

**ORDER 2021-159
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO LLC
21-BC-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 29th DAY OF SEPTEMBER, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
BLUE CHIP CASINO, LLC)	21-BC-03

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and Blue Chip Casino, LLC ("Blue Chip") (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 15-2-3 provides (a) the casino 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 casino 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.
(b) The employee witnessing the transaction is responsible for completing the log.
2. 68 IAC 15-2-3(b)(8) provides the employee witnessing the transaction is responsible for completing the log and a photograph of the patron shall be taken during the first transaction of the day involving that patron.
3. 68 IAC 15-2-5 provides the casino licensee shall establish policies and procedures for the notification of surveillance prior to completing a currency transaction report. The procedures shall include, at a minimum, the following:
 - (1) The window cashier, pit boss, table games shift manager, or table games manager must notify surveillance.
 - (2) Surveillance shall take a photograph of the patron from the surveillance camera.
 - (3) Prior to the completion of the transaction, surveillance shall notify the window cashier, pit boss, table games shift manager, or table games manager that it has an acceptable photograph.
4. On April 2, 2021, a patron completed three (3) cash advances totaling \$12,000. The last cash advance of \$4,000 put the patron over the currency transaction reporting ("CTR") threshold. The Cage Cashier failed to notify Surveillance to request a photo.
5. On April 25, 2021, a patron completed cash advances totaling \$11,500 and a Cage Cashier failed to request a Surveillance photo of the patron.

6. On May 24, 2021, Surveillance notified Gaming Agents that a Cage Cashier did not timely request a CTR photo from Surveillance. The patron had multiple transactions at the same window in a three (3) hour time frame.
7. On July 7, 2021, a Surveillance report detailed that a Revenue Audit Clerk requested the Surveillance Department to conduct a review regarding whether a patron was asked for their identification when the patron exchanged two (2) TITO's at the Cage totaling \$3,003.39 exceeding the multiple transaction log ("MTL") threshold. The Dual Rate Cage Cashier failed to request identification from the patron or a Surveillance photo.
8. On August 20, 2021, a Surveillance report detailed that a Revenue Audit Clerk requested that Surveillance conduct a review of multiple transactions by one (1) patron. The patron had exceeded the MTL threshold by conducting \$3,678 in cash transactions on August 8, 2021. These transactions were not logged on the MTL.

COUNT II

9. 68 IAC 11-1-3(c)(4) provides 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) and (3) provides 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. Blue Chip's approved internal control procedures, P-26, describe the procedures for redemption of TITO's.
12. On April 22, 2021, Surveillance notified Gaming Agents that a voided TITO totaling \$672.99 was cashed out at the Cage. The TITO in question was voided on April 17, 2021 when a patron reported a lost TITO. The patron was paid at the time. A different patron presented the TITO at the Cage to be redeemed. A review of surveillance coverage confirmed that the Cage Cashier redeemed the voided TITO for cash and failed to adhere to the alert that popped up on the computer screen.
13. On June 22, 2021, Security notified Gaming Agents that a voided TITO totaling \$58.50 was cashed out at the Cage. The TITO in question was voided on June 21, 2021 when a patron reported a lost TITO. The patron was paid at the time. A different patron found the TITO on the casino floor and presented the TITO at the Cage to be redeemed. The Cage Cashier stated that she manually input the TITO number and did not hit enter to validate the TITO. After she paid the patron, she validated the TITO and the system advised that the TITO was voided.

COUNT III

14. IC 4-38-11-1 provides (a) 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.
15. 68 IAC 11-9-2(a) provides 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.
16. 68 IAC 11-1-3(c)(4) provides 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.
17. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry ("CSADR") for April 2021. The results of this audit found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

18. Gaming Agents conducted an audit of the CSADR for May 2021. The results of this audit found one (1) individual was not searched through the CSADR system at the time a taxable jackpot was won.
19. Gaming Agents conducted an audit of the CSADR for June 2021. The results of this audit found four (4) individuals were not searched through the CSADR system at the time a taxable jackpot was won.
20. Gaming Agents conducted an audit of the CSADR for July 2021. The results of this audit found one (1) individual was not searched through the CSADR system at the time a taxable jackpot was won

