

MISSOURI GAMING COMMISSION
COMMISSION RESOLUTION NO. 14-073

VICTOR STUEVE
October 29, 2014

WHEREAS, Victor Stueve ("Stueve"), requested a hearing to contest the proposed disciplinary action initiated against him on April 8, 2013, by the Commission's issuance of a Preliminary Order for Disciplinary Action, DC-13-032; and

WHEREAS, pursuant to 11 CSR 45-13.010, et. seq., an administrative hearing has been held on Stueve's request and the Hearing Officer has submitted the proposed Findings of Fact, Conclusions of Law and Final Order attached hereto (collectively the "Final Order") for approval by the Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission has reviewed the Final Order and hereby issues to Stueve a finding of no discipline upon his occupational license in the above-referenced case in the matter of DC-13-032; and

BE IT FURTHER RESOLVED, that this shall be considered a final decision of the Missouri Gaming Commission.

BEFORE THE MISSOURI GAMING COMMISSION

In Re: Victor Stueve

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Case No. 13-032

License Number: 156226

FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER

The above-captioned matter comes before the Missouri Gaming Commission (hereinafter referred to as "Commission") upon receipt of a letter dated May 2, 2013 making a request for a hearing by Victor Stueve (hereinafter referred to as "Petitioner"). Said request for hearing was in response to the Commission's Preliminary Order for Disciplinary Action dated April 8, 2013. The designated Hearing Officer, Bryan W. Wolford, conducted a hearing on June 17, 2014 where the Petitioner, his attorney David G. Bandré, and the Commission's attorney, Ms. Carolyn Kerr, appeared to present evidence and arguments of law.

FINDINGS OF FACT

1. On March 30, 2012, Petitioner was employed by Caesar's Entertainment Corporation ("Company") as an Executive Host aboard the *Harrah's North Kansas City* ("Casino").
2. On March 30, 2012 Corporal William Oliver ("Cpl. Oliver") of the Missouri State Highway Patrol was in the surveillance room at the *Ameristar Casino Kansas City* when he began a regulatory investigation.
3. On March 30, 2012, Cpl. Oliver was assigned to the Gaming Division of the Missouri Highway Patrol as an agent of the Commission.
4. Cpl. Oliver's investigation and review of surveillance video recordings revealed the following:
 - a) On March 30, 2012 at approximately 1:50 a.m., patron B.L. bought in at Black Jack Table Game DK 102 for \$8,000.00.
 - b) At 1:56 a.m., B.L. spent the \$8,000 and a short time later bought in again for approximately \$6,900.00. After spending all of the money he had bought in for, B.L. walked away from the table and approached table DK 100 where he began a conversation with the Petitioner, who was playing at the table.
 - c) At 2:10 a.m., B.L. and the Petitioner walked into the men's restroom together. Approximately eleven seconds later, B.L. walked out of the restroom with an item

in his left hand, and he was placing the item in his jacket pocket. Petitioner followed behind him.

- d) At 2:11 a.m., B.L. set down at DK 102 and began to play. He bought in for \$7,000.00.
- e) At 2:53 a.m., B.L. cashed out at Cage 31 for \$43,000.00.
- f) At 3:04 a.m., B.L. approached table DK 100 as Petitioner walked away from the table. B.L. and Petitioner then walked into the restroom a second time.
- g) At 3:05 a.m., Petitioner had a large amount of cash in his hand, B.L. zipped up his left jacket pocket, and Petitioner and B.L. exited the restroom. Petitioner returned to table DK 100 and continued to play.
- h) At 3:12 a.m., Petitioner and B.L. went into the restroom together for a third time. A minute later, they exited. B.L. placed cash into his jacket pocket, hugged the Petitioner, and the two parted from each other.
- i) On March 30, 2012, B.L. was under investigation by the Kansas City Police Department Narcotics Division for drug trafficking. B.L. was later indicted federally for drug trafficking.
- j) On November 21, 2012, Petitioner was interviewed by Cpl. Oliver. Petitioner stated that he had been holding on to money for B.L. on March 30, 2012, and that Petitioner had performed this service several times before.
- k) During the interview, Petitioner told Cpl. Oliver that Petitioner had asked B.L. where his money came from. Petitioner said that B.L. told him that he had a \$30,000 accident settlement, that he worked for his uncle flipping houses, and that he was engaged in an entertainment business with his cousin called MGB. Petitioner said that B.L. handed him one of his construction business cards. Petitioner further stated that B.L. frequently stayed in the hotel at Harrah's, and that B.L. never had groups of people in the hotel room committing any mischief.
- l) During the interview, Petitioner told Cpl. Oliver that he had his doubts about B.L., and had mentioned it to Petitioner's boss, Tom Cook, and Commission Agent Sergeant Spain. Petitioner further said that he believed B.L.'s story about the source of his funds. Cook and Spain did not recall Petitioner talking to them about B.L. Petitioner further stated that B.L. dresses well and presented himself well.

