

ORDER 2019-102

IN RE SETTLEMENT AGREEMENT

**FRENCH LICK RESORT • CASINO
19-FL-02**

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

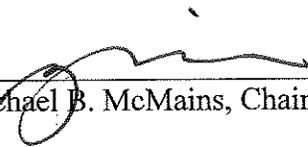
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

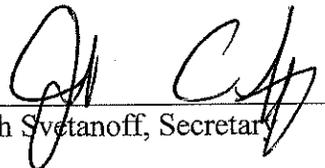
IT IS SO ORDERED THIS THE 30th DAY OF MAY, 2019.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
FRENCH LICK RESORT•CASINO)	19-FL-02
)	

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 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 11-1-3(c)(4) provides 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.
2. 68 IAC 13-1-1(b)(2) and (3) provides that 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.
3. French Lick’s approved internal controls, L-16, describe the procedures for the rules of the game for Mississippi Stud.
4. French Lick’s approved internal controls, L-12, describe the procedures for the rules of the game for Texas Hold’em Bonus Poker.
5. On February 5, 2019, a Gaming Agent was notified by surveillance that a Dealer at Mississippi Stud failed to count down the cards when he began dealing the game. The Dealer failed to count down the cards on at least eight (8) occasions during his shift.
6. On February 11, 2019, a Gaming Agent was notified by surveillance that a Table Games Supervisor/Dealer at Mississippi Stud failed to count down the cards when he began dealing the game.
7. On March 11, 2019, a Gaming Agent was notified by surveillance that a Table Games Supervisor/Dealer at Texas Hold’em Bonus Poker failed to count down the cards when he began dealing the game.

8. On March 22, 2019, a Gaming Agent was notified by surveillance that a Table Games Supervisor/Dealer at Texas Hold'em Bonus Poker failed to count down the cards when he began dealing the game.
9. 68 IAC 11-4-4(a) provides, in relevant part, that at any time when a live gaming device is closed, chips remaining at the live gaming device shall be counted by the appropriate level of occupational licensee assigned to the live gaming device and verified by the pit boss or the equivalent.
 - (b) A live gaming device inventory slip shall be prepared.
 - (c) The occupational licensee and the pit boss or the equivalent who observed the count of the contents of the tray shall sign the inventory slip at the time of closing the live gaming device attesting to the accuracy of the information recorded.
10. On February 23, 2019, a Gaming Agent was performing a routine pit inspection when it was determined that the closing table inventory slip (TIS) was not correct on a craps table. The TIS was off by \$1 in white \$1 chips.
11. On February 24, 2019, a Gaming Agent was performing a routine pit inspection when it was determined that the closing TIS was not correct on a Mississippi Stud table. The TIS was off by \$10 in white \$1 chips.
12. On March 25, 2019, a Gaming Agent was performing a routine pit inspection when it was determined that the closing TIS was not correct on a Three Card Poker table. The TIS was off by \$5,000 in purple \$500 chips.
13. 68 IAC 14-7-4(e) provides that if a riverboat licensee uses a roulette wheel that has external movable parts, any adjustments to the movable parts shall be made by the pit boss or equivalent in the presence of a Gaming Agent. Adjustments to the movable parts of a roulette wheel that is located in the gaming area shall be made only: (1) when the gaming area is not open to the public; or (2) after the roulette wheel has been moved to a secure location outside the gaming area as approved by the executive director or the commission.
 - (f) All adjustments shall be completed before the required inspections in subsection (a).
 - (g) The riverboat licensee may replace any of the movable parts at any time, provided, however, if any one (1) or more of the movable parts is external, then a gaming agent must complete an inspection before the riverboat licensee may reopen the roulette wheel and table for gaming activity.
14. 68 IAC 14-4-6(c) provides that nonvalue chips that are issued at a roulette table shall:
 - (1) be used for gaming only at that table; and (2) not be used for gaming at any other roulette table or live gaming device.
 - (d) 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.

