

**ORDER 2008-31
IN RE SETTLEMENT AGREEMENT
FRENCH LICK RESORT • CASINO
08-FL-01**


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

Approves
APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 31st DAY OF MARCH, 2008.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Tom Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
)
FRENCH LICK RESORT•CASINO) **SETTLEMENT**
) **08-FL-01**
)

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. 68 IAC 2-6-35 requires the electronic gaming device to be linked to a progressive meter or meters showing the current payoff to all players who are playing an electronic gaming device which may potentially win the progressive amount.
2. 68 IAC 2-6-37 (a) requires during the normal operating mode of the progressive controller, the controller must do the following:
 - (1) Continuously monitor each electronic gaming device attached to the controller to detect inserted tokens or credits wagered.
 - (2) Multiply the accepted tokens by the programmed rate of progression and denomination in order to determine correct amounts to apply to the progressive jackpot.

(c) At least one progressive display to which a group of progressive electronic gaming devices is linked must continuously display the amount of the progressive jackpot that a patron may win.
3. On July 2, 2007, IGC audit staff traveled to French Lick to inspect compliance of rules regarding Progressive Electronic Gaming Devices. It was discovered that there was an underpayment of \$75,797.61.
4. On April 14, 2007, French Lick replaced the main progressive controller due to an internal technical failure. When the replacement controller was brought back online, one of the linked progressives was set incorrectly. The bank of games consisted of 16 games. The incrementation was set correctly while the denomination was set incorrectly within the main controller for this particular linked progressive. As a result, the bank of progressives was incrementing at a

lower amount making the progressive meter increment incorrectly. Gaming revenue was overstated due to this issue.

5. French Lick identified 13 players who won jackpots during the time between the controller being replaced and the time the issue was discovered. Each player affected received a corrected W2-G to sign. Once a signature was received, a check was mailed to the patron. In addition, a recordkeeping process was implemented for checking the daily meters for all progressives to safeguard against future incidents.

COUNT II

6. 68 IAC 15-9-3 (a) requires the riverboat licensee to establish policies and procedures in connection with the removal, collection and counting of the tip box contents for subsequent distribution for gaming occupational licensees. These policies and procedures shall include, at a minimum, the following:
 - (1) Tip boxes will be dropped and counted at the end of each day. Surveillance will be notified before the emptying of any tip boxes
 - (2) Surveillance will be required to tape and monitor the drop and count. The tape:
 - (A) will be maintained for a minimum of 5 days; and
 - (B) shall be made available to the commission staff or enforcement agent upon request.
7. On August 24, 2007, a security officer commenced dealer token drop without notifying Surveillance. Surveillance learned of the drop upon hearing security notify dispatch upon its completion. Minimal coverage was obtained due to Security's failure to notify Surveillance.

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 \$10,000 (\$7,500 for Count I; \$2,500 for Count II) 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 \$10,000 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

3-25-08
Date



Chris Leininger, General Manager
French Lick Resort • Casino

3/25/08
Date