

IN THE MISSOURI GAMING COMMISSION

In Re:)
IOC – Cape Girardeau, LLC) DC-16-148

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 Isle of Capri Casinos, Inc., a Class A gaming license to develop and operate Class B gaming licenses in the State of Missouri.
3. Isle of Capri Casinos, Inc., is the parent organization or controlling entity of the IOC – Cape Girardeau LLC (the "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 *IOC – Cape Girardeau LLC* (the "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 October 4, 2015, two decks of cards which were labeled as having been "in play" on a table game for approximately 15 minutes were found with unbroken box seals.
7. The two decks of cards were discovered in the Card and Dice Destruction Room after the cards had been collected for the gaming day by security.
8. Table Games personnel routinely completed the documentation on each box of cards prior to the cards actually being introduced into play on the tables.
9. Table Games personnel also documented the "out" time for the cards as the time the particular table game was closed, regardless of whether the decks were ever used at the table game.

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

² 20151024001

10. As a result, some decks of cards were never placed into play or inspected before being removed from the table and sent to the Card and Dice Destruction Room.
11. The Table Inventory Slips (“TIS”) that Casino personnel completed for table drops during 24-hour gaming had been routinely completed approximately 30 minutes prior to the actual table drop, with “out” times being purposefully recorded incorrectly for a time in the future.
12. The completion of the TIS prior to actual the table drop, in violation of MGC and Casino rules, had been done incorrectly for approximately three years.

LAW

13. 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 in an amount determined by the Commission.
14. 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[.]

15. Title 11 CSR 45-5.184 states, in pertinent part, as follows:

(8) When cards are placed in play, the Class B licensee shall record on each deck box the table number, the date, and the time the cards were placed on the table for use.

* * *

(12) At the end of the gaming day or, in the alternative, at least once each gaming day at the same time each day, as designated by the licensee and approved by the commission, and at other times as may be necessary, the floor supervisor or above shall collect all used cards.

(A) These cards shall be counted down manually by the dealer or by an automated shuffler and placed in the original deck boxes. The time the decks were removed from the table shall be recorded on the deck boxes. The boxes shall be placed in a sealed envelope or container. For games in which dealing procedures require cards to be dealt only once, the sealed envelopes or containers shall be easily distinguishable from those used for all other table games. The bags will be conspicuously labeled as containing single-use cards.

16. 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.

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

(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

18. The MICS, Chapter, D, § 5.01, and the Casino’s ICS, Chapter D, § 5.01, each state that “During 24-hour gaming, a table game closer will be prepared to coincide with the table drop for that gaming day. All activity at the table shall be temporarily ceased to allow sufficient time to accurately count the table inventory.”

VIOLATIONS

19. The acts or omissions of employees or agents of the Company, as described above, constitute a failure of the Company to ensure proper table inventory procedures were in use, thereby violating 11 CSR 45-5.184, 11 CSR 45-10.030(7), the Commission’s MICS and the Casino’s ICS, Chapter D, § 5.01.

20. The Company is therefore subject to discipline for such violations pursuant to §§ 313.805(6) and 313.812.14 (1) and (2), RSMo, and 11 CSR 45-9.060(3) and (4).

PENALTY PROPOSED

21. 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.

22. THEREFORE, it is proposed that the Commission fine IOC – Cape Girardeau LLC, the amount of \$5,000 for the violations set forth herein.

Herbert M. Kohn
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 _____, 2016, to:

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

Herbert M. Kohn
Chairman
Missouri Gaming Commission