COUNT IV

21. 68 IAC 11-3-5(5 & 6) provides that the designated currency collection team member shall collect the live gaming device drop boxes and the bill validator drop boxes. The live gaming device or bill validator drop box that was removed shall be placed in the drop box storage cart for transportation to the soft count room.
22. On March 11, 2021, a Gaming Agent met with a Slot Tech. The Slot Tech advised that two (2) electronic gaming devices ("EGD") were found to have "hot" bill validator ("BV") boxes in them. The Slot Tech had been doing preventative maintenance to prepare them for future service.
23. The EGDs were taken out of service on March 15, 2020 and placed back into service in May 2020 for an approved project. The EGD's were coin tested on June 10, 2020 and should have been dropped by the drop team on the next scheduled drop day. An emergency drop was subsequently performed.
24. On March 19, 2021, the Director of Compliance notified Gaming Agents that two (2) additional EGDs were found to have "hot" BV boxes in them on March 11, 2021 while preventative maintenance was performed. These EGD's were coin tested on February 7, 2021. An emergency drop was subsequently performed.

COUNT V

25. 68 IAC 2-3-9.2(b)(2)(C) provides that casino licensees must advise the enforcement agent, on a form prescribed or approved by the commission within fifteen (15) days of the occurrence of the change or action when an employee transfers to another position with the casino licensee.
26. On December 10, 2020, the Director of Compliance notified Gaming Agents that a furloughed Table Games Floor Supervisor was reinstated as a Dealer but worked as a Dual Rate Floor Supervisor on December 4, 2020, December 6, 2020, and December 9, 2020.

27. On February 25, 2021, the Director of Compliance notified Gaming Agents that an employee was licensed as a Dealer but had worked as a Supervisor. The Dealer worked as a Supervisor/Box Person on a Craps table on July 8, 2020, January 15, 2021, and January 24, 2021.
28. On March 2, 2021, the Director of Compliance notified Gaming Agents that an employee was licensed as a Dealer but had worked as a Dual Rate Supervisor on multiple occasions. The Dealer worked as a Dual Rate Supervisor on twenty-one (21) occasions from July 15, 2019 until the violation as discovered.
29. 68 IAC 2-3-1(k) provides the following employees shall obtain an occupational license, Level 3:
 - (1) Any employee of a riverboat gambling operation whose duties are performed on a riverboat and who are not employees described in subsection (i) or (j).
 - (2) The crew members responsible for operating and navigating the riverboat.
 - (3) Instructors of an occupational training school under 68 IAC 2-5.
 - (4) Any other employee of a riverboat gambling operation whom the commission deems necessary, to ensure compliance with the Act and this title, to hold an occupational license, Level 3.
30. On March 21, 2021, a Gaming Agent was notified that the Costumed Specialty Food Servers in The Game were not licensed properly. This position is required to hold a Level 3 license. There were nine (9) Costumed Specialty Food Servers licensed with a non-gaming badge and working outside their job classification by not being properly licensed as required.

COUNT VI

31. 68 IAC 13-1-1(b)(2) and (3) provides 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.
32. Blue Chip's approved internal control procedures, Q-3, detail flexible boarding and require a minimum of two (2) Security Officers be stationed at the turnstiles to ensure no unauthorized access is permitted during the gaming day.
33. On August 6, 2021, a Gaming Agent observed only one (1) Security Officer stationed at the entrance to the gaming area of the casino. The Gaming Agent requested a Surveillance review, and it was determined that over the course of the past twenty (20) days, from July 18, 2021 – August 6, 2021, it was a common practice that between 5am and 7am for only one (1) Security Officer be stationed at the casino entrance. The duration ranged from one (1) hour and two (2) minutes to six (6) hours and eleven (11) minutes. The review could not go back any further as surveillance coverage was no longer available.

