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MISSOURI GAMING COMMISSION

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Open Meeting

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January 10, 2018

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TRANSCRIPT OF PROCEEDINGS

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MISSOURI GAMING COMMISSION

Open Meeting

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Missouri Gaming Commission

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3417 Knipp Drive

Jefferson City, Missouri 65109

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January 10, 2018

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BEFORE: Herbert M. Kohn, Chairman

Brian Jamison, Vice Chairman

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Thomas Neer, Commissioner

Richard F. Lombardo, Commissioner

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Daniel P. Finney III, Commissioner

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REPORTED BY:

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1 (WHEREUPON, the open meeting began at  
2 10:00 a.m.)

3 CHAIRMAN KOHN: Good morning,  
4 everybody. Welcome to 2018, the first meeting of  
5 the Commission, which I will now call to order on  
6 January the 10th. Angie, please take the roll.

7 MS. FRANKS: Commissioner Finney.

8 COMMISSIONER FINNEY: Present.

9 MS. FRANKS: Commissioner Lombardo.

10 COMMISSIONER LOMBARDO: Present.

11 MS. FRANKS: Commissioner Neer.

12 COMMISSIONER NEER: Present.

13 MS. FRANKS: Commissioner Jamison.

14 COMMISSIONER JAMISON: Present.

15 MS. FRANKS: Chairman Kohn.

16 CHAIRMAN KOHN: Present.

17 First order of business is the  
18 approval of the minutes from the December 6, 2017  
19 meeting. Is there a motion?

20 COMMISSIONER JAMISON: I move for  
21 approval.

22 COMMISSIONER NEER: Second.

23 CHAIRMAN KOHN: Angie.

24 MS. FRANKS: Commissioner Finney.

25 COMMISSIONER FINNEY: Approve.

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1 MS. FRANKS: Commissioner Lombardo.

2 COMMISSIONER LOMBARDO: Approve.

3 MS. FRANKS: Commissioner Neer.

4 COMMISSIONER NEER: Approve.

5 MS. FRANKS: Commissioner Jamison.

6 COMMISSIONER JAMISON: Approved.

7 MS. FRANKS: Chairman Kohn.

8 CHAIRMAN KOHN: Approved.

9 MS. FRANKS: By your vote, you've  
10 adopted the minutes of the December 6, 2017  
11 meeting.

12 CHAIRMAN KOHN: Mr. Seibert has the  
13 flu today, which may have resulted from him being  
14 close to Angie. We're not sure, but it seems to be  
15 going around. Anyway, he will not be with us. So  
16 Deputy Director McGrail is in charge, and we're  
17 ready for our first item of business.

18 MR. McGRAIL: Mr. Chairman, the next  
19 item on the agenda is consideration of hearing  
20 officer recommendations, and hearing officer  
21 Charles Steib is here to present.

22 CHAIRMAN KOHN: Mr. Steib.

23 MR. STEIB: Good morning. May it  
24 please the Commission?

25 The first item I have on the agenda

1 is that of Frew Arega. This is a case in which  
2 Mr. Arega was an employee of the casino, had a  
3 Level 2 license. He executed a DAP list, which  
4 means that he's not supposed to be in the casino  
5 but for his employment. Later he was found on a  
6 casino and arrested for trespass. That's the  
7 summation of the case.

8 In fact, the facts related in the  
9 September 14, 2017 hearing reflect that on  
10 July 23rd, 2015, an application for a statewide  
11 self-exclusion to DAP was executed by Mr. Arega.  
12 Later, on November 13th, 2016, while Mr. Arega was  
13 a dealer at Ameristar Casino, he was found at the  
14 Lumiere Casino on the floor. He attempted to cash  
15 in checks in the amount of \$4,200 for cash. He  
16 admitted then on November 13th that he was on the  
17 floor, of course, and that he was on the exclusion  
18 list. He was therefore arrested pursuant to the  
19 regulations.

20 At the September 14th, 2017 hearing,  
21 there was a stipulation to these facts. Mr. Arega  
22 admitted to the veracity of those. Based upon the  
23 evidence and the testimony adduced, the licensee  
24 had placed himself on the DAP list. He knew that  
25 it would be -- he would be arrested for trespass if

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1 he appeared on the casino floor but for his  
2 employment, which, as the Commission knows, that's  
3 an exception under the DAP list agreement.

4 Based on the evidence adduced and the  
5 testimony given at that September 4th, 2017  
6 hearing, it is the opinion of the hearing officer  
7 that Mr. Arega did not meet by clear and convincing  
8 evidence that his Level 2 occupational license  
9 should not be revoked and, hence, recommendation is  
10 that his license be revoked.

11 CHAIRMAN KOHN: Questions of  
12 Mr. Steib?

13 COMMISSIONER JAMISON: No, sir.

14 CHAIRMAN KOHN: Is Mr. Arega here or  
15 a representative?

16 Okay. Is there a motion with respect  
17 to Resolution No. 18-001?

18 COMMISSIONER FINNEY: I move to  
19 approve.

20 COMMISSIONER JAMISON: Second.

21 CHAIRMAN KOHN: Discussion on the  
22 motion? Angie.

23 MS. FRANKS: Commissioner Finney.

24 COMMISSIONER FINNEY: Approve.

25 MS. FRANKS: Commissioner Lombardo.

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1 COMMISSIONER LOMBARDO: Approve.

2 MS. FRANKS: Commissioner Neer.

3 COMMISSIONER NEER: Approve.

4 MS. FRANKS: Commissioner Jamison.

5 COMMISSIONER JAMISON: Approved.

6 MS. FRANKS: Chairman Kohn.

7 CHAIRMAN KOHN: Approved.

8 MS. FRANKS: By your vote, you've  
9 adopted Resolution No. 18-001.

10 CHAIRMAN KOHN: Mr. Steib, you're  
11 still up.

12 MR. STEIB: The next item on the  
13 agenda is that of Kristi Castor. This is a  
14 somewhat similar case in which Ms. Castor had  
15 been -- voluntarily placed herself on the DAP list,  
16 was later found to be on the casino floor and  
17 arrested pursuant to the regulations.

18 On September 15th, 2016, Ms. Castor  
19 executed the Ameristar -- she entered the gambling  
20 floor at the Ameristar on October 14th, 2016.  
21 Excuse me. On September 15th, 2016, she executed  
22 voluntarily to be placed on the DAP list. On  
23 October 4th, 2016 she was found on the casino floor  
24 at Ameristar where she played 59 hands of blackjack  
25 and was on the floor for approximately 44 minutes.

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1                   On October 4th, 2016, that date,  
2 Ms. Castor was a dealer at Harrah's Casino, but, of  
3 course, she was not at Ameristar in her employment  
4 capacity.

5                   At the hearing on September 14th,  
6 2017, Ms. Castor admitted the veracity of those two  
7 statements which I just made. The evidence clearly  
8 establishes that Ms. Castor voluntarily placed  
9 herself on the DAP list. She spent that time, that  
10 activity on the casino floor, she admitted that.

