

**ORDER 2017-202
IN RE SETTLEMENT AGREEMENT**

**FRENCH LICK RESORT • CASINO
17-FL-04**

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 16th DAY OF NOVEMBER, 2017.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
FRENCH LICK RESORT•CASINO) **17-FL-04**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait 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 11-1-3(c)(4) states that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
2. 68 IAC 13-1-1(b)(2)(3) states the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
3. French Lick’s Internal Control Procedures, M-8, describe the Jackpot Payout Procedures for jackpots of \$1,200 and above.
4. On August 2, 2017, a Gaming Agent was assigned to investigate an email received by the Revenue/Audit Supervisor. The email notified Gaming Agents that a Slot Supervisor had processed a W-2G incorrectly on July 29, 2017. It was determined that the patron signing for the jackpot was not the patron listed on the W2-G.
5. On July 29, 2017, a female patron was playing a slot machine and won a \$12,000 jackpot. The Slot Supervisor collected her identification, processed the paperwork for the jackpot and paid the female patron \$11,304, the amount owed after state taxes were removed from the jackpot total. At the time the jackpot was won, the player’s card in the machine was for a male patron.
6. On July 30, 2017, Revenue/Audit staff noticed that paperwork had been completed for a male patron but was signed for by a female patron. Failing to verify that the correct signature was obtained for the completed paperwork would have caused the wrong patron to have paid taxes on the jackpot. Additionally, it would have resulted in the incorrect

patron being checked in CSADR. A surveillance review confirmed that the correct patron was paid, however, the fact that the W2-G was prepared for a male patron confirmed an error was made in verifying the identification and jackpot.

COUNT II

7. 68 IAC 11-3-6(c)(2-3) states the soft count team shall handle only one (1) drop box at a time in the following manner: (2) The drop box shall be opened by the appropriate soft count team member, and the entire contents of the drop box shall be emptied on the soft count table. (3) The inside of the empty drop box shall be held up for full view by the surveillance camera, and at least one (1) member of the soft count team shall verify that the drop box is empty.
8. French Lick's Internal Control Procedures, Section D-4, describes the table games soft count procedures.
9. On August 8, 2017, a Surveillance Supervisor notified a Gaming Agent that Count Room Employees had opened a table games drop box and found \$100 in the box with no other paperwork. A surveillance review showed that on August 6, 2017, the Count Room Manager was observed removing paperwork and money from the drop box. The Count Room Manager showed the box to two Count Room Attendants. On the Surveillance coverage, the money was clearly seen stuck to the side of the drop box but the denomination of the bill was unclear. The Surveillance Agent observing the drop failed to see the bill.
10. On September 12, 2017, a Surveillance Supervisor notified a Gaming Agent that a \$100 bill had been found in a table games drop box with no other paperwork. The Surveillance Agent advised that the table had not been open since it was last dropped on September 10, 2017. A review of surveillance coverage on September 10 showed a Count Room Attendant opening the drop box, emptying the contents of the drop box but failing to notice a \$100 bill on the side of the drop box. Another Count Room Attendant also confirmed the drop box to be empty. The Surveillance Agent monitoring the drop also failed to notice the bill.
11. On September 21, 2017, a Surveillance Agent notified a Gaming Agent that two \$100 bills had been found in a table games drop box with no other paperwork. The Surveillance Agent advised that this table had not been open since it was last dropped on September 19, 2017. A review of surveillance coverage on September 19 showed the Count Room Manager opening the drop box, emptying the contents of the box but failing to notice two bills on the inside of the left wall of the box. A Count Room Attendant also verified that it was empty. The Surveillance Agent monitoring the drop also failed to notice the bills.
12. 68 IAC 11-3-6(c)(25) states 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 shall be recorded include, but are not limited to, the following: (A) Mechanical or technical difficulties with the equipment. (B) Personnel problems that could affect the currency collection process or the soft count. (C) Unusual situations, such as large number of drop boxes devoid of currency, coins, or chips. (D) Reconciliation differences between the value that resulted from an independent count.

13. French Lick's Internal Control Procedures, Section D-7, describes the procedures for the bill validator soft count process.
14. On August 11, 2017, the Commission's Director of Compliance was notified by French Lick's Casino Compliance Manager that both count machines were not working and French Lick was requesting special arrangements to be made for the count process while they attempted to get one of the count machines up and operational. By the close of the weekend, the drops and counts had been concluded and the vendor had been in to service the count machines during the count with Commission approval.

Gaming Agents spoke with the Count Room Manager who indicated that she began keeping a log on July 29, 2017, which documented all of the problems and errors that were occurring with the count machines. The Count Room Manager advised French Lick intended to request the vendor do routine preventative maintenance on the count machines as the vendor had been to French Lick nineteen (19) times since March 1, 2017 for maintenance requests on the count machines.

15. French Lick's Internal Control Procedures, Section D-1, describe which individuals can access the soft count room, including the mantrap.
16. On August 14, 2017, a Gaming Agent overheard radio traffic from a Surveillance Agent telling a Security Officer that he had left an IT Tech alone in the mantrap and that the IT Tech needed a jumpsuit on before going into the Count Room. Surveillance coverage showed the IT Tech being escorted by Security, going into the mantrap area and preparing to go to the soft count room to make software repairs to the counting machines. The Security Officer left the IT Tech in the mantrap area without having him put on a jumpsuit. As the IT Tech went into the soft count room, he was stopped by the Gaming Enforcement Supervisor who was leaving the count room. The Gaming Enforcement Supervisor directed the IT Tech to put on a jumpsuit. The IT tech complied and entered the count room where another Security Officer was present.
17. On August 14, 2017, a Security Officer left two vendor employees in the Count Room unattended. Once the vendors realized that the Security Officer had left, the vendors immediately followed protocol and raised their hands and stopped working on the machine. The count was not going on during this time, however, the vendor employees had a total of \$9,700 in the room to test the machine during this time.

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 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.

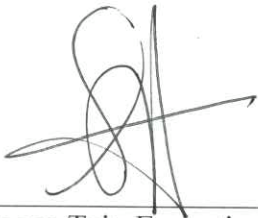
French Lick shall pay to the Commission a total of \$8,500 (\$2,500 for Count I and \$6,000 for Count II) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only to those violations and findings of fact specifically alleged in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

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 \$8,500 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 French Lick.

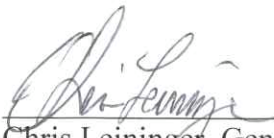
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

11/16/17

Date



Chris Leininger, General Manager
French Lick Resort • Casino

11/9/17

Date