

**STATE OF ILLINOIS  
IN THE ILLINOIS GAMING BOARD**

**IN RE: THE DISCIPLINARY ACTION OF** )  
 )  
 ) **NO. DC-15-14**  
**MIDWEST GAMING & ENTERTAINMENT, LLC,** )  
**An Owner Licensee; MICHAEL ST. PIERRE,** )  
**A Level 1 Occupational Licensee, and DANIEL** )  
**BROCKDORF, a Level 3 Licensee.** )

**COMPLAINT FOR DISCIPLINARY ACTION**

The ILLINOIS GAMING BOARD (“Board” or “IGB”) in its Complaint against MIDWEST GAMING & ENTERTAINMENT, LLC (“Midwest” or “Rivers”), an Owner Licensee, MICHAEL ST. PIERRE, a Level 1 Occupational Licensee, and DANIEL BROCKDORF, a Level 3 Occupational Licensee (collectively “Respondents”), states as follows:

**NATURE OF ACTION**

1. This action is brought because Respondents have violated provisions of the Illinois Riverboat Gambling Act (the “Act”) and/or the Board’s Adopted Rules (“Rules”) that prohibit the holder of any Board-issued license from engaging in conduct that would discredit or tend to discredit the Illinois gaming industry or the State of Illinois, including but not limited to, the failure to comply with the Act, the Rules, and an owner licensee’s Internal Control System. This complaint is brought pursuant to sections 5(b)(2), 5(c),(2),(3),(5),(9),(11),(15) and (21) of the Act and Sections 3000.110, 3000.310 and 3000.320 of the Rules. 230 ILCS 10/5; 86 Ill. Admin. Code §§ 3000.110, 3000.310, and 3000.320.

**PARTIES**

2. The Board is the Illinois regulatory agency charged with the responsibility of administering, regulating and enforcing the system of riverboat gambling established by the Act. In addition, the Board must protect the public’s confidence and trust in the credibility and integrity of the gambling operations at all riverboat gambling operations in Illinois. The Board’s jurisdiction extends to every person, association, corporation, partnership and trust involved in riverboat gambling operations in Illinois.

3. Midwest is an Illinois Limited Liability Company that is an owner and operator of a casino in Des Plaines, Illinois d/b/a Rivers Casino (“Rivers”). Midwest was first licensed to conduct riverboat gambling in Illinois on or about August 24, 2011, and at all times relevant hereto was a licensed owner pursuant to Section 7 of the Act. 230 ILCS 10/7.

4. Midwest was, and is, responsible for compliance with all provisions of the Act, the Rules and its Internal Control System (“ICS”). Furthermore, Midwest is responsible for any and all acts or omissions by any agents and/or employees which discredit or tend to discredit the Illinois

Gaming Industry, that affect the credibility and integrity of gaming operations in the State of Illinois and/or which are a detriment or impediment to riverboat gambling operations.

5. Michael St. Pierre (“St. Pierre”) has been the General Manager of Rivers since May 2014. St. Pierre holds a Level 1 Occupational License which was issued by the Board on or about October 27, 2014.

6. As the General Manager and holder of a Level 1 Occupational License, St. Pierre had, and has, responsibility to ensure that he and all Rivers personnel comply with the Act, the Rules and the ICS.

7. Pursuant to Rivers’ ICS, as the General Manager, St. Pierre provides direction and oversees the operation of all Rivers’ activities, including strategic planning, development, and quality of services. St. Pierre also ensures that Rivers develops and maintains an organization that effectively meets and resolves problems/issues as they arise.

8. St. Pierre had, and has, responsibility and influence regarding promotions run by Rivers. Additionally, St. Pierre had, and has, responsibility and influence regarding documents, contracts and instruments necessitating evidence of a binding pledge by an officer of Rivers.

9. St. Pierre was, and is, responsible for any and all acts and omissions by any agents and/or employees or Rivers which discredit or tend to discredit the Illinois Gaming industry, that affect the credibility and integrity of gaming operations in the State of Illinois and/or which are a detriment or impediment to riverboat gambling operations.

10. Daniel Brockdorf (“Brockdorf”) is the Vice President of Marketing and holds a Level 3 Occupational License issued on or about November 20, 2014.

