

ORDER 2018-210

IN RE SETTLEMENT AGREEMENT

**AMERISTAR CASINO EAST CHICAGO, LLC
18-AS-04**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

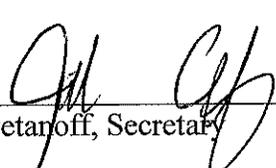
IT IS SO ORDERED THIS THE 6th DAY OF DECEMBER, 2018.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
AMERISTAR CASINO EAST)	18-AS-04
CHICAGO, LLC)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Ameristar Casino East Chicago, LLC (“Ameristar”), (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) 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. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
2. On July 6, 2018, a Gaming Agent was updating annual renewals in the occupational licensing database when it was discovered that a Dealer had not been renewed. The Dealer’s license had expired on June 6, 2018. An HR Representative confirmed that the Dealer’s employment had been terminated. The date of termination was July 24, 2015.
3. On July 26, 2018, an HR Representative inquired with Gaming Agents if a Beverage Server was active in the Occupational Licensing database. The Gaming Agent confirmed that the Beverage Server’s employment had been terminated. The date of termination was on May 8, 2018.

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.

(c) If a live gaming device fill slip was erroneous, it shall be voided and a new live gaming device fill slip generated. The person voiding the fill slip shall indicate the reason the slip was voided and sign the slip. A voided live gaming device fill shall be retained and deposited into a locked accounting box.

5. On September 26, 2018, Ameristar's Director of Compliance reported a table fill violation to Gaming Agents. On September 24, 2018, a table fill was processed for a total of \$11,000 consisting of \$10,000 in purple \$500 chips and \$1,000 in green \$25 chips. However, the table fill slip requested a total of \$11,000, consisting of \$10,000 in black \$100 chips and \$1,000 in green \$25 chips. The table fill was delivered to the table game where the Dealer broke down the chips included in the table fill and a Dual Rate Supervisor approved the table fill. The table fill paperwork was signed by all parties and placed in the drop box.

COUNT III

6. 68 IAC 15-1-2(8)(B) states the purpose of the accounting records and procedures is to ensure that no employee of the casino licensee is in a position to perpetuate and conceal errors or irregularities in the normal course of the employee's duties.
7. 68 IAC 11-3-6(c) states the soft count team shall handle drop boxes in the following manner:
 - (8) A casino licensee shall conduct an additional, independent count of the separated currency and chips. The casino licensee shall submit internal controls in accordance with 68 IAC 11 regarding the conduct of the independent count, including how the casino licensee shall guarantee independence of the independent count.
 - (13) Upon completion of the master gaming report, the soft count team members not performing the job of recorder shall run totals of the table count slips and compare that information to the totals recorded on the master gaming report. The casino licensee shall investigate variances of two percent (2%) or more. The reason for the variance, if known, shall be entered on the master gaming report. If the reason is not known, this shall be noted. The casino licensee may require investigations for variances of less than the threshold amount.
 - (14) Variances of two percent (2%) or more that are not reconciled through subdivision (13) shall be investigated by the accounting director or designee. The results of the investigation shall be recorded on the master gaming report. The accounting director or designee shall sign and date the master gaming report. The casino licensee may require investigations for variances of less than the threshold amount.
 - (17) Discrepancies between the independent physical inventory and the totals entered on the master gaming report or the bill validator report shall be investigated by independent recounts conducted by the casino licensee. If the master gaming report or the bill validator report was erroneous, it shall be voided and a new master gaming report or the bill validator report generated with the appropriate signatures. A voided copy of the master gaming report or the bill validator report shall be retained and attached to the completed and signed copy of the new master gaming report or bill validator report.
 - (18) After reconciliation of the master gaming report, the bill validator report, and the physical inventory conducted by the main bank cashier, the main bank cashier shall verify the accuracy of and sign and date the master gaming report and the bill validator report in the appropriate section. When the main bank cashier signs the master gaming report and the bill validator report, the main bank assumes responsibility for the currency, coins, and chips.
8. 68 IAC 11-1-3(c)(4) states that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
9. 68 IAC 13-1-1(b)(2) and (3) states the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the

licensee is not complying with licensure conditions or is not complying with this Act or this title.

