

**ORDER 2008-102
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC
08-BC-03**

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


Approves

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 28th DAY OF AUGUST, 2008.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
BLUE CHIP CASINO, LLC)	08-BC-03
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Blue Chip Casino, LLC (“Blue Chip”), (collectively, the “Parties”) desire to settle this matter 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 11-3-4 (a) states that the riverboat licensee’s security department shall maintain a soft count room log that will record ingress and egress from the soft count room at all times.
2. 68 IAC 11-3-4 (b) states that every individual who enters and exits the soft count room shall complete the soft count log.
3. On February 1, 2008 at 7:06 a.m., a Surveillance Agent noted that a Count Room Attendant failed to sign the Soft Count Room Log even though four other attendants signed it. At 8:20 a.m. that same day, another Count Room Attendant failed to sign the log even though six other attendants signed it. Both employees received a work history note in their personnel file.

COUNT II

4. 68 IAC 2-3-9.2 (b) states that riverboat licensees must advise the enforcement agent, on a form prescribed by the commission, when one of the following events occurs with an occupational license:
 - (2) The occupational licensee:
 - (C) transfers to another position with the riverboat licensee.
5. On December 18, 2007, while speaking with a Floor Supervisor, a Gaming Agent noticed that his name tag stated that he was a Pit Manager but his Gaming License Badge indicated that he was a Floor Supervisor. When asked, the employee stated that he was a Dual Rate Pit Manager and there were approximately ten

- Dual Rate Pit Managers. The next day the Gaming Agent requested a list of Dual Rates from all the departments, their title, IGC badge number and the date they started their dual rate position from the Compliance Manager.
6. On December 21, 2007, the Gaming Agent received the list from the Compliance Manager showing 13 employees with Dual Rate positions, eleven in Table Games and two in Security. The Table Game positions began in September of 2000 and the two Security positions began in September 2007.
 7. On January 9, 2008, the Gaming Agent spoke with the Human Resources Manager about the Dual Rate positions and why paperwork had not been submitted to update the information in OCCLIC. The HR Manager explained that she had been told by the previous IGC Agents (Indiana State Troopers) that they did not have to submit the Dual Rate positions of the Pit Manager or Shift Manager and did not need to update the IGC Agents. She further explained that when she learned that she needed to submit the Dual Rate positions, she began the process on December 11, 2007. The Gaming Agent asked the HR Manager to provide a written narrative of what she had just explained, including an explanation of why the thirteen employees were functioning in positions not approved by the Commission. She indicated that she would e-mail the requested information by January 11, 2008.
 8. On January 14, 2008, the Agent spoke with the HR Manager after she failed to turn in the requested information and she promised it by January 18, 2008. On January 21, 2008 after not receiving the information, the Agent again spoke to the HR Manager and she promised the information by January 25, 2008. On January 28, 2008, after not receiving the information, the Gaming Agent spoke to his Supervisor about his struggle to receive the information. The Supervisor spoke with the HR Manager and the Agent received only part of the information on January 29, 2008. The Agent did not receive an explanation as to why the employees were working in positions not approved.

COUNT III

9. 68 IAC 1-5-1 (10) requires the casinos to report any apparent criminal activity taking place on the riverboat property. This information must be submitted to an enforcement agent. IC 4-33-10-1 and 2 describe what is considered criminal activity. For Gaming Enforcement to properly handle criminal cases they should be informed immediately of all apparent criminal activity including capping and pinching bets.
9. On May 18, 2008, two Gaming Agents were observing cage transactions when they noted that several cage employees were looking at a copy of an ID and a check. The Agents contacted the Cage Shift Manager and she stated that a Cashier was in the process of cashing a \$500 check when she observed several discrepancies with the ID's physical identifiers not matching the patron

description. The employee made a copy of the ID and check. The check was not cashed and the ID and check were given back to the patron, who left the casino. The cage employees did not notify the Gaming Agents.

