

**ORDER 2017-161
IN RE SETTLEMENT AGREEMENT**

**FRENCH LICK RESORT • CASINO
17-FL-03**

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

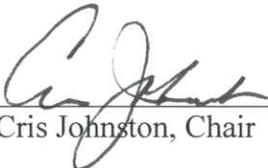
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 29th DAY OF SEPTEMBER, 2017.

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)	17-FL-03
)	

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. 68 IAC 2-3-9.2(d) requires that the form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
2. On March 18, 2017, an HR Generalist contacted a Gaming Agent and requested termination information for a Cage Cashier employee, as part of an audit of French Lick’s active licensee list. It was discovered that the Cage Cashier’s employment had been terminated on June 23, 2015, but remained active in the Commission’s Occupational Licensing Database. The employee’s termination paperwork had been signed by the Employee Relations Manager on July 1, 2015 but the paperwork had not been forwarded to the Commission as required.
3. On June 19, 2017, a Gaming Agent was printing new badges for individuals receiving new employee numbers when he discovered one of the employees did not have a new number assigned to her. The Gaming Agent notified his Supervisor who investigated further. It was determined that the employee in question had been hired in December 2013 in a non-gaming position as Kitchen Supervisor and then transferred to a gaming position of Sous Chef in August 2015. The employee quit on March 15, 2016 and the Commission was not notified of the separation. The employee had turned in her non-gaming badge and HR assumed she was not a gaming employee that required notification to the Commission.

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. French Lick Internal Controls Section K-9 describes French Licks policy and procedure for complying with 68 IAC 15-12-3(a).
6. On May 14, 2017, a Gaming Agent was notified by a Surveillance Agent about a variance on a table fill. The table fill requested 20 red \$5 chips, 20 pink \$2.50 chips, and 20 white \$1 chips. The amount that was sent to the table was 20 green \$25 chips, 20 pink \$2.50 chips, and 20 white \$1 chips. The Cage Cashier/Supervisor completed the fill and

the Security Officer did not notice the error. The Table Games Supervisor and the Dealer accepted the chips and signed the fill form.

7. 68 IAC 14-3-2(a) states all playing cards utilized by a riverboat licensee or a riverboat license applicant must comply with this rule.
8. 68 IAC 14-3-2(b) states all playing cards must meet the following specifications:
 - (1) Unless otherwise provided in this article, all decks of cards must be one (1) complete standard deck of fifty-two (52) cards in four (4) suits. The four (4) suits shall be hearts, diamonds, clubs, and spades. Each suit shall consist of numerical cards from: (A) two (2) to ten (10); (B) a jack; (C) a queen; (D) a king; and (E) an ace.
9. On June 12, 2017, a Gaming Agent observed a Dealer and two Assistant Casino Managers going through the decks of cards at a blackjack table. The Gaming Agent found this to be unusual, as the Dealer usually counts down the cards and places them back in original packaging when the table is closed. When the Agent inquired about this, the Dealer stated the nine (9) of diamonds could not be located which is why they were counting down the cards. The Gaming Agent suggested looking under the arm rail of the table and the card was discovered under the arm rail in position six (6) of the game.
10. A review of surveillance discovered that after counting down the cards, the Dealer intermingles the cards face down and the card went under the arm rail at this time. The game is put into play with the nine (9) of diamonds missing. The Dealer begins opening procedures at 11:18 and the table is closed down at 23:56.

COUNT III

11. 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.
12. 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.
13. French Lick's Internal Control Section A-7(a) describes French Lick's policy and procedures for complying with 68 IAC 11-7-3(b).
14. On May 3, 2017, a Surveillance Agent notified a Gaming Agent that sensitive keys were overdue and were last checked out by a Slot Tech Supervisor. A review of surveillance coverage shows the Slot Tech Supervisor had the sensitive keys in his tool belt, which he took off in the slot tech room and placed the tool belt in his locker at 8:04. The keys were not discovered in his locker until 17:43.