11                   Based on the evidence adduced and the  
12 testimony of September 14, 2017, it is the opinion  
13 of the hearing officer that Ms. Castor did not  
14 demonstrate by clear and convincing evidence that  
15 she should not be subject to disciplinary action,  
16 and it is the recommendation of the hearing officer  
17 that her Level II license be revoked.

18                   CHAIRMAN KOHN: Any questions of  
19 Mr. Steib? Is there a motion with respect -- I'm  
20 sorry. Is Ms. Castor here? Is there a motion with  
21 respect -- or a representative?

22                   Okay. Is there a motion with respect  
23 to Resolution 18-002?

24                   COMMISSIONER NEER: Motion to approve  
25 18-002.



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1 COMMISSIONER JAMISON: Second.

2 CHAIRMAN KOHN: Angie.

3 MS. FRANKS: Commissioner Finney.

4 COMMISSIONER FINNEY: Approve.

5 MS. FRANKS: Commissioner Lombardo.

6 COMMISSIONER LOMBARDO: Approve.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approve.

9 MS. FRANKS: Commissioner Jamison.

10 COMMISSIONER JAMISON: Approved.

11 MS. FRANKS: Chairman Kohn.

12 CHAIRMAN KOHN: Approved.

13 MS. FRANKS: By your vote, you've  
14 adopted Resolution No. 18-002.

15 CHAIRMAN KOHN: Mr. Steib.

16 MR. STEIB: The next item on the  
17 agenda and for your consideration is that of  
18 Anthony W. Calandro. Mr. Calandro's name was on  
19 the exclusionary list, the DAP list. He was placed  
20 there involuntarily as a result of felony  
21 convictions.

22 This is a somewhat unique request in  
23 that Mr. Calandro is asking that the Commission,  
24 rather than remove his name from the DAP list, that  
25 it run concurrently with his supervised probation,

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1 which is in the amount of three years.

2                   On November 8th, 2012, Mr. Calandro  
3 was convicted by the United States District Court  
4 for the Eastern District of Missouri and sentenced  
5 to 72 months imprisonment and three years  
6 supervised probation for health care fraud. On  
7 November 8th, 2012, that same date, Mr. Calandro  
8 was convicted of making false statements related to  
9 health care, convicted and sentenced to 72 months  
10 incarceration plus three years supervised probation  
11 and ordered to make restitution in the amount of  
12 \$966,863.45.

13                   On January 23rd, 2013, Mr. Calandro  
14 pleaded guilty in the United States District Court  
15 for the Eastern District of Missouri to mail fraud.  
16 On January 23rd, 2013, Mr. Calandro pleaded guilty  
17 to making false statements and concealment of facts  
18 in relation to documents requested by the Employee  
19 Retirement Income Security Act, ERISA as we know  
20 it. He was convicted under that count also and  
21 sentenced to 72 months imprisonment, three years  
22 incarceration, all of those sentences to run  
23 concurrently.

24                   On August 14th, 2014, Mr. Calandro  
25 pleaded guilty in the Circuit Court of the 21st

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1 Judicial Circuit in Missouri to a felony, that is  
2 theft, stealing, and sentenced to three years.

3 Mr. Calandro served his incarceration  
4 for approximately four years and was released from  
5 the federal prison in Pekin, Illinois on July 6,  
6 2017. He was a licensed chiropractor at the time  
7 of all these activities. That license has been  
8 revoked, although he is, I understand, applying for  
9 same.

10 On March 29, 2017 Mr. Calandro was  
11 placed involuntarily on the exclusion list and  
12 prohibited from entering any casino. Based on  
13 11 CSR 45-15.030, the criteria for exclusion and  
14 placement on the exclusionary list is conviction of  
15 a felony. As I related to you, Mr. Calandro, has  
16 been convicted of a number of felonies.

17 Based on the evidence and the  
18 testimony adduced, it is clear that Mr. Calandro  
19 did not by clear and convincing evidence show that  
20 he should not be on the disciplinary list, the  
21 exclusionary list. He's asking that his exclusion  
22 be only for the three-year probation rather than  
23 permanently subject to his request that he be taken  
24 off.

25 It's the recommendation of the

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1 hearing officer that Mr. Calandro's request be  
2 denied and that the Commission not correct the  
3 exclusionary list to run concurrently with the  
4 three years probation by the federal court. The  
5 hearing officer is without any evidence or  
6 authority for the Commission to delegate its  
7 discretion regarding these matters to any other  
8 entity, even if it is a United States federal  
9 court.

10 It's the recommendation of the  
11 hearing officer that Mr. Calandro's request be  
12 denied and that he remain on the exclusionary list.

13 CHAIRMAN KOHN: I was curious about a  
14 couple of things. One, he has made restitution of  
15 I think like \$27,000 or something like that.

16 MR. STEIB: He has made restitution  
17 of about \$28,000. He currently is making  
18 restitution to the tune of \$500 per month. He owes  
19 nearly a million dollars. By my loose calculation,  
20 it would take 154 years for Mr. Calandro to make  
21 this restitution of the principal, let alone what  
22 the interest would be. So he is attempting to make  
23 restitution, but it is de minimis as they say based  
24 on the amount that he owes.

25 CHAIRMAN KOHN: Well, my question was

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1 really behind the fact he's making restitution --

2 MR. STEIB: I'm sorry?

3 CHAIRMAN KOHN: My question is really  
4 behind that fact. Here's my question. If he is no  
5 longer able to practice as a chiropractor, and I  
6 take it he was not working in any of the casinos,  
7 what is he doing?

8 MR. STEIB: Based on the testimony at  
9 the hearing, he occupies himself in some sort of  
10 advisory or consulting capacity to other  
11 chiropractic offices.

12 CHAIRMAN KOHN: Nothing in connection  
13 with any casino anywhere?

14 MR. STEIB: That is true.

15 COMMISSIONER JAMISON: But he was  
16 never a licensee, right?

17 MR. STEIB: He was never an employee  
18 of the casinos.

19 COMMISSIONER LOMBARDO: I have a  
20 question, and I don't know if you're the person to  
21 answer it or Ed. But the request was that he be  
22 put on the exclusionary list for three years  
23 concurrent with his remaining parole as opposed to  
24 permanently. Do we even have the power to ban  
25 somebody permanently or can they always come back

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1 at some later time and ask that they be taken off  
2 the exclusionary list? Even if they're denied in  
3 2018, could they come back in 2025?

4 MR. STEIB: The regulations provide  
5 that once you are on the exclusionary list, if the  
6 Commission sees fit, it may remove that person from  
7 the exclusionary list. There is also a regulation  
8 that if someone desires to be removed from it, they  
9 can come back and petition the Commission to be  
10 removed.

11 So despite the fact that you're put  
12 on that on a, quote, permanent basis, it is  
13 possible for both the Commission on its own to  
14 decide to take someone off, and it's possible for  
15 an applicant or a person to request the Commission  
16 they be taken off.

17 COMMISSIONER JAMISON: But I see a  
18 real distinction between -- a difference between us  
19 and the federal supervisory probation is it's for a  
20 finite period of time. They can't do anything  
21 beyond the end of three years because that's all  
22 the longer that they have supervisory capability  
23 over him. They can't dictate a condition past  
24 their term of supervision.

