

**ORDER 2021-33
IN RE SETTLEMENT AGREEMENT**

**CENTAUR ACQUISITION, LLC d/b/a INDIANA GRAND RACING & CASINO
21-IG-01**

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 MARCH, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
)
CENTAUR ACQUISITION, LLC) **SETTLEMENT**
d/b/a INDIANA GRAND RACING &) **21-IG-01**
CASINO)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Centaur Acquisition, LLC d/b/a Indiana Grand Racing & Casino (“Indiana Grand”), (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) states 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 state 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) 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.
4. 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.
5. Indiana Grand's approved internal control procedures, N-1 and V-17, describe the procedures for Child Support Intercept Process.
6. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for September 2020. The results of this audit found two (2) individuals were not searched through the CSADR system: one (1) at the time a taxable jackpot was won and one (1) at the time sports wagering winnings in excess of \$600 was won.
7. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for October 2020. The results of this audit found five (5) individuals were not searched through the CSADR system: one (1) at the time a taxable jackpot was won and four (4) at the time sports wagering winnings in excess of \$600 was won.
8. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for November 2020. The results of this audit found two (2) individuals were not searched through the CSADR system: one (1) at the time a taxable jackpot was won and one (1) at the time sports wagering winnings in excess of \$600 was won.

COUNT II

9. 68 IAC 15-2-1(c)(2) provides reporting on a currency transaction report the cash transactions made by a gaming patron during a twenty-four (24) hour period that exceed ten thousand dollars (\$10,000). The currency transaction report shall be filed with the Internal Revenue Service within fifteen (15) days of the transaction occurring and a copy shall be filed as directed by the enforcement agent. Currency transaction

reports shall be filed for a single transaction or a series of related multiple transactions with the same directional flow.

10. On October 29, 2020, Gaming Agents became aware of an issue with a currency transaction report (CTR). A review of the CTR determined that the transaction in the amount of \$19,354 occurred on August 30, 2020, however, the CTR was not filed with the Internal Revenue Service (IRS) until October 27, 2020.
11. On August 29, 2020, a patron won a jackpot in the amount of \$19,354 and was issued a check by a Cage Supervisor. The patron did not cash the check that day. He returned the next day to cash the check. When the Cage Supervisor cashed the check, he coded it incorrectly in Indiana Grand's Resort Advantage program. The error was discovered by Revenue Audit, however, Revenue Audit failed to delete the incorrect entry before creating the new entry. As a result, a CTR was not created. A secondary review was completed by a Senior Regulatory Compliance Analyst, however, she failed to discover the CTR was missing.
12. On October 27, 2020, a Staff Auditor found the CTR to be missing and it was filed at this time with the IRS.
13. 68 IAC 15-2-4(a) provides the casino licensee shall establish policies and procedures for the processing of cash transactions in excess of ten thousand dollars (\$10,000).
14. 68 IAC 15-2-4(f) provides in part that a surveillance photograph must be obtained and attached to the casino's copy of the customer deposit voucher.
15. On October 30, 2020, Surveillance notified Gaming Agents that a Cage Cashier failed to follow proper procedures for completing a CTR. A surveillance review indicated that a Cage Cashier completed a \$22,500 transaction for a patron who was paying off two (2) markers. The Cage Cashier did not notify Surveillance of the transaction so they could obtain a photograph at the time of the transaction.
16. On October 31, 2020, Surveillance notified Gaming Agents that a Cage Cashier failed to follow proper procedures for completing a CTR. A surveillance review indicated that a Cage Cashier completed a \$13,515 even exchange transaction for a patron. The Cage Cashier did not notify Surveillance of the transaction so they could obtain a photograph at the time of the transaction.

COUNT III

17. 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.

18. On September 8, 2020, a Slot Tech notified Gaming Agents that an electronic gaming device (EGD) was placed into service without a coin test. The EGD was in service for approximately 2.25 hours without a coin test; however, a patron played the EGD during this time.
19. On November 25, 2020, a Slot Tech notified Gaming Agents that an EGD was placed into service without a coin test after it had previously failed a coin test. The EGD was in service for approximately twenty-three (23) hours.
20. On November 26, 2020, Surveillance notified Gaming Agents that an EGD was placed into service without a coin test. It is unknown how long the EGD was in service without a coin test; however, a patron did play the EGD during this time.

