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BEFORE THE MISSOURI GAMING COMMISSION
STATE OF MISSOURI

MEETING

February 24, 2016
10:00 a.m.
3417 Knipp Drive
Jefferson City, Missouri

BEFORE: Herbert M. Kohn, Chairman
Brian Jamison, Vice Chairman
Larry D. Hale, Commissioner
Thomas Neer, Commissioner
Richard F. Lombardo, Commissioner

Reported by:
Patricia A. Stewart, CCR 401
Midwest Litigation Services
Jefferson City, Missouri 65100
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1 (Start time: 10:00 a.m.)

2 P R O C E E D I N G S

3 CHAIRMAN KOHN: Good morning everybody.

4 We will call the meeting of February 24,
5 Missouri Gaming Commission, to order.

6 Angie, please take roll.

7 MS. FRANKS: Commissioner Lombardo.

8 COMMISSIONER LOMBARDO: Present.

9 MS. FRANKS: Commissioner Neer.

10 COMMISSIONER NEER: Present.

11 MS. FRANKS: Commissioner Hale.

12 COMMISSIONER HALE: Present.

13 MS. FRANKS: Commissioner Jamison.

14 COMMISSIONER JAMISON: Present.

15 MS. FRANKS: Chairman Kohn.

16 CHAIRMAN KOHN: Present.

17 Now we have a quorum. We're ready to proceed
18 with business.

19 The first item would be Consideration of
20 Minutes from the January 13 meeting.

21 Is there a motion to approve those minutes?

22 COMMISSIONER HALE: So moved.

23 COMMISSIONER NEER: Second.

24 CHAIRMAN KOHN: Angie, please take the roll.

25 MS. FRANKS: Commissioner Lombardo.

1 COMMISSIONER LOMBARDO: Approve.

2 MS. FRANKS: Commissioner Neer.

3 COMMISSIONER NEER: Approve.

4 MS. FRANKS: Commissioner Hale.

5 COMMISSIONER HALE: Approve.

6 MS. FRANKS: Commissioner Jamison.

7 COMMISSIONER JAMISON: Approve.

8 MS. FRANKS: Chairman Kohn.

9 CHAIRMAN KOHN: Approve.

10 MS. FRANKS: By your vote you've adopted the
11 minutes of the January 13, 2016 meeting.

12 CHAIRMAN KOHN: Mr. Seibert.

13 EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman,
14 the first order of business is Consideration of Hearing
15 Officer Recommendation. Mr. Bryan Wolford will present.

16 MR. WOLFORD: Thank you, Mr. Chairman,
17 Commissioners.

18 For your consideration Resolution No. 16-006,
19 the matter of Richard Martin.

20 Mr. Martin was an employee at Harrah's North
21 Kansas City at the time of the incident, which was the
22 12th of September 2014. The incident itself occurred at
23 the Ameristar Casino.

24 However, as a Level II licensee, Mr. Martin
25 is obligated to follow the gaming laws and regulations

1 of the State of Missouri wherever he may be, whether
2 it's when he's at work at his home casino or if he is at
3 any other facility.

4 This is kind of the segue on the companion
5 case from last month where we had Mr. Ho involving the
6 Ameristar rewards kiosk.

7 For those who might not have been present,
8 Ameristar experienced a malfunction in its reward --
9 MyCash MyRewards kiosk for approximately three days,
10 whereby a person could insert their rewards card and
11 draw out their reward balance but it would not deduct
12 the balance from the total.

13 For example, if I had \$25 balance on my
14 reward card, I could go put my card in, deduct \$25 in
15 cash and my balance would still show \$25. So you could
16 theoretically keep making transactions and your balance
17 would never zero out.

18 Mr. Martin became aware of this malfunction,
19 and he used his rewards card to make four withdrawals of
20 \$144. Then he continued to game and play some more, and
21 he got his reward balance up from \$37 to \$58, at which
22 point he made seven more withdrawals from the kiosk,
23 resulting in an additional \$400 in cash. And again, his
24 balance did not debit that \$58 and zero out because of
25 the malfunction.

1 Further, he gave his reward card to Mr. Cuong
2 Ho, another licensee. He showed him how to use his
3 MyCash MyRewards card to make the withdrawals, and
4 Mr. Ho made an additional \$256 in deductions from the
5 kiosk.

6 At hearing Mr. Martin admitted that he was
7 aware that this malfunction was occurring, he admitted
8 that his balance did not zero out, and he admitted to
9 taking advantage of the malfunction so to speak.

10 Now, under the Code of State Regulations,
11 under 11 CSR 45-10.030, it puts upon a licensee an
12 obligation to inform the Commission when they have facts
13 that lead them to believe there may be a violation of
14 any Missouri law or any Missouri gaming regulation going
15 on.

16 In addition, at the same CSR in Subsection 4
17 it gives licensees the obligation to safeguard from loss
18 any casino assets, including cash, tokens, chips, that
19 kind of thing.

20 At the very least Mr. Martin knew that the
21 casino was losing money by the rewards program not
22 properly zeroing out the balance on there, and as such
23 under the CSR he had a duty to report that to the
24 Commission through the Commission's boat agent, or at
25 least let casino security -- let someone know, and he

1 didn't do that.

2 It was only through the review of
3 surveillance that security noticed Mr. Martin making all
4 these withdrawals and later determined that he was, in
5 fact, a Level II license holder.