25 COMMISSIONER FINNEY: They can revoke

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1 his probation and sentence him.

2 COMMISSIONER JAMISON: But it gets to  
3 the end of his term, gets to the term of his  
4 sentence, he's served the term of his sentence  
5 under the sentence or the probation.

6 COMMISSIONER FINNEY: He'd have to  
7 pay back a million bucks. I mean, if I understand  
8 this correctly, he doesn't pay restitution, he  
9 could be subject to revocation of his probation.

10 MR. STEIB: I believe that's true.

11 COMMISSIONER FINNEY: And you say  
12 that you don't really see how he would be able to  
13 pay back that --

14 MR. STEIB: The math works out, if he  
15 continues at the current rate, it would take 154  
16 years to pay that off.

17 COMMISSIONER FINNEY: So is his  
18 probation, I mean, is it just kind of cursory? I  
19 mean, if it's an impossible restitution to pay  
20 back, do you anticipate that --

21 COMMISSIONER LOMBARDO: I think Brian  
22 can answer that actually.

23 COMMISSIONER FINNEY: I guess I don't  
24 understand why the judge would -- I'm not asking  
25 you to speak for the judge, but if we're saying he

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1 wants a term of three years for the duration of  
2 probation and if it's likely to be revoked, I don't  
3 know.

4 COMMISSIONER JAMISON: But you can  
5 probably answer this better, but can't there become  
6 a civil -- when you talk about restitution, that's  
7 a civil judgment or an amount of money to be repaid  
8 as far as the difference of being under constant  
9 supervised probation.

10 COMMISSIONER LOMBARDO: As a  
11 practical matter, even if he doesn't pay his  
12 restitution, that doesn't necessarily mean he's  
13 going to be revoked.

14 COMMISSIONER JAMISON: Right. And  
15 they're going to supervise him for the rest of his  
16 life over a restitution. But what I'm saying is --

17 COMMISSIONER LOMBARDO: Once your  
18 period's up and they haven't revoked you, your  
19 period's up.

20 COMMISSIONER JAMISON: You're no  
21 longer under supervision. That doesn't inflict or  
22 have any impact on us having the ability to -- or  
23 influence on us having the ability to make this a  
24 lifelong exclusion because that's our capability  
25 even though the federal court may not have that



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1 capability to go beyond.

2 CHAIRMAN KOHN: Ed, do you have  
3 anything to add to this?

4 MR. GREWACH: Just to answer a couple  
5 of those questions, and one is, yes, I mean,  
6 theoretically there could be the option to sue  
7 Mr. Calandro, but he stole from his employees'  
8 retirement fund and he stole from his homeowners  
9 association, used much of that money to gamble.  
10 They could sue him, but he has no resources,  
11 limited income. That's really not a practical  
12 solution.

13 The other is, as Commissioner Jamison  
14 said, the -- our exclusionary list is separate from  
15 whatever the federal judge's decision would be, and  
16 we do have that ability to put him on -- I think  
17 there's a little confusion between permanently and  
18 indefinitely, whatever term you want to use. I  
19 mean, it is a permanent exclusion until such time  
20 as, in the next case you'll see on the agenda,  
21 someone comes in and asks for discretion of the  
22 Commission to be removed from the list.

23 CHAIRMAN KOHN: Again, I'm not  
24 advocating this, but I guess another alternative  
25 would have been for us to approve a three-year

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1 exclusion and then take it up again in three years  
2 depending on what he's done during that time; is  
3 that right?

4 MR. STEIB: I think the Commission  
5 can sua sponte, on its own, bring it up at any  
6 time. The answer is yes, you could do that.

7 CHAIRMAN KOHN: But he does not want  
8 a job in a casino. He just wants to gamble, unlike  
9 the others that we've had where they want to  
10 continue their livelihood. That's not what he  
11 wants.

12 MR. STEIB: Well, he's not looking  
13 for a job. He's never been an employee of the  
14 casinos.

15 COMMISSIONER JAMISON: We're talking  
16 about two different lists. The employees are on  
17 the DAP list, which is the disassociated persons  
18 list, and they place themselves there. The  
19 exclusion list is a list that we put them on and  
20 prohibit them from --

21 COMMISSIONER LOMBARDO: And I think  
22 the three years is meaningless. One year, three  
23 years, 25 years, it sounds like the Commission has  
24 the discretion at any time. So if we decide today  
25 that it's inappropriate for him to come off the

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1 list, then he could come back next year. It might  
2 not be advisable, but he could do it, right?

3 MR. STEIB: He could do that.

4 COMMISSIONER LOMBARDO: Or he could  
5 come back 25 years from now.

6 MR. STEIB: He could do that.

7 COMMISSIONER LOMBARDO: So I don't  
8 think we need to worry about three years.

9 CHAIRMAN KOHN: Any other questions?

10 Is Mr. Calandro here? Is there a representative of  
11 Mr. Calandro here?

12 Okay. Is there a motion with respect  
13 to Resolution 18-003?

14 COMMISSIONER FINNEY: Motion to  
15 approve Resolution 18-003.

16 COMMISSIONER LOMBARDO: Second.

17 CHAIRMAN KOHN: Discussion on the  
18 motion? Angie.

19 MS. FRANKS: Commissioner Finney.

20 COMMISSIONER FINNEY: Approve.

21 MS. FRANKS: Commissioner Lombardo.

22 COMMISSIONER LOMBARDO: Approve.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approve.

25 MS. FRANKS: Commissioner Jamison.

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1 COMMISSIONER JAMISON: Approved.

2 MS. FRANKS: Chairman Kohn.

3 CHAIRMAN KOHN: Approved.

4 MS. FRANKS: By your vote, you've  
5 adopted Resolution 18-003.

6 CHAIRMAN KOHN: Mr. Steib.

7 MR. STEIB: The next item is that of  
8 John Termini. Mr. Termini was convicted of a  
9 felony some years ago. He has come back for the  
10 second time asking that he be removed from the  
11 exclusionary list.

12 The facts that were adduced into  
13 evidence at the September 14th hearing were these:  
14 Prior to 1991, Mr. Termini was an employee of an  
15 organization called Bemused Vending Amusement  
16 Company. That company placed various machines,  
17 cigarette machines, vending machines in various  
18 retail establishments. Mr. Termini's job was to go  
19 service those machines and to take from those, the  
20 video poker machines, the winnings, split them  
21 among the retail organization, and then bring the  
22 rest of the money back to his boss.

23 At age 52 Mr. Termini was charged  
24 with two counts: No. 1, conducting an illegal  
25 gambling business in violation of Missouri state

1 law; and Count No. 2, aiding and abetting a money  
2 laundering scheme. He was convicted of both of  
3 those and sentenced to a term of 27 months  
4 incarceration.

5 He appealed those convictions. He  
6 appealed Count 2, not the first count. So the  
7 conviction for the aiding and abetting/money  
8 laundering scheme was overturned, and he stood  
9 convicted of the felony of participating,  
10 conducting an illegal gambling violation in  
11 Missouri state law.

