

**ORDER 2017-159  
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC  
17-BC-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:**

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

ATTEST:

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

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>BLUE CHIP CASINO, LLC</b>	)	<b>17-BC-01</b>
	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait 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 17-1-1(e) states an electronic gaming device may not be delivered to a casino licensee or a casino license applicant unless a member of the commission staff or an enforcement agent is present at the point of delivery. The casino licensee is responsible for ensuring that a member of the commission staff or an enforcement agent is present at the point of delivery.
2. 68 IAC 17-1-1(f) states 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.
3. On May 9, 2017, Blue Chip’s Director of Compliance notified a Gaming Agent that a controlled shipment had been left at the shipping and receiving area overnight. The shipment contained three EPROMS, specifically, shuffler RNG software. The Shipping and Receiving Supervisor received the shipment and notified the slot department of their receipt. Upon completion of his shift, the Shipping and Receiving Supervisor left the property and failed to follow up with the slot department or notify anyone else of the shipment’s arrival. The shipment remained in the shipping and receiving area until discovered in the morning.

**COUNT II**

4. 68 IAC 15-12-3(a) states live gaming device fills shall proceed in the following manner:
  - (1) The appropriate occupational licensee shall initiate a live gaming device fill by completing an input form. The input form is either carried to the casino cage or the information is electronically transmitted to the casino cage.

- (2) The appropriate occupational licensee uses the input form to prepare and print a live gaming device fill slip.
  - (3) Surveillance shall be notified that a live gaming device fill is being processed.
  - (4) Based on the information contained on the fill slip, the casino cashier shall prepare the proper denomination and amount of chips and sign the fill slip. The casino cashier shall sign the fill slip, summon a security officer, and present the chips and the fill slip to the security officer.
  - (5) The security officer shall verify that the denomination and amount of chips match the amount on the fill slip. The security officer shall sign the fill slip after verifying the chips match the fill slips. The security officer who begins the live gaming device fill must complete the process of witnessing, escorting, and signing the appropriate documentation to verify that the live gaming device fill was completed. If there is a discrepancy with the live gaming device fill, the same security officer who began the live gaming device fill must accompany the fill back to the cage to resolve the discrepancy.
  - (6) The casino cashier shall retain one (1) copy of the fill slip in the casino cage.
  - (7) The security officer shall transport the chips to the appropriate pit area.
  - (8) The appropriate level of occupational licensee shall count the chips that are received as a live gaming device fill to ensure the denomination and amounts received match the amount and denomination reflected on the fill slip.
  - (9) If the amounts in subdivision (4) agree, the occupational licensee who counted the fill shall sign the fill slip. The pit supervisor or the equivalent shall also sign the fill slip. A copy of the fill slip or the original shall be inserted into the drop box of the live gaming device that received the fill. A copy of the fill slip or the original fill slip shall be returned to the casino cage.
  - (10) If the amounts in subdivision (4) do not agree, the fill slip shall not be signed and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips and the fill slip to the casino cage.
  - (b) The casino cashier or appropriate department shall use copies of the completed live gaming device fill slip to balance the cage. All completed live gaming device fill slips shall be used to complete the soft count.
5. 68 IAC 15-12-4(3) states surveillance shall be notified that a live gaming device credit is being processed.
  6. 68 IAC 1-15-1(a) states this rule applies to casino licensees and casino license applicants. (b) Casino licensees and casino license applicants may not destroy records of any type that relate to the casino gambling operation unless they have complied with this rule. (c) At least twenty (20) working days before a casino licensee or casino license applicant intends to destroy any records that relate to the casino gambling operation, the casino licensee or casino license application must notify, in writing, the commission audit director of the following information: (1) the records the casino licensee or casino license applicant intends to destroy. (2) The date, time and manner of destruction. (3) The date that the records were generated. (4) The applicable length of

time that the record was maintained in accordance with this title. (5) The reason for the destruction.

7. On February 10, 2017, a Gaming Agent was notified by a Surveillance Agent that a Cage Cashier failed to notify Surveillance that a table fill was being prepared and sent to a Mini-Baccarat table in the amount of \$2,050.00. Surveillance discovered this violation when they overheard a radio transmission by the Security Department.
8. On July 5, 2017, a Surveillance Lead Officer notified a Gaming Agent that a Floor Supervisor did not notify Surveillance of a table credit in the amount of \$300.00 as required.
9. On March 4, 2017, a Surveillance Agent notified a Gaming Agent that a table fill violation had occurred on gaming day March 3, 2017. The Lead Revenue Audit Clerk had notified Surveillance that there was a paperwork issue with a fill for a Caribbean Stud table in the amount of \$2,240.00. There was no paperwork for this fill and a surveillance review was requested.
10. Surveillance showed the Cage Shift Manager (CSM) received a phone call at 9:46pm and immediately checks the printer, which is discovered to be empty. She fills the printer with paper and five sheets print out. Upon review of these pages, a sixth page prints out and the CSM reviews it. The CSM is shown tearing up one of the sheets of paper and throwing it away. Further reviews shows at 9:57pm, the CSM prepares the fill and sends it to Caribbean Stud table. Upon being interviewed by the Cage Manager, the CSM stated that she thought the printer had produced a duplicate fill and as a result, she tore it up and threw it away. There was a duplicate fill, however, it should have been voided properly.
11. On March 5, 2017, a Surveillance Agent notified a Gaming Agent that the Lead Revenue Audit Clerk (LRAC) was investigating a discrepancy in paperwork for a \$16,000 table fill. A fill had been conducted by a Casino Shift Manager but a fill slip had not been completed and dropped at the time of the fill. The LRAC advised the Gaming Agent that two manual requests for table fills were made. The Casino Shift Manager signed both of them and had them both time stamped. The required signatures were not present on the manual request for a fill slip. Due to the lack of proper paperwork being completed and sent to accounting, this created a variance.
12. A Gaming Agent interviewed the Casino Shift Manager and she advised that a table had run out of chips and she had to get chips to the table quickly so a patron could be paid. She considered this an emergency and retrieved the chips from the vessel cage instead of the land cage. She claimed she was unable to reach anyone at the land cage.
13. On June 7, 2017, a Surveillance Agent notified a Gaming Agent of an incorrect table fill. The fill was for a \$5,120 sent to a Mini-Baccarat table. The Dual Rate Supervisor/Cage Cashier prepared the fill incorrectly and the Security Officer did not notice. The requested amount was \$2,500 in green chips, \$2,000 in black chips, \$600 in red chips