6 The hearing officer recommends that the
7 preliminary decision to revoke Mr. Martin's license be
8 approved by the Commission as proper and appropriate
9 discipline in this instance, and I'd be happy to answer
10 any questions you may have.

11 CHAIRMAN KOHN: Any Commissioners have a
12 question?

13 COMMISSIONER LOMBARDO: No.

14 COMMISSIONER HALE: No.

15 COMMISSIONER NEER: No.

16 COMMISSIONER JAMISON: No.

17 CHAIRMAN KOHN: Is Mr. Martin here or is his
18 attorney here?

19 Okay. Then we are ready for a motion
20 regarding the proposed resolution.

21 COMMISSIONER JAMISON: I move for adoption of
22 Resolution No. 16-006.

23 COMMISSIONER LOMBARDO: Second.

24 CHAIRMAN KOHN: A motion has been made and
25 seconded.

1 Angie.

2 MS. FRANKS: Commissioner Lombardo.

3 COMMISSIONER LOMBARDO: Approve.

4 MS. FRANKS: Commissioner Neer.

5 COMMISSIONER NEER: Approve.

6 MS. FRANKS: Commissioner Hale.

7 COMMISSIONER HALE: Approve.

8 MS. FRANKS: Commissioner Jamison.

9 COMMISSIONER JAMISON: Approve.

10 MS. FRANKS: Chairman Kohn.

11 CHAIRMAN KOHN: Approve.

12 MS. FRANKS: By your vote you've adopted
13 Resolution No. 16-006.

14 CHAIRMAN KOHN: Mr. Seibert.

15 EXECUTIVE DIRECTOR SEIBERT: The next order
16 of business, Mr. Chairman, is Consideration of
17 Disciplinary Actions, and Mr. Ed Grewach will present.

18 MR. GREWACH: Thank you, Mr. Seibert.

19 Mr. Chairman, Commissioners.

20 Under Tab C we have a preliminary order of
21 discipline directed to the Mark Twain Casino arising out
22 of two separate promotional activities. They've been
23 combined into one preliminary order of discipline.

24 The first promotion was the Back to the '80s
25 promotion. It was designed to have a drawing hourly on

1 certain dates, and for each date the first drawing was
2 to take place at noon on that date.

3 On July 14th, 2015 there was a malfunction
4 with the monitor. In fact, it wasn't plugged in. And
5 that caused a delay of 15 minutes in the drawing of the
6 names for the promotion.

7 Now, that delay in and of itself is a
8 violation of 5.181 in two regards, that the promotion
9 was not conducted according to its rules, and that
10 section further prohibits a promotion be conducted in
11 any manner that reflects negatively on the licensee.

12 In addition, Section 10.030 requires a
13 licensee to promptly report any violation to the
14 Commission, and we did not receive a report from the
15 casino of this violation until July 16th, 2015.

16 The second promotion involved the ADT
17 coupons. It was discovered by the Commission that on
18 August 14, 2015 that there were coupons that were
19 distributed that were not disclosed or set forth in the
20 rules of the promotion, and there were twelve separate
21 offers that were not included in those rules.

22 The staff had recommended a combined fine for
23 those two violations of \$5,000.

24 In response the casino wrote to the 14-day
25 letter notifying them of the recommendation, that they

1 pointed out this was the only date where there was any
2 difficulty with the Back to the '80s promotion, and that
3 in spite of the discrepancy between the rules and the
4 dates on the ADT coupons, that all coupons were honored
5 and there were no patron complaints for either event.

6 The staff voted to keep its \$5,000
7 recommendation for a fine.

8 CHAIRMAN KOHN: Any Commissioner have a
9 question?

10 COMMISSIONER LOMBARDO: No.

11 COMMISSIONER JAMISON: No, sir.

12 COMMISSIONER NEER: No, sir.

13 CHAIRMAN KOHN: Okay. Is there a motion to
14 adopt 16-028?

15 COMMISSIONER HALE: So moved.

16 COMMISSIONER NEER: Second.

17 CHAIRMAN KOHN: Angie.

18 MS. FRANKS: Commissioner Lombardo.

19 COMMISSIONER LOMBARDO: Approve.

20 MS. FRANKS: Commissioner Neer.

21 COMMISSIONER NEER: Approve.

22 MS. FRANKS: Commissioner Hale.

23 COMMISSIONER HALE: Approve.

24 MS. FRANKS: Commissioner Jamison.

25 COMMISSIONER JAMISON: Approve.

1 MS. FRANKS: Chairman Kohn.

2 CHAIRMAN KOHN: Approve.

3 MS. FRANKS: By your vote you've adopted
4 DC-16-028.

5 MR. GREWACH: Under Tab D we have a
6 preliminary order of discipline directed to Mark Twain
7 Casino arising out of a promotion.

8 The casino installed a kiosk for its birthday
9 promotions which was scheduled to begin on June the 1st
10 of 2015.

11 If a patron's birthday was during that month,
12 they could swipe the card at the kiosk and get a coupon,
13 and the coupons were for various things, either for
14 cash, food, specific coupons for the gift shop,
15 vouchers.

16 The casino conducted an internal audit on
17 July 16, 2015 and found that there were coupons that
18 were redeemed by patrons that were not shown redeemed in
19 the system.

20 The Commission's investigation found, in
21 fact, that the coupons could be used multiple times, and
22 in addition, they could be used at different outlets
23 than were specifically stated on the coupon.