12 On October 7th, 1994, Mr. Termini was  
13 notified by the Commission that he was placed on  
14 the exclusion list because of that felony  
15 conviction. Mr. Termini at that time requested a  
16 hearing. That was held March 29th, 1995. Pursuant  
17 to that hearing, the hearing officer denied  
18 Mr. Termini's request that he be taken off the  
19 exclusionary list and the Commission approved that.

20 Mr. Termini then appealed that to the  
21 Missouri Court of Appeals, which is the procedure  
22 that is to be followed. The Court of Appeals  
23 upheld the Commission's ruling and Mr. Termini  
24 remained on the exclusionary list.

25 He has now come back and requested

1 that he be taken off the exclusionary list for  
2 social and entertainment purposes. Mr. Termini has  
3 been employed for the last 25 years at American  
4 Health Care Alliance where he has been the  
5 controller in charge of accounts receivable,  
6 accounts payable, to wit in a generally fiscally  
7 responsible position.

8 He has now come back and asked that  
9 he be removed from the exclusionary list. Pursuant  
10 to 11 CSR 45-15.040, procedure for entry of names  
11 on the exclusionary list states if the Commission  
12 or a subsequent judicial review finds in favor of a  
13 candidate for excluded persons, then his or her  
14 name shall be removed from the exclusion list and  
15 his or her exclusion shall be terminated as of the  
16 date of the action by the Commission or by the  
17 court.

18 In addition, pursuant to  
19 11 CSR 45-15.050, the excluded person may petition  
20 for removal from the list. That section states any  
21 person who has been placed on any exclusion list  
22 may petition the Commission in writing and request  
23 that his or her name be removed from the list,  
24 which is consistent with our previous discussion  
25 this morning.

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1                   Based on the evidence adduced at the  
2                   September 14th, 2017 hearing and the oral testimony  
3                   of Mr. Termini and his capable attorney, it is the  
4                   opinion of the hearing officer that Mr. Termini did  
5                   show by clear and convincing evidence that  
6                   disciplinary action should not be continued  
7                   regarding Mr. Termini and that Mr. Termini's name  
8                   be removed from the exclusionary list.

9                   CHAIRMAN KOHN: Questions of  
10                  Mr. Steib? Is Mr. Termini here? Mr. Termini,  
11                  would you like to address the Commission? You  
12                  don't have to.

13                  MR. TERMINI: The hearing officer has  
14                  said everything that needs to be said. Thank you.

15                  CHAIRMAN KOHN: I agree. Is there a  
16                  motion with respect to Resolution 18-004?

17                  COMMISSIONER LOMBARDO: Motion to  
18                  approve.

19                  COMMISSIONER JAMISON: Second.

20                  CHAIRMAN KOHN: Discussion on the  
21                  motion? Angie.

22                  MS. FRANKS: Commissioner Finney.

23                  COMMISSIONER FINNEY: Approve.

24                  MS. FRANKS: Commissioner Lombardo.

25                  COMMISSIONER LOMBARDO: Approve.

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1 MS. FRANKS: Commissioner Neer.

2 COMMISSIONER NEER: Approve.

3 MS. FRANKS: Commissioner Jamison.

4 COMMISSIONER JAMISON: Approved.

5 MS. FRANKS: Chairman Kohn.

6 CHAIRMAN KOHN: Approved.

7 MS. FRANKS: By your vote, you've

8 adopted Resolution No. 18-004.

9 CHAIRMAN KOHN: Congratulations,

10 Mr. Termini.

11 MR. TERMINI: Thank you.

12 MR. COSLER: Commissioner Kohn, my  
13 name is Ed Cosler. I'm Mr. Termini's employer. We  
14 understand that this may be a first, so he has a  
15 couple questions. I don't know if you wanted to  
16 answer them, but what happens now? How does the  
17 procedure work? Does the Commission notify some  
18 entity to remove him? What happens? Does he need  
19 a letter?

20 CHAIRMAN KOHN: Ed, who should they  
21 meet with to go through those?

22 MR. GREWACH: Yes. You can contact  
23 Ms. Kerr. She will speak to you now, as a matter  
24 of fact. I can tell the Commissioners that the  
25 process is a list is distributed weekly to the



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1 casinos with the name of all the persons on the  
2 exclusion list.

3                   Effective immediately upon the  
4 Commission's ruling today, Mr. Termini's name will  
5 be removed from that list. So there's two sources.  
6 As we can get that change made on our website, you  
7 know, if someone checks the website they will see  
8 that Mr. Termini's no longer on. In addition, when  
9 the next weekly download is sent out to the casinos  
10 and they look it up on the internal system, they  
11 will see that Mr. Termini's no longer on the  
12 exclusion list. But Ms. Kerr will meet with them  
13 and discuss it.

14                   CHAIRMAN KOHN: She'll do that right  
15 now if you want to step outside.

16                   MR. COSLER: Thank you.

17                   CHAIRMAN KOHN: Mr. McGrail.

18                   MR. McGRAIL: Mr. Chairman, the next  
19 item on the agenda is consideration of disciplinary  
20 actions, and General Counsel Ed Grewach will make  
21 the presentations.

22                   CHAIRMAN KOHN: Ed.

23                   MR. GREWACH: Chairman,  
24 Commissioners, under Tab F we have a preliminary  
25 order of discipline directed against the Ameristar

1 Casino Kansas City for refunding losing wagers from  
2 the chip tray for procedural errors that did not  
3 affect the outcome of games for mini baccarat  
4 games.

5                   Now, as background, mini baccarat is  
6 a table game in which the players, the patrons have  
7 three options to bet. They can bet on the player,  
8 they can bet on the banker, or they can bet on a  
9 tie. Each card has a face value. Face cards have  
10 a value of zero, ace is one, and all the other  
11 cards are the number corresponding to the card.  
12 The dealer deals two cards face up, and the -- to  
13 each of those two spots, player and banker. The  
14 hand then closest to nine wins, and obviously if  
15 it's a tie, then the tie bet wins.

16                   The significance of the game and why  
17 I bring up the background is that all bets have to  
18 be placed before the first card is dealt. So  
19 there's not strategy involved as the cards are  
20 being dealt, which is the reason why procedural  
21 errors don't affect the outcome of this particular  
22 game.

23                   Now, this problem first came to our  
24 attention on December the 3rd of 2016 when we were  
25 notified by surveillance that \$30,000 had been

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1       refunded to a patron after a losing bet at the mini  
2       baccarat table. As we investigated this, we found  
3       that one patron had handed -- had played \$10,000  
4       himself, had handed \$10,000 to two other players  
5       and suggested how they place their bet. The table  
6       itself had a \$10,000 limit. When the wager lost,  
7       the player then demanded his \$30,000 back, which  
8       the casino then refunded to that patron out of the  
9       chip tray, which then had a negative effect on  
10      adjusted gross revenue because adjusted gross  
11      revenue is calculated by -- from the amount that's  
12      in the chip tray when the counts and drops are  
13      taken.

