

**ORDER 2022-24  
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC  
22-BC-01**

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

**APPROVED**

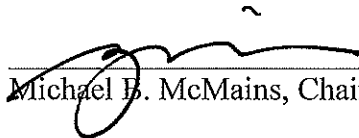
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APPROVES OR DISAPPROVES

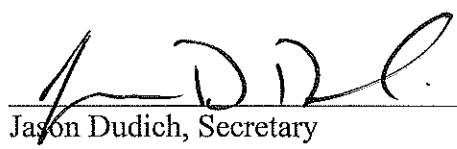
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 8<sup>th</sup> DAY OF MARCH, 2022.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Michael B. McMains, Chair

ATTEST:

  
\_\_\_\_\_  
Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**BLUE CHIP CASINO, LLC** ) **22-BC-01**

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Blue Chip Casino, LLC (“Blue Chip”) (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(a) provides 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 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.
3. 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.
4. Blue Chip's approved internal control procedures, K-23 and R-8, describe the procedures for the child support intercept process.
4. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry ("CSADR") for August 2021. The results of this audit found three (3) individuals were not searched through the CSADR system: two (2) at the time a taxable jackpot was won and one (1) at the time sports wagering winnings in excess of \$600 was won.
5. Gaming Agents conducted an audit of the CSADR for September 2021. The results of this audit found two (2) individuals were not searched through the CSADR system: one (1) at the time a taxable jackpot was won and one (1) at the time sports wagering winnings in excess of \$600 was won.
6. Gaming Agents conducted an audit of the CSADR for October 2021. The results of this audit found one (1) individual was not searched through the CSADR system at the time a taxable jackpot was won.

## COUNT II

7. 68 IAC 15-2-3(b)(8) provides the employee witnessing the transaction is responsible for completing the log and a photograph of the patron shall be taken during the first transaction of the day involving that patron.
8. 68 IAC 15-2-5 provides the casino licensee shall establish policies and procedures for the notification of surveillance prior to completing a currency transaction report. The procedures shall include, at a minimum, the following:
  - (1) The window cashier, pit boss, table games shift manager, or table games manager must notify surveillance.
  - (2) Surveillance shall take a photograph of the patron from the surveillance camera.
  - (3) Prior to the completion of the transaction, surveillance shall notify the window cashier, pit boss, table games shift manager, or table games manager that it has an acceptable photograph.
9. On September 22, 2021, Surveillance notified Gaming Agents that a multiple transaction log (MTL) violation occurred. A Revenue Audit Clerk requested a review of surveillance to determine if a patron was asked for their identification when the patron exchanged two (2) TITO tickets totaling \$3,308. The review determined that the Cage Cashier did not ask for the patron's identification or request a photo from surveillance.

10. On December 30, 2021, Surveillance notified Gaming Agents that a Cage Shift Manager called in an after-the-fact currency transaction report (CTR) photo at the Cage. A review of surveillance coverage identified that a photo was not requested at the time of the transaction. The transaction totaled \$11,800 which the patron won at a table game, exceeding the \$10,000 threshold.

### COUNT III

11. 68 IAC 1-5-1(10) provides a casino or supplier licensee shall provide a written notice to the executive director as soon as the casino or supplier licensee becomes aware 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.
12. On December 6, 2021, Surveillance notified Gaming Agents that there was a cheating incident at a craps table. Surveillance provided that a patron moved his wager after the point was already established at the craps table. This incident was not immediately reported to Surveillance or Gaming Agents. By the time the notification was received, the patron had already left the casino.

### COUNT IV

13. 68 IAC 13-1-1(b)(2) and (3) provides 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.
14. On November 11, 2021, a Security Shift Supervisor notified Gaming Agents that there was insufficient Security staffing. The Security Shift Supervisor advised that another Security Shift Supervisor called off work and advised that a Dual Rate Pit/Manager, a level one licensee, would be in charge of the Security Department until the Dual Rate Security Shift Manager arrived in approximately four (4) hours.
15. Gaming Agents confirmed that there was no on-duty Security Shift Supervisor during those four (4) hours. It was discovered that Blue Chip had only scheduled one (1) Security Supervisor during the midnight shift. The two (2) Security Supervisors working the afternoon shift provided that they were unable to work over their assigned shift due to other commitments. Despite the fact that the Dual Rate Pit Manager is a level one licensee, this was inappropriate segregation of duties since a member of the Table Games Department was overseeing the Security Department.

### COUNT V

16. 68 IAC 2-6-40(a) provided each progressive controller linking two (2) or more progressive electronic gaming devices (EGD) must be housed in a double keyed

compartment in a location approved by the executive director. All keys must be maintained in accordance with 68 IAC 11-7.

