

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC -14-399  
Ameristar Casino St. Charles, Inc. )

## 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. The Commission issued Pinnacle Entertainment, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Pinnacle Entertainment Inc. is the parent organization or controlling entity of Ameristar Casino St. Charles, 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 the *Ameristar Casino St. Charles* (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 FACTS<sup>2</sup>

6. On January 7, 2014, Slot Technician Timothy Murphy ("Murphy") accessed the bottom of four Electronic Gaming Devices ("EGDs"), specifically, 1G04-01, 1G04-02, 1G04-03, and 1G04-04.
7. Slot Technician Jason Guerrant joined Murphy and together checked the deletion sheet on each EGD, entered into each machine where the bill validator ("BV") box was located. Guerrant and Murphy then unbolted and unplugged each of the machines, placed them on the floor, and walked away.
8. The EGDs were later transported by Utility Slot Technician Henry Loftin and Slot Technician Jeremy Sandling to the King Hold Slot Warehouse (the "Warehouse").

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

<sup>2</sup> 20140204006

9. Although the machines' gaming seals had been broken and the machines powered off, the deletion sheets had not been signed by the drop team.
10. On January 14, 2014, Warehouse Slot Project Manager James Scheve opened each of the EGDs once they were in the Warehouse and found that the EGDs still had BV boxes inside them which contained a total of \$7,858.00.<sup>3</sup>

### 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 of 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 45-9.060 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 agents or employees may be subject to discipline 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

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<sup>3</sup> EGD # 1G-04-01 contained \$3,231.00; EGC # 1G-04-02 contained \$1,906.00; EGD # 1G-03-03 contained \$1,158.00; EGD #1G-04-04 contained \$1,563.00, for a total of \$7,858.00.

*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.

14. Both the MICS Chapter E, § 4.10 and the Casino's ICS, E-080.4, §4.10, require the following when installing, converting, removing, relocating, or disposing of EDGs:
- (A) surveillance notification prior to the move;
  - (B) a drop of the contents of the bill validator storage devices;
  - (C) a method to identify the drop contents to the EGD;
  - (D) transporting and storing the contents in a locked location; and
  - (E) counting and recording the contents.

15. The Casino's ICS, Chapter E-080.4, §4.11, contain the following procedures for EGD removal from the casino floor:

Removal – The MGC agent on duty, surveillance, security and count, and finance are notified. Notification is initiated by the slot department. The bill validator can is tagged by the Count Specialist, removed from the EGD, placed into the locked bill validator cart, and taken to the count room. A list of the EGDs that were dropped is given to the count team by a Slot Technician to ensure that all monies are transported to the count room. The funds removed from the EGD will be included in the count for the gaming day in which they were dropped. The revenue from each EGD will be recorded to the asset number of the EGD from which the funds were dropped. The device will be removed from the casino floor.

16. Both the MICS, Chapter E, § 4.12, and the Casino's ICS, Chapter E-080.4, § 4.12 state, "A complete drop is required of any EGD on the gaming floor that is moved."
17. Both the MICS, Chapter E, § 4.15(A) and the Casino's ICS, Chapter E-080.4, § 4.15(A) require that all EGDs removed from the gaming floor "contain no loose or unaccounted currency, tickets, coupons, or credits."

### **VIOLATIONS**

18. The actions or omissions of employees or agents of the Casino as described above constitute failure to assure and/or confirm that a complete drop was performed and that the BV boxes were empty before placing them on the floor to be removed to the Warehouse, thereby violating the Commission's MICS, Chapter §§ 4.10, 4.12, and 4.15(A), and the Casino's ICS, Chapter E-080.4, §§ 4.10, 4.11, 4.12, and 4.15(A).
19. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14 (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 Ameristar Casino St. Charles, Inc., the amount of \$2,500 for the violations set forth herein.

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Darryl T. Jones  
Vice-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 \_\_\_\_\_, 2014, to:

Howard (Ward) Shaw  
Ameristar Casino St. Charles  
1 Ameristar Blvd.  
St. Charles, MO 63301

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Darryl T. Jones  
Vice-Chairman  
Missouri Gaming Commission