24 That violates several provisions, Rule 5.181,
25 Subparagraph 7 and 8, Minimum Internal Control

1 Standards H17.1 and H17.08, all of which collectively
2 require coupons to be canceled in the system once they
3 are used.

4 The staff recommended a fine of \$10,000.

5 In response to the 14-day notice letter of
6 that fine, the casino replied that July the 16th was the
7 first date that they were aware of the problem with the
8 coupons, that they then undertook an alternative method
9 to cancel the coupons on July the 22nd and that they
10 fixed the system on August the 6th.

11 They asked based on that that the fine be
12 lowered. The staff in reviewing that request noted that
13 the casino's IT manager did not give the auditing
14 department access to the system until July the 8th,
15 2015.

16 They also found that the employee that was
17 responsible for the testing of the kiosk had noted
18 multiple problems during the testing process and even
19 had sent an e-mail internally to management expressing
20 her concerns about the kiosk going live on June the 1st,
21 2015.

22 Also, when we looked at the history of
23 violations of Mark Twain for promotional activity, we
24 saw that in March of 2015 they were sent a letter for a
25 promotional violation. In April 2015 they were assessed

1 a \$2,500 fine for a promotional violation. As you see
2 previously on Tab C, the third violation was a
3 recommendation of 5,000.

4 So in the scope of progressive discipline,
5 the staff thought it was appropriate to recommend a
6 \$10,000 fine in this case.

7 CHAIRMAN KOHN: Any questions of Mr. Grewach?

8 COMMISSIONER LOMBARDO: No.

9 COMMISSIONER HALE: No.

10 COMMISSIONER JAMISON: No, sir.

11 CHAIRMAN KOHN: Is there a motion regarding
12 DC-16-029?

13 COMMISSIONER LOMBARDO: Motion to approve.

14 CHAIRMAN KOHN: Is there a second?

15 COMMISSIONER NEER: Second.

16 CHAIRMAN KOHN: Angie.

17 MS. FRANKS: Commissioner Lombardo.

18 COMMISSIONER LOMBARDO: Approve.

19 MS. FRANKS: Commissioner Neer.

20 COMMISSIONER NEER: Approve.

21 MS. FRANKS: Commissioner Hale.

22 COMMISSIONER HALE: Approve.

23 MS. FRANKS: Commissioner Jamison.

24 COMMISSIONER JAMISON: Approve.

25 MS. FRANKS: Chairman Kohn.

1 CHAIRMAN KOHN: Approve.

2 MS. FRANKS: By your vote you've adopted
3 DC-16-029.

4 CHAIRMAN KOHN: Mr. Seibert.

5 EXECUTIVE DIRECTOR SEIBERT: The next order
6 of business is Consideration of Bingo Settlement.
7 Mr. Ed Grewach will present.

8 MR. GREWACH: Under Tab E we have a
9 resolution to approve a settlement with a bingo
10 licensee, specifically with American Legion Post 153 in
11 Poplar Bluff, Missouri.

12 There were two separate rule violations,
13 30.355 and 30.545. Those two rules only allow pull tabs
14 to be possessed or sold which were obtained from
15 suppliers licensed by the State of Missouri, and they
16 further provide that those pull tabs can only be sold
17 during a bingo event.

18 Acting on a complaint we received about
19 illegal pull tab sales, MGC agents conducted an
20 inspection of the licensed premises and found that pull
21 tabs from an unlicensed supplier were being distributed
22 in the bar, and discovered further that they were
23 selling them outside of, or not during, specific bingo
24 events.

25 The recommendation for the settlement is a

1 \$500 fine, as well as the representation by the licensee
2 that they will discontinue that practice.

3 CHAIRMAN KOHN: Any questions?

4 COMMISSIONER LOMBARDO: No.

5 COMMISSIONER HALE: No.

6 COMMISSIONER JAMISON: No.

7 COMMISSIONER NEER: No.

8 CHAIRMAN KOHN: So which is the more serious
9 of the two, selling tabs from a nonsupplier or selling
10 it outside the bingo game?

11 MR. GREWACH: If you had to compare the two,
12 more likely selling it outside the bingo game, although
13 it's difficult because there is different risks in both.

14 COMMISSIONER JAMISON: Right.

15 But if they weren't a licensee, you could
16 consider that they were running an illegal gambling
17 operation by selling pull tabs if you took it out of the
18 licensee punishment and took it into the criminal
19 statutes. Selling pull tabs out from underneath the
20 license of a bingo operator would be a criminal offense.

21 Am I not accurate in that assessment?

22 MR. GREWACH: No. You're completely correct.

23 COMMISSIONER JAMISON: So to me the violation
24 of doing that outside the regulations would put them in
25 a criminal violation would be the most serious of the

1 two.

2 CHAIRMAN KOHN: Outside the bingo game.

3 COMMISSIONER JAMISON: Right. If they're
4 outside -- if they're not operating under their bingo
5 license, they're operating an illegal gambling
6 operation, regardless of where they got the pull tabs
7 from.

8 So I really think that that is the bigger
9 question of the two. That's just my thought.

10 MR. GREWACH: But specifically following up,
11 it's illegal to sell pull tabs unless from a licensed
12 supplier at a bingo event, and the two violations
13 present different risks.

14 We're very thorough, and we actually examine
15 the pull tabs. We take a sampling of them to examine
16 that they are designed the way that they're supposed to
17 be designed and function, and how the payouts, the pay
18 tables are set.

