

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC-20-047  
The Missouri Gaming Company, LLC )

## 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 2016,<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, LLC (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. On September 6, 2019, the Casino's Director of Regulatory Compliance, Karen Moore, contacted the MGC to report a violation involving the Casino's "Swipe & Win" promotional coupons.
  - a. The font on the table games coupons was too small for the surveillance team to be able to clearly distinguish the face value; and
  - b. A total of 13,952 coupons with the small font were distributed to patrons in July, August, and September 2019, and 8,820 were redeemed from July 1 through September 24, 2019.

---

<sup>1</sup> All statutory references are to RSMo 2016, unless otherwise specified.

<sup>2</sup> 20190913001, 20190924005, 20190927001 and 20191209001

7. On September 9, 2019, Moore reported a violation of the Casino's "Pigskin Payoff" promotional giveaway.
  - a. The \$200,000 prize advertised was a joint giveaway between the Casino and its sister property, Hollywood Casino at Kansas Speedway ("Hollywood Kansas Speedway");
  - b. However, only Argosy's logo is present on the billboard advertising and on the Casino's website; and
  - c. Although the total for the payout was accurate, the disclaimer stating that the \$200,000 represented the combined total between Argosy and Hollywood Kansas Speedway was not displayed on the billboard or on the Casino's website.
8. On September 21, 2019, the Casino's Marketing Specialist, Robert Brock, contacted the MGC to report a violation of the Casino's "\$200,000 Pigskin Payoff" promotion.
  - a. The promotion was supposed to run from 6:00 a.m. on Tuesday mornings until 11:59 p.m. on Saturday nights beginning September 3, 2019, and ending December 29, 2019; and
  - b. The Casino's system was set so that the promotion would end at 11:59 a.m. instead of 11:59 p.m., thereby preventing some patrons from entering their selections to be considered for a prize.
9. On September 24, 2019, Brock reported a problem with the Casino's "Offers on the Table" promotion.
  - a. The written rules stated that the promotion would be held on July 10, 17, 24, and 31, 2019; and
  - b. However, the promotion was extended to run in August and September without updated written rules or any variances allowing the continuation of the promotion.
10. On November 22, 2019, Moore reported a problem with the Casino's "My Choice My Summer" promotion.
  - a. There was a discrepancy between the promotion's written rules and the how the Casino's promotional software was set up, resulting in patrons' eligibility for the promotional drawings not being properly activated;
  - b. The rules stated a patron could activate entries by swiping their MyChoice card at any kiosk or inserting their card into any slot machine on the Casino floor during the promotional entry period without playing the game. However, for a person to actually activate the entries at a slot machine, the patron would have to insert his/her card, play the machine, and then remove the card during the promotional entry period; and

c. 197 eligible patrons did not receive entries for the drawing.

### LAW

11. 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.

12. 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[.]

13. Title 11 CSR 45-5.181 states, in pertinent part, as follows:

- (1) For the purposes of this rule, the following words are defined as:
  - (A) Promotional giveaway—a promotional gift or item given by a licensee to any person meeting the licensee’s promotional criteria, where the person provides no consideration and there is no chance or skill involved in the awarding of the promotional gift or item, and all persons meeting the criteria receive the same promotional gift or item;
  - (B) Patron—any person present on the premises of a Class B licensee that is not employed by such Class B licensee or the commission and is not on the premises as a vendor of the Class B licensee;
  - (C) Promotional coupon—any instrument offering any person something of value and issued by a Class B licensee to entice the person to come to the Class B licensee’s premises or for use in or related to licensed gambling games at a licensee’s gaming establishment;

- (D) Promotional game—a drawing, event, contest or game in which patrons of a Class B licensee may, without giving consideration, participate or compete for the chance to win a prize or prizes of different values[.]
- (2) 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:
  - (A) No false or misleading statements, written or oral, shall be made by a licensee or its employees or agents regarding any aspect of any promotional activity;
  - (B) The promotional activity shall comply with all applicable laws and regulations and shall not constitute illegal gambling under federal or state law;
  - (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;
  - (D) All prizes offered in the promotional activity shall be awarded according to the Class B licensee’s rules governing the event[.]

14. 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 B 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.

15. Both the MGC's MICS and the Casino's ICS, Chapter D, §10.08 state as follows:

When any promotional coupon is presented at a live table game, the dealer/boxperson shall verify the coupon is valid prior to accepting it as a wager. The face value of each coupon shall be clearly legible in the dedicated surveillance coverage of the table where it is presented.

### **VIOLATIONS**

16. The acts or omissions of employees or agents of the Casino, as described above, constitute a failure of the Casino to structure or conduct its promotional activities in a manner that does not reflect negatively on the licensee, the commission, or the integrity of gaming in Missouri, thereby violating 11 CSR 45-5.181 and the MGC's MICS and the Casino's ICS, Chapter D, §10.08.
17. 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**

18. 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.
19. THEREFORE, it is proposed that the Commission fine Missouri Gaming Company, LLC, the amount of \$15,000 for the violations set forth herein.

Mike Leara  
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 September, 2020, to:

Greg Personelli, Interim General Manager  
Argosy Riverside Casino  
777 NW Argosy Pkwy.  
Riverside, MO 64150

---

Mike Leara  
Chairman  
Missouri Gaming Commission