. That's it.

17 COMMISSIONER JAMISON: Chair would
18 entertain a motion on the minutes of the
19 February 27th meeting.

20 COMMISSIONER NEER: Motion to
21 approve.

22 COMMISSIONER FINNEY: Second.

23 COMMISSIONER JAMISON: It's been
24 first and seconded. Angie, call the roll, please.

25 MS. FRANKS: Commissioner Boulware.

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1 COMMISSIONER BOULWARE: Approve.

2 MS. FRANKS: Commissioner Finney.

3 COMMISSIONER FINNEY: Approved.

4 MS. FRANKS: Commissioner Lombardo.

5 COMMISSIONER LOMBARDO: Approved.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Approved.

8 MS. FRANKS: Chairman Jamison.

9 COMMISSIONER JAMISON: Approved.

10 MS. FRANKS: By your vote, you've
11 adopted the minutes of the February 27th, 2019
12 meeting.

13 MR. GROTHAUS: Mr. Chairman, the
14 first item of business is the consideration of
15 disciplinary actions. Thank you.

16 MR. GREWACH: Director, Chairman,
17 Commissioners, under Tab B we have a Preliminary
18 Order of Discipline directed to Bally Technologies,
19 Incorporated for a violation of Rule 5.237 for
20 shipping electronic gaming device software to Lady
21 Luck Casino on August 7, 2018 with revoked bill
22 validator software.

23 Bally discovered the defect in the
24 software that allowed the bill validator to accept
25 counterfeit bills, reported that to us. The

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1 software for the bill validator was then revoked on
2 March 23rd, 2017. However, Bally failed to update
3 their system to show the revocation. They then
4 subsequently on that August date shipped the two
5 EGDs with revoked software to Lumiere Place Casino.
6 This revoked software was identified through our
7 verification process while the machine was being
8 set up, and the recommended fine is \$5,000.

9 COMMISSIONER JAMISON: Any questions
10 of Ed?

11 COMMISSIONER NEER: No.

12 COMMISSIONER JAMISON: Chair would
13 entertain a motion on DC-19-036.

14 COMMISSIONER FINNEY: Motion to
15 approve.

16 COMMISSIONER BOULWARE: Second.

17 COMMISSIONER JAMISON: It's been
18 first and seconded. Angie, call the roll, please.

19 MS. FRANKS: Commissioner Boulware.

20 COMMISSIONER BOULWARE: Approve.

21 MS. FRANKS: Commissioner Finney.

22 COMMISSIONER FINNEY: Approved.

23 MS. FRANKS: Commissioner Lombardo.

24 COMMISSIONER LOMBARDO: Approved.

25 MS. FRANKS: Commissioner Neer.

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1 COMMISSIONER NEER: Approved.

2 MS. FRANKS: Chairman Jamison.

3 COMMISSIONER JAMISON: Approved.

4 MS. FRANKS: By your vote, you've
5 adopted DC-19-036.

6 MR. GREWACH: Under Tab C we have a
7 Preliminary Order of Discipline directed to
8 International Game Technology for shipping two
9 electronic gaming devices with revoked software on
10 August 20th, 2018. IGT notified us of a problem
11 with the software on April the 13th, 2018. This
12 particular software was then revoked on April the
13 20th, 2018.

14 Similarly, IGT failed to update their
15 system to show the software was revoked. The MGC
16 again inspected the electronic gaming devices prior
17 to being placed into service and found the revoked
18 software. The recommend fine is \$2,500.

19 COMMISSIONER JAMISON: Any questions?
20 I've got a question. When this looks similar to
21 the one we just did, what's the variance? What's
22 the justification in the variance of the penalty?

23 MR. GREWACH: Well, probably the main
24 reason is if you look at the priors on both
25 companies, that Bally had two priors in the

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1 calendar year 2018 where IGT had one, and I think
2 that would be the main distinction between these
3 two particular cases.

4 COMMISSIONER JAMISON: I saw that. I
5 just wanted to make sure that's what your
6 justification was. No other questions? The Chair
7 would entertain a motion on DC-19-037.

