

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-15-013
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 2000,¹ 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 FACTS²

6. The MGC conducted an audit for the period of November 1, 2011 through May 31, 2013. MGC Audit Reports 13-16 and 13-17 were issued to the Casino on September 6, 2013.
7. The MGC completed a follow-up audit in January 2014, to determine if the audit findings from MGC Audit Report 13-16 and 13-17 dated September 6, 2013, had been corrected.
8. The following findings were found not to have been implemented:
 - a. Inspections of the backs of playing cards were not observed by the Table Games Supervisor or above;
 - b. Dealers/Boxpersons failed to clear their hands when entering a game or moving to/from their bodies; and

¹ All statutory references are to RSMo 2000, unless otherwise specified.

² 20140506008

- c. Three Player Shift Managers were able to issue players cards and add points to patron accounts.

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 of 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 45-5.184(7) states as follows:

- (7) Prior to being placed into play, all decks shall be inspected by the dealer, and the inspection observed by a floor supervisor or above. Card inspection at the gaming table shall require each deck to be sorted into sequence and into suit to ensure that all cards are in the deck. The dealer shall also check the back of each card to ensure that it is not flawed, scratched, or marked in any way.
 - (A) If, after checking the cards, the dealer finds that a card is unsuitable for use, a floor supervisor or above shall bring a replacement card from the replacement deck or replace the entire deck.
 - (B) The unsuitable card(s) shall be placed in a transparent sealed envelope or container, identified by the table number, date, and time removed from the table and shall be signed by the dealer and floor supervisor assigned to that table. The floor supervisor or above shall maintain the envelope or

container in a secure place within the pit until collected by a security officer.

12. 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.

13. Both the MICS, Chapter D § 18.01, and the Casino’s ICS, Chapter D § 18.01, state as follows:

All dealers and boxpersons shall clear their hands in view of all persons in the immediate area and Surveillance before and after going to their body and when entering and exiting the game. Clearing of hands means holding and placing both hands out in front of the body with the fingers of both hands spread and rotating the hands to expose both the palms and the backs of the hands to demonstrate that the hands are empty.

14. Both the MICS, Chapter I, § 13.03, and the Casino’s ICS, Chapter I, § 13.03 forbid employees who issue player cards from being allowed to add points.

VIOLATIONS

15. The actions or omissions of employees or agents of the Company as described above constitute a failure of the Company to correct three significant audit findings, thereby violating 11 CSR 45-5.184(7), MICS, Chapter D, § 18.01, Chapter I, § 13.03, and the Casino’s ICS, Chapter D, § 18.01, Chapter I, § 13.03.

16. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14(1) and (2), RSMo and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED

17. 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.

18. THEREFORE, it is proposed that the Commission fine Casino One Corporation, the amount of \$10,000 for the violations set forth herein.

Leland M. Shurin
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 January, 2015, to:

Aaron Rosenthal
Argosy Riverside Casino
777 NW Argosy Pkwy.
Riverside, MO 64150

Leland M. Shurin
Chairman
Missouri Gaming Commission