

**ORDER 2017-150  
IN RE SETTLEMENT AGREEMENT**

**KONAMI GAMING, INC  
17-KONAMI-01**

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

**APPROVED**

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APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 29<sup>th</sup> DAY OF SEPTEMBER, 2017.**

**THE INDIANA GAMING COMMISSION:**

  
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Cris Johnston, Chair

ATTEST:

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

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**KONAMI GAMING, INC** ) **17-KONAMI-01**  
 )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Konami Gaming, Inc. (“Konami”) (collectively, the “Parties”) desire to settle this matter prior to the initiation of a disciplinary proceeding. The Parties stipulate and agree to the following:

**FINDINGS OF FACT**

1. 68 IAC 2-6-2 (a) requires that the following may not be used for gaming by any casino licensee prior to the executive director, or the executive director's designee, authorizing their inclusion in the commission's online database of approved items and technologies: (1) Electronic gaming devices and any component parts material to gaming activity, including, but not limited to, the following: (A) Random number generators. (B) All game media. (C) Progressive controllers. (D) Bill changers.
2. 68 IAC 17 details the regulations for movement of gaming equipment.
3. 68 IAC 17-1-2(a) states at least ten (10) days before transporting electronic gaming devices, the person causing the movement of the electronic gaming device shall notify the executive director, in writing, and provide the following information: (6) the quantity of electronic gaming devices being transported; (7) a brief description of the electronic gaming device being transported.
4. 68 IAC 17-1-3 states a casino licensee, casino license applicant, or supplier licensee shall use the commission's electronic gaming device database as prescribed by the commission.
5. In accordance with 68 IAC 17-1-2(a) and 68 IAC 17-1-3, when shipping an item approved under 68 IAC 2-6-2, the supplier is required to provide the Commission with an accurate inventory of each item to be shipped and delivered, including each item’s identification code in the Commission’s Electronic Gaming Device System.
6. On February 10, 2017, at Tropicana Evansville, a Gaming Agent and Slot Tech Supervisor were reviewing a shipment that had arrived from Konami. Upon inspection of the shipment, the Gaming Agent noted that none of the software items were individually boxed. The Slot Tech Supervisor told the Gaming Agent that Konami had notified

Tropicana that they had removed the software and CPU boards from the EGDs that were due to arrive on February 17<sup>th</sup> and therefore, must have sent them in one shipment.

7. The Gaming Agent advised the Slot Tech Supervisor to remove the physical items (software) from the CPU boards so they could be inventoried. Each CPU contained a main EPROM, a payable EPROM, as well as other supporting Operating System software to allow the game to function. The specific physical items included: 32 EPROMS and 40 Flash Cards. It was verified that all software approved through the Commission's Electronic Gaming Device System was received, however, the approved request did not include the sixteen (16) CPUs that were sent with this shipment.

### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of Konami by and through its agents as described herein constitute a breach of IC 4-33, IC 4-35, and 68 IAC. The Commission and Konami hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Konami. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Konami shall pay to the Commission a total of \$1,500 in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of 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 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, Konami agrees to promptly remit payment in the amount of \$1,500 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 Konami.

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



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Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

9-28-17

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Date



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Thomas Jingoli, EVP, Chief  
Commercial Officer, Director  
Konami Gaming, Inc.

September 25, 2017

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Date