

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
IOC – Cape Girardeau, LLC ) DC-14-145  
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## 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") is a state commission created under Chapter 313, RSMo (2000), with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission granted Isle of Capri Casinos, Inc. (Isle of Capri) a Class A riverboat gaming license to develop and operate Class B riverboat gaming licenses in the State of Missouri.
3. Isle of Capri is the parent organization or controlling entity of IOC – Cape Girardeau, LLC ("Company").
4. The Commission granted a Class B riverboat gaming license to the Company to maintain and conduct gambling games on and operate the excursion gambling boat or casino known as the *Isle of Capri Cape Girardeau Casino*.
5. As the holder of a Class B license, the Company is subject to the provisions of Sections 313.800 to 313.850, RSMo (2000), and the regulations promulgated thereunder by the Commission.

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

6. On August 1, 2013, Corporal B. L. Adams, a member of the Missouri State Highway Patrol Gaming Division at the Isle of Capri Cape Girardeau Casino, initiated a regulatory investigation when it was determined that a vendor participated in gaming activities while on the gaming floor.
7. A review of the Vendor / Visitor Logs showed that the ice machine vendor, Daniel Foster arrived on the property on August 1, 2013, at 10:05 a.m., was issued a vendor badge, and entered through the employee entrance. Foster did not have an escort and neither he nor his company is on the list of vendors not requiring an escort. Foster was on the property until 3:15 p.m., when he returned the vendor badge and exited the property through the employee entrance.

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<sup>1</sup> 20130803003

8. A review of the surveillance footage revealed that on August 1, 2013, at 2:35 p.m., Foster gambled at EGD FJ12, cashed out and removed a TITO voucher at 2:37 p.m., and showed the TITO voucher to Maintenance Technician Daniel Stewart.
9. Foster entered the gaming floor through the entrance turnstile at 3:19 p.m., redeemed the TITO voucher at NRT 10, and exited the gaming floor through the turnstile at 3:24 p.m.

### LAW

10. 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.

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- (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.

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.

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- (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. Under 11 CSR 45-9.060(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., as amended from time to time. Any agent or employee of a Class A licensee that is involved in a violation of the minimum internal control standards may be subject to fine, discipline or license revocation.”
  13. Under 11 CSR 45-9.060(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., as amended from time to time.”
  14. The Commission’s MICS, Chapter J, § 1.05 requires the Class B Licensee to “pay the admission tax for each patron present on the gaming floor during each excursion or any part thereof.”
  15. The Company’s ICS, Chapter J, § 1.05 requires the Casino to pay the admission tax for each patron present on the gaming floor during each excursion or any part thereof.
  16. The Company’s ICS Chapter N, § 4.08, states, in pertinent part, as follows:
    - A. A Visitor/Vendor badge will be signed out each gaming day that the visitor / vendor is on property.
      - (1) Any Vendor must provide a valid for of ID in exchange for a badge, with the exception of entertainment, who will prefer in a non-gaming outlet and will not access non-public areas and will not be required to obtain a vendor badge. Non-gaming Vendors include on the current list filed with the MGC, shall have access to public areas of the casino or areas off the gaming floor without an escort limited to less than two hours. Isle of Capri Casino Cape Girardeau shall be responsible for the conduct and actions of the vendor while unescorted on the licensed premises.

**VIOLATIONS**

17. The actions or omissions of employees or agents of the Company in failing to pay the admission tax for a patron present on the gaming floor, failing to escort a vendor on the gaming floor, and allowing a vendor to gamble violated the MICS Chapter J, § 1.05 and the Company's ICS, Chapter J, § 1.05 and Chapter N, § 4.08A(1). The Company is therefore subject to discipline for such violations under sections 313.805(6), and 313.812.14(1) and (2), RSMo, and 11 CSR 45-9.060(3) and (4).
18. Under Section 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.

**PENALTY PROPOSED**

THEREFORE, it is proposed that the Commission fine IOC - Cape Girardeau, LLC the amount of \$2,500 for the violations set forth herein.

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Dr. Barrett Hatches  
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:

Lyle Randolph, General Manager  
IOC-Cape Girardeau, LLC  
777 N. Main  
Cape Girardeau, MO 63701

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Dr. Barrett Hatches  
Chairman  
Missouri Gaming Commission