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MISSOURI GAMING COMMISSION MEETING

MAY 25, 2016
9:30 A.M.

TRANSCRIPT OF PROCEEDINGS

Held at Riverside City Hall, 2950 NW Vivion Road,
Riverside Missouri 64150

A P P E A R A N C E S:

- Mr. Herb Kohn, Chairman
- Mr. Thomas Neer, Commissioner
- Mr. Brian Jamison, Commissioner
- Mr. Larry D. Hale, Commissioner
- Mr. Rick Lombardo, Commissioner
- Ms. Carolyn H. Kerr, Legal Counsel
- Mr. William Seibert, Jr., Executive Director
- Mr. Bryan Wolford, Hearing Officer
- Mr. Edward J. Grewach, General Counsel
- Ms. Cheryl Alonzo, Asst. Deputy Director - Enforcement
- Ms. LeAnn McCarthy, Public Information Coordinator
- Ms. Angie Franks, Designated Principal Assistant

- Ms. Jenny L. Eastabrooks, Court Reporter

1 CHAIRMAN KOHN: Good morning, everybody.
2 We're glad to be here in Riverside, beautiful
3 Riverside in City Hall, one of the many benefits
4 of having a casino in your city, so welcome. And
5 we'll call the meeting to order of the May 25,
6 2016 Missouri Gaming Commission. Angie, please
7 call the roll.

8 MS. FRANKS: Commissioner Lombardo?

9 COMMISSIONER LOMBARDO: Present.

10 MS. FRANKS: Commissioner Neer?

11 COMMISSIONER NEER: Present.

12 MS. FRANKS: Commissioner Hale?

13 COMMISSIONER HALE: Present.

14 MS. FRANKS: Commissioner Jamison?

15 COMMISSIONER JAMISON: Present.

16 MS. FRANKS: Chairman Kohn?

17 CHAIRMAN KOHN: Present. Having a
18 quorum we're ready to proceed with the meeting.
19 First item of business will be the consideration
20 of the minutes of the April 27th, 2016 meeting.
21 Is there a motion to approve those minutes?

22 COMMISSIONER HALE: So moved.

23 COMMISSIONER NEER: Second.

24 CHAIRMAN KOHN: Angie, please call roll.

25 MS. FRANKS: Commissioner Lombardo?

1 COMMISSIONER LOMBARDO: Approved.

2 MS. FRANKS: Commissioner Neer?

3 COMMISSIONER NEER: Approved.

4 MS. FRANKS: Commissioner Hale?

5 COMMISSIONER HALE: Approved.

6 MS. FRANKS: Commissioner Jamison?

7 COMMISSIONER JAMISON: Approved.

8 MS FRANKS: Chairman Kohn?

9 CHAIRMAN KOHN: Approved.

10 MS. FRANKS: By your vote you've adopted
11 the minutes of the April 27th, 2016 meeting.

12 CHAIRMAN KOHN: Mr. Seibert, I believe
13 we're ready for business.

14 MR. SEIBERT: First order of business,
15 Mr. Chairman, is consideration of hearing officer
16 recommendations. Mr. Bryan WOLFORD will present.

17 MR. WOLFORD: Thank you, Mr. Chairman,
18 Commissioners. For your consideration, Resolution
19 No. 16-027, the matter of Angela Gibson. Now, I
20 will state that Ms. Gibson, although duly notified
21 of the time and place of her hearing, did not
22 appear and no one on her behalf appeared. She had
23 applied for a Level 2 Occupational Gaming License.
24 On the application, Question 14 asks, "Have you
25 ever been arrested, detained, charged, indicted,

1 convicted, pled guilty or no contest to any
2 offense in federal, state or local jurisdiction."

3 Ms. Gibson originally marked an X next
4 to the box "No," indicating she had no affirmative
5 response to that question. However, she
6 subsequently crossed out that mark and wrote
7 "Yes," and explained that she was charged for
8 domestic violence in Danville, Illinois on the
9 16th of June, 1998.

10 CHAIRMAN KOHN: Mr. Wolford, let me just
11 interrupt for one second. When you say
12 "subsequently," what does that mean?

13 MR. WOLFORD: That means afterward.

14 CHAIRMAN KOHN: How long after?

15 MR. WOLFORD: While she was still --

16 CHAIRMAN KOHN: While she was still
17 filling out --

18 MR. WOLFORD: -- filling out the
19 application, correct. So she might have forgot at
20 first or remembered. Again, she didn't appear at
21 the hearing, so it was hard to ask what happened.
22 However, she said to this domestic violence charge
23 that the charges were later dismissed. She made
24 no other answer to that question. In the
25 investigation process the Commission's agent

1 discovered that she had failed to disclose on her
2 application that she had also been arrested on
3 July the 13th, 1988 for theft in Merriam County,
4 Illinois.

5 She did fail to disclose this arrest and
6 the lack of disclosure does not show by clear and
7 convincing evidence that she is suitable to be
8 licensed by the Commission, and the hearing
9 officer recommends denial of the application.

10 CHAIRMAN KOHN: Are there any questions
11 by the committee members?

12 (No Response.)

13 CHAIRMAN KOHN: So we're talking about
14 two separate incidents, one she corrected herself
15 immediately, but the other she never disclosed at
16 all?

17 MR. WOLFORD: That's correct, Mr.
18 Chairman.

19 COMMISSIONER NEER: You said she failed
20 to appear at the hearing?

21 MR. WOLFORD: She did, that's correct.
22 She requested the hearing and then subsequently
23 failed to appear after it was set, and she was
24 notified by mail and by telephone, left a voice
25 mail.

1 CHAIRMAN KOHN: Any other questions?

2 COMMISSIONER HALE: No, Mr. Chairman.

3 CHAIRMAN KOHN: And Ms. Gibson I take it
4 is not here or her attorney representing Ms.
5 Gibson here?

6 (No Response.)

7 CHAIRMAN: Okay. Ms. Kerr, would you
8 like to address the Commission?

9 MS. KERR: We concur with the hearing
10 officer's recommendation.

11 COMMISSIONER JAMISON: I move for
12 adoption of Resolution No. 16-027.

13 COMMISSIONER NEER: Second.

14 CHAIRMAN KOHN: Any further discussion
15 on the resolution or the motion to approve the
16 resolution?

17 (No Response.)

18 CHAIRMAN KOHN: Angie?

19 MS. FRANKS: Commissioner Lombardo?

20 COMMISSIONER LOMBARDO: Approved.

21 MS. FRANKS: Commissioner Neer?

22 COMMISSIONER NEER: Approved.

23 MS. FRANKS: Commissioner Hale?

24 COMMISSIONER HALE: Approved.

25 MS. FRANKS: Commissioner Jamison?

1 COMMISSIONER JAMISON: Approved.

2 MS. FRANKS: Chairman Kohn?

3 CHAIRMAN KOHN: Approved.

4 MS. FRANKS: By your vote you've adopted
5 Resolution No. 16-027.

6 CHAIRMAN KOHN: Mr. Seibert?

7 MR. WOLFORD: Mr. Chairman, I've got a
8 few more here to go. I present to the
9 Commissioners Resolution No. 16-028, the matter of
10 James Gorman. August 15th, 2015 and all times
11 relevant hereto, Mr. Gorman was employed as a
12 poker manager at the Lumiere Place Casino. The
13 commission boat agent was notified by a security
14 officer at Lumiere Place of possible violations to
15 the minimum internal control standards. The
16 Commission conducted an investigation and it
17 revealed that security officers were personally
18 taking Bad Beat Jackpot paperwork from the poker
19 room to the jackpot hopper fill room, then they
20 were taking the jackpot and escorting it -- sorry,
21 not escorting it, they were transporting it back
22 to the poker room.

23 Mr. Gorman as the poker manager
24 authorized this procedure, and at the hearing he
25 did testify that he believed he had the authority

1 as poker manager to establish this procedure. The
2 issue here is the MICS, Chapter N, Section 503,
3 which states that a security escort shall be
4 required for the movement of all unredeemed
5 tickets, chips or cash of \$100 or more. That is
6 the MICS require a security escort for any of
7 these jackpot fills from the hopper room to
8 anywhere else on the casino floor. And in this
9 case is just one security officer transporting the
10 jackpot from the hopper fill room back to the
11 poker room.

12 The main issue at the hearing was the
13 word "Escort" and what does it mean. Well,
14 unfortunately, the MICS and the casino's ICS do
15 not define the word "Escort." Neither do the
16 regulations, and the Missouri statutes do not
17 define escort in the context of gaming rules and
18 regulation. So we looked to the plain and
19 ordinary meaning of the word, "An escort is a
20 person or group of persons accompanying another to
21 give protection or as a courtesy." And that word
22 "Accompanying" indicates that you need two parties
23 and an escort.

24 And under the MICS, clearly the two
25 parties are the security officer and another

1 casino employee, which is typically an employee of
2 the room or area where that jackpot fill is going.
3 In this case the jackpot transfer procedure
4 dictated in the MICS is not a mere department
5 policy or procedure that a poker manager has the
6 authority to change. Mr. Gorman, indeed, did not
7 have the authority to unilaterally change, alter
8 or deviate from the MICS. As a Level 2 licensee,
9 he is bound to follow all of the gaming laws in
10 Missouri and all the regulations including MICS
11 and ICS, therefore, the hearing officer recommends
12 that the one calendar day suspension be approved
13 as appropriate discipline.

