

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC-14-340  
Missouri Gaming Company )

## 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 2000,<sup>1</sup> with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Penn National Gaming, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Penn National Gaming, Inc., is the parent organization or controlling entity of the Missouri Gaming Company (the "Company").
4. The Commission issued a Class B riverboat gambling license to the Company to conduct games on and operate the excursion gambling boat known as *Argosy Riverside Casino* (the "Casino").
5. As the holder of a Class B license, the Company is subject to the provisions of §§ 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

## STATEMENT OF FACTS<sup>2</sup>

6. MGC Auditors completed an audit at the Casino for the period of November 1, 2011, through May 31, 2013, and compiled MGC Audit Report #13-16. The MGC issued that report on September 6, 2013.
7. MGC Audit Report #13-16 included the following finding:

Eight (8) non-supervisory employees with job titles of IT Technician and Casino Host had the ability to void point redemptions in the OASIS system. **(Violation of MICS, Chapter I § 13.05) (Prior MGC Audit Finding, Report #12-01)** A review of systems reports revealed four (4) of the eight (8) employees noted in the finding, who were all Casino Hosts, and were not supervisors, voided point redemptions during the audit period. A review of the employee promotions and

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<sup>1</sup> All statutory references are to RSMo 2000, unless otherwise specified.

<sup>2</sup> 20130821003

demotions file provided by Human Resources revealed none of these four (4) employees had a change in position.

(Emphasis in original).

8. Two prior audits, MGC #10-18 and MGC #12-01 listed the same issue with a Casino Host, a Casino Host II, the Database Specialist, and Database Analyst.

### LAW

9. Under § 313.805(6), RSMo, the Commission may assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, or penalties in an amount determined by the Commission.

10. 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 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 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 regulations;
- (2) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to gaming[.]

11. 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 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.
- (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 313.805(6), RSMo, and 11 CSR 45-1 et seq.

12. Both the MICS, Chapter, I § 13.05, and the Casino's ICS, Chapter I § 13.05, state that "Only supervisors or above shall have the ability to void point redemptions in the system."

### **VIOLATIONS**

13. The acts or omissions of employees or agents of the Casino, as described above, constitute a failure to correct a prior audit finding to assure that only supervisors and above can void point redemptions in the Casino's system, thereby violating MICS, Chapter I, § 13.05, and the Casino's ICS, Chapter I § 13.05.
14. The Company 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**

15. Under § 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against the Company as the holder of a Class B license.
16. THEREFORE, it is proposed that the Commission fine Missouri Gaming Company, the amount of \$10,000 for the violations set forth herein.

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Darryl T. Jones  
Vice-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 18<sup>th</sup> day of September, 2014, to:

Tim Kelley  
Argosy Riverside Casino  
777 NW Argosy Pkwy.  
Riverside, MO 64150

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Darryl T. Jones  
Vice-Chairman  
Missouri Gaming Commission