

**ORDER 2021-166
IN RE SETTLEMENT AGREEMENT**

**CENTAUR ACQUISITION, LLC
d/b/a INDIANA GRAND RACING & CASINO
21-IG-03**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

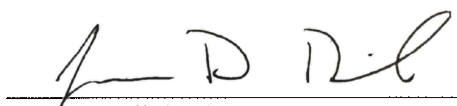
IT IS SO ORDERED THIS THE 29th DAY OF SEPTEMBER, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CENTAUR ACQUISITION, LLC)	21-IG-03
d/b/a INDIANA GRAND RACING &)	
CASINO)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and Centaur Acquisition, LLC d/b/a Indiana Grand Racing & Casino ("Indiana Grand"), (collectively, the "Parties") desire to enter into this settlement agreement ("Agreement") 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. IC 4-38-11-1 provides (a) the bureau shall provide information to a certificate holder concerning persons who are delinquent in child support.
 - (b) Prior to a certificate holder disbursing a payout of six hundred dollars (\$600) or more, in winnings, from sports wagering to a person who is delinquent in child support and who is claiming the winning sports wager in person at the certificate holder's facility, the certificate holder:
 - (1) may deduct and retain an administrative fee in the amount of the lesser of:
 - (A) three percent (3%) of the amount of delinquent child support withheld under subdivision (2)(A); or
 - (B) one hundred dollars (\$100); and
 - (2) shall:
 - (A) withhold the amount of delinquent child support owed from winnings;
 - (B) transmit to the bureau:
 - (i) the amount withheld for delinquent child support; and
 - (ii) identifying information, including the full name, address, and Social Security number of the obligor and the child support case identifier, the date and amount of the payment, and the name and location of the licensed owner, operating agent, or trustee; and
 - (C) issue the obligor a receipt in a form prescribed by the bureau with the total amount withheld for delinquent child support and the administrative fee.
 - (c) The bureau shall notify the obligor at the address provided by the certificate holder that the bureau intends to offset the obligor's delinquent child support with the winnings.
 - (d) The bureau shall hold the amount withheld from the winnings of an obligor for ten (10) business days before applying the amount as payment to the obligor's delinquent child support.
 - (e) The delinquent child support required to be withheld under this section and an administrative fee described under subsection (b)(1) have priority over any secured or

unsecured claim on winnings except claims for federal or state taxes that are required to be withheld under federal or state law.

2. 68 IAC 27-5-2(2)(X) provides prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for withholding winnings from delinquent child support obligors in accordance with IC 4-38-11, including a plan for complying with IC 4-38-11 if the sports wagering operator allows the redemption of tickets via mail.
3. 68 IAC 11-9-2(a) provides the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
4. 68 IAC 11-1-3(c)(4) provides 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.
5. Indiana Grand's approved internal control procedures, N-1 and V-17, describe the procedures for Child Support Intercept Process.
6. Gaming Agents conducted an audit of the ("CSADR") for March 2021. The results of this audit found two (2) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
7. Gaming Agents conducted an audit of the CSADR for May 2021. The results of this audit found two (2) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

COUNT II

9. 68 IAC 11-3-5(5 & 6) provides that the designated currency collection team member shall collect the live gaming device drop boxes and the bill validator drop boxes. The live gaming device or bill validator drop box that was removed shall be placed in the drop box storage cart for transportation to the soft count room.
10. 68 IAC 15-7-3(a) provides the casino licensee shall require, on a daily basis, the revenue auditor or its equivalent to perform certain procedures on the calculation of the electronic gaming device win. These procedures shall include, at a minimum, the following: (1) Tracing the total of the "bills-in" meter readings as recorded by the bill acceptor flash report or equivalent to the actual count performed by the soft count team to verify agreement. (2) Generating the following reports and reconcile them with all validated/redeemed TITOs: (A) Ticket issuance report. (B) Ticket redemption report. (C) Ticket liability report. (D) Ticket drop report. (E) Transaction detail report. (F) Cashier report. (3) Reviewing all voided electronic gaming device jackpots for accuracy and proper handling. Verify proper number of authorized signatures. (4) Tracing the electronic gaming device count documentation into the cage checkout sheet and subsequent posting to the

