

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-15-268
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 2000,¹ with jurisdiction over gaming activities, including riverboat gambling activities, in the State of Missouri.
2. The Commission issued Tropicana Entertainment, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Tropicana Entertainment, Inc., is 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 & Hotels* ("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. Theotric W. Jackson ("Jackson") was approved for placement on the Disassociated Persons ("DAP") List on July 12, 2002, had not applied for rescission, and was, therefore, still listed as a DAP by the MGC on March 11, 2015.
7. A check of the Casino's Advanced Casino System Corporation ("ACSC") player tracking system on March 11, 2015, showed that Jackson had been issued a Copper TropAdvantage Player's Card ("Player's Card") bearing his name and account number, which been used on 43 separate days between September 20, 2014, and March 5, 2015.
8. A check of the Casino's ACSC on March 11, 2015, showed that in September 2008, Jackson's account was "flagged" but not as a DAP. His account had been flagged as a property eviction from the former President Casino.

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

² GIR20150315005

9. A check of the MGC Online DAP website and the Casino's hardcopy DAP list on March 11, 2015, listed Jackson as a DAP.
10. The Casino had two other lists, a "Missing DAPS 3/9/15" list that included persons approved for DAP placement between December 22, 1997 and February 4, 2015, and a list entitled "DAP Updates 3/9/15." The Casino's "Missing DAPS" list included Jackson's name.
11. According to the Casino's ACSC, Players Club Supervisor Joseph Knaeble ("Knaeble") was delegated the responsibility for updating the Casino's DAP List.
12. Player's Club Supervisor Mary Triplett ("Triplett") "unflagged" Jackson's player's account on or about September 12, 2014, at the request of Casino Security.
13. Although Knaeble knew or should have known that the persons listed on the "Missing DAP" list were not properly "flagged" as DAPs in the Casino's ACSC, he failed to notify other Player's Club representatives and/or supervisors and the MGC of that fact.
14. Knaeble did not remove Jackson's name nor at least six other person's names from the Casino's mailing list and did not flag either Jackson or the others as DAP accounts until on or about March 9, 2015.
15. A total of 10 employees were determined to have issued and/or printed Jackson a Player's Card, issued Jackson table play credit, approved additional table play for Jackson, and/or verified his address so that he could receive mailings from the Casino.
16. At least one Player's Club Representative supervised by Knaeble conducted five transactions with patrons wherein she printed them Player's Cards but failed to conduct the required DAP List check.

LAW

17. 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.
18. 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[.]

19. 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.

20. Title 11 CSR 45.10.030 states, in pertinent part, as follows:

- (1) Licensees shall promptly report to the commission any facts which the licensee has reasonable grounds to believe indicate a violation of law (other than minor traffic violations), minimum internal control standard requirements or commission rule committed by licensees, their employees or others, including, without limitation, the performance of licensed activities different from those permitted under their license.

* * *

- (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.

21. Title 11 CSR 45-17.010 states, in pertinent part, as follows:

- (4) A Class B licensee or its agent(s) or employee(s) may be disciplined by the commission if—

(A) It can be shown by a preponderance of the evidence that the Class B licensee or its employee(s) or agent(s) knew a person on the List was present on the excursion gambling boat and, despite such knowledge, failed to follow the procedures required by this rule; or

(B) The Class B licensee or its employee(s) or agent(s) failed to follow its procedures for complying with the provisions of 11 CSR 45-17 et seq[.]

22. Both the MICS and the Casino's ICS, Chapter Q, § 2.01 require Licensees to do the following:

(A) Download the updated List of Disassociated Persons (DAP List) from the designated MGC server at least once every seven calendar days and update DAP information in all associated applications within five calendar days of the download of new or updated information. The Internal Control System shall identify the applications that are required to be updated;

(B) Upon receipt of the DAP List or an addition to the List, flag any existing disassociated person's player account(s) or, if no account exists, create a new account for the disassociated person which clearly denotes that the individual is a disassociated person and is barred from entering the gaming floor or from receiving a player's card. The Internal Control System shall specify which job position(s) is (are) responsible for flagging the accounts;

(C) Remove DAPs from all VIP or club member programs, within 5 calendar days of the download of new or updated information. Any joint account shall be severed;

(D) Remove DAPs from all mailing lists (including but not limited to electronic mail, marketing offers, slot club programs, coupon promotions, and other marketing promotions) within 5 calendar days of the download of new or updated information. This rule does not prohibit mass mailings to "Resident" or mass distributions not directed toward specific individuals;

(E) Ensure the player's club, cage, table games, security, or any other department identified by the Gaming Commission or the Class B Licensee's Internal Control System that has a responsibility for detecting DAPs on the gaming floor have access to the Class B's most current DAP List or the current player account information;

(F) Maintain a current hard copy or electronic copy of the DAP List at the player's club, any table games pit where counter checks are issued, any cage that performs check cashing, processes credit card transactions, debit card transactions, credit applications, payments of taxable promotional winnings or taxable jackpots, issues or accepts credit instruments, or any other location designated by the Missouri Gaming Commission.

23. Both the MICS and the Casino's ICS, Chapter Q, § 2.05 state, "The Class B Licensee shall not enroll DAPs in any sweepstakes, tournaments, or other types of promotions. The Class B Licensee shall prior to awarding any sweepstakes, tournament, or promotional prize, verify the winner is not a DAP."

VIOLATIONS

24. The actions or omissions of employees or agents of the Company as described above constitute failure of the Casino to prevent a person on the DAP List from entering the Casino floor and gambling, thereby violating 11 CSR 45.10.030(1) and (7) and 11 CSR 45-17.010(4)(A) and (B), MICS Chapter Q, §§ 2.01 and 2.05, the Casino's ICS Chapter Q, §§ 2.01 and 2.05.
25. 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

26. 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.
27. THEREFORE, it is proposed that the Commission fine Casino One Corporation, the amount of 10,000 for the violations set forth herein.

Brian Jamison
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 August, 2015, to:

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

Brian Jamison
Chairman
Missouri Gaming Commission