

ORDER 2007-118

**AN ORDER OF THE INDIANA GAMING COMMISSION
CONCERNING A SETTLEMENT AGREEMENT WITH
FRENCH LICK RESORT • CASINO
07-FL-03**


The Indiana Gaming Commission ("Commission") adopts the following order pursuant to authority granted it under IC 4-33.

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby **APPROVES** the proposed terms of the Settlement Agreement.

Pursuant to IC 4-21.5-3, this order is effective fifteen (15) days after the order is served.

IT IS SO ORDERED THIS THE 8th DAY OF NOVEMBER, 2007.

THE INDIANA GAMING COMMISSION:


William Barrett, Chair

ATTEST:


Tom Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
FRENCH LICK RESORT•CASINO)	07-FL-03
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton 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. French Lick Internal Controls A-5 page 3 states that if a ticket is identified as invalid, the Cage Supervisor will notify IGC, Security and Surveillance to obtain a photograph of the guest attempting to redeem the ticket.
2. On March 9, 2007, the Revenue Audit Manager sent a report stating that an audit of the main bank had been conducted and it was discovered that a TITO ticket was paid twice on March 7, 2007. Prior to this the IGC had no knowledge of this issue. On March 7, 2007, a patron attempted to cash out at a slot machine and an incomplete ticket printed. The patron placed the incomplete ticket in her purse and the slot machine recorded a paper jam. When the Slot Service Representative arrived he corrected the paper jam and another ticket printed with the same serial number as the incomplete ticket. Unaware that the patron already had the incomplete ticket, the Slot Service Representative gave the second ticket to the patron. The patron cashed one of the tickets at a Kiosk and took the other ticket to a cage. When the cashier scanned the ticket it showed that it was redeemed at the Kiosk. Since the cashier had the ticket in her hand, she did not understand how that was possible. She contacted a Slot Supervisor and explained the situation. The Slot Supervisor took the ticket and verified it as legitimate using the ACSC system. This system only shows that a ticket was printed, not if it has been redeemed. A cage supervisor then authorized the payment of the ticket without checking to see if a ticket was cashed at the Kiosk.

COUNT II

1. Pursuant to 4-33-9-12, “a person who is less than twenty-one (21) years of age may not be present in the area of a riverboat where gambling is being conducted.”

Pursuant to 68 IAC 1-11-1(c), “[a] person under twenty-one (21) years of age shall not be present on a riverboat.”

2. On July 7, 2007, an underage person was allowed to enter the casino without security checking for identification. This is the fourth time in the past six months.

COUNT III

3. 68 IAC 15-4-3(6) states that during nongaming hours all chips shall be stored and locked in the casino cages, main bank vault, or lockable table trays at the live gaming devices.
4. On June 11, 2007, a Gaming Agent found a chip tray float unsecured at a Caribbean Stud table. The lid of the float was not locked and the lid came off exposing all the chips in the chip tray. The chips were verified by a Table Games Shift Manager and all were accounted for. The chip tray was left unsecured for one hour.

COUNT IV

5. 68 IAC 2-6-40(a) states that 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.
6. On July 2, 2007, the Commission Audit staff proceeded to French Lick to inspect for compliance with 68 IAC 2-6-40(a). A memo regarding this rule and applying it to table games was sent to all the casinos on March 23, 2007. The audit staff found that one table game progressive controller had only one lock on it and that the key to the lock was controlled by Gaming Enforcement.

COUNT V

7. 68 IAC 15-6-5(b) states that the admissions tax shall be computed utilizing the patron count that results in the highest count from one (1) of the following methods of counting patrons:
 - 1) A turnstile or the equivalent.
 - 2) A manual count.
 - 3) A ticket stub count.
 - 4) Any other method of counting patrons that has been approved by the executive director as accurately tracking patron ingress or egress to ensure

the accurate payment of the admission tax in accordance with this Act and this title.

