

ORDER 2016-074
AN ORDER OF THE INDIANA GAMING COMMISSION
IN RE SETTLEMENT AGREEMENT
CENTAUR ACQUISITION, LLC dba INDIANA GRAND RACING & CASINO
16-IG-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 24th 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
CENTAUR ACQUISITION, LLC)	16-IG-01
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Centaur Acquisition, 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 1-5-1(10) states a casino or supplier licensee shall provide a written notice to the executive director as soon as the casino or supplier licensee becomes aware of apparent criminal activity taking place at the casino. A casino licensee shall submit the notice required under this subdivision to a gaming agent in addition to submitting it to the executive director.
2. On November 12, 2015 at 10:46pm a Gaming Agent was contacted by the Electronic Games Manager that the patron, who had taken his Poker Pro deposit while the Cashier was not looking, was on property. The Manager told the Agent, shortly after midnight on November 11, 2015, the patron approached a cage window to deposit \$240 onto his Poker Pro account. During the transaction while the Cage Cashier was filling out the receipt, the patron reached in and took his money without the Cage Cashier noticing. The patron was approached, repaid the money and was evicted by the casino for ninety days. The Agent checked to see if the Gaming Agents were contacted when the theft was discovered and found that even though there were numerous correspondences between the surveillance, cage and slot departments no one contacted the Gaming Agents.

COUNT II

3. 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.

4. On November 18 and 24, 2015, a Senior Labor Generalist took Occupational License Separation from Service forms to the Commission Office at the casino. Two terminations were not reported timely. One of the employees was terminated on August 31, 2015 and another on July 17, 2015.

COUNT III

5. 68 IAC 11-3-6(c)(21) states the original table count slips, drop verification report, bill validator verification report, master gaming report, and bill validator report, with the appropriate tapes attached, shall be forwarded to the accounting department upon completion of the soft count process and after the currency, coin, and chips have been appropriately transferred or deposited.
6. 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. According to Indiana Grand Internal Control Section 4-4 page 3 number 10 states the duplicate copy of the Cash Transfer, on-line system report and all other documentation will be removed from the room and forwarded to Revenue Audit.
7. According to Indiana Grand Internal Control E-15.1 number 3 states for TITO electronic gaming device redemption:
 - a. When a patron inserts a ticket into the acceptor, the machine will verify the validity and amount of ticket;
 - b. Upon verification, the machine will display the amount of the inserted ticket in the credit meter;
 - c. Tickets are maintained in the machine on a meter solely dedicated to tickets and are added to the Bill Validator Drop.
8. On January 14, 2016 a Gaming Agent was contacted by a Surveillance Shift Supervisor regarding a TITO ticket found inside one of the count machines. The Cummins vendor found the TITO ticket while conducting maintenance on the machine. The Agent investigated and found that the soft count team had failed to conduct their normal cleaning.
9. On January 18, 2016 the Gaming Supervisor was notified by the Surveillance Shift Supervisor that prior to the count two TITO tickets were found inside a cassette located in the count machine.

COUNT IV

10. 68 IAC 15-1-6(a) states Casino licensees and casino license applicants must conduct its operations in accordance with IC 4-33, IC 4-35, this article, and policies and procedures for accounting records that have been approved, in writing, by the executive director.

11. Indiana Grand Internal Control 2-14 states any variance of five hundred dollars (\$500) or greater will result in an immediate investigation and will be reported to the Director of Casino Accounting, Cage and Credit Manager, Security, Surveillance and an IGC agent by the next gaming day.
12. On November 14, 2015 the Gaming Supervisor reviewed email correspondence from a Cage Supervisor regarding a cage variance that occurred on the previous gaming day. Attached to the email was a variance report stating that a Cage Cashier had counted out \$650.50 short at the conclusion of his shift. The report stated the Cage Cashier had paid out a \$650.50 TITO ticket that had previously been redeemed. The Cage Supervisor contacted the Surveillance Department to review both transactions. The Gaming Supervisor asked a Gaming Agent to contact Surveillance to see if the review was finished. The Agent spoke to the Surveillance Shift Manager and was informed that the review showed that on November 7, 2015 a patron cashed out from a slot machine and took the TITO ticket that was printed. Approximately two minutes later an Electronic Games Attendant arrived at the machine for a printer out of paper. The Attendant filled the machine with paper and a duplicate TITO ticket was printed (this occurs on certain machines/bill validators once a paper fill has occurred). The Attendant took the TITO ticket. Approximately one minute later the patron redeemed his TITO ticket at the Main Cage; however the Cage Supervisor did not scan the ticket and the ticket remained valid in the system. The Attendant, at the same time, placed the duplicate ticket into another slot machine, which validated the ticket in the system and the Attendant immediately cashed out a new TITO ticket. Approximately three hours later the Attendant inserted the new TITO ticket into another slot machine and cashed out, receiving another TITO ticket. Approximately an hour later the Attendant exited the property without turning in the final TITO ticket printed. Approximately forty- five minutes later the Cage Supervisor, who did not scan the original TITO ticket when the patron redeemed it, attempted to scan the ticket. The Cage Supervisor learned that the ticket had already been redeemed, making the ticket she had invalid. The Cage Supervisor notified the Electronics Games Assistant Manager. The Manager researched the trail of the TITO tickets and found that the duplicate ticket was redeemed in a slot machine; another ticket was printed and placed in another slot machine with a final ticket printed that was still valid in the system. The Manager canceled the final ticket printed (the one the Attendant left the property with) and handwrote the information on a blank TITO ticket thus recreating the ticket. He gave the handwritten ticket to the Cage Supervisor to balance her drawer and informed no one of the incident.
13. On November 14, 2015 the father of the Attendant's child entered the casino and attempted to redeem the final ticket at several slot machines and a kiosk redemption center. When all of the attempts fail he takes the ticket to the Main Cage to redeem. The Cage Cashier attempts to scan the ticket and is unsuccessful. The Cage Cashier, without investigating why the ticket will not scan, paid the man and the man exited the casino. The Attendant and Cage Supervisor were terminated by the casino and the Cage Cashier and Electronic Games Assistant Manager were disciplined.
14. On February 2, 2016 a Gaming Agent was notified by an Electronic Gaming Assistant Manager that a possible duplicate TITO ticket may have been paid. The surveillance

