

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC -14-400  
Casino One Corporation )

## 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. As of the time of this incident, Pinnacle Entertainment, Inc., was the parent organization or controlling entity of Casino One Corporation ("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 *Lumiere Place Casino* ("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. Surveillance footage for January 8, 2014, showed that four minutes after a patron walked away from electronic gaming device ("EGD") #CC0507, Cecelia Berry reached between that EGD, picked up the patron's wallet, and left the Casino property.
7. Security Officer Demarcus Arnold ("Arnold") responded to the incident and notified Surveillance Agent Bryan Cirar and Joseph M. Thatcher ("Thatcher"). The MGC was also subsequently notified.
8. No security report existed in the Casino's system from the night of the theft, January 8, 2014.
9. Neither Arnold nor Thatcher generated a security report for the theft on January 8, 2014.

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

<sup>2</sup> 20140108004

## 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 of 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. 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 *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.

13. MICS, Chapter N, § 2.03 states, in pertinent part, as follows:

The Internal Control System shall include detailed procedures for preparation and processing of Security Incident Reports, including who participates, their duties and responsibilities, signatory requirements, distribution and all applicable controls.

14. The Casino's ICS, Chapter N, § 2.03 states, in pertinent part, as follows:

.... The Security Department shall generate reports on all incidents occurring in the casino and surrounding the property involving patrons and employees. Reports are signed by the Security Officer if applicable or at a minimum by a Security Supervisor or above. Reports shall be maintained on file in the Security office for a period of one year. Upon request, a detailed report will be provided to the MGC boat agent with any necessary follow-up or investigations deemed necessary.

### **VIOLATIONS**

15. The actions or omissions of employees or agents of the Casino as described above constitute failure to generate or make sure that a security report of the theft that occurred at the Casino on January 8, 2014, was generated, thereby violating the Commission's MICS, Chapter N, § 2.03, and the Casino's ICS, Chapter N, § 2.03.
16. 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**

17. 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.
18. THEREFORE, it is proposed that the Commission fine Casino One Corporation, 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:

Jeffrey A. Babinski  
Vice President & General Manager  
Lumière Place Casino  
999 North Second  
St. Louis, MO 63102

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Darryl T. Jones  
Vice-Chairman  
Missouri Gaming Commission