general ledger. (5) Verifying that all manual electronic gaming device jackpots are entered into the central computer system. (b) The casino licensee shall require that all variances or discrepancies from subsection (a) shall be investigated, recorded, and reported to the head of the accounting department or its equivalent and the commission staff. (c) Any variances or discrepancies that affect the calculation of the electronic gaming device win shall be adjusted for in the financial statements and reported on Form RG-1 for the appropriate gaming day. (d) The casino 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 shall be performed for both computerized and manual forms and shall include, at a minimum, the following: (1) Comparing the original electronic gaming device jackpot slips to the duplicate jackpot slips to verify accuracy. (2) Reviewing the electronic gaming device jackpot slips for the proper number of authorized signatures. (3) Verifying and accounting for the numerical sequence of the electronic gaming device jackpot slips. (4) Recalculating the electronic gaming device documentation for accuracy and recording. (5) Randomly selecting certain days to verify the accuracy of the total of jackpots and re-foot and trace to the jackpot report. (e) The casino licensee shall require that all variances or discrepancies of greater than two percent (2%) from subsection (a) or (d) shall be investigated, recorded, and reported to the head of the accounting department or equivalent. (f) Any variances or discrepancies that affect the calculation of the electronic gaming device win shall be adjusted for in the financial statements and reported on Form RG-1 for the appropriate gaming day.

11. On May 2, 2021, Surveillance notified a Gaming Agent that Revenue Audit had requested a review of an electronic gaming device ("EGD") that had not been dropped. Upon review of the Slot Data System ("SDS"), the EGD had not been dropped since April 11, 2021. This EGD was missed during eight (8) drop cycles. The Gaming Agent spoke with a Lead Revenue Auditor and asked how the error was discovered. The Lead Revenue Auditor provided that a SDS report was run for EGDs not dropped and cross referenced this to EGDs that should have been dropped. Since it was the end of the month, all EGDs were to be dropped. The Lead Revenue Auditor also provided that this report was run daily. The Lead Revenue Auditor could not confirm why it was not caught before now but would review with the Revenue Audit Team. There is a Revenue Audit Clerk that processes the daily EGD drop. Further review determined that this EGD was left in service when in fact the EGD was supposed to be out of service which led this EGD to be missed for eight (8) drop cycles.

COUNT III

12. 68 IAC 2-6-6(c)(5)(B) provides if a casino licensee converts an electronic gaming device, the casino licensee must perform a coin test to ensure that the electronic gaming device is communicating with the central computer system. If the electronic gaming device is not communicating with the central computer system, the electronic gaming device must be disabled.

13. On April 29, 2021, a Slot Tech Supervisor notified Gaming Agents that an EGD was placed in service without a coin test. Multiple patrons played the EGD while it was in service without a coin test.

COUNT IV

14. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills including the requirement that surveillance shall be notified that a live gaming device fill is being processed.
15. On May 3, 2021, Surveillance notified Gaming Agents that a table fill was taken out to a table game with the incorrect amount of green \$25 chips. The table fill was requesting \$10,000 in green \$25 chips, however, only \$5,000 in green \$25 chips was delivered. A Table Game Shift Manager identified the table was incorrect and sent the fill back to the Cage. The table fill was not properly voided.
16. On July 31, 2021, Surveillance notified Gaming Agent that a Security Officer failed to notify Surveillance prior to completing a table fill.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Indiana Grand by and through its agents as described herein constitute a breach of IC 4-35, IC 4-38, , 68 IAC and/or Indiana Grand's approved internal control procedures. The Commission and Indiana Grand hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Indiana Grand.

Indiana Grand shall pay to the Commission a total of \$14,500 (\$4,000 for Count I, \$7,500 for Count II, \$1,000 for Count III and \$2,000 for Count IV) 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 each Count 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 Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Indiana Grand agrees to promptly remit payment in the amount of \$14,500 and shall waive all rights to further administrative or judicial review.

This 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 Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and Indiana Grand.


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



Greg Small, Executive Director
Indiana Gaming Commission

9/28/21

Date



Steven Jarmuz, SVP & General Manager
Centaur Acquisition, LLC

9/23/21

Date