

**ORDER 2022-22
IN RE SETTLEMENT AGREEMENT**

**AMERISTAR CASINO EAST CHICAGO, LLC
22-AS-01**

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

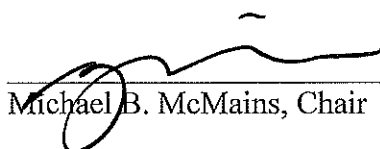
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.


IT IS SO ORDERED THIS THE 8th DAY OF MARCH, 2022.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

| | | |
|------------------------------|---|-------------------|
| IN RE THE MATTER OF: |) | |
| |) | SETTLEMENT |
| AMERISTAR CASINO EAST |) | 22-AS-01 |
| CHICAGO, LLC |) | |

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small 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 15-10-4.1(a) 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.

2. On August 14, 2021, Surveillance notified Gaming Agents that a cash drawer was short \$10,000. Surveillance provided that a patron presented \$7,112 in chips to a Cage Cashier. The Cage Cashier broke down the chips, and the chips were subsequently verified by another Cage Cashier. The Cage Cashier paid out the patron \$17,112.
3. On October 21, 2021, Surveillance notified Gaming Agents that there was a \$999 main bank variance. Surveillance provided that a patron presented \$1,000 in chips to the Main Banker. The Main Banker paid out the patron \$2,000 in \$100 bills.
4. On October 29, 2021, Surveillance notified Gaming Agents of a \$1,000 variance in the Cage. Surveillance provided that a patron presented \$8,640 in chips, and the Cage Cashier paid out \$9,640 in cash.
5. On November 21, 2021, Surveillance notified Gaming Agents of a \$2,000 variance in the Cage. Surveillance provided that a patron presented \$7,002 in chips, and the Cage Cashier paid out \$9,002 in cash.
6. On December 16, 2021, Surveillance notified Gaming Agents of a \$1,000 variance in the Cage. Surveillance provided that a patron presented \$4,000 in chips, and the Cage Cashier paid out \$5,000 in cash.

COUNT II

7. IC 4-38-11-1(a) provides 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.

8. 68 IAC 27-5-2(2)(X) provides 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.
9. 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.
10. 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.
11. 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.
12. Ameristar's approved internal control procedures, C-18, describe the procedures for the Child Intercept Process.
13. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry ("CSADR") for June 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.
14. Gaming Agents conducted an audit of the CSADR for August 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.

15. Gaming Agents conducted an audit of the CSADR for September 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.
16. Gaming Agents conducted an audit of the CSADR for October 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.
17. Gaming Agents conducted an audit of the CSADR for November 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

18. IC 4-33-9-12(a) provides a person who is less than twenty-one (21) years of age may not be present in the area of a riverboat where gambling is being conducted.
19. 68 IAC 1-11-1(c) provides a person under twenty-one (21) years of age shall not be present in a casino.
20. On November 25, 2021, Security notified Gaming Agents that an underage person was on the casino floor. Security provided that when the underage person approached the security podium, she advised she was trying to go to the hotel. As a result, the Security Officer at the podium allowed her onto the casino floor and pointed her in the direction of the hotel. The underage person did not go to the hotel and instead, headed towards Burger Brothers restaurant.

COUNT IV

21. 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.
22. 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.
23. 68 IAC 15-10-4.1(a) states 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.

24. On September 23, 2021, Surveillance notified Gaming Agents that a \$686.86 NRT variance had occurred. After receiving the notification, the Gaming Agent reached out to the Cage Manager. The Cage Manager did not respond.
25. On September 28, 2021, the Gaming Agent sent a follow-up email and still did not get a response. The Gaming Agent subsequently emailed the Cage Shift Manager on October 1, 2021, who advised that the variance remained outstanding. Ameristar was unresponsive to Gaming Agent requests and failed to properly investigate a variance.
26. On November 11, 2021, Surveillance notified Gaming Agents that a \$214.50 NRT variance had occurred. The Cage Shift Manager advised Surveillance that the NRT's should balance after dropping the final four (4) NRT's that night.
27. On November 19, 2021, the Gaming Agent requested an update on the variance. Surveillance advised that no new information was available.
28. On November 24, 2021, the Gaming Agent requested another update on the variance. Surveillance provided that the Cage investigation was unable to determine what happened with the variance.

29. On November 23, 2021, Surveillance notified Gaming Agents that the NRT bank was short by \$11,800. A cashier variation report was forwarded to Gaming Agents which identified that the Cashier working the NRT bank failed to log two (2) NRT fills. One (1) fill was for \$10,000 and the other was for \$2,000. Once the paperwork error was rectified, this left a \$200 variance. The \$200 variance remains unresolved. Additionally, Ameristar failed to notify the Commission's Audit Division of this variance.

COUNT V

30. 68 IAC 27-1-2(16) defines a prohibited sports wagering participant as an individual listed on the commission's exclusion list kept under 68 IAC 6-1, that has a voluntarily excluded person status as defined under 68 IAC 6-3 or has signed up for the statewide internet self-restriction program.
31. 68 IAC 27-5-2(2)(F) provides that a sports wagering operator shall have internal controls identifying what procedures will be in place to prevent wagering by prohibited sports wagering participants.
32. 68 IAC 27-13-2(d) provides that sports wagering operators must restrict wagering by statewide Internet self-restriction participants and may not market to statewide Internet self-restricted participants.
33. 68 IAC 6-3(b)(3) provides each casino licensee and casino license applicant shall establish internal control procedures for refusing wagers from and denying gaming privileges to any voluntarily excluded person.
34. Ameristar's approved internal controls, P-9(d), describe the procedures for sports wagering prohibited participants.
35. On October 3, 2021, a participant in the Voluntary Exclusion Program (VEP) placed a \$100 wager at a sports wagering kiosk which resulted in a winning wager of \$750. The VEP attempted to claim the winning wager at the sportsbook. The \$750 in winnings was placed in safekeeping. Ameristar provided that the funds were placed in safekeeping because the VEP told the Sports Book Manager that he was reinstated and no longer a VEP. The Sports Book Manager wanted to review his exclusion status before proceeding.
36. On October 9, 2021, the VEP returned to Ameristar and was paid his winnings. The VEP was removed in the VEP database on October 4, 2021. Notification to the casino went out on October 6, 2021. Since the VEP was active at the time of wager, the wager should have been cancelled and refunded.

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, 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 \$20,000 (\$2,500 for Count I, \$7,000 for Count II, \$1,500 for Count III, \$7,500 for Count IV and \$1,500 for Count V) and submit a corrective action plan for Count IV within thirty (30) days of the approval of this Agreement 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: 1) promptly remit payment in the amount of \$20,000; 2) submit a corrective action plan for Count IV within thirty (30) days of the approval of this Agreement; and 3) 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.

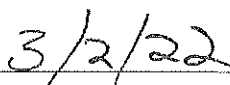
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

Greg Small, Executive Director
Indiana Gaming Commission



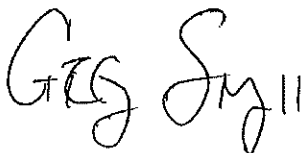
Ryan Coppola, General Manager
Ameristar Casino East Chicago, LLC

Date



Date

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

Handwritten signature of Greg Small in black ink.

Greg Small, Executive Director
Indiana Gaming Commission

3/8/22

Date

Ryan Coppola, General Manager
Ameristar Casino East Chicago, LLC

Date