14 CHAIRMAN KOHN: Any questions?

15 COMMISSIONER JAMISON: Yes, I have a
16 question. What is the casino's procedure now as
17 far as transferring that same -- have they gone
18 back to the procedure that they had prior to this
19 individual changing it for his practice, has the
20 casino gone back to our prescribed --

21 MR. WOLFORD: Yes. The testimony given
22 at hearing is that they no longer do this
23 procedure that Mr. Gorman unilaterally set up,
24 that they do it properly now with the casino
25 personnel and a security officer.

1 COMMISSIONER JAMISON: So the casino by
2 doing that agreed that was the proper procedure as
3 far as the casino operations were concerned?

4 MR. WOLFORD: Mr. Gorman would not state
5 as such in so many words.

6 COMMISSIONER JAMISON: But if they went
7 back to that practice as an operating casino,
8 obviously that shows some sort of an endorsement
9 or agreement that that was the procedure that they
10 wanted to follow?

11 MR. WOLFORD: That was inference that
12 the hearing officer gave to the evidence
13 presented.

14 COMMISSIONER JAMISON: Okay.

15 CHAIRMAN KOHN: I'm trying to figure out
16 what the real problem is here. If we have to go
17 to the dictionary to figure out what our
18 regulations mean, do we not need to improve the
19 language of the regulations so that people more
20 fully understand it?

21 MR. WOLFORD: Sometimes, and in this
22 case it might be looking at in the future.
23 However, as a basic rule of statutory
24 interpretation, if the term itself is not defined
25 by the actual statute or rule or regulation, you

1 give the words plain and ordinary meaning, and we
2 see that everywhere in the revised statutes of
3 Missouri, not all terms are defined, not all terms
4 that probably need a specific definition have that
5 definition. And under the rules we just assume
6 that the legislature intended us to use the plain
7 and ordinary definition of the word.

8 CHAIRMAN KOHN: So as the hearing
9 officer -- well, let me ask you, based on the
10 evidence that you heard, do you think it was his
11 intent to not follow the procedure as he knew or
12 should have known existed or did he just not
13 understand what the procedure was because it's not
14 clear?

15 MR. WOLFORD: I believe he had the
16 intent because by only using one security officer,
17 and this was his testimony, it made the process
18 quicker and easier, so it was for his own economy
19 that he changed this procedure for the jackpot
20 fill.

21 CHAIRMAN KOHN: And did he do this
22 regularly or just once?

23 MR. WOLFORD: It had been going on, the
24 testimony given by the commission agent was that
25 it had been going on for at least two, probably

1 three months, that he had put this new procedure
2 in place before it came to the boat agent's
3 attention.

4 COMMISSIONER JAMISON: Is Mr. Gorman
5 here?

6 CHAIRMAN KOHN: We're going to find out.
7 Are there any other questions?

8 COMMISSIONER JAMISON: Following up on
9 Herb's question, is it your position that there
10 needs to be an intent to violate the regulation or
11 is it sufficient just to say that the regulation
12 or the internal control statute has been violated?

13 MR. WOLFORD: Sure. And I lead more
14 towards the latter. The licensees do have the
15 obligation to know the rules and regulations, it's
16 part of being a licensee. And if they know that
17 the law has been violated -- so it does require
18 some knowledge on the part of the licensee to
19 violate the regulation.

20 COMMISSIONER JAMISON: And his
21 justification was expediency, and you didn't see
22 anything that indicated that he was in any way
23 trying to set up a situation where some nefarious
24 activity could take place, did you?

25 MR. WOLFORD: No, I certainly saw no

1 intent to rob the casino of assets or that. But
2 there was intent on his part to violate the
3 procedure, he knew what it was, he knew that by
4 doing -- one security officer, he was shaving time
5 off of his jackpot fills, and in his mind he was
6 making his department more efficient. And he
7 thought it -- he did have a legitimate belief that
8 as the poker manager he could change this
9 procedure, but that wasn't the case.

10 COMMISSIONER JAMISON: Okay.

11 CHAIRMAN KOHN: Any other questions?

12 (No Response.)

13 CHAIRMAN KOHN: Is Mr. Gorman here?

14 (No Response.)

15 CHAIRMAN KOHN: Mr. Gorman's

16 representative, attorney here?

17 (No Response.)

18 CHAIRMAN KOHN: Okay. Any other

19 questions from the commissioners?

20 (No Response.)

21 CHAIRMAN KOHN: Is there a motion to

22 approve the resolution?

23 COMMISSIONER JAMISON: I move for

24 adoption of Resolution 16-028.

25 COMMISSIONER HALE: Second.

1 CHAIRMAN KOHN: Any further discussions
2 on the motion?

3 (No Response.)

4 CHAIRMAN KOHN: Angie?

5 MS. FRANKS: Commissioner Lombardo?

6 COMMISSIONER LOMBARDO: Approved.

7 MS. FRANKS: Commissioner Neer?

8 COMMISSIONER NEER: Approved.

9 MS. FRANKS: Commissioner Hale?

10 COMMISSIONER HALE: Approved.

11 MS. FRANKS: Commissioner Jamison?

12 COMMISSIONER JAMISON: Approved.

13 MS. FRANKS: Chairman Kohn?

14 CHAIRMAN KOHN: Approved.

15 MS. FRANKS: By your vote you've adopted
16 Resolution No. 16-028.

17 CHAIRMAN KOHN: Okay, you're still up.

18 MR. WOLFORD: I present Resolution
19 16-029, the matter of Erin Krick. On November
20 19th, 2014 and all times relevant hereto, Ms.
21 Krick was employed as a cage supervisor at Lumiere
22 Place. During that time the Commission conducted
23 audits of casino jackpots, which had been removed
24 from safekeeping between the 1st of April 2014 and
25 the 31st of March 2015. During this audit the

1 Commission revealed that on the 3rd of December,
2 1997 a woman, we'll just use her first name
3 Regina, she placed herself on the State's
4 voluntary exclusion list and from that point on
5 she was considered a Disassociated Person or a
6 DAP, and as such she was banned from entering on
7 the gaming floor of the casinos. She subsequently
8 on the 29th of April 2014 applied and had her name
9 removed from that DAP list.

10 So between December 3rd, 1997 and April
11 29, 2014 she was a Disassociated Person, she was a
12 DAP. But after April 29th, no longer. Why this
13 is relevant is that December 16th, 2008 Regina was
14 on the gaming floor of the Lumiere Place Casino
15 and she won a jackpot, she won \$4,000 and an
16 additional \$7.50. So there's a DAP on the casino
17 floor and has \$4,007.50 of winnings. That sum was
18 placed into safekeeping because she had
19 insufficient ID at the time, and she used the name
20 of her sister Michelle to put the property into
21 safekeeping.

22 Now, the proper procedure was followed,
23 a photograph of Regina was taken under the name of
24 Michelle. Regina was arrested on December 17th,
25 2008 when she tried to have her sister come and

1 claim the jackpot. And at that time it was
2 discovered that she was a DAP, and that was the
3 reason for the arrest. At this time the jackpot
4 was never voided, even after Regina was found to
5 be a Disassociated Person. The cage supervisor at
6 the casino and a cage cashier revised the
7 safekeeping slip, so they crossed out the name
8 Michelle that Regina had used and they put in
9 Regina's correct name and her contact information,
10 her address and the property remained in
11 safekeeping.

12 Fast forward to November 7th, 2014, the
13 casino realized that it had some property in
14 safekeeping that had been more than five years
15 old. Why that is significant, once property,
16 financial property or any property has been
17 unclaimed or abandoned for more than five years
18 the State's Abandoned Property Statute comes into
19 play. So the casino did what it should have done
20 under the abandoned property law. It sent a due
21 diligence notification letter to the person named
22 as their contact information given on this
23 safekeeping slip, and that was Regina. Well,
24 Regina got the letter in the mail Hey, you've got
25 \$4,007.50 here at the casino, it's unclaimed

1 property, here's how you can claim it.

2 And claim it she did. She went in and
3 Ms. Krick took her proper identification, all the
4 stuff required under the unclaimed property law.
5 She did a check of the system and found that
6 Regina was no longer a DAP because this is
7 November now, November. She had gone off the list
8 in April, she has been off the disassociated
9 person's list for six months at that point. And
10 Ms. Krick paid the safekeeping out. The
11 Commission initially put discipline proceedings
12 against Ms. Krick for paying out the deposit to a
13 Disassociated Person.

14 However, at hearing the testimony
15 revealed that Ms. Krick had no role in the initial
16 taking of the safekeeping, she was not the cage
17 supervisor or cage cashier that was present when
18 the deposit was taken into safekeeping. Although
19 that deposit should have been voided at that time,
20 once they found out that Regina was a
21 Disassociated Person. The relevant internal
22 control systems here are Chapter H, Section 10.09
23 that states, "Prior to conducting a safekeeping
24 withdrawal the cashier shall verify that the
25 patron is not a DAP or an Excluded person," which

1 Ms. Krick did.

2 And based on the evidence presented, the
3 hearing officer felt that Ms. Krick did meet her
4 burden of clear and convincing evidence that no
5 violation occurred and therefore the hearing
6 officer recommends vacation of the preliminary
7 order of discipline. I'd be happy to answer any
8 questions.

9 CHAIRMAN KOHN: Are there questions?

10 (No Response.)