8 COMMISSIONER LOMBARDO: Motion to
9 approve.

10 COMMISSIONER NEER: Second.

11 COMMISSIONER JAMISON: Have a motion
12 and second. Angie, call the roll.

13 MS. FRANKS: Commissioner Boulware.

14 COMMISSIONER BOULWARE: Approve.

15 MS. FRANKS: Commissioner Finney.

16 COMMISSIONER FINNEY: Approved.

17 MS. FRANKS: Commissioner Lombardo.

18 COMMISSIONER LOMBARDO: Approved.

19 MS. FRANKS: Commissioner Neer.

20 COMMISSIONER NEER: Approved.

21 MS. FRANKS: Chairman Jamison.

22 COMMISSIONER JAMISON: Approved.

23 MS. FRANKS: By your vote, you've
24 adopted DC-19-037.

25 MR. GREWACH: Under Tab D we have a

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1 Preliminary Order of Discipline for Isle of Capri -
2 Cape Girardeau for a violation of the statute
3 313.812, our rule 5.053, which both require the
4 casino to comply with all applicable IRS
5 regulations, and for violation of our rule 10.030
6 for failing to promptly report a violation.

7 For the tax year 2017, 43 patrons
8 either did not receive their 1099 for promotional
9 winnings or the 1099 they received was incorrect.
10 The IRS rule requires that any income, which would
11 include winnings from a promotion, that exceed
12 either -- the individual award exceeds \$600 or the
13 total aggregate for the calendar year exceeds \$600,
14 that a 1099 be generated by the casino to the
15 patron. The rule goes on to say that the 1099s
16 have to be mailed by January the 31st of 2018 in
17 this case.

18 This problem came to the casino's
19 attention on April the 12th of 2018 when they
20 received a complaint from a patron who had failed
21 to receive their 1099. The casino investigated it
22 and gathered certain information. They found --
23 they at their particular property manually made
24 entries from promotional winnings into a system.
25 That system would then generate the 1099.

1 They found that their prior financial
2 controller, who had been terminated in December of
3 2017, had failed to make the required entries for
4 six or seven different promotions that occurred
5 during that calendar year. Once they investigated
6 that, they then generated 1099s, and on May the
7 10th, 2018, obviously after the IRS deadline,
8 mailed the letters along with the either revised or
9 new 1099s to the patrons.

10 Now, that discovery of that violation
11 triggered the requirement in 10.030 that they
12 promptly report that violation to us. They did
13 not. We then found out about that when we received
14 a patron complaint on June the 4th, 2018.

15 Following up on the investigation, we
16 looked at the 1099s for promotional winnings for
17 the calendar years 2015 and 2016. 2016 we found
18 that there were 11 incorrect 1099s and six that
19 were not issued. For the calendar year 2015 we
20 found one was incorrect and one was not issued.
21 Staff recommended a \$5,000 fine.

22 The casino's response, which you'll
23 see in your packet, indicated that in the
24 three-year time period that we covered in our
25 Preliminary Order of Discipline, there were 61

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1 errors in entries out of 30,000 manual entries.
2 They pointed out that that amounted to an error
3 rate of less than .02 percent.

4 They went on to say that they have
5 adopted some remedial measures that require double
6 check and reconciliation of those entries to help
7 ensure it does not happen in the future.

8 Our reply was that because this
9 impacted patrons to the extent that it did, because
10 the patrons would then have to bear the expense of
11 filing amended returns and potentially owe some
12 interest on the tax returns for the income that
13 they didn't report because they didn't have the
14 1099 and, in addition to that, the failure to
15 report was another aggravating factor. So the
16 staff's decision was to maintain and present the
17 \$5,000 fine to you.

18 COMMISSIONER LOMBARDO: Seems like
19 there's two distinct problems. One is the 1099s
20 that weren't sent or weren't sent timely, and the
21 other the incorrect 1099s.

22 MR. GREWACH: Yes.

23 COMMISSIONER LOMBARDO: It's unclear
24 to me. Why did they have a problem with incorrect
25 1099s? What was the process that was resulting in

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1 incorrect, or lack of process that was resulting in
2 the incorrect 1099s?

3 MR. GREWACH: The incorrect ones came
4 from the IRS's requirement that an aggregate of
5 \$600 per year triggers a 1099. So if you take
6 these six or seven promotions where the entries
7 were not made and you added this one particular
8 patron's winnings in one of those six or seven
9 promotions, that would all of a sudden move them
10 over the \$600 threshold.

