

**ORDER 2014-175
IN RE SETTLEMENT AGREEMENT**

**BLUE SKY CASINO, LLC
DBA FRENCH LICK RESORT & CASINO
14-FL-02**

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 18th DAY OF SEPTEMBER, 2014.

THE INDIANA GAMING COMMISSION:



Matt Bell, Chair

ATTEST:



Cris Johnston, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
FRENCH LICK RESORT•CASINO)	14-FL-02
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and French Lick Resort•Casino (“French Lick”) (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 15-1-2(9) states the purpose of the accounting records and procedures is to ensure that gaming is conducted with integrity and in accordance with IC 4-33, IC 4-35, and this title.
2. IC 4-33-4-27(b) states if a licensed owner, an operating agent, or a trustee is required to file Form W-2G or a substantially equivalent form with the United States Internal Revenue Service for a person who is delinquent in child support, before payment of cash winnings to the person, the licensed owner, operating agent, or trustee:
 - (2) shall:
 - (A) withhold the amount of delinquent child support owed from the cash winnings
3. On March 4, 2014 a Gaming Agent was notified by a Surveillance Supervisor regarding the failure to identify the correct winner of a jackpot. The jackpot was won on March 1, 2014 and the amount was in excess of five thousand dollars (\$5,000). The Surveillance Supervisor became aware of the jackpot when the Director of Casino Finance requested a picture of the winner. The female patron who was paid the jackpot gave an invalid social security number on the W-2G and the Director of Finance was completing a possible Suspicious Activity Report (“SAR”). When Surveillance reviewed the jackpot win a second time they found that the jackpot was actually won by a male patron. The Surveillance Agent who verified the jackpot at the time it was won did not review enough of the footage to truly identify the correct winner. The male patron was identified and when his name was entered into the CSADR it was discovered that he owed child support. After the female patron gave several incorrect social security numbers to the

casino, she called with her correct number on March 18, 2014. At the time, the casino was aware she was not the actual winner of the jackpot.

COUNT II

4. 68 IAC 12-1-0.5(3) states that the purpose of the casino licensee's surveillance operation include safeguarding the assets of the casino licensee.
5. On April 27, 2014 a Gaming Agent was contacted by the Slot Operations Manager about a possible theft that occurred on April 26, 2014. The Manager informed the Agent that a female patron had told a Slot Supervisor that a machine did not print a ticket for her. The Slot Supervisor called a Surveillance Agent to conduct a review to verify that the money belonged to the patron who was claiming it. The Surveillance Agent confirmed that the money did belong to the patron. The Slot Supervisor proceeded to the cage to obtain the currency without checking the slot system to verify that Surveillance was correct. The Slot Supervisor gave the money to the patron. It was later noted by the Audit Department that the payout was not valid. Further surveillance review showed that another patron cashed out of the machine and retrieve a TITO ticket. The female patron arrived at the machine, attempted to place money in the machine, but the machine would not accept it. The Slot Supervisor paid the female patron.

COUNT III

6. 68 IAC 11-4-2(a) states in accordance with 68 IAC 11-1, the riverboat licensee shall submit internal control procedures covering:
 - (1) live gaming device inventory; and
 - (2) the opening and closing of a live gaming device.

(b) The live gaming device inventory of chips and tokens shall be maintained in a tray, which is covered with a transparent, locking lid when the live gaming device is closed. The opener shall be placed inside the transparent locking lid and the information on the opener shall be visible from the outside of the cover.
7. French Lick approved internal control K5 states that surveillance will be notified that Table Games will conduct inventory of closed games. A Table Games Manager or designee will unlock the float lid and visually inspect the chip denominations to verify the opener (yellow copy) of the Table Inventory Slip against the physical count. Totals will be recorded on a Table Games Daily Transfer Log Unopened Games and forwarded to revenue audit on a daily basis.
8. On April 21, 2014 a Gaming Agent was in the Surveillance room when he was advised by the Surveillance Supervisor that while he was observing a table game procedure a possible violation may have occurred. The Surveillance Supervisor had noted that when a Shift Manager had inventoried closed table games she failed to open the floats for two table games. The Agent investigated further and

found that three table game employees had failed to visually inspect the chips (only copied down chip amounts on the log), failed to open table game floats and signed the log even though they did not actually conduct the inventory. One of the table games employees who conducted the inventory did not have access to the keys to open the floats.

