

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-18-106
Ameristar Casino Kansas City, 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 2016,¹ with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Pinnacle Entertainment, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Pinnacle Entertainment Inc. is the parent organization or controlling entity of Ameristar Casino Kansas City, Inc. (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 the *Ameristar Casino Kansas City* (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 FACTS²

6. While reviewing a Ticket-In Ticket-Out (TITO) on June 11, 2018, a Casino Surveillance Agent observed a Slot Specialist removing documentation out of the locked accounting box with a plastic ruler. After making a change to the document, she placed it back into the accounting box.
7. The investigation revealed that it was common practice for Slot Specialists to remove documents from the locked accounting box, make changes to them, and put them back into the locked box to avoid receiving an Incident Report from accounting.
8. Lead Casino Supervisor Jason Cook and other supervisors interviewed knew about employees removing documents from the accounting box but failed to report it to the MGC.

¹ All statutory references are to RSMo 2016, unless otherwise specified

² 20180612008

LAW

9. 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 of an amount determined by the Commission.

10. 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.

11. Title 11 CSR 45-5.053 states, in pertinent part, as follows:

- (3) The holder of a Class A or B license is expressly prohibited from the following activities:

* * *

- (L) Failing to report to the commission known or suspected violations of commission rules and applicable law.

12. 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.

13. Both the MGC's MICS and the Casino's ICS, Chapter I, § 2.03 state, "Once records are placed in the locked accounting box they shall not be accessible to any persons other than the designated accounting employees."

VIOLATIONS

14. The actions or omissions of employees or agents of the Company as described above constitute a failure by the Casino to follow proper procedures relating to the access of personnel to a locked accounting box, in violation of 11 CSR 45-5.053(3)(L), the MGC's MICS, Chapter I, § 2.03, and the Casino's ICS, Chapter I, § 2.03.

15. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14 (1) and (2), RSMo, and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED

16. 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.

17. THEREFORE, it is proposed that the Commission fine Ameristar Casino Kansas City, Inc., the amount of \$2,500 for the violations set forth herein.

Herbert M. Kohn
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 6th day of December, 2018, to:

Keith Henson
Ameristar Casino Kansas City
3200 N Ameristar Drive
Kansas City, MO 64120

Herbert M. Kohn
Chairman
Missouri Gaming Commission