11. As the Vice President of Marketing and holder of a Level 3 Occupational License, Brockdorf had, and has, responsibility to ensure that he complies with the Act, the Rules and the ICS. Brockdorf also had, and has, responsibility and influence regarding promotions run by Rivers.

12. On or around May 19, 2015 The Board received certain information and disclosures from Rivers as part of its Owner’s License Annual Update for 2015.

### FACTS

***Rivers failed to conduct a timely vendor evaluation or obtain the required number of bids before entering into a cleaning contract with United Service Company.***

13. In March of 2011, Merrick P. Dresnin (“Dresnin”) was hired by Rivers as the Vice President of Human Resources.

14. Sometime in March of 2011, at the suggestion of Dresnin, United Service Company (“USC”) was hired to provide security services for Midwest at the construction site of Rivers casino.

15. On or about July 18, 2011 Rivers opened to the public. Rivers' ICS was effective on or about July 1, 2011.
16. On or about July 19, 2011, United Maintenance, a subsidiary of USC, initiated its deep cleaning services at Rivers, as documented in an email from Dresnin to Richard Simon, owner of USC.
17. On or about July 22, 2011, USC formalized its services to Rivers by providing a Scope of work and pricing sheet as documented in an email from Vicki Rosen, Vice President of USC, to Rivers Chef William McIlroy.
18. On or about November 29, 2011 Rivers entered into a month-to-month agreement with USC with a start date of December 1, 2011 as documented in an email between Vicki Rosen and Michael Saucedo, Rivers' Purchasing Manager.
19. On or about December 23, 2011, Richard Simon, President of USC, signed an authorization of release form for an investigation by O'Rourke & Frost.
20. On or about March 8, 2012, O'Rourke & Frost provided a vendor due diligence report to Rivers.
21. From March 2011 until March 8, 2012, United Maintenance and USC provided security and cleaning services to Rivers without having undergone a vendor evaluation.
22. In September 2012, Rivers' internal audit revealed that USC was lacking a documented bidding process and a formal contract.
23. On or about January 10, 2013 Rivers issued a Request for Proposal ("RFP") seeking a vendor to provide the cleaning services being performed by USC. The Schedule of the contract in the RFP called for a beginning date of March 1, 2013 and an end date of February 28, 2014.
24. On or about January 24, 2013 USC submitted its proposal for the January 10, 2013 RFP.
25. In February 2013 USC was awarded the cleaning contract. At that time, no formal contract was entered into between Rivers and USC.
26. From approximately July 2011 until January 2013, Rivers did not issue an RFP or solicit or receive additional bids for the cleaning services which were being performed by USC. There also was not a formal contract in place between Rivers and USC during this timeframe.
27. On or about December 20, 2013, Rivers CEO Greg Carlin approved a blanket purchase order for over \$386,000.00 (Three hundred eighty six thousand dollars) for USC to do back of the house cleaning in 2014.
28. Rivers hired USC to provide cleaning services in 2014 without an RFP, without soliciting bids and without entering into a contract.

29. In late 2014, a contract between Rivers and USC was signed by Michael St. Pierre, back dated to July 17, 2011. There is no date of signature on the contract.
  30. In interviews with Board Agents, St. Pierre indicated that internal controls are voluminous and he did not read the section pertaining to procurement/purchasing.
  31. In interviews with Board Agents, St. Pierre indicated that he did not read the USC contract prior to signing it.
  32. In interviews with Board Agents, St. Pierre did not provide a response to the question as to why the contract was signed in 2014 but had an effective date of 2011.
  33. Rivers Senior Counsel Devin C. Maddox informed Board Agents that back dating a contract was common at Rivers and that the majority of contracts she reviewed were not dated.
  34. The majority of contracts entered into by Rivers have dates on the signature page or elsewhere in the contract.
  35. On or about January 15, 2015, Rivers CEO Greg Carlin approved a blanket purchase order for over \$412,000.00 (Four hundred twelve thousand dollars) for USC to do back of the house cleaning in 2015.
  36. Rivers hired USC to provide cleaning services in 2015 without an RFP, and without soliciting bids.
  37. On or about May 8, 2015, representatives from Rivers contacted Mark Ostrowski, Administrator of the Gaming Board, to inform the Board that it would be conducting an internal investigation and re-evaluating its relationship with USC.
  38. On or about May 8, 2015, Rivers terminated its relationship with USC for back of the house cleaning services and any other services.
- Rivers repeatedly violated the terms of its approved promotions and did not obtain Board approval for promotions.***
39. On or about September 4, 2014, an IGB Agent met with St. Pierre at Rivers to discuss an issue regarding the "Swipe and Win" promotion which occurred on or about September 3, 2014. Specifically, a Marketing Database Administrator made a data entry error wherein patron accounts and promotion eligibility was not entered correctly which resulted in patrons not receiving the correct number of opportunities to participate in the promotion.
  40. During the September 4, 2014 meeting, the IGB Agent relayed to St. Pierre IGB Administrator Mark Ostrowski's frustration with the process by which Rivers' promotions are created, tested, submitted and conducted.
  41. During the September 4, 2014 meeting, St. Pierre was advised that Rivers' promotions may be suspended if problems continue.

