

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC 24-074
Century Casino Caruthersville)

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 a Class A gaming license to Century Casinos, Inc., to develop and operate Class B gaming licensees in the State of Missouri.
3. Century Casinos, Inc., is the parent organization or controlling entity of Century Casino Caruthersville.
4. The Commission issued a Class B riverboat gambling license to Century Casino Caruthersville to conduct games on and operate the excursion gambling boat known as Century Casino Caruthersville (the “Casino”).
5. As the holder of a Class B license, Century Casino Caruthersville is subject to the provisions of Sections 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

STATEMENT OF FACTS¹

6. On November 8, 2023, Trooper James Conway (“Tpr. Conway”) of the Missouri State Highway Patrol (“MSHP”) Gaming Division was reviewing the Daily Surveillance Reports (“DSR” or “DSRs”) from November 7, 2023. He did not see an entry for a request that was made regarding found currency on the gaming floor. During the incident, Tpr. Conway had discovered the currency. Security Supervisor Richard Clark responded to Tpr. Conway’s location on the gaming floor and notified surveillance to attempt to identify the owner of the currency. Security Supervisor Mark Littleton responded with an instruction to stand by, indicating he was reviewing surveillance footage at Clark’s request. Despite a request being made by a Casino employee for surveillance footage, nothing was logged in the DSR as required by the Commission’s Minimum Internal Control Standards (“MICS”), Chapter M § 5.01.
7. On November 8, 2023, Tpr. Conway made an inquiry as to why an entry for the incident was not completed in the DSR. He received a call from Surveillance Manager

¹ GR 20231227006

Brian McGowan (“McGowan”), who stated that because Clark had not used the term “review,” it was not entered in the DSR. McGowan stated that his department would verify a request but not enter it in the DSR unless the word “review” is used. Based on the information received from McGowan, Tpr. Conway initiated further investigation into the department’s failure to properly document surveillance entries in the DSR.

8. Tpr. Conway learned during this investigation that McGowan expected an email from employees making surveillance requests, as opposed to a phone call or other means of making a request. As a result, Tpr. Conway requested emails from several departments regarding their surveillance requests from July 1 to December 1, 2023, including the Security, Slots, Table Games, and Revenue Audit. The review of emails received from these departments showed that of the 136 instances where formal requests were made for surveillance review, 26 of those were not properly documented in the DSR by Surveillance personnel who are supervised by McGowan. On December 6, 2023, Tpr. Conway was informed that McGowan had instructed personnel in other Casino departments to not submit emails for requests any longer to stop a “paper trail” during the process of the investigation.
9. As a result of Tpr. Conway’s investigation, compliance directives were issued to multiple surveillance supervisors and surveillance leads in McGowan’s department for failure to appropriately complete entries into the DSR as required by the Commission’s MICS, Chapter M, § 5.01. Also as a result of this investigation, McGowan was issued a Notice of Investigation and served a two (2) calendar day suspension in April 2024.

LAW

10. 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:

* * *

(5) To investigate alleged violations of sections 313.800 to 313.850 or the commission rules, orders, or final decisions;

(6) To assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, and penalties of an amount as determined by the commission up to three times the highest daily amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted during the previous twelve months as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games. Forfeitures pursuant to this section shall be enforced as provided in sections 513.600 to 513.645;

* * *

(19) To take any other action as may be reasonable or appropriate to enforce sections 313.800 to 313.850 and the commission rules.

11. Section 313.812, RSMo, states, in pertinent part, as follows:

14. 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:

* * *

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

12. 11 CSR 45-5.053(2) states, in pertinent part, as follows:

It is the policy of the commission to require that all excursion gambling boats and gaming conducted on excursion gambling boats be operated in a manner suitable to protect the public health, safety, morals, good order, and general welfare of Missouri. Responsibility for the employment and maintenance of suitable methods of operation rests with the holder of an operator's license and willful or persistent use or toleration of methods of operation deemed unsuitable will constitute grounds for disciplinary action, up to and including license revocation[.]

13. 11 CSR 45-9.060(3) and (4) which state in pertinent part, as follows:

(3) Violations of the minimum internal control standards 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 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.