19 So there is consumer protection built into
20 the reason for that rule, to make sure they're for one
21 of our licensed suppliers.

22 And secondly, if it's going on outside of a
23 bingo event, we have no way of monitoring that. And the
24 fact that they are a bingo licensee, and as Commissioner
25 Jamison pointed out, they're basically selling them

1 outside of the parameters of those two rules, it does
2 make it illegal, and that was the reason for the
3 disciplinary action.

4 CHAIRMAN KOHN: I understood the nonsupplier
5 pull tabs. I was just a little curious about the
6 parameters of the bingo game.

7 If the bingo game is from 7:00 to 10:00, it's
8 okay to sell them any time within those three hours or
9 does the game have to be going on?

10 MR. GREWACH: At the bingo event at the -- at
11 the location or part of the hall where the bingo event
12 is taking place. That would be the only way they could
13 be done legally.

14 CHAIRMAN KOHN: Okay. Any other questions?
15 Angie.

16 Oh, I'm sorry. We need a motion.

17 COMMISSIONER NEER: I make a motion to accept
18 Resolution 16-001-B.

19 COMMISSIONER JAMISON: Second.

20 CHAIRMAN KOHN: Okay. Angie, please call the
21 roll.

22 MS. FRANKS: Commissioner Lombardo.

23 COMMISSIONER LOMBARDO: Approve.

24 MS. FRANKS: Commissioner Neer.

25 COMMISSIONER NEER: Approve.

1 MS. FRANKS: Commissioner Hale.

2 COMMISSIONER HALE: Approve.

3 MS. FRANKS: Commissioner Jamison.

4 COMMISSIONER JAMISON: Approve.

5 MS. FRANKS: Chairman Kohn.

6 CHAIRMAN KOHN: Approve.

7 MS. FRANKS: By your vote you've adopted
8 Resolution No. 16-001-B.

9 CHAIRMAN KOHN: Mr. Seibert.

10 EXECUTIVE DIRECTOR SEIBERT: Okay. The next
11 order of business is Consideration of Rules and
12 Regulations. Mr. Ed Grewach will present.

13 MR. GREWACH: Thank you.

14 There are two Final Orders of Rulemaking, one
15 to 45-5.070 and another to 45-9.117, which modifies
16 Minimum Internal Control standards in Chapter Q.

17 These were proposed rules that were approved
18 by the Commission on November the 4th, 2015. That was
19 followed by a public comment period and also followed by
20 a public hearing which took place on January the 20th,
21 2016.

22 There were no comments received at either the
23 written comment or public hearing on 9.117, so that is
24 just not republished here, just the Final Order of
25 Rulemaking.

1 There were comments received on Rule
2 No. 5.070 and those comments, both the written comments
3 and the comments made at the public hearing, are
4 included in the Final Order of Rulemaking you see before
5 you.

6 There is a State statute, 536.041, which sets
7 forth the process that we have to follow if we receive a
8 written request to adopt or amend a rule.

9 We received a request from an individual
10 named Michael Gold on March the 6th, 2015. Mr. Gold's
11 request were for amendments to Rule 5.070.

12 The existing rule at the time we received the
13 request required on a monthly basis that the casinos
14 post a sign at the entrance to the gaming floor and the
15 main cashier's cage, listing the aggregate payout
16 percentage for electronic gaming devices for the
17 previous month, and also a provision in the rule said
18 that the Commission may require a reference to the MGC
19 website for breakdown by denomination.

20 Mr. Gold's request was to have more specific
21 details and guidelines as far as the placement of the
22 sign. He further requested that the signs post the hold
23 rate as opposed to the payout percentage.

24 Now, those two are just the mirror image of
25 one another. So if you have a payout percentage of

1 90 percent, there is an industry term called a hold
2 rate, so your hold rate would be 10 percent, and his
3 request was to change from payout percentage to hold
4 rate.

5 He also asked that instead of the aggregate
6 payout for all electronic gaming devices, that it lists
7 the payout for penny slots, and also asks that we
8 require each casino to put on their signs a link to the
9 Commission website for the detailed breakdown by
10 denomination.

11 The response then to that request was the
12 proposed amendment, and in the proposed amendment we
13 made a couple changes.

14 One, we did require that all of the signs
15 include the information to access the link of the
16 Commission's website for the breakdown by denomination,
17 and also further clarified that the signs be
18 conspicuously placed so they can be readily seen by
19 patrons at that location.

20 Before they were -- for example, you know, it
21 said that they should be in the front of the main
22 cashier's cage, but this clarified, you know, in a
23 conspicuous location.

24 In the written comments period Mr. Gold
25 provided us with extensive documents, and also he

1 appeared and spoke at the public hearing on
2 January 20th, 2016.

3 Those comments and our responses to those
4 comments again are seen in the Final Order of
5 Rulemaking.

6 And in response to those comments, we did
7 make the three changes that you'll see in that Final
8 Order of Rulemaking.

9 One, that the sign was to be posted at all
10 patron entrances to the gaming floor and each cashier's
11 cage. And we removed the phrase in front of the
12 cashier's cage because based on the physical layout,
13 sometimes putting a sign in front of the cashier's cage
14 would make it very difficult to see because people would
15 be blocking the view of the sign, and just left the rule
16 with the proposed language of in a conspicuous place,
17 which could vary depending on the physical layout from
18 cage to cage.

