

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC 21-021
Tropicana St. Louis, LLC)

PRELIMINARY ORDER FOR DISCIPLINARY ACTION

Comes now the Missouri Gaming Commission by and through counsel and 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 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 Tropicana St. Louis, LLC (“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 *Lumiere Place Casino & Hotels* (“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. On August 1, 2020, the MGC was notified of a ransomware intrusion to the surveillance system, resulting in a reduction in the number of active surveillance monitors covering the gaming floor.
7. The intrusion shut down all three of the monitors in the MGC surveillance room and seven monitors in the casino surveillance room, leaving only nine monitors operational. Approximately 130 cameras were affected and rendered inoperable.
8. A review found that a wireless access port was opened to an external surveillance system for a vendor to update system licenses. By opening the wireless access point and failing to close it for nine days, hackers were able to exploit the open wireless access port and release ransomware on the external surveillance system, as well as the required gaming surveillance system.

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

² GIR 20200820001

9. The external surveillance system and the required gaming surveillance system were on separate servers; however, the two servers were both accessible from the domain computer. Once the malicious software accessed the domain computer, it was able to access the gaming surveillance system.
10. The connection of the two servers via the domain computer caused the gaming surveillance system to no longer be a closed system. Had the connection not existed, the gaming surveillance system would not have been impacted by the ransomware.
11. The required surveillance coverage retained on the gaming surveillance system server was lost when the casino removed the ransomware from the server.

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:

* * *

- (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.

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 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[.]

14. Title 11 CSR 45-7.030(1) requires the Company to “install, maintain and operate in the riverboat a closed circuit television system in accordance with the specifications in this rule and shall provide access and override access for the system to the commission or commission’s agent.”

15. Title 11 CSR 45-7.040 states, in pertinent part, as follows:

- (1) Every licensee shall conduct and record surveillance which allows clear, unobstructed views in the following areas of the riverboat and the land-based facilities—
 - (A) Overall views of the casino pit areas;
 - (B) All gaming or card table surfaces, including table bank trays, with sufficient clarity to permit identification of all chips, cash and card values, and the outcome of the game. Each gaming table shall have the capability of being viewed by no less than two (2) cameras, and must be continuously viewed by at least one (1) camera;
 - (C) Craps tables open for play must be continuously viewed by at least two (2) cameras;
 - (D) All roulette tables and wheels, recorded in a manner that permits the viewer to observe game outcome and payouts;
 - (E) Continuous views of all areas within cashier cages and booths, including, but not limited to, customer windows, employee windows, cash drawers, vaults, safes, counters, chip and token storage and fill windows. Every transaction occurring within or at the casino cashier cages must be recorded with sufficient clarity to permit identification of currency, chips, tokens, ticket-in/ticket-out tickets, promotional tickets/coupons, jackpot slips, fill slips, paperwork, employees and patrons;
 - (F) All entrance and exit doors to the casino area shall be monitored by the surveillance system. Also, elevators, stairs, ramps and loading and unloading areas shall be monitored if they are utilized for the movement of uncounted moneys, chips or tokens;

- (G) Continuous views of all areas within a hardcount room and any area where uncounted coin is stored during the drop and count process, including walls, doors, scales, wrapping machines, coin sorters, vaults, safes and general work surfaces;
- (H) Continuous views of all areas within a softcount room, including walls, doors, drop boxes, vaults, safes and counting surfaces which shall be transparent; including all areas where currency is sorted, stacked, counted, verified or stored, with sufficient clarity to view the currency input, output, and reject areas of currency counters and currency sorters;
- (I) All areas where cards, dice, cash gaming assets, chips and tokens are stored;
- (J) Overall views of patrons, dealers, spectators and pit personnel, with sufficient clarity to permit identification;
- (K) Overall views of the movement of cash, gaming chips and tokens, table numbers, drop boxes and drop buckets;
- (L) All areas on the general casino floor with sufficient clarity to permit identification of all players, employees, patrons and spectators; and
- (M) Other areas as the commission may designate through its approval of the licensee's surveillance plan or as it may require.

16. Title 11 CSR 45-7.050 states, in pertinent part, as follows:

- (1) Each riverboat shall have rooms available for the exclusive use of commission agents to monitor and record riverboat gaming operations. Each such room shall be identified as the commission surveillance room. Each riverboat shall also have at least one (1) room for riverboat employees to use for monitoring and recording riverboat gaming operations. Each such room shall be identified as the casino surveillance room. The commission shall designate where the commission surveillance room(s) will be located.

* * *

- (F) Each riverboat shall have a minimum of sixteen (16) monitors in the casino surveillance room and three (3) monitors in the commission surveillance room. Each room shall have appropriate switching capabilities to insure that all surveillance cameras are accessible to monitors in both surveillance rooms. The equipment in the commission surveillance room must be able to monitor and record anything visible by monitor to employees of the licensee. The commission shall have total control to determine what is visible on the monitors.

