

**ORDER 2012-140  
IN RE SETTLEMENT AGREEMENT**

**INDIANAPOLIS DOWNS, LLC  
12-IG-03**

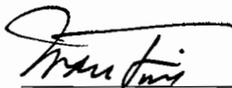
After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

Approves  
APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

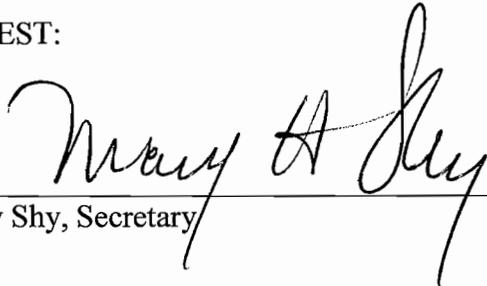
**IT IS SO ORDERED THIS THE 2nd DAY OF AUGUST, 2012.**

**THE INDIANA GAMING COMMISSION:**



Marc Fine, Vice-Chair

ATTEST:



Mary Shy, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**INDIANAPOLIS DOWNS, LLC** ) **12-IG-03**  
 )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Indianapolis Downs, LLC (“Indiana Grand”), (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 2-6-6 (c) states if a riverboat licensee converts an electronic gaming device, the riverboat licensee must take the following steps: (5) the riverboat licensee shall do the following: (A) Ensure that a copy of the par sheet is placed in the electronic gaming device in accordance with section 5 of this rule. (B) 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.
2. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Indiana Grand’s Internal Control Procedures, 7-4.6, it states the casino shall perform a currency/ticket test to ensure that the slot machine is communicating with the on-line system. If the slot machine is not communicating with the on-line system, the slot machine will be disabled.
3. On February 21, 2012, a Gaming Agent was notified by a Slot Technician Supervisor of an open main door. Not only was the main door open but the machine was in service when it should have been placed out of service since it had not yet been coin tested after a software upgrade. Approximately five hours later, the Gaming Agent found an additional slot machine in service that was to be placed out of service until a coin test could be conducted. There was no patron play on either of these machines while in service.
4. On February 22, 2012, a Gaming Agent was notified by a Slot Tech Supervisor that a slot machine had been placed in service without being coin tested. No patrons played the machine during this time.

5. On March 7, 2012, a Gaming Agent discovered that a slot machine had been placed in service without being coin tested.

### **COUNT II**

6. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Indiana Grand's Internal Control Procedures, Section 1, 1-7, Key Controls, casino staff who has been issued an access card will keep the card with their gaming badge at all times
7. 68 IAC 2-3-9 (d) states occupational licensees must notify the commission that a riverboat licensee, a supplier licensee, or an occupational licensee has violated the Act or this title as soon as the occupational licensee becomes aware of the violation. If an occupational licensee fails to notify the commission of a violation of the Act or this title by a riverboat licensee, a supplier licensee, or an occupational licensee, the commission may initiate a disciplinary action.
8. On January 30, 2012, a Gaming Agent reviewed an incident report wherein an employee allowed a vendor to keep her proxy card in his possession and actively use the card to gain unescorted access to the back of the house areas. On January 29, 2012, a former casino Beverage Supervisor was seen in the VIP Lounge Gold Room doing what appeared to be beverage inventory. He displayed a vendor badge but was not escorted by another employee. The surveillance employee who authored the incident report had a door access report done in order to determine how he had gained access to the back of the house area without an escort. It was determined that a Beverage Supervisor had given him her access card and he used it throughout the day until it was noticed by surveillance.

### **COUNT III**

9. 68 IAC 2-6-16 (d) states the bill validator shall be equipped with a bill validator drop box to collect the currency inserted into the bill validator. The bill validator drop box shall meet the following requirements: (1) Be housed in a locked compartment separate from any other compartment of the electronic gaming device. (2) Be accessible by a key that will access only the bill validator drop box and no other area of the electronic gaming device.
10. On January 10, 2012, a Gaming Agent was notified by a Slot Technician that a cash box door was found unsecured during a routine machine cleaning. The Slot Technician discovered a plate sitting on the bottom of the slot machine that should have been on the back side of the cash box door. Once the bill validator was removed, the Slot Technician was able to reach inside to where his hand was between the cash box and the back of the cash box door. He was then able to press down on a spring and open the cash box door without a key. A total of 30 machines were found to have this same issue.

#### COUNT IV

11. On December 27, 2011, the Gaming Agent Supervisor received an email from the IT Manager stating that the Lucky Lock-Up promotion was activated on December 24, 2011 at 10:00 pm and remained active until December 25, 2011 at 10:00 am. A review of the approved promotional submission did not include these dates. It was discovered that an IT Associate Systems Analyst activated the promotion on the 24<sup>th</sup>.

#### COUNT V

16. 68 IAC 11-3-6 (c) states the soft count team shall handle drop boxes in the following manner:
  - (1) An individual drop box shall be selected and the identification label displayed to the surveillance camera.
  - (2) The drop box shall be opened by the appropriate soft count team member, and the entire contents of the drop box shall be emptied onto the soft count table.
  - (3) The inside of the empty drop box shall be held up for full view by the surveillance camera, and at least one (1) member of the soft count team shall verify that the drop box is empty.
12. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Indiana Live's Internal Control Procedures, 4-4(2), it states that the contents of the cash storage box will be removed and stacked with the bar-coded ticket for processing through the currency counter. The inside of the box will then be verified as emptied by another team member. The empty box will be shown to Surveillance and then secured for return to the cart.
13. On January 11, 2012, a Gaming Agent was contacted by a Surveillance Officer who indicated that a Slot Technician had discovered a \$1 bill in a cash box he was making repairs to. This cash box was one of 70 boxes that had been marked for repair by the drop team. Later that evening, another Gaming Agent was notified by a Slot Technician that \$5 had been found in another cash box that he was repairing.
14. On February 22, 2012, a Gaming Agent was notified by the Count Room Manager that six bill validator boxes containing cash were discovered on a drop cart as the drop team was positioning empty cash boxes in preparation for the drop. These boxes were left on the cart and not processed from the drop process on February 19<sup>th</sup>. A review of the surveillance coverage indicated that two Count Room Attendants failed to unload the six boxes in question and the Count Room Supervisor failed to verify that the shelves were empty prior to refilling them with empty boxes. The hot boxes and the drop cart were in the cart storage room until the cart was needed for the drop on the 22<sup>nd</sup>. Approximately thirty minutes into the drop, the hot boxes were discovered.

**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, 68 IAC 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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Indiana Grand shall pay to the Commission a total of \$14,500 (\$1,500 for Count I; \$1,500 for Count II; \$5,000 for Count III; \$1,500 for Count IV and \$5,000 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. Neither this agreement nor any action performed pursuant to it will constitute an admission of any violation by Indiana Grand. This agreement extends only to known incidents specifically alleged in this agreement and wholly based on the facts described herein. If the Commission subsequently discovers additional facts, which are not described in this agreement, that may support an independent determination that a violation has occurred, the Commission may pursue disciplinary action for such violations even if the facts are 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, Indiana Grand agrees to promptly remit payment in the amount of \$14,500 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 Indiana Grand.

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

6.26.12  
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Date

  
Tom Dingman, General Manager  
Indiana Grand

6/7/2012  
\_\_\_\_\_  
Date