

ORDER 2007-46
IN RE SETTLEMENT AGREEMENT
GRAND VICTORIA CASINO & RESORT LP
07-GV-01

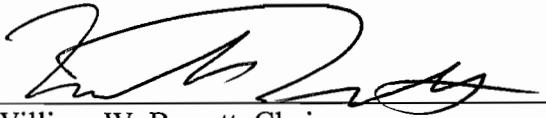
After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVES

the proposed terms of the Settlement Agreement.

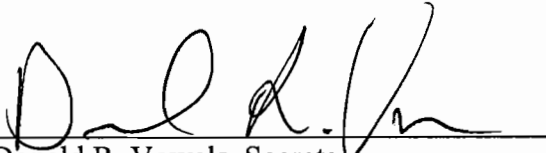
IT IS SO ORDERED THIS THE 7th DAY OF JUNE, 2007.

THE INDIANA GAMING COMMISSION:



William W. Barrett, Chair

ATTEST:



Donald R. Vowels, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

| | | |
|------------------------------|---|-------------------|
| IN RE THE MATTER OF: |) | |
| |) | SETTLEMENT |
| GRAND VICTORIA CASINO |) | 07-GV-01 |
| & RESORTS LP |) | |

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Grand Victoria Casino & Resorts LP (“Grand Victoria”) (collectively, the “Parties”) desire to settle this matter prior to the initiation of a disciplinary proceeding pursuant to 68 IAC 13-1-18(a). The Parties stipulate and agree that the following facts are true:

FINDINGS OF FACT

COUNT I

1. 68 IAC 16-1-5(b) states a riverboat licensee shall not extend credit to any patron who has not made a payment on the patron’s outstanding credit within a period of thirty (30) days.
2. 68 IAC 16-1-9(g)(1) requires that personal checks be deposited no later than the business day after the day the checks are received.
3. On December 17, 2006, a Credit Clerk contacted a Commission Agent in regards to a credit limit that had been increased to a patron who was having problems paying what was owed. In an interview with the Credit Clerk, the Commission Agent learned that on December 16, 2006 a patron was denied credit by the Credit Clerk because the patron had \$6,000 in returned checks and \$7,800 in outstanding markers. The patron then spoke to Steve Jimenez, General Manager, and after speaking with the Credit Clerk about the patron’s history, he agreed to allow the patron to write a check for \$15,800 to pay off the debt, receive \$2,000 and to hold the check until December 19, 2006. The patron contacted the Credit Clerk on December 18th and asked that the check be held until December 22nd. When asked if she at any time informed Mr. Jimenez that extending credit would be against the rules and Internal Controls, the Credit Clerk stated that he never asked and she never told him. The Credit Clerk said that she assumed he knew the internal controls.

COUNT II

4. 68 IAC 2-6-18(a) states that the internal space of an electronic gaming device must not be readily accessible when the door is closed.

5. On September 28, 2006 just after midnight a patron notified a Security Officer that the door to a slot machine was opened. The Security Officer notified a Commission agent and both went to the machine to inspect it. The agent was able to open the door to the machine and noted that the tape on the lock box was still intact.

COUNT III

6. 68 IAC 11-3-3(c)(6) states after the soft count team has entered the soft count room and the door has been locked, no one except commission personnel, individuals specifically authorized by the commission, main bank employees and currency collection team members who are dropping off drop boxes are allowed access to the soft count room.
7. 68 IAC 11-3-6(c)(26) states any difficulties in the soft count process shall be documented by the soft count supervisor or his or her designee as an appendix to the master gaming report and the bill validator report. The appendix shall be on a form prescribed or approved by the commission. Difficulties that should be recorded include, but are not limited to the following:
 - (A) Mechanical or technical difficulties with any of the equipment.
8. On November 10, 2006 surveillance reported an incident to the Commission agents. An employee from the IT department had entered the soft count room unauthorized and without a jumpsuit. The IT employee and the Security Officer were given permission to enter the room by a surveillance employee. They were in the room for approximately forty-five minutes and during this time, table games boxes were being counted. The IT employee was there to fix a printer but according to the Soft Count Supervisor, there was no immediate need to fix the printer. There was also no paperwork filled out indicating that there was a problem with the printer.

COUNT IV

9. 68 IAC 15-2-6(1)(B) requires the patron's Social Security number be included on a CTR.
10. The Internal Controls for Grand Victoria state that the identification credential must include both the number and the state.
11. In an IGC incident report it was noted that on November 25, 2006 a patron had cashed in for \$16,010 without providing his Social Security number ("SS#"). A picture was taken of the patron's Ohio Drivers License, but the SS# had been covered. A SARC had been issued and a CTR filled out minus the SS#. The cashier did not obtain the SS# from the patron and she accepted the altered ID (SS# covered up).

