

ORDER 2018-160

IN RE SETTLEMENT AGREEMENT

**GAMING ENTERTAINMENT (INDIANA), LLC d/b/a RISING STAR CASINO
RESORT
18-RR-03**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

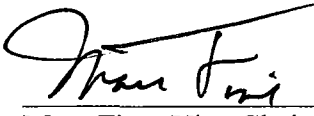
IT IS SO ORDERED THIS THE 13th DAY OF SEPTEMBER, 2018.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Marc Fine, Vice Chair

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
)
GAMING ENTERTAINMENT (INDIANA),) **SETTLEMENT**
LLC d/b/a RISING STAR CASINO RESORT) **18-RR-03**

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Gaming Entertainment (Indiana), LLC d/b/a Rising Star Casino Resort (“Rising Star”) (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) 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 11-9-2(a) states the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
2. 68 IAC 11-9-2(b)(12) states any other information the commission or the executive director deems necessary to ensure compliance with: (A) IC 4-33-4-27 or IC 4-35-4-16; and (B) this rule.
3. Rising Star’s approved internal control procedures, 3-14, Letter H, describe the procedures for child support intercept and withholdings of outstanding child support from W-2G winnings of child support obligors.
4. A Gaming Agent conducted an audit for May 2018 of the Child Support Arrears Delinquency Reporting (“CSADR”). It was determined that two (2) patrons were not searched after winning a taxable jackpot. These jackpots occurred on May 26, 2018 and May 27, 2018.
5. A Gaming Agent conducted an audit for June 2018 of the CSADR. It was determined that one (1) patron was not searched after winning a taxable jackpot. The jackpot occurred on June 17, 2018.

COUNT II

6. 68 IAC 15-10-4.1(c) states variances of five thousand dollars (\$5,000) or more, or a variance that is of a nature that indicates criminal activity must be reported on a form

approved by the commission to the following immediately: (1) The security department; (2) The surveillance department; (3) An enforcement agent. These variances must be reported to the commission audit staff at the beginning of the next business day.

7. 68 IAC 15-10-4.1(e) states the casino licensee's internal auditor must review, on a quarterly basis, cage variances to ensure that the variances are appropriately and thoroughly investigated and reported. The results of the internal auditor's review must be reflected on the quarterly internal audit report filed in accordance with 68 IAC 15-8.
8. On July 7, 2018, Security notified Gaming Agents that a patron received an overpayment at the cage and the patron refused to pay it back. The chips were initially broken down by denomination by the Cage Cashier. The Cage Cashier then turned the transaction over to the Cage Supervisor. The Cage Supervisor counted out the funds in cash and had a Surveillance Observer verify the transaction and then paid the patron. The Cage Supervisor overpaid the patron by \$13,500. The Cage Supervisor failed to break down the chips and verify the amount before paying the patron. This overpayment was a result of improper verifications by two (2) departments and (3) employees.

COUNT III

9. 68 IAC 11-1-3(c)(4) states that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
10. 68 IAC 13-1-1(b)(2)(3) states the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
11. Rising Star's approved internal control procedures, 6-1(E)(3)(b), describe the procedures for the Security Department and surveillance notifications.
12. On June 24, 2018, Security notified Gaming Agents that a Security Officer failed to notify surveillance prior to removing playing cards from the Tiki Lounge and escorting them to another table games pit.
13. On July 28, 2018, Gaming Agents were notified that a Security Officer failed to notify surveillance before entering a table games pit.
14. On August 10, 2018, Surveillance notified Gaming Agents that a Security Officer failed to notify surveillance prior to a card and dice escort from a table games pit to the card and dice storage room.

COUNT IV

15. 68 IAC 12-1-5(f)(4) states electronic gaming device surveillance must be capable of an overall view of the area around the electronic gaming device.
16. On June 7, 2018, Gaming Agents were made aware of an open door on an electronic gaming device ("EGD"). During the investigation, it was determined that there was no surveillance coverage on this bank of EGD's and this particular EGD was obstructed by a progressive display. The Surveillance Supervisor agreed with the Gaming Agent that appropriate coverage was not available. Due to the lack of surveillance coverage, the cause of the open door could not be determined.
17. 68 IAC 12-1-7(a) state all recordings must be kept in accordance with this section.
 - (b) Recordings depicting routine activity must:
 - (1) contain the date and time reading; and
 - (2) be retained a minimum of seven (7) days.
18. On June 28, 2018, while reviewing surveillance coverage of EGD's Gaming Agents discovered missing camera coverage from June 23, 2018. It was determined that the Primary Storage Node ("PSN") was set to record continuously for four (4) days instead of the required seven (7) days. The Surveillance Tech could not determine how long the PSN had been set to record for four (4) days. This PSN had been replaced on May 17, 2018. The cameras on this PSN covered EGDs.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Rising Star by and through its Agents as described herein constitute a breach of IC 4-33, 68 IAC and/or Rising Star's approved internal control procedures. The Commission and Rising Star hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Rising Star.

Rising Star shall pay to the Commission a total of \$29,000 (\$22,500 for Count I, \$1,500 for Count II, \$1,500 for Count III and \$3,500 for Count IV) 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 in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

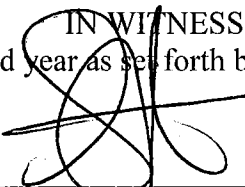
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by

the Commission, Rising Star agrees to promptly remit payment in the amount of \$29,000 and shall waive all rights to further administrative or judicial review.

This 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 Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.


This Agreement shall be binding upon the Commission and Rising Star.

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



Sara Gonso Tait, Executive Director
Indiana Gaming Commission
9-11-18

Date



Benjamin Douglass, General Manager
Rising Star Casino & Resort
9-6-18

Date