8. 68 IAC 15-1-2(4) states that the transactions are recorded adequately to permit the proper recording of the adjusted gross receipts, admissions tax and all applicable taxes.
9. Pursuant to IC 4-33-12-4(a) [a] licensed owner or an operating agent must pay the admissions taxes collected to the department. The licensed owner or an operating agent must make the tax payments each day for the preceding day's admissions.
10. On July 3, 2007, a Commission Auditor was notified that French Lick wanted to make adjustments to the number of patron admissions and admissions tax. The adjustments cover inaccurate tax filings during the months of November 2006 through March 2007. It was determined during an internal audit by the casino that during the first five months of operation they were using the highest numbers from the Gateway report and this was not necessarily the highest admissions count from the methods they were using. The admission numbers were re-audited and it was determined that a tax adjustment of \$6,368.00 was necessary.

COUNT VI

11. 68 IAC 11-7-1(b)(2) states that "sensitive keys" means keys that either management or the commission considers sensitive to the riverboat licensee's operation and therefore require strict control over custody and issuance.
12. 68 IAC 15-1-2(1) states that the purpose of accounting records and procedures is to ensure that the assets of the riverboat licensee are safeguarded.
13. On July 15, 2007, a Security Officer notified a Gaming Agent that the VIP cage door had been left open. The door was left open for approximately twenty (20) minutes. All drawers were locked in the cage and no one entered the cage area while the door was left open.

COUNT VII

14. 68 IAC 6-3-4(b)(3)(B) requires that the riverboat licensee must deny gaming privileges to any individual who the casino knows to be a voluntary excluded person ("VEP").
15. French Lick Internal Control I-13 page 1 states that the voluntary exclusion list will be distributed via electronic format and accessible to the following departments of the casino: Player's Club, Hotel Reservations, Security,

Surveillance, Casino Finance, Marketing, Table Games Operations and Slot Operations.

16. On July 11, 2007, a Security Supervisor requested that a Gaming Agent meet him on the casino floor near pit one for a possible VEP. When the Gaming Agent arrived, he confirmed that the person was a VEP. The casino realized that the person was a VEP when they tried to enter her play into the computer system and her name was flagged. While speaking to the woman, the Gaming Agent was informed that she was compensated a room at the French Lick Resort Hotel. The woman had received the voucher for a room at the hotel in November of 2006. On the night of July 10, 2006, the woman contacted a Casino Host to see if she could redeem the voucher from November. The Casino Host did compensate her with a room at the hotel. The woman was informed that she would not be allowed to keep the compensated hotel room. When looking up the woman's information in the system, it was discovered that she had two accounts. The first was created in May when she was entered as a VEP and the second was created when the Casino Host called to make her reservations. It is the opinion of the Commission that the free hotel room was given as a gaming privilege.

COUNT VIII

17. 68 IAC 2-7-1(c)(1)(A) states "associated equipment" means any equipment, mechanical, electromechanical, or electronic contrivance, component, or machines used remotely or directly in connection with gaming.
18. 68 IAC 2-7-7(e) states disciplinary action may be initiated against a riverboat licensee or riverboat license applicant that continues to utilize associated equipment for which approval has been revoked unless an extension of time has been granted under subsection (d).
19. On July 11, 2007, the Manager of the Electronic Gaming Device System for the Commission contacted the Supervisor of Gaming Agents regarding an EPROM revoked on April 18, 2007 inquiring if the revoked EPROM had been replaced. A Gaming Agent inspected the machine and found out the revoked EPROM had been replaced but after the thirty (30) days the Commission allows to replace revoked chips. The casino had also not asked for an extension beyond the thirty (30) days.

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 the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and 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.

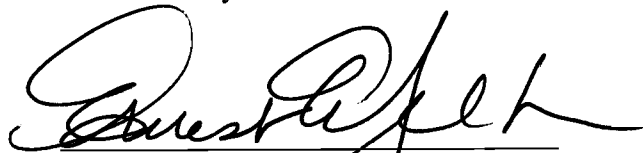
French Lick shall pay to the Commission a total of \$ 41,000 (\$2,500 for Count I; \$6,000 for Count II; \$7,500 for Count III; \$5,000 for Count IV; \$5,000 for Count V; \$5,000 for Count VI; \$5,000 for Count VII; and \$5,000 for Count VIII) in consideration for the Commission foregoing disciplinary 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 herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

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 \$41,000 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.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

11/09/07
Date



Chris Leininger, General Manager
French Lick Resort • Casino

11/5/07
Date