

**ORDER 2020-47
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC
20-BC-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 10th DAY OF JULY, 2020.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
BLUE CHIP CASINO, LLC) **20-BC-01**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Blue Chip Casino, LLC (“Blue Chip”) (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. IC 4-38-11-1 provides that (a) the bureau shall provide information to a certificate holder concerning persons who are delinquent in child support.
 - (b) Prior to a certificate holder disbursing a payout of six hundred dollars (\$600) or more, in winnings, from sports wagering to a person who is delinquent in child support and who is claiming the winning sports wager in person at the certificate holder's facility, the certificate holder:
 - (1) may deduct and retain an administrative fee in the amount of the lesser of:
 - (A) three percent (3%) of the amount of delinquent child support withheld under subdivision (2)(A); or
 - (B) one hundred dollars (\$100); and
 - (2) shall:
 - (A) withhold the amount of delinquent child support owed from winnings;
 - (B) transmit to the bureau:
 - (i) the amount withheld for delinquent child support; and
 - (ii) identifying information, including the full name, address, and Social Security number of the obligor and the child support case identifier, the date and amount of the payment, and the name and location of the licensed owner, operating agent, or trustee; and
 - (C) issue the obligor a receipt in a form prescribed by the bureau with the total amount withheld for delinquent child support and the administrative fee.
 - (c) The bureau shall notify the obligor at the address provided by the certificate holder that the bureau intends to offset the obligor's delinquent child support with the winnings.
 - (d) The bureau shall hold the amount withheld from the winnings of an obligor for ten (10) business days before applying the amount as payment to the obligor's delinquent child support.
 - (e) The delinquent child support required to be withheld under this section and an administrative fee described under subsection (b)(1) have priority over any secured or

unsecured claim on winnings except claims for federal or state taxes that are required to be withheld under federal or state law.

2. Chapter 5, Section 2(2)(W) of the Emergency Rules for Sports Wagering provides that prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for withholding winnings from delinquent child support obligors in accordance with IC 4-38-11, including a plan for complying with IC 4-38-11 if the sports wagering operator allows the redemption of tickets via mail.
3. 68 IAC 11-9-2(a) provides that 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.
4. 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.
5. Blue Chip's approved internal control procedures, R-8 and K-23, describe its procedures for child support arrears delinquency reporting.
6. Gaming Agent's audited the Child Support Arrears Delinquency Registry (the "CSADR") for September 2019, and the results found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
7. Gaming Agent's audited the CSADR for October 2019, and the results found twelve (12) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
8. Gaming Agent's audited the CSADR for November 2019 and the results of this audit found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

COUNT II

9. 68 IAC 15-6-4(b) provides that vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.
10. 68 IAC 15-6-4(e) provides that the vendor and visitor log shall contain the following information:
 - (1) The name of the vendor or visitor.
 - (2) The company or organization the vendor or visitor represents.
 - (3) The date and time the vendor or visitor entered the casino.
 - (4) The purpose that necessitates the vendor or visitor entering the casino.

- (5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino.
- (6) If the person is a visitor, the individual who authorized the visitor's presence in the casino.
- (7) 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.
11. On January 24, 2019, the Commission issued a memorandum to all casino licensees on occupational licenses. The memorandum states vendor or visitor badges are not to be utilized by those who hold or should hold an individual license. Per the memorandum, if individuals who hold or should hold attempt to access the gaming floor using a vendor or visitor badge, casino staff should assist in the matter by refusing entry and directing the individuals to local Gaming Agents for assistance.
12. On October 1, 2019, a Gaming Agent performed an inspection of the vendor log for September 2019 and identified the following violations.
13. On September 1, 2019, despite being an occupational licensee, an IGT employee utilized a vendor's badge. The log did not note his Commission occupational license number.
14. On September 4, 2019, despite being an occupational licensee, a Fan Duel employee utilized a vendor's badge. The log incorrectly noted his Commission occupational license number.
15. On September 5, 2019, despite being an occupational licensee, a Fan Duel employee utilized a vendor's badge. The log did not note his Commission occupational license number.
16. On September 5, 2019, despite being an occupational licensee, a Bally Service Tech utilized a vendor's badge. The log did not note his Commission occupational license number.
17. On September 16, 2019, despite being an occupational licensee, a Cummins-Allison Field Engineer utilized a vendor's badge. The log did not note his Commission occupational license number.
18. On December 2, 2019, a Gaming Agent performed an inspection of the vendor log for November 2019 and identified the following violations.
19. On November 19, 2019, despite being an occupational licensee, a Scientific Games Field Service Tech utilized a vendor's badge. The log did not note the purpose of his visit.
20. On December 6, 2019, Blue Chip was unable to locate the original vendor logs for November 27, 2019, November 28, 2019, November 29, 2019, and November 30, 2019.

COUNT III

21. 68 IAC 15-12-4(3) provides that live gaming device credits shall proceed in the following manner: Surveillance shall be notified that a live gaming device credit is being processed.
22. On January 4, 2020, Surveillance notified Gaming Agents that a table credit in the amount of \$3,120 had been processed without notifying Surveillance.
23. 68 IAC 11-4-4 provides that (a) 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.
 - (d) The occupational licensee shall immediately deposit the closer in the drop box.
 - (e) The pit boss or the equivalent shall place the opener on the live gaming device tray in a manner that the amounts on the opener may be read through the cover, and lock the transparent live gaming device tray lid in place.
24. On October 1, 2019, Surveillance notified Gaming Agents that there was a discrepancy with the closing chip inventory. When a craps table was closed, it listed \$17,275 in green \$25 chips. When the table was opened for play, it was discovered that there were \$17,775 in green \$25 chips.
25. On January 6, 2020, Surveillance notified Gaming Agents that there was a discrepancy with the closing chip inventory. When a craps table was closed, it listed \$21,500 in purple \$500