

IN THE MISSOURI GAMING COMMISSION

In Re:)
) DC-16-001
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. On December 22, 2014, MGC auditors began a regulatory compliance audit of the Casino and requested copies of the jackpots which had been removed from safekeeping between April 1, 2014 and March 31, 2015.
7. During that audit, MGC discovered a Safekeeping Deposit made for a patron who won a jackpot on December 17, 2008, and who was listed as a disassociated person ("DAP") at that time.
8. On December 16, 2008, Regina Edmonds ("Edmonds") was on the gaming floor and won a slot jackpot in the amount of \$4,000.
9. That jackpot was never voided, even after determining that Edmonds was on the DAP List and was ineligible to claim it. Instead, the jackpot was placed in Safekeeping.

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

² 20150702002

10. The payment on that Safekeeping Deposit was made to the patron on November 19, 2014, after the patron's DAP Status had been rescinded.

LAW

11. 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.

12. 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[.]

13. In 2008, 11 CSR 45-5.065 stated, in pertinent part, as follows:

- (1) As used in this rule, "gambling game payout" means any money, merchandise or thing of value that, according to the rules of the gambling game that have been approved by the commission, is to be paid to a patron because of a specific combination(s) of characters or symbols on an electronic gaming device or a specific result in a table game.
- (2) Patrons that are excluded from excursion gambling boats pursuant to 11 CSR 45-10.115, 11 CSR 45-15 et seq., 11 CSR 45-17 et seq., ... are not eligible to claim gambling game payouts.
- (3) If, prior to awarding a gambling game payout, a licensee learns that the patron attempting to claim the winnings fits the criteria in section (2) of this rule, he shall order the licensee to return the wager to the patron and deny the patron and deny the patron the proceeds of the gambling game payout. ... For

accounting purposes, the proceeds of the gambling game payout shall be treated as though the wager had not been made.

14. 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.

15. Title 11 CSR 45-10.030 states, in pertinent part, as follows:

- (4) Licensees shall take reasonable actions to safeguard from loss all tokens, tickets, chips, checks, funds, and other gaming assets.

* * *

- (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.

16. 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 –

* * *

- (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[.]

17. Both the MICS and the Casino’s ICS, Chapter H § 10.09, state as follows:

Prior to conducting a safekeeping withdrawal, including partial withdrawals, the cashier shall:

- (A) obtain the patron’s valid, non-expired government-issued photo identification (such as a driver’s license, state ID card, or passport);

(B) confirm the patron's identity by comparing:

- 1) the photo, physical description and identifying information on the photo identification to the patron requesting the withdrawal; and
- 2) the customer's signature obtained at the time of deposit on the Safekeeping Deposit/Withdrawal form to the signature on the photo identification, if available on the deposit form; and

(C) verify the patron is not a DAP or Excluded Person.

VIOLATIONS

18. The acts and/or omissions of employees and agents of the Company as described above constitute a failure of the Casino to properly process jackpot winnings and Safekeeping funds, thereby violating 11 CSR 45-5.065, 11 CSR 45-10.030(4), and (7), the Commission's MICS, Chapter H, § 10.09, and the Casino's ICS, Chapter H, § 10.09.
19. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 314.812.14(1) and (2), RSMo, 11 CSR 45-9.060(3) and (4), and 11 CSR 45-17.010.

PENALTY PROPOSED

20. 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.
21. THEREFORE, it is proposed that the Commission fine Casino One Corporation, the amount of \$5,000 for the violations set forth herein.

Larry Hale
Vice Chairman Pro Tem
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 January, 2016, to:

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

Larry Hale
Vice Chairman Pro Tem
Missouri Gaming Commission