15. On March 15, 2019, a Gaming Agent was notified by surveillance that there was a missing light green chip at a roulette table. After reviewing the surveillance coverage, it was determined that the Table Games Supervisor took some light green non-value roulette chips from a Server who had received the chips for payment for a drink. The Table Games Supervisor set the chips on the roulette wheel to color them up. When the Table Games Supervisor attempted to remove the chips from the roulette wheel, a chip fell into the well that the roulette wheel sits in. The roulette wheel was moved in an attempt to obtain the chip. However, when the Table Games Supervisor was unable to recover the chip, the roulette wheel was moved back. The roulette game was still open at during this time. Once the last patron left the table, the Table Games Supervisor lifted the roulette wheel so the Dealer could reach under the roulette wheel to recover the chip. The Table Games Supervisor checked the balance of the roulette wheel with a level and subsequently thereafter moved the roulette wheel an additional time. The movement of the roulette wheel was not reported to the Gaming Agents or a Shift Manager. The roulette wheel was not checked to see if it was balanced after it was moved a second time.

16. 68 IAC 14-4-6(c) provides that nonvalue chips that are issued at a roulette table shall:
(1) be used for gaming only at that table; and (2) not be used for gaming at any other roulette table or live gaming device.

17. On February 9, 2019, a Gaming Agent was notified by an Assistant Casino Manager that a Table Games Floor Supervisor was removing non-value chips from a roulette table and walking around the pit with them.

After reviewing the surveillance coverage, it was determined that at approximately 02:21hrs, the Table Games Floor Supervisor removed ten (10) light blue non value roulette chips from the roulette table and walked away. At 02:22hrs, the Dealer placed one of the light blue chips on the roulette wheel with a lamer to denote that some of these chips were out of play. Then, the Table Games Floor Supervisor returned to the roulette table and played with some more light blue chips before keeping ten (10) chips. At 02:25hrs, the Dealer again placed one of the light blue chips up on the roulette wheel to denote that the light blue chips were out of play. At 02:27hrs, the Table Game Floor Supervisor took the chip off the roulette wheel and returned it to the stack. Approximately thirty (30) seconds later, the Table Games Supervisor returned the ten (10) light blue non-value chips to the game. This same sequence of events occurred again from 2:28hrs until 2:43hrs, but with the light green non-value roulette chips.

18. 68 IAC 16-1-7 provides, in relevant part, that procedures shall be established for the computerized and manual issuance of markers, which includes (1) A designation of those occupational licensees who are authorized to issue markers and a description of their duties.

19. French Lick's approved internal control procedures, K-12, describe the procedures for table marker issuance.

20. On February 10, 2019, a Gaming Agent was notified by a Surveillance Agent that he overheard radio traffic that a Security Officer/EMT was transporting a marker. Surveillance had not been notified of the issuance of the marker.
21. 68 IAC 14-3-5(a) provides that all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
22. On March 1, 2019, a Gaming Agent was notified by an Assistant Casino Manager that a deck of playing cards had been left unsecured in the discard rack for approximately five (5) hours.
23. 68 IAC 14-3-5(c) provides that casino licensees shall maintain an inventory of all dice and playing cards on forms prescribed by the commission. The inventory shall contain the following information: (4) The quantity of dice and playing cards that are: (B) removed from play due to suspected tampering and the date of the removal.
24. On March 19, 2019, a Gaming Agent was notified that a Security Officer was in the card and dice cancellation room to cancel playing cards from gaming date March 17, 2019. The Security Officer found a make-up deck without a table games discrepancy report form. The Security Officer explained that a make-up deck would be placed into play when a deck of playing cards becomes flawed or damaged and should include a table equipment discrepancy form to report why the cards were replaced.

After reviewing the surveillance coverage, it was determined that a male patron spilled beer on a playing card which led to the deck of playing cards being removed from play. However, the Assistant Casino Manager packaged the deck of playing cards without completing the table equipment discrepancy form.
25. On April 16, 2019, a Gaming Agent was notified that a Security Officer was in the card and dice cancellation room to cancel cards from gaming date April 14, 2019. The Security Officer found a make-up deck without a table games discrepancy report form.
26. After reviewing the surveillance coverage, it was determined that a female patron spilled wine at a table game which seeped into the dealing shoe containing the playing cards. This led to the deck of playing cards being removed from play. However, the Table Games Supervisor failed to complete the table games equipment discrepancy report and failed to bag the deck of playing cards separately. Instead, the playing cards were placed in a locked drawer with the other playing cards that were used on that gaming day.
27. French Lick's approved internal control procedures, K-16, describe the procedures for card, dice and layout control.
28. On March 25, 2019, a Gaming Agent was notified by Security that six (6) decks of playing cards in the card and dice cancellation room had the wrong date on the decks and one (1) of the decks only had one signature on it.

