

**ORDER 2020-138
IN RE SETTLEMENT AGREEMENT**

**GAMING ENTERTAINMENT (INDIANA), LLC d/b/a RISING STAR CASINO
RESORT
20-RR-02**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

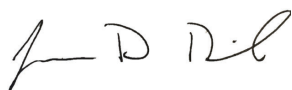
IT IS SO ORDERED THIS THE 23rd DAY OF NOVEMBER, 2020.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
)
) **SETTLEMENT**
GAMING ENTERTAINMENT (INDIANA),) **20-RR-02**
LLC d/b/a RISING STAR CASINO RESORT)

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. IC 4-38-11-1(a) provides that the bureau shall provide information to a certificate holder concerning persons who are delinquent in child support.
 - (b) Prior to a certificate holder disbursing a payout of six hundred dollars (\$600) or more, in winnings, from sports wagering to a person who is delinquent in child support and who is claiming the winning sports wager in person at the certificate holder’s facility, the certificate holder:
 - (1) may deduct and retain an administrative fee in the amount of the lesser of:
 - (A) three percent (3%) of the amount of delinquent child support withheld under subdivision (2)(A); or
 - (B) one hundred dollars (\$100); and
 - (2) shall:
 - (A) withhold the amount of delinquent child support owed from winnings;
 - (B) transmit to the bureau:
 - (i) the amount withheld for delinquent child support; and
 - (ii) identifying information, including the full name, address, and Social Security number of the obligor and the child support case identifier, the date and amount of the payment, and the name and location of the licensed owner, operating agent, or trustee; and
 - (C) issue the obligor a receipt in a form prescribed by the bureau with the total amount withheld for delinquent child support and the administrative fee.
 - (c) The bureau shall notify the obligor at the address provided by the certificate holder that the bureau intends to offset the obligor’s delinquent child support with the winnings.
 - (d) The bureau shall hold the amount withheld from the winnings of an obligor for ten (10) business days before applying the amount as payment to the obligor’s delinquent child support.
 - (e) The delinquent child support required to be withheld under this section and an administrative fee described under subsection (b)(1) have priority over any secured or

unsecured claim on winnings except claims for federal or state taxes that are required to be withheld under federal or state law.

2. Chapter 5, Section 2(2)(W) of the Emergency Rules for Sports Wagering provides that prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for withholding winnings from delinquent child support obligors in accordance with IC 4-38-11, including a plan for complying with IC 4-38-11 if the sports wagering operator allows the redemption of tickets via mail.
3. 68 IAC 11-9-2(a) provides that 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.
4. 68 IAC 11-1-3(c)(4) provides that 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.
5. 68 IAC 13-1-1(b)(2) and (3) provides that 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.
6. Rising Star's approved internal control procedures, Section 3-14(4), describe the procedures for Child Support Intercept Process.
7. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (the "CSADR") for January 2020. The results of this audit were that one (1) patron was not searched in the CSADR at the time sports wagering winnings in excess of \$600 was won.
8. Gaming Agents conducted an audit of the CSADR for August 2020. The results of this audit were that two (2) patrons were not searched in the CSADR at the time a taxable jackpot was won.

COUNT II

9. 68 IAC 15-13-2(d) provides manually paid jackpots shall proceed in the following manner:
 - (1) The jackpot shall be verified in accordance with the policies and procedures submitted under subsection (b)(1).
 - (2) Based on the information contained on the manually paid jackpot slip, the casino cashier shall present the proper amount of cash to the slot attendant.
 - (3) The slot attendant shall ensure that the amount of cash presented by the casino cashier matches the information contained on the manually paid jackpot slip.
 - (4) After the slot attendant and the casino cashier ensure the cash presented matches the information contained on the manually paid jackpot slip, both the slot attendant and the

casino cashier shall sign the manually paid jackpot slip.

(5) The casino cashier shall retain the original copy of the manually paid jackpot slip and issue remaining copies to the slot attendant.

(6) A security officer or slot department employee shall escort the slot attendant from the cage to the appropriate electronic gaming device. The security officer or slot department employee who begins completing the manually paid jackpot must complete the process of witnessing, escorting, and signing the appropriate documentation to verify the manually paid jackpot was completed. If there is a discrepancy with the manually paid jackpot, the same security officer or slot department employee who began the manually paid jackpot must accompany the manually paid jackpot back to the cage to resolve the discrepancy.

(7) After arriving at the appropriate electronic gaming device, the security officer or slot department employee shall do the following:

(A) Verify the jackpot.

(B) Witness the jackpot payout to the patron.

(C) Complete the appropriate sections of the manually paid jackpot slip.

(8) The slot attendant shall reset the electronic gaming device so that play on the electronic gaming device may continue. The electronic gaming device shall be relocked after it is cleared. The security officer or slot department employee shall remain present throughout this procedure.

(9) One (1) copy of the completed manually paid jackpot slip shall be deposited into a locked accounting box so that it will not be available to slot attendants or other persons who participate in manually paid jackpots.

(10) The remaining copy of the completed manually paid jackpot slip shall be returned to the casino cage.