42. During the September 4, 2014 meeting, St. Pierre was told that in the future a member of his Senior Management team must sign off on all promotions prior to submission to the IGB for approval, and that individual would be held accountable if a problem with the promotion occurs.

43. On September 15, 2014 St. Pierre sent a letter to Administrator Ostrowski explaining how Rivers would be improving the executions, accuracy and reliability of its promotions and that he will personally sign off on all promotions prior to their submission to the IGB for approval. St. Pierre's September 15, 2014 letter stated that "[t]he critical component of our plan is to utilize various specialized and management-level (or above) personnel from the Finance and Compliance teams to review and verify all testing plans, operational designs, system functionalities, submission narratives and post-event assessments." A copy of the letter is attached as "Exhibit A".

***A. \$100,000 Sign Up and Win New Member Giveaway.***

44. On or about January 4, 2015, the IGB Agent on duty was notified of approximately 350 \$100,000 Sign Up and Win New Member Giveaway promotional materials/advertisements which had been distributed to patrons entering Rivers Casino, as well as being distributed throughout the casino facility.

45. As a result of the distribution of promotional materials, two patrons approached the Rush Rewards counter wanting to participate in the \$100,000 Sign Up and Win New Member Giveaway promotion. It was only after patrons asked to participate in the promotion that Rivers realized there was a problem.

46. The \$100,000 Sign Up and Win New Member Giveaway promotion was not approved by the IGB Administrator.

47. The \$100,000 Sign Up and Win New Member Giveaway promotional materials had been ordered and were awaiting disposal. The promotional materials were not safe guarded by the Marketing Department and were removed from the Marketing Department by a food and beverage Supervisor.

***B. \$250,000 Sign Up and Win New Member Giveaway.***

48. On or about January 13, 2015 Rivers submitted for approval the \$250,000 Sign Up and Win New Member Giveaway promotion. The promotion was approved by the Administrator on or about January 23, 2015.

49. The \$250,000 Sign Up and Win New Member Giveaway promotion was scheduled to run from 9:00 a.m. on February 1, 2015 through 11:59 p.m. April 30, 2015 and allowed for a patron to sign up for a new Rush Rewards player's club card, attain 10 points via their gaming and obtain a "scratch and win" game card to win a prize.

50. After the \$250,000 Sign Up and Win New Member Giveaway promotional period ended a patron requested to participate in the closed promotion.
51. Player Services personnel contacted a Slot Service Manager who instructed his supervisors to override the Konami Casino Management System (“KCMS”) to allow six patrons to participate in the closed \$250,000 Sign Up and Win New Member Giveaway promotion.
52. The Slot Service Manager who authorized the override was not initially disciplined but the two front line employees were disciplined.
53. On or about May 2, 2015 an IGB Agent interviewed the VP of Slot Performance, Al Geldres (“Geldres”), as to why the manager in question was not disciplined.
54. On or about May 4, 2015 Geldres contacted the IGB Agent to advise that the manager had been disciplined with a formal Written Warning to his personnel file.

