

IN THE MISSOURI GAMING COMMISSION

In Re:)
IOC – Cape Girardeau, LLC) DC-15-042

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 2000,¹ with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Isle of Capri Casinos, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Isle of Capri Casinos, Inc., is the parent organization or controlling entity of the IOC – Cape Girardeau LLC (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 *IOC – Cape Girardeau LLC* (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. The Casino's Compliance Officer notified the MGC by letter, dated March 27, 2014, that the Casino's new hours of operation for the Lone Wolf turnstiles would be Fridays from 4:30 p.m. to 3:00 a.m., Saturdays from 2:00 p.m. to 3:00 a.m., and Sundays from 2:00 p.m. to 10:00 p.m. These were to be the only times that the turnstiles by the Lone Wolf would be opened to patrons.
7. On Saturday and Sunday, April 5th and 6th, 2014, manual turnstile meter readings for the Lone Wolf exit turnstiles incremented during the Casino's closed hours between noon and 2:00 p.m.
8. On April 5th and 6th, 2014, security officers removed the covers off of the Lone Wolf exit turnstiles and waved patrons through the turnstiles before the numbers from the turnstiles were read.

¹ All statutory references are to RSMo 2000, unless otherwise specified.

² 20140429004

9. The Casino's Compliance Officer sent another letter to the MGC, dated April 4, 2014, that the Casino's new hours of operation for the Lone Wolf area beginning on April 16, 2014, would be Wednesdays and Thursdays from 4:30 p.m. to 12:30 a.m., Fridays from 4:30 p.m. to 3:00 a.m., Saturdays from 2:00 p.m. to 3:00 a.m., and Sundays from 2:00 p.m. to 10:00 p.m. These were to be the only times that the turnstiles by the Lone Wolf would be opened to patrons.
10. On Sunday, April 20, 2014, turnstile meter readings for the Lone Wolf exit turnstiles incremented during the Casino's closed hours between 10:00 p.m. and midnight.
11. On April 20, 2014, a security officer allowed a patron to leave the Lone Wolf Restaurant and walk through the Lone Wolf turnstiles onto the Casino floor during the Casino's closed hours.

LAW

12. 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 in an amount determined by the Commission.
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 45-9.060 states, in pertinent part, as follows:

- (3) Violations of the minimum internal control standards [(“MICS”)] by a Class A licensee or an agent or employee of a Class A licensee are deemed to be unsuitable conduct for which the Class A 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.

- (4) Violations of the Class A licensee's internal control system ([“ICS”]) by the Class A licensee or an agent or employee of the Class A licensee shall be *prima facie* evidence of unsuitable conduct for which the Class A 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.

15. The MICS, Chapter J § 1.03 requires the Casino to establish in its ICS and obtain approval “for accurate and complete ticket accounting and calculation of the passenger count included in the admission tax calculation.” The admission tax calculation must be documented on a Daily Passenger Report.

16. The Casino's ICS, Chapter J § 1.03(C), relating to the turnstiles located at the Lone Wolf, state as follows:

- (1) Prior to opening the Lone Wolf turnstile:
 - a. A Security Officer shall be posted at the turnstile to ensure no more patrons enter the Lone Wolf area until the area is swept.
 - b. A Security Officer will physically sweep the area including public restrooms, Lone Wolf and Lone Wolf Express to ensure no patrons are in the areas. If patrons are found to be in the areas, the patrons will be asked to proceed to the casino floor.
- (2) Once all patrons are cleared of the area:
 - a. A Security Officer will close the side gates to prevent patrons from entering the area.
 - b. A Security Officer will call Surveillance to open Door C*.
 - c. A Security Officer will physically open Door C*.
 - d. A Security Officer will notify Surveillance and open Lone Wolf turnstile for guests.
- (3) Prior to closing the Lone Wolf turnstile:
 - a. A Security Officer will notify Surveillance and close the Lone Wolf turnstiles by placing a cover over the turnstiles.
 - b. Patrons will exit the Lone Wolf area thru Farradays.
 - c. A Security Officer will sweep the area including public restrooms, Lone Wolf and Lone Wolf Express to ensure no patrons are in the area.
 - d. A Security Officer will call Surveillance and advise them they are closing doors A, B, and C*.
 - e. A Security Officer will call Surveillance to ensure Doors A, B, and C* are secure.

17. Title 11 CSR 45-10.030 states, in pertinent part, as follows:

- (1) Licensees shall promptly report to the commission any facts which the licensee has reasonable grounds to believe indicate a violation of law (other than minor traffic violations), minimum internal control standard requirements or commission rule committed by licensees, their employees or others, including, without limitation, the performance of licensed activities different from those permitted under their license.

* * *

- (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

VIOLATIONS

18. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Company to ensure that patrons did not pass through Casino turnstiles during closed hours, thereby violating 11 CSR 45-10.030(1) and (7) and the MICS, Chapter J § 1.03, and the Casino's ICS, Chapter J § 1.03(C).
19. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 313.812.14 (1) and (2), RSMo, and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED

20. 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.
21. THEREFORE, it is proposed that the Commission fine IOC – Cape Girardeau LLC, the amount of \$2,500 for the violations set forth herein.

Leland M. Shurin
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 ____ day of February, 2015, to:

Lyle Randolph
IOC-Cape Girardeau LLC
777 N. Main
Cape Girardeau, MO 63701

Leland M. Shurin
Chairman
Missouri Gaming Commission