

MISSOURI GAMING COMMISSION

COMMISSION RESOLUTION NO. 17-001-B
REGARDING WAIVER OF HEARING AND CONSENT ORDER

AMERICAN LEGION BROWN TWITTY POST 595
April 26, 2017

WHEREAS, the Missouri Gaming Commission issued proposed discipline against American Legion Brown Twitty Post 595; and

WHEREAS, American Legion Brown Twitty Post 595 and the Commission have come to an agreement concerning the issues presented in the proposed discipline, (a copy of the Settlement Agreement is attached as Exhibit 1).

NOW, THEREFORE, BE IT RESOLVED, that the Commission hereby approves the Settlement Agreement concerning American Legion Brown Twitty Post 595.

BE IT FURTHER RESOLVED that this Settlement Agreement shall become effective upon the date of this resolution and be considered a final decision of the Missouri Gaming Commission.

IN THE MISSOURI GAMING COMMISSION

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MISSOURI GAMING COMMISSION
BINGO DIVISION

In RE: American Legion Brown Twitty)
Post 595)
License Number: B-1734) DC 17-001-B

SETTLEMENT AGREEMENT

The Missouri Gaming Commission takes up the above matter for consideration and disposition. The Missouri Gaming Commission ("MGC" or "Commission"), by Executive Director William K. Seibert, Jr., and American Legion Brown Twitty Post 595 ("Post 595"), by and through counsel, have reached a settlement in this matter and have consented to the issuance of this Settlement Agreement.

Findings of Fact

1. The Missouri Gaming Commission is a state commission created under Chapter 313, RSMo (2000)¹, with jurisdiction over gaming activities, including riverboat gambling and bingo activities, in the State of Missouri.
2. The Commission issued a Bingo License to American Legion Brown Twitty Post 595 (hereafter, "Post 595" or "Licensee") to conduct the game of bingo.
3. As the holder of a Bingo license, Licensee is subject to the provisions of sections 313.005 to 313.085, RSMo, and the regulations promulgated thereunder by the Commission.
4. After receiving an anonymous complaint on November 17, 2016, the MGC conducted an inspection of the Licensee's premises on December 9, 2016.
5. The December 9, 2016 inspection revealed the following findings:
 - a. Post 595 hosted poker games every Saturday and on some Sundays for the past five to seven years;

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

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- b. The poker games were played by members or booster members of Post 595;
 - c. The poker games often utilized two tables with five to ten players per table;
 - d. The regular buy-in for the poker games was \$31 per player;
 - e. The total pot averaged approximately \$400 - \$500;
 - f. Players used casino-style poker chips which had a designated monetary value during the games; usually with a collective representative value of \$30,000;
 - g. Post 595 possessed and used two 10-spot gaming tables, casino-style playing cards, and gaming chips for the poker games they hosted;
 - h. Bingo Chairman Noel Long admitted participating in the poker games and assisting Post Commander Charles L. Briggs with collecting and distributing money for the games;
 - i. Post Adjutant Jake M. Abner admitted knowing poker games were being played, that they cost money to enter, and that prizes were being won and distributed;
 - j. Mr. Briggs admitted running or operating the poker games, collecting the buy-in money from the players, and distributing the winnings to the top players;
 - k. Mr Briggs admitted making entries in and keeping the game records found and confiscated by the MGC;
 - l. Mr. Long and Mr. Briggs are listed as approved bingo workers for the Post #595.
6. Licensee acknowledges and understands that it has the right to consult counsel at its own expense.
7. Licensee admits to the facts alleged by the MGC and outlined in this Settlement Agreement.
8. Licensee agrees that these facts constitute grounds to discipline its bingo license.

9. On or about January 26, 2016, and again on February 22, 2017, counsel for the Commission sent documentation to Licensee, which described the specific conduct for which discipline was sought and citation to the law allegedly violated, along with documents which were the basis thereof.

10. Licensee has been advised that it has 60 days to review the documentation provided and consider the proposed settlement offer.

11. Licensee acknowledges and understands that it may, either at the time the settlement agreement is signed by all parties, or within 15 days thereafter, submit the agreement to the Administrative Hearing Commission for determination that the facts agreed to by the parties to the settlement constitute grounds for disciplining Licensee's bingo license.

12. Except as provided in paragraph 11, Licensee stipulates and agrees to waive any rights it may have to a hearing before the Administrative Hearing Commission or the Commission and any rights to seek judicial review or other challenge or contest of the terms and conditions of this Settlement Agreement and forever releases and holds harmless the Commission, and the Executive Director and his agents from all liability and claims arising out of, pertaining to, or relating to this matter.

