

**ORDER 2009-51
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC
09-BC-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 19th DAY OF MARCH, 2009.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
BLUE CHIP CASINO, LLC) **09-BC-01**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Blue Chip Casino, LLC (“Blue Chip”) (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 12-1-5(f)(6) states electronic gaming device surveillance must be capable of providing on progressive games, dedicated coverage of the following:
 - (A) Any electronic gaming device or group of electronic gaming devices with a possible jackpot payout in excess of fifty thousand dollars (\$50,000).
 - (B) The progressive display showing the incrementation of the progressive jackpot for an electronic gaming device or a bank of electronic gaming devices.
2. On September 24, 2008, a Gaming Agent was walking through the casino and noticed the monitor for a linked progressive jackpot was not functioning properly. The monitor was not displaying the progressive jackpot incrementation information, but was only displaying the theme of the game. The Agent pulled up the surveillance camera dedicated to the progressive jackpot incrementation information and it displayed the monitor that was not functioning properly. The progressive jackpot totals had not been displayed on the dedicated camera for approximately seventeen (17) hours and fifteen (15) minutes. Neither the Slot Department employees nor the Surveillance employees had noticed the malfunctioning display.

COUNT II

3. 68 IAC 11-7-1(b) states for the purposes of this rule, “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.

4. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Blue Chip's Internal Control B-5.2 states sensitive keys shall be returned to custody and signed in by the same employee they were issued to unless there is a documented shift change wherein the oncoming and off going custodian will document the transfer in the key log.
5. Blue Chip Internal Control B-5.3 states if a sensitive key is lost or missing, the Compliance Department and the Security Department shall perform an immediate investigation. This investigation shall be documented on a Security Incident Report. A copy of this report shall be immediately given to a Commission Agent and the Director of Finance.
6. On Friday, October 10, 2008, a report was sent to the commission's Director of Compliance regarding a key taken off property. According to the Security Incident Report, on October 2, 2008, a Security Officer notified a Security Shift Supervisor that an overdue key alarm was sounding. The alarm went off at 3:51 p.m. The keys had been checked out by a Table Games Floor Supervisor. The key ring contained three keys for the Poker Room; card room chip tray cover key, podium key and the card room token box key. The Shift Manager indicated that the employee had already left property. At 4:41 p.m., the employee returned to Blue Chip and stated he had left the keys in his locker. Once the keys were returned, all alarms were cleared. After further investigation, the Table Games Floor Supervisor revised his statement. He stated that he remembered he still had the keys on him when he left the property and that he returned around 4:20 p.m. He then called the Shift Manager to notify him he had the keys. The Table Games Floor Supervisor was suspended pending further review.
7. On October 14, 2008, the Commission's Director of Compliance contacted the Gaming Enforcement Supervisor to inquire if the locks had been replaced on the chip cover trays. At this time, the locks had not been replaced. On October 15th, the Gaming Agent asked the Security Shift Supervisor which agent had been notified of the violation since it was not indicated in the Security Incident Report. The Security Shift Manager indicated that he was unaware that he had to notify the IGC of his investigation results if the matter had been resolved.
8. On October 17, 2008, the Gaming Agent informed the Compliance Manager that the locks for the chip tray covers needed to be changed immediately. The Compliance Manager stated she would advise the Agent when the lock change was completed. On October 20, 2008, the Commission's Director of Compliance inquired again if the locks had been changed. The Gaming Enforcement Supervisor then spoke to the Compliance Manager and was informed in an e-mail sent on October 21, 2008 that the locks had been ordered the day before. The locks were finally replaced on November 12, 2008 over a month after the keys had left the property.

COUNT III

9. 68 IAC 15-1-2(a) states the purpose of the accounting records and procedures is to ensure the following:
 - (1) The assets of the riverboat licensee or riverboat applicants are safeguarded.
 - (6) That only authorized personnel have access to assets.

10. On September 5, 2008, a Gaming Agent was notified by a Surveillance Supervisor that a ticket/cash box door on a kiosk was unsecured for approximately thirty minutes. A Security Supervisor discovered the door and notified the Cage Supervisor who reported to the kiosk and secured the door. Surveillance coverage showed that a Cage Cashier failed to lock the door that houses two cash boxes. The Security Officer accompanying the Cage Cashier did not ensure the kiosk was secure before leaving the area. These cash boxes accept TITO tickets and exchange them for cash. The kiosks also exchange larger denominations for smaller bills. During this time, no one attempted to access the interior of the kiosk. Both the Cage Cashier and the Security Officer received written warnings. There is no other security feature other than the door that was unlocked, thus allowing access to the cashboxes which could be removed.

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 the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code 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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Blue Chip shall pay to the Commission a settlement of \$22,500 (\$2,500 for Count I; \$15,000 for Count II; and \$5,000 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in 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.

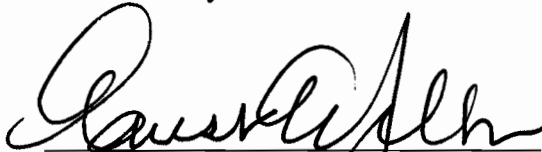
Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Blue Chip agrees to promptly

remit payment in the amount of \$22,500 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.

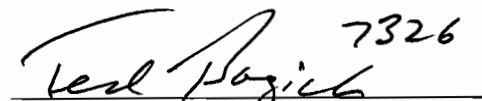
This Settlement Agreement shall be binding upon the Commission and Blue Chip.

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
3.18.09

Date



Theodore A. Bogich, Gen. Mgr
Blue Chip Casino, LLC
2/27/09

Date