

**ORDER 2017-168  
IN RE SETTLEMENT AGREEMENT**

**GAMING ENTERTAINMENT (INDIANA), LLC d/b/a RISING STAR CASINO  
RESORT  
17-RR-03**

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>GAMING ENTERTAINMENT (INDIANA),</b>	)	<b>17-RR-03</b>
<b>LLC d/b/a RISING STAR CASINO RESORT</b>	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Gaming Entertainment (Indiana), LLC d/b/a Rising Star Casino Resort (“Rising Star”) (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 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, including...  
(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. Rising Star Internal Controls, Section 2-3 and Section 2-6, describe Rising Star’s policy and procedures for complying with 68 IAC 11-3-2(b).
4. On April 7, 2017, a Security Lieutenant notified a Gaming Agent that the currency collection process would be cancelled due to insufficient Security staffing. The Director of Security advised that they cancelled the drop due to lack of Security staff as they had a call off.
5. On May 6, 2017, Gaming Agents were notified that the bill validator (BV) drop was being cancelled. The BV drop was for level one (1) of the casino. The cancellation was due to insufficient Security staff.
6. On June 29, 2017, Gaming Agents were notified that the currency collection process was cancelled due to insufficient Security staffing. Level three (3) was to be dropped.

## COUNT II

7. 68 IAC 14-4-6 (d) states that the riverboat licensee and occupational licensees shall not allow a patron to remove nonvalue chips permanently from the roulette table from which the nonvalue chips were issued.
8. 68 IAC 14-4-6(f) states non-value chips shall be presented for redemption only at the roulette table from which the non-value chips were issued. The riverboat licensee shall redeem non-value chips by exchanging the non-value chips for an equivalent amount of value chips.
9. On June 17, 2017, the Gaming Enforcement Assistant Supervisor was reviewing Surveillance Daily Transaction Reports when he discovered fifty (50) non-value Roulette chips had been removed from a Roulette table and were later cashed out at a Blackjack table. A patron had played Roulette on June 15, 2017 and left the table at 22:08. The same patron returned to the casino on June 16, 2017 at 09:17 to redeem his Roulette chips at a Blackjack table. The Dual Rate Supervisor and Assistant Table Games Shift Manager accept the non-value Roulette chips and pay the patron two (2) green \$25 cash value chips. The Assistant Table Games Manager takes the non-value chips and locks them in a podium. The chips remain in the podium for approximately three (3) hours until they are returned to inventory at the Roulette table.

## COUNT III

10. 68 IAC 12-1-3(a) states casino licensees must install a surveillance system in accordance with this rule.
  - (b) Surveillance systems may use digital video recording to comply with the requirements of this rule.
  - (c) The equipment used in the surveillance system must meet or exceed the following standards: (5) Analog videotape recorders must be as follows: (C) Be capable of taping what is viewed by any camera in the system. (D) Be of a sufficient number to allow the following:
    - (i) Simultaneous taping of coverage required by this rule.
11. 68 IAC 12-1-4(a) states the surveillance system must be capable of monitoring activities on the: (1) casino floor; (2) support areas; (3) areas of the pavilion through which monies are transported; and (4) all other areas necessary to further the purpose of the surveillance system; including, but not limited to, the areas specifically outlined in this rule.
  - (b) The executive director or the executive director's designee may require additional areas be monitored to ensure compliance with IC 4-33 and this title.
12. 68 IAC 12-1-5(b) states the surveillance system shall provide coverage of each of the following areas as specified in this rule: (1) Areas of the main bank, including the following: (A) A general overview of the entire area of each cage and vault area with

sufficient clarity to identify patrons and employees. (B) Dedicated coverage with sufficient clarity to identify the following: (i) Currency. (ii) Coin. (iii) Cash. (iv) Cash equivalents. (v) Chip values. (vi) Amounts on credit slips in an area where fills and credits are transacted.

13. 68 IAC 12-1-5(h) states the surveillance system must include cameras dedicated to monitoring the following: (2) The entrances and exits of the casino and the entrances and exits of the following rooms in the casino with sufficient clarity to identify a person using the entrances and exits: (A) Count rooms. (B) Vaults. (C) Surveillance rooms. (D) Security rooms. (E) Cage areas.
14. 68 IAC 12-1-9(a) states surveillance equipment that is out of service due to malfunction must be as follows: (1) Immediately: (A) reported to an enforcement agent.
15. On April 17, 2017, a Lead Surveillance Observer notified a Gaming Agent that two (2) Primary Storage Nodes (PSN) had stopped functioning. A PSN is a network video recorder. This failure caused multiple cameras to cease recording. The cameras were still functional, but coverage was not being recorded as required.

After the Surveillance Tech began working to repair the malfunction, it was discovered that the PSN's had not failed but the actual cause of the malfunction was due to power failure to two (2) encoders. Encoders are used to compress video for storage on a PSN. The two (2) encoders failed due to their age. The video lost was not recoverable. In total, fifteen (15) cameras were affected. Eight (8) cameras were not recording for one (1) hour and thirty-five (35) minutes and seven (7) cameras were not recording for eighteen (18) minutes.

16. On April 23, 2017, Gaming Agents were patrolling the casino and went to the surveillance room. While in the surveillance room, the Gaming Agents were notified by a Surveillance employee that a camera covering the Cage had stopped working at 23:57 on the 23<sup>rd</sup>. The Gaming Agents were also told that the camera had started having problems around 11:30 in the morning on the 23<sup>rd</sup>.

Upon further review by Gaming Agents, they were able to confirm that the time the camera stopped working was correct but the time of the initial problem with the camera was incorrect. The Gaming Agents determined that the camera started experiencing problems on April 19<sup>th</sup> at approximately 14:04, when the camera suddenly went dim to the extent that it was not possible to distinguish between employees and what they were doing. Surveillance did attempt to cover the area that had lost coverage by rotating another camera on April 23<sup>rd</sup> at approximately 23:34. This camera was able to cover the area but not to the extent that coverage is required.

The Gaming Agent also reviewed the Surveillance Daily Log from the time of the incident until it was fixed (April 19<sup>th</sup> – April 24<sup>th</sup>) and it was discovered that all of the cameras were checked a total of twenty-five (25) times without ever mentioning that the

camera in question was experiencing any type of issue. Eleven (11) different Surveillance employees checked the cameras.

**TERMS AND CONDITIONS**

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

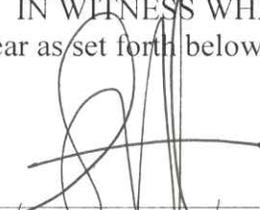
Rising Star shall pay to the Commission a total of \$15,500 (\$3,000 for Count I, \$2,500 for Count II and \$10,000 in Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only to 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, Rising Star agrees to promptly remit payment in the amount of \$15,500 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 Rising Star.

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

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

9-28-17  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Steven Jimenez, General Manager  
Rising Star Casino & Resort

9/21/17  
\_\_\_\_\_  
Date