11 CHAIRMAN KOHN: Carolyn, do you have any
12 comments?

13 MS. KERR: Yes, I do. May I?

14 CHAIRMAN KOHN: Well, sure.

15 COMMISSIONER NEER: I've got a question
16 for Carolyn.

17 CHAIRMAN KOHN: Well, right after she
18 speaks.

19 MS. KERR: Thank you. Good morning,
20 Chairman and Commissioners. The Staff disagrees
21 with the hearing officer's recommendation that Ms.
22 Krick's license not be disciplined. The Staff
23 believes that its recommended one calendar day
24 suspension is proper. At the time of the
25 incident, the basis for this proposed discipline,

1 Ms. Krick was an accounting services supervisor.
2 She was responsible for making sure that she as
3 well as anyone she worked with or she supervised
4 followed the relevant statutes, rules, MICS and
5 ICS pertaining to the accounting department
6 including safekeeping of deposits and payouts and
7 unclaimed property.

8 Regardless of how the money got into
9 safekeeping, it was when the casino decided to pay
10 out that safekeeping deposit to this patron that
11 Ms. Krick became responsible for following the
12 MICS and ICS and how the funds were paid out of
13 safekeeping. As the hearing officer said, the
14 requirements of Chapter H, MICS and ICS, Section
15 10.09, make sure that the right person gets their
16 money that has been deposited into safekeeping.
17 It's a consumer protection rule to safeguard that
18 patron's funds. Both of those internal controls
19 require the person paying any funds to the patron
20 to not only get a photo ID of the person claiming
21 the money but have them come into the casino so
22 that they can confirm the person's identity with
23 that person's ID that they've provided, confirm
24 that the signature of the person claiming the
25 money is the same as the one on the ID and, again,

1 verify that the person claiming the money is not a
2 DAP.

3 Ms. Krick verified the person was not
4 the DAP, but she never asked that patron to come
5 into the casino, and that's the key. In this case
6 she just mailed out the safekeeping deposit
7 without having her come in in person. She allowed
8 the procedure to be violated by preparing the
9 request for check invoice so that the amount could
10 be mailed to her without ever requiring her to
11 come into the casino. As the hearing officer
12 said, every licensee has a duty to know and follow
13 the rules and laws pertaining to their job. The
14 hearing officer also stated that because the
15 unclaimed jackpot had been in safekeeping for over
16 five years it became unclaimed property, and as
17 such, the process Ms. Krick and her staff followed
18 by using mail to find and send the money out to
19 the person was adequate.

20 Well, Ms. Krick is responsible for
21 following both the unclaimed -- the general
22 unclaimed property statutes and the more specific
23 MICS and ICS, and could have done so by just
24 requiring that individual to come into the casino
25 in person to collect the funds. She could have

1 followed both the specific requirements of the
2 gaming law and the general requirements of the
3 unclaimed property law, she didn't do that, and
4 for those reasons the hearing officer's
5 recommendation should be rejected and the Staff's
6 recommendation of one calendar day suspension be
7 imposed against Ms. Krick. Thank you.

8 COMMISSIONER NEER: I don't have a
9 question any further.

10 COMMISSIONER JAMISON: So your
11 contention is that the safeguarded status does
12 leave at the time that it becomes unclaimed
13 property?

14 MS. KERR: Well, they never sent it to
15 the treasurer's office, to the unclaimed property
16 division of the treasurer's office. They still
17 have the money. Whether it became, quote,
18 unclaimed property after five years, since it was
19 still in the casino's possession they had a duty
20 to ask the patron to come in and follow the
21 MICS/ICS.

22 COMMISSIONER JAMISON: So your
23 contention would be that it would still be under
24 the rules and regulations of safeguarded property?

25 MS. KERR: Yes.

1 COMMISSIONER JAMISON: Thank you.

2 CHAIRMAN KOHN: And what is your
3 recommendation?

4 MS. KERR: One calendar day suspension.

5 CHAIRMAN KOHN: One what?

6 MS. KERR: One calendar day suspension,
7 just one day.

8 CHAIRMAN KOHN: One day suspension?

9 MS. KERR: Yes.

10 CHAIRMAN KOHN: Other questions of Ms.
11 Kerr?

12 MR. JAMISON: I have one more question,
13 and you may be able to answer this or maybe
14 someone else. If you're on the DAP list and then
15 you're removed on the DAP list, does that name go
16 away or is it on that list as reinstated or should
17 it be able to be in -- is it in a database that
18 you can see that it was previously DAP but not
19 currently or is it once off the DAP list it's
20 disappeared and gone? Does that make sense, my
21 question?

22 MS. KERR: Yes.

23 COMMISSIONER JAMISON: Okay.

24 MS. KERR: I think -- I'm sorry.

25 MS. MCCARTHY: Yeah, they would be

1 classified as rescinded, and so they're on the
2 rescinded list, and we do keep their names because
3 there's a one-off, one-on situation. If they go
4 back on the list after being rescinded once, we
5 call that lifetime permanent.

6 COMMISSIONER JAMISON: But, I mean, does
7 the casino have access to that, I mean, do you see
8 what my question is?

9 MS. MCCARTHY: Yeah.

10 COMMISSIONER JAMISON: Should the
11 employee or the licensee been able to find out
12 previous DAP status if this --

13 MS. KERR: Well, even if --

14 MS. ALONZO: I can help. My name is
15 Cheryl Alonzo, Missouri Gaming Commission. If she
16 did a DAP level lookup, it would not have pulled
17 up -- if the person is off the list, it won't pull
18 it up, but if she looked in maybe their player
19 tracking system, they might have that history,
20 that the person was on the DAP list and then the
21 person came off. I don't know what kind of search
22 she did, I don't know which mechanism she used.
23 So it's possible if she just did the DAP lookup,
24 then it wouldn't come up. But even if she --

25 CHAIRMAN KOHN: I'm curious about

1 something else. During that six-month period when
2 she came off and this all took place, did she come
3 back in and resume her gaming activity?

4 MS. KERR: I don't know.

5 CHAIRMAN KOHN: Brian, do you know?

6 MR. WOLFORD: No. Ms. Regina was not a
7 part of the hearing process, so we just simply
8 didn't get to ask her that information.

9 COMMISSIONER NEER: I'm partly following
10 up on Bryan's question. Had she come back in the
11 casino at that point, would she have been off the
12 list, would the casino have known it or should
13 they have known it?

14 MS. KERR: Well, if she --

15 COMMISSIONER NEER: What should they
16 have done at that point?

17 MS. KERR: If she had come -- if she had
18 won a jackpot or if she had come to the cashier
19 window to do some kind of translation, then they
20 would know that -- they might know that she's
21 there. But if she's not on the DAP list, she's
22 just like any other patron. But unless she did
23 something like that, the casino wouldn't
24 necessarily know that she's on the casino floor.

25 COMMISSIONER NEER: Who came back to the

1 cashier to claim the money?

2 MS. KERR: In 2008.

3 COMMISSIONER NEER: Pardon me?

4 MS. KERR: In 2008 when she --

5 COMMISSIONER NEER: Yeah.

6 MS. KERR: I think she had her sister.

7 MR. WOLFORD: Her and her sister, they

8 both showed up which is why she was arrested at

9 that point, in 2008, whenever the jackpot was put

10 in.

11 COMMISSIONER NEER: This may be

12 implicit, but shouldn't the jackpot have been

13 voided in 2008?

14 MR. WOLFORD: Absolutely.

15 MS. KERR: Yes.

16 COMMISSIONER JAMISON: So this really

17 never should have been an issue of it being

18 unclaimed property because someone didn't do their

19 right task when they put into safeguard and then

20 found out that it was an inappropriate jackpot, it

21 never should have got to here because it should

22 have been voided?

23 MS. KERR: Correct.

24 MR. WOLFORD: Absolutely.

25 COMMISSIONER JAMISON: Four and a half

1 years ago or whatever period of time that was.

2 COMMISSIONER NEER: So if we're going to
3 impose, even though it's mild, but if we're going
4 to impose a suspension here, I'm still not
5 understanding what the casino did or didn't do,
6 they should have or shouldn't have done with the
7 knowledge that they had.

8 MS. KERR: Well, they shouldn't --
9 regardless of how the money got into safekeeping,
10 it shouldn't have gotten into safekeeping in 2008.
11 But, you know, by 2014 that's said and done. They
12 had that money and it was their responsibility to
13 make sure that that person came in to get the
14 money. They shouldn't have just mailed it out.

15 COMMISSIONER JAMISON: Let me ask one
16 question of your standing on this, are you saying
17 that she shouldn't have -- if she would have come
18 in and presented personally the ID, you would have
19 given her the money then?

20 MS. KERR: Yes.

21 COMMISSIONER JAMISON: So the only thing
22 that you're contending is then that she just
23 didn't follow -- you're not saying that the person
24 that shouldn't have got the money that ended up
25 getting the money really shouldn't have gotten it,

1 I know that's a convoluted sentence -- you're not
2 contending that she shouldn't have received the
3 check, you're just saying the procedure followed
4 to give her the check you have a problem with?

5 MS. KERR: Yes.

6 COMMISSIONER JAMISON: But if the woman
7 would have come in, the woman who was on the DAP
8 list, what were we calling her, Regina?

9 MS. KERR: Regina.

10 MR. WOLFORD: Regina.

11 COMMISSIONER JAMISON: Regina, if Regina
12 would have come in in person to Ms. Krick, handed
13 her her ID, Ms. Krick would have been correct to
14 hand her the \$4,007.50?