15. 68 IAC 2-6-6(c) states if a casino licensee converts an electronic gaming device, the casino licensee must take the following steps: (1) Request permission for the conversion from the commission and supply the commission with the following information:
- (A) The: (i) serial number; (ii) commission registration number; (iii) machine number; and (iv) model number; of the electronic gaming device that is being converted.
 - (B) The type of electronic gaming device that is being converted and the new type of machine if the type of machine is changed.
 - (C) The location of the electronic gaming device on the casino.
 - (D) If the electronic gaming device is: (i) a stand alone progressive; or (ii) linked to a progressive controller; the old rate of progression and the new rate of progression must be submitted.
 - (E) The current and future denomination of the electronic gaming device if the denomination is to be converted.
 - (F) The current and future control program medium number that is installed or that is to be installed in the electronic gaming device. If a new control program medium is installed in an electronic gaming device, the control program medium must be approved for use in Indiana.
 - (G) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.
- This information must be submitted to the commission at least fourteen (14) days before the casino licensee plans to make the conversion. The request for conversion shall have a space for the commission to sign indicating approval of the conversion request and a space for the signature of the enforcement agent to indicate the conversion was completed.
- (2) The commission must approve the request for conversions before a conversion may be made by the casino licensee.
 - (3) An enforcement agent must do the following:
 - (A) Perform digital signature verification on the control program media to ensure that the control program media being installed match those on the request for conversion.
 - (B) Seal the control program medium with tape in accordance with section 19 of this rule.
 - (4) In the presence of an enforcement agent, a slot technician or the equivalent shall ensure that the payglass installed on the electronic gaming device accurately reflects the payouts for the control program medium that has been installed in the electronic gaming device. The payglass test may be performed by either:
 - (A) running the payout table test; or
 - (B) ensuring the payglass matches the approved diagram set forth in the payglass manual maintained by the commission.
 - (5) The casino licensee shall do the following:
 - (A) Ensure that a copy of the par sheet for each game theme 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.
 - (6) The casino licensee must do the following:
 - (A) Update the master list of electronic gaming devices after the conversion is complete.

(B) Provide the chief counsel for the commission and the enforcement agent supervisor assigned to the casino with a copy of the updated master list within fourteen (14) days of the conversion.

17. On June 13, 2017, a Gaming Agent was advised by the Director of Slot and EVS Operations that the Slot Performance Manager failed to change the denomination on a slot machine in accordance with the change request approved in the Commission's EGDS. The Slot Techs who physically performed the slot machine movement followed a move sheet that had been provided to them by the Slot Performance Manager. The move checklist created by the casino showed the game as a \$1.00 denomination, however, the EGDS change request showed the slot machine being moved to a new location and changing from a \$1.00 denomination to a multi-denomination of \$.01, \$.02 and \$.05. Due to the incorrect denomination on the casino's checklist, the slot machine was placed into service at a denomination that was not approved by the Commission. The machine was in service for 8.75 hours.
18. 68 IAC 15-13-2(a)(b)(1) state the casino licensee shall submit policies and procedures covering manually paid jackpots. The policies and procedures for manually paid jackpots shall include the manner in which the slot attendant will verify the validity of the jackpot.
19. French Lick Internal Control Section M-8 describe French Lick's policy and procedures for complying with 68 IAC 15-13-2(a)(b)(1).
20. On February 4, 2017, a Surveillance Agent notified a Gaming Agent that a Slot Supervisor failed to notify surveillance prior to paying out a jackpot in the amount of \$8,153.
21. On February 19, 2017, a Surveillance Agent notified a Gaming Agent that a Slot Service Representative failed to notify surveillance prior to paying out a jackpot in the amount of \$1,288.
22. On March 11, 2017, a Surveillance Agent notified a Gaming Agent that a Slot Service Representative failed to notify surveillance prior to paying out a jackpot in the amount of \$2,700.
23. On July 2, 2017, a Surveillance Agent notified a Gaming Agent that a Slot Service Representative failed to notify surveillance prior to paying out a jackpot in the amount of \$1,200.
24. On July 3, 2017, a Surveillance Agent notified a Gaming Agent that a Slot Service Representative failed to notify surveillance prior to paying out a jackpot in the amount of \$1,605.

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 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.

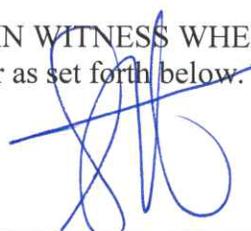
French Lick shall pay to the Commission a total of \$12,000 (\$2,000 for Count I, \$3,500 for Count II and \$6,500 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only to 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, French Lick 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 French Lick.

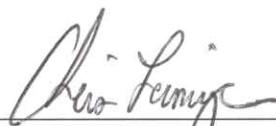
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

9-29-17

Date



Chris Leininger, General Manager
French Lick Resort • Casino

9/25/17

Date