COUNT IV

21. 68 IAC 2-3-1(c)(1) provides a person employed by the riverboat gambling operation and whose duties are to be performed on the riverboat must hold an occupational license.
22. 68 IAC 2-3-1(f) provides an employee of a riverboat gambling operation who does not hold an occupational license shall not perform any duties on the riverboat at any time.
23. On November 2, 2020, a Human Resources Development Manager turned in termination paperwork for a Security Officer, a Level two (2) licensee, showing a voluntary resignation as of October 30, 2020. A search of the Commission's Occupational Licensing Database discovered that the Security Officer in question had been termed on June 10, 2020, per records submitted to the Commission by Indiana Grand; however, the Security Officer actually remained active and worked without a valid/active occupational license.
24. On November 19, 2020, a Human Resources Development Manager turned in termination paperwork for a Steward, a Level 3 licensee, showing an involuntary resignation as of November 18, 2020. A search of the Commission's Occupational Licensing Database discovered that the Steward in question had been termed on June 15, 2020 per records submitted to the Commission by Indiana Grand; however, the Steward actually remained active and worked without a valid/active occupational license.

COUNT V

25. 68 IAC 14-5.5-5 provides that approved TITOs shall be: (1) capable of insertion into an electronic gaming device in the casino to activate play; (2) available as a payout from an electronic gaming device; (3) redeemable by the patron in accordance with IC 4-33, IC 4-35, and this rule; and (4) capable of being used as tips and gratuities for gaming and nongaming employees.

26. On October 6, 2020, Gaming Agents became aware that a TITO ticket had been placed in the cash drop box at a table game. A review of surveillance coverage determined that a male patron placed a TITO in the amount of \$13.05 on an ante wager and a \$20 bill to buy-in into the game. The Dealer exchanged the \$20 bill for four (4) red \$5 chips and accepted the TITO as the ante wager. The male patron wins the hand and is paid out. The male patron again placed the TITO as the ante wager and it is accepted by the Dealer. The male patron lost this wager and the Dealer placed the TITO in the cash drop box. The TITO was found during the drop, however, the Lead Count Room Attendant and Count Room Attendant failed to notify Gaming Agents and Surveillance of this violation.
27. 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.
28. 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.
29. Indiana Grand's approved internal control procedures, U-1(A)(5), describe the issuance of gaming chips and provide that Indiana Grand will not knowingly accept, exchange, use or redeem gaming chips issued by another Casino.
30. On October 9, 2020, a Lead Count Room Attendant notified Gaming Agents that three (3) red \$5 chips from Caesars Southern Indiana were in a cash box at a live gaming device. There was a note with the chips stating that they were foreign chips and it was signed by a Dual Rate Supervisor.
31. A review of surveillance coverage showed a patron place a wager utilizing the three (3) Caesars Southern Indiana chips along with an Indiana Grand chip. It was clear that the red chips looked differently. The patron lost the wager and the Dealer collected the chips. The Dealer noticed the foreign chips and set them aside. A Supervisor spoke with the patron and the patron is seen placing more foreign chips back in his pocket. The Supervisor then wrote a note and wrapped the chips in the note prior to dropping them in the cash box.
32. 68 IAC 11-4-4(a) provides 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.

33. On September 23, 2020, Gaming Agents became aware of a table inventory closer discrepancy. There was a \$700 discrepancy. The Dealer and Dual Rate Table Games Supervisor did not account for seven (7) black \$100 chips.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Indiana Grand by and through its agents as described herein constitute a breach of IC 4-35, IC 4-38, the Emergency Rules for Sports Wagering, 68 IAC and/or Indiana Grand's approved internal control procedures. The Commission and Indiana Grand hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Indiana Grand.

Indiana Grand shall pay to the Commission a total of \$23,500 (\$9,000 for Count I, \$7,000 for Count II, \$1,500 for Count III, \$3,000 for Count IV, and \$3,000 for Count V) 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 each Count 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, Indiana Grand agrees to promptly remit payment in the amount of \$23,500 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 Indiana Grand.

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

Sara Gonso Tait, Executive Director
Indiana Gaming Commission



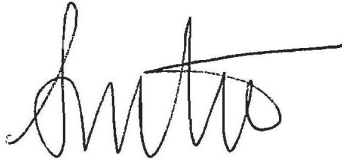
Mike Rich,
General Manager
Centaur Acquisition, LLC

Date

3/17/21

Date

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



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

3/23/21

Date

Mike Rich,
General Manager
Centaur Acquisition, LLC

Date