10. Ameristar's approved internal control procedures, F-7, describe the procedures of the count process and the procedures to be followed by the Cage Team Member to reconcile the buy.
11. 68 IAC 12-1-6 states surveillance employees must continuously monitor and visually record the following: (1) Soft count procedures in accordance with 68 IAC 11-3.
12. On September 19, 2018 at approximately 3:00PM, the Ameristar Director of Compliance notified Gaming Agents that \$200,000 was missing from the table drop and indicated that she believed the missing funds were stuck or jammed inside the currency counter in the soft count room. Forty-five (45) minutes later, the Director of Compliance made notification again to the Gaming Agents that Surveillance tried to view inside the currency counter, but could not get a good enough view, therefore, the casino would be sending a Security Officer and the Cage Manager into the room to look for the funds. Approximately thirty (30) minutes later, the Director of Compliance advised that the \$200,000 was located on top of the Currency counter in the count room.
13. On September 20, 2018, Ameristar's Director of Compliance sent an email correspondence to Gaming Enforcement Supervisors and the Commission's Director of Compliance detailing the events that occurred on September 19th. An additional email notification was made on September 26, 2018 regarding the termination of the Count Room Supervisor.
14. On September 28, 2018, a Gaming Agent reviewed surveillance coverage. Surveillance coverage showed a Count Team Member placing straps of \$100 dollar bills into a bag and setting it on top of the currency counter. Approximately, four (4) minutes later, another Count Team Member opened the top portion of the currency counter, blocking the view of the bag which contained \$200,000. During the count process, the Count Room Supervisor reported a jam while processing the funds for one table game which resulted in the funds from this table game being run through the currency counter on two (2) occasions. The Count Room Supervisor manually corrected the counts on the tape.

At the conclusion of the count process, the total amount on the buy-slips did not match the Master Gaming Report (MGR). The Count Room Supervisor acknowledged that the numbers would be off due to one of the tables being run twice through the currency counter due to a machine jam. This jam resulted in a variance of \$6,926. The Count Room Supervisor then manually adjusted the MGR to match the buy-slips, creating a forced balance. The variance for the count was not only due to the table being run twice through the currency counter but the \$200,000 in the missing bag.

The Count Room Supervisor left \$200,000 in the count room, did not search the count room for the missing funds, failed to investigate the entire variance which was greater than 2%, as required, and forced a balance on the MGR and the currency counter

paperwork. The Cage Team Member accepted the buy without properly scrutinizing the paperwork and reconciled the buy to the actual count rather than reconciling the buy to the MGR, violating internal control procedures.

While monitoring the count process, Surveillance failed to notice the \$200,000 on top of the currency counter. When Surveillance was notified of the variance, Surveillance Operators still did not notice the \$200,000. A Surveillance employee acknowledged to Gaming Agents that a mistake was made and that Surveillance should have identified the bag before the Cage Manager entered the count room and discovered the bag. The Surveillance employee also said it was not standard procedure to view the physical totals on the MGR paperwork, however, they do observe the Count Room Supervisor balancing the count. Gaming Agents, as well as, the Commission's Director of Audit viewed the surveillance coverage and confirmed that the missing funds should have been detected by Surveillance.

COUNT IV

15. 68 IAC 11-9-2(a) states the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
16. 68 IAC 11-1-3(c)(4) states that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
17. 68 IAC 13-1-1(b)(2) and (3) states the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
18. Ameristar's approved internal controls, C-18, describe the procedures for the Child Intercept Process.
19. On September 25, 2018, a Gaming Agent audited the Child Support Arrears Delinquency Registry (CSADR). This audit covered the months of January 2018-September 2018. The results of this audit found forty-one (41) individuals were searched by an incorrect social security number and one hundred fourteen (114) individuals were not searched through the CSADR system at all. When the individuals were searched after the fact by Gaming Agents, they did not find any delinquent obligors.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Ameristar by and through its Agents as described herein constitute a breach of IC 4-33, 68 IAC and/or Ameristar's approved

internal control procedures. The Commission and Ameristar hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Ameristar.

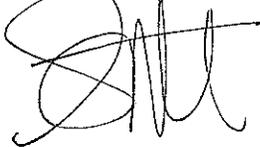
Ameristar shall pay to the Commission a total of \$69,000 (\$2,000 for Count I, \$2,000 for Count II, \$25,000 for Count III and \$40,000 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this Agreement. This Agreement 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 Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Ameristar agrees to promptly remit payment in the amount of \$69,000 and shall waive all rights to further administrative or judicial review.

This 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 Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement shall be binding upon the Commission and Ameristar.

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



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

12/4/18

Date



Matthew Schuffert, VP/GM
Ameristar Casino East Chicago, LLC

11/30/18

Date