

**ORDER 2013-054  
IN RE SETTLEMENT AGREEMENT  
BELTERRA CASINO AND RESORT  
13-BT-01**

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

**APPROVED**

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APPROVES OR DISAPPROVES


the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 21st DAY OF MARCH, 2013.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Matt Bell, Chair

ATTEST:

  
\_\_\_\_\_  
Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**BELTERRA CASINO AND RESORT** ) **13-BT-01**  
 )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Belterra Casino and Resort (“Beltterra”) (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(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Belterra Internal Control Procedures Title S – Twenty-Four Hour Gaming, Number 3 – EGD Drops, Section 1, sub-section i, it states that after all patrons and non-drop team employees have been cleared from the designated drop area, Security personnel will station themselves at opposite ends of the designated drop area. Security personnel will prevent patrons and non-drop employees from entering the designated area while the drop buckets are being collected.
2. On September 13, 2012, a Surveillance Supervisor notified a Gaming Agent that a drop zone violation had occurred. The patron entered the drop zone and walked between the front of the open bill validator cart and open slot machines. No attempt was made by Security Officers to stop the patron.

**COUNT II**

3. Pursuant to IC 4-33-9-12 and 68 IAC 1-11-1(c), 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.
4. On October 17, 2012, an Indiana State Excise Officer came to the Commission office at the casino and told the Gaming Agent that he had conducted a compliance check at Belterra. The Excise Officer stated that he had taken an underage person onto the casino floor. The underage person was not asked for identification from the Security Officer at the turnstile.

### COUNT III

5. 68 IAC 14-3-2 (b) states that all playing cards must meet the following specifications:  
(1) all decks of cards must be a complete standard deck of fifty-two cards in four suits. The four suits shall be hearts, diamonds, clubs and spades. Each suit shall consist of numerical cards from: (A) two to ten; (B) a jack; (C) a queen; (D) a king; and (E) an ace.
6. On November 3, 2012, Surveillance reported to a Gaming Agent that a deck with a missing card had been played during a poker tournament. The Agent reviewed surveillance coverage and found that the card slipped into the float lid as the Dealer raked in cards. It was not noticed until the end of the game when the cards were counted down. The automatic shuffler displayed a red light throughout the entire time, indicating an incomplete deck. Two different Dealers did not note the red light nor did they count the cards. Ten hands were played with the incomplete deck.

### COUNT IV

7. 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 Belterra Internal Control Procedures Section G – Cage states personnel allowed access without a security escort is as follows:
  1. Indiana Gaming Commission agent, with identification;
  2. Vice President of Finance;
  3. Revenue Audit personnel with Level 2 Occupational License;
  4. Internal Audit department personnel;
  5. Casino Cashiering personnel;
  6. Casino Cashiering employees from sister properties, with appropriate temporary
  7. IGC badges;
  8. IT Personnel (with Cage Supervisor or above)
  9. Level 1 license holders (with Cage Supervisor or above)  
Casino Controller; Financial Controller; and Sr. Vice President/General Manger.

Other personnel may be allowed access when accompanied by Security representative.

The Surveillance Department must be notified prior to admittance. Those permitted entrance include, but are not limited to:

1. Imprestment personnel;
  2. Outside vendors;
  3. External Auditors;
  4. Surveillance personnel; and
  5. Armored Car personnel.
8. On November 11, 2012, a Gaming Agent observed a Heartland Poker Tournament (“HPT”) Dealer standing inside the temporary cage for the tournament. The Dealer said she was told to be in the cage to answer any questions from the patrons. The HPT Poker

Supervisor told the Agent that he told the Dealer to stand there and did not realize she could not be inside the cage. Both the HPT Dealer and Poker Supervisor were not Belterra employees, but were brought in to help during the tournament.

### COUNT V

9. 68 IAC 15-1-2(2) states that the purpose of the accounting records and procedures is to ensure the financial records of the riverboat licensee or riverboat license applicant are accurate and reliable.
10. 68 IAC 16-5-5(b) states a casino licensee shall not extend credit to any patron who has not made a payment on the patron's outstanding credit within a period of thirty (30) days.
11. 68 IAC 15-2-3(a) states the riverboat 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 riverboat 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.
12. 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 Belterra Internal Control Procedures Section G-5-1 once the Marker Bank cashier or equivalent has determined by accessing the casino computer system that the patron's available credit is sufficient to cover the amount of credit requested and satisfied to the authenticity of the customer, he/she will print the marker from the casino computer system. It will contain the following information:  
Patron's name;  
Name of patron's bank including address, account number and ABA number.
13. Internal Control Section L-1-1 states to ensure compliance with Title 31, all employees will abide by the following: any employee who has knowledge that a patron has conducted currency transactions of more than \$10,000 during the designated twenty-four hour gaming day shall file a Currency Transaction Report by Casino, FinCEN form 103. These transactions may consist of deposits, withdrawal, exchange of currency for gaming chips, or other payments or transfer of funds, by, through or to the casino.
14. 68 IAC 15-10-4.1(d) states all variances of five hundred dollars (\$500) or two percent (2%), whichever is less, or any variance that is of a nature that indicates criminal activity must be investigated by the riverboat licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. All unresolved variances must be investigated by the accounting director or designee. The results of the investigation shall be reported on the document provided to him or her by the cage department. Any surveillance tapes or records relating to the variance must be preserved and retained by the riverboat licensee until the regional audit administrator for the commission advises the tapes or records, or both, may be recycled. The results of

any investigation into these variances must be reported to an enforcement agent. If the variance that was investigated exceeded five thousand dollars (\$5,000), the results of the investigation must also be reported to the commission audit staff.

