

MISSOURI GAMING COMMISSION  
COMMISSION RESOLUTION NO. 14-049

JEAN HANSON  
August 27, 2014

WHEREAS, Jean Hanson ("Hanson"), requested a hearing to contest the proposed disciplinary action initiated against her on October 31, 2013, by the Commission's issuance of a Preliminary Order for Disciplinary Action, DC-13-106; and

WHEREAS, pursuant to 11 CSR 45-13.010, et. seq., an administrative hearing has been held on Hanson's request and the Hearing Officer has submitted the proposed Findings of Fact, Conclusions of Law and Final Order attached hereto (collectively the "Final Order") for approval by the Commission; and

NOW, THEREFORE, BE IT RESOLVED, that the Commission has reviewed the Final Order and hereby issues to Hanson a one calendar day suspension of her occupational license in the above-referenced case in the matter of DC-13-106; and

BE IT FURTHER RESOLVED, that this shall be considered a final decision of the Missouri Gaming Commission.

**BEFORE THE MISSOURI GAMING COMMISSION**

In Re: Jean M. Hanson )

)

)

)

Case No. 13-106

License Number: 152034 )

)

**FINDINGS OF FACT, CONCLUSIONS OF LAW AND FINAL ORDER**

The above-captioned matter comes before the Missouri Gaming Commission (hereinafter referred to as "Commission") upon receipt of a letter dated November 20, 2013 making a request for a hearing by Jean Hanson (hereinafter referred to as "Petitioner"). Said request for hearing was in response to the Commission's Preliminary Order for Disciplinary Action dated October 31, 2013. The designated Hearing Officer, Bryan W. Wolford, conducted a hearing on May 29, 2014 where the Petitioner and the Commission's attorney, Ms. Carolyn Kerr, appeared to present evidence and arguments of law.

**FINDINGS OF FACT**

1. On October 12, 2012, Petitioner was employed by IOC-Kansas City, Inc., ("Company") as a Senior Director of Finance aboard the *Isle of Capri Casino, Kansas City* ("Casino").
2. On October 12, 2012, Commission Auditor Kelly Johnson reviewed the Company's general ledger accounts and purchasing invoices and discovered two instances where gaming related equipment were purchased from two unlicensed supplier companies.
3. On October 12, 2012, Commission Auditor Kelly Johnson was acting as an agent of the Commission in her capacity as an employee of the Commission.
4. Auditor Johnson's investigation revealed the following:
  - a) On October 12, 2012, the General Ledger Chart of Accounts was reviewed in order to identify accounts that may have been used to record purchases of gaming equipment and supplies. Upon review of the purchase invoices, one (1) non-MGC licensed supplier, S & J Enterprises of Las Vegas, was identified as having sold gaming equipment, a Mikohn Con2i SuperController, to the Company on April 9, 2012.
  - b) On November 14, 2012, Accounting Manager Alicia Pope identified an email from the employees responsible for requesting and approving the purchase of the Mikohn Con2i SuperController as follows:

*PO #516894 Request: Purchasing Agent Alissa Guinn*  
*Price \$2,850 Approval: Director of Operations Christopher Stevenson*  
*Approval: Senior Director of Finance Jean Hanson*

- c) Purchasing Agent Alissa Guinn stated that the purchase of the Mikohn Con2i SuperController was a capital expenditure request and she entered the purchase requisition into the Stratton-Warren purchasing system on March 28, 2012. The request was sent to Stevenson and Petitioner for their approval, which was received the next day.
- d) Guinn further stated that the Purchasing Department was responsible for ensuring the vendor had been approved by the Company, and that all required documentation was included in that vendor's file. Guinn knew of the requirement that the card and dice purchases be from approved vendors but she did not know that the same standard applied to purchases like the Mikohn Con2i SuperController.
- e) On November 15, 2012, Stevenson was interviewed about his role in approving the purchase of the Mikohn Con2i SuperController. Stevenson commented that purchasing approvals were based primarily on the dollar amount of the purchase and not so much the product being purchased or the vendor being used. Stevenson added that there were a number of assumptions being made, particularly with regard to the meaning of the term "approved vendor" when used by casino staff. Stevenson described corrective measures the Casino would be implementing in order to decrease the odds of similar situations occurring in the future, including the requirement that the employee creating the purchase requisition verify the vendor's acceptability (i.e., licensure status, company approval, etc.) and to also require a purchasing employee to verify the vendor's acceptability prior to creating the purchase order.
- f) On November 21, 2012, the Licensee was interviewed to determine her role in the purchasing process. The Licensee stated that upon receiving the email notification that a purchase required her approval, she opened the purchase requisition. When asked if she would research the vendor from which the purchase was being made, the Licensee stated that she would not research any further than to occasionally determine that the vendor did have all required documentation on file with the Casino's Purchasing Department.