15 MS. KERR: As long as she double-checked
16 the signature and she had checked the DAP, and at
17 that point Regina was not on the DAP list.

18 COMMISSIONER JAMISON: Right. So you're
19 saying she would have received the money under
20 this process, it's just that she didn't cross the
21 T's and dot the I's of the MICS and ICS?

22 MS. KERR: Yes.

23 COMMISSIONER JAMISON: Okay.

24 COMMISSIONER NEER: I've got a question
25 of Bryan. I think I remember it now, I wrote it

1 down. How would you determine that Regina was on
2 the DAP list earlier that created this whole
3 scenario?

4 MR. WOLFORD: When she was with her
5 sister on December 17th, 2008 to have her sister
6 claim the jackpot that she won, they were both
7 there and the boat noticed that and they had the
8 commission agent run her or check her and found
9 out she was a DAP at that time.

10 COMMISSIONER NEER: When this check
11 became available, how was it determined that
12 incident occurred in '08?

13 MR. WOLFORD: How was this determined
14 that it occurred in '08?

15 COMMISSIONER NEER: Yes.

16 MR. WOLFORD: Because it was listed on
17 the safekeeping deposit. That's the date that
18 they changed the safekeeping deposit. And you can
19 go back and check her arrest history and find out
20 that was the date. I would also like to add,
21 though, I do believe that the unclaimed property
22 statute applies here, that the property was not a
23 safekeeping at the time that the money was paid.
24 Just because it's not delivered to the treasurer's
25 office, doesn't mean it's unclaimed property.

1 Under the statute, property becomes
2 unclaimed property when it has been abandoned for
3 five or more years. And the first step that the
4 holder of unclaimed property must do before you
5 even transfer it to the treasurer, is to do the
6 due diligence by sending out the due diligence
7 letter to the last known owner at their last known
8 address and give them the specific instructions
9 listed in the statute on how to claim the
10 unclaimed property. And it does require that they
11 do send in identification, fill out a form, all of
12 which was done. The policy was followed, the only
13 thing that was not followed was the MICS where Ms.
14 Krick would have had to physically see the ID in
15 person at the casino.

16 But as the hearing officer, I found that
17 the property was in safekeeping and, therefore,
18 the MICS did not apply to it and instead we looked
19 to the unclaimed property statute, which was
20 followed to a T in this case.

21 CHAIRMAN KOHN: Any other questions?

22 COMMISSIONER LOMBARDO: Yes. Was the
23 casino ever disciplined for, in essence, paying
24 out a jackpot to somebody who was on the DAP
25 list who was not entitled to the benefit of that

1 jackpot?

2 MS. KERR: Yes, actually Patricia Hines
3 who was the case supervisor originally, she was
4 disciplined. Paula Riley who was Erin Krick's
5 supervisor at the time was disciplined, they each
6 got one day, and the casino was fined \$5,000,
7 which they have paid.

8 COMMISSIONER JAMISON: When did that
9 punishment independently occur upon those for the
10 violation back at the time of --

11 MS. KERR: The two individuals?

12 COMMISSIONER JAMISON: Yeah.

13 MS. KERR: The two individuals -- well,
14 Patricia Hines, Paula Riley and Erin Krick were
15 all sent a preliminary order of -- a proposed
16 order of discipline.

17 COMMISSIONER JAMISON: So it was all at
18 the same time as this one?

19 MS. KERR: Yes.

20 COMMISSIONER JAMISON: Okay.

21 MS. KERR: Yes. Patricia Hines served
22 her suspension. Paula Riley --

23 COMMISSIONER JAMISON: They were all
24 chosen after the fact that the money had been paid
25 out?

1 MS. KERR: Correct.

2 COMMISSIONER JAMISON: Okay. That was
3 my question.

4 MS. KERR: And neither one of them
5 appealed.

6 CHAIRMAN KOHN: Any other questions?

7 (No Response.)

8 CHAIRMAN KOHN: The chair will entertain a
9 motion to approve the hearing officer's
10 recommendation and in doing so, we are rejecting a
11 one-day suspension, correct?

12 MR. WOLFORD: That's my recommendation.

13 CHAIRMAN KOHN: So we have an honest
14 difference of opinion between our hearing officer
15 and our counsel, so the motion is to adopt the
16 hearing officer's recommendation meaning there
17 will be no suspension. Is there a motion?

18 COMMISSIONER NEER: Yes, I move to adopt
19 the hearing officer's recommendation.

20 CHAIRMAN KOHN: Is there a second?

21 COMMISSIONER HALE: I'll second.

22 CHAIRMAN KOHN: Any discussion on the
23 motion?

24 (No Response.)

25 CHAIRMAN KOHN: Angie?

1 MS. FRANKS: Commissioner Lombardo?

2 COMMISSIONER LOMBARDO: Approved.

3 MS. FRANKS: Commissioner Neer?

4 COMMISSIONER NEER: Approved.

5 MS. FRANKS: Commissioner Hale?

6 COMMISSIONER HALE: Approved.

7 MS. FRANKS: Commissioner Jamison?

8 COMMISSIONER JAMISON: Approved.

9 MS. FRANKS: Chairman Kohn?

10 CHAIRMAN KOHN: Approved.

11 MS. FRANKS: By your vote you've adopted

12 Resolution No. 16-029.

13 CHAIRMAN KOHN: Thank you very much.

14 Tab E.

15 MR. WOLFORD: Commissioners and
16 Chairman, for your consideration Resolution No.
17 16-030, the matter of Mica Skillington. On August
18 24th, 2015 and all times relevant hereto, Ms.
19 Skillington was employed as the director of
20 marketing aboard the Hollywood Casino in St.
21 Louis. At this time the Commission became aware
22 of a problem with a promotion that the casino was
23 running at the time called "The Cash Cool Down
24 Promotion." The Commission conducted an
25 investigation and revealed that under the rules of

1 this promotion table games and slot players both
2 should have been given one entry in a weekly
3 drawing for every 50 points of play that they had
4 accumulated.

5 However, the program was not running
6 right and that table games players were getting
7 one drawing entry for every point instead of every
8 50, so they were getting 50 times as many drawing
9 entries as the slot players were getting, and this
10 was against the published stated rules of the
11 promotion. The casino's senior promotions
12 coordinator Nichole Jernigan created this
13 promotion and she forwarded it to the licensee,
14 Ms. Skillington for her review and approval on
15 July 21st. On July 23rd after completing her
16 review, Ms. Skillington did approve the program.
17 She failed to thoroughly check and verify that the
18 promotion would proceed without any errors and
19 that it would run in compliance with its rule.

20 As a result of the promotion continuing
21 for three weeks in violation of its written rules,
22 table games players were awarded so many more
23 entries in the drawing and the casino paid out
24 nearly \$40,000 in assets to correct the error.
25 The evidence at hearing showed that the Petitioner

1 Ms. Skillington did approve the promotion and she
2 did verify by her own signature that it was
3 running correctly. She did not have the immediate
4 ability to view the codes for the point entry when
5 she was doing her initial review. So at first
6 glance when she got this from Nichole Jernigan,
7 she couldn't see Oh, there's a problem with the
8 points accumulations for the table game players.

9 However, she was ultimately responsible
10 to ensure that this promotion was free from errors
11 and in compliance with these rules. She could
12 have dug further, she could have looked to make
13 sure that it was running as it was stated to run,
14 therefore, the hearing officer recommends the one
15 calendar day suspension be approved as appropriate
16 discipline. I'd be happy to answer any questions.

17 CHAIRMAN KOHN: Questions?

18 (No Response.)

19 CHAIRMAN KOHN: Any comment from
20 Counsel?

21 MS. KERR: No, we concur with the
22 hearing officer's recommendation.

23 CHAIRMAN KOHN: Is Ms. Skillington
24 present?

25 (No Response.)

1 CHAIRMAN KOHN: Anybody representing Ms.
2 Skillington?

3 (No Response.)

4 CHAIRMAN KOHN: Is there a motion
5 regarding this resolution?

6 COMMISSIONER LOMBARDO: Motion to
7 approve Resolution No. 16-030.

8 CHAIRMAN KOHN: Is there a second?

9 COMMISSIONER HALE: Second.

10 CHAIRMAN KOHN: Discussion on the
11 motion?

12 (No Response.)

13 CHAIRMAN KOHN: Angie?

14 MS. FRANKS: Commissioner Lombardo?

15 COMMISSIONER LOMBARDO: Approved.

16 MS. FRANKS: Commissioner Neer?

17 COMMISSIONER NEER: Approved.

18 MS. FRANKS: Commissioner Hale?

19 COMMISSIONER HALE: Approved.

20 MS. FRANKS: Commissioner Jamison?

21 COMMISSIONER JAMISON: Approved.

22 MS. FRANKS: Chairman Kohn?

23 CHAIRMAN KOHN: Approved.

24 MS. FRANKS: By your vote you've adopted
25 Resolution No. 16-030.

1 CHAIRMAN KOHN: F.

2 MR. WOLFORD: And finally, Mr. Chairman
3 and Commissioners, for your consideration,
4 Resolution No. 16-031, the matter of LaShonda
5 Stewart. And I will preface this that although
6 duly notified of the time and place of the
7 hearing, Ms. Stewart did not show up and nobody on
8 her behalf showed up. Ms. Stewart made an
9 application with the Commission in order to obtain
10 a Level 2 gaming license. On the license
11 application Question Number 15 asks, "Have you
12 ever been barred or excluded, been a Disassociated
13 Person or a DAP for any reason from any casino or
14 gambling gaming related operation?"

