

IN THE MISSOURI GAMING COMMISSION

In Re:)
IOC – Kansas City, Inc.) DC-18-098

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 2016,¹ with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued El Dorado Resorts, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. El Dorado Resorts, Inc., 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 *Isle of Capri Casino, Kansas City* (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. On March 16, 2018, MGC staff initiated a regulatory investigation after receiving multiple patron complaints at Craps Table CR 109. It was determined that the Casino improperly closed the Craps Table.
7. The acting Pit Manager decided to closed the craps table that had active wagers on a side bet known as Fire Bet.
8. The table gaming closed even though the patron known as the shooter had not rolled a seven. Therefore, the craps game still had active Fire Bets which had not yet been resolved. The failure to resolve the wager impacted eight Fire Bets when the casino decided to closed the craps table.

¹ All statutory references are to RSMo 2016, unless otherwise specified.

² 20180319007

9. The Casino elected to pay the patrons on the established points; however, the patrons were not permitted to complete the “Fire Bets” according to the rules as established in their internal control system.
10. The Casino paid a wager which had not been resolved by an outcome of a game, therefore, placing the tax burden on the state of Missouri.

LAW

11. 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.
12. 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[.]
13. Title 11 CSR 45-5.050 states that no game can be offered without the MGC’s approval and without first filing the Casino’s rules of the game before offering the game to the public.
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 or Class B licensee or an agent or employee of a Class A or Class B licensee are deemed to be unsuitable conduct for which the Class A or Class B 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., as amended from time to time....

- (4) Violations of the Class B licensee’s internal control system [(“ICS”)] by the Class A or Class B licensee or an agent or employee of the Class A or Class B licensee shall be *prima facie* evidence of unsuitable conduct for which the Class A or Class B 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., as amended from time to time.

15. 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

16. The Commission’s MICS, Chapter C, § 1.01(C), requires detailed procedures for each game to be included in the Casino’s ICS as approved by the MGC, including the “opening and closing of the gaming table, if not included in the Table Games section of the ICS” and “what constitutes win, loss or tie”.

17. The Casino’s ICS, Chapter C, Rules of the Game §3 Craps – Fire Bets – Optional Side Bet Wager, states, in pertinent part, as follows:

The player can only make a wager on this side bet, before the first point is established by a new shooter. After a new shooter’s first point is established, the Fire Bet becomes a contracted bet until a decision roll of “7” determines whether the bet is won or lost...

A Fire Bet cannot be taken down or “called off”, once the shooter has established his/her point.....

This side bet shall be paid according to the number of “INDIVIDUAL POINTS” the shooter successfully makes before “Sevening-Out”....

Winning or losing on the “Come Out” roll will not affect this side bet. Only “Sevening Out” or successfully making all (6) Individual Points will terminate the bet.”

Payoffs and Odds:

Bets will be paid in numerical order in conjunction with a player's betting position after all usual "take and pay procedures", AFTER THE SHOOTER HAS "Sevned-Out".

VIOLATIONS

18. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Company to follow its own Rules of the Game by closing a Craps table early, before all bets were completed, thereby violating 11 CSR 45-5.050, 11 CSR 45-10.030(1) and (7), MICS, Chapter C, § 1.01(C), and the Casino's ICS, Chapter C, Rules of the Game § 3 Craps.
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 – Kansas City, Inc., 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 1st day of November, 2018, to:

Anthony Rohrer
Vice President / General Manager
Isle of Capri – Kansas City
1800 E. Front St.
Kansas City, MO 64120

Herbert M. Kohn
Chairman
Missouri Gaming Commission