17. Title 11 CSR 45-7.080 states, in pertinent part, as follows:

- (1) All video recordings from cameras covering the turnstiles and areas within the cashier, cages, main banks, and count rooms shall be retained for a least thirty (30) days, and all other video recordings shall be retained for at least fourteen (14) days, unless a longer period is required by the commission or its agents. Storage

media that must be copied or removed from the recording device to comply with these requirements shall be listed on a log by casino surveillance personnel with the date, times and identification of the person monitoring or changing the recording medium in the recorder. Original video recordings will be released to the commission upon demand. A receipt will be issued at that time.

18. 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.

19. The Commission’s MICS and the Casino’s ICS, Chapter M, § 1.01 both require the “closed circuit surveillance systems and surveillance coverage [to] continuously comply with all requirements of 11 CSR 45-7 and the MICS.”

20. The Commission’s MICS, Chapter M, § 1.04 states as follows:

The General Manager may have a surveillance monitor and related equipment necessary to select and direct various Surveillance Department cameras; however, both the Surveillance Department and MGC shall be able to override the controls in the General Manager’s office. The General Manager shall not have the capability to monitor any camera inside the Surveillance Department. A video recorder shall be maintained by the Surveillance Department that records all video displayed on the General Manager’s monitor. Video recordings from the General Manager’s recorder shall be maintained by the Surveillance Department for at least 30 days and be immediately available to any Commission agent upon request.

21. The Casino’s ICS, Chapter M, § 1.04 states as follows:

The V.P. & General Manager may have a surveillance monitor and related equipment necessary to select and direct various Surveillance Department cameras; however, both the Surveillance Department and MGC shall be able to

override the controls in the V.P. & General Manager's office. The V.P. & General Manager shall not have the capability to monitor any camera inside the Surveillance Department. A video recorder shall be maintained by the Surveillance Department that records all video displayed on the V.P. & General Manager's monitor. Video recordings from the V.P. & General Manager's recorder shall be maintained by the Surveillance Department for at least 30 days and be immediately available to any Commission agent upon request.

22. The Commission's MICS and the Casino's ICS, Chapter M, § 2.01 both require "surveillance coverage of slot machines [to] provide sufficient clarity to read both the asset number and game outcome with the same camera."

23. The Commission's MICS and the Casino's ICS, Chapter M, § 2.02 both require the following:

Surveillance coverage of table games and poker shall meet the following standards:

(A) Fixed cameras shall provide views that enable a layperson to clearly determine table number, chip values, cash denominations, card values (including pips, face cards [K, Q or J] and, if relevant, suits), and game outcome (e.g., ability to reconstruct hands) excluding dice values on craps tables. Dedicated coverage of the game outcome on table games is only required for games which do not have an automated game history that records at least the last 50 rounds of play;

(B) Table bank trays, betting areas and card placement shall be continuously covered. Rail-to-rail fixed coverage is not required;

(C) Player's and Dealer's hands shall be recorded by Surveillance anytime the person's hands touch cards, chips in the betting area, or the chip tray. If table size or field of view is such that one fixed camera cannot provide the required coverage, whatever number of cameras needed to meet the coverage requirements shall be used;

(D) If PTZ cameras are used to provide the required continuous coverage, they shall be locked in position dedicated to that location and shall function as a fixed camera; and

(E) Any signage displaying the value of a progressive or bad beat award shall have dedicated coverage.

24. The Commission's MICS and the Casino's ICS, Chapter M, § 2.04 both require "surveillance coverage of the entry and exit turnstile areas [to] be sufficiently clear to permit verification of admission counts and identification of persons."

VIOLATIONS

25. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Company to ensure its gaming surveillance system is closed so as to maintain

the integrity of the system and comply with surveillance requirements, thereby violating 11 CSR 45-7.030(1), 11 CSR 45-7.040, 11 CSR 45-7.050(1)(F), 11 CSR 45-7.080(1), and the Commission's MICS and the Casino's ICS, Chapter M, §§ 1.01, 1.04, 2.01, 2.02, and 2.04.

26. The Company is therefore subject to discipline for such violations pursuant to § 313.812.14(1) and (2), RSMo, and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED

27. Under § 313.805(6) and (19), RSMo, the Commission has the power to assess any appropriate administrative penalty against the Company as the holder of a Class B license.

28. THEREFORE, it is proposed that the Commission fine Tropicana St. Louis, LLC, the amount of \$5,000 for the violations set forth herein.

Mike Leara
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 27th day of May, 2021, to:

Brian Marsh
General Manager
Lumière Place Casino & Hotels
999 North Second
St. Louis, MO 63102

Mike Leara
Chairman
Missouri Gaming Commission