

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-16-145
Ameristar Casino Kansas City, 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 2000,¹ 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 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 the *Ameristar 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 January 24, 2016, the MGC was notified of a \$1,000 cage variance resulting from a poker buy.
7. As a result of its investigation into the January 24, 2016 incident, MGC discovered several instances of incorrect automated buy slips created by the poker brush, where the cage cashiers would provide the correct amount of money and chips to the poker brush rather than the amount requested on the buy slip.
8. The Casino personnel's failure to follow proper procedures for even exchange transactions made it impossible to audit the money given to or leaving the main bank.

¹ All statutory references are to RSMo 2000, unless otherwise specified

² 20160215007

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 45-9.060 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.”

12. Title 11 CSR 45-10.030 states, in pertinent part, as follows:

- (4) Licensees shall take reasonable actions to safeguard from loss all tokens, tickets, chips, checks, funds, and other gaming assets.

* * *

- (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.
13. MICS, Chapter F, § 3.05, requires “Transfers between the Poker Room Bank and other cashiering locations [to] be properly documented on an Even Exchange Slip.”
14. The Casino’s ICS, Chapter F, § 3.05, requires “Exchanges between the Poker Room Bank and the Main Casino Cage [to be] documented on a two-part Automated Buy Slip.”
15. MICS and the Casino’s ICS, Chapter H, § 8.01, each require all “even exchanges between cashiering locations, excluding slot wallets, [to] be documented on at least a two-part Even Exchange Slip. One part shall remain at each cashiering location at the conclusion of the exchange.”
16. MICS and the Casino’s ICS, Chapter H, § 8.03, each require that “Each person involved in an even exchange between cashiering locations shall independently count the contents of the even exchange to ensure the amounts agree with the documentation before completing the transaction.”

VIOLATIONS

17. The actions or omissions of employees or agents of the Company as described above constitute a failure by the Casino to follow proper procedures for even exchange transactions.
18. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14 (1) and (2), RSMo, 11 CSR 45-9.060(3) and (4), 11 CSR 45-10.030(4) and (7), MICS, Chapter F, § 3.05 and Chapter H, §§ 8.01 and 8.03, and the Casino’s ICS, Chapter F, § 3.05 and Chapter H, §§ 8.01 and 8.03.

PENALTY PROPOSED

19. 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.
20. THEREFORE, it is proposed that the Commission fine Ameristar Casino 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 ____ day of _____, 2016, to:

Rodney Centers
Ameristar Casino Kansas City
P.O. Box 33480
Kansas City, MO 64120-3480

Herbert M. Kohn
Chairman
Missouri Gaming Commission