

**ORDER 2009-100
SETTLEMENT AGREEMENT**

**INDIANA GAMING COMPANY, L.P.
09-AR-02**

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

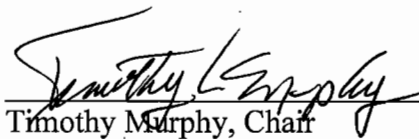
Approves

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 11th DAY OF JUNE, 2009.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, L.P.)	09-AR-02
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Indiana Gaming Company, L.P. (“Argosy”) (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. Pursuant to IC 4-33-9-12(a), 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.
2. 68 IAC 1-11-1(c) states a person under twenty-one (21) years of age shall not be present on a riverboat.
3. On January 24, 2009, a Gaming Agent received a call from security dispatch regarding a minor in the casino. The underage person had presented his identification to the security officer at the turnstile and was allowed to enter the casino.
4. On February 7, 2009, a Gaming Agent received a call from security dispatch regarding a minor in the casino. Surveillance footage showed the casino was at capacity so the turnstiles were roped off. Once the rope was removed numerous patrons passed through, including the minor in question, and the Agent could not tell if the minor’s ID was checked. A review of the ID scanners confirms that the minor’s ID was not scanned.
5. On March 2, 2009, a Gaming Agent was contacted by Security Dispatch regarding an underage person on the casino floor. The underage person was working for a vendor. A Security Officer had issued the vendor badge to the

underage person after receiving his identification. The vendor badge allowed the underage individual onto the casino floor.

COUNT II

6. 68 IAC 14-2-2(2) states each live gaming device shall be capable of having a tip box attached to it for the deposit of tips and gratuities received by the dealer. The tip boxes shall meet the following requirements:
 - A. It shall be a transparent container.
 - B. It shall be capable of being locked.
 - C. It shall be capable of being secured by means of a chain, a lock, or the equivalent. If the tip box is attached by means of a lock, the key to remove the tip box from the table shall be separate from the key that opens the tip box.
 - D. It shall be attached to the side of the live gaming device table at which the dealer is located or at another location approved by the executive director.
7. On January 14, 2009, a Gaming Agent observed that a table game had tape on a tip box. Upon further investigation, the Agent found that the tape was holding the lid on the bottom of the tip box so that chips would not fall out. The Agent checked the remaining tip boxes on the third deck and found that sixteen (16) boxes had gaps in the bottom of the boxes large enough that chips could fall out. Additionally, Agents found another box whose plexi-glass was not secured to the frame. The Agent contacted the Table Games Maintenance Supervisor about the unsecured boxes and she stated she would fix them.
8. On January 21, 2009, the same Gaming Agent observed that tip boxes continued to be unsecured and/or defective.

COUNT III

9. 68 IAC 11-3-6(23) states in accordance with 68 IAC 15-7-3, the revenue auditor or the equivalent shall trace the total of the bill-in meter readings as recorded by the bill acceptor flash report to the actual count performed by the soft count team to determine variances. The riverboat licensee shall require the investigation of all variances. The results of the investigation shall be recorded and reported to the head of the accounting department and the commission audit staff.
10. 68 IAC 15-1-2(2) states the purpose of the accounting records and procedures is to ensure that the financial records of the riverboat licensee or riverboat license applicant are accurate and reliable.
11. 68 IAC 15-7-3(d)(4) states the riverboat licensee shall require the revenue auditor or its equivalent to perform certain procedures, on a sample basis, on the electronic gaming devices on a daily basis. These procedures should be

performed for both computerized and manual forms and shall include the recalculation of the electronic gaming device documentation for accuracy and recording.

12. 68 IAC 10-1-1.1(c) states the rate of progression that must be offered on a gambling game with a progressive feature must be at least sixty percent (60%) and not more than one hundred percent (100%).
13. From February 17, 2009 through February 19, 2009, the IGC Audit Staff conducted an unannounced audit. During the audit it was discovered that due to the significant reduction of employees in the finance department, several required functions were not being performed. Specifically, the following functions have not been performed since sometime in December 2008:
 - a. TITO tickets have not been reconciled; therefore, there is no documentation that financial records are accurate and reliable.
 - b. The accuracy of the EGDs documentation has not been re-calculated
 - c. The meter readings of the EGDs have not been compared to those of the central computer system.
 - d. The rate of progression on the progressive EGDs has not been verified. As a result, there is no documentation that the rate of progression is between 60% and 100%.

TERMS AND CONDITIONS

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

Argosy shall pay to the Commission \$26,500 (\$9,000 for Count I, \$2,500 for Count II and \$15,000 for Count III) 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, Argosy agrees to promptly

remit payment in the amount of \$26,500 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 Argosy.


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

5.9.09

Date



Tony Rodio, General Manager
Indiana Gaming Company, L.P.

June 3, 2009

Date