19 And so those were the changes we made in
20 response to those comments, and you can see our
21 reasoning for our response to the others. If this rule
22 is approved, it would become effective on June 30th,
23 2016.

24 Mr. Chairman, if you would like, I could go
25 into Rule 9.117, or would you prefer questions at this

1 point?

2 CHAIRMAN KOHN: Why don't you go ahead and go
3 to the next one and then we'll talk about them together.

4 MR. GREWACH: The amendment to that rule,
5 9.117, as I stated before, included changes to
6 Chapter Q, which is the Minimum Internal Control
7 standard dealing with disassociated persons. It was
8 initiated in response to a request from one of our
9 casino operators.

10 The existing rule required that players'
11 accounts be flagged as a disassociated person, or as a
12 DAP. The recent rule change also allowed persons on the
13 DAP list to have their name removed from the DAP list
14 after five years if they applied to have it removed.

15 So the existing rule then prohibited any
16 reference in any system operated by the casino that
17 indicated the rescinded DAP was on the DAP list.

18 Now, the reason for that rule was to avoid
19 any confusion if someone was rescinded from the DAP list
20 and came to a certain casino.

21 Now, the casino may have them evicted for
22 some other reason. They may have been kicked off the
23 property at some other point. They might have a policy
24 that they don't accept DAPs who are rescinded in other
25 states.

1 I mean, there is a variety of reasons as a
2 private business they may decide they want to evict a
3 patron.

4 But what we wanted to avoid is the casino
5 telling a DAP who had been rescinded that they were a
6 DAP, and it was again intended to avoid that confusion.

7 The casino operator that came to us indicated
8 that they used a generic designation across the
9 properties in multiple states as DAP. Disassociated
10 person was the term they used across their entire
11 system.

12 So they wanted to know if they could use that
13 generic DAP designation, which would require this rule
14 change to take place.

15 In response a proposed rule which would now
16 become final does allow the use of that generic term DAP
17 in a corporatewide system.

18 It does, however, require casinos to have
19 specific notes in their system indicating someone who
20 has been rescinded is excluded from the property for
21 some other specific reason, and it further prohibits any
22 employee of a casino from telling someone who has been
23 rescinded from the DAP list that they are on the DAP
24 list.

25 CHAIRMAN KOHN: I don't know what you just

1 said.

2 COMMISSIONER LOMBARDO: I'm sorry. I'm glad
3 I'm not the only one.

4 COMMISSIONER NEER: Is there a vote on that?

5 CHAIRMAN KOHN: Go through the rescinded
6 thing again.

7 MR. GREWACH: So a person after five years
8 can apply to be rescinded off the DAP list. Under the
9 new rule that's before you, then the casino would have
10 to put in their system in one of their screens that the
11 person was -- let's take an example. It might be
12 easier.

13 So let's say a person was excluded for being
14 intoxicated on the floor, getting in a fight on the
15 floor.

16 CHAIRMAN KOHN: That gets them on the DAP
17 list?

18 MR. GREWACH: No. And they're also on a DAP
19 list. So there is two different --

20 CHAIRMAN KOHN: They're already on the DAP
21 list?

22 MR. GREWACH: So there is two different
23 reasons that they're excluded. One was for being on a
24 DAP list and one was what we call a property evict,
25 because they were kicked off the floor for some other

1 reason.

2 Five years go by and the person --

3 CHAIRMAN KOHN: Wait just a second.

4 COMMISSIONER LOMBARDO: The only way you're
5 on the DAP list is if you self report. Right?

6 MR. GREWACH: You have to sign up for it,
7 correct.

8 So this person, again, to use this example,
9 signed up for the DAP list, but maybe even before he
10 signed on the DAP list he was on the casino floor and
11 got in a fight, got drunk and was evicted from the
12 property, as anybody else would that would be in that.

13 So the casino then has to put in their system
14 that this person is a DAP. Five years go by and this
15 patron gets rescinded from the DAP list and then he --

16 CHAIRMAN KOHN: How does that happen?

17 MR. GREWACH: They have to file an
18 application with us to be rescinded, and we check it,
19 but basically all we check is that they have been on for
20 five years, and if they have been on for five years,
21 then we send them a letter saying you're now off the DAP
22 list.

23 CHAIRMAN KOHN: So they go on voluntarily but
24 it takes our permission for them to go off. Correct?

25 MR. GREWACH: Correct.

1 We have to check to make sure they actually
2 have been on five years, and we need to make sure they
3 are -- the person that is applying is the person that is
4 on the DAP list. We require a photo ID, and we have
5 certain requirements, checks, to make sure, you know,
6 that it is. Since they were the one that applied, that
7 they're the one that --

8 COMMISSIONER JAMISON: Now, the event that
9 got them kicked off as far as their actions, is that
10 casino specific as opposed to the DAP being statewide
11 specific? Is that the difference between those two
12 lists?

13 MR. GREWACH: Correct.

14 So then the person gets -- five years go by.
15 They send in their application. They get rescinded off
16 the DAP list. They get a letter from us saying you're
17 no longer on the DAP List.

