

**ORDER 2021-84
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC
21-BC-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 THE 25th DAY OF MAY, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:

BLUE CHIP CASINO, LLC

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**SETTLEMENT
21-BC-02**

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Sara Gonso Tait 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 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. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry ("CSADR") for December 2020. The results of this audit found one (1) individual was not searched through the CSADR system at the time a taxable jackpot was won.
5. Gaming Agents conducted an audit of the CSADR for January 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.

COUNT II

6. 68 IAC 12-1-5.5(11) provides surveillance shall visually record when on-site maintenance or repair of gaming or money handling equipment.
7. On January 25, 2021, Surveillance notified Gaming Agents that a Cummins employee was working on money handling equipment in the sports book. Surveillance had identified this during a routine observation and had not been notified.
8. 68 IAC 15-2-3(a) and (b) provides the casino licensee shall be required to maintain a log for the purpose of recording aggregated cash transactions in excess of three thousand dollars (\$3,000). The casino licensee shall require coordination between the pits, slots, cashiers, cages, redemption centers, and other appropriate areas to ensure all transactions in excess of three thousand dollars (\$3,000) are recorded.
(b) The employee witnessing the transaction is responsible for completing the log.
9. 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.
10. 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 (CTR). 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.
11. On January 13, 2021, a Gaming Agent conducted a review of the monthly surveillance notification verifications.
 12. On November 7, 2020, a patron received a cash advance which made his total transactions in the amount of \$11,250. The Cage Cashier failed to call surveillance for the photograph prior to completing the transaction.
 13. On December 17, 2020, Surveillance was requested to perform a review by a Revenue Audit Clerk of unlogged transactions from December 12th and December 13th. A patron cashed out with \$3,450 but nothing was logged for this amount. The Cage did not request a photograph from surveillance.
 14. On December 21, 2020, Surveillance reported that a patron obtained two \$10,000 markers. The Cage failed to call surveillance for a photograph prior to completing the transaction.
 15. On January 23, 2021, a Gaming Agent investigated a multiple transaction log (MTL) violation. It was determined that a Revenue Audit Clerk requested a surveillance review of transactions completed by a patron on January 19, 2021. The patron's transactions totaled \$4,910.75. The patron cashed out \$500 in chips in his first transaction. The patron cashed out \$1,000 in chips and a \$510.75 TITO on his second transaction. The patron cashed out \$1,000 in chips on his third transaction. The patron cashed out \$900 in chips on his fourth transaction. The patron cashed out \$1,000 in chips on his fifth transaction. None of these transactions were logged by the Cage Cashiers as required.
 16. On February 2, 2021, a Gaming Agent conducted a review of the monthly surveillance notification verifications.
 17. On January 24, 2021, Surveillance reported that a patron conducted multiple transactions at the sportsbook totaling \$10,800. The sportsbook failed to call surveillance for a photograph prior to completing the transaction.
 18. On February 10, 2021, a Gaming Agent investigated a MTL violation. It was determined that a Revenue Audit Clerk requested a surveillance review of transactions completed by a patron on February 5, 2021. The patron performed three (3) transactions, cashing out for \$1,500, \$1,250, and \$500 for a total transaction amount of \$3,250. None of these transactions were logged by the Cage Cashiers as required and a surveillance photograph was not requested either.
 19. On February 22, 2021, a Gaming Agent investigated a MTL violation. It was determined that a Revenue Audit Clerk requested a surveillance review of transactions completed by a patron on February 12-13, 2021. The patron performed three (3)

transactions, cashing out for \$1,807, \$2,505, and \$758 for a total transaction amount of \$5,070. None of these transactions were logged by the Cage Cashiers as required and a surveillance photograph was not requested either.

20. On February 23, 2021, a Gaming Agent was notified by Surveillance that the Compliance Assistant had requested a review of transactions completed by a patron on February 19, 2021. The patron completed two (2) transactions totaling \$3,200. These transactions were not logged by the Cage.

Later that day, a Gaming Agent was notified by Surveillance that the Compliance Assistant requested another review of transactions completed by a patron on February 21, 2021. The patron completed five (5) transactions totaling \$3,300. These transactions were not logged by the Cage.

21. On March 22, 2021, a Gaming Agent became aware that a Revenue Audit Clerk requested a review of transactions completed by a patron on March 14, 2021. The patron completed three (3) transactions totaling \$3,600. These transactions were not logged by the Cage.

COUNT III

22. 68 IAC 2-6-40) provides each progressive controller linking two (2) or more progressive electronic gaming devices 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.

(b) The executive director or the executive director's designee must be in possession of one (1) of the keys.

(d) 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.

23. On February 18, 2021, a Gaming Agent was working with a Slot Tech on a bank of electronic gaming devices ("EGDs") and they needed to access the progressive controller which is located under the EGD. It was discovered that there was no end cap on the slot base. The opening was large enough for easy access to the controller. Additionally, there was not a controlled progressive lock securing the compartment that the progressive controller was housed in.

24. Blue Chip's Slot Repair Manager could not provide why the progressive controller was not properly secured or why there was not a secured lock on the controller. The Slot Repair Manager advised the EGDs have been this way since approximately mid-August.

25. On February 25, 2021, a Gaming Agent was working with a Slot Tech on a bank of EGDs when it was determined that the Commission progressive controller key did not provide access to the lock securing the slot base door. The Slot Tech was able to open

the slot base door with a key he had in his possession. Further inspection determined that a progressive controller entry authorization log was missing as well.

26. Blue Chip's Slot Repair Manager could not provide why there was a different lock on the compartment door and provided that these EGDs had been this way since approximately last July.

COUNT IV

27. IC 4-38-5-4(a) provides a certificate holder or vendor may accept wagers on professional and collegiate sporting events approved for sports wagering by the commission, and other events as approved by the commission. A certificate holder or vendor may use data selected in a manner approved by the commission to determine whether a wager is a winning wager.
28. Chapter 7, Section 1(a) and (b) of the Emergency Rules for Sports Wagering provides before accepting wagers on any event category from patrons, a sports wagering operator must receive event category approval from the executive director or the executive director's designee. The sports wagering operator shall provide notice to the executive director or the executive director's designee and such notice shall include the name of the sports governing body and a description of its policies and procedures regarding event integrity. The commission reserves the right to prohibit the acceptance of any wagers, and may order the cancellation of wagers and require refunds on any event for which wagering would be contrary to the public policies of the state.
 - (b) The commission will post approved event categories to its website.
29. On July 23, 2019, the Commission issued a directive on approved events for sports wagering which indicated that collegiate events shall be limited to NCAA Division I sports.
30. On December 15, 2020, the Commission's Gaming Enforcement Investigator was notified by Fan Duel's Director, Legal and Regulatory Affairs that Sport Radar, Fan Duel's college basketball pricing/data provider had pushed a Division I vs non-Division I's men's college basketball event and wagers were able to be placed on this event in Indiana. The game offered was between Texas State (Division I) and Our Lady of the Lake University (NAIA school). One hundred and eighty-one (181) straight wagers and one hundred eighty-eight (188) parlays were placed on this event. This event was offered at the retail locations at Blue Chip and Belterra and offered on Fan Duel's mobile application. Five (5) wagers were taken at Belterra and three hundred and sixty-four (364) were taken online.

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, the Emergency Rules for Sports Wagering, 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 \$13,000 (\$3,000 for Count I, \$7,500 for Count II, \$2,000 for Count III, \$500 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 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 \$13,000 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.

Sara Gonso Tait, Executive Director
Indiana Gaming Commission

Date



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



Date

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



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

5/24/21

Date

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

Date