11 So, for example, I might have for all
12 the other entries that did actually get made for
13 the other promotions for the year totaled \$450, but
14 I won \$200 in this promotion but that promotion was
15 never entered. Well, bad example. If I -- because
16 I'm not answering your question. I'm answering the
17 missing ones.

18 The incorrect ones were that I was
19 over the \$600 limit and I got a 1099 for \$1,200,
20 but I happened to win \$200 in this entry and it
21 wasn't entered into the system. So I originally
22 got a 1099 for \$1,200. Now they have to generate a
23 new 1099 for \$1,400 because there was 200 that was
24 failed -- was not entered correctly.

25 COMMISSIONER LOMBARDO: So bottom

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1 line, what are they doing about this going forward?

2 MR. GREWACH: Well, they have adopted
3 a system now where all the prize vouchers are
4 tracked numerically and reconciled by the cage by
5 gaming date, and then, in addition, they've created
6 a prize voucher Excel spreadsheet that is sorted
7 multiple times using first patron's name, address,
8 Social Security number and fan club number to try
9 to put those two checks and balances in place to
10 prevent that from happening.

11 Before, of course, the factor that
12 they raised here was that it was, you know, the
13 root cause was that individual employee, the now
14 terminated financial controller not making the
15 entries. But the remedial, say if that happens
16 again, if we have an employee fail to do their job,
17 now they have remedial measures in place to check
18 that and be a check and balance against that.

19 COMMISSIONER JAMISON: My question
20 stems from a patron complained and so they went in
21 and looked at the 2017 records?

22 MR. GREWACH: Correct.

23 COMMISSIONER JAMISON: And then I
24 think is that the reason they also looked at 2015
25 and 2016 or did we look at 2015 and 2016 for them?

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1 MR. GREWACH: We looked at those
2 years for them, for ourselves, yes.

3 COMMISSIONER JAMISON: So they had
4 errors in 2015 and 2016 that they were unaware of
5 and did not get corrected, or what was the status
6 of those?

7 MR. GREWACH: We have asked them if
8 they have corrected those and we have not yet
9 received a reply.

10 COMMISSIONER JAMISON: So they
11 weren't aware of those errors until we did an
12 audit; is that a fair question?

13 MR. GREWACH: I'd like to call Leshia
14 Kempker, our compliance audit manager, to answer
15 that question.

16 MS. KEMPKER: Correct. We identified
17 those instances in 2015 and 2016 and we notified
18 the casino of that. They were not aware. I did
19 ask the property if they amended those, and they
20 believe that they did.

21 COMMISSIONER LOMBARDO: They believe
22 that they did?

23 MS. KEMPKER: I didn't get to talk to
24 the financial -- director of finance. The answer
25 is still pending.

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1 COMMISSIONER LOMBARDO: So we don't
2 know whether they've sent out 1099s for the '15 and
3 '16 people?

4 MS. KEMPKER: I have not confirmed
5 that they have.

6 COMMISSIONER LOMBARDO: If they do
7 send out those 1099s, it might be incumbent upon
8 those taxpayers to file amended returns.

9 MS. KEMPKER: Correct.

10 MR. GREWACH: I might mention, we
11 picked those two years because it's three years
12 requirement to file amended return.

13 COMMISSIONER FINNEY: So the failure
14 to report was just a lack of knowledge, is that
15 your understanding, as to why there was failure to
16 report this violation or do you know?

17 MR. GREWACH: There was a failure to
18 report the 2017 problem, which they knew.

19 COMMISSIONER JAMISON: Because they
20 were notified when?

21 MR. GREWACH: They were notified on
22 April the 12th of 2018.

23 COMMISSIONER JAMISON: And we first
24 heard about it with a complaint from another
25 patron?

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1 MR. GREWACH: In June, June 4th of
2 2018. They, in fact, sent letters out to the
3 patrons with either missing or incorrect 1099s on
4 May the 10th. That at least was the date, and
5 probably earlier, the rule 10.030 required them to
6 notify us of the violation but they never did. Our
7 information about it came from a complaint that we
8 received from the patron who was upset about
9 getting this late 1099.