18 So they show up at the casino, and the casino
19 says, no. You're trespassing. You can't be here.

20 So what the rule is designed to do is to make
21 sure they tell that patron, and explain it hopefully
22 better than I just tried to a minute ago, that you're
23 not excluded because you're a DAP. You're excluded
24 because of this fight you got in back on this date, or
25 you're excluded because as a company policy if you're on

1 a DAP list in another state, we don't want you on our
2 property, but whatever -- as Commissioner Jamison
3 pointed out, whatever that property's specific reason
4 for kicking this person off is.

5 So what we want is we want to make sure they
6 make it clear to that patron that they're not being
7 kicked off because they're on a DAP list, that they're
8 kicked off for this other reason, this other property
9 specific reason.

10 So the two things in the rule that are
11 designed to address that is, one, on their computer
12 screen it's going to show, you know, property evict or,
13 you know, evict because they're a Kansas DAP or whatever
14 the reason is.

15 And then the other thing is a directive
16 specifically to the employees of the casino not to say
17 to a rescinded DAP you're being kicked off because
18 you're on the DAP list.

19 The original rule already provided for that,
20 but, you know, we just want to say, okay, you can use
21 this generic flag but it's got to work. You know, we
22 don't want you telling rescinded DAPs that they're DAPs,
23 because the whole original purpose of the rule was to
24 avoid this confusion once people were off the DAP list.

25 COMMISSIONER LOMBARDO: So, Ed, the burden is

1 on the casino to give the correct reason why that person
2 is not allowed on the premises. Right?

3 MR. GREWACH: That's correct.

4 COMMISSIONER LOMBARDO: All right. But here
5 is what I'm a little fuzzy on.

6 Internally, though, they can use the term DAP
7 even though it refers to more than just people who have
8 self-excluded themselves?

9 MR. GREWACH: Yes. And then what they have
10 to do under the rule then is they have to have a second
11 screen they go to. So if you encounter a DAP, you have
12 to go to screen two, and that will tell you
13 specifically, well, are they on the Missouri
14 disassociated person list or are they a DAP -- do they
15 have that generic flag because they're on the Kansas or
16 Iowa list or because they're a property evict?

17 So it would require the casino employees to
18 go to a second screen so they could see specifically
19 what is the case. You know, are they a Missouri DAP?
20 Are they a property evict? Are they some other reason
21 that they're --

22 COMMISSIONER LOMBARDO: And I know you said
23 this at the beginning but it's been a while ago.

24 So who is it that suggested this rule? Where
25 does this --

1 MR. GREWACH: One of our Isle of Capri
2 casino -- one of our operators, and they operated in
3 multiple states and that's the reason that they came to
4 us with this.

5 COMMISSIONER LOMBARDO: Okay.

6 CHAIRMAN KOHN: I'm still trying to learn the
7 DAP rules.

8 If you become a self-reporting DAP in
9 Missouri at the Isle of Capri, does that designation
10 then get sent to all other casinos in all other states?

11 MR. GREWACH: No, not from us.

12 When you sign up for the Missouri DAP list,
13 we have a computer program that adds you to that list,
14 and every casino in Missouri is required every seven
15 days to download the updated DAP list.

16 So we're only concerned about Missouri. So
17 from our point of view you're on the Missouri DAP list
18 or you're not.

19 And then our obligation for the thirteen
20 Missouri casinos is that they have an accurate update
21 list of who is on the DAP list. So if one of those
22 persons on the DAP list is on the floor, they need to
23 notify the gaming agent. The person is trespassing.
24 They're arrested and processed.

25 CHAIRMAN KOHN: So if I'm on a DAP list in

1 Nevada, I can go to any casino in Missouri and play. Is
2 that right?

3 MR. GREWACH: It's up to the casino. So the
4 casino may say as a corporate policy we don't want
5 anybody in our casino who is on any DAP list in any
6 state.

7 CHAIRMAN KOHN: How would they know?

8 MR. GREWACH: Because any state that they
9 operate in. So they'd have the list. So let's just
10 say --

11 COMMISSIONER JAMISON: They would receive the
12 DAP list from the state that they're operating in, so
13 they would cross-reference that to their other states.

14 CHAIRMAN KOHN: Within their own casino?

15 COMMISSIONER JAMISON: Just inside their own
16 inhouse computer network.

17 CHAIRMAN KOHN: If I'm in another casino,
18 Harrah's, then they might not know?

19 MR. GREWACH: They may not know.

20 So if you have a casino corporate operator
21 who has casinos in Missouri, Iowa, in Nevada, it's going
22 to have all those lists in their corporate database.

23 So it may as a corporate decision decide, you
24 know, if -- you know, we just don't want you -- as a
25 business model, we don't want anybody -- if you're on a

1 DAP list anywhere that we operate, we don't want you in
2 our casino.

3 But that's, as Commissioner Jamison said, a
4 property specific, company specific decision they have
5 to make.

6 CHAIRMAN KOHN: But I could be on another
7 casino's DAP list and Casino A wouldn't know about it,
8 theoretically?

9 MR. GREWACH: Well, another state's DAP list,
10 right, because if they don't operate in that state, they
11 wouldn't have access to the information you're on that
12 list.

13 So let's just take Isle of Capri. I'm not
14 even sure Indiana has one, but let's take that as an
15 example.

16 If Indiana had a DAP list but Isle of Capri
17 didn't have any properties in Indiana, they wouldn't
18 know you're on the Indiana DAP list, but they would know
19 you're on the Iowa DAP list because they have properties
20 there.

21 CHAIRMAN KOHN: So now with that background,
22 come all of the way back around and tell us what this
23 new rule does again.