14                    COMMISSIONER JAMISON: Do we know why  
15      he claimed it was an improper bet?

16                    CHAIRMAN KOHN: Why did the casino  
17      agree with him?

18                    MR. GREWACH: Well, he claimed  
19      because, okay, I bet over the table limit, so  
20      therefore it's invalid, so you should give me the  
21      money back. Of course, he waited until after he  
22      lost to do that. The casino's theory was that this  
23      created what they called a shared partnership and,  
24      therefore, he did, in fact, exceed the table limit  
25      and, therefore, should be refunded.

1                   However, when you get -- first of  
2 all, it's our belief that's not true. The table  
3 limit is per player. So the fact that I would give  
4 my son \$10,000 and say, hey, I want you to bet on  
5 banker on this, that's his bet, win or lose, and  
6 the fact that the money came from me originally  
7 wouldn't change -- wouldn't violate the table limit  
8 amount.

9                   In addition, for every game under the  
10 minimum internal control standards, each casino is  
11 required to send us their internal controls for the  
12 rules of that game, and in the rules of that game  
13 they have to list what are errors, irregularities  
14 and what the solution would be if those  
15 irregularities occurred.

16                   So in addition to what I just said,  
17 this was not listed as an irregularity that would  
18 authorize someone to be paid back a losing wager.  
19 But that was -- that was our position. That was  
20 the casino's response at the time.

21                   COMMISSIONER FINNEY: I'm sorry. As  
22 far as this shared partnership goes, their theory  
23 on why the money should have been refunded, what is  
24 your understanding as to what a shared partnership  
25 is and would that be something, if it were indeed

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1 considered a shared partnership, that you would  
2 agree with?

3 MR. GREWACH: No, because the rules  
4 of the game would state and the sign at the table  
5 would state the table limit, the table max bet, and  
6 that is then stated in terms of bet per patron.  
7 The source of the funds would not have any bearing  
8 on whether or not someone exceeded the table  
9 maximum wager.

10 COMMISSIONER FINNEY: So this notion  
11 of a shared partnership, you think that that's just  
12 not a valid proposition?

13 MR. GREWACH: That's correct.

14 COMMISSIONER JAMISON: And if it was  
15 a valid proposition, wouldn't they have just  
16 refunded 20 instead of 30? I mean, I'm just asking  
17 that question. If it was a valid point that 10 was  
18 the limit, then why wouldn't they keep 10 and  
19 return 20?

20 MR. GREWACH: If you look at it even  
21 a step further, if they violated their own rules as  
22 to table limits, isn't that a separate violation in  
23 and of itself? But --

24 CHAIRMAN KOHN: Is there something  
25 more here than what is apparent, that three people

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1 bet \$10,000 each and they gave them their money  
2 back? I have a hard time understanding why the  
3 casino would have done that.

4 MR. GREWACH: Well, as we -- maybe if  
5 I go on, it might shed a little light on that,  
6 because as we investigated further, we found that  
7 there were other instances where losing wagers had  
8 been refunded. In general, part of the casino's  
9 response to all these issues were that it was a  
10 matter of customer service, that they believed  
11 traditionally, as far as the industry standards  
12 were concerned, that the table games, the pit  
13 managers, table games supervisors had discretion in  
14 which to refund losing wagers if they believed  
15 irregularities occurred.

16 COMMISSIONER NEER: Is there a chance  
17 it's because of the identity of the player?

18 MR. GREWACH: It certainly could be,  
19 if it's a customer service issue, that if there's a  
20 player that they want to keep coming back, if it  
21 is -- again, if it's a customer service issue,  
22 certainly that could play into that.

23 The difficulty with that from us from  
24 a legal standpoint is that's just not what the  
25 regulations say. The regulations say, first of

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1 all, there are only certain times you can give  
2 money out of the chip tray, and there's a list  
3 maybe to, you know, for change for a tip or to  
4 color up, to consolidate your chips.

5 The only one that would apply here is  
6 to pay back a winning wager. There's not anything  
7 in the rules that allow a losing wager to be paid  
8 back out of the chip tray.

9 Sergeant Fitzgerald, who conducted  
10 the investigation from the start, pointed that out  
11 on that December 3rd incident to the casino, that  
12 if there's a customer service issue and they want  
13 to pay this money back to the patron, there's  
14 certainly no problem if they pay them out of the  
15 cage with their own money.

16 The difficulty with paying it out of  
17 either the wagers on the table or the chip tray is  
18 now that's 21 percent of the education gaming tax  
19 money that's being refunded to the patron for the  
20 purpose of this customer service decision.

21 The second part of the legal issue  
22 with doing that is again you have rules of the  
23 game. In the rules you need to tell us what the  
24 irregularities are. You need to tell us what  
25 happens if those irregularities occur. You send

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1 those internal controls to us, and then we have to  
2 review and approve those.

3 And the significance of that is if  
4 something happens at a table and there's a dispute  
5 with a patron, the gaming agent can come, look at  
6 the rules of the game and say, yes, you're right,  
7 you know, this is something we've approved to  
8 either push a bet, send the wagers back, or to  
9 refund a losing wager, whatever the case may be.

10 That wasn't the case here. These  
11 were not things that were included in the rules of  
12 the game that we had approved for payback.

13 COMMISSIONER LOMBARDO: Ed, I think I  
14 understand, but explain, make it a little bit more  
15 clear, what the difference is in terms of whether  
16 they paid it back at the table or they paid it back  
17 out of the cage in terms of the gaming tax.

18 MR. GREWACH: The cage -- payments  
19 from the cage do not affect the adjusted gross  
20 revenue and, therefore, don't reduce the  
21 calculation of the gaming tax. In other words,  
22 paying out of the cage is their money, you know.  
23 It's theirs to do with whatever they wish. But  
24 when it's paid either refund a losing wager or paid  
25 out of the table tray, now that reduces the



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1 adjusted gross revenue, which is wagers less  
2 winnings paid to wagerers.

3 So when you refund a wager, then all  
4 of a sudden that first element of that calculation  
5 is reduced, the wagers, and therefore the gaming  
6 tax proceeds are reduced by that.

7 COMMISSIONER LOMBARDO: And this  
8 happened on multiple occasions; is that correct?

9 MR. GREWACH: It did. So in further  
10 investigation we found 12 similar incidents in a  
11 time period between October 27th and December 17,  
12 2016, and in each one of those incidents there were  
13 procedural errors that did not affect the outcome  
14 of the game.

15 And they were different. Sometimes  
16 it was a -- there's a reader board at the table  
17 which shows prior hand or hands, and there was an  
18 incorrect reader board finding. There was an  
19 incident where a card was put in a discard rack as  
20 opposed to the discard basket. There was a case --  
21 at the beginning of the hand you're supposed to  
22 burn a certain number of cards. They didn't burn  
23 the correct amount at the beginning of a new shoot.

24 None of those things we looked at had  
25 any bearing on the outcome of the game because,

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1 again, the outcome of the game is random based on  
2 the cards dealt. These procedural errors did not  
3 affect those.

4 In addition to that, what we saw when  
5 we looked at these incidents were, there would be a  
6 procedural error in this game. In the next two  
7 hands the players at the table would drastically  
8 increase their bets, and then if they lost they'd  
9 say, well, two hands ago there was a procedural  
10 error, you know, the reader board was wrong, so  
11 therefore I want this money back. Because at that  
12 point in time for the patron it's a win/win  
13 situation. If you win, you win. If you lose, you  
14 say, hey, wait a minute, there's this procedural  
15 error that occurred.