13. Each signatory to this Settlement Agreement certifies by signing that he or she is fully authorized, in his or her own capacity, or by the named party he or she represents, to accept the terms and provisions of this Settlement Agreement in their entirety, and agrees, in his or her personal or representational capacity, to be bound by the terms of this Settlement Agreement.

14. The Commission is authorized to settle this matter and is authorized to issue this Consent Order in the public interest pursuant to §§ 313.004 and 536.060, RSMo, and §621.045, RSMo (Supp. 2013).

Conclusions of Law

15. Section 313.052, RSMo, provides, in relevant part, as follows:

A holder of any license shall be subject to imposition of penalties, suspension or revocation of such license, or other action for any act or failure to act by himself or his agents or employees, that is injurious to the public health, safety, good order and general welfare of the people of the state of Missouri, or that would discredit or tend to discredit charitable bingo operations in Missouri or the state of Missouri unless the licensee proves by clear and convincing evidence that he 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 sections 313.005 to 313.085, the following acts or omissions may be grounds for such discipline:

- (1) Failing to comply with or make provision for compliance with the provisions of sections 313.005 to 313.085, the rules and regulations of the commission or any federal, state or local law or regulation;
- (2) Failing to comply with any rule, order or ruling of the commission or its agents pertaining to bingo;

* * *

- (8) Incompetence, misconduct, gross negligence, fraud, misrepresentation or dishonesty in the performance of the functions or duties regulated by the provisions of sections 313.005 to 313.085.

16. Section 313.070, RSMo, provides that "any license issued under sections 313.005 to 313.080 shall be suspended or revoked by the commission if it is found that the licensee or any person connected therewith has violated any provision of sections 313.005 to 313.080 or any rule or regulation of the commission adopted pursuant to sections 313.005 to 313.080."

17. Section 313.080 states that "Any person who violates any provision of sections 313.005 to 313.080 shall be guilty of a class A misdemeanor."

18. Section 572.010, RSMo contains the following definitions:

- (1) "Advance gambling activity", a person advances gambling activity if, acting other than as a player, he or she engages in conduct that materially aids any form of gambling activity. Conduct of this nature includes but is not limited to conduct directed toward the creation or establishment of the particular game,

lottery, contest, scheme, device or activity involved, toward the acquisition or maintenance of premises, paraphernalia, equipment or apparatus therefor, toward the solicitation or inducement of persons to participate therein, toward the actual conduct of the playing phases thereof, toward the arrangement or communication of any of its financial or recording phases, or toward any other phase of its operation. A person advances gambling activity if, having substantial proprietary control or other authoritative control over premises being used with his or her knowledge for purposes of gambling activity, he or she permits that activity to occur or continue or makes no effort to prevent its occurrence or continuation. ...;

* * *

- (4) "Gambling", a person engages in "gambling" when he or she stakes or risks something of value upon the outcome of a contest of chance or a future contingent event not under his or her control or influence, upon an agreement or understanding that he or she will receive something of value in the event of a certain outcome. Gambling does not include bona fide business transactions valid under the law of contracts, Gambling does not include any licensed activity, or persons participating in such games which are covered by sections 313.800 to 313.840;
- (5) "Gambling device" means any device, machine, paraphernalia or equipment that is used or usable in the playing phases of any gambling activity, whether that activity consists of gambling between persons or gambling by a person with a machine. ...;
- (6) "Gambling record", any article, instrument, record, receipt, ticket, certificate, token, slip or notation used or intended to be used in connection with unlawful gambling activity;

* * *

- (8) "Player" means a person who engages in any form of gambling solely as a contestant or bettor, without receiving or becoming entitled to receive any profit therefrom other than personal gambling winnings, and without otherwise rendering any material assistance to the establishment, conduct or operation of the particular gambling activity. A person who gambles at a social game of chance on equal terms with the other participants therein does not otherwise render material assistance to the establishment, conduct or operation thereof by performing, without fee or remuneration, acts directed toward the arrangement or facilitation of the game, such as inviting persons to play, permitting the use of premises therefor and supplying cards or other equipment used therein. A person who engages in "bookmaking" as defined in subdivision (2) of this section is not a "player";

* * *

(10) "Profit from gambling activity", a person "profits from gambling activity" if, other than as a player, he accepts or receives money or other property pursuant to an agreement or understanding with any person whereby he participates or is to participate in the proceeds of gambling activity;

* * *

(12) "Something of value" means any money or property, any token, object or article exchangeable for money or property, or any form of credit or promise directly or indirectly contemplating transfer of money or property or of any interest therein or involving extension of a service, entertainment or a privilege of playing at a game or scheme without charge;

(13) "Unlawful" means not specifically authorized by law.