24 MR. GREWACH: What this new rule does, it
25 allows operators to use a generic flag. They can use

1 the term DAP when they flag someone who has been evicted
2 from their property, but they have to have in their
3 system a second screen that the employees go to to
4 confirm the exact -- what DAP means, the exact reason
5 why they're on this generic flag list.

6 Are they on the Missouri DAP list? Are they
7 a property evict? Are they on a DAP list in another
8 state?

9 And so that's what the new rule requires them
10 to do. Before the rule changed they weren't even
11 allowed to use that term as a generic flag. This rule
12 change allows them to use that generic flag but puts
13 those limitations on it.

14 CHAIRMAN KOHN: And how does that make things
15 better for the State of Missouri?

16 MR. GREWACH: Well, it's really an
17 accommodation to that casino operator, and the
18 safeguards that we put in protect the original purpose
19 of the rule.

20 And the original purpose of the rule was just
21 to avoid that confusion. We don't want a patron going
22 in and being told they're on a DAP list when they're
23 not, and that's -- and we felt comfortable as a staff
24 that the provisions we put in, the change that allows
25 the generic flag, protected our original purpose and

1 reason for adopting the rule in the first place.

2 COMMISSIONER NEER: If you become intoxicated
3 and punch out a dealer, that does not put you on a DAP
4 list?

5 MR. GREWACH: It does not, no. No. That
6 would get you excluded from that specific property, but
7 you only get on the DAP list by applying to be on the
8 DAP list.

9 COMMISSIONER JAMISON: But we as a Commission
10 have placed people -- excluded them from being allowed
11 in any casino, and is that through DAP or is that a
12 different identifying?

13 Because, I mean, like, we did one here not
14 too long ago where the person had issues with the
15 financial reasons. I believe it was counterfeiting that
16 was connected to his gambling.

17 And so did we place him on the DAP list or
18 did we bar him in a different designation?

19 MR. GREWACH: There's a different
20 designation, a different list, called the involuntary
21 exclusion list, and from time to time -- and again,
22 Commissioner Jamison's example is probably the -- the
23 most prevalent is someone who has been convicted of some
24 theft, embezzlement, and then we find out in the course
25 of that investigation that the money was used for

1 gambling. We've also put people on the involuntary
2 exclusion list who cheat at a casino.

3 So that's a separate list. So you have the
4 DAP list which is voluntary that you sign up for, which
5 is really rather large, I'm just guessing, maybe 10,
6 11,000 people on it, and then you have the exclusion
7 list, which is relatively small, maybe a couple hundred
8 people on it, because it is just specific cases that
9 that rule applies where we would put somebody on that
10 involuntary list.

11 But that's separate from this. So this is
12 Chapter Q which just addresses the voluntary DAP list.

13 COMMISSIONER JAMISON: Well, not exactly
14 separate because you're allowing them to take those
15 designated exclusions and put them on their master
16 screen as a DAP. Then they would have to go to the
17 second screen to find out that we had put them on the
18 involuntary screen, but they're getting to call them DAP
19 under this new rule on this first screen.

20 MR. GREWACH: Well, that's true.

21 COMMISSIONER JAMISON: So they are connected
22 in that angle of we're allowing them to call them DAPs
23 on the first screen and then they would have to go to
24 the second screen to find out what the classification
25 was.

1 MR. GREWACH: I guess I just said that
2 because the existing rule just said if someone is a
3 rescinded DAP, you can't have any reference to the DAP
4 list in your system, and this rule just changes that.

5 But it is true that the same seven-day
6 requirement includes the involuntary exclusion list.

7 So our computer system has all of that in it,
8 has the voluntary DAPs, has the involuntary exclusion
9 list, and any updates to those show up on our system,
10 which the casinos are required to download every seven
11 days.

12 CHAIRMAN KOHN: Any other questions or
13 comments?

14 COMMISSIONER LOMBARDO: No.

15 COMMISSIONER HALE: No.

16 CHAIRMAN KOHN: Ed, I think maybe we should
17 go back. We've had such a lengthy discussion on the
18 second rule. Let's go back to the first one and vote on
19 them separately.

20 COMMISSIONER JAMISON: I move to adopt
21 11 CSR 45-5.070.

22 COMMISSIONER LOMBARDO: Second.

23 CHAIRMAN KOHN: Any discussion on the motion?

24 COMMISSIONER LOMBARDO: That's the first one?

25 COMMISSIONER JAMISON: Correct.

1 CHAIRMAN KOHN: Angie.

2 MS. FRANKS: Commissioner Lombardo.

3 COMMISSIONER LOMBARDO: Approve.

4 MS. FRANKS: Commissioner Neer.

5 COMMISSIONER NEER: Approve.

6 MS. FRANKS: Commissioner Hale.

7 COMMISSIONER HALE: Approve.

8 MS. FRANKS: Commissioner Jamison.

9 COMMISSIONER JAMISON: Approve.

10 MS. FRANKS: Chairman Kohn.

11 CHAIRMAN KOHN: Approve.

12 MS. FRANKS: By your vote you've adopted the

13 Final Order of Rulemaking, 11 CSR 45-5.070.

14 CHAIRMAN KOHN: Okay. Now 9.117.

15 COMMISSIONER JAMISON: I move for adoption of

16 11 CSR 45-9.117.