15. In July 2012, the Commission's Director of Audit inquired about the filing of Suspicious Activity Reports- Casino ("SARC"). On August 1, 2012, a draft SARC was supplied to the Commission regarding two patrons. The Commission's Director of Audit further investigated the two patrons and found that both had outstanding markers. The Director of Audit also found that the patrons had outstanding markers at another Indiana Casino. The other casino had deposited the outstanding markers and they were returned due the accounts being closed. Belterra became aware of the returned markers and chose not to deposit the markers they had. One of the patrons took out five markers in May 2012 totaling \$150,000 that the casino had not deposited as of August 2012. Also, the patron had not made a payment on any of the markers. The casino, once they discovered the patron had opened an account at another bank, altered the markers by marking out the name of the old bank and the account number and manually writing in the new bank name and account number. On September 27, 2012, a marker was issued to the patron without the bank account number printed on it.
16. On August 24, 2012, the Commission's Director of Audit was informed by the Compliance Manager that a Cage Shift Manager had directed a Cage Cashier to alter a cash out so that a CTR would not need to be generated. The casino conducted an investigation and verified that the Shift Manager and Cage Cashier did alter the MTL. Both employees were terminated. The Director of Audit and a Gaming Enforcement Investigator interviewed several cage employees (including the terminated cage employees) about both of the above issues and found that training was lacking. The Cashiers also relayed that at times there was only one Supervisor on the boat and that they are doing cashier duties since the cages are short handed.
17. During an interview on October 5, 2012 the Cage and Credit Manager admitted that an NRT variance of over \$8,000 reported on January 11, 2012 as being recovered, had actually not been found and was still a variance.

#### COUNT VI

18. 68 IAC 2-1-4(a) states an applicant for a casino owner's license must complete and submit the appropriate forms prescribed by the commission.
19. 68 IAC 2-1-4(b) states application procedures shall be as follows:
  - (5) An application is deemed filed when the commission has received the completed application forms, including the information that the commission has required.
  - (7) An applicant is under a continuing duty to disclose any changes in the information submitted to the commission.

20. In late November of 2011 the casino submitted a job description and organizational chart for approval to hire a VP of Casino Operations. The organizational chart showed the Director of Slot Operations and the Director of Table Games would report to the VP of Casino Operations. The submission was approved. In February of 2012, the Director of Table Games was terminated and the VP of Casino Operations informed the Commission's Director of Audit that the position would not be filled. The casino did not submit a new organizational chart nor did they receive approval to eliminate this position. In early September of 2012, the VP of Finance was terminated and the Commission's Director of Audit was informed that this position would not be filled. The casino had not submitted a new organizational chart reflecting this nor did they receive approval to eliminate the position. In October 2012, the casino submitted changes to the property and corporate organizational charts for approval. In the charts they showed the elimination of the Director of Table Games and VP of Finance. Due to emails and conversations with the casino it appeared that several corporate changes had already been implemented without the approval from the Commission.

#### **COUNT VII**

21. 68 IAC 15-4-3(6) states during nongaming hours chips shall be stored and locked in the casino cages, main bank vault, or locked table trays at the live gaming devices.
22. On November 1, 2012, a Gaming Agent found a poker chip drawer in the poker room unsecured. The drawer located in a podium contained tournament poker chips. A poker Room Supervisor failed to secure the drawer and it remained unsecure for approximately four hours.

#### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of Belterra 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 Belterra's approved internal control procedures. The Commission and Belterra hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Belterra. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

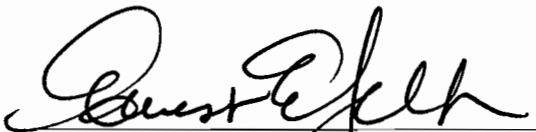
Belterra shall pay to the Commission a total of \$53,000 (\$5,000 for Count I; \$3,000 for Count II; \$2,000 for Count III; \$1,500 for Count IV; \$25,000 for Count V; \$15,000 for Count VI and \$1,500 for Count VII) in consideration for the Commission foregoing disciplinary action based on the facts 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, Belterra agrees to promptly remit payment in the amount of \$53,000 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 Belterra.

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

3.20.13

Date



Sue Ascanio, General Manager  
Belterra Casino and Resort

3-12-13

Date