5. The Mikohn Con2i SuperController is an electronic device that calculates the progressive jackpot award for Electronic Gaming Devices. Therefore, the Mikohn Con2i SuperController is gaming related equipment.
6. Petitioner testified that she did approve the purchase of the Mikohn Con2i SuperController from S & J Enterprises of Las Vegas.
7. Petitioner's actions in approving the purchase of gaming related equipment from an unlicensed company discredits the Missouri gaming industry and the State of Missouri, and violates Section 313.812.14 RSMo. (2012), Section 313.812.14(1), (2), & (9), RSMo. (2012), 11 CSR 45-4.260(4)(E), (F), & (Q); 11 CSR 45-4.200(1); the Commission's Minimum Internal Control Standards ("MICS") Chapter O, § 4(i); and the Company's Internal Control Standards ("ICS") Chapter O, § 4(i).

### CONCLUSIONS OF LAW

1. "The Commission shall have full jurisdiction over and shall supervise all gaming operations governed by Section 313.800 to 313.850." Section 313.805 MO. REV. STAT. 2010.
2. "A holder of any license shall be subject to the 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 of the state of Missouri unless the licensee proves by clear and convincing evidence that it is not guilty of such action . . . the following acts 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 regulation." Section 313.812.14 MO. REV. STAT. 2010.
3. "The burden of proof is at all times on the petitioner. The petitioner shall have the affirmative responsibility of establishing the facts of his/her case by clear and convincing evidence . . ." Regulation 11 CSR 45-13.060(2).
4. "Clear and convincing evidence" is evidence that "instantly tilts the scales in the affirmative when weighed against the opposing evidence, leaving the fact finder with an abiding conviction that the evidence is true." *State ex. rel. Department of Social Services v. Stone*, 71 S.W.3d 643, 646 (Mo. App. 2002).

5. "The state has a legitimate concern in strictly regulating and monitoring riverboat gaming operations. As such, any doubt as to the legislative objective or intent as to the Commission's power to regulate riverboat gaming operations in the state must be resolved in favor of strict regulation." *Pen-Yan Investment, Inc. v. Boyd Kansas City, Inc.*, 952 S.W.2d 299, 307 (Mo. App. 1997).
6. Under 11 CSR 45-9.060(3), violations of the Commission's Minimum Internal Control Standards ("MICS") by a Class A licensee or an agent or employee of the 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. (2012) and 11 CSR 45-1 *et. seq.*; as amended from time to time.
7. Under 11 CSR 45-9.060(4), violations of the Class A licensee's internal control system ("ICS") by a 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 agent or employee is subject to discipline pursuant to Section 313.805(6) RSMo. (2012) and 11 CSR 45-1 *et. seq.*; as amended from time to time.
8. 11 CSR 45-4.200(1) states "A supplier's license is required of persons who or entities which manufacture, sell, or lease gaming equipment, gaming supplies, or both..."
9. The Commission's Minimum Internal control Standards ("MICS") Chapter O, § 4(i) states, "The Company's ICS shall include a description of procedures regarding 'a prohibition against the purchase or lease of gaming equipment or supplies from other than a licensed supplier as defined in the Missouri riverboat Gambling Act or MGC Rules and Regulations.'"
10. The Company's Internal Control Standards ("ICS") states, "by regulation, certain purchases must be made from companies who have been licensed by the Missouri Gaming Commission as a supplier. Any gaming related equipment . . . will be obtained from licensed suppliers. The Company will ensure vendors have a Suppliers License issued by the State of Missouri prior to purchasing gaming related equipment or supplies."
11. "The commission may . . . revoke or suspend an occupational license of any person . . . who has failed to comply with or make provision for complying with Chapter 313, RSMo, the rules of this commission, or any federal, state, or local law or regulation." Regulation 11 CSR 45-4.260(4)(E).

## DISCUSSION

The law provides broad authority to the Commission regarding the regulation of the gaming industry in order to assure that the public health, safety, morals, and good order are maintained and protected. In this case, Petitioner was responsible for issuing the final approval needed to complete a purchase requisition at the Casino. It is Petitioner's duty to ensure that the Casino's purchases comply with the laws and regulations of the State of Missouri. Petitioner failed to research or verify whether the supplier, S & J Enterprises of Las Vegas, was licensed by the State of Missouri before submitting the final approval of the Casino's purchase of the Mikohn Con2i SuperController.

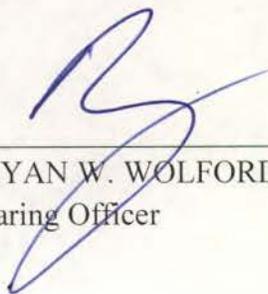
Petitioner's actions in approving the purchase of gaming related equipment from an unlicensed company discredits the Missouri gaming industry and the State of Missouri. Petitioner did not meet her high burden of proof of clear and convincing evidence in showing that no violation occurred.

## FINAL ORDER

WHEREFORE, IT IS ORDERED AND ADJUDGED that Petitioner is found to have violated Missouri law and is subject to discipline at the discretion of the Commission. The decision of the Commission dated October 31, 2013 to impose a **one (1) calendar day suspension** against Petitioner is affirmed as a proper and appropriate discipline.

DATED: \_\_\_\_\_

June 3, 2014

  
\_\_\_\_\_  
BRYAN W. WOLFORD  
Hearing Officer