14. 11 CSR 45-9.060(2) and (3) state, in pertinent part, as follows:

(2) Failure to comply the provisions of this chapter is an unsuitable method of operation.

(3) Violations of the minimum internal control standards 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 agents or employee is subject to administrative penalty pursuant to section 313.805(6) RSMo and 11 C.S.R. 45-1et seq.

15. 11 CSR 45-10.030(6) and (7) state, in pertinent part, as follows:

(6) Class A, Class B, and supplier licensees shall ensure that all agents and occupational licensees employed by said licensees shall have a working knowledge of Chapter 313.800, RSMo et seq., *Code of State Regulations*, Title 11 Division 45, the commission's published minimum internal control standards and the licensee's system of internal controls as they pertain to the responsibilities and limitations of their job[.]

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

16. The Commission's MICS, Chapter A § 1.06 states as follows:

Class B Licensees shall provide all employees with training regarding the Missouri Riverboat Gambling Act, Missouri Gaming Commission Rules and Regulations, Missouri Gaming Commission Minimum Internal Control Standards, the Class B Licensee's Internal Control System and procedures in a brief outline or general description. Each employer shall ensure that employees, prior to performing the functions and duties of their jobs, are adequately trained as to the applicable statutes, regulations and internal controls that apply to their specific job functions. The Class B Licensee shall maintain a record of all mandatory training. A current copy of the Class B Licensee's entire Internal Control System shall be readily accessible to all employees.

17. The Commission's MICS, Chapter M § 5.01 states as follows:

A Surveillance Shift Log shall:

- (A) be continuously maintained by Surveillance personnel;
- (B) be chronological;
- (C) include entries for:

- (1) the notification of any maintenance or repair of any gaming device or money handling equipment;
 - (2) gaming table drop box exchanges;
 - (3) any detention or questioning of patrons or employees by the Security department, including the identity of:
 - (a) the patrons or employees; and
 - (b) the Security personnel involved;
 - (4) the beginning, end, and any interruptions of all required drop and count processes, specifying which drop or count is being conducted (including emergency drops);
 - (5) any observed procedural or Internal Control violations;
 - (6) any observed criminal activity;
 - (7) any surveillance conducted on anyone or any activity that appears:
 - (a) to be abnormal, irregular, illegal or an emergency; or
 - (b) to violate the rules of the commission;
 - (8) any surveillance conducted at the request of:
 - (a) an employee of the Class B Licensee; or
 - (b) a commission agent;
 - (9) all persons reviewing surveillance recordings;
 - (10) all persons entering and exiting the Surveillance room, excluding surveillance personnel and MGC personnel;
 - (11) all surveillance personnel entering and exiting the Surveillance room only at the beginning and ending of their shifts; and
 - (12) any other notations deemed necessary by Surveillance personnel or the commission to ensure compliance with the statutes, regulations, and MICS;
- (D) be provided to the MGC Boat Supervisor daily; and
 - (E) be retained for at least one (1) year.

VIOLATIONS

- 18. The acts or omissions of employees or agents of the Casino, as described above, involve a failure by surveillance department employees to properly document entries in the DSR as required and a failure of department leadership to ensure correct processes were being followed. These failures are 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 45-5.053 and 11 CSR 45-10.030 as well as the Commission's MICS, Chapter A § 1.06 and Chapter M § 5.01.
- 19. Century Casino Caruthersville is therefore subject to discipline for such violations pursuant to Sections 313.805 and 313.812.14(2), RSMo, and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED


- 20. Under Section 313.805, RSMo, the Commission has the power to assess any appropriate administrative penalty against Century Casino Caruthersville as the holder of a Class B license.
- 21. THEREFORE, it is proposed that the Commission fine Century Casino Caruthersville the amount of five thousand dollars (\$5,000.00) 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 29th day of August, 2024, to:

Denny Callen
General Manager
Century Casino Caruthersville
777 East 3rd Street
Caruthersville, MO 63830


Jan M. Zimmerman
Chairman
Missouri Gaming Commission