16 After the initial discussions with  
17 Sergeant Fitzgerald who told them, look, if it's  
18 customer service, you can take it out of the cage,  
19 your money. That's not really impacting the  
20 regulations. However, you can't refund bets or pay  
21 out of the table tray. There was another incident  
22 shortly after that on December 17th.

23 There was another incident then in  
24 February 10th of 2017 where a dealer flipped a card  
25 over a few seconds before it would have been

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1 flipped over otherwise. The same player that was  
2 involved originally in the \$30,000 refund issue on  
3 December the 3rd was playing at the table at that  
4 point in time, lost the bet, said, hey, I want the  
5 money -- I want the money refunded, my bet refunded  
6 because of that.

7 The dealers at the table and even the  
8 supervisor all said, no, we can't do that. The  
9 player then continued to go up the chain asking  
10 more people. A gentleman, Christopher Lee, who's  
11 the casino operations manager, came in, overruled  
12 everyone's decision, said let the hand play out.  
13 The hand played out. Players lost. He ordered the  
14 funds returned to the players. So the staff  
15 originally recommended --

16 CHAIRMAN KOHN: Say that part again.  
17 The casino supervisor did what?

18 MR. GREWACH: The casino supervisor  
19 came over when the complaint was made about the  
20 card being turned over too soon. So the casino  
21 supervisor said, let's play the hand out and see  
22 what happens. Then what happened was the player,  
23 the patron lost. And so then the casino supervisor  
24 said, go ahead and give them their money back.

25 CHAIRMAN KOHN: He lost and said --

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1 supervisor said give him the money because he lost?

2 MR. GREWACH: Well, because he's  
3 saying, well, because of that irregularity of the  
4 card being turned over.

5 COMMISSIONER LOMBARDO: Would there  
6 have been anything wrong whatsoever when the card  
7 got turned over too early in aborting the hand, or  
8 would that have violated another regulation?

9 MR. GREWACH: You know, it could  
10 have, although you're looking at a different  
11 violation because there's rules of the game that  
12 don't describe that as an irregularity. But to  
13 push a hand I guess in our view isn't as big a  
14 violation as to wait till someone loses and then  
15 refund the wager after they have lost, because now  
16 you're really changing the rules of the game. And  
17 at the point they lost, now the AGR has accrued to  
18 the State, the gaming tax has accrued to the State,  
19 and now you're giving that money back.

20 COMMISSIONER JAMISON: I'll be the  
21 first to admit I don't understand this game very  
22 well or at all, but you said the wagers all have to  
23 be placed before the first card is played, correct?

24 MR. GREWACH: That is correct.

25 COMMISSIONER JAMISON: And there's no

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1 additional wagers placed after cards are turned  
2 over or the game goes on, correct?

3 MR. GREWACH: That is correct.

4 COMMISSIONER JAMISON: So then I  
5 guess my question would be, what would be the game  
6 changer of flipping a card over early?

7 MR. GREWACH: In our opinion, none,  
8 because it did not affect -- again, we looked at  
9 these as procedural errors that did not affect the  
10 outcome of the game, because that card would have  
11 been dealt anyway, flipped over anyway.

12 CHAIRMAN KOHN: I've got questions  
13 about this as well. Is this -- is this only  
14 happening at this one game at this one table at  
15 this one casino or is this common? It sounds like  
16 a negotiation rather than a game.

17 MR. GREWACH: Well, our investigation  
18 was limited to this game and for the time period  
19 that we've talked about, that October 27th through  
20 the -- initially we looked at surveillance through  
21 the December date, and then we, of course, became  
22 aware of the incident in February of 2017. So that  
23 was the limit at this point of our investigation.  
24 So I don't really know the answer.

25 COMMISSIONER NEER: Was that the same

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1 dealer on each incident?

2 MR. GREWACH: Sergeant Fitzgerald is  
3 here who conducted the investigation. He's  
4 indicating to me no, they were not.

5 COMMISSIONER NEER: Be a pattern and  
6 practice at that location with that game, then, it  
7 seems?

8 MR. GREWACH: Well, I can tell you  
9 that as part of the response, when we recommended  
10 the discipline, which was \$30,000 and an adjustment  
11 or payment of their unpaid tax revenue of  
12 \$28,674.45, their response, one of their responses  
13 was, well, this is really an industry -- standard  
14 industry practice to allow this.

15 CHAIRMAN KOHN: That's my question.  
16 Does this go on all the time at all casinos?

17 MR. GREWACH: I can't say that  
18 definitively because our investigation was limited  
19 to this game in that time period.

20 COMMISSIONER FINNEY: You mentioned  
21 that they could -- there was -- if they decided  
22 that as a matter of customer service they wanted to  
23 refund the money, you'd be okay with that as long  
24 as they accounted for it first. Procedurally  
25 speaking, how would that work? What would be

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1 acceptable under these circumstances if they  
2 decided, you know, that they wanted to refund the  
3 money?

4 MR. GREWACH: Can I call on Sergeant  
5 Fitzgerald to answer that question?

6 CHAIRMAN KOHN: Sure.

7 SERGEANT FITZGERALD: Good morning,  
8 Commissioners. The procedure for that would  
9 actually be a relatively simple one as far as going  
10 to the cage. They could do what's called a cash  
11 payout slip, and as long as they have the  
12 description of the reasoning behind that, then it  
13 would also go through their internal audits as well  
14 so that it could be accounted for. But again, that  
15 is their cash and it has no bearing on the AGR  
16 that's due to the State of Missouri.

17 COMMISSIONER FINNEY: So as a  
18 practical matter, what would happen? The pit boss  
19 then would go -- as far as time, would it take a  
20 few minutes? I'm just trying to get an idea.

21 SERGEANT FITZGERALD: It could take a  
22 few minutes. The money would have to be escorted  
23 out, depending on the amounts. The amounts may  
24 also necessitate a security escort as well. So it  
25 may take a little bit of time. But again, if --

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1       that wouldn't be anything that would necessarily  
2       have to hold up the game either because that has  
3       been a determination.  They're now doing -- it's  
4       not an issue of them doing anything as far as that  
5       particular hand any longer.  Now it's truly a  
6       completely customer service issue and nothing to do  
7       with that particular hand.  So they could continue  
8       on with play.

9                        COMMISSIONER FINNEY:  Thank you.

10                      COMMISSIONER LOMBARDO:  Ed, has there  
11       been any similar incidents in the past where there  
12       have been penalties levied against casinos?

13                      MR. GREWACH:  I am not familiar with  
14       any.

15                      COMMISSIONER LOMBARDO:  I didn't see  
16       any.

17                      MR. GREWACH:  I'm not familiar with a  
18       similar case that has been brought before us.

19                      CHAIRMAN KOHN:  Any other questions  
20       of Ed?

21                      MR. GREWACH:  I did want to finish  
22       up.

23                      CHAIRMAN KOHN:  Go ahead.

24                      MR. GREWACH:  I alluded to it a  
25       little bit, but as is our practice, once the staff



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1 recommended that fine and that tax adjustment, we  
2 did send that to the casino for their comment. The  
3 response, as I've stated before, was they felt what  
4 they did was in line with industry standards, that  
5 table games management typically has discretion to  
6 make these payments when the errors occur.

