

**ORDER 2020-45  
IN RE SETTLEMENT AGREEMENT**

**AMERISTAR CASINO EAST CHICAGO, LLC  
20-AS-01**

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 10<sup>th</sup> DAY OF JULY, 2020.**

**THE INDIANA GAMING COMMISSION:**



\_\_\_\_\_  
Michael B. McMains, Chair

ATTEST:



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

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>AMERISTAR CASINO EAST</b>	)	<b>20-AS-01</b>
<b>CHICAGO, LLC</b>	)	

**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 2-3-8(b) provides, in relevant part, that an occupational licensee must request renewal of the license on a form prescribed by the commission no less than thirty (30) days before the expiration of the occupational license.
2. On January 3, 2020, a Gaming Agent discovered that an individual holding the position of the Sous Chef had not renewed his three year occupational license which expired on December 26, 2019. The Sous Chef worked on December 27<sup>th</sup>, December 28<sup>th</sup>, December 31<sup>st</sup>, January 1<sup>st</sup> and January 2<sup>nd</sup> on an expired license.
3. 68 IAC 2-3-9.2 provides, in relevant part, that 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.
4. On November 8, 2019, the Commission's Director of Background Investigations inquired with Gaming Agents about a Sports Book Rep whose license was revoked on October 2, 2019 but remained active in the Occupational Licensing Database. A Gaming Agent inquired with an HR Representative and discovered that termination paperwork had not been filed with Human Resources when the Sports Book Rep's license was revoked.

**COUNT II**

5. IC 4-33-9-12(a) provides that a person who is less than twenty-one (21) years of age may not be present in the area of a riverboat where gambling is being conducted.

6. 68 IAC 1-11-1(c) provides that a person under twenty-one (21) years of age shall not be present in a casino.
7. On November 2, 2019, Surveillance notified a Gaming Agent that an underage person had been located on the casino floor attempting to obtain a player's card. A review of surveillance coverage determined that Security Officers at the casino entrance did not request identification from the underage person. The underage person was 18 years old.

### COUNT III

8. 68 IAC 12-1-9(a)(2) provides that surveillance equipment that is out of service due to malfunction must be repaired within twenty-four (24) hours.
9. On October 4, 2019, Surveillance notified a Gaming Agent that a camera in the soft count room was out. The outage was discovered during a routine camera check. While alternate coverage was available and Gaming Agents were notified immediately of the outage, the camera was not repaired within twenty-four (24) hours. Gaming Agents were notified of the outage at 1:23 p.m. on October 4, 2019 and the camera was not repaired until 7:03 a.m. on October 6, 2019.

### COUNT IV

10. 68 IAC 11-3-6(c) provides, in relevant part, that the soft count team shall handle drop boxes in the following manner:
  - (2) The drop box shall be opened by the appropriate soft count team member, and the entire contents of the drop box shall be emptied onto the soft count table.
  - (3) The inside of the empty drop box shall be held up for full view by the surveillance camera, and at least one (1) member of the soft count team shall verify that the drop box is empty.
11. Ameristar's approved internal control procedures, F-6.1, describe its count process.
12. 68 IAC 15-10-4.1 provides that (a) cage inventories must be accurately reported at the conclusion of a shift on the inventory form used by the casino licensee. Overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered.
  - (b) Cage variances of five hundred dollars (\$500) or two percent (2%), whichever is less, must be reported on a form approved by the commission to the following within one (1) business day after the discovery of the variance:
    - (1) The security department.
    - (2) The surveillance department.
    - (3) An enforcement agent.
  - (c) Variances of five thousand dollars (\$5,000) or more, or a variance that is of a nature that indicates criminal activity must be reported on a form approved by the commission to the following immediately:
    - (1) The security department.
    - (2) The surveillance department.

(3) An enforcement agent.

These variances must be reported to the commission audit staff at the beginning of the next business day.

(d) Variances of five hundred dollars (\$500) or two percent (2%), whichever is less, or a variance that is of a nature that indicates criminal activity must be investigated by the casino licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. Unresolved variances must be investigated by the accounting director or designee. The results of the investigation shall be reported on the document provided to him or her by the cage department. Surveillance tapes or records relating to the variance must be preserved and retained by the casino licensee until the commission audit director advises that the tapes or records, or both, may be recycled. The results of an investigation into these variances must be reported to an enforcement agent. If the variance that was investigated exceeded five thousand dollars (\$5,000), the results of the investigation must also be reported to the commission audit staff.