15 She did list three instances, first she
16 stated Isle of Capri on 21 July 2005 for the
17 reason "I want to save money." Second, she listed
18 Ameristar on June 14, 2006 for the reason "Need
19 time off the boat." And finally, she listed 7th
20 Street on December 15, 2012 for the reason "I got
21 mad that I lose." The petitioner did not list any
22 further details to that question. During the
23 application procedure while the investigation is
24 ongoing, she was issued a temporary license and
25 she did take up temporary work at the casino.

1 During the investigation, however, the
2 Commission discovered that she had been a DAP at
3 the time of her application and, in fact, she had
4 been a DAP on the list since the 9th of February
5 2005. While the petitioner had her temporary
6 license but while the investigation procedure was
7 still going on, on October 28, 2015 she was issued
8 a citation by the Commission for trespassing as a
9 DAP at Harrah's North Kansas City, she was on the
10 gaming floor. And the Commission, once they
11 became aware of this, they subsequently withdrew
12 her temporary license. She failed to disclose
13 that she was a DAP at the time of her application.
14 Further, while holding a temporary license and
15 being on the DAP list she was on the casino floor
16 at Harrah's.

17 The hearing officer believes that she
18 failed to show her suitability to be licensed and
19 recommends denial of her occupational gaming
20 license application. I'd be happy to answer any
21 questions.

22 CHAIRMAN KOHN: Questions?

23 (No Response.)

24 CHAIRMAN KOHN: Counsel, any comment?

25 MS. KERR: No, we concur with the

1 hearing officer's recommendation.

2 CHAIRMAN KOHN: And I take it that Ms.
3 Stewart is not here?

4 (No Response.)

5 CHAIRMAN KOHN: Is anybody representing
6 Ms. Stewart here?

7 (No Response.)

8 CHAIRMAN KOHN: Is there a motion to
9 approve the resolution?

10 COMMISSIONER LOMBARDO: Mr. Chairman, I
11 would move to adopt the recommendation of
12 Resolution No. 16-031.

13 COMMISSIONER HALE: Second.

14 CHAIRMAN KOHN: Discussion on the
15 motion?

16 (No Response.)

17 CHAIRMAN KOHN: Angie?

18 MS. FRANKS: Commissioner Lombardo?

19 COMMISSIONER LOMBARDO: Approved.

20 MS. FRANKS: Commissioner Neer?

21 COMMISSIONER NEER: Approved.

22 MS. FRANKS: Commissioner Hale?

23 COMMISSIONER HALE: Approved.

24 MS. FRANKS: Commissioner Jamison?

25 COMMISSIONER JAMISON: Approved.

1 MS. FRANKS: Chairman Kohn?

2 CHAIRMAN KOHN: Approved.

3 MS. FRANKS: By your vote you've adopted
4 Resolution No. 16-031.

5 MR. WOLFORD: Thank you, Mr. Chairman.

6 CHAIRMAN KOHN: Thank you. A good day's
7 work. Mr. Seibert?

8 MR. SEIBERT: The next order of business
9 is consideration of disciplinary actions. Mr.
10 Edward Grewach will present.

11 MR. GREWACH: Thank you, Mr. Chairman
12 and Commissioners. Under Tab G we have a
13 preliminary order of discipline directed to
14 Ameristar Kansas City Casino arising out of two
15 repeat audit findings. The first finding is
16 violation of Minimum Internal Control Standard
17 I7.04, that standard requires a weekly review of
18 manual adjustments to points on player accounts.
19 Now, under certain circumstances, specifically
20 named casino employees are authorized to manually
21 adjust a patron's account based on a patron
22 request, complaint depending on what the
23 circumstances may be. We require a weekly review
24 of those manual adjustments, and what we really
25 anticipate is what the casinos will look for in

1 those reviews are unusually large adjustments,
2 possibly repeated adjustments to one particular
3 patron's account.

4 You know, looking for anything that
5 would tend to indicate any kind of a collusion or
6 theft of those points. The significance of
7 requiring them weekly is that you don't let a
8 problem go too long. You know, if there's
9 something like that, collusion going on, it would
10 be caught earlier before it adds up to too large
11 of a number. In this audit period from January of
12 2014 to July of 2015, it was found that the
13 property was not performing reviews on a weekly
14 basis. That same finding was also found in two
15 prior audits, one for a time period covering April
16 2011 to April 2012, and a second from a time
17 period covering May 2012 to December of 2013.

18 The second repeat audit finding involved
19 failure to clear hands by employees in the count
20 room while moving to or from the tables while the
21 money was present. In the audit were found from
22 observation, there was a 20.4 percent failure rate
23 of employees clearing their hands, and the
24 clearing the hands requires the employees to show
25 both the back and front of their hands to the

1 other people in the room and to the surveillance
2 camera to show that there is no money being taken.
3 This was also a finding in a prior audit report
4 for a time period of May 2012 to December 2013 in
5 which a 23.9 percent error rate was found. The
6 recommended fine is \$5,000.

7 CHAIRMAN KOHN: Questions?

8 (No Response.)

9 CHAIRMAN KOHN: Is there anyone from the
10 -- is there a motion to adopt Resolution DC16-092?

11 MR. JAMISON: I move for adoption of
12 Resolution DC16-092.

13 CHAIRMAN KOHN: Is there a second?

14 MR. HALE: I'll second.

15 CHAIRMAN KOHN: Discussion on the
16 motion?

17 (No Response.)

18 CHAIRMAN KOHN: Angie?

19 MS. FRANKS: Commissioner Lombardo?

20 COMMISSIONER LOMBARDO: Approved.

21 MS. FRANKS: Commissioner Neer?

22 COMMISSIONER NEER: Approved.

23 MS. FRANKS: Commissioner Hale?

24 COMMISSIONER HALE: Approved.

25 MS. FRANKS: Commissioner Jamison?

1 COMMISSIONER JAMISON: Approved.

2 MS. FRANKS: Chairman Kohn?

3 CHAIRMAN KOHN: Approved.

4 MS. FRANKS: By your vote you've adopted
5 DC-16-092.

6 CHAIRMAN KOHN: H.

7 MR. GREWACH: Tab H we have a
8 preliminary order of discipline directed to Mark
9 Twain Casino relating to a problem with a
10 promotion. Our Rule 5.181 prohibits any property
11 from conducting a promotion in a manner that
12 reflects negatively on the licensee. In November
13 of 2015 the casino on every Monday during that
14 month conducted a Pepsi Giveaway in which the
15 prize was a six-pack of Pepsi in a cooler. There
16 are two ways to win, one was that certain select
17 patrons were sent a postcard that they could come
18 in and swipe and automatically get the prize. The
19 other was based on a certain level of play for any
20 registered patron holding a player's card.

21 The rules of the promotion stated that
22 it would start at 8:00 a.m. each Monday during the
23 time the promotion was in effect. On November the
24 2nd at 2015 it came to our attention that the
25 times were set up incorrectly and instead of the

1 promotional software, the kiosks starting at 8:00
2 a.m., it started at 12:01 a.m. So there were six
3 patrons who received a voucher for the prize
4 before 8:00 a.m. and were denied the prize because
5 pursuant to the rules they weren't eligible until
6 8:00 a.m. that morning. They were upset, there
7 was some complaints. And the casino made an
8 adjustment that they thought fixed the problem,
9 but the difficulty was they only fixed one of
10 those two methods.

11 And then on November the 9th, 2015 we
12 again had a situation where five patrons who
13 played before 8:00 a.m. received vouchers but were
14 not allowed to have their prize, they had to come
15 back after 8:00 a.m. to claim it. Staff had
16 recommended a \$5,000 fine. In the response by the
17 property, the property acknowledged the error. Is
18 this echo bothering you or is this --

19 CHAIRMAN KOHN: No, it's fine.

20 MR. GREWACH: I could talk more softly,
21 but I don't know how. And one of their arguments
22 was that they did allow the patrons to pick them
23 up later. On the first event on November 2nd, all
24 six of the patrons did, in fact, come back later
25 and pick up their prize. On the November 9th

1 promotion only three of the five came back later
2 to pick up the prize. And from the Staff's point
3 of view, I mean, that is sort of at the root of
4 the rule. It's a promotion conducted in a way
5 that reflected negatively on the licensee.

6 And as easy as it is to say Well, we
7 made it up, we offered it to them, but just they
8 had to come back later, that may not fit into the
9 patron's plans, a patron may have other things to
10 do, they may be coming back to a casino at a time
11 that, you know, is either not convenient or that
12 they aren't able to come back to. So the Staff
13 voted to maintain the recommendation of a \$5,000
14 fine.

15 CHAIRMAN KOHN: So this is really about
16 two six packs of Pepsi that were not claimed?

17 MR. GREWACH: Well, there actually is a
18 total of 11 people who had vouchers on two
19 different -- 6 on one day, 5 on the other, who had
20 vouchers for this six-pack of Pepsi and cooler and
21 were told they had to come back after 8:00
22 o'clock.

23 CHAIRMAN KOHN: And all but two did come
24 back?

25 MR. GREWACH: All but two of them didn't

1 come back, yes.