review showed a patron cashed out at a slot machine and received a \$553.00 TITO ticket. After printing the ticket the machine went into an error mode and an Electronic Gaming Supervisor and Technician arrived at the machine to assist the patron. The Supervisor appeared to print a TITO ticket from the machine and hand it to the patron. The patron took the additional TITO ticket and placed one of the tickets into another slot machine. Approximately an hour later the patron tried to cash the other TITO tickets at a redemption kiosk and the ticket was rejected. The patron proceeded to the cage where she handed two TITO ticket to the Cashier. The Cashier scanned both tickets, one of them twice and proceeded to pay the patron the total of the two tickets.

COUNT V

15. 68 IAC 14-5.5-3 states each TITO shall include, at a minimum, the following printed information:
 - (1) The casino name and site identifier.
 - (2) The machine number.
 - (3) The date and time (twenty-four (24) hour format acceptable).
 - (4) The alpha and numeric dollar amount of the ticket.
 - (5) The ticket sequence number.
 - (6) The validation number.
 - (7) The type of transaction or other method of differentiating ticket types.
 - (8) The bar code or any machine-readable code representing the validation number.
 - (9) The toll free telephone number that provides the public with information about compulsive gambling addictions.
 - (10) Language stating that no person under twenty-one (21) years of age is allowed in a gaming area.

16. 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.

17. On January 12, 2016 the Gaming Supervisor asked a Gaming Agent if he was aware of a TITO ticket that was presented to the cage by a patron and the ticket was unable to be electronically validated due to missing information on the ticket and the bar code number not being found in the main computer system. The Agent stated he was unaware of the incident. The Agent called the Surveillance Department and inquired if they were aware of the TITO ticket incident. The Surveillance Shift Supervisor informed the Agent they had no knowledge of the incident and could not locate any entries in the surveillance logs regarding it. The Agent then received a copy of the ticket from the Gaming Supervisor and found several pieces of information missing. The Agent asked the Surveillance Shift Supervisor to review the incident. The surveillance review found that the TITO ticket was generated at an electronic blackjack game and after the ticket was printed the patron tried unsuccessfully to redeem it at several redemption kiosks. The patron presented the

ticket to a Cage Cashier who was not able to scan or electronically validate the ticket. The Cage Cashier contacted a Cage Supervisor who was also unsuccessful in validating the ticket. The Cage Supervisor contacted an Electronic Games Assistant Manager. The Manager took the ticket from the cage and returned to the pit area to research the ticket. The Manager eventually returned to the cage and authorized the payment of the ticket. The main computer system showed no TITO ticket being printed at the time or location of the cash out. The Agent spoke to an Electronic Games Technical Supervisor who stated that the machine had experienced a communications error and was not communicating with the player tracking or main computer system. It seems the machine printed a ticket when the patron cashed out giving it a number that was not recognized in the main computer system. The Technical Supervisor was able to correct the problem and the game was returned to service. The Agent spoke to the Electronic Games Assistant Manager about the incident. The Manager stated he took the ticket back to the pit to research it, but due to the communication error he was unable to verify the information through the main computer system. The Manager stated he was aware of the location where the patron had been playing because he had observed him earlier in his shift. Based on seeing the patron at the location earlier, the Manager stated he made a judgment decision to have the cage manually pay the ticket. The Manager did not contact surveillance for a review nor did he go to the machine to verify the information through the "machine events" report, which would have shown the ticket being cashed out. Finally, the Gaming Agents were not notified about the unusual ticket.

18. On December 18, 2015, due to another TITO ticket issue and pervasive Slot Department issues, the casino's VP of Internal Control and Compliance submitted control revisions. One of the revisions stated that TITO ticket under research would not leave the cage. Both the VP of Internal Audit and Compliance and the Director of Gaming were interviewed on January 5, 2016 by the Gaming Supervisor and the Commission's Director of Audit and both stated that the revised control was in place.

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 \$21,000 (\$1,500 for Count I; \$2,000 for Count II; \$2,500 for Count III; \$10,000 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 \$21,000 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.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

2/21/16

Date



Jahnae Erpenbach, General Manager
Indiana Grand

2-11-16

Date