***C. Your Choice New Member Giveaway.***

55. The Your Choice New Member Giveaway promotion was submitted for approval on or about May 12, 2015 and approved by the IGB Administrator on or about May 15, 2015.
56. The Your Choice New Member Giveaway promotion was to run from 9:00 a.m. on June 1, 2015 through 11:59 p.m. July 31, 2015. This promotion allowed patrons to sign up for a Rush Rewards player’s card and choose a gift.
57. The Marketing Representative responsible for setting up promotions on the Rivers Casino website set the Your Choice New Member Giveaway promotion to launch at midnight on June 1, 2015 rather than the scheduled 9:00 a.m. start time.
58. A patron had seen the website and traveled to the casino to participate. The patron was not allowed to participate as there was no promotion listed in the drop down menu in the KCMS.
59. On or about June 1, 2015 an IGB Agent interviewed Marketing Representative Katie Schipits (“Schipits”) concerning the Your Choice New Member Giveaway promotion.
60. Schipits advised there had been an on-going issue with Rally Point related to the “time stamp” needed to launch the web page at the desired time as far back as February, 2015 and that this issue was reported to her supervisor Daniel Brockdorf.
61. The IGB Agent inquired as to who quality checks Schipits’ work and was advised no Manager or Supervisor of any kind checks her work prior to submission to the website for publication.

62. On or about June 2, 2015 an IGB Agent interviewed VP of Marketing, Daniel Brockdorf ("Brockdorf"), who admitted he was aware of an issue with the Rally Point Solutions in February, 2015 and that he had not initiated any action to have it corrected.

63. Brockdorf was not aware the Marketing Representative who managed the Rivers Casino website did not have her work reviewed or approved by anyone prior to publication on the website.

***D. Jackpot Party Giveaway.***

64. On or about June 1, 2015 an IGB Agent was notified by the Rivers Casino Compliance Manager that 264 patrons in a three day period (May 29-31, 2015) were issued entries into a Jackpot Party Giveaway promotional drawing advertised to be held on June 11, 2015.

65. The Jackpot Party Giveaway promotional drawing gave the patron the potential chance to spin a wheel to win a cash prize.

66. The Jackpot Party Giveaway promotion was never submitted to or approved by the IGB Administrator.

67. As of June 1, 2015 patrons had not been advised as to the status of their entries earned as a result of their gaming even though the casino knew the Jackpot Party Giveaway promotional drawing was not approved.

68. A review of Rivers' internal documentation demonstrated that the average prize for a patron who participates in spinning the wheel would have been \$1,250.00 in cash.

69. Due to the number of promotional violations that had occurred at Rivers Casino since January 1, 2015 IGB Administrator Mark Ostrowski called Rush Street Gaming COO, David Patent ("Patent"), and St. Pierre, to a meeting at the IGB offices on June 16, 2015.

70. In this meeting the Administrator outlined several remedies for Rivers to correct the Jackpot Party Giveaway promotional violations which had occurred. Additionally, the Administrator advised Patent and St. Pierre any further promotional violations could result in discipline.

71. By June 17, 2015 Rivers agreed to provide \$1,250.00 in free slot play to all patrons affected of the Jackpot Party Giveaway. A letter was to be sent to patrons advising of Rivers' violation and the free slot play award.

72. When Rivers calculated and created the documentation to notify the patrons per the agreed remedy, it discovered there were 147 additional patrons affected than were originally reported to the IGB. Rivers addressed the issue of the additional patrons in the same manner as the original reported patrons by providing \$1,250.00 in free slot play.

***E. Jackpot Rush Giveaway.***

73. The Jackpot Rush Giveaway promotion was submitted for approval on or about June 9, 2015 and approved by the IGB Administrator on or about June 17, 2015.

74. The Jackpot Rush Giveaway promotion was scheduled to run between 7:00 p.m. and 9:00 p.m. on July 16, 17, 30 and 31, 2015, and awarded a promotional prize of \$1,250.00 in free slot play for every qualifying jackpot a patron won.

75. The Jackpot Rush Giveaway promotion expressly excluded “video poker and video roulette” types of Electronic Gaming Devices (“EGD”). On July 16, 2015 three patrons won jackpots on video poker machines and were awarded promotional prizes.

76. On July 16, 2015 one patron was awarded a Jackpot Rush Giveaway promotional prize he did not qualify for.

77. On July 16, 2015 two patrons were not awarded Jackpot Rush Giveaway promotional prizes for which they qualified.

78. On July 17, 2015 one patron was awarded a Jackpot Rush Giveaway promotional prize after the time for the promotion had expired.

79. On July 31, 2015 a data entry error by a Database Administrator in the Marketing Department caused 38 patrons to be awarded Jackpot Rush Giveaway promotional prizes that they were not eligible for.

