

MISSOURI GAMING COMMISSION
COMMISSION RESOLUTION NO. 25-001

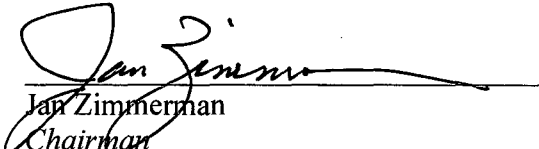
SHELLY L. WEAKS
January 15, 2025

WHEREAS, Shelly L. Weaks ("Weaks"), requested a hearing to contest the proposed disciplinary action initiated against her on June 10, 2024, by the Commission's issuance of a Preliminary Order for Disciplinary Action, DC-24-069; and

WHEREAS, pursuant to 11 CSR 45-13.010, et. seq., an administrative hearing has been held on Weaks' request and the Hearing Officer has submitted the proposed Findings of Fact, Conclusions of Law and Recommendation for Final Order attached hereto (collectively the "Final Order") for approval by the Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission has reviewed the Final Order and hereby adopts said order and issues to Weaks a one (1) day suspension of her occupational license in the above-referenced case in the matter of DC-24-069; and

BE IT FURTHER RESOLVED, that this shall be considered a final decision of the Missouri Gaming Commission.


Jan Zimmerman
Chairman
Missouri Gaming Commission

IN THE MISSOURI GAMING COMMISSION

In Re:

SHELLY L. WEAKS

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DC 24-069

FINDINGS OF FACT, CONCLUSIONS OF LAW AND RECOMMENDATION
FOR FINAL ORDER

On October 17, 2024, a hearing was conducted on a request for a hearing to review the Missouri Gaming Commission's proposed disciplinary action against Shelly L. Weaks' (hereinafter "Weaks") Level II occupational license. After consideration of the testimony, exhibits and arguments, the undersigned hearing officer submits the following findings of fact, conclusions of law and recommendation for final order for the Missouri Gaming Commission's consideration.

PROCEDURAL HISTORY

By letter dated June 10, 2024, the Missouri Gaming Commission (hereinafter "MGC") notified Weaks of MGC's proposed disciplinary action against her Level II occupational license. The letter set out a statement of facts in support of the proposed disciplinary action. The letter set out the rules and statutory sections Weaks is charged with violating and was accompanied by a certificate of service. MGC's notice was compliant with 11 CSR 45-13.050. By letter dated July 9, 2024, Weaks requested a hearing to review the proposed disciplinary action.

On October 17, 2024, a hearing was convened at MGC's offices located at 3417 Knipp Drive, Jefferson City, Missouri. MGC appeared by Heather Richenberger, General Counsel, and Tom Venneman, Deputy General Counsel. Weaks appeared in person, pro se. There were

several Exhibits offered by MGC that were admitted into the record of evidence without objection. MGC's exhibits are described in the attached Exhibit A and are incorporated herein by reference a though fully set forth. Testimony was also taken and recorded. The record was then closed.

FINDINGS OF FACT

MGC's Minimum Internal Control Standards ("MICS"), Chapter B, Section 1.01, states:

"Sensitive keys are those keys that either management or the MGC considers sensitive to the Class B licensee's operation. All licensees must exercise strict control over storage, duplication, custody, issuance, and return of sensitive keys. Since the keys shall not be removed from the premises, the Internal Control Systems identify each sensitive key used by the Class B licensee. Sensitive keys shall be maintained in a dual locked sensitive key box and if lost, missing, or taken from the premises, all locks the key fits must be immediately changed unless the Commission in its sole discretion deems this is not necessary. The sensitive keys are maintained in an automated key box. The box shall require two keys, which shall be issued to individuals from different departments to access the box when the box is accessed without using the automated system."

Bally's Kansas City Casino's Internal Control Standard ("ICS"), Chapter B 1.01 states:

"Sensitive keys are those keys that either management or the Missouri Gaming Commission considers sensitive to Bally's Kansas City Casino's operation. Bally's Kansas City Casino and its employees will exercise strict control over storage, duplication, custody, issuance, and return of sensitive keys. Sensitive keys shall not be removed from the premises. The Internal Control System shall identify each sensitive key used by Bally's Kansas City Casino in Chapter B, Section 1.03. Sensitive keys shall be maintained in a dual locked sensitive key box with the exception of the sensitive key boxes located inside the Soft Count Room, which will be single locks, Variance {}54717, 15-B. Bally's Kansas City Casino shall ensure and secure the officer checks the key box at the completion of the final count for the day to ensure all keys have been returned to the box as required by MICS Chapter D and if lost, missing, or taken from the premises, all locks the key fits must be immediately changed unless the Commission in its sole discretion deems this is not necessary. If sensitive keys are maintained in an automated key box, the box shall require two keys which shall be issued to 6 individuals from different departments to access the box when the box is accessed without using the automated system."