2 CHAIRMAN KOHN: Questions?

3 MR. HALE: If I may, Mr. Chair. Is the
4 problem merely the fact that the casino failed to
5 I guess apply the rule to their own promotion?

6 MR. GREWACH: Correct, they set up --
7 they did actually follow the rules, and that was
8 the position they found themselves in when the
9 people came before 8:00 a.m. with the vouchers,
10 because the rule said you weren't eligible until
11 8:00 a.m. And there's two parts of that rule,
12 something you'll see in the subsequent case.
13 There's one prohibition against conducting the
14 promotion in a manner that reflects negatively on
15 the licensee, things that inconvenience the
16 patrons, things that, you know, tend to cast some
17 doubt on the promotion. And then the other is
18 you've got to pay out the prizes according to the
19 rules.

20 Now, they did pay them out according to
21 the rules because the rule said you don't get them
22 until 8:00. So to that extent they worked out the
23 parts of that dilemma, they could have placated
24 the patrons by just paying -- just giving them the
25 cooler or the Pepsi at 5:00 a.m. or whenever they

1 walked up, but then they would have been violating
2 the second part of the rule where you'd be picking
3 up the prize not in accordance with the rules of
4 the promotion. So when we looked at this
5 discipline we looked at more -- both the facts
6 that the first time they set up the start time on
7 the kiosks incorrectly and then the second time
8 they missed the second method of winning. So you
9 have two instances back to back where you had
10 angry patrons who had to come back later, most of
11 which did, a couple of which didn't, and that to
12 us was the root of the violation.

13 CHAIRMAN KOHN: So I'm trying to put
14 myself in the place of the casino. My thought is
15 to try and get more patrons to be happy to come
16 into my casino, and if I had refused them the
17 five, ten minutes later or 7:00 o'clock, whatever
18 time it was, I think I would have been more upset
19 than having them come back and get their Pepsi
20 later on. So I'm having a problem understanding
21 the logic of somewhat of a severe fine.

22 MR. GREWACH: The logic of?

23 CHAIRMAN KOHN: Of what I would consider
24 a fairly severe fine over a couple of six packs of
25 Pepsi.

1 MR. GREWACH: And that's certainly why,
2 you know, the preliminary orders of discipline
3 don't start without Commission action, because
4 obviously if the Commission feels differently,
5 then a vote not to adopt it would end the process.
6 Because approving it begins the legal action
7 because approving it is -- then the preliminary
8 discipline becomes the petition basically. Make
9 an analogy to a civil case, and then they have 30
10 days to file their answer, present their defense.
11 But if we ever present a case to you that you look
12 at and say No, we don't think that's an
13 appropriate matter for discipline, there's
14 certainly no heartburn on the Staff because we're
15 here to get guidance from you as to what you think
16 are appropriate cases for our discipline.

17 But we also on the same note want you to
18 see the Staff's reasoning. It's not an arbitrary
19 thing because we are very sensitive to promotional
20 problems. Because we know that, you know, to say
21 to a patron Yes, you can come back later, on paper
22 sounds fine. But to the patron, even though they
23 do come back later, it may have messed up their
24 whole day's plans, it may have -- of course, I'm
25 not sure if it's mess up a whole day's plans for a

1 COMMISSIONER LOMBARDO: Approved.

2 MS. FRANKS: Commissioner Neer?

3 COMMISSIONER NEER: Approved.

4 MS. FRANKS: Commissioner Hale?

5 COMMISSIONER HALE: Approved.

6 MS. FRANKS: Commissioner Jamison?

7 COMMISSIONER JAMISON: Approved.

8 MS. FRANKS: Chairman Kohn?

9 CHAIRMAN KOHN: Approved.

10 MS. FRANKS: By your vote you've adopted
11 DC-16-093 as amended to a \$2,500 fine.

12 CHAIRMAN KOHN: Move on, I.

13 MR. GREWACH: Tab I is a preliminary
14 order of discipline directed to River City Casino,
15 also involving problems with promotional activity.
16 As we talked about in the prior case, Rule 5.181
17 has two components that apply here, one, the
18 prohibition we spoke about earlier, conducting a
19 promotion in a manner that reflects negatively on
20 the licensee. And then the second is a
21 requirement that all prizes of the promotion be
22 paid out according to its rules. In September of
23 2015 the property ran what they called the Live
24 Life Lux 2015 promotions. The rules provided for
25 earning entries in a drawing based on the level of

1 play.

2 And it was the start and end on specific
3 times on the dates that their promotion ran. On
4 September 13th -- Mr. Chairman, would you like me
5 to wait or?

6 CHAIRMAN KOHN: No, go ahead.

7 MR. WOLFORD: September 13, 2015 we
8 received a patron complaint that they had not
9 received the appropriate amount of entries. As we
10 investigated the matter we found that the program
11 had been set up on Pacific Time but had actually
12 operated on Central Time. Now, the result of that
13 mistake caused the entries to be earned two hours
14 earlier and end two hours earlier than were stated
15 in the rules. So in other words, if you said this
16 promotion is going to run from 9:00 a.m. to 7:00
17 p.m., when you set it on Pacific Time it actually,
18 according to the program, started at 7:00 a.m. and
19 ended at 7:00 p.m. So it would just shift that
20 whole two --

21 COMMISSIONER JAMISON: If you started at
22 9:00 o'clock on the West Coast, it would be 11:00
23 o'clock here.

24 MR. GREWACH: Yeah, I probably have a
25 50/50 chance of getting that right.

1 COMMISSIONER JAMISON: Regardless, it
2 was two hours outside of your published hours.

3 MR. GREWACH: Right. So if you want
4 this program to start at, let's say, 9:00 a.m. --

5 COMMISSIONER JAMISON: That would be
6 7:00 a.m. Pacific Time.

7 MR. GREWACH: So you'd set it at 7:00 --

8 COMMISSIONER JAMISON: In the computer.

9 MR. GREWACH: In the computer, so it
10 would start at 7:00.

11 COMMISSIONER JAMISON: It would start at
12 9:00 here.

13 MR. GREWACH: But, no, you actually --
14 what they did is they actually set the start time
15 of 7:00 assuming that it would run on Pacific
16 Time. But what happened is it didn't, it ran on
17 Central Time. So they were told by their vendor
18 that you had to do this. They were told by the
19 vendor Now, if you want to start your drawing at
20 9:00 a.m., actually enter 7:00 a.m. and it will
21 automatically make the adjustment because it will
22 run. But it didn't. So when they started it at
23 7:00, it actually started at 7:00.

24 COMMISSIONER JAMISON: So they're told
25 by the vendor to do it this way and the vendor was

1 wrong?

2 MR. GREWACH: Correct.

3 COMMISSIONER JAMISON: Okay.

4 COMMISSIONER LOMBARDO: For how long did
5 this run?

6 MR. GREWACH: Well, there were actually
7 four other promotions that this situation all
8 applied to, and they ran from a time period from
9 July of 2014 until September of 2015.

10 COMMISSIONER LOMBARDO: So over a year?

11 MR. GREWACH: Yes, over a year, a year
12 and two months.

13 COMMISSIONER JAMISON: And nobody in
14 that year and two months observed that there was
15 an issue?

16 MR. GREWACH: No. And that's part and
17 parcel of what we'll get to in a little bit of our
18 reasoning in going forward with the discipline, in
19 that no one checked either. So we get this patron
20 complaint in September of 2015 and that spurs an
21 investigation. We look at all of them and realize
22 the same thing had been going on for all five of
23 the promotions going back to July of 2014.
24 Affected 12,000 patrons who, again, weren't
25 getting their proper entries because the drawings

1 the first thing is, although it's the vendor's --
2 you know, you could point to the vendor and say We
3 followed the vendor's advice. The rules for
4 promotions just are directed to the Class D
5 licensee just at the casino. Secondly, we look at
6 it from the point of view that the patron is
7 inconvenienced, impacted, shorted up an entry,
8 whatever the case may be, and to the patron it
9 makes no difference whose fault it was. The
10 patron is affected either way. We appreciate the
11 fact they've implemented those additional testing
12 procedures.

13 But when you look at a case like this,
14 you thought had they been in place earlier, had
15 they been testing this as it went along, they
16 would have caught this far earlier. You know,
17 they could have tested easily the first full play
18 period of the promotion, pay-out period and
19 checked the entries against the play records and
20 caught it sooner than they did. And also the same
21 thing we talked about earlier with makeup
22 drawings, I mean, it's one thing to say Yes, we're
23 doing a makeup drawing, but you don't really know
24 how many people that were invited back to the
25 makeup drawing did or could actually make it to

1 would use their player's card and then if they
2 used it during the hours that the promotion was
3 operating, be those maybe the wrong hours, then
4 they would automatically be entered; is that
5 correct?

6 MR. GREWACH: Yes, they would earn
7 entries based on the level of play during those
8 times that the promotion was in effect.

9 COMMISSIONER LOMBARDO: And the
10 promotion was advertised as running from a certain
11 time to a certain time?

12 MR. GREWACH: Correct.

13 COMMISSIONER LOMBARDO: So people would
14 presumably come in there, at least some of them
15 come in there with the expectation that if they
16 played between those hours, they'd be entered?

17 MR. GREWACH: Yeah, right, correct.
18 And, more specifically, people coming in the last
19 two advertised hours of the promotion would come
20 in thinking they were getting entries and would
21 not be.