COUNT IV

10. Pursuant to 68 IAC 11-1-6(b) failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Blue Chip Casino's Internal Control D 5.2, the cashier will secure their funds any time they are away from their assigned window.
11. On April 7, 2008, a Gaming Agent received an e-mail from the Surveillance Shift Supervisor regarding internal control violations on March 29, 2008 and April 5, 2008.
12. On March 29, 2008 at 1402 hrs, a Cage Cashier departed from the chip bank leaving two piles of cash sitting in the chip bank employee window. At 1406 hrs, an unknown Slot Representative picked up one of the piles of money, signed a slip and departed. At 1414 hrs, another Slot Representative picked up the other pile of cash, counted it down, signed a slip and left. The Cage Cashier returned to the chip bank at 1418 hrs.
13. On April 5, 2008, a Cage Cashier walked out of the Main Bank and into the Chip Bank, leaving an unknown amount of currency sitting on the counter directly in front of the cage window. She also left her drawer (directly under the main bank cage window), containing an unknown amount of loose strapped currency, wide open. The Cashier was gone for approximately three minutes.

COUNT V

14. 68 IAC 6-3-4(b)(2) and (3) require that casinos must provide a process whereby enforcement agents and security and surveillance are notified immediately when a voluntarily excluded person ("VEP") is detected in the gaming area of a facility. Casinos must refuse wagers from and deny gaming privileges to any individual who the casino knows to be a voluntarily excluded person.
15. On May 15, 2008, a Gaming Agent was informed by a Surveillance Agent that there was a VEP person at the security dispatch office. While the VEP was playing at a blackjack table, a Floor Supervisor offered to sign him up for a player's card with a no mail request. The Floor Supervisor signed up the VEP for a player's card without locating his already existing account that was flagged as "Evicted". When the VEP approached the cage attempting to cash a check, the cage cashier discovered the person was a VEP.

COUNT VI

16. 68 IAC 1-11-1(c) states a person under twenty-one (21) years of age shall not be present on a riverboat.
17. Pursuant to 4-33-9-12, 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.
18. On April 19, 2008, a Gaming Agent responded to a call from a Security Shift Supervisor that an underage person had entered the casino unchallenged.

COUNT VII

19. 68 IAC 11-3-3(c)(11) states that the keys to the soft count room shall be maintained by the security department. Access to the soft count room shall be gained only by or through a security officer.
20. On May 2, 2008, a Gaming Agent was notified by a Security Shift Manager that the soft count room's outer door was left unsecured. A review of the surveillance tape shows a Security Shift Supervisor and Count Room Supervisor enter the soft count room at 1055 hrs to conduct an emergency cash box drop. At 1058 hrs, they exited the count room. At 1515 hrs, a Deckhand discovered the door unsecured and immediately contacted security. The door was then secured by security. The door was left ajar for approximately four and one half hours and during that time no one attempted to enter the room.

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 the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and 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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Blue Chip shall pay to the Commission a settlement of \$35,750 (\$1,500 for Count I; \$7,500 for Count II; \$5,000 for Count III; \$10,000 for Count IV; \$5,250 for Count V; \$1,500 for Count VI and \$5,000 for Count VII) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in this agreement. This agreement extends only to those violations and findings of fact, specifically alleged herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue


disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

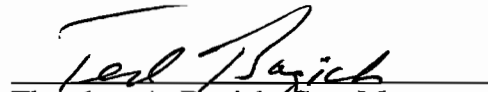
Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Blue Chip agrees to promptly remit payment in the amount of \$35,750 and shall waive all rights to further administrative or judicial review.

This Settlement 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 Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Settlement Agreement shall be binding upon the Commission and Blue Chip.

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


Ernest E. Yelton, Executive Director
Indiana Gaming Commission
8.29.08
Date


Theodore A. Bogich, Gen. Mgr
Blue Chip Casino, LLC
8/27/08
Date