

**ORDER 2023-12  
IN RE SETTLEMENT AGREEMENT  
AMERISTAR CASINO EAST  
CHICAGO, LLC  
23-AS-01**

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

**APPROVED**

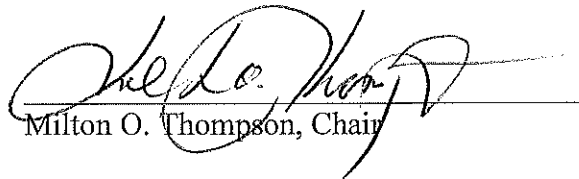
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APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 9<sup>th</sup> DAY OF MARCH, 2023.**

**THE INDIANA GAMING COMMISSION:**

  
Milton O. Thompson, Chair

ATTEST:

  
Jason Dudich, Secretary



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. 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.
6. Ameristar's approved internal control procedures, C-18, describe the procedures for the Child Intercept Process.
7. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for September 2022. The results of this audit found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
8. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for November 2022. 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

9. 68 IAC 2-3-1(e) provides an occupational license, Level 1 is the highest level of occupational license. An occupational licensee may perform any activity included within the occupational licensee's level of occupational license or any lower level of occupational license.
10. 68 IAC 2-3-1(j) requires the following positions or their equivalent to hold a Level 1 occupational license: (2) Casino manager and (8) Electronic gaming device manager.
11. 68 IAC 2-2-1(d) provides the applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the

statutory criteria for licensure set forth in IC 4-33, IC 4-35, and this title must complete and submit a Personal Disclosure Form 1 (PD1) application for occupational license under 68 IAC 2-3-1.

12. 68 IAC 2-2-4(b)(3) provides an application shall be deemed filed when the completed application forms, including all required documents, all personal disclosure forms, materials, photographs, and application fee have been submitted. The commission will not begin its background investigation until the application is filed.
13. On December 24, 2021, the P&A Manager, a level two licensee, transferred to the Casino Operations Performance Manager, however, the employee failed to report to the Gaming Agent office to obtain a new badge for his new position.
14. On June 15, 2022, Ameristar submitted updated job descriptions for the Commission's review.
15. On July 13, 2022, the Commission approved the job description for the Casino Operations Performance Manager. As a result of the job description approval, Ameristar was also notified that this position was required to hold a level one license and the PD1 application was due within thirty (30) days of approval of the job description, resulting in the PD1 being due on August 13, 2022.
16. On September 6, 2022, Ameristar submitted the position change in LAM, the Commission's occupational licensing system, however, the Commission still had not received the PD1.
17. On October 5, 2022, the Commission reached out to Ameristar to inquire about PD1's status.
18. On October 11, 2022, the PD1 was submitted.
19. On October 13, 2022, the Casino Operations Performance Manager was issued a level one license and the position change was approved in LAM.
20. The Casino Operations Performance Manager worked out of level for 92 days. A level two licensee was performing the duties of a level one licensee for the duration of this time period. Additionally, the PD1 was 59 days late.

### COUNT III

21. 68 IAC 2-3-1(e) provides an occupational license, Level 1 is the highest level of occupational license. An occupational licensee may perform any activity included within the occupational licensee's level of occupational license or any lower level of occupational license.

22. 68 IAC 2-3-1(i) requires the following positions or their equivalent to hold a Level 1 occupational license: (2) Casino manager and (8) Electronic gaming device manager.
23. 68 IAC 2-2-1(d) provides the applicant's key persons, substantial owners, and any other persons deemed necessary to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in IC 4-33, IC 4-35, and this title must complete and submit a Personal Disclosure Form 1 (PD1) application for occupational license under 68 IAC 2-3-1.
24. 68 IAC 2-2-4(b)(3) provides an application shall be deemed filed when the completed application forms, including all required documents, all personal disclosure forms, materials, photographs, and application fee have been submitted. The commission will not begin its background investigation until the application is filed.
25. On June 15, 2022, Ameristar submitted updated job descriptions for the Commission's review.
26. On July 13, 2022, the Commission approved the job description for the Casino Operations Tech Manager. As a result of the job description approval, Ameristar was also notified that this position would now be required to hold a level one license and the PD1 application was due within thirty (30) days of approval of the job description, resulting in the PD1 being due on August 13, 2022.
27. On October 16, 2022, Ameristar submitted a PD1 for the Casino Operations Tech Manager.
28. On October 20, 2022, the Casino Operations Tech Manager was licensed as a level one licensee by the Commission.
29. The Casino Operations Tech Manager worked out of level for 99 days. A level two licensee was performing the duties of a level one licensee for the duration of this time period. Additionally, the PD1 was 68 days late.