17 COMMISSIONER NEER: Second.

18 CHAIRMAN KOHN: Any discussion on the motion?

19 Angie.

20 MS. FRANKS: Commissioner Lombardo.

21 COMMISSIONER LOMBARDO: Approve.

22 MS. FRANKS: Commissioner Neer.

23 COMMISSIONER NEER: Approve.

24 MS. FRANKS: Commissioner Hale.

25 COMMISSIONER HALE: Approve.

1 MS. FRANKS: Commissioner Jamison.

2 COMMISSIONER JAMISON: Approve.

3 MS. FRANKS: Chairman Kohn.

4 CHAIRMAN KOHN: Approve.

5 MS. FRANKS: By your vote you have adopted
6 the Final Order of Rulemaking, 11 CSR 45-9.117.

7 MR. GREWACH: Thank you.

8 CHAIRMAN KOHN: Thank you, Ed.

9 Mr. Seibert.

10 EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman,
11 the next order of business is Consideration of Licensure
12 of Level I and Key Applicants. Trooper John Masters
13 will present.

14 TROOPER MASTERS: Good morning.

15 CHAIRMAN/COMMISSIONERS: Good morning.

16 TROOPER MASTERS: Chairman and Commissioners.

17 Missouri State Highway Patrol investigators,
18 along with MGC financial investigators, conducted
19 comprehensive background investigations on key and
20 Level I applications.

21 The investigations include, but are not
22 limited to, criminal, financial and general character
23 inquiries which are made in the jurisdiction where the
24 applicants lived and worked.

25 The following individual is being presented

1 for your consideration: Theresa Ann Glebocki, Executive
2 Vice President of Finance, Chief Financial Officer and
3 Treasurer of Tropicana Entertainment.

4 The result of this investigation was provided
5 to the MGC staff for their review, and you have the
6 related summary report before you.

7 Thank you.

8 EXECUTIVE DIRECTOR SEIBERT: Mr. Chairman,
9 staff does recommend approval.

10 CHAIRMAN KOHN: Okay. Is there a motion to
11 approve?

12 COMMISSIONER LOMBARDO: Motion to approve.

13 COMMISSIONER HALE: Second.

14 CHAIRMAN KOHN: Any discussion on the motion?

15 Seeing none, we're ready for the vote.

16 Angie.

17 MS. FRANKS: Commissioner Lombardo.

18 COMMISSIONER LOMBARDO: Approve.

19 MS. FRANKS: Commissioner Neer.

20 COMMISSIONER NEER: Approve.

21 MS. FRANKS: Commissioner Hale.

22 COMMISSIONER HALE: Approve.

23 MS. FRANKS: Commissioner Jamison.

24 COMMISSIONER JAMISON: Approve.

25 MS. FRANKS: Chairman Kohn.

1 CHAIRMAN KOHN: Approve.

2 MS. FRANKS: By your vote you've adopted
3 Resolution No. 16-007.

4 CHAIRMAN KOHN: Mr. Seibert.

5 EXECUTIVE DIRECTOR SEIBERT: That was our
6 final order of business, sir.

7 CHAIRMAN KOHN: Okay. We will be going into
8 closed session.

9 Is there a motion to approve the closed
10 session?

11 COMMISSIONER JAMISON: I move that we go into
12 closed meeting under Sections 313.847, Revised Missouri
13 Statutes, investigatory, proprietary and application
14 records, and 610.021, Subsection 1, Revised Missouri
15 Statutes, legal actions, Subsection 3, Subsection 13,
16 personnel, and Subsection 14, records protected from
17 disclosure by law.

18 CHAIRMAN KOHN: Is there a second?

19 COMMISSIONER NEER: Second.

20 CHAIRMAN KOHN: Angie.

21 MS. FRANKS: Commissioner Lombardo.

22 COMMISSIONER LOMBARDO: Approve.

23 MS. FRANKS: Commissioner Neer.

24 COMMISSIONER NEER: Approve.

25 MS. FRANKS: Commissioner Hale.

1 COMMISSIONER HALE: Approve.

2 MS. FRANKS: Commissioner Jamison.

3 COMMISSIONER JAMISON: Approve.

4 MS. FRANKS: Chairman Kohn.

5 CHAIRMAN KOHN: Approve.

6 We will now be going into closed session.

7 Thanks to everyone for attending our meeting, and we
8 will be coming back out afterwards.

9 WHEREIN, the meeting concluded at 10:43 a.m.

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1 CERTIFICATE OF REPORTER

2

3 I, Patricia A. Stewart, CCR, a Certified
4 Court Reporter in the State of Missouri, do hereby
5 certify that the testimony taken in the foregoing
6 transcript was taken by me to the best of my ability and
7 thereafter reduced to typewriting under my direction;
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11 relative or employee of any attorney or counsel employed
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CCR 401

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MISSOURI GAMING COMMISSION
Second Open Session Minutes
February 24, 2016

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 12:03 p.m. on February 24, 2016, at the Missouri Gaming Commission’s Jefferson City Office.

General Counsel Ed Grewach updated the Commission on the pending legislation concerning the regulation of Daily Fantasy Sports.

No motion, action or vote was taken.

Commissioner Lombardo moved to adjourn the second open session meeting. Commissioner Hale seconded the motion. After a roll call vote was taken, Lombardo – yes, Neer – yes, Hale – yes, Jamison – yes, and Kohn – yes, the motion passed unanimously.

The open session adjourned at 12:15 p.m.