The effective date of this ICS provision was October 3, 2023, and the same was in effect at all relevant times herein.

From December 1, 2023, through January 2, 2024, Bally's Kansas City Casino engaged in a project of changing the keys to the main door locks of the electronic game devices in the casino. Electronic game devices are often referred to as "slot machines." The process of changing the keys is often referred to as "rekeying." The project included the rekeying of approximately nine hundred (900) slot machines. While the process was underway, the old keys and the new keys to the slot machines were all considered 'sensitive keys.' The rekeying process required the new key and the old key to the main door of a given slot machine to be attached to a secure hub on a key ring so that the only way to access the keys was to cut the secure hub off using a special tool. The key ring, secure hub and the sensitive keys were to be stored in a secure, automated key box that requires a fingerprint scan for the sensitive keys to be removed from the key box.

Bally's Kansas City Casino's ICS, Chapter B, 1.03-C designates the Director of Security and Risk Management, in this case Weaks, as the custodian of the key box and responsible for the maintenance and control of the sensitive keys. At the start of the rekeying project, Casey Burec, a Security Shift Manager, who also had access to the sensitive keys, began using simple metal rings to attach the old keys to the key rings rather than securing the old keys to the key rings using a secure hub. This occurred due to a shortage of secure hubs at the casino. Under this method, the old key could be easily removed from the key ring by anyone with access to the key ring or by anyone with access to the key box where the key ring was stored. In fact, approximately one hundred fifty (150) people had access to the key box during the rekeying project. The key rings with the old keys attached by the unsecure metal rings hung in the key box

while being stored and were visible to anyone who accessed the key box during the rekeying project.

Weaks admitted she was told by Burec that Burec intended to attach the old keys to the key rings using the unsecure metal rings rather than by the use of a secure hub. Weaks admitted "I told her it would not be a good idea since both keys are sensitive until the lock exchange is complete." Weaks personally accessed the key box on December 5, 2023, a time during which the old keys were being stored in an unsecure manner. The rekeying project was an abnormally substantial four (4) week project heavily involving the sensitive keys.

CONCLUSIONS OF LAW

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 violations;

(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;

...[.]

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

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...for any act or failure to act by such person or such person...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 gambling;”

11 CSR 45-4.260 states, in pertinent part, as follows:

“(4) The commission may refuse an occupational license to any person or revoke or suspend an occupational license of any person –

...[.]

(E) Who has failed to comply with or make provision for complying with Chapter 313, RSMo, the rules of this commission, or any federal, state or local law or regulation;

(F) Who fails to comply with any rule, order or ruling of the commission or its agents;”

It is the licensee’s burden to prove by a clear and convincing evidence standard that she is not guilty of violating MGC’s regulations. The evidence established Weaks was told by Burec of Burec’s stated intention to violate MGC’s regulations, in particular MICS and ICS Chapters B, Sections 1.01, by attaching a sensitive key to a key ring in an unsecure manner. The rekeying project heavily involved the use of the sensitive keys over a four (4) week period during which Weaks was the custodian of the sensitive keys and the key box. Weaks personally accessed the key box on December 5, 2023, at a time during which the old keys were being stored in an unsecure manner and were readily visible hanging on the key rings in the key box. As custodian of the sensitive keys, Weaks was responsible for “strict control over storage, duplication, custody, issuance, and return of sensitive keys.” Weaks has failed to prove by clear and

convincing evidence that she is not guilty of failing to exercise strict control over the management of sensitive keys and failing to follow proper procedures regarding the handling of old keys. These actions, or inactions, 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.

IT IS THEREFORE ORDERED:

MGC's proposed one-day suspension of Weaks' Level II occupational license is upheld.

Dated: December 10, 2024

A handwritten signature in black ink, appearing to read 'T. Snider', is written over a horizontal line.

Thomas B. Snider, MO Bar # 49971

MGC Contracted Hearing Officer

EXHIBIT A

Exhibit 1 - Sergeant Sims Gaming Report

Exhibit 4 - Bally's ICS Chapter B

Exhibit 5 - User Audit Transaction

Exhibit 6 - Photo of key box

Exhibit 7 - Photo of key box

Exhibit 8 - Shelly Weaks 3/20/24 statement