

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC-18-067  
Ainsworth Game Technology, Ltd. )

## 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,<sup>1</sup> with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. Ainsworth Game Technology, Ltd. ("Ainsworth" or the "Company") is an electronic gaming device ("EGD") manufacturer holding a supplier license under 11 CSR 45-4, et seq.
3. The Commission issued a Supplier license to the Company to provide gambling equipment and gambling supplies to a Class A or Class B licensee.
4. As the holder of a Supplier 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 FACTS<sup>2</sup>

5. On May 21, 2017, an Ainsworth electronic gaming device (EGD) malfunctioned at Lumiere Place Hotels & Casino (hereafter, "Lumiere Place").
6. As a result, the Lumiere Place Director of Operations submitted an incident report regarding an EGD malfunction, where under certain circumstances, the EGD would be credited the incorrect amount. In one instance, an Ainsworth EGD had a \$0.27 ticket transaction registering as a \$100.00 bill.
7. On October 27, 2017, Ainsworth confirmed similar malfunctions had occurred in other gaming jurisdictions previous to the Lumiere Place incident but failed to notify the MGC of the other malfunctions.
8. The following facts were revealed during the course of the MGC's investigation:
  - a. Ainsworth was first advised of an incident involving an Ainsworth EGD with specific bill validator firmware in December 2014 and investigated the issue from June 4, 2015 to September 30, 2016.

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<sup>1</sup> All statutory references are to RSMO 2000, unless otherwise specified.

<sup>2</sup> 20171127003

- b. Ainsworth failed to notify the MGC of the issue until October 27, 2017.
- c. Ainsworth had modifications made to the bill validator firmware and main program software to attempt to remediate the issue but failed to disclose those modifications to the MGC.
- d. Four casinos in Missouri and 59 total EGDs were impacted.

### LAW

- 9. 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 of an amount determined by the Commission.
- 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 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[.]

- 11. Title 11 CSR 45-5.210(2) states as follows:

Any electronic gaming device manufacturer holding a supplier license under the provisions of 11 CSR 45-4 et seq. shall notify the commission of any malfunction or anomaly affecting the integrity or operation of devices or systems provided under the scope of such license regardless of the gaming jurisdiction in which the malfunction or anomaly occurred or was discovered. The notification shall occur within forty-eight (48) hours of the supplier licensee being apprised of the malfunction or anomaly and shall be in a format approved by the commission.

12. Title 11 CSR 45-5.225 states, in pertinent part, as follows:

(4) The supplier, Class A, or Class B licensee submitting a request for approval of gaming equipment or a slot accounting system shall do so through the commission's electronic portal.

(A) All information in the request shall be complete and accurate. Should such request be determined inaccurate, the commission shall be notified immediately. The request shall include the following:

\* \* \*

2. A complete list of hardware and software modifications requested for approval[.]

### **VIOLATIONS**

13. The actions or omissions of employees or agents of the Company as described above constitute the failure of the Company to notify the MGC of the EGD malfunction and to provide a complete list of modifications requested for approval, which are violations of 11 CSR 45-5.210(2) and 11 CSR 45-5.225(4)(A)2.

14. The Company is therefore subject to discipline for such violations under §§ 313.805(6) and 313.812.14 (1) and (2), RSMo.

### **PENALTY PROPOSED**

15. Under § 313.805(6), RSMo, the Commission has the power to assess any appropriate administrative penalty against the Company, as the holder of a Supplier license.

16. THEREFORE, it is proposed that the Commission fine Ainsworth Game Technology, Ltd., the amount of \$2,500 for the violations set forth herein.

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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 30<sup>th</sup> day of August, 2018, to:

Gabriel Moraga  
Ainsworth Game Technology, Ltd.  
5800 Rafael Rivera Way  
Las Vegas, NV 89119

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Herbert M. Kohn  
Chairman  
Missouri Gaming Commission