

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-17-111
Tropicana Entertainment, 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 2000,¹ with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Tropicana Entertainment, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Tropicana Entertainment, Inc., is the parent organization or controlling entity of Casino One Corporation ("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 *Lumiere Place Casino & Hotels* ("Casino").
5. As the holder of a Class A license, Tropicana Entertainment, Inc., is subject to the provisions of §§ 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

STATEMENT OF FACTS²

6. On March 3, 2017, the MGC initiated an investigation at the Casino when 18 decks of used cards, consisting of 12 blue decks and six red decks, which had not been picked up from the previous gaming day, were discovered in the podium at Pit #1(B).
7. The Cards and Dice Collection Log (hereafter, "Collection Log") for the previous gaming day, March 2, 2017, indicated that 72 decks of blue cards and 72 decks of red cards were collected from Pit #1(B).
8. However, the Cards and Dice Cancellation/ Destruction Log for the same day indicated 91 blue decks and 84 red decks were destroyed, indicating the number of decks which should have been collected, instead of the number that was actually collected.

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

² 20170304003

9. The form also falsely indicated that those cards had been destroyed, although they were still in the pit podium, having never been collected.
10. During the six month time period preceeding the March 2, 2017 incident referenced above, the Casino was the subject of three other investigations relating to violation of cards and dice handling policies and procedures.
 - a. On October 11, 2016, an inspection of the Casino's gift shop revealed that three of the 133 decks of cards for sale in the gift shop had not been properly cancelled and that the Casino failed to perform an independent quarterly inventory of the gold cards in its possession.
 - b. On October 30, 2016, 72 decks of used playing cards were discovered in a locked pit podium. Additionally, the Distribution and Collection of Cards and Dice form and the Cards and Dice Cancellation/Destruction Log indicated that proper card collection and destruction procedures were not being followed.
 - c. On November 6, 2016, four bags of used dice were discovered in a locked pit podium. Additionally, the Distribution and Collection of Cards and Dice form and the Cards and Dice Cancellation/Destruction Log indicated that proper dice collection and cancellation procedures were not being followed.
11. The events listed in paragraph 10, above, involved different supervisors and managers, indicating a systemic problem with the handling of cards and dice within the Casino.
12. On February 1, 2017, Deputy Director Timothy McGrail sent a letter to the Casino's General Manager regarding the October 30, 2016 and November 6, 2016 incidents, in which he, on behalf of the Commission, requested that individuals involved in the card and dice inventory process receive additional training and warned that "future incidents may result in disciplinary action."

LAW

13. 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.
14. 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[.]

15. Title 11 CSR 45-5.184 states, in pertinent part, as follows:

- (12) At the end of the gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the licensee and approved by the commission, and at other times as may be necessary, the floor supervisor or above shall collect all used cards.
 - (A) These cards shall be counted down manually by the dealer or by an automated shuffler and placed in the original deck boxes. The time the decks were removed from the table shall be recorded on the deck boxes. The boxes shall be placed in a sealed envelope or container. For games in which dealing procedures require cards to be dealt only once, the sealed envelopes or containers shall be easily distinguishable from those used for all other table games. The bags will be conspicuously labeled as containing single-use cards.
 - (B) A label shall be attached to each envelope or container which identifies the table number, date, and time and shall be signed by the dealer and floor supervisor assigned to the table.
 - (C) The floor supervisor or above shall maintain the envelopes or containers in a secure place within the pit until collected by a security officer.

* * *

- (15) At the end of the gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the licensee in the internal controls and approved by the commission, and at other times as may be necessary, a security officer shall collect all decks in the pit(s), including sealed decks, sealed envelopes or containers with damaged cards, decks used during the gaming day, and decks with broken seals. The collection shall be recorded on the Card and Dice Collection Log. All sealed decks shall be returned directly to the primary storage area or delivered directly to the card destruction room to be immediately cancelled or destroyed. The security officer shall return the envelopes or containers and the log to the card inspection room.

16. 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 A 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.

17. Title 11 CSR 45-10.030 states, in pertinent part, as follows:

- (1) 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.

* * *

- (7) All occupational licensees shall have a working knowledge of Chapter 313.800, RSMo et seq., *Code of State Regulations*, Title 11 Division 45, and the internal controls of the Class A or B licensees for whom they are currently employed by as they pertain to the responsibilities and limitations of their job.

18. Both the MICS and the Casino’s ICS, Chapter D, § 11.14 state, in pertinent part, as follows:

At the end of the gaming day or, in the alternative, at least once each gaming day at approximately the same time:

- (A) The table games supervisors shall:
 - (1) collect all cards and dice except as provided in (D) of this section;
 - (2) place all decks with broken seals that were not put into play, including replacement decks, and all inspected dice in a sealed envelope or container, which identifies the date and time and is signed by the table games supervisor; and

(3) maintain the envelopes, containers and sealed decks and dice in a secure place within the pit podium until collected by a security officer.

(B) After notifying Surveillance, a security officer shall count the cards and dice, collect all cards and dice from the table games supervisor, and log the receipt on the Card and Dice Collection Log.

* * *

(D) On 24-hour gaming days, cards and dice currently in play during the initial collection may remain in play until the new sealed decks and dice sets have been delivered to the pit and inspected for play. Any cards and dice not collected during the initial collection shall be collected by Security during a subsequent collection(s) in accordance with the rules above. The final collection shall occur within three hours of the initial collection allowing a complete reconciliation of all decks and dice for the gaming day

19. The MICS and the Casino's ICS, Chapter D, § 11.17 require "A Card and Dice Cancellation/Destruction Log [to] be maintained indicating the date and time of cancellation or destruction, quantity of cards and dice canceled or destroyed, and the individuals responsible for cancellation or destruction."

20. Both the MICS and the Casino's ICS, Chapter D, § 11.18 states as follows:

The security officer shall reconcile the number of cards and dice received from the pit(s) with the number of cards and dice destroyed or canceled and any cards and dice still pending destruction or cancellation. All open replacement decks shall be counted down and reconciled with all Card/Dice Discrepancy Reports for the day to account for all cards. Any discrepancies shall be reported to the MGC agent on duty immediately.

VIOLATIONS

21. The actions or omissions of employees or agents of Tropicana Entertainment, Inc., as described above constitute a failure to correctly collect, count, reconcile the applicable forms, and deliver them to the card destruction room, thereby violating 11 CSR 45-5.184 and 11 CSR 45-10.030(1) and (7), MICS, Chapter D, §§ 11.14, 11.17, and 11.18, and the Casino's ICS, Chapter D, §§ 11.14, 11.17, and 11.18.

22. Tropicana Entertainment, Inc. 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

- 23. Under § 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against Tropicana Entertainment, Inc., as the holder of a Class A license.
- 24. THEREFORE, it is proposed that the Commission fine Tropicana Entertainment, Inc., the amount of \$10,000 for the violations set forth herein.

Herbert M. Kohn
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 August, 2017, to:

Brian Marsh
General Manager
Lumière Place Casino & Hotels
999 North Second
St. Louis, MO 63102

Herbert M. Kohn
Chairman
Missouri Gaming Commission