

**ORDER 2008-63
IN RE SETTLEMENT AGREEMENT
INDIANA GAMING COMPANY, L.P.
08-AR-02**

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

Approves
APPROVES OR DISAPPROVES

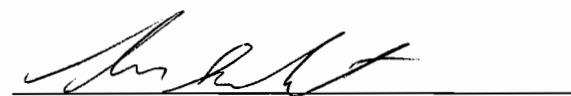
the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 28th DAY OF MAY, 2008.

THE INDIANA GAMING COMMISSION:


William Barrett, Chair

ATTEST:


Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, L.P.)	08-AR-02
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Indiana Gaming Company, L.P. (“Argosy”) (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 11-1-6 states that riverboat licensees and riverboat license applicants must conduct all operations in accordance with internal control procedures that have been approved, in writing, by the executive director.
2. Argosy Internal Controls, Part III Electronic Gaming Device, Section J Bill Validator Drop, Removal and Transportation, IC3-J2-19-07, Group A:
3. Subsection d states the next count room attendant will remove the full bill validator drop boxes from the drop box compartment and pass the box to a third team member, acting as a runner, who will immediately place the drop box on the drop cart while the second member continues the drop process.
4. Subsection e states the empty bill validator drop box is placed in the bill validator drop box compartment of the corresponding electronic gaming device by a member of the drop team.
5. Subsection g states the process is repeated until all the drop boxes selected for that gaming day are removed from the electronic gaming devices. Security will observe the removal of all bill validator drop boxes to ensure that all electronic gaming device bill validators selected for the gaming day have been dropped.

6. 68 IAC 11-3-3 (9) states that the soft count room shall be equipped with equipment that allows the surveillance department to do the following in accordance with 68 IAC 12-1:
 - a. Monitor and record the entire:
 - i. count process
 - ii. soft count room both audibly and visually.
 - b. Monitor and record, both audibly and visually, any other activity or area of the soft count room deemed necessary by the commission to ensure compliance with this Act or this title.
7. 68 IAC 12-1-6.5 states in addition to other coverage requirements, the surveillance system must audibly record the following: (1) Soft count procedures in accordance with 68 IAC 11-3.
8. On September 18, 2007, a Gaming Agent was contacted about a \$1200 discrepancy in the drop. The Gaming Agent contacted Surveillance to see if they were aware of the discrepancy. The Gaming Agent, Surveillance Director and Surveillance Supervisor began reviewing surveillance coverage after identifying the machine number that the \$1200 was missing from. While reviewing video from the Soft Count Room, it was discovered that currency and TITO tickets were pulled from the cash box that belonged to the slot machine in question. A review of surveillance coverage from the drop indicated that they were pulling black plastic BV boxes out of the slot machines; however, the cash boxes seen in the Soft Count Room video were grey metal.
9. Upon further review, it was discovered that during the drop the Count Room Attendant handed a cold BV box to her runner and locked the hot BV box back into the machine leaving the \$1200 in the machine. An emergency drop was conducted on this slot machine to verify that the money was still in the BV box. A check of the tickets indicated that the box had not been properly dropped and the missing \$1200 remained in the machine.
10. At this point, it was determined that there was a problem with the Soft Count Room Surveillance Coverage. The audio on this tape did not match the actions of the video. The Director of Surveillance explained that they re-use tapes on the same VCR and the audio that was heard on the video was most likely from the previous week. She further explained that the VCR that records this room was swapped out and the audio must not have been hooked back up correctly.

COUNT II

11. 68 IAC 2-3-9.2 (b) states that riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when one of the following events occurs with an occupational licensee: (1) The occupational licensee's employment with the riverboat licensee is terminated for any reason.
12. 68 IAC 2-3-9.2 (c) states the form must be submitted to the enforcement agent within 15 days of the occurrence of the change or action.
13. On October 19, 2007, the Gaming Agents received termination forms from the Human Resource Department. It was discovered that two of the terminated employees were terminated more than 15 days ago. The IGC Supervisor and a Gaming Agent had a meeting with the HR Administrative Assistant to advise her that termination and address changes must be submitted within 15 days of the action. A meeting was also held advising the HR Director of these regulatory requirements.
14. On October 26, 2007, the Gaming Agents received more termination forms and two of them were not turned in within the 15 day period.
15. On November 6, 2007, the Gaming Agents received more termination forms and three of them were not turned in within the 15 day period.
16. On November 7, 2007, the Gaming Agents received more termination forms and five of them were not turned in within the 15 day period.