22 CHAIRMAN KOHN: Any other questions? If
23 not, is there a motion to adopt Resolution
24 DC-16-094?

25 COMMISSIONER HALE: Mr. Chairman, I

1 would move for the adoption of Staff Resolution
2 DC-16-094.

3 COMMISSIONER JAMISON: Second.

4 CHAIRMAN KOHN: Discussion on the
5 motion?

6 (No Response.)

7 CHAIRMAN KOHN: Angie?

8 MS. FRANKS: Commissioner Lombardo?

9 COMMISSIONER LOMBARDO: Approved.

10 MS. FRANKS: Commissioner Neer?

11 COMMISSIONER NEER: Approved.

12 MS. FRANKS: Commissioner Hale?

13 COMMISSIONER HALE: Approved.

14 MS. FRANKS: Commissioner Jamison?

15 COMMISSIONER JAMISON: Approved.

16 MS. FRANKS: Chairman Kohn?

17 CHAIRMAN KOHN: Approved.

18 MS. FRANKS: By your vote you've adopted

19 DC-16-094.

20 MR. GREWACH: Under Tab J we have
21 preliminary order of discipline directed at
22 Lumiere Place Casino for failing to remove persons
23 on a Disassociated Person and Involuntary
24 Exclusion list from their mailing list. Minimum
25 Internal Control Standard P2.07 requires a casino

1 to remove involuntary excluded persons from their
2 mailing list. The same MIC, Chapter Q2.01 has the
3 same requirement for persons on the DAP list. On
4 October 27th of 2015 the Commission received a
5 complaint from a person who was on the DAP list
6 who had received a solicitation in the mail from
7 Lumiere Place Casino. Indicated to us he had
8 received prior solicitations from them and was
9 upset about that because he did have a gambling
10 problem and he just didn't need that extra risk of
11 actually going back, temptation to actually go
12 back to play.

13 In the course of investigating the
14 matter we found five other persons on the DAP list
15 who also received the mailing for the promotion
16 that the complaint originated from. Looking
17 further into the list, their mailing list,
18 comparing it to the DAP list we found 119 DAPs and
19 3 involuntary excluded persons who were shown on
20 their mailing list. At that point in time the
21 employee that was responsible for removing DAPs
22 and involuntary exclusions from the list did so
23 manually on a spreadsheet, and that is what gave
24 rise to those discrepancies and to those errors.
25 In response, the property is now moving toward an

1 automated process to where they link the DAP list
2 to the mailing list and automatically removed
3 folks from the mailing list that show up on the
4 DAP list.

5 You may recall, we require once a week
6 for the casinos to download the DAP list to pick
7 up any updates, any new persons that are added.
8 It also by virtue, people have been rescinded and
9 dropped off during that time period. The property
10 had a prior fine for a similar violation in March
11 of 2015 and received a \$10,000 fine, and Staff
12 therefore is recommending in this case a \$15,000
13 fine.

14 COMMISSIONER JAMISON: So if am I
15 reading this correct, they were disciplined in
16 June of 2015 on the previous DAP violation?

17 MR. GREWACH: Yeah, and I listed March
18 as the date of the incident.

19 COMMISSIONER JAMISON: That's the date
20 of incident, but the discipline is handed down and
21 that would be four months prior to this incident?

22 MR. GREWACH: We received the complaint
23 from the patron, yes.

24 COMMISSIONER JAMISON: October 27th, so
25 we handed down punishment in June and four months

1 later they have a similar kind of violation?

2 MR. GREWACH: That's correct.

3 COMMISSIONER JAMISON: Thank you.

4 COMMISSIONER LOMBARDO: Did they agree
5 to computerize their list after the first
6 violation, just not get around to it or how did
7 this happen again so soon?

8 MR. GREWACH: I don't have any
9 information on that. I don't know -- I know they
10 did in response to this violation, to say that
11 they were going to take these steps to automate
12 this process.

13 CHAIRMAN KOHN: You don't know if they
14 said it the first time?

15 MR. GREWACH: I do not have that in my
16 notes.

17 COMMISSIONER JAMISON: But they knew it
18 was a problem because they had been assessed a
19 \$10,000 fine for that kind of event, so, I mean,
20 regardless of what their answer was, they knew
21 that they had an issue with that and didn't clean
22 it up in four months.

23 COMMISSIONER LOMBARDO: Well, it looks
24 like they had a similar violation in September of
25 2012 where they were fined \$25,000.

1 MR. GREWACH: They did. Two things
2 about that, one is we don't always look that far
3 back, and also it was different management.

4 COMMISSIONER LOMBARDO: Different
5 ownership, different management.

6 CHAIRMAN KOHN: Cheryl, do you have some
7 information?

8 MS. ALONZO: Yeah. In the report it
9 talks about how they had 119 people who had -- in
10 their system had like a -- were identified as
11 being able to receive mail when they shouldn't
12 have been receiving mail. So it was a miscoding
13 of who could get that mail and who couldn't that
14 caused the problem. And when this came up they
15 went back and did their research, figured out what
16 went wrong and corrected that. They came up with
17 like 119 people, some of them were DAPs, some of
18 them were property evics, but they researched back
19 and they found out it was a mail code that was the
20 issue.

21 CHAIRMAN KOHN: I think my question is,
22 have they been -- after they had been told by
23 virtue of being fined two or three times that
24 they've got a problem and not done anything about
25 it, or are we finding the third time is the same

1 one violation?

2 COMMISSIONER LOMBARDO: Herb, I think Ed
3 mentioned it and I think it was pertinent that
4 there was different management back in 2012. When
5 was the management changeover, was it 2004?

6 MR. GREWACH: 2004. That's when -- as
7 in the course of the Pinnacle, Ameristar merger
8 Pinnacle was requiring to invest itself in the
9 Lumiere property and the Tropicana Corporation
10 purchased in 2014.

11 CHAIRMAN KOHN: As to your knowledge,
12 after the most recent fine, not this one, but the
13 \$10,000 fine, they did not, in fact, clean up
14 their act, computerize their list or whatever it
15 is they're supposed to do?

16 COMMISSIONER JAMISON: It sounds like
17 the way that Cheryl quoted it, that they may have
18 fixed one bug in their system but they didn't fix
19 another bug in their system, this identified
20 another bug; is that a fair assessment?

21 MS. ALONZO: That was my impression,
22 yes.

23 COMMISSIONER JAMISON: That they fixed
24 what they thought the problem was back in June,
25 but that didn't fix what the problem is today, if

1 that makes --

2 CHAIRMAN KOHN: And their response you
3 said was that they intended to fix the problem?

4 MR. GREWACH: Correct, right.

5 CHAIRMAN KOHN: Is there a motion to
6 approve DC-16-096?

7 COMMISSIONER JAMISON: Motion to
8 approve.

9 COMMISSIONER HALE: Second.

10 CHAIRMAN KOHN: Discussion on the
11 motion?

12 (No Response.)

13 CHAIRMAN KOHN: Angie?

14 MS. FRANKS: Commissioner Lombardo?

15 COMMISSIONER LOMBARDO: Approved.

16 MS. FRANKS: Commissioner Neer?

17 COMMISSIONER NEER: Approved.

18 MS. FRANKS: Commissioner Hale?

19 COMMISSIONER HALE: Approved.

20 MS. FRANKS: Commissioner Jamison?

21 COMMISSIONER JAMISON: Approved.

22 MS. FRANKS: Chairman Kohn?

23 CHAIRMAN KOHN: Approved.

24 MS. FRANKS: By your vote you've adopted

25 DC-16-096.

1 CHAIRMAN KOHN: Thank you. Mr. Seibert?

2 MR. SEIBERT: The next order of business
3 is consideration of rules and regulations, which
4 Mr. Edward Grewach will present.

5 MR. GREWACH: Under Tab K we have an
6 amendment, proposed amendment to Chapter M of the
7 Minimum Internal Control Standards, Section 1.06.
8 You may recall last month we did some substantial
9 changes to Chapter 12 on liquor control. And in
10 reviewing that, we found that the existing
11 language of this particular MIC referenced that
12 existing or the prior language of 12.090, so this
13 change is to clean that up and remove the
14 reference in this MIC to the now amended and
15 changed 12.090.

16 In regards to consumption of
17 intoxicating liquor. This minimum internal
18 control standard deals with security personnel.
19 They're now under the liquor rules, under the same
20 restrictions as everyone else. They cannot
21 consume alcohol on the gaming floor at any time,
22 and they can't consume alcohol any time that
23 they're on duty.

24 CHAIRMAN KOHN: Questions?

25 (No Response.)

1 CHAIRMAN KOHN: A motion to approve CSR
2 45-9.113?

3 COMMISSIONER HALE: Mr. Chairman, I move
4 to adopt the proposed amendment to 11 CSR
5 45-9.113.

6 COMMISSIONER LOMBARDO: Second.

7 CHAIRMAN KOHN: Discussion on the
8 motion?

9 (No response.)

