

**ORDER 2016-069**  
**AN ORDER OF THE INDIANA GAMING COMMISSION**  
**IN RE SETTLEMENT AGREEMENT**  
**BLUE SKY CASINO, LLC dba FRENCH LICK RESORT • CASINO**  
**16-FL-01**

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

**APPROVES**

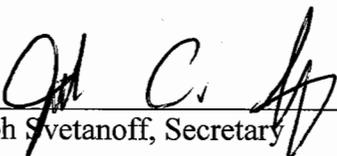
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS 24<sup>th</sup> DAY OF FEBRUARY, 2016.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Cris Johnston, Chair

ATTEST:

  
\_\_\_\_\_  
Joseph Svetanoff, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**FRENCH LICK RESORT•CASINO** ) **16-FL-01**  
 )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and French Lick Resort•Casino (“French Lick”) (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 2-3-9.2 (b) states 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 forms must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
2. On July 31, 2015 a Gaming agent was contacted by a Human Resources Generalist regarding a terminated employee. The employee was terminated on November 3, 2014 and on November 14, 2014 the employee returned her badge, according to a sticky note on the badge. The badge was returned to an Employee Relations Manager. The Occupational License Separation from Service or Suspension Form and badge were received on July 31, 2015.

**COUNT II**

3. Pursuant to 68 IAC 12-1-5(c) the surveillance system must provide an overall view of pit areas and gaming tables capable of clearly identifying the following:
  - (1) Dealers.
  - (2) Patrons.
  - (3) Hands of the participants.
  - (4) Facial views of the participants.
  - (5) Pit personnel.
  - (6) Activities of the pit personnel.

- (7) The amount and incrementation of a progressive jackpot contained on a progressive jackpot display of a live gaming device.
  - (d) The playing surface of the live gaming devices must be viewed by the surveillance system with sufficient clarity to do the following:
    - (1) Determine the following:
      - (A) Wagers.
      - (B) Card values.
      - (C) Game results.
    - (2) Clearly observe, in detail, the following:
      - (A) Chip trays.
      - (B) Token holders.
      - (C) Cash receptacles.
      - (D) Tip boxes.
      - (E) Dice.
      - (F) Shuffle machines.
      - (G) Card shoes.
  - (e) Roulette tables must be viewed by the surveillance system with color cameras.
4. On July 28, 2015 a Gaming Agent was contacted by a Surveillance Supervisor regarding the loss of camera coverage. Approximately one hour later the Surveillance Supervisor reported that all cameras were up and running properly. Loss of coverage varied from three seconds to eight minutes. The loss of the coverage was due to a configuration of a server. When video was transferred to this server it caused the coverage to malfunction. The configuration of the server was corrected and restricted.
5. On August 5, 2015 a Gaming Agent was in the surveillance room when the Surveillance Supervisor informed him that they had lost coverage of pit 4 during an earlier power surge. Most of the cameras lost coverage for four minutes and one camera lost coverage for eight minutes. According to the Surveillance Manager the power surge was so strong the battery backup shut down to save the switch on the system.

### COUNT III

6. 68 IAC 14-3-5(a) requires all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
7. On November 2, 2015 a Gaming Agent was notified by a Surveillance Supervisor that cards were left in the shuffle machine at a table game. The cards were left at the closed game for approximately twelve hours before being discovered by the Assistant Casino Manager.

#### COUNT IV

8. 68 IAC 11-4-4 states (a) at any time when a live gaming device is closed, chips and tokens 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.
9. On October 7, 2015 a Gaming Agent performed a pit check in pit 1 of the casino. The Agent noted at one table that the amount for \$5 value chips on the closed table inventory slip ("TIS"), inside the locked float, did not look correct. The Agent had the Casino Manager unlock the float so all of the \$5 value chips could be counted. The Agent, Casino Manager, Dual Rate Table Games Supervisor/Dealer and a Dealer counted the chips and concurred that the amount on the TIS was \$200 over the actual amount of chips in the float. The closing Table Games Supervisor and Dealer received a verbal counseling.
10. On October 10, 2015 a Gaming Agent was notified by a Surveillance Supervisor regarding a variance between a TIS amount and the actual amount of chips at a table game. The Supervisor told the Agent that a Table Games Supervisor called to advise of a \$500 discrepancy between the actual amount of \$100 value chips compared to the amount on the TIS. A surveillance review of the table closing showed a Dealer and Table Games Supervisor count the chips and sign the TIS. An Assistant Casino Manager came to the table, verified the amount of chips on the TIS and then locked the float after placing the appropriate copy of the form on top of the float. All three of the employees at the closing of the table game received a verbal coaching.

#### COUNT V

11. 68 IAC 12-1-5(b)(3) states the surveillance system will provide coverage of the route, both inside and outside the casino, through which monies are transported.
12. 68 IAC 15-13-2(a) states in accordance with 68 IAC 15-1-3, the casino licensee or casino license applicant shall submit policies and procedures covering manually paid jackpots.
13. French Lick Internal Control M-8 page 4 under Jackpot Procedures \$1,200 and Above, states Slot personnel will complete a Request for Jackpot form. The guest will then be asked to sign the form and provide valid identification to the slot personnel. Slot personnel will also radio Surveillance to review the jackpot to determine the correct patron to be paid. It further states the Slot personnel will

proceed to the appropriate system terminal to generate the three-part Jackpot Slip and W2-G form or appropriate tax form. Slot personnel will contact Surveillance again for verification of the winning patron prior to processing the paperwork.

