

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-24-027
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 June 17, 2023, Security Supervisor Terry Bowen failed to obtain the turnstile meter readings at 2:00 a.m. for the 12:00 a.m. cruise. This violation was not reported to MGC by casino staff or management and was instead discovered during an audit by the Missouri Gaming Commission.
7. On July 31, 2023, Security Lead Steven Estill failed to obtain the turnstile meter readings at 12:00pm for the 10:00am cruise. Security Supervisor Connie Neal informed Corporal Bryan Graham that the turnstile meter readings for that cruise had not been taken.
8. On August 12, 2023, Caesars Rewards Supervisor Courtney Walters failed to obtain the turnstile meter readings at 8:00am for the 6:00am cruise. This violation was not reported to

¹ GR 20230623003, 20230731003, 20230817001, 20230827001, and 20231012006

MGC by casino staff or management and was instead discovered during an audit by the Missouri Gaming Commission.

9. On August 27, 2023, Security Supervisor Gabriel Davis failed to obtain the turnstile meter readings at 2:00am for the 12:00am cruise until 2:50am and failed to obtain the turnstile meter readings at 4:00am for the 2:00am cruise. No employee recorded the turnstile meter readings for the 2:00am cruise until 5:53am.
10. On September 18, 2023, Security Supervisor Gabriel Davis failed to obtain the turnstile meter readings from 2:00am to 5:00am. At 5:03am, Security Guard Mariah Carney appeared to look at the readings, but did not record them. This violation was not reported to MGC by casino staff or management and was discovered by the Missouri Gaming Commission on October 12, 2023.
11. Since June 2023, there have been five instances in which the turnstile readings have not been properly obtained. These five instances are in addition to ten prior instances, for which Isle of Capri – Boonville, Inc., was issued a \$10,000 fine via Commission Resolution 24-011. The Casino's failure to adequately read the turnstiles has required the casino's surveillance department to conduct reviews of the turnstile coverage to determine the number of patrons who entered and exited the casino floor during the affected two-hour cruise. These counts were necessary to calculate accurate admission taxes for these gaming days. Further, in three of the five additional instances, the violation was not reported to MGC.

LAW

12. 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:

13. 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 such person or such person's 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[.]

14. 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. 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.

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 and a failure of the Casino to promptly report the violation to the Commission. 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 11 CSR 45-10.030(1) and the Commission'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
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 28th day of March, 2024, to:

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


Jan M. Zimmerman
Chairman
Missouri Gaming Commission