COUNT IV

9. 68 IAC 2-5-4(c), states for a student being trained to deal a second or subsequent game, the following minimum hours shall be adhered to:
One hundred twenty (120) hours to deal craps.
10. On February 18, 2014 a Gaming Agent in the Surveillance room overheard the Surveillance Supervisor inquire if two Dealers, currently at a craps table, had completed the craps training. The Surveillance Supervisor had contacted the Table Games Shift Manager who advised that neither of the Dealers had completed the craps dealer training; however, the Table Games Department considered allowing them to deal at a craps game to be in-house training and this was a regular practice. The Agent spoke to the Director of Table Games who confirmed that in the past dealers who have shown exceptional skill in dealing schools have been allowed to deal live games prior to the completion of the dealer school. The Director stated that the dealers were in week six of the ten week craps dealer school. In the craps dealer school there are two classes offered, one in the morning and one in the afternoon and each class is scheduled for four hours. The Agent acquired copies of the sign in sheets for the current craps classes to check the hours of three trainers who had been allowed to deal at live craps tables. The sheets showed one of the dealers had attended all but one class, which gave her eighty-four (84) hours of craps training. The other two dealers had both missed three of the scheduled classes giving them seventy-six (76) hours of training.

COUNT V

11. 68 IAC 2-3-9(d) states occupational licensees must notify the commission that a riverboat licensee, a supplier licensee, or an occupational licensee has violated the Act or this title as soon as the occupational licensee becomes aware of the violation. If an occupational licensee fails to notify the commission of a violation of the Act or this title by a riverboat licensee, a supplier licensee, or an occupational licensee, the commission may initiate a disciplinary action.
12. 68 IAC 1-5-1(10) states a casino or supplier licensee shall provide a written notice to the executive director as soon as the casino or supplier licensee becomes aware of an apparent criminal activity taking place at the casino. A casino licensee shall

submit the notice required under this subdivision to a gaming agent in addition to submitting it to the executive director.

13. On March 25, 2014 a Table Games Shift Manager notified a Gaming Agent of a possible theft that occurred on March 22, 2014. On March 22, 2014 a Dealer informed a Floor Supervisor that she thought she saw another Floor Supervisor take a five hundred dollar (\$500) purple chip. The Floor Supervisor told a Shift Manager about the possible theft. The Shift Manager checked the table rating system but did nothing further. The Floor Supervisor who had been told about the theft returned to work on March 25, 2014 after being off for two days and spoke to a different Shift Manager about the theft. The Shift Manager immediately asked for a surveillance review and informed a Gaming Agent. The Agent reviewed video coverage that confirmed the Floor Supervisor did take the chip. Further review of the available video coverage found that the Floor Supervisor took a purple chip on seven different occasions. The Floor Supervisor was not following the proper procedures when handling the chips, had been warned numerous times within the past eight months not to muck/stack the chips for the dealers at the roulette tables and did not received a disciplinary write up for it until March 25, 2014. Further investigations by the Commission Audit Director, Commission South Division Investigator and Commission Supervisor for French Lick found that the Floor Supervisor accused of the theft had numerous violations that were not documented in her human resources file and though she had numerous violations, the last documented disciplinary action was May 6, 2013. Several of the violations included the over rating of the amounts that players left the table with. On June 27, 2014 the Shift Manager was terminated due to performance issues.

COUNT VI

14. Pursuant to IC 4-33-9-12 and 68 IAC 1-11-1(c), 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.
15. On May 31, 2014 a Gaming Agent was contacted by a Security Supervisor regarding an underage person on the casino floor. The Agent viewed video coverage and found that the underage person had been allowed to enter the casino even though security had checked his identification.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of French Lick by and through its agents as described herein constitute a breach of the IC 4-33, 68 IAC and/or French

Lick's approved internal control procedures. The Commission and French Lick hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against French Lick. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.


French Lick shall pay to the Commission a total of \$23,000 (\$3,000 for Count I; \$3,000 for Count II; \$1,500 for Count III; \$2,500 for Count IV, \$10,000 for Count V and \$3,000 for Count VI) 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, French Lick agrees to promptly remit payment in the amount of \$23,000 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 French Lick.

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
9.16.14

Date



Chris Leininger, General Manager
French Lick Resort • Casino
9/9/14

Date