

**ORDER 2021-82  
IN RE SETTLEMENT AGREEMENT**

**AMERISTAR CASINO EAST CHICAGO, LLC  
21-AS-02**

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 25<sup>th</sup> DAY OF MAY, 2021.**

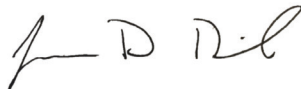
**THE INDIANA GAMING COMMISSION:**



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Michael B. McMains, Chair

ATTEST:



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Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**AMERISTAR CASINO EAST** ) **21-AS-02**  
**CHICAGO, LLC** )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Ameristar Casino East Chicago, LLC (“Ameristar”), (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 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the licensee are safeguarded.
2. 68 IAC 15-10-2(a)(3)(B) provides the casino licensee shall establish policies and procedures to ensure that all transactions that flow through the casino cage are accounted for. These policies and procedures shall include, but are not limited to, the following: At the end of a shift, the cashiers assigned to the outgoing shift shall: Reconcile the total closing inventory with the total opening inventory.
3. 68 IAC 15-10-4.1 provides cage inventories must be accurately reported at the conclusion of a shift on the inventory form used by the casino licensee. Overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered.
  - (b) Cage variances of five hundred dollars (\$500) or two percent (2%), whichever is less, must be reported on a form approved by the commission to the following within one (1) business day after the discovery of the variance:
    - (1) The security department.
    - (2) The surveillance department.
    - (3) An enforcement agent.
  - (c) 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.

(d) Variances of five hundred dollars (\$500) or two percent (2%), whichever is less, or a variance that is of a nature that indicates criminal activity must be investigated by the casino licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. 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. Surveillance tapes or records relating to the variance must be preserved and retained by the casino licensee until the commission audit director advises that the tapes or records, or both, may be recycled. The results of an 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.

(e) 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.

4. On March 19, 2021, Surveillance notified Gaming Agents that a \$1,264.95 variance occurred at the cage. It was determined that a patron presented \$980 in chips to a Cage Cashier at the cage to cash in. The Cage Cashier counted down \$1,980 in cash and gave the cash to the patron, creating a \$1,000 variance. The Cage Cashier, however, still had a \$264.95 variance that was still unaccounted for. Ameristar failed to properly resolve the variance.
5. On January 18, 2021, a Gaming Agent was made aware of an NRT variance that occurred on January 7, 2021. The NRT was short \$1,135.80. On January 18, 2021, the Gaming Agent met with Surveillance to determine if any information had been received on the variance. Surveillance advised that the Cage Assistant Shift Manager stated that the variance remained unaccounted for.
6. On January 19, 2021, the Gaming Agent spoke with the Cage Manager who advised that the variance had not been recovered and was unlikely to be recovered.
7. On January 22, 2021, the Gaming Agent once again met with the Cage Manager to obtain an explanation for what caused the variance. The Cage Manager still did not have an explanation for the variance. The Cage Manager advised that she would be meeting with the Vice President of Finance to institute procedural changes for handling NRTs so they can minimize the number of variances that are occurring on them. To date, new procedures have not been implemented.
8. On January 21, 2021, Surveillance notified Gaming Agents that an NRT variance had been discovered. The NRT was over \$1,265.
9. On January 26, 2021, the Gaming Agent spoke with an Assistant Cage Shift Manager who advised that the NRT reconciliation will take place on January 28, 2021 and there was no further information to report on the variance at this time.

10. On January 29, 2021, the Assistant Cage Shift Manager advised that the NRT reconciliation had taken place; however, the Cash Variance Reports had not been forwarded to Gaming Agents. The Assistant Cage Shift Manager subsequently forwarded the Cash Variance Reports for January 7, 2021 and January 21, 2021. The Gaming Agents still had not been provided with any information explaining the steps taken by Cage personnel to investigate the variance, if the variance had been recovered, or what caused the variance.
11. On January 30, 2021, the Cage Manager provided the Gaming Agent with general information regarding variance investigations but did not include any specifics regarding this particular variance.
12. On February 9, 2021, the Gaming Agent received the January 2021 reportable variance totals report. The report stated the variance on January 21, 2021 might be a possible wash with the NRT on January 7, 2021.
13. On March 4, 2021, Surveillance notified Gaming Agents of an NRT variance. The NRT was \$2,980.00 short on March 3, 2021. On March 4, 2021, there was an overage of \$2,962.82 on another NRT. The Cage was calling a reconciliation of the two (2) NRTs. Surveillance had not been notified of the initial variance and was unaware that the variance had occurred. Surveillance also received two (2) cashier variance reports but these reports did not explain how the funds were commingled between the two (2) NRTs.
14. The Gaming Agent reviewed both variance reports. For the first variance, the report identified the shortage of the funds coming from the \$20 denomination cartridge but did not identify the cause or description of the investigation. For the second variance, the report identified the overage of funds coming from the rejected funds cartridge but did not identify the cause or description of the investigation. The report acknowledged the fact that a connection between these two (2) NRT's was not identified.

## COUNT II

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. 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.

18. Ameristar's approved internal control procedures, C-18, describe the procedures for the Child Intercept Process.
19. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry ("CSADR") for January 2021. The results of this audit found two (2) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
20. Gaming Agents conducted an audit of the CSADR for February 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.

### **COUNT III**

21. 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.
22. Ameristar's approved internal control procedures, P-10, describe the procedures for mobile sports wagering.
23. On February 22, 2021, the Commission performed a sports wagering prohibited participant audit and discovered that Ameristar failed to provide their mobile sports wagering partner, DraftKings, the information on four (4) individuals that were identified as prohibited participants.

### **COUNT IV**

24. 68 IAC 2-3-9.2(b) provides riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when one (1) of the following events occurs with an occupational licensee: (1) The occupational licensee's employment with the riverboat licensee is terminated for any reason. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
25. On March 3, 2021, a Human Resources Coordinator contacted Gaming Agents to inquire if a level two (2) licensee was still active in the Commission's Occupational Licensing Database. The licensee was still active. The Human Resources Coordinator advised that the licensee had been terminated on November 5, 2020. Ameristar failed to timely notify the Commission of this termination.

### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of Ameristar by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38, 68 IAC, the Emergency Rules for

Sports Wagering and/or Ameristar's approved internal control procedures. The Commission and Ameristar hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Ameristar.

Ameristar shall pay to the Commission a total of \$13,250 (\$6,000 for Count I, \$3,000 for Count II, \$3,250 for Count III and \$1,000 for Count IV) and submit a corrective action plan on NRT variances for addressing on-going issues and updating procedures in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in 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, Ameristar agrees to promptly remit payment in the amount of \$13,250 and 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 Ameristar.

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

  
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Ryan Coppola, General Manager  
Ameristar Casino East Chicago, LLC

\_\_\_\_\_  
Date

5/13/21  
\_\_\_\_\_  
Date

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\_\_\_\_\_  
Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

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Ryan Coppola, General Manager  
Ameristar Casino East Chicago, LLC

5/24/21

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date