14. On August 13, 2015 a Gaming Agent was informed that a Slot Services Representative failed to notify surveillance that she was processing and paying out a jackpot over \$1200. A surveillance review verified the failure to call surveillance.
15. On October 3, 2015 a Gaming Agent was contacted by a Surveillance Agent regarding a Slot Representative that failed to call surveillance when processing and paying a jackpot over \$1200.
16. On November 6, 9 and 21, 2015 a Gaming Agent was contacted by a Surveillance employee regarding a Slot Representative that failed to call surveillance when processing and paying a jackpot over \$1200.
17. 68 IAC 15-12-2(b)(9) states the policies and procedures for live gaming device fills and credits shall include the department that shall be responsible for notifying surveillance that a live gaming device fill is being processed.
18. French Lick Internal Control K-8 page 1 under Computerized Table Fills, General, states Security will notify Surveillance prior to the delivery of a fill to the designated table.
19. French Lick Internal Control K-10 page 1 under Computerized Table Credits, General, states Security will advise Surveillance of all credits prior to proceeding to the table for the collection of said credit.
20. On October 31 and November 21, 2015 a Gaming Agent was contacted by a Surveillance Agent concerning a Security Officer that failed to call surveillance prior to leaving the employee service area to deliver a table game fill.
21. On November 7 and 30, 2015 a Gaming Agent was notified by a Surveillance Supervisor about a Security Supervisor who failed to contact surveillance before transferring a table credit to the cage.
22. 68 IAC 12-1-6 states surveillance employees must continuously monitor and visually record the soft count procedures in accordance with 68 IAC 11-3.
23. 68 IAC 11-3-6(b)(1) states the soft count team shall notify surveillance prior to the initiation of the soft count.
24. On November 23, 2015 a Gaming Agent was notified by a Surveillance Agent regarding a Security Office who failed to notify surveillance before escorting the soft count team into the count room. The Officer had notified the Security Dispatcher, but did not contact surveillance to receive approval to enter the room.

Once inside the room no one on the Soft Count Team notified surveillance that they were ready to start the count process.

### COUNT VI

25. 68 IAC 11-3-2(b) states in accordance with 68 IAC 11-1, the casino licensee must submit to the executive director internal control procedures covering currency collection and soft count.
- (c) The internal control procedures for the currency collection and soft count process must include the following:
- (1) The times that currency collection will occur.
  - (2) The manner in which the:
    - (A) currency collection process will proceed, including the location from which the currency collection process will commence;
26. 68 IAC 11-1-6(a) and (b) states casino licensees and casino license applicants must conduct its operations in accordance with internal control procedures that have been approved, in writing, by the executive director. Failure to comply with this article may result in the initiation of a disciplinary action under 68 IAC 13. According to French Lick Internal Control D6 Bill Validator Drop Procedures #8 states Security will be responsible for guest safety by requesting any guest who may be playing a slot machine to momentarily suspend play, and clear the aisle to allow for the removal of the slot bill validator by the Collection Team. Guests will be allowed to remain within view of the game from which their play was suspended. After all guests and non-drop team employees have been cleared from the designated drop area, Security will station themselves at opposite ends of the designated drop area. Security will prevent guests and non-drop employees from entering the designated drop area while the bill validators are being collected. However, should problems occur with removing or inserting the bill validators, Security will contact a Slot Technician for assistance.
27. On August 31, September 6, October 19, November 5, November 7, November 8 and December 7, 2015 a Gaming Agent was notified by a Surveillance Agent or Supervisor that the bill validator drop zone was breached by a patron.

### COUNT VII

28. 68 IAC 17-1-1(f) EPROMs shall be transported separately from the shipment of electronic gaming devices. If an electronic gaming device:
- (1) is not being used by a casino licensee; and
  - (2) is being stored outside the casino;
- the EPROM shall be stored separately in a locked safe or the equivalent.

29. On August 5, 2015 a Gaming Agent was contacted by a Slot Tech Supervisor regarding a slot machine found in the storage area. The slot machine contained EPROMs. The Agent went to the area, found the machine and verified that the EPROMs were still inside. The EPROMs were removed by the Agent. The Agent requested the Slot Machine Warehouse Access Log and found that the machine had been placed in storage on June 9, 2015. Both the Slot Technician and Slot Tech Supervisor, who were responsible for checking the slot machine for EPROMs prior to storing the machine, received verbal counseling.

### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of French Lick by and through its agents as described herein constitute a breach of the IC 4-33, 68 IAC and/or French Lick's approved internal control procedures. The Commission and French Lick hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against French Lick. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

In consideration for the Commission foregoing disciplinary action based on the facts specifically described herein, French Lick shall 1) pay to the Commission a total of \$18,500 (\$1,000 for Count I; \$3,000 for Count II; \$1,500 for Count III; \$2,000 for Count IV; \$4,500 for Count V; \$5,000 for Count VI and \$1,500 for Count VII) and 2) institute a corrective action plan regarding the notification of surveillance. 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, French Lick agrees to promptly remit payment in the amount of \$18,500, submit a corrective action plan on the notification of surveillance 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.

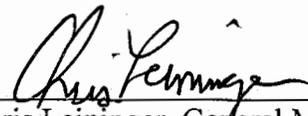
This Settlement Agreement shall be binding upon the Commission and French Lick.

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



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

\_\_\_\_\_  
2/24/16  
Date



\_\_\_\_\_  
Chris Leininger, General Manager  
French Lick Resort Casino

\_\_\_\_\_  
2/19/16  
Date