

# IN THE MISSOURI GAMING COMMISSION

In Re: )  
 ) DC-14-146  
Affinity Gaming, 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, with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Affinity Gaming, LLC (the "Company"), a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Affinity Gaming, LLC, is the parent organization or controlling entity of St. Jo Frontier Casino and HGH – Mark Twain Casino, Inc.
4. The Commission issued a Class B riverboat gambling license to HGH – Mark Twain Casino, Inc. ("Company"), to conduct games on and operate the excursion gambling boat known as Mark Twain Casino ("Casino").
5. As the holder of a Class A 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. During a Minimum Internal Control Standards ("MICS") Chapter S compliance assessment conducted on July 11 – 12, 2013, at Mark Twain Casino in La Grange, Missouri, MGC and the property Information Technology ("IT") Unit referenced the Affinity website <http://www.aplayclub.com>, which allowed patrons to view their point balance online. It was determined that the website, while pulling information from the local Bally CMS (Casino Management System) server, did not have encryption enabled.
7. Electronic Gaming Device ("EGD") Specialists discovered the website prior to arriving on July 11, 2013. EGD staff reviewed information provided to the MGC, via

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<sup>1</sup> 20130830012

document request, by both Affinity corporate IT and the local Mark Twain IT department. While onsite, the EGD staff determined the website had the functionality to allow Missouri patrons at Affinity Gaming properties to signup online to view their point balances and progress.

**LAW**

8. 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.

\* \* \*

(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.

9. 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;

10. 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.”
11. The MICS Chapter S, § 17.15 states, “an encryption algorithm with a minimum of a 128-bit key size shall be utilized when transmitting or receiving player tracking system data to or from any source outside of the local intranet.”

### **VIOLATIONS**

12. The actions or omissions of employees or agents of the Company as described above constitute a failure to properly secure their website with an encryption algorithm. The conduct as alleged is a violation of MICS Chapter S, § 17.15. 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 45-9.063(3).

### **PENALTY PROPOSED**

13. 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 A license.
14. THEREFORE, it is proposed that the Commission fine Affinity Gaming, 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 1<sup>st</sup> day of May, 2014, to:

David Ross  
Affinity Gaming, LLC  
3755 Breakthrough Way, Suite 300  
Las Vegas, NV 89119

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Dr. Barrett Hatches  
Chairman  
Missouri Gaming Commission