10 COMMISSIONER JAMISON: So their
11 failure to report was the fact that they knew about
12 it in April and didn't ever tell us because we
13 found out about it from another patron.

14 COMMISSIONER FINNEY: Did they give a
15 reason for that?

16 MR. GREWACH: No. They did not, no.

17 COMMISSIONER LOMBARDO: Ed or Leshia,
18 does this property appear to be an outlier in terms
19 of how they handle the process in terms of their
20 controls compared to other casinos in the state of
21 Missouri?

22 MS. KEMPKER: No. It's a very manual
23 process. They just have to add up all the prize
24 winners of each promotion. It would just depend on
25 if the casino has an electronic system to do that,

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1 which I don't believe most do. It's a very manual
2 process.

3 COMMISSIONER BOULWARE: I'm not
4 interested in micromanaging here. I am surprised
5 it's a manual process. Why is that?

6 MS. KEMPKER: I don't know if there's
7 a system available to do that. They just have to
8 add each promotional prize.

9 COMMISSIONER JAMISON: Well, there's
10 no -- there's no database that would track those
11 people's unless they were part of the frequent
12 flier, for lack of a better word, frequent flier of
13 that casino and had a card that gives them benefits
14 for doing that. That's the only way that they
15 track activity, correct?

16 MS. KEMPKER: I'm not even sure if
17 the card would show a promotional prize.

18 COMMISSIONER JAMISON: Right, a
19 promotional prize, but it would show activity if
20 they had their card in there while they were
21 playing, it would show their activity. Cheryl
22 Alonzo.

23 MS. ALONZO: But that's gambling, but
24 these are promotional prizes. These are just you
25 have a drawing, maybe you get -- you get entries

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1 into a drawing, and so at eight o'clock on a
2 Saturday night they draw a prize, you spin the
3 wheel or whatever and you get \$600, you get \$1,000.
4 Somebody from marketing has to provide that
5 information to accounting to put that into a
6 spreadsheet. That's why it's manual is because
7 these are prizes that are awarded outside. It's
8 not like the tracking on the player's card.

9 COMMISSIONER JAMISON: It wouldn't be
10 tracked by the player's card?

11 MS. ALONZO: It would connect your
12 name to that jackpot, but in this case, this is
13 just giveaways.

14 COMMISSIONER JAMISON: Any other
15 questions?

16 COMMISSIONER FINNEY: I have one.

17 COMMISSIONER JAMISON: Sure.

18 COMMISSIONER FINNEY: Ed, so is it
19 your understanding that the individual who had been
20 responsible for reporting this is the financial
21 controller who was terminated?

22 MR. GREWACH: That's correct. She
23 was terminated in December of '17, and then the
24 complaint came in obviously in '18, and the new
25 financial controller then had to look into it and

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1 discovered the 2017 calendar year errors.

2 COMMISSIONER FINNEY: Thanks.

3 COMMISSIONER JAMISON: You were
4 asking if that person was the one responsible to
5 report it?

6 COMMISSIONER FINNEY: Right.

7 COMMISSIONER JAMISON: That person
8 would be responsible to report it to the general
9 manager or whoever within the organization, and the
10 organization, the Isle of Capri would be
11 responsible for reporting the violation, not that
12 financial person, correct?

13 MR. GREWACH: Yeah. I apologize.
14 The failure to report was when they found the
15 problem in April of '18, and that was a new
16 financial controller who -- and I'm sorry if I
17 answered that incorrectly. But that was the error
18 in the entries was the old financial controller.
19 The error in reporting was the new financial
20 controller.

21 COMMISSIONER FINNEY: And we don't
22 have any explanation for why there was a failure to
23 report to us the violation as of 2018; is that
24 accurate?

25 MR. GREWACH: They did not offer any

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1 explanation.

2 COMMISSIONER FINNEY: Did you ask
3 them for one?

4 MR. GREWACH: I don't believe that
5 specific question was asked.

6 MS. KEMPKER: I don't believe that
7 was a violation cited in the report as well. I
8 didn't ask why they didn't respond to that.