7           They indicated to us that after their  
8 initial meetings with Sergeant Fitzgerald, they  
9 took some remedial actions, putting up a sign that  
10 indicated if there was a reader board error, that  
11 it had to be brought to the dealer's attention  
12 before the hand was completed.

13           And they also indicated to us they  
14 instructed the table game team members in the  
15 proper procedures. Of course, again, our problem  
16 with those is the rules of the game really didn't  
17 allow for what they were doing and, in addition,  
18 that you had the separate incidents afterwards,  
19 most notably the one in February of '17, a couple  
20 months later, where again we have the same incident  
21 occurring.

22           So it was the staff's opinion to  
23 maintain the recommendation of that fine and that  
24 tax adjustment.

25           COMMISSIONER FINNEY: That 30,000,

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1       how did you come up with that figure?

2                       MR. GREWACH:  There wasn't any  
3       mathematical calculation.  It didn't really have a  
4       bearing on the amount of tax refund.  It was more  
5       looking at the violation, the number of violations,  
6       the fact the violation happened in February,  
7       because those two numbers really serve two  
8       different purposes and go different places.

9                       The fine is one punitive in nature  
10       obviously intended to compel compliance, like any  
11       other disciplinary action is.  That money goes to  
12       the school, the county treasurer for the schools in  
13       the county where the casino is located, which is  
14       Clay County.  The tax adjustment comes to the  
15       gaming tax for education fund.  So those two serve  
16       two different purposes, go two different  
17       directions.

18                      But it was just based on our  
19       evaluation of the seriousness of the -- of the  
20       violation.

21                      COMMISSIONER LOMBARDO:  And Ed, if I  
22       understand correctly, the casino was admonished to  
23       stop this practice and then the violations -- there  
24       were violations afterwards?

25                      MR. GREWACH:  There was.  There was

0043

1 one specific -- there were several meetings  
2 Sergeant Fitzgerald had with them after the  
3 December 3rd meeting. The probably most  
4 comprehensive one was a meeting on December 13th.  
5 There was an incident that occurred later that  
6 evening on the 13th, but then there was also, in  
7 addition, another incident that happened on  
8 December 17th where procedural error took place and  
9 approximately \$4,500 of wagers were returned, and  
10 then, of course, you have the February 2017.

11 CHAIRMAN KOHN: Any other questions?  
12 Is there a motion with respect to DC-18-001?

13 COMMISSIONER LOMBARDO: Motion to  
14 approve.

15 COMMISSIONER JAMISON: Seconded.

16 CHAIRMAN KOHN: Discussion on the  
17 motion? Angie.

18 MS. FRANKS: Commissioner Finney.

19 COMMISSIONER FINNEY: Approve.

20 MS. FRANKS: Commissioner Lombardo.

21 COMMISSIONER LOMBARDO: Approve.

22 MS. FRANKS: Commissioner Neer.

23 COMMISSIONER NEER: Approve.

24 MS. FRANKS: Commissioner Jamison.

25 COMMISSIONER JAMISON: Approved.

0044

1 MS. FRANKS: Chairman Kohn.

2 CHAIRMAN KOHN: Approved.

3 MS. FRANKS: By your vote, you've  
4 adopted DC 18-001.

5 CHAIRMAN KOHN: Ed. Tropicana.

6 MR. GREWACH: Under Tab G we have a  
7 preliminary order of discipline against Lumiere  
8 Place Casino for repeat audit findings. The most  
9 recent compliance audit was conducted by the  
10 Commission for a period involving July of 2015  
11 through January of 2017. That audit found four  
12 significant violations which were also findings in  
13 the casino's previous audit.

14 The violations primarily related to  
15 the handling, inspection and accountability of  
16 poker cards. There was one that involved table  
17 games cards. Because of that, I want to go through  
18 a little background of the card-handling process so  
19 you can kind of put the violations in perspective  
20 as to how they occurred.

21 The process is the cards are sealed  
22 when they come from the storage to the pit area.  
23 Prior to placing them into play, the poker dealer  
24 and supervisor check -- are required to check the  
25 entire back of each card for any defect or mark

0045

1 because those could be used -- a marked card could  
2 be used by a player to gain an unfair advantage in  
3 the game.

4 At the end of the gaming day, all the  
5 unused decks of cards are collected and put into a  
6 sealed envelope with the date, time and signature  
7 of the poker supervisor. Now, the purpose of this  
8 requirement is later on when they're inspected, if  
9 there is some flaw or defect found, we can then  
10 trace back to exactly when they were collected and  
11 off of what -- off of what pit and trace back for  
12 the purpose of investigating the issue.

13 After that, security then is required  
14 to inspect the cards. They're looking for several  
15 things, missing cards, sides. They have to examine  
16 the sides of the cards for crimps or cuts. They're  
17 required to look at the full back of the card under  
18 ultraviolet light, looking for any signs that a  
19 player marked a card during play, again for signs  
20 that someone attempted to cheat or, if it's a card  
21 that's damaged, to make sure we don't put it back  
22 into play.

23 The last violation deals with, in the  
24 security inspection room they keep replacement  
25 decks. Now, if a card is taken out of use, then a

1 card is taken out of the replacement decks and  
2 placed in that deck. The security personnel are  
3 required to keep a log then of the cards that came  
4 out of the replacement decks. They then  
5 additionally are required weekly to do a  
6 reconciliation, look at their log, which tells them  
7 what should be missing from the replacement decks,  
8 and make sure, in fact, no cards are missing.

9           Significance of that is that if a  
10 loose card is introduced into play, it could be  
11 used by somebody to cheat introducing it into a  
12 game. So card accountability, therefore, is  
13 something we take very seriously for those reasons.

14           Now, again the four violations we  
15 found were also findings in a previous audit. One  
16 was that the poker dealers were not inspecting the  
17 entire back of the cards prior to putting them into  
18 play. The cards were spread out in such a way that  
19 they were partially obscured. They weren't  
20 completely visible to the dealers.

21           Another violation was that unused  
22 decks with broken seals in the envelopes did not  
23 contain the time, date and signature of the poker  
24 supervisor.

25           Now, this particular violation in the

0047

1 prior audit was a finding. When we have a finding  
2 we also then do a follow-up, and in the follow-up  
3 we look to see if it's corrected. Now, in the  
4 prior audit we found it wasn't corrected and issued  
5 what we call a compliance directive, and then it  
6 was fixed at that point in time. Yet again it  
7 comes up as a violation in this current audit.

8           The next violation was that the used  
9 cards were -- that had been returned to security  
10 were not inspected for crimps and bends, and the  
11 entire back of the surface was not inspected by the  
12 ultraviolet light. Interview with the security  
13 officer indicated that only -- he was only checking  
14 for cards that were missing from the deck.