29. On April 8, 2019, a Gaming Agent was notified by Security that two (6) decks of playing cards in the card and dice cancellation room had the wrong date on the decks. These decks also only had one signature on them.

COUNT II

30. 68 IAC 11-1-2 (1) provides that the procedures of the internal control system are designed to ensure the assets of the casino are safeguarded.
31. 68 IAC 1-5-1 provides, in relevant part, that a casino or supplier licensee shall provide a written notice to the executive director as soon as the casino or supplier licensee becomes aware of the following:
- (1) a violation or apparent violation of a rule of the commission by any of the following:
 - (A) the casino or supplier licensee.
 - (10) Apparent criminal activity taking place at the casino. A casino licensee shall submit the notice required under this subdivision to a gaming agent in addition to submitting it to the executive director.

On February 24, 2019, a Gaming Agent reviewed an incident where a patron had been making improper wagers at a craps table. An investigation determined that this patron had shorted the casino on his wagers on at least four occasions, each time causing monetary losses to the casino.

It was further determined that after the first incident of the patron shorting the casino funds, the Dealer at this table made a Table Games Supervisor aware of the improper bets being placed at the craps table by the patron. However, the Table Games Supervisor failed to report the allegation of improper bets to the Casino Manager or a Gaming Agent. Later, a Table Game Supervisor caught the male patron attempting to make another improper bet, but it was still another hour until the Casino Manager was notified of the improper bets. It took an additional ten (10) additional minutes to notify Gaming Agents and Surveillance.

COUNT III

32. 68 IAC 2-6-5(8)(A) provides that electronic gaming devices must display an accurate representation of each game outcome using rotating reels.
33. On March 5, 2019, a Gaming Agent observed a Slot Supervisor and Slot Service Representative engaged in conversation with a patron. Thinking the conversation might result in a patron complaint, the Gaming Agent asked if there was an issue with the slot machine. The patron was questioning her payout since the reels indicated a win. A check of the slot machine determined that the 1st and 3rd reels were interchanged and did not indicate an accurate representation of the game played. This caused the patron to be misled regarding her payout. After reviewing the surveillance coverage, it was confirmed the interchanged reels occurred on February 28, 2019. Surveillance also confirmed that

after installing the reels, a reel check was not performed. Thus, the reels were incorrect for five (5) days.

34. 68 IAC 11-1-3(c)(4) provides 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.
35. 68 IAC 13-1-1(b)(2) and (3) provides that 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.

French Lick's approved internal control procedures, M-8, Credit Meter Payouts, describe the procedures for credit meter payouts on slot machines.

36. French Lick's approved internal control procedures, A-5, describe the procedures for TITO's and ticket issuance.
37. On February 23, 2019, a Gaming Agent was notified by a Slot Rep Supervisor that a TITO ticket in the amount of \$1,430.10 was printed from a slot machine.

It was determined that on April 26, 2018, this slot machine was RAM cleared. It was confirmed that the Slot Tech working on the slot machine at that time failed to set the voucher limit correctly to \$1,199.99. This led to the slot machine having an incorrect ticket setting for approximately ten (10) months.

38. 68 IAC 2-6-40(d) provides that a progressive controller entry authorization log must be maintained within each controller. The log shall be on a form prescribed by the commission and completed by an individual gaining entrance to the controller.
39. On February 1, 2019, a Gaming Agent was assisting a Slot Tech and Aristocrat Field Service Technician with the installation of new software. The Aristocrat Field Service Technician requested the progressive controller be opened for a software update. At this time, it was determined that there was no progressive entry authorization log. This slot machine was placed in this location on June 6, 2018. It is unknown if the slot machine ever had a log with the progressive controller.

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.

French Lick shall pay to the Commission a total of \$18,500 (\$10,500 for Count I, \$5,000 for Count II and \$3,000 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 Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, French Lick agrees to promptly remit payment in the amount of \$18,500 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 French Lick.

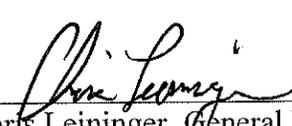
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

Date

5/28/19



Chris Leininger, General Manager
French Lick Resort • Casino

Date

5/21/19