17. 68 IAC 2-6-40(d) provides a progressive controller entry authorization log must be maintained within each controller. The log shall be on a form prescribed by the commission and completed by an individual gaining entrance to the controller.
18. On December 4, 2021, a Gaming Agent was working with a Slot Technician when it was discovered that there was no end cap on an EGD base, leaving the progressive controller visible and accessible despite the door being closed. Additionally, the progressive controller did not have a progressive entry authorization log, as required. The EGD was changed to this configuration in May 2021. Blue Chip was unable to identify how and why the progressive was stored in this manner.

#### COUNT VI

19. 68 IAC 12-1-3(c)(13) provides the equipment used in the surveillance system must meet or exceed the following standards: digital video systems, which are used to comply with the requirements of this rule for surveillance required by section 4 of this rule, must meet the following additional standards: (A) Digital video systems shall be enterprise systems capable of the following: (i) Instant replay. (ii) Recording what is viewed by any camera in the system. (iii) Allowing simultaneous recording and playback. (iv) Providing uninterrupted recording while using the playback or copy function
20. 68 IAC 12-1-4(a) provides the surveillance system must be capable of monitoring activities on the: (1) casino floor; (2) support areas; (3) areas of the pavilion through which monies are transported; and (4) all other areas necessary to further the purpose of the surveillance system; including, but not limited to, the areas specifically outlined in this rule. (b) The executive director or the executive director's designee may require additional areas be monitored to ensure compliance with IC 4-33 and this title.
21. On October 18, 2021, Surveillance notified Gaming Agents that a camera outage occurred. Surveillance advised that the camera outage involved ninety-six (96) cameras, and they believed most of the cameras affected were land cameras and non-essential. The cameras were down for approximately one (1) hour and six (6) minutes. Surveillance provided a list of cameras that went down to the Gaming Agent's. A review of these cameras determined that twenty-one (21) essential cameras lost coverage. These cameras included NRT kiosks, boarding area/casino entrance, sensitive key box, EGD's, drop route to and from The Game/Sportsbook, entry to The Game, team member service window, land cage, cage offices and count table. There was no alternate coverage for the cameras affected in The Game, the Sportsbook, and the sensitive key box.

#### COUNT VII

22. 68 IAC 15-12-4(3) provides surveillance shall be notified that a live gaming device credit is being processed.

23. Blue Chip's approved internal controls, N-12-2, describe the procedures for table credits.
24. On August 20, 2021, Surveillance notified Gaming Agents of a table credit error. The Floor Supervisor failed to notify surveillance of the table credit.
25. On December 3, 2021, Surveillance notified Gaming Agents of a table credit error. The Floor Supervisor failed to notify surveillance of the table credit.
26. 68 IAC 15-12-3(a)(3) provides surveillance shall be notified that a live gaming device fill is being processed.
27. Blue Chip's approved internal controls, N-11.2, describe the procedures for table fills.
28. On December 17, 2021, Surveillance notified Gaming Agents that a Cage Shift Manager sent out a table fill in the amount of \$2,200 without notifying surveillance.
29. On December 26, 2021, Surveillance notified Gaming Agents that a Dual Rate Cage Cashier/Supervisor sent out four (4) table fills in excess of \$1,000 without notifying surveillance.

#### **COUNT VIII**

30. 68 IAC 2-3-9.2(b) provides riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when one (1) of the following events occurs with an occupational licensee: (1) The occupational licensee's employment with the riverboat licensee is terminated for any reason. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
31. On September 1, 2021, a Senior Human Resources Specialist submitted a separation of service form for a Sportsbook Cashier. The date of separation was August 7, 2021.

#### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of Blue Chip by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38, 68 IAC, and/or Blue Chip's approved internal control procedures. The Commission and Blue Chip hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Blue Chip.

Blue Chip shall pay to the Commission a total of \$24,500 (\$6,000 for Count I, \$1,500 for Count II, \$1,500 for Count III, \$2,500 for Count IV, \$2,000 for Count V, \$3,000 for Count VI, \$7,000 for Count VII and \$1,000 for Count VIII) 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 Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Blue Chip agrees to promptly remit payment in the amount of \$25,500 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 Blue Chip.

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

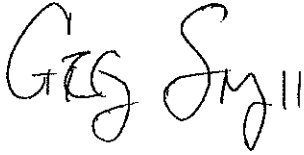
  
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Brenda Temple, V.P. and Gen. Mgr.  
Blue Chip Casino, LLC

\_\_\_\_\_  
Date

3.2.22  
\_\_\_\_\_  
Date



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

Handwritten signature of Greg Small in black ink.

\_\_\_\_\_  
Greg Small, Executive Director  
Indiana Gaming Commission

3/8/22

\_\_\_\_\_  
Date

\_\_\_\_\_  
Brenda Temple, V.P. and Gen. Mgr.  
Blue Chip Casino, LLC

\_\_\_\_\_  
Date