

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC 24-010
Isle of Capri - Boonville, Inc.)

PRELIMINARY ORDER FOR DISCIPLINARY ACTION

Comes now the Missouri Gaming Commission acting in its official capacity pursuant to 11 CSR 45-13.050, and states as follows:

1. The Missouri Gaming Commission (the “Commission” or “MGC”) is a state commission created under Chapter 313, RSMo, with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Caesars Entertainment Corporation a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Caesars Entertainment Corporation, is the parent organization or controlling entity of Isle of Capri - Boonville, Inc.
4. The Commission issued a Class B riverboat gambling license to Isle of Capri – Boonville, Inc. to conduct games on and operate the excursion gambling boat known as Isle of Capri Casino, Boonville (“Casino”).
5. As the holder of a Class B license, Isle of Capri - Boonville, Inc., is subject to the provisions of §§ 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

STATEMENT OF FACTS¹

6. On each of the following dates, Casino employees left the property with sensitive keys: January 1, February 23, July 16, September 6, October 16, and December 27, 2022, as well as February 3, February 4, February 24, and May 17, 2023.
7. On January 1, 2022, Slot Attendant Dena Kioh left the property with sensitive keys through the employee exit. Surveillance reports indicated the alarm did not sound (GR 20220104005).
8. On February 23, 2022, Slot Shift Manager Mitchell Medieros left the property with sensitive keys through the employee exit. Surveillance reports indicated the alarm did not sound (GR 20220228007).

¹ GR 20220104005, 20220228007, 20220716003, 20220906001, 20221021003, 20221227004, 20230205004, 20230207001, 20230302002, and 20230610005

9. On July 16, 2022, Slot Technician Curtis Sanders left the property with sensitive keys through the employee exit. Surveillance reports indicated the alarm did not sound (GR 20220716003).
10. On September 6, 2022, Security Lead Todd Bell left the property with sensitive keys through the employee exit. Surveillance reports indicated that the alarm did not sound (GR 20220906001).
11. On October 16, 2022, Cage Shift Manager Wendy Deuschle left the property with sensitive keys. Surveillance reports indicated Deuschle did not exit through the employee door because the east parking lot was being resealed. Instead, she exited through the casino hotel front door, which is not alarmed. (GR 20221021003).
12. On December 27, 2022, Security Lead Isaiah Meloy left the property with sensitive keys through the employee exit. Surveillance reports indicated the alarm did not sound (GR 20221227004).
13. On February 3, 2023, Security Lead Isaiah Meloy left the property with sensitive keys through the employee exit. Surveillance reports indicated the alarm did not sound (GR 20230205004).
14. On February 4, 2023, Slot Attendant Wallace Gardner left the property with sensitive keys through the employee exit. Surveillance reports indicated the alarm did not sound (GR 20230207001).
15. On February 24, 2023, Security Officer Donald Brey left the property with sensitive keys through the employee exit. Surveillance reports indicated the alarm did not sound (GR 20230302002).
16. On May 17, 2023, Slot Technician Elaina Henderson left the property with sensitive keys through the employee exit. Surveillance reports indicated she exited through the employee door and the alarm did sound (GR 20230610005).
17. From January 1, 2022, to May 17, 2023, there were ten instances in which Casino employees took sensitive keys off the property.

LAW

18. Section 313.805, RSMo, states, in pertinent part, as follows:

The commission shall have full jurisdiction over and shall supervise all gambling operations governed by sections 313.800 to 313.850. The commission shall have the following powers and shall promulgate rules and regulations to implement sections 313.800 to 313.850:

19. Section 313.812.14, RSMo, states, in pertinent part, as follows:

A holder of any license shall be subject to imposition of penalties, suspension or revocation of such license, or if the person is an applicant for licensure, the denial of the application, for any act or failure to act by such person or such person's agents or employees, that is injurious to the public health, safety, morals, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit the Missouri gaming industry or the state of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty of such action. The commission shall take appropriate action against any licensee who violates the law or the rules and regulations of the commission. Without limiting other provisions of this subsection, the following acts or omissions may be grounds for such discipline.

- (1) Failing to comply with or make provision for compliance with sections 313.800 to 313.850, the rules and regulations of the commission or any federal, state or local law or regulation;
- (2) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to gaming[.]