(e) The casino licensee's internal auditor must review, on a quarterly basis, cage variances to ensure that the variances are appropriately and thoroughly investigated and reported. The results of the internal auditor's review must be reflected on the quarterly internal audit report filed in accordance with 68 IAC 15-8.

13. On October 30, 2019, Surveillance notified Gaming Agents of two (2) variances that occurred in soft count in the amount of \$5,627 and \$10,619 from two (2) electronic gaming device ("EGD") bill validator ("BV") boxes. A Senior Financial Analyst had notified Surveillance of the two variances.
14. On October 31, 2019, a review of surveillance coverage determined that a Count Team Member had placed the two (2) BV boxes in question on top of the emergency drop ("e-drop") BV boxes for the same EGD's. The Count Team Member scanned the regular BV boxes but instead opened up the e-drop boxes and removed the currency from them. The unopened "hot" BV boxes were placed back into the drop cart. The two (2) "hot" BV boxes were placed on the casino floor next to the two (2) EGD's at 5:08 a.m. on October 25, 2019 to be placed back into the EGD's as a part of the drop process. The "hot" BV boxes were unsecured for approximately 2.5 hours. The "hot" BV boxes remained in the EGD's until October 29, 2019 when the BV boxes were pulled, replaced and counted. As a result, Ameristar had a total variance of \$16,246. Reports for the gaming day October 21, 2019 showed a cash drop for one EGD being \$14,899 but the actual cash drop was \$9,272 (the amount in e-drop box). The second EGD should have been \$17,145 but the actual cash drop was \$6,526 (the amount in the e-drop box). The variance from gaming day October 29<sup>th</sup> balanced with the variance from gaming day October 21<sup>st</sup>.
15. On December 7, 2019, Surveillance notified Gaming Agents that a strap of twenty (20) dollar bills, totaling \$2,000 was missing. The incident occurred on December 5<sup>th</sup> and was reported by a Cage Assistant Shift Manger.

A review of surveillance coverage determined that a Count Team Member was observed placing nine (9) straps into a bag, followed by seven (7) straps and then three (3) straps.

The bag is sealed and initialed by the Count Team Member with only nineteen 19 straps. Surveillance advised that the Multi Pocket Currency Sorter (the “MPS”) machine counts and straps the money and drops it into a bin which stops when it has strapped twenty (20) bundles. When the MPS stopped, the Count Team Member assumed there were twenty (20) bundles in the bin and neglected to count the bundles correctly as she placed them into the bag. The MPS has sensors that will stop strapping when there is not enough money to form a bundle which is why there were only nineteen (19) bundles. If the Count Team Member had counted the actual number of straps against the machine count, there would have been a variance.

16. Chapter 10, Section 3(d) of the Emergency Sports Wagering Rules provides that if the sports wagering window net receipts for the shift, as generated by the system, does not agree with the sports wagering count sheet total plus the sports wagering inventory, the shift supervisor shall record any overage or shortage. If the count does not agree, the cashier and the shift supervisor shall attempt to determine the cause of the discrepancy in the count. Any discrepancy that cannot be resolved by the cashier and the shift supervisor shall be reported in writing to the department supervisor in charge at such time. Any discrepancy in excess of five hundred dollars (\$500) shall be reported to the commission. The report shall include:
  - (1) date on which the discrepancy occurred;
  - (2) shift during which the discrepancy occurred;
  - (3) name of the cashier;
  - (4) name of the supervisor;
  - (5) window number; and
  - (6) amount of the discrepancy.
17. The Commission’s Audit Division requires all casinos to send in their sports wagering variances at the end of each month. At the conclusion of September 2019, Ameristar had not reported any sports wagering variances to the Commission’s Audit Division. In mid-October 2019, the Audit Division became aware that multiple sports wagering variances had not been reported to the Audit Division as required.