9 COMMISSIONER FINNEY: Well, that
10 particular violation bothers me. I just don't --
11 as you know, I don't appreciate the fact that they
12 don't report the violations to us. And so anyway,
13 that's the only thing I have to say on that.

14 COMMISSIONER JAMISON: Well, help me
15 on that, then. Are you saying that we're
16 disciplining them for failure to report but we
17 didn't report that to them?

18 MR. GREWACH: What happens when the
19 investigation is finished, they're given a Notice
20 of Investigation, and the Notice of Investigation
21 in this particular case cited failure to file the
22 1099s. When it gets to the discipline review board
23 and my office, we will look at the whole case and
24 determine if there wasn't some other violation
25 given all the facts as we know them. So that's

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1 kind of the paperwork process that led to that, to
2 the point where we are.

3 COMMISSIONER JAMISON: Any other
4 questions?

5 COMMISSIONER NEER: So the penalty is
6 a combination of them not issuing the 1099s and
7 failure to notify us?

8 MR. GREWACH: That's correct.

9 COMMISSIONER JAMISON: So then let me
10 go back. We haven't -- we haven't told them in our
11 original discipline letter, though, that part of it
12 was the failure to report or we did?

13 MR. GREWACH: We did, but not in the
14 Notice of Investigation.

15 COMMISSIONER JAMISON: Not in the
16 Notice of Investigation but the Notice of
17 Discipline?

18 MR. GREWACH: Correct.

19 COMMISSIONER LOMBARDO: And, Ed, the
20 failure to report is something that was taken into
21 account in determining the appropriate fine?

22 MR. GREWACH: That is correct.

23 COMMISSIONER JAMISON: Anyone else?

24 COMMISSIONER FINNEY: Real quick. We
25 don't have any issues from a legal standpoint, the

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1 fact that we're assessing a fine for failure to
2 report but --

3 COMMISSIONER LOMBARDO: We're not.
4 We're assessing the fine for, if I understand
5 correctly -- Ed, let me make your argument for you.
6 We're assessing the fine for what was in the Notice
7 of Violation, but when you're considering the
8 penalty, you're considering the failure to report,
9 is that --

10 MR. GREWACH: Actually, when you look
11 at paragraph 15 of the Preliminary Order of
12 Discipline, it cites both violations, the failure
13 to send the 1099s and the failure to report, both.
14 Yes, it is a combination of those two.

15 COMMISSIONER JAMISON: So back to
16 you. It is both.

17 COMMISSIONER FINNEY: I just want to
18 verify. We don't have any issues from a legal
19 standpoint doing something like that? In other
20 words, it's not going to come back on us, the fact
21 that we're finding both but it wasn't cited in the
22 investigation report?

23 MR. GREWACH: No, it is not a legal
24 problem because all that process before then, you
25 know, is just a matter of the course of the

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1 investigation. This is the first formal pleading
2 that is done. And then -- and then obviously as we
3 talked about before, then once we receive this,
4 they would have an opportunity to ask for a hearing
5 within 30 days.

6 So this is basically, to make an
7 analogy to a criminal case, during the
8 investigation the suspect might have been told was
9 that we're looking into, but until the actual
10 charge is filed, the fact that it wasn't discussed
11 during the investigation doesn't cause any legal
12 problem with the actual charging document.

13 COMMISSIONER FINNEY: Okay. Thanks,
14 Ed.

15 COMMISSIONER JAMISON: Thanks all who
16 contributed to the information. We learned a lot,
17 I think, perhaps, if we can just remember it. No
18 other questions? The chair would entertain a
19 motion on DC-19-038.

20 COMMISSIONER NEER: Motion to
21 approve.

22 COMMISSIONER FINNEY: Second.

23 COMMISSIONER JAMISON: I have a
24 motion and second. Angie, call the roll.

25 MS. FRANKS: Commissioner Boulware.

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1 COMMISSIONER BOULWARE: Approve.

2 MS. FRANKS: Commissioner Finney.

3 COMMISSIONER FINNEY: Approved.

4 MS. FRANKS: Commissioner Lombardo.

5 COMMISSIONER LOMBARDO: Approved.

6 MS. FRANKS: Commissioner Neer.

7 COMMISSIONER NEER: Approved.

8 MS. FRANKS: Chairman Jamison.

9 COMMISSIONER JAMISON: Approved.

10 MS. FRANKS: By your vote, you've
11 adopted DC-19-038.

12 MR. GREWACH: Thank you.

13 MR. GROTHAUS: The next item of
14 business is consideration of placement on exclusion
15 list, and Legal Counsel Carolyn Kerr will present.

