

IN THE MISSOURI GAMING COMMISSION

In Re:)
IOC – Cape Girardeau, LLC) DC-14-016
)
)

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") is a state commission created under Chapter 313, RSMo (2000), with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission granted Isle of Capri Casinos, Inc. (Isle of Capri) a Class A riverboat gaming license to develop and operate Class B riverboat gaming licenses in the State of Missouri.
3. Isle of Capri is the parent organization or controlling entity of IOC – Cape Girardeau, LLC ("Company").
4. The Commission granted a Class B riverboat gaming license to the Company to maintain, conduct gambling games on and operate the excursion gambling boat or casino known as the *Isle of Capri Cape Girardeau Casino*.
5. As the holder of a Class B license, the Company is subject to the provisions of Sections 313.800 to 313.850, RSMo (2000), and the regulations promulgated thereunder by the Commission.

STATEMENT OF FACTS¹

6. On Wednesday, March 13, 2013, Corporal T. M. James, assigned to the Gaming Division, began an investigation into a patron complaint that he was not allowed to redeem a promotional coupon on the date listed on the coupon. The patron was instructed he had to wait approximately seven hours until the next "Gaming Day" for redemption of the coupon.
7. According to the surveillance coverage, on Friday, March 8, 2013, at approximately 12:05 a.m., the patron attempted to redeem a \$150 coupon at the cage. He received the coupon from the Isle of Capri Casino Marketing Department through the mail. It was later learned this was part of Isle of Capri Casino's "Monthly Core Offers"

¹ 20130412008

for the month of March. On the coupon was printed “\$150 in Free Cash!” and “Valid: March 8, 2013.” There was no timeframe listed.

8. Cage Supervisor Kristin Decker advised the patron that she could not accept the coupon for redemption until 7:00 a.m. on March 8, 2013, but would be “more than happy” to redeem the coupon after 7:00 a.m. The reason she provided the patron was that the coupon must be redeemed after the start of the “Gaming Day” on March 8, 2013. The patron was denied redemption of the coupon. He became verbally aggressive with casino employees, tore up the coupon, and was eventually escorted off property due to his abusive language and threatening gestures towards casino employees.
9. On March 13, 2013, Trooper M. B. LoMedico, and Corporal James contacted Advertising Manager Dana Saverino and Data Manager Colin Spewak in the Marketing Department. They requested any available documentation they could provide regarding the coupon promotion dated for March 8, 2013. They also requested any “official rules” that would have been available had a patron or MGC requested them on the day of March 8, 2013, regarding the coupon promotion.
10. On April 5, 2013, Compliance Officer Susan Poe contacted Corporal James in the Gaming Division Office and provided the FINAL version of “Promotional Rules for 2013 Monthly Core Offers” for reference regarding the coupon promotion.
11. The required “written rules” were approved on March 26, 2013 several days after the coupon promotion had already begun and should have been approved and available to patrons or the MGC for the coupon promotion dated March 8, 2013.

LAW

12. Under Section 313.805(6), RSMo 2000, the Commission may assess any appropriate administrative penalty against a licensee, including but not limited to, suspension, revocation or penalties of an amount determined by the Commission.
13. Under Section 313.812.14, RSMo 2000, a holder of any license is subject to imposition of penalties, suspension or revocation of such license 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 or the state of Missouri.
14. Under Section 313.812.14(1), RSMo 2000, a licensee may be disciplined for failing to comply with or make provisions 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.

15. Under Section 313.812.14(2), RSMo 2000, a licensee may be disciplined for failing to comply with any rule, order or ruling of the Commission or its agents pertaining to gaming.
16. Under 11 CSR 45-5.181(2)(C) states, Class B licensees may provide promotional activities such as promotional giveaways, promotional coupons, promotional games, player reward programs or similar activities for patrons without the prior approval of the commission, provided the promotional activity is not structured or conducted in a manner that reflects negatively on the licensee, the commission, or the integrity of gaming in Missouri and complies with the following: (C) The Class B licensee shall create dated, written rules governing the promotional activity, which rules shall be immediately available to the public and the commission upon request. The licensee shall maintain the rules of the event and all amendments thereto, including criteria for entry and winning, prizes awarded, and prize winners, for a minimum of two (2) years from the last day of the event.
17. Under 11 CSR 45-5.181(5)(F) states, Promotional coupons shall contain the following information preprinted on the coupon: (F) All conditions required to redeem the coupon.
18. Under 11 CSR 45-4.260(4)(N) states, The commission may refuse an occupational license to any person or revoke or suspend an occupational license of any person who provides the commission or its agents with false or misleading information, documents, or data or who makes false or misleading statements to the commission or its agents.
19. Under 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 rule committed by licensees, their employees or others, including, without limitation, the performance of licensed activities different from those permitted under their license.
20. Under 11 CSR 45-9.060(3), violations of the minimum internal control standards (“MICS”) by a Class A licensee or an agent or employee of a Class A licensee are deemed to be unsuitable conduct for which the Class A 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 licensee that is involved in a violation of the minimum internal control standards may be subject to fine, discipline or license revocation.
21. Under 11 CSR 45-9.060(4), violations of the Class A licensee’s internal control system (“ICS”) by the Class A licensee or an agent or employee of the Class A licensee shall be prima facie evidence of unsuitable conduct for which the Class A licensee and/or its agents or employees may be subject to discipline pursuant to Section 313.806(6), RSMo, and 11 CSR 45-1 et seq., as amended from time to time.

22. According to the Commission's MICS, Chapter H, § 17.08, Coupons that can be electronically cancelled shall immediately, upon redemption, be moved from an unpaid or unredeemed status to a paid or redeemed status.
23. According to the Company's ICS, Chapter H, § 17.08, Coupons that can be electronically cancelled shall immediately, upon redemption, be moved from an unpaid or unredeemed status to a paid or redeemed status.

VIOLATIONS

24. The actions or omissions of employees or agents of the Company as described above caused the Licensee to conduct promotional activities in a manner that reflected negatively on the Licensee and the integrity of gaming in Missouri, and further constituted false or misleading statements relating and regarding the entries available in the promotional activity, and did not have a written set of rules immediately available for the public and the Commission. The conduct as alleged is a violation of 11 CSR 45-5.181(2)(C), 11 CSR 45-5.181(5)(F), 11 CSR 45-4.260(4)(N), 11 CSR 45-10.030(1). The Commission's MICS, Chapter H, § 17.08 and the Company's ICS, Chapter H, § 17.08. Company is subject to discipline for such violations under 11 CSR 45-9.060(3) & (4), sections 313.805(6), 313.812.14 and 313.812.14 (1) & (2), RSMo.

PENALTY PROPOSED

25. Under Section 313.805(6), RSMo 2000, the Commission has the power to assess any appropriate administrative penalty against the Company, as the holder of a Class B license.
26. THEREFORE, it is proposed that the Commission fine IOC - Cape Girardeau, LLC the amount of \$10,000 for the violations set forth herein.

Dr. Barrett Hatches
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 ____ day of _____, 2014, to:

Mr. Lyle Randolph, General Manager
IOC-Cape Girardeau, LLC
338 Broadway Street
Cape Girardeau, MO 36701

Dr. Barrett Hatches
Chairman
Missouri Gaming Commission