19. Under § 572.020, RSMo, "A person commits the crime of gambling if he knowingly engages in gambling."

20. Section 572.030, RSMo, states, in pertinent part, as follows:

1. A person commits the crime of promoting gambling in the first degree if he knowingly advances or profits from unlawful gambling or lottery activity by:

(1) Setting up and operating a gambling device to the extent that more than one hundred dollars of money is gambled upon or by means of the device in any one day, or setting up and operating any slot machine[.]

21. Under § 572.040.1, RSMo, "A person commits the offense of promoting gambling in the second degree if he knowingly advances or profits from unlawful gambling or lottery activity."

22. Under § 572.090.1, RSMo, "Any room, building or other structure regularly used for any unlawful gambling activity prohibited by this chapter is a public nuisance."

23. Section 572.120, RSMo, states as follows:

Any gambling device or gambling record, or any money used as bets or stakes in unlawful gambling activity, possessed or used in violation of this chapter may be seized by any peace officer and is forfeited to the state. Forfeiture procedures shall be conducted as provided by rule of court. Forfeited money and the proceeds

from the sale of forfeited property shall be paid into the school fund of the county. Any forfeited gambling device or record not needed in connection with any proceedings under this chapter and which has no legitimate use shall be ordered publicly destroyed.

24. Title 11 CSR 45-30.270 states, in pertinent part, as follows:

- (3) Pursuant to section 313.035, RSMo, no unauthorized gambling or gambling devices, as defined by Chapter 572, RSMo, shall be permitted on the premises used by a bingo licensee. The bingo licensee, its officers and agents shall be responsible for any violations that may occur.
- (4) The presence of gambling devices such as, but not limited to, slot machines, roulette wheels, or other gambling games shall be *prima facie* evidence of violations of those provisions of Chapter 572, RSMo relating to gambling and gambling promoters.
- (5) The commission shall have the right to impose penalties and suspend, revoke, or deny any license issued under Chapter 313, RSMo for any other violations related to illegal gaming and/or gambling under Missouri law.

25. Title 11 CSR 45-30.535(6), allows the Commission to suspend “any existing license required by the bingo statutes.”

26. Title 11 CSR 45-30.550 requires the following:

- (1) Licensees, workers, members, partners, agents, and employees of a licensee shall promptly report to the commission any facts which the licensee has reasonable grounds to believe indicate a violation of law (other than a traffic violation) or commission rule committed by any licensed bingo manufacturer, supplier, or organization, its workers or employees, including, without limitation, the performance of licensed activities different from those permitted under its license.

* * *

- (3) In the event that a licensee’s worker, agent, partner, member, or employee knows or should have known that an illegal or violent act has been committed in association with bingo activities, the individual shall immediately report the occurrence to the commission and local law enforcement officials, if applicable, and shall cooperate with law enforcement authorities and agents of the commission during the course of any investigation of the occurrence.

27. Licensee acknowledges and understands that under §§ 313.052(1), (2), and (8), and 313.070, RSMo, the Commission can suspend the Licensee’s bingo license because it

violated provisions of §§ 313.005 to 313.085 and chapter 572, RSMo, the rules and regulations of the commission, and/or order or ruling of the Commission or its agents pertaining to bingo, by hosting, running, and/or operating poker games on its premises.

ORDER

IT IS AGREED AND STIPULATED THAT as follows:

1. Post 595 will pay a fine of \$1,500.00, to be paid out of non-bingo funds and made payable to the "New Madrid County Treasurer," within 30 days of the Missouri Gaming Commission's approval of this Settlement Agreement.
2. Post 595's bingo license (No. B-1734) will be SUSPENDED for two (2) regularly scheduled bingo occasions, said dates to be determined by the Commission after the Missouri Gaming Commission's approval of this Settlement Agreement.
3. Charles L. Briggs will step down from his position as the Post Commander and will no longer be involved in any capacity with the Post 595's bingo operations.
4. Post 595 will agree to obey all laws, including, but not limited to, those concerning the operation of Bingo games, and will cooperate fully with the MGC in all investigations and inquiries into its bingo operations and license.

Dated: 3-22-2017



William K. Seibert, Jr.
Executive Director
Missouri Gaming Commission

CONSENT AND WAIVER OF HEARING

The undersigned persons understand and acknowledge that American Legion Brown Twitty Post 595 has the right to a hearing, but that American Legion Brown Twitty Post 595 has waived the hearing and consented to the issuance of this Consent Order.

March 15th 2017

American Legion Brown Twitty Post 595

Date

By: Jake M. Abner

~~306 North Main~~ Jake M. Abner, Post Adjutant
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~~Chaffee, MO 63740~~ New Madrid, MO 63869

Charles C. Hatley

March 15th 2017

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