

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
IOC - Boonville, Inc. ) DC-21-043

## 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, with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Caesars Entertainment, Inc. a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Caesars Entertainment, Inc., is the parent organization or controlling entity of IOC - Boonville, Inc. ("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, Boonville* ("Casino").
5. As the holder of a Class B license, IOC - Boonville, Inc., is subject to the provisions of §§ 313.800 to 313.850, RSMo, and the regulations promulgated thereunder by the Commission.

## STATEMENT OF FACTS<sup>1</sup>

6. The MGC completed a compliance audit for the period of February 1, 2018, through November 30, 2019, and issued MGC Audit Reports # 20-01 and # 20-02 to the Casino on January 23, 2020.
7. A follow-up audit was conducted in October 2020, by MGC auditors to determine if the audit findings from those reports had been corrected.
8. The follow-up audit found the following significant finding had not been implemented:
  - a. Audit Report 20-02, finding C-1, revealed that two of five promotions, the "\$15K Summer of Cash" and the "\$5,000 ONE Club Frenzy" promotions, failed to award entries as stated in the rules of the promotions.

- i. The Management Response indicated the following:

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<sup>1</sup> 20210125002

- a) The "Summer of Cash" error was due to personnel misunderstanding how the kiosk system evaluated tier point entry earning, and
  - b) The error in the "ONE Club Frenzy" was due to a system outage at the end of the day without any notification from the kiosk system to indicate an error. The error notification was not enabled in the system.
- ii. The auditors followed up on finding C-1 by reviewing three promotions from February and March 2020 and found that one of 30 patrons received two fewer entries in the drawing for rated play than they should have according to the rules. The "auto enroll" entry setting in the "Fortune Drop" promotion was not enabled from February 1 through 21, 2020, which resulted in not all entries earned being awarded to the patron during that time period.

### LAW

9. Section 313.805, RSMo, states, in pertinent part, as follows:

The commission shall have full jurisdiction over and shall supervise all gambling operations governed by sections 313.800 to 313.850. The commission shall have the following powers and shall promulgate rules and regulations to implement sections 313.800 to 313.850:

\* \* \*

- (5) To investigate alleged violations of sections 313.800 to 313.850 or the commission rules, orders, or final decisions;
- (6) To assess any appropriate administrative penalty against a licensee, including, but not limited to, suspension, revocation, and penalties of an amount as determined by the commission up to three times the highest daily amount of gross receipts derived from wagering on the gambling games, whether unauthorized or authorized, conducted during the previous twelve months as well as confiscation and forfeiture of all gambling game equipment used in the conduct of unauthorized gambling games. Forfeitures pursuant to this section shall be enforced as provided in sections 513.600 to 513.645;

\* \* \*

- (19) To take any other action as may be reasonable or appropriate to enforce sections 313.800 to 313.850 and the commission rules.

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 45-5.181 states, in pertinent part, as follows:

- (1) For the purposes of this rule, the following words are defined as:

\* \* \*

- (D) Promotional game—a drawing, event, contest or game in which patrons of a Class B licensee may, without giving consideration, participate or compete for the chance to win a prize or prizes of different values;

\* \* \*

- (2) Class B licensees may provide promotional activities such as promotional giveaways, promotional coupons, promotional games, player reward programs or similar activities for patrons without the prior approval of the commission, provided the promotional activity is not structured or conducted in a manner that reflects negatively on the licensee, the commission, or the integrity of gaming in Missouri and complies with the following:

\* \* \*

- (B) The promotional activity shall comply with all applicable laws and regulations...;

\* \* \*

- (D) All prizes offered in the promotional activity shall be awarded according to the Class B licensee's rules governing the event[.]

**VIOLATIONS**

12. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Company to correct one significant audit finding by failing to conduct its promotions in a manner that does not reflect negatively on the licensee, the commission, or the integrity of gaming in Missouri and complies with its promotional rules and applicable laws and regulations, thereby violating 11 CSR 45-5.181.
13. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 313.812.14 (1) and (2), RSMo.

**PENALTY PROPOSED**

14. 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.
15. THEREFORE, it is proposed that the Commission fine IOC - Boonville, Inc. the amount of \$2,500 for the violations set forth herein.

  
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Mike Leara  
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 26<sup>th</sup> day of August, 2021, to:

Heather Rapp  
General Manager  
Isle of Capri Casino, Boonville  
100 Isle of Capri Blvd.  
Boonville, MO 65233

  
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Mike Leara  
Chairman  
Missouri Gaming Commission