### COUNT V

18. IC 4-38-5-4(a) provides that a certificate holder or vendor may accept wagers on professional and collegiate sporting events approved for sports wagering by the commission, and other events as approved by the commission. A certificate holder or vendor may use data selected in a manner approved by the commission to determine whether a wager is a winning wager.
19. Chapter 7, Section 1(a) and (b) of the Emergency Rules for Sports Wagering provides that before accepting wagers on any event category from patrons, a sports wagering operator must receive event category approval from the executive director or the executive director’s designee. The sports wagering operator shall provide notice to the executive director or the executive director’s designee and such notice shall include the name of the sports governing body and a description of its policies and procedures

regarding event integrity. The commission reserves the right to prohibit the acceptance of any wagers, and may order the cancellation of wagers and require refunds on any event for which wagering would be contrary to the public policies of the state.

(b) The commission will post approved event categories to its website.

20. On July 23, 2019, the Commission issued a directive on approved events for sports wagering which indicated that collegiate events shall be limited to NCAA Division I sports.
21. On November 6, 2019, the Commission's Director of Sports Wagering and Paid Fantasy Sports (the "DSW") requested that the Sports Wagering Gaming Enforcement Investigator (the "SWI") conduct an audit investigation regarding a Division II Men's College Basketball Game being offered for wagering in Indiana retail and mobile platforms. The DSW had identified that a Division II Men's College Basketball game had been offered on at least one platform.
22. On November 9, 2019, it was discovered that Kambi Group PLC D/B/A Sports Information Services Limited ("Kambi"), the sports book provider for Ameristar Casino, had offered four (4) men's college basketball games that included a non-division I team. The four games offered on the Kambi platform were as follows: 1) TCU Horned Frogs (Division I) vs Southwestern Pirates (Division III); 2) LIU Post Pioneers (Division II) vs Rhode Island Rams (Division I); 3) Howard Bison (Division I) vs Washington Adventist Shock (Division II); and 4) Florida National Conquistadors (Division II) vs North Florida Ospreys (Division I).
23. On November 12, 2019, Kambi's Head Sportsbook Controller notified the DSW that Kambi had offered Division II and Division III events across all platforms offered by Kambi.
24. On December 16, 2019, a Gaming Agent was notified by the SWI that unapproved events had been offered across the Kambi platform on December 13, 2019. The following NCAA football games were offered: 1) Muhlenberg Mules vs North Central Cardinals, a NCAA Football Division III play-off semifinal; 2) Slippery Rock vs Minnesota State Mankato Mavericks, a NCAA Football Division II play-off semifinal; 3) Wisconsin Whitewater Warhawks vs St. Johns Johnnies, a NCAA Football Division III play-off semifinal; and 4) Ferris State Bulldogs vs West Florida, a NCAA Football Division II play-off semifinal.
25. On January 6, 2020, the DSW notified Gaming Agents of a sports wagering offering violation on December 30, 2019. The Penn Interactive Ventures Director of Sports Book Operations notified the DSW that a matchup between Penn State York, a Division II NCAA men's basketball team and University of Maryland, Baltimore County (UMBC), a Division I men's basketball team, was mistakenly received from Kambi.

Due to a technological mapping error within their system, this offering was sent to Ameristar. As a result of the error, however, patrons were able to view a matchup

displayed as Penn State Nittany Lions (Division I Basketball Team) vs UMBC (Division I Men's Basketball Team) which is a matchup that did not exist.

### **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, IC 4-38, 68 IAC, the Emergency Rules for sports Wagering 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 \$19,000 (\$2,000 for Count I, \$1,500 for Count II, \$1,500 for Count III, \$9,500 for Count IV and \$4,500 for Count V) and ensure that all wagers placed on all unapproved sports wagering events are voided and the original wager is returned to the player in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in 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: 1) promptly remit payment in the amount of \$19,000; 2) ensure that all wagers placed on all unapproved sports wagering events are voided and the original wager is returned to the player; and 3) waive all rights to further administrative or judicial review.

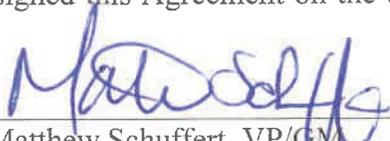
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

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.

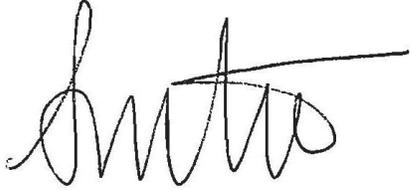
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Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

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

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Date

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



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Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

6/24/20

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Date

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

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Date