16 COMMISSIONER JAMISON: Good morning,
17 Carolyn.

18 MS. KERR: Good morning. Shaun
19 Benward has been placed on the involuntary
20 exclusion lists of Delaware, Michigan and
21 Pennsylvania based on his cheating and money
22 laundering activities.

23 He pled guilty to cheating from a
24 table game in Delaware. The court ordered the
25 casino chips that were seized from him to be cashed

1 and forfeited to the State. The court also ordered
2 him not to have any contact with Delaware casinos.

3 He also pled guilty to a misdemeanor
4 disorderly conduct charge in Pennsylvania after he
5 trespassed onto a casino from which he'd been
6 previously evicted for cheating at table games.

7 In Missouri, Mr. Benward has been
8 evicted from 11 casinos based on alleged cheating
9 and money laundering activities. In December of
10 2018 he was arrested and charged with theft/
11 stealing and violation of laws pertaining to
12 gambling. The investigation leading to his arrest
13 found that he would change or have the dealer
14 change his wager after the result of the game was
15 known. His actions at the roulette table at the
16 Isle of Capri Casino were similar to the manner in
17 which he was found cheating in Pennsylvania and
18 other states, including Indiana, New Jersey and
19 Delaware.

20 The investigation also found that
21 when he went to cash in his chips at the cage, he
22 shorted the cashier \$500 by manipulating the chips
23 when the cashier turned her back so that she paid
24 him \$500 more than the amount of chips that she
25 took in.

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1 And based on that, we'd ask that the
2 Commission approve the placement on the Involuntary
3 Exclusion List for Shaun Benward.

4 COMMISSIONER LOMBARDO: Is this
5 gentleman incarcerated right now?

6 MS. KERR: I don't think so. I don't
7 have that information, but I think he's --

8 COMMISSIONER NEER: Probably at a
9 casino in Kansas.

10 COMMISSIONER LOMBARDO: What state is
11 he in now?

12 COMMISSIONER JAMISON: The charges in
13 Jackson County are still pending, is that --

14 MS. KERR: Where he was arrested in
15 December?

16 COMMISSIONER JAMISON: Yes.

17 MS. KERR: He's been arrested, but I
18 haven't found any charges filed by the prosecutor
19 on Case.Net.

20 COMMISSIONER JAMISON: So you weren't
21 aware of the charges being filed by the prosecutor,
22 they've just been submitted to the prosecutor
23 through the investigation?

24 MS. KERR: Correct.

25 COMMISSIONER JAMISON: Okay. Any

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1 questions?

2 COMMISSIONER BOULWARE: Is he here?

3 COMMISSIONER JAMISON: That's what
4 I'm going to ask. Is Mr. Benward here? Any other
5 questions for Carolyn? If not, the Chair would
6 entertain a motion on Resolution No. 19-016.

7 COMMISSIONER FINNEY: Motion to
8 approve.

9 COMMISSIONER LOMBARDO: Second.

10 COMMISSIONER JAMISON: It's been
11 moved and seconded. Angie, call the roll.

12 MS. FRANKS: Commissioner Boulware.

13 COMMISSIONER BOULWARE: Approve.

14 MS. FRANKS: Commissioner Finney.

15 COMMISSIONER FINNEY: Approved.

16 MS. FRANKS: Commissioner Lombardo.

17 COMMISSIONER LOMBARDO: Approved.

18 MS. FRANKS: Commissioner Neer.

19 COMMISSIONER NEER: Approved.

20 MS. FRANKS: Chairman Jamison.

21 COMMISSIONER JAMISON: Approved.

22 MS. FRANKS: By your vote, you've
23 adopted Resolution 19-016.

24 MR. GROTHAUS: The next item of
25 business, Mr. Chairman, is consideration of

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1 licensure for Level 1/key applicants. Sergeant
2 Brian Holcomb will present.