and \$20 in white chips. The fill actually had \$2,000 in green chips instead of \$2,500. The Dealer realized the fill was incorrect and sent it back to the Cage. The fill slip was not properly voided and surveillance was not notified of the incorrect fill. Instead of voiding the fill and generating a new fill slip, the Dual Rate Supervisor/Cage Cashier just added the \$500 in green chips to correct the fill and sent it back to the table

14. On April 9, 2017, a Surveillance Supervisor notified a Gaming Agent there was a fill error in the Poker Room. The fill was completed by a Cage Cashier and the Security Officer did not notice the error. The fill was short by \$500 in red \$5 chips. The fill requested was for \$5485; consisting of \$4985 in red \$5 chips and \$500 in white \$1 chips, however, only \$4485 in red \$5 chips was sent to the Poker Room. The error was not noticed until the Card Room Shift Supervisor realized her drawer was short by \$500. The Card Room Shift Supervisor contacted Surveillance to confirm the fill was short. The additional \$500 was sent from the Cage to balance the drawer. The Revenue Audit Supervisor stated that the Poker Room does not use a table fill slip, using a Card Room Fund Transfer Form instead.
15. 68 IAC 16-1-9(a)(1) states the casino licensee shall establish procedures in connection with front money and safekeeping deposits.
16. Blue Chip Internal Controls D-10.1 describes Blue Chip's policy and procedure for complying with 68 IAC 16-1-9(a)(1).
17. On April 18, 2017, a Slot Shift Supervisor notified a Gaming Agent that a jackpot had been won on April 14<sup>th</sup>, however, the patron did not have identification. The patron provided to the casino his name, date of birth, social security number and address. The patron also signed a W-9 tax form and a safekeeping deposit form. Slot personnel also requested a photo be taken of the patron by Surveillance and attached the photo to the safekeeping paperwork. Slot personnel were suspicious of the date of birth provided by the patron, as he looked older than someone born in 1985.
18. Later that evening, Slot Personnel checked with the Cage and found out a patron had come in to claim the jackpot. The patron provided a valid identification, however, when the Slot Personnel reviewed the identification, the person who claimed the jackpot was not the person who won the jackpot. It was determined that the Cage Shift Manager failed to verify the photo and that the signatures matched prior to paying out the jackpot. It was later determined through additional investigation that the patron who won the jackpot was evicted and it was his son who claimed the jackpot.
19. 68 IAC 11-7-1(b) states for the purposes of this rule, "sensitive keys" means keys that either management or the commission considers sensitive to the casino licensee's operation and therefore require strict control over custody and issuance. The term includes keys that will allow access to currency, chips, electronic gaming devices or any item that would affect the integrity of a game.

20. 68 IAC 11-7-3(b) states sensitive keys shall be returned to custody and signed in by the same occupational licensee they were issued to unless there is a documented change of shift.
21. Blue Chip's Internal Controls Section B-5 describes Blue Chip's policy and procedure for complying with 68 IAC 11-7-3(b).
22. On March 1, 2017, a Surveillance Agent notified a Gaming Agent about a sensitive key violation. On February 28, 2017, a key alarm was going off for the Cage Door keys which were last signed out by the Cage and Credit Manager. A surveillance review indicated that the Cage and Credit Manager had placed the keys in her office and the keys can be observed on her desk most of the working day. The Cage and Credit Manager last returns the keys to her office at 3:43pm. She left the keys in her office at the end of her shift and failed to return them to the sensitive key box. The keys were discovered on her desk at 10:01pm by a Cage Shift Supervisor. A similar incident occurred in January 2017 where the Cage and Credit Manager left the keys in her drawer in her desk, failing to return them to the sensitive key box. They were in her office for approximately four hours.

### **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 IC 4-33, 68 IAC and/or 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 total of \$12,000 (\$1,500 for Count I and \$10,500 for Count II) 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.

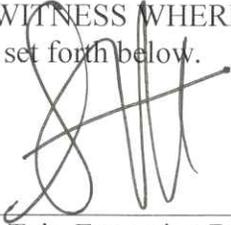
Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Blue Chip agrees to promptly remit payment in the amount of \$12,000 and shall waive all rights 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 Blue Chip.

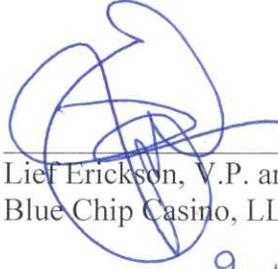
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



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

9-19-17

\_\_\_\_\_  
Date



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Lief Erickson, V.P. and Gen. Mgr.  
Blue Chip Casino, LLC

9-13-17

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Date