COUNT III

17. 68 IAC 18-1-2 (b) states if the riverboat licensee and the patron cannot resolve the dispute, the riverboat licensee must advise the patron of the patron's right to file a complaint with the commission. The riverboat licensee shall provide a patron with a complaint form upon request.
18. On November 7, 2007, a Gaming Agent was contacted by Security in regard to a patron wishing to complete a patron complaint form. When the Gaming Agent spoke with the patron, the patron advised that he had requested to speak with an IGC Agent on numerous occasions to complete a complaint form but he was taken to the customer service desk and given an Argosy complaint form instead.
19. Upon further investigation, the Gaming Agent discovered that the patron had first complained to an Assistant Slot Shift Manager regarding the machine and

requested to speak to an IGC Agent so that one could be present at the machine. The Slot Shift Manager and the Slot Technician felt that the situation did not warrant a call to IGC for a machine being out of calibration. The Slot Technician told the patron to stop at the paging booth to get a complaint form (all this booth had were Argosy Complaint forms) and if he still wanted to speak to IGC, they would deliver the form to the IGC Gaming Agents. At the paging booth the patron again asked for an IGC Agent and the Security Officer complied. If the patron had not been persistent, IGC may not have been called.

COUNT IV

20. 68 IAC 11-1-6 states that riverboat licensees and riverboat license applicants must conduct all operations in accordance with internal control procedures that have been approved, in writing, by the executive director.
21. Argosy Internal Controls, Part III, Electronic Gaming Device, Section E, Numbers 7 & 8 state:
22. 7.) A request will be made for the Indiana Gaming Commission to conduct coin test to ensure that the EGD is correctly communicating with the SIS.
23. 8.) Once all testing has been satisfactorily completed, the gaming device is now ready for play.
24. Argosy Internal Controls, Part III, Electronic Gaming Device, Section F, Numbers 4 & 5 state:
25. 4.) The EGD will be bill validator tested in the presence of an IGC agent. The EPROM compartment will also be sealed with evidence tape by an IGC Agent and the Agent must include the date and his/her signature and ID number.
26. 5.) Once all testing has been satisfactorily completed and the payglass has been changed to reflect the new payouts, the gaming device is now ready for play.
27. On November 27, 2007, a Gaming Agent was observing Slot Technicians as they conducted bill validator tests. Upon arrival at machine number 05-28-07, the slot machine was still in service. During the early morning hours, another Gaming Agent was working with a Slot Technician as he was Keychipping this machine; however, the Slot Technician failed to put the slot machine out of service. Later that morning, the slot machine in question was opened a second time to check the machine options. It was once again left in service.
28. On December 3, 2007, a Gaming Agent was notified by a Slot Technician that a slot machine was left in service after being Keychipped, but not coin tested. It

was discovered a patron was playing the machine and could not cash out because the communication system was disconnected.

COUNT V

29. 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.”
30. Pursuant to 68 IAC 1-11-1(c), “[a] person under twenty-one (21) years of age shall not be present on a riverboat.”
31. On August 19, 2007 two different minors were allowed to board the casino after their IDs were checked by a Security Officer.
32. On December 1, 2007 a minor was allowed to enter the casino after his ID had been checked by security at the turnstile.
33. On January 5, 2008 a minor was allowed to enter the casino after his ID had been checked by a Security Officer.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Argosy by and through its agents as described herein constitute a breach of the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and Argosy’s approved internal control procedures. The Commission and Argosy hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Argosy. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.


Argosy shall pay to the Commission a total of \$44,500 (\$10,000 for Count I; \$12,000 for Count II; \$2,500 for Count III; \$5,000 for Count IV; and \$15,000 for Count V) 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, Argosy agrees to promptly remit payment in the amount of \$44,500 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 Argosy.

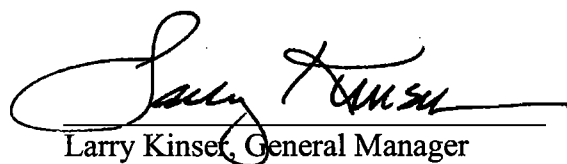
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

5.27.08

Date



Larry Kinser, General Manager
Indiana Gaming Company, L.P.

5/16/08

Date