15           The last violation was that the  
16 security department was not reconciling the  
17 replacement deck logs, the replacement decks as  
18 required by the rule. Interview with the security  
19 officer indicated that they had not been doing this  
20 at all, not only not weekly but weren't doing it at  
21 all. Again, also a finding in the prior audit. In  
22 addition, in the prior audit, when we followed up,  
23 we found it was still a problem, issued a  
24 compliance directive and then they fixed it. Yet  
25 again it showed up as a violation at this point in

0048

1 time.

2 Staff's original recommendation was  
3 for a fine of \$7,500. In the response the casino  
4 indicated that they had retrained their personnel  
5 and made some personnel changes to the people  
6 responsible for these errors. The staff reviewed  
7 their response. The staff voted to reduce the  
8 recommended fine to \$5,000.

9 CHAIRMAN KOHN: Questions of Ed? Is  
10 there a motion with respect to DC-18-002?

11 COMMISSIONER FINNEY: Motion to  
12 approve DC-18-002.

13 COMMISSIONER NEER: Second.

14 CHAIRMAN KOHN: Discussion on the  
15 motion? Angie.

16 MS. FRANKS: Commissioner Finney.

17 COMMISSIONER FINNEY: Approve.

18 MS. FRANKS: Commissioner Lombardo.

19 COMMISSIONER LOMBARDO: Approve.

20 MS. FRANKS: Commissioner Neer.

21 COMMISSIONER NEER: Approve.

22 MS. FRANKS: Commissioner Jamison.

23 COMMISSIONER JAMISON: Approved.

24 MS. FRANKS: Chairman Kohn.

25 CHAIRMAN KOHN: Approved.



0049

1 MS. FRANKS: By your vote, you've  
2 adopted DC-18-002.

3 MR. GREWACH: Thank you.

4 CHAIRMAN KOHN: Thank you, Ed. Tim.

5 MR. McGRAIL: Next item on the agenda  
6 is consideration of licensure of certain key person  
7 applicants, and Sergeant Brian Holcomb will make  
8 the presentation.

9 CHAIRMAN KOHN: Good morning,  
10 Sergeant.

11 SERGEANT HOLCOMB: Good morning,  
12 Commissioner.

13 Missouri State Highway Patrol  
14 investigators, along with Missouri Gaming  
15 Commission financial investigators, conducted  
16 comprehensive background investigations on multiple  
17 key and Level 1 applicants.

18 The investigations included, but were  
19 not limited to, criminal, financial and general  
20 character inquiries which were made in the  
21 jurisdictions where the applicants lived, worked  
22 and frequented.

23 The following individuals are being  
24 presented for your consideration: Pierfrancesco  
25 Boccia, Secretary, International Game Technology,

0050

1 PLC; Guido Giuseppe Maria Corbetta, Independent  
2 Director, De Agostini S.p.A.; Ronald Samuel Ellis,  
3 Senior Vice President of Internal Audit, Eldorado  
4 Resorts, Incorporated; Takatomo Imai, Director, JCM  
5 American Corporation; Heather Jane McGregor,  
6 Independent Director, International Game Technology  
7 PLC; Heather Alice Scheibenstock, Independent  
8 Non-Executive Director, Ainsworth Game Technology  
9 Limited; Arlene May Tansey, Non-Executive Director,  
10 Aristocrat Leisure Limited.

11 The results of these investigations  
12 were provided to the Missouri Gaming Commission  
13 staff, and the investigating officers are present  
14 to answer any questions you might have. Thank you.

15 CHAIRMAN KOHN: Good job on the  
16 names.

17 SERGEANT HOLCOMB: Thank you, sir.

18 CHAIRMAN KOHN: Any questions of  
19 Sergeant Holcomb? Is there a motion to approve  
20 18-005?

21 COMMISSIONER JAMISON: I so move.

22 COMMISSIONER LOMBARDO: Second.

23 CHAIRMAN KOHN: Discussion on the  
24 motion? Angie.

25 MS. FRANKS: Commissioner Finney.

0051

1 COMMISSIONER FINNEY: Approve.

2 MS. FRANKS: Commissioner Lombardo.

3 COMMISSIONER LOMBARDO: Approve.

4 MS. FRANKS: Commissioner Neer.

5 COMMISSIONER NEER: Approve.

6 MS. FRANKS: Commissioner Jamison.

7 COMMISSIONER JAMISON: Approved.

8 MS. FRANKS: Chairman Kohn.

9 CHAIRMAN KOHN: Approved.

10 MS. FRANKS: By your vote, you've  
11 adopted Resolution No. 18-005.

12 CHAIRMAN KOHN: That concludes our  
13 agenda for the open portion of the meeting. We  
14 will now go into closed session, if necessary come  
15 back out for an open meeting, or we'll just adjourn  
16 the open meeting. Do I have a motion to go into  
17 closed session?

18 COMMISSIONER JAMISON: I move for a  
19 closed meeting under Sections 313.847 and 313.945,  
20 Revised Missouri Statutes, investigatory,  
21 proprietary and application records, and 610.021,  
22 subparagraph 1, Revised Missouri Statutes, legal  
23 actions, subparagraph 3 and subparagraph 13,  
24 personnel, and subparagraph 14, records protected  
25 from disclosure by law.

0052

1 COMMISSIONER FINNEY: Second.

2 CHAIRMAN KOHN: Angie.

3 MS. FRANKS: Commissioner Finney.

4 COMMISSIONER FINNEY: Approve.

5 MS. FRANKS: Commissioner Lombardo.

6 COMMISSIONER LOMBARDO: Approve.

7 MS. FRANKS: Commissioner Neer.

8 COMMISSIONER NEER: Approve.

9 MS. FRANKS: Commissioner Jamison.

10 COMMISSIONER JAMISON: Approved.

11 MS. FRANKS: Chairman Kohn.

12 CHAIRMAN KOHN: Approved.

13 (WHEREUPON, the opening meeting was  
14 adjourned at 10:59 a.m.)

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C E R T I F I C A T E

STATE OF MISSOURI     )  
                                  ) ss.  
COUNTY OF COLE        )

I, Kellene K. Feddersen, Certified  
Shorthand Reporter with the firm of Midwest  
Litigation Services, do hereby certify that I was  
personally present at the proceedings had in the  
above-entitled cause at the time and place set  
forth in the caption sheet thereof; that I then and  
there took down in Stenotype the proceedings had;  
and that the foregoing is a full, true and correct  
transcript of such Stenotype notes so made at such  
time and place.

Given at my office in the City of  
Jefferson, County of Cole, State of Missouri.

\_\_\_\_\_  
Kellene K. Feddersen, RPR, CSR, CCR

**MISSOURI GAMING COMMISSION**  
**Open Session Minutes**  
**January 10, 2018**

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 12:45 p.m. on January 10, 2018, at the Jefferson City office of the Missouri Gaming Commission.

**Commissioner Jamison moved to adjourn the open session meeting. Commissioner Lombardo seconded the motion. After a roll call vote was taken, Finney – yes, Lombardo – yes, Neer – yes, Jamison – yes, and Kohn – yes, the motion was unanimously approved.**

The meeting ended at 12:46 p.m.