

IN THE MISSOURI GAMING COMMISSION

In Re:)	
)	DC 23-042
Isle of Capri - Boonville, 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, with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Caesars Entertainment Corporation a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Caesars Entertainment Corporation, is the parent organization or controlling entity of Isle of Capri - Boonville, Inc.
4. The Commission issued a Class B riverboat gambling license to Isle of Capri – Boonville, Inc. to conduct games on and operate the excursion gambling boat known as Isle of Capri Casino, Boonville (“Casino”).
5. As the holder of a Class B license, Isle of Capri - Boonville, Inc., is subject to the provisions of §§ 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

STATEMENT OF FACTS¹

6. On September 9, 2022, Caesar Rewards Supervisor, Courtney Walters failed to take the turnstile meter readings at 10:00 a.m. for the 8:00 a.m. cruise.
 - a. In an email on September 12, 2022, Missouri Highway Patrol Sergeant Kelly Young communicated to MGC Tax Auditor Amy Trachsel that the turnstile meter readings were missed at 10:00 a.m. by a Caesar Rewards Center employee, and that no adjustments were made; and
 - b. An email from the Revenue Audit Department stated that, “This day was the first day that the recording of turnstile meter readings duties would be shared between Caesar Rewards Center (CRC) and Security. CRC will record the turnstile meter readings for Monday through Thursday and Sunday from 8:00 a.m. – 10:00 p.m.

¹ GR 20221201004, 20230120004, 20230120003 and 20230125005

In addition, CRC would also take the turnstile meter readings on Friday and Saturday from 8:00 a.m. – midnight. The remaining cruise times will be Security’s responsibility for recording the readings.”

7. Tara Brady, Caesar’s Rewards Lead, had multiple instances where she failed to take the turnstile meter readings.
 - a. On September 28, 2022, she failed to take the turnstile meter readings at 8:00 p.m. for the 6:00 p.m. cruise.
 - b. On September 29, 2022, she failed to take the turnstile meter readings at 6:00 p.m. cruise for the 4:00 p.m. cruise at one entrance and one turnstile.
 - c. On October 20, 2022, she failed to take the turnstile meter readings at 6:00 p.m. for the 4:00 p.m. cruise.
 - d. On November 17, 2022, she failed to take the turnstile meter readings at 8:00 p.m. for the 6:00 p.m. cruise at one exit row.
 - e. Sergeant Kelly Young with the Missouri Highway Patrol also investigated Tara Brady for failing to take the turnstile meter readings at 2:00 p.m. for the 12:00 p.m. cruise and at 4:00 p.m. for the 2:00 p.m. cruise for the gaming day of October 9, 2022.
8. On November 22, 2022, Security Lead Todd Bell failed to take the turnstile meter readings at 2:00 a.m. for the 12:00 a.m. cruise.
9. On January 16, 2023, Caesar’s Reward Lead Denise J. A. Zoellick failed to take the turnstile meter readings at 6:00 p.m. for the 4:00 p.m. cruise.
 - a. The surveillance review revealed that on January 16, 2023, at 5:55 p.m., a meter reading was conducted by Franklyn J. Taylor and Security Officer Sara A. Cole. At 7:51 p.m., Taylor went on his assigned lunch break.
 - b. Zoellick is observed seated in a chair at Caesar’s Rewards. She should have collected the turnstile meter readings at 8:00 p.m., but failed to do so. A review of the surveillance showed that Zoellick appeared to be scrolling the internet.
 - c. The mistake was discovered when Taylor went to collect the 10:00 p.m. numbers; however, the 8:00 p.m. numbers had not been collected. Taylor reported the mistake to surveillance.
 - d. Surveillance determined that 104 patrons entered and 147 patrons exited the casino floor during the two-hour window. Surveillance sent the numbers to Revenue Audit who then used them to complete the Admissions Calculation Worksheet.

10. On January 20, 2023, Tara Brady failed to take the turnstile meter readings at 12:00 p.m. for the 10:00 a.m. cruise.
11. On January 23, 2023, Security Lead Isaiah Meloy failed to take the turnstile meter readings at 2:00 a.m. for the 12:00 a.m. cruise for the gaming day of January 22, 2023.
12. Since September 9, 2022, there have been ten instances in which the turnstile readings have not been obtained. This has required the casino's surveillance department to conduct reviews for the purpose of reconciling the number of patrons on the casino floor at the end of the two-hour cruise. Surveillance counts were obtained to ensure admission taxes were paid.

LAW

13. Section 313.805, RSMo, states, in pertinent part, as follows:

The commission shall have full jurisdiction over and shall supervise all gambling operations governed by sections 313.800 to 313.850. The commission shall have the following powers and shall promulgate rules and regulations to implement sections 313.800 to 313.850:

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

15. 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.

16. The MGC's MICS, Chapter J §1.04 states as follows:

A manual reading of the turnstiles shall be performed and recorded at the end of each gaming excursion to provide turnstile readings and to verify the turnstiles are operating properly. An alternate method of obtaining this information may be submitted to the MGC tax audit manager for approval. Upon approval, the alternate method shall be described in the internal controls. No submission or approval of internal controls shall be valid unless approved in writing in advance by the MGC tax audit manager. Turnstiles capable of bi-directional counts shall have both entrance and exit readings recorded. The recorded manual readings shall be attached to the Daily Passenger Report. The internal controls shall specify which department is responsible for taking the manual readings.

17. The Casino's ICS, Chapter J §1.04 states as follows:

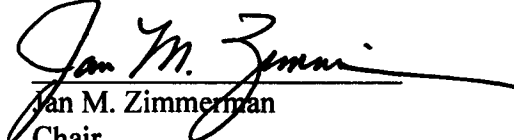
A manual reading of the turnstiles shall be performed and recorded at the end of each gaming excursion to provide turnstile readings and to verify the turnstiles are operating properly. The Security Department, Marketing Department and Slots Department shall be responsible for taking the manual readings.

VIOLATIONS

17. The acts or omissions of employees or agents of the Casino, as described above, constitute a failure of the Casino to ensure that employees take the necessary manual turnstile readings. Such failure is injurious to the public health, safety, morals, good order and general welfare of the people of the state of Missouri and discredits the Missouri gaming industry and the State of Missouri in that the Casino's actions violate the MGC's MICS and the Casino's ICS, Chapter J §1.04.
18. Isle of Capri – Boonville, Inc. 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

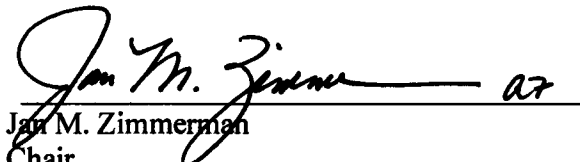
19. Under § 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against Isle of Capri – Boonville, Inc. as the holder of a Class B license.
20. THEREFORE, it is proposed that the Commission fine Isle of Capri – Boonville, Inc., the amount of \$10,000 for the violations set forth herein.


Jan M. Zimmerman
Chair
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 31st day of August, 2023, to:

Kathryn Schuster, GM
IOC Boonville Casino
100 Isle of Capri Blvd.
Boonville, MO 65233


Jan M. Zimmerman
Chair
Missouri Gaming Commission