34. The Gaming Agent spoke with the Director of Compliance who alluded to the fact that the Security Department was having difficulty with hiring and retaining personnel. The Gaming Agent also spoke with a Security Manager who advised that one of his former midnight Security Shift Supervisors had started this practice due to occasional nights with multiple call offs.

COUNT VII

35. 68 IAC 17-1-2(d) provides that casino licensees must notify the executive director, in writing, of the following information before moving an electronic gaming device on the floor of the casino: (1) The change in the position or location number of the electronic gaming device (EGD). (2) The new designation the electronic gaming device will have in the central computer system. (3) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.
36. 68 IAC 17-1-3 provides a casino licensee shall use the commission's electronic gaming device database as prescribed by the commission.
37. 68 IAC 12-1-5(f)(6)(A) provides surveillance must be capable of providing dedicated coverage of progressive EGD's for any EGD or group of EGD's with a possible jackpot payout in excess of fifty thousand dollars (\$50,000).
38. On July 22, 2021, a Gaming Agent was working with a Slot Tech on coin testing several EGDs. The Gaming Agent inquired on why the EGDs in a bank needed to be coin tested. The Slot Tech provided that the bank of EGDs had been expanded to allow the \$25 EGDs to be opened for play during Covid-19 physical distancing requirements and had since been condensed back the EGDs were next to each other again. The EGDs were disconnected from the accounting system and powered down.
39. While reviewing a Surveillance incident report, a Gaming Agent noted that this bank of EGDs had a progressive EGD with a total of \$41,467.75. This is a high limit EGD and was likely to exceed \$50,000 requiring dedicated surveillance coverage. Surveillance was not notified of this EGD move. When the EGDs were moved, the dedicated camera faced the wall. This was identified and resolved during a routine Surveillance camera check. Blue Chip did not request Commission approval prior to conducting this EGD move, nor did it notify Surveillance of the EGD move.
40. 68 IAC 2-6-6(c)(5)(B) provides if a casino licensee converts an electronic gaming device, the casino licensee must perform a coin test to ensure that the electronic gaming device is communicating with the central computer system. If the electronic gaming device is not communicating with the central computer system, the electronic gaming device must be disabled.

41. On April 15, 2021, a Gaming Agent discovered that an EGD had been placed in service without a coin test. Several patrons had played the EGD while it was in service without a coin test.

COUNT VIII

42. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills.
43. 68 IAC 15-12-4 provides the requirements for live gaming device credits.
44. Blue Chip's approved internal control procedures, N-11.2 and N-11.3, describe the procedures for the appropriate table fill and credit operations.
45. On June 15, 2021, a Gaming Agent was notified by a Cage Shift Supervisor of a \$1,000 variance. A review of the surveillance coverage discovered that the variance was a result of an incorrect table fill. The table fill requested was for \$2,560, however, the table fill that was delivered and accepted at the table was for \$3,560.
46. On June 25, 2021, Surveillance notified a Gaming Agent that a table fill totaling \$5,300 was delivered to the incorrect table. The table fill was accepted by the incorrect table.
47. On June 29, 2021, a Cage Cashier created a credit slip for a table game. The Cage Cashier placed \$1,500 into a bird cage to be delivered to a table game. Table Games personnel realized the error and the chips were subsequently returned to the Cage. Table Games failed to void the credit slip prior to returning the chips to the Cage.

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 IC 4-33, IC 4-38, 68 IAC, , 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.

Blue Chip shall pay to the Commission a total of \$29,000 (\$5,000 for Count I, \$1,500 for Count II, \$7,000 for Count III, \$1,500 for Count IV, \$4,500 for Count V, \$3,000 for Count VI, \$2,500 for Count VII and \$4,000 for Count VIII) 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.

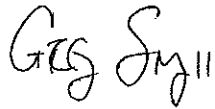
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Blue Chip agrees to promptly remit payment in the amount of \$29,000 and shall waive all rights to further administrative 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 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 Blue Chip.

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



Greg Small, Executive Director
Indiana Gaming Commission

9/28/21

Date



Brenda Temple, V.P. and Gen. Mgr.
Blue Chip Casino, LLC

9.18.21

Date