10. Rising Star's approved internal control procedures, 3-14, describe the procedures for hand paid jackpots.
11. On February 14, 2020, Surveillance notified Gaming Agents that a Slot Attendant failed to notify Surveillance prior to resetting an electronic gaming device (EGD) after paying a jackpot in the amount of \$12,500.
12. On February 15, 2020, Surveillance notified Gaming Agents that a Slot Attendant failed to notify Surveillance prior to resetting an electronic gaming device (EGD) after paying a jackpot in the amount of \$5,000.
13. On February 29, 2020, Surveillance notified Gaming Agents that a Slot Attendant failed to notify Surveillance of an electronic gaming device (EGD) jackpot in the amount of \$12,010 prior to paying out the jackpot which is required by their internal controls.
14. On September 15, 2020, Surveillance notified Gaming Agents that a Slot Attendant failed to notify Surveillance prior to resetting an electronic gaming device (EGD) after paying a jackpot in the amount of \$9,000.

COUNT III

15. Chapter 7, Section 16 of the Emergency Rules for Sports Wagering provides:
- (a) Patrons must be able to access information pertaining to any available promotions or bonuses. This information must be clear and unambiguous, especially where promotions or bonuses are limited to certain events or markets, or when other specific conditions apply.
 - (b) A record of all promotional or bonus wagering offers shall be maintained in an electronic file that is readily available to the division. All bonus and promotional wagering offers shall be stated in clear and unambiguous terms and shall be readily accessible by the patron after the offer is accepted and prior to completion. Offer terms and the record of all offers shall include at a minimum:
 - (1) the date and time presented;
 - (2) the date and time the offer is active and expires;
 - (3) patron eligibility, including any limitations on patron participation;
 - (4) any restriction on withdrawals of funds;
 - (5) wagering requirements and limitations;
 - (6) the order in which funds are used for wagers;
 - (7) eligible events or wagers; and
 - (8) rules regarding cancellation.
 - (c) All promotions and bonuses must:
 - (1) include terms and conditions that are full, accurate, clear, concise, and transparent, and not contain misleading information;
 - (2) ensure advertising materials include material terms and conditions for that promotion or bonus and have those material terms in close proximity to the headline claim of the promotion or bonus and in reasonably prominent size;
 - (3) disclose applicable terms if the patron has to risk or lose his or her own money as part of the promotion or bonus or has conditions attached to his or her own money as a result of the promotion or bonus;
 - (4) not be described as risk free if the patron needs to incur any loss or risk the patron's own money to use or withdraw winnings from the risk free bet; and
 - (5) not restrict the patron from withdrawing the patron's own funds or withdrawing winnings from bets placed using the patron's own funds.
16. On March 11, 2020, the Commission's Sports Wagering Division received a notification from the Churchill Downs Inc. Compliance Analyst self-reporting an unapproved promotion. The March NCAA Basketball Bet Club promotion was run in Indiana without Commission approval and nine (9) Indiana patrons participated in the promotion.

COUNT IV

17. 68 IAC 11-4-4 provides that at any time when a live gaming device is closed, chips remaining at the live gaming device shall be counted by the appropriate level of occupational licensee assigned to the live gaming device and verified by the pit boss or the equivalent.
- (b) A live gaming device inventory slip shall be prepared.

- (c) The occupational licensee and the pit boss or the equivalent who observed the count of the contents of the tray shall sign the inventory slip at the time of closing the live gaming device attesting to the accuracy of the information recorded.
- (d) The occupational licensee shall immediately deposit the closer in the drop box.
- (e) The pit boss or the equivalent shall place the opener on the live gaming device tray in a manner that the amounts on the opener may be read through the cover, and lock the transparent live gaming device tray lid in place.
18. On June 16, 2020, a Table Games Shift Manager notified Gaming Agents of an incorrect table games inventory closer. The closer stated that there was \$17,500 in purple \$500 chips; however, there was only \$17,000 in purple \$500 chips.
19. On July 20, 2020, a Floor Supervisor notified Gaming Agents of an incorrect table games inventory closer. The closer stated that there was \$0 in purple \$500 chips; however, there was \$7,500 in purple \$500 chips.
20. On August 11, 2020, Surveillance notified Gaming Agents of an incorrect table games inventory closer. The closer stated that there was \$13,775 in green \$25 chips; however, there was only \$8,775 in green \$25 chips.

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, IC 4-38, IC 68 IAC, the Emergency Rules for Sports Wagering 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 \$10,500 (\$3,000 for Count I, \$4,000 for Count II, \$500 for Count III and \$3,000 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the findings 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 \$10,500 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 may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

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

Date



Benjamin Douglass, General Manager
Gaming Entertainment (Indiana), LLC

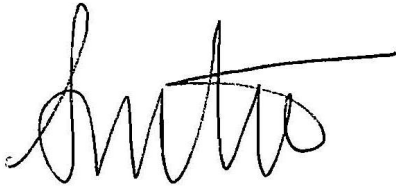
Date 11/13/2020

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Sara Gonso Tait, Executive Director
Indiana Gaming Commission

11/20/20

Date

Benjamin Douglass, General Manager
Gaming Entertainment (Indiana), LLC

Date