3 SERGEANT HOLCOMB: Good morning.
4 Missouri State Highway Patrol investigators, along
5 with Missouri Gaming Commission Financial
6 Investigators, conduct comprehensive background
7 investigations on key and Level 1 applicants. The
8 investigations include, but are not limited to,
9 criminal, financial and general character inquiries
10 which are made in the jurisdictions where the
11 applicants live, work and frequent.

12 The following applicant is being
13 presented for your consideration: Sonika Taneja,
14 Group Manager, Engineering Services, BMM North
15 American, Inc. Investigative findings were
16 provided to the Missouri Gaming Commission Staff
17 for their review, and I would be happy to answer
18 any questions you might have.

19 MR. GROTHAUS: Mr. Chair, staff
20 recommends licensure.

21 COMMISSIONER JAMISON: Any questions?
22 Thank you, sir. Chair would entertain a motion on
23 Resolution No. 19-017.

24 COMMISSIONER LOMBARDO: Motion to
25 approve.

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1 COMMISSIONER FINNEY: Second.

2 COMMISSIONER JAMISON: It's been
3 first and seconded. Angie, call the roll.

4 MS. FRANKS: Commissioner Boulware.

5 COMMISSIONER BOULWARE: Approve.

6 MS. FRANKS: Commissioner Finney.

7 COMMISSIONER FINNEY: Approved.

8 MS. FRANKS: Commissioner Lombardo.

9 COMMISSIONER LOMBARDO: Approved.

10 MS. FRANKS: Commissioner Neer.

11 COMMISSIONER NEER: Approved.

12 MS. FRANKS: Chairman Jamison.

13 COMMISSIONER JAMISON: Approved.

14 MS. FRANKS: By your vote, you've
15 adopted Resolution 19-017.

16 COMMISSIONER JAMISON: That brings us
17 to the conclusion of our agenda. The Chair would
18 appreciate a motion for a closed meeting.

19 COMMISSIONER LOMBARDO: I've been
20 studying. I move for a closed meeting under
21 Sections 313.847 and 313.945, Revised statutes of
22 Missouri, investigatory, proprietary and
23 application records, and 610.021(1), RSMo, legal
24 actions, subsection 3 and subparagraph 13,
25 personnel, and subparagraph 14, records protected

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1 from disclosure by law.

2 COMMISSIONER JAMISON: Excellent.

3 COMMISSIONER FINNEY: Second.

4 COMMISSIONER JAMISON: First and

5 second. Angie, call the roll.

6 MS. FRANKS: Commissioner Boulware.

7 COMMISSIONER BOULWARE: Approve.

8 MS. FRANKS: Commissioner Finney.

9 COMMISSIONER FINNEY: Approved.

10 MS. FRANKS: Commissioner Lombardo.

11 COMMISSIONER LOMBARDO: Approved.

12 MS. FRANKS: Commissioner Neer.

13 COMMISSIONER NEER: Approved.

14 MS. FRANKS: Chairman Jamison.

15 COMMISSIONER JAMISON: Approved.

16 We'll now moved into closed session.

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C E R T I F I C A T E

3 STATE OF MISSOURI)

) ss.

4 COUNTY OF COLE)

5 I, Kellene K. Feddersen, Certified

6 Shorthand Reporter with the firm of Alaris

7 Litigation Services, do hereby certify that I was

8 personally present at the proceedings had in the

9 above-entitled cause at the time and place set

10 forth in the caption sheet thereof; that I then and

11 there took down in Stenotype the proceedings had;

12 and that the foregoing is a full, true and correct

13 transcript of such Stenotype notes so made at such

14 time and place.

15 Given at my office in the City of

16 Jefferson, County of Cole, State of Missouri.

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Kellene K. Feddersen, RPR, CSR, CCR

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MISSOURI GAMING COMMISSION
Second Open Session Minutes
March 27, 2019

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 11:42 a.m. on March 27, 2019, at the Jefferson City office of the Missouri Gaming Commission.

Commissioner Lombardo moved to adjourn the open session meeting. Commissioner Neer seconded the motion. After a roll call vote was taken, Boulware – yes, Finney – yes, Lombardo – yes, Neer – yes, and Jamison – yes, the motion was unanimously approved.

The meeting ended at 11:43 a.m.