

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC-15-010  
Harrah's North Kansas City, LLC )

## 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 Caesar's Entertainment Corporation a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Caesar's Entertainment Corporation is the parent organization or controlling entity of the Harrah's North Kansas City, LLC (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 *Harrah's North 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 FACTS<sup>2</sup>

6. On June 10 and June 11, 2014, two Security Officers allowed an underage person onto the gaming floor after she presented false identification.
7. The underage person played Blackjack and several slot machines but did not consume any alcohol while on the Casino floor on either day.
8. The underage patron was on the gaming floor for a total of approximately four hours and 26 minutes, specifically, two hours and 45 minutes on June 10, 2014, and one hour 41 minutes on June 11, 2014.
9. During these two days, the underage patron came into contact with at least 15 casino employees/licensees, five of whom checked the patron's identification, but took no action,

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

<sup>2</sup> 20140623003

and 10 who failed to check the patron's identification at all to verify that she was over 21 years of age.

### LAW

10. 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.

11. 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[.]

12. Section 313.817.4, RSMo, forbids any person under 21 years of age from making a "wager on an excursion gambling boat and shall not be allowed in the area of the excursion boat where gambling is being conducted."

13. Section 313.830.2(1), RSMo, makes it a "class B misdemeanor for the first offense and a class A misdemeanor for the second and subsequent offenses for ... permitting a person under the age of twenty-one to make a wager while on an excursion gambling boat."

14. Under 11 CSR 45-4.260(4)(E), (F), and (Q), the Commission may suspend or revoke an occupational license of any person if any of the following occur:

a. The Licensee fails "to comply with or make provisions to comply with Chapter 313, RSMo, the rules of this commission, or any federal, state, or local law or regulation," under 11 CSR 45-4.260(4)(E);

b. The Licensee "fails to comply with any rule, order or ruling of the commission or its agents," under 11 CSR 45-4.260(4)(F); and/or

- c. The Licensee's actions demonstrate "incompetence, misconduct, gross negligence, fraud, misrepresentation or dishonesty in the performance of the functions or duties regulated by §§ 313.800 to 313.850, RSMo," under 11 CSR 45-4.260(4)(Q).

15. 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 agent or employee is subject to administrative penalty 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 *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.

16. Both the MICS, Chapter, J § 2.05, and the Casino's ICS, Chapter J § 2.05 require the Class B Licensee to "post security personnel at each patron entrance to the gaming floor who shall ensure not one under the age of 21 is permitted to enter the gaming floor."

17. Both the MICS, Chapter, N § 4.01, and the Casino's ICS, Chapter N § 4.01, forbid anyone under 21 years of age from gaining access to the casino floor or being allowed to place a wager.

18. The MICS, Chapter, N § 4.04 requires "the enforcement of admission and gambling restrictions for persons under 21 years of age [to] include, at a minimum, checking their government-issued photo identification."

19. The Casino's ICS, Chapter N § 4.04, states, in pertinent part, as follows:

The enforcement of admission and gambling restrictions for persons under 21 years of age shall include, at a minimum, checking their government-issued photo identification.

Individuals under the age of twenty-one (21) are prohibited from gaming in the State of Missouri. ... The Security Department is responsible for verification of identification at the casino entrance.

If an individual is suspected or determined to have false or altered identification or if already inside the casino and unable to provide proof of age, the MGC boat agent will be notified. ...

Security will also check patron identification in the casino and at the request of the operating departments.

**VIOLATIONS**

- 20. The acts or omissions of employees or agents of the Casino, as described above, constitute a failure of the Casino to prevent an underage patron from entering the Casino floor and placing wagers, thereby violating §§ 313.817.4 and 313.830.2(1), RSMo, MICS, Chapter, J § 2.05 and Chapter N, §§ 4.01 and 4.04, and the Casino’s ICS, Chapter, J § 2.05 and Chapter N, §§ 4.01 and 4.04.
- 21. 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 45-4.260(4)(E), (F), and (Q) and 11 CSR 45-9.060(3) and (4).

**PENALTY PROPOSED**

- 22. 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.
- 23. THEREFORE, it is proposed that the Commission fine Harrah’s North Kansas City, LLC, the amount of \$7,500 for the violations set forth herein.

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Leland M. Shurin  
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 January, 2015, to:

Thomas Cook  
Harrah’s North Kansas City  
One Riverboat Drive  
Kansas City, MO 64116

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Leland M. Shurin  
Chairman  
Missouri Gaming Commission