Petitioner stated that he felt bad about his doubts toward B.L. because he felt like he was stereotyping or judging B.L., when all Petitioner had witnessed was a kid who took a tragedy and turned it in to a success.

m) During the interview, Petitioner made a written statement wherein he admitted that he believed B.L.'s story about his source of funds. Petitioner wrote that he never observed any drugs, drug use, or illegal activity by B.L. Petitioner wrote that he observed B.L. possessing a lot of cash, but also knew that B.L. was a high-stakes player who had won \$100,000.00 during his first week of playing at Harrah's Casino, and won over \$250,000.00 during a two-day trip to Las Vegas.

n) Petitioner never admitted any wrongdoing to Cpl. Oliver.

5. At hearing, the Petitioner testified that he was not aware of B.L.'s criminal drug activity until he was told by Cpl. Oliver on November 21, 2012. He testified that he was initially shocked to see a young kid, aged 21 or 22, in the high stakes area of the casino, and that his shock subsided after having lunch with B.L. and learning of his stated source of income. Petitioner testified that he was satisfied with B.L.'s explanation because B.L. knew about carpentry work and home repair.

CONCLUSIONS OF LAW

1. "The Commission shall have full jurisdiction over and shall supervise all gaming operations governed by Section 313.800 to 313.850." Section 313.805 MO. REV. STAT. 2010.
2. "A holder of any license shall be subject to the 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 himself or his 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 of the state of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty of such action . . . the following acts 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." Section 313.812.14 MO. REV. STAT. 2012.
3. "The burden of proof is at all times on the petitioner. The petitioner shall have the affirmative responsibility of establishing the facts of his/her case by clear and convincing evidence . . ." Regulation 11 CSR 45-13.060(2).

4. "Clear and convincing evidence" is evidence that "instantly tilts the scales in the affirmative when weighed against the opposing evidence, leaving the fact finder with an abiding conviction that the evidence is true." *State ex. rel. Department of Social Services v. Stone*, 71 S.W.3d 643, 646 (Mo. App. 2002).
5. "The state has a legitimate concern in strictly regulating and monitoring riverboat gaming operations. As such, any doubt as to the legislative objective or intent as to the Commission's power to regulate riverboat gaming operations in the state must be resolved in favor of strict regulation." *Pen-Yan Investment, Inc. v. Boyd Kansas City, Inc.*, 952 S.W.2d 299, 307 (Mo. App. 1997).
6. 11 CSR 45-10.030(1) states "Licensees shall promptly report to the commission any facts which the licensee has reasonable grounds to believe indicate a violation of law (other than minor traffic violations), minimum internal control standard requirements or commission of rule committed by licensees, their employees or others..."
7. "The commission may . . . revoke or suspend an occupational license of any person . . . who has failed to comply with or make provision for complying with Chapter 313, RSMo, the rules of this commission, or any federal, state, or local law or regulation." Regulation 11 CSR 45-4.260(4)(E).

DISCUSSION

The law provides broad authority to the Commission regarding the regulation of the gaming industry in order to assure that the public health, safety, morals, and good order are maintained and protected. In this case, Petitioner has worked in the Missouri gaming industry for eleven years and is aware of the state laws, regulations, and internal controls relating to the gaming industry. As an Executive Host at Harrah's, it is Petitioner's duty to befriend and accommodate high-stakes patrons at Harrah's property. Petitioner was assigned to B.L. after B.L. had won nearly \$100,000.00 in high-stakes gambling in a two-day period at Harrah's. One week after meeting B.L., Petitioner inquired about B.L.'s source of funds, and received a response that satisfied Petitioner. Petitioner also witnessed B.L. win large sums of money while gambling during their nearly two-year relationship.

Petitioner did express initial reservations about B.L.'s money, but felt like he was wrongfully stereotyping B.L. Petitioner never witnessed B.L. possess drugs, use drugs, or talk about drugs or any illegal activities. Petitioner had no knowledge about B.L.'s drug trafficking until he was told so by Cpl. Oliver. B.L. had a reasonable story for his possessing large sums of money - his gambling winnings, his personal injury settlement, and his two business ventures.

Based on the foregoing, Petitioner did not have reasonable grounds to believe that B.L. was violating the criminal law and therefore, Petitioner had no duty to report to the Commission.

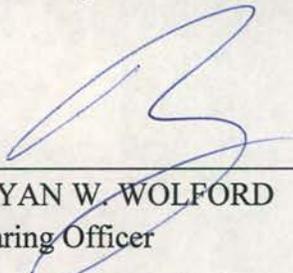
During his relationship with B.L. as B.L.'s Executive Host, and including the morning of March 30, 2012, Petitioner did not actually know nor should he have known that B.L. was trafficking in illegal drugs. Petitioner's actions were not in violation of Missouri law. Petitioner has met his high burden of proof of clear and convincing evidence in showing that no violation occurred.

FINAL ORDER

WHEREFORE, IT IS ORDERED AND ADJUDGED that Petitioner is found to have not violated Missouri law and is therefore not subject to discipline. The decision of the Commission dated April 8, 2013 to impose a Revocation against Petitioner is hereby vacated and set aside.

DATED: _____

September 23, 2014



BRYAN W. WOLFORD
Hearing Officer