

IN THE MISSOURI GAMING COMMISSION

In Re:)
IOC – Caruthersville, LLC) DC-16-069

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 – Caruthersville, 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 *Lady Luck Casino, Caruthersville* (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 MGC completed an audit of the Casino for the time period of July 1, 2012 through July 31, 2014, and issued a final audit report, Report 14-29, on November 6, 2014, detailing all violations the auditors found.
7. The MGC noted Finding C-3 in Report 14-29:

A review of surveillance coverage of the BV counts from May 19, 21, and 23, 2014, and Table Games counts from July 13, 14, and 15, 2014, revealed count team members failed to clear their hands during 139 of 168 instances when moving to or from count room tables while currency was on the table (82.7% Error Rate).

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

² 20151005011

8. The MGC conducted a follow-up audit beginning in July 2015 to determine if the Casino corrected Finding C-3 noted in the November 6, 2014 audit report.
9. During the follow-up audit, the MGC noted that count team members failed to clear their hands during 41 of 64 instances when moving to or from count room tables while currency was on the table, resulting in an error rate of 64.06%.

LAW

10. 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.
11. 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[.]

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 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.

13. Both the MICS, Chapter, G § 7.10, and the Casino’s ICS, Chapter G § 7.10, state as follows

All contents removed from each drop device shall remain on or above the count table or other work surface in plain view of surveillance until transferred to transport carts. If contents are accidentally dropped on the floor, a count team member shall clear his/her hands before picking up the contents and after returning the contents to the table. Count team members may not remove their hands from or return them to a position on or above the count table or other work surface, where funds are exposed, unless the backs and palms of their hands are first held out and exposed to other members of the count team and the surveillance cameras.

VIOLATIONS

14. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of its personnel to comply with the requirement for count team member to clear their hands and to properly rectify the violation found on a previous audit, thereby violating MICS, Chapter G § 7.10, and the Casino’s ICS, Chapter G § 7.10.

15. 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

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 IOC – Caruthersville, LLC, the amount of \$5,000 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 ____ day of April, 2016, to:

Anthony Rohrer
Interim General Manager
Lady Luck Caruthersville
P.O. Box 1135
Caruthersville, MO 63830

Herbert M. Kohn
Chairman
Missouri Gaming Commission