#### COUNT IV

30. 68 IAC 27-3-4(1) provides to conduct sports wagering retail transactions, a sports wagering operator shall submit a plan to the commission that meets the requirements of 68 IAC 12-1-5, and shall be approved by the executive director or the executive director's designee. Sports wagering transactions shall be conducted from a sports wagering lounge counter located in the sports wagering lounge or other window locations as approved by the executive director or the executive director's designee.
31. 68 IAC 27-7-5 provides that patron wagers placed in a sports wagering lounge, sports wagering kiosk, or other approved area within a licensed facility shall be made with: (1) cash; (2) cash equivalent; (3) a credit or debit card, provided the patron has created a sports wagering account; (4) promotional funds; (5) sports wagering vouchers; (6) value

gaming chips; and (7) any other means approved by the executive director or the executive director's designee.

32. Ameristar's approved internal control procedures, P-1, describes sports wagering operations and specifically states that wagers placed at the sportsbook counter will require confirmation from the patron prior to the ticket being printed. This confirmation may be verbal or visual (i.e. thumbs up). The patron will be able to view their wager on a patron facing monitor before the ticket prints. This section also requires that patron wagers placed at the sportsbook counter or a sports wagering kiosk shall be made with cash, cash equivalent, etc.
33. On March 10, 2022, Surveillance notified Gaming Agents that a Sportsbook Supervisor ("SBKS") may be placing wagers for a patron via text message. Gaming Agents reviewed the surveillance coverage and observed the SBKS texting several times. The SBKS would set his cell phone down and then pick it up and continue to text. Approximately an hour later, the Director of Casino Operations presented a voluntary statement to Gaming Agents from the SBKS that admitted that he received a text message from a patron (LH) who requested that he place a \$2,500 wager for him. The SBKS placed the wager and admitted to also doing this for the LH the previous weekend. The \$2,500 wager had a potential payout of \$4,750. The Director of Casino Operations notified the Gaming Agents that the wager in question had been voided per their internal control procedures.
34. Gaming Agents subsequently reviewed a surveillance report of this incident. The SPKS texted someone with the initials L.H. (the initials match the patron name in the voluntary statement) and then retrieved a player's card from a stack of player's cards. The card that he retrieved was for a player referenced in the voluntary statement. The SBKS then went to the second sportsbook window workstation, swiped the player's card and placed a \$2,500 wager on the Maryland vs Michigan State basketball game. No money was received for this wager and the patron was not present. A review of the veridocs scanner determined that the patron in question had not been on property since March 5, 2022. The SBKS then placed the player's card and the \$2,500 bet slip in the drawer at window #2. The Gaming Agent reviewed the surveillance coverage and confirmed the findings in the surveillance report.
35. On March 12, 2022, Gaming Agents received an additional surveillance report regarding the previous transaction referenced in the SBKS's voluntary statement. The report detailed that on March 5, 2022, a patron (AT) approached the sportsbook counter and handed the SPKS a cell phone. While on the cell phone, the SBKS went to window #3's workstation, placed a wager and then printed out a ticket. AT then returned to the sportsbook counter and retrieved his cell phone. No money was received for the wager and the ticket that was printed was placed in the drawer for window #3. Approximately 1.5 hours later, LH arrived at the sportsbook and handed the SPKS \$1,000. The SBKS then retrieved the ticket from the drawer and placed it on the counter. LH folded the ticket, placed it in his pocket and left the area.

36. The Gaming Agent also requested from the Revenue Audit Manager if the SPKS in question had any cancelled wagers connected with LH. On three (3) occasions, the SPKS and another employee had voided wagers. On December 5, 2021, a ticket belonging to LH was voided due to LH being given a wrong ticket. On January 21, 2022, a ticket was voided due to the system created a duplicate ticket. This was not LH but one of the other patrons. The third incident involved LH and was voided due to a clerical error.
37. On March 18, 2022, Gaming Agents interviewed the SBKS. The SBKS advised that he had been working in the sportsbook for six (6) months and that was how long he had known LH. He denied knowing him outside of the casino. The SBKS acknowledged knowing AT only because he hangs out with LH. The SBKS advised that he placed the wager for LH as an act of guest service even though he acknowledged that this was wrong.
38. On March 30, 2022, Surveillance notified Gaming Agents that there was a sportsbook variance of \$1,500. Surveillance provided that there were two (2) bets made by a patron, one (1) in the amount of \$500 and one (1) in the amount of \$1,000, however, no money was collected and betting slips were handed to the patron.
39. Once the variance was caught by Revenue Audit, they contacted the Sportsbook Manager and he requested the surveillance review. The Sportsbook Manager attempted to contact the patron but was unable to reach him. The Sportsbook Manager froze the payout on the winning ticket. The patron returned to the casino and attempted to cash the ticket. The patron was advised that he would have to make payment for his wager before he would be allowed to continue to gamble. When the Sportsbook Manager inquired with the Sportsbook Supervisor about this transaction, the Sportsbook Supervisor advised that the patron had requested a comp and forgot to collect payment.