20. Title 11 CSR 45-9.060 states, in pertinent part, as follows:

- (3) Violations of the minimum internal control standards [{"MICS"}] by a Class A or Class B licensee or an agent or employee of a Class A or Class B licensee are deemed to be unsuitable conduct for which the Class A or Class B licensee and/or its agent or employee is subject to administrative penalty pursuant to section 313.805(6), RSMo and 11 CSR 45-1 et seq., as amended from time-to-time. Any agent or employee of a Class A or Class B licensee that is involved in a violation of the minimum internal control standards may be subject to fine, discipline, or license revocation.
- (4) Violations of the Class B licensee's internal control system [{"ICS"}] by the Class A or Class B licensee or an agent or employee of the Class A or Class B licensee shall be *prima facie* evidence of unsuitable conduct for which the Class A or Class B licensee and/or its agents or employees may be subject to discipline pursuant to section 313.805(6), RSMo and 11 CSR 45-1 et seq., as amended from time-to-time.

21. The Commission's MICS, Chapter B §1.01 states as follows:

Sensitive keys are those keys that either management or the MGC considers sensitive to the Class B Licensee's operation. All licensees must exercise strict control over storage, duplication, custody, issuance and return of sensitive keys. Sensitive keys shall not be removed from the premises. The Internal Control System shall identify each sensitive key used by the Class B Licensee. Sensitive keys shall be maintained in a dual

locked sensitive key box and if lost, missing, or taken from the premises all locks the key fits must be immediately changed unless the Commission, in its sole discretion, deems this is not necessary. If sensitive keys are maintained in an automated key box, the box shall require two keys, which shall be issued to individuals from different departments, to access the box when the box is accessed without using the automated system.

22. The Casino's ICS, Chapter B §1.01 states as follows:

Sensitive keys are those keys that either management or the Missouri Gaming Commission considers sensitive to Isle of Capri – Boonville's operation. The Isle of Capri – Boonville and its employees will exercise strict control over storage, duplication, custody, issuance and return of sensitive keys. Sensitive keys shall not be removed from the premises. The Internal Control System identifies each sensitive key used by Isle of Capri – Boonville at the end of Chapter B. Sensitive keys are maintained in a dual locked sensitive key box, and if lost, missing, or taken from the premises, all locks the key fits must be immediately changed unless the Commission, in its sole discretion, deems this is not necessary.

Per MGC variance #54717-15B, dated 11/07/16, the key box located in the Soft Count Room is permitted to be a single locked key box. IOC – Boonville shall ensure a Security Officer checks the key box at the completion of the count to ensure all keys have been returned to the box. The manual keys to the automated sensitive key boxes shall be stored in the broken key key box. The broken key key box has two locks. The key to one lock is maintained by the Security Lead on duty. The key to the second lock is maintained by the Cage Supervisor on duty. Those two departments are who can manually access the automated box.

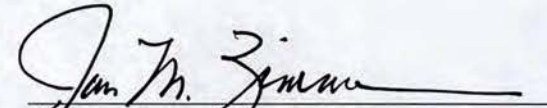
VIOLATIONS

23. The acts or omissions of employees or agents of the Casino, as described above, constitute a failure of the Casino to ensure that employees do not leave property with keys that are sensitive to the Casino's operation. Such failure is injurious to the public health, safety, morals, good order and general welfare of the people of the state of Missouri and discredits the Missouri gaming industry and the State of Missouri in that the Casino's actions violate the MGC's MICS and the Casino's ICS, Chapter B §1.01.

24. Isle of Capri – Boonville, Inc. is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 313.812.14 (1) and (2), RSMo, and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED

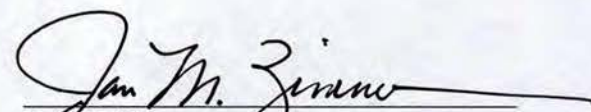
25. Under § 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against Isle of Capri – Boonville, Inc. as the holder of a Class B license.
26. THEREFORE, it is proposed that the Commission fine Isle of Capri – Boonville, Inc., the amount of \$5,000 for the violations set forth herein.


Jan M. Zimmerman
Chairman
Missouri Gaming Commission

CERTIFICATE OF SERVICE

The undersigned hereby certifies that he caused a true and correct copy of the foregoing to be mailed, postage prepaid, this 21ST day of FEBRUARY 2024, to:

Kathryn Schuster, GM
Isle of Capri Casino – Boonville
100 Isle of Capri Blvd.
Boonville, MO 65233


Jan M. Zimmerman
Chairman
Missouri Gaming Commission