COUNT V

12. Pursuant to 4-33-9-12, “a person who is less than twenty-one (21) years of age may not be present in the area of a riverboat where gambling is being conducted.” Pursuant to 68 IAC 1-11-1(c), “[a] person under twenty-one (21) years of age shall not be present on a riverboat.”
13. On December 31, 2006 a minor was trying to cash a check at the level two cage and on January 19, 2007 a minor was on level three playing a slot machine.

COUNT VI

14. 68 IAC 17-2-1(f) states that a live gaming device may not be delivered to a riverboat licensee or a riverboat license applicant unless a member of the commission staff or a commission agent is present at the point of delivery. The riverboat licensee is responsible for ensuring that a member of the commission staff or a commission agent is present at the point of delivery.
15. On September 26, 2006 two Commission agents were on their way to inspect the seal on the truck delivery of a card and dice shipment. Prior to the inspection of the seal, the Table Games Manager instructed a deckhand to break the seal. The agents approached the Table Games Manager to ask if the serial numbers on the seal matched the serial numbers on the invoice. The Table Games Manager said yes it should, but after looking at the seal, the numbers did not match. The driver called his boss and found out that the original seal had been torn the previous night when the alarm at the trucking company had been set off. A fork lift was used to open the overhead door and in the process broke the seal. Someone at the company made the decision to place a new seal on the truck without contacting U.S. Playing Cards or Grand Victoria. Both Custom Expedite (the trucking company) and US Playing Cards faxed letters explaining what happened. After these were received, the shipment was inspected and accepted by the Table Games Manager and Security Officer. While the Commission agents had been notified, they had not been given the chance to inspect the seal before it was broken. The Table Games Manager did not wait for the agent to check the seal nor did she check the seal before it was broken.

COUNT VII

16. 68 IAC 15-10-4.1(a) states all cage inventories must be accurately reported at the conclusion of each shift on the inventory form utilized by the riverboat licensee. All overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered.
17. In October of 2005 it was determined that Grand Victoria cage personnel, despite having policies to the contrary, moved funds without documentation when a wash variance

occurred. In March of 2006 Grand Victoria reported an incident where a cage cashier altered documentation in order to eliminate what she thought was a variance.

COUNT VIII

18. 68 IAC 1-15-1(c) states at least twenty (20) working days before a riverboat licensee or riverboat license applicant intendeds to destroy any records that relate to the riverboat gambling operation, the riverboat licensee or riverboat applicant must notify, in writing, the regional audit administrator for the commission of the following information:
 - a. The records the riverboat licensee or riverboat license applicant intends to destroy.
 - b. The date, time, and manner of destruction.
 - c. The date that the records were generated.
 - d. The applicable length of time that the record was to be maintained in accordance with this title.
 - e. The reason for the destruction.
19. 68 IAC 1-15-1(d) states the riverboat licensee or riverboat license applicant shall not destroy any records that relate to the riverboat gambling operation until the regional audit administrator for the commission has approved, in writing, the destruction of the records.
20. Since November 2003 Grand Victoria has shredded voided Group Sales coupons for bus groups without having requested or received approval from the IGC. These coupons could be redeemed for cash (in amounts of \$5.00 or \$10.00) or for a meal at the Riverview Buffet.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Grand Victoria by and through its agents as described herein constitute a breach of the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and Grand Victoria's approved internal control procedures. The Commission and Grand Victoria hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Grand Victoria. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Grand Victoria shall pay to the Commission a total of \$76,000 (\$10,000 for Count I; \$500 for Count II; \$5,000 for Count III; \$10,000 for Count IV; \$3,000 for Count V; \$5,000 for Count VI; \$40,000 for Count VII; \$2,500 for Count VIII) in consideration for the Commission

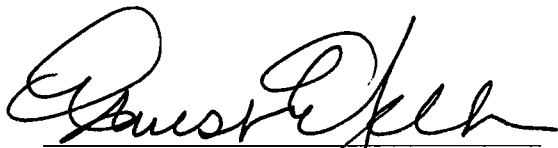
foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only to those violations and findings of fact specifically alleged herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Grand Victoria agrees to promptly remit payment in the amount of \$76,000 and shall waive all rights to further administrative or judicial review.

This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Settlement Agreement shall be binding upon the Commission and Grand Victoria.

IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

June 5, 2007
Date



Steven Jimenez, General Manager
Grand Victoria Casino & Resort

6-5-07
Date