

IN THE MISSOURI GAMING COMMISSION

In Re:)
IOC – Kansas City, Inc.) DC 22-008

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 Bally’s Corporation, a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Bally’s Corporation, is the parent organization or controlling entity of the IOC – 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 *Bally’s Kansas City Casino* (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 FACTS¹

6. MGC staff conducted an audit for the period of July 1, 2019, through August 31, 2021, which revealed that prizes awarded in three of the casino’s promotions ran between August 2020 and February 2021 did not match the official rules of the promotions.
7. Specifically, promotional entries for the VIP Free Play Drawings, NYE Free Play, and Lunar New Year promotions were not correctly awarded based on patron play for 29 of 60 patrons reviewed, resulting in a 48.3% error rate.
8. The Casino’s system was awarding entries based on a patron’s play per day and did not account for partial entries earned, which dropped off at the end of each day, such that they were not awarded cumulatively, as stated in the rules of the promotion.

¹ GIR 20210811002

LAW

9. 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.

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 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 regulations;

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

11. Title 11 CSR 45-5.181 states, in pertinent part, as follows:

(1) For the purposes of this rule, the following words are defined as:

* * *

(D) Promotional game—a drawing, event, contest or game in which patrons of a Class B licensee may, without giving consideration, participate or compete for the chance to win a prize or prizes of different values

* * *

(2) Class B licensees may provide promotional activities such as promotional giveaways, promotional coupons, promotional games, player reward programs, or similar activities for patrons without the prior approval of the commission, provided the promotional activity is not structured or conducted in a manner that reflects negatively on the licensee, the commission, or the integrity of gaming in Missouri and complies with the following:

* * *

(D) All prizes offered in the promotional activity shall be awarded according to the Class B licensee's rules governing the event[.]

VIOLATIONS

12. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Casino to conduct its promotions in accordance with the rules of the game, thereby violating 11 CSR 45-5.181(2)(D).
13. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 313.812.14 (1) and (2), RSMo.

PENALTY PROPOSED

14. 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.

15. THEREFORE, it is proposed that the Commission fine IOC – Kansas City, Inc., 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 24th day of February, 2022, to:

Michael Donovan
General Manager
Bally's Kansas City Casino
1800 E. Front St.
Kansas City, MO 64120



Mike Leara
Chairman
Missouri Gaming Commission