10 CHAIRMAN KOHN: Angie?

11 MS. FRANKS: Commissioner Lombardo?

12 COMMISSIONER LOMBARDO: Approved.

13 MS. FRANKS: Commissioner Neer?

14 COMMISSIONER NEER: Approved.

15 MS. FRANKS: Commissioner Hale?

16 COMMISSIONER HALE: Approved.

17 MS. FRANKS: Commission Jamison?

18 COMMISSIONER JAMISON: Approved.

19 MS. FRANKS: Chairman Kohn?

20 CHAIRMAN KOHN: Approved.

21 MS. FRANKS: By your vote you've adopted
22 the proposed amendment 11CRS45-9.113.

23 CHAIRMAN KOHN: Mr. Seibert?

24 MR. SEIBERT: The next order of business
25 is consideration of Waiver of the Institutional

1 Investors. Mr. Edward Grewach will present.

2 MR. GREWACH: Thank you. This is a
3 request for two separate companies. Under Tab L,
4 Nomura Asset Management and under M, T. Rowe Price
5 Associates. Now, our Rule 4.020 requires any
6 company that acquires more than 5 percent stock in
7 a gaming licensee to apply for and be licensed as
8 a key business entity. That same rule then
9 provides this exception: For any investor who
10 states to us in writing, affidavit that they agree
11 that they're only going to hold the investment as
12 passive investment, that they are going to have no
13 involvement in the management activities of the
14 company, and that they have no intention of
15 controlling the licensee."

16 For waivers between 5 percent and 10
17 percent, the rule grants the executive director
18 the discretion to allow those. For anything from
19 10 percent to 20 percent, then those have to be
20 approved here by the commissioners. And then no
21 waiver is permitted at all for anything over 20
22 percent. Again, under the two companies, one
23 under Chapter L, Nomura Asset Management and M, T.
24 Rowe Price, by rule the waivers are for a two-year
25 term. Now, both of these waivers are actually

1 extensions of waivers that were granted to both of
2 these companies by the Commission in 2014.

3 CHAIRMAN KOHN: So we're going to do
4 this every two years?

5 MR. GREWACH: Every two years, yes.

6 CHAIRMAN KOHN: Any questions of Mr.
7 Grewach?

8 (No Response.)

9 CHAIRMAN KOHN: Is there a motion to
10 approve -- do we have one resolution to approve
11 both of these?

12 MR. GREWACH: No, we need to take them
13 up separately.

14 CHAIRMAN KOHN: Okay. Let's go with
15 45-9.

16 COMMISSIONER LOMBARDO: No.

17 CHAIRMAN KOHN: No?

18 COMMISSIONER LOMBARDO: 16-033.

19 CHAIRMAN KOHN: 16-033?

20 COMMISSIONER NEER: I move for approval.

21 COMMISSIONER HALE: Second.

22 CHAIRMAN KOHN: Discussion on the
23 motion?

24 (No Response.)

25 CHAIRMAN KOHN: Angie?

1 MS. FRANKS: Commissioner Lombardo?

2 COMMISSIONER LOMBARDO: Approved.

3 MS. FRANKS: Commissioner Neer?

4 COMMISSIONER NEER: Approved.

5 MS. FRANKS: Commissioner Hale?

6 COMMISSIONER HALE: Approved.

7 MS. FRANKS: Commissioner Jamison?

8 COMMISSIONER JAMISON: Approved.

9 MS. FRANKS: Chairman Kohn?

10 CHAIRMAN KOHN: Approved.

11 MS. FRANKS: By your vote you've adopted

12 Resolution No. 16-033.

13 CHAIRMAN KOHN: Anything further on 034?

14 MR. GREWACH: I don't.

15 COMMISSIONER JAMISON: I move for

16 approval of 16-034.

17 COMMISSIONER HALE: Second.

18 CHAIRMAN KOHN: Any discussion on that

19 motion?

20 (No Response.)

21 CHAIRMAN KOHN: Angie?

22 MS. FRANKS: Commissioner Lombardo?

23 COMMISSIONER LOMBARDO: Approved.

24 MS. FRANKS: Commissioner Neer?

25 COMMISSIONER NEER: Approved.

1 MS. FRANKS: Commissioner Hale?

2 COMMISSIONER HALE: Approved.

3 MS. FRANKS: Commissioner Jamison?

4 COMMISSIONER JAMISON: Approved.

5 MS. FRANKS: Chairman Kohn?

6 CHAIRMAN KOHN: Approved.

7 MS. FRANKS: By your vote you've adopted
8 Resolution No 16-034.

9 CHAIRMAN KOHN: Mr. Seibert?

10 MR. SEIBERT: The next order of business
11 is Consideration of Bingo Settlement. Mr. Edward
12 Grewach will present.

13 MR. GREWACH: This is an approval of a
14 settlement on a Bingo disciplinary action directed
15 to the Aubuchon Alsobrook American Legion
16 Auxiliary. This case started with a complaint
17 from a citizen that we received on September the
18 2nd, 2015. On September 18th, 2015 MGC personnel
19 conducted a covert inspection of one of their
20 Bingo events and they observed several violations
21 that you'll see set forth in the settlement
22 agreement. They had Bingo workers who were
23 playing Bingo and pull tabs, as a rule that
24 prohibits the worker from also playing those
25 games. They had workers who were not on the

1 approved worker list, and some workers who were
2 not two-year members as required by law.

3 And the settlement involves a payment by
4 the licensee of a \$1,000 fine to be paid in four
5 \$250 quarterly installments. Suspension of play
6 for two regularly scheduled Bingo dates, and the
7 resignation and removal of Rosemary Holder as the
8 Bingo chairperson. Ms. Holder was the chairperson
9 at the time of this event and acknowledged to the
10 MGC investigators that she was aware this activity
11 was going on and had even given some advice to
12 some of the players, Well, just, you know, don't
13 open those pull tabs in plain sight, those types
14 of things. We just felt that it was best for the
15 licensee and for us both that Ms. Holder not hold
16 that position as Bingo chairperson. So any Bingo
17 settlement is subject to the Commission's
18 approval, and that's why it's being brought to you
19 here today.

20 COMMISSIONER JAMISON: Your
21 commissioners have noticed that there may be a
22 typo in Paragraph 2 of the order on Page 2. The
23 first line in Paragraph 2 is "Suspended for one
24 event together," in parens, in Number 2. I think
25 you're saying one day; is that right or are there

1 two days?

2 MR. GREWACH: They're two events. I see
3 that.

4 COMMISSIONER JAMISON: It should be one?

5 MS. KERR: It should be one.

6 MR. GREWACH: It should be one.

7 COMMISSIONER JAMISON: Okay.

8 CHAIRMAN KOHN: So in the motion that
9 the Commission will consider a recommendation,
10 will show that it's a one-day suspension. Any
11 questions of Mr. Grewach?

12 (No Response.)

13 CHAIRMAN KOHN: Is there a motion to
14 approve 16-002-B?

15 COMMISSIONER HALE: So moved.

16 COMMISSIONER JAMISON: Second.

17 CHAIRMAN KOHN: Discussion on that
18 motion?

19 (No response.)

20 CHAIRMAN KOHN: Angie?

21 MS. FRANKS: Commissioner Lombardo?

22 COMMISSIONER LOMBARDO: Approved.

23 MS. FRANKS: Commissioner Neer?

24 COMMISSIONER NEER: Approved.

25 MS. FRANKS: Commissioner Hale?

1 COMMISSIONER HALE: Approved.

2 MS. FRANKS: Commissioner Jamison?

3 COMMISSIONER JAMISON: Approved.

4 MS. FRANKS: Chairman Kohn?

5 CHAIRMAN KOHN: Approved.

6 MS. FRANKS: By your vote you've adopted
7 Resolution No. 16-002-B.

8 CHAIRMAN KOHN: Mr. Seibert, anything
9 else to come before the open meeting?

10 MR. SEIBERT: No, sir, that concludes
11 our business.

12 CHAIRMAN KOHN: We will be going into
13 closed session.

14 COMMISSIONER JAMISON: I move for a
15 closed meeting under Sections 313.847 Revised
16 Missouri Statutes, Investigatory, Proprietary and
17 Application Records and 610.021, Subparagraph 1,
18 Revised Missouri Statutes, Legal Actions,
19 Subparagraph 3 and Subparagraph 13, Personnel and
20 Subparagraph 14, Records Protected from Disclosure
21 by Law.

22 CHAIRMAN KOHN: You all do that well.

23 COMMISSIONER JAMISON: I'll second.

24 CHAIRMAN KOHN: Discussion?

25 (No Response.)

1

CHAIRMAN KOHN: Angie?

2

MS. FRANKS: Commissioner Lombardo?

3

COMMISSIONER LOMBARDO: Approved.

4

MS. FRANKS: Commissioner Neer?

5

COMMISSIONER NEER: Approved.

6

MS. FRANKS: Commissioner Hale?

7

COMMISSIONER HALE: Approved.

8

MS. FRANKS: Commissioner Jamison?

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COMMISSIONER JAMISON: Approved.

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MS. FRANKS: Chairman Kohn?

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CHAIRMAN KOHN: Approved.

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C E R T I F I C A T E

I, JENNY L. EASTABROOKS, Certified Court Reporter, do hereby certify that I appeared at the time and place hereinbefore set forth; I took down in shorthand the entire proceedings had at said time and place, and the foregoing seventy-four pages constitute a true, correct and complete transcript of my said shorthand notes.

Certified to this ___ day of _____, _____.

Jenny L. Eastabrooks, CCR.

Certified Court Reporter No. 1032

State of Missouri

MISSOURI GAMING COMMISSION
Second Open Session Minutes
May 25, 2016

The Missouri Gaming Commission (the “Commission”) went into open session at approximately 11:08 a.m. on May 25, 2016, at the Riverside City Hall, 2750 NW Vivion Road, Riverside, Missouri.

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

The meeting ended at 11:09 a.m.