#### COUNT V

40. 68 IAC 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the licensee are safeguarded.
41. 68 IAC 15-10-2(a)(3)(B) provides the casino licensee shall establish policies and procedures to ensure that all transactions that flow through the casino cage are accounted for. These policies and procedures shall include, but are not limited to, the following: At the end of a shift, the cashiers assigned to the outgoing shift shall: Reconcile the total closing inventory with the total opening inventory.
42. 68 IAC 15-10-4.1(a) states cage inventories must be accurately reported at the conclusion of a shift on the inventory form used by the casino licensee. Overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered.
  - (b) Cage variances of five hundred dollars (\$500) or two percent (2%), whichever is less, must be reported on a form approved by the commission to the following within one (1) business day after the discovery of the variance:
    - (1) The security department.

(2) The surveillance department.

(3) An enforcement agent.

(c) Variances of five thousand dollars (\$5,000) or more, or a variance that is of a nature that indicates criminal activity must be reported on a form approved by the commission to the following immediately:

(1) The security department.

(2) The surveillance department.

(3) An enforcement agent.

These variances must be reported to the commission audit staff at the beginning of the next business day.

(d) Variances of five hundred dollars (\$500) or two percent (2%), whichever is less, or a variance that is of a nature that indicates criminal activity must be investigated by the casino licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. Unresolved variances must be investigated by the accounting director or designee. The results of the investigation shall be reported on the document provided to him or her by the cage department. Surveillance tapes or records relating to the variance must be preserved and retained by the casino licensee until the commission audit director advises that the tapes or records, or both, may be recycled. The results of an investigation into these variances must be reported to an enforcement agent. If the variance that was investigated exceeded five thousand dollars (\$5,000), the results of the investigation must also be reported to the commission audit staff.

(e) The casino licensee's internal auditor must review, on a quarterly basis, cage variances to ensure that the variances are appropriately and thoroughly investigated and reported. The results of the internal auditor's review must be reflected on the quarterly internal audit report filed in accordance with 68 IAC 15-8.

43. On August 19, 2022, Gaming Agents became aware that an NRT variance occurred on August 15, 2022. The Cashier Variation Report reported a \$500 shortage.
44. On August 20, 2022, Gaming Agents inquired with the Cage Shift Manager if the variance had been resolved. The Cage Shift Manager advised that the variance had not been resolved and the investigation was on-going.
45. On August 30, 2022, the Gaming Agent inquired again to see if the variance had been resolved. The Cage Shift Manager advised that the variance remained unresolved.
46. On September 2, 2022, the Gaming Agent met with the Cage Shift Manager in person and then, subsequently met with Surveillance and was met with no results on the unresolved variance. The NRT variance remains unresolved.
47. On September 27, 2022, Surveillance notified Gaming Agents that an NRT had a \$500 shortage. Surveillance also advised that the Cage Shift Manager reported to Surveillance that she did not believe it would balance out with an overage. The casino performed an investigation which included a review of surveillance coverage as well as reviewing the NRT worksheets, but the variance remains unresolved.



**TERMS AND CONDITIONS**

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

Ameristar shall pay to the Commission a total of \$37,000 (\$1,000 for Count I, \$4,500 for Count II, \$4,500 for Count III, \$25,000 for Count IV and \$2,000 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in 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, Ameristar agrees to promptly remit payment in the amount of \$37,000 and waive all rights to further administrative or judicial review.

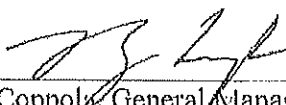
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or 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 Ameristar.

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

  
\_\_\_\_\_  
Ryan Coppola, General Manager  
Ameristar Casino East Chicago, LLC

3/7/2023  
Date

2/24/23  
Date