80. On or about August 1, 2015 an IGB Agent interviewed Brockdorf who admitted to not reviewing the remaining Jackpot Rush Giveaway promotion processes after the problems from the July 16 and 17 promotional dates.

81. Brockdorf admitted to not personally verifying any of the Jackpot Rush Giveaway promotion processes.



**COUNT I**  
**(Midwest Gaming & Entertainment LLC)**  
**Violation of Internal Controls**

82. The Board re-alleges Paragraphs 1 through 81 of the Disciplinary Complaint as if fully alleged in this Count and incorporates them herein by reference.
83. Board Rule 3000.110 provides for the imposition of a fine, or other disciplinary action, for any act or failure to act that would discredit or tend to discredit the Illinois Gaming industry or the State of Illinois, including the failure to comply with the Act, the Board's Rules or an owner licensee's Internal Control System.
84. Section 5(c)(15) of the Act provides for the imposition of civil penalties, or other disciplinary action, for each violation of any provision of the Act or Board Rule; which is a detriment or impediment to riverboat gambling operations.
85. Pursuant to Board Rule 3000.310(d) the holder of an Owner's License is subject to disciplinary action for violations of its ICS.
86. Section N-5 of Rivers' ICS requires Rivers to obtain at least two written bids from vendors for the purchase of goods or services over \$5,000.
87. Section N-5 of Rivers' ICS mandates that Rivers will not issue a blanket purchase order until it has satisfied the bidding requirements of its ICS.
88. Section N-5 of Rivers' ICS requires that all contracts entered into by Rivers are subject to the bidding requirements of its ICS.
89. Rivers violated its ICS by not obtaining the minimum required number of bids in the years 2011, 2012, 2014 and 2015 prior to hiring USC to conduct cleaning services.
90. Rivers violated its ICS by issuing blanket purchase orders in 2013 and 2014 for USC without obtaining the required minimum number of bids.
91. Rivers violated its ICS by entering into a back-dated contract with USC in 2014 without obtaining the required minimum number of bids.
92. Rivers' failure to adhere to its ICS and failure to conduct a timely vendor evaluation on USC violates Rule 110 in that it discredits or tends to discredit the Illinois Gaming Industry and the State of Illinois.
93. Rivers' failure to adhere to its ICS violates Rules 110(a)(1) and 310(d).

94. Rivers' failure to adhere to its ICS and to conduct a timely vendor evaluation on USC violates Section 5(c)(15) of the Act as it was and is a detriment and/or impediment to riverboat gambling operations.

WHEREFORE, based on the foregoing, Midwest Gaming & Entertainment, LLC should be disciplined and/or fined in a manner or amount deemed appropriate by the Board.

**COUNT II**  
**(Midwest Gaming & Entertainment, LLC)**  
**(Michael St. Pierre)**  
**(Daniel Brockdorf)**  
**Violation of Rule 3000.614**

95. The Board re-alleges Paragraphs 1 through 81 of the Disciplinary Complaint as if fully alleged in this Count and incorporates them herein by reference.

96. Board Rule 3000.110 provides for the imposition of a fine, or other disciplinary action, for any act or failure to act that would discredit or tend to discredit the Illinois Gaming industry or the State of Illinois.

97. Section 1800.110(a)(1) of the Rules states that the holder of any license subject to discipline for failing to comply with the Act, the Rules, an owner licensee's Internal Control System or any federal, state or local law or regulation.

98. Section 5(c)(15) of the Act provides for the imposition of civil penalties, or other disciplinary action, for each violation of any provision of the Act or Board Rule, which is a detriment or impediment to riverboat gambling operations.

99. Board Rule 3000.614 states that requests to conduct Tournaments, Enhanced Payouts or Giveaways (collectively "promotions") must be submitted in writing at least 14 days in advance and approved by the Administrator.

100. Board Rule 614(e) further states "Any Tournament, Enhanced Payout or Give-away for which eligibility or amount of any award or prize is determined by an information system shall be reasonably tested in advance to ensure the integrity of the Tournament, Enhanced Payout or Give-away."

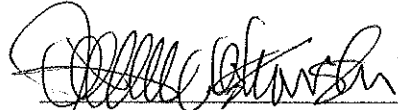
101. Respondents violated Rule 614 by failing to submit in writing and obtain Administrator approval for the \$100,000 Sign Up and Win New Member Giveaway and the Jackpot Party Giveaway.

102. Respondents violated Rule 614 by failing to comply with the terms of its promotions that were approved by the Administrator.

103. Respondents violated Rule 614 by failing to ensure the integrity of the Konami Casino Management System and the Rally Point System prior to running promotions.

WHEREFORE, based on the foregoing, Respondents Midwest Gaming & Entertainment, LLC, Michael St. Pierre and Daniel Brockdorf should be disciplined and/or fined in a manner or amount deemed appropriate by the Board.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mark Ostrowski", written over a horizontal line.

MARK OSTROWSKI  
Administrator  
Illinois Gaming Board

Dated this 25<sup>th</sup> day of August, 2015.

## NOTIFICATION OF DISCIPLINARY ACTION

The Illinois Gaming Board, upon review of the Disciplinary Action and a summary of the evidence, finds facts sufficient to authorize the issuance of a Disciplinary Complaint against Owner Licensee Midwest Gaming & Entertainment, LLC and Occupational Licensees Michael St. Pierre and Daniel Brockdorf, and to impose the following discipline:

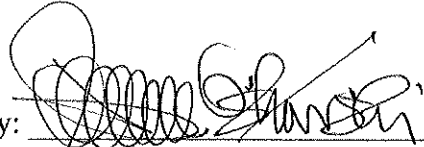
Midwest Gaming & Entertainment, LLC is fined in the amount of \$2,000,000.00 (Two Million Dollars) and Administrator approval of promotions is suspended for a minimum period of 60 days beginning October 1, 2015, and shall remain suspended until satisfactory remedial measures are submitted to the Board, for violations of the Riverboat Gambling Act and the Board's Rules, to become final 21 days from service of this Notice, unless Midwest Gaming & Entertainment, LLC files an Answer to the Complaint within 21 days of service of this Notice, pursuant to Board Rule 3000.1125.

Michael St. Pierre is suspended for a period of 60 (sixty) days without pay for violations of the Riverboat Gambling Act and the Board's Rules, said suspension to take affect 21 days from service of this Notice, unless Michael St. Pierre files an Answer to the Complaint within 21 days of service of this Notice, pursuant to Board Rule 3000.1125.

Daniel Brockdorf is suspended for a period of 30 (thirty) days without pay for violations of the Riverboat Gambling Act and the Board's Rules, said suspension to take affect 21 days from service of this Notice, unless Daniel Brockdorf files an Answer to the Complaint within 21 days of service of this Notice, pursuant to Board Rule 3000.1125.

**VOTED BY THE ILLINOIS GAMING BOARD** on August 25, 2015

Illinois Gaming Board

By:   
Mark Ostrowski, Administrator

Dated this 25<sup>th</sup> day of August, 2015.

# RIVERS CASINO

September 15, 2014

VIA EMAIL: (Mark.ostrowski@igb.illinois.gov)

Mark Ostrowski  
Administrator  
Illinois Gaming Board  
160 North LaSalle, Suite 300  
Chicago, IL 60601

## RE: Rivers Casino Promotion Procedures

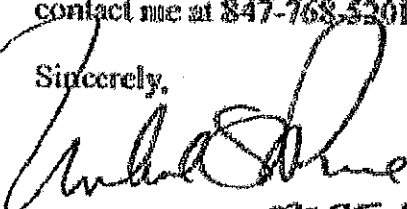
Dear Administrator Ostrowski:

Rivers Casino submits the following response to your request for written notification of new procedures designed to improve the execution, accuracy, and reliability of promotions conducted here. The critical component of our plan is to utilize various specialized and management-level (or above) personnel from the Finance and Compliance teams to review and verify all testing plans, operational designs, system functionalities, submission narratives and post-event assessments.

When and only when that group is confident in our promotional plan, I will sign the submission, attesting my personal confidence in the new process and its expected successful outcome. While no process will be perfect, I believe this new procedure is responsive to River Casino's need to improve promotion execution.

We welcome any further input you may have and would be happy to meet should you or your staff members consider it useful. If you have any questions or concerns, please feel free to contact me at 847-768-5201.

Sincerely,



Michael St. Pierre  
General Manager

CC: Frank Johnson, IGB Docksite Supervisor  
Dana Mueller, Director of Marketing  
Stephanie Budnyk, Compliance Manager

