

ORDER 2014-127
IN RE SETTLEMENT AGREEMENT
GAMING ENTERTAINMENT (INDIANA), LLC
14-RR-01

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 26th DAY OF JUNE, 2014.

THE INDIANA GAMING COMMISSION:



Matt Bell, Chair

ATTEST:



Marc Fine, Vice Chair

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
)
) **SETTLEMENT**
GAMING ENTERTAINMENT (INDIANA),) **14-RR-01**
LLC)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Gaming Entertainment (Indiana), LLC (“Rising Star”) (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

1. 68 IAC 15-8-4(5) states the internal audit department shall, on a quarterly basis, compare the original electronic gaming device fills and jackpot slips to the duplicate fills and jackpot slips to verify accuracy.
2. 68 IAC 15-13-2(a) states in accordance with 68 IAC 15-1-3, the casino licensee or casino license applicant shall submit policies and procedures covering manually paid jackpots. According to Rising Star Internal Control Hand Paid Jackpots – Cage Section 3-14 page 4 if the jackpot is over \$1,199.99 the Slot Attendant will obtain one of the following positive identification credentials from the customer, which includes a current picture Driver’s License, State Issued ID, Military ID or Passport. The Slot Attendant proceeds to the Cashier’s Cage with the Request for Jackpot and the patron’s proper identification credentials if the jackpot is over \$1,199.99 to complete Form W-2G. The Slot Attendant will call the Slot Supervisor for verification and signature.
3. 68 IAC 15-13-3 states if a manually paid jackpot exceeds one thousand two hundred dollars (\$1,200), the casino licensee shall complete and file the forms required by the Internal Revenue Service.
4. On March 2, 2014 a Gaming Agent received a call from a Dual/Rate Surveillance Observer who advised the Agent that she had been contacted by the Revenue Audit Manager in reference to a jackpot that had been won approximately seven hours earlier. The Revenue Audit Manager had asked the Surveillance Observer to review video to determine who had actually won the jackpot. The Revenue Audit Manager was questioning whether the husband or wife had won the jackpot. The jackpot in question had been paid to a female who did not have a valid driver’s license as it was expired. The name on the W-2G was printed as “No Name” and the social security number and driver’s license number did not match what was on file for the female who actually won.

Also the player tracking number written at the bottom of the W-2G belonged to the female's husband as his card was in the machine when the jackpot was won. The casino did not have a social security number on file for the husband. It was discovered that the social security number and driver's license number printed on the W-2G belonged to another female patron. Upon further investigation it was discovered that the casino had three accounts in the computer system under "No Name". The Gaming Agent and Supervisor spoke with an Income Auditor and the In-House Counsel/Compliance Manager and both stated they were unaware that the accounts existed. The Agent reviewed the three different accounts and found:

5. Account #797815 had 68 jackpots listed with payouts from less than \$50 to more than \$1200. Activity on this account is from April 15, 2003 to February 11, 2014. There have been only 14 jackpot transactions reported from August 9, 2008 through February 11, 2014 and all are \$50 or less. According to the Revenue Audit Manager this account is used by revenue audit for jackpots processed on the whiz machine. The name on this account is now REV. AUDIT.
6. Account #809396 had jackpots recorded from February 7, 2004 through February 28, 2014. The account had 151 jackpots listed with payouts ranging from less than \$50 to \$1199.99. There were no taxable jackpots and only 5 transactions have been recorded since March 27, 2009 to the present. Once she was made aware of this account, the In-House Counsel/Compliance Officer reported this account was used by the Slot Department to generate overrides when there is an issue with the slot machine. The name on this account has been changed to "Override, Slot".
7. Account #775638 had the social security number, driver's license number and birth date of a patron. This account had 685 jackpots with payouts ranging from under \$50 to over \$1200. Of the 8 jackpots over \$1200, 5 were voided, 2 were unclaimed and 1 was the above mentioned jackpot. There is no indication or reason given for the 2 unclaimed jackpots which were recorded in 2010 and 2011. The 685 jackpots were recorded from November 23, 2002 to March 2, 2014. Once she was made aware of this account, the In-House Counsel/Compliance Officer reported that this account was mistakenly used by the Slot Department. This account has been disabled since March 10, 2014 when the Gaming Agent requested that it be disabled.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Rising Star by and through its agents as described herein constitute a breach of IC 4-33, 68 IAC and/or Rising Star's approved internal control procedures. The Commission and Rising Star hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Rising Star. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Rising Star shall pay to the Commission \$5,000 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, Rising Star agrees to promptly remit payment in the amount of \$5,000 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 Rising Star.

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

6-25-14

Date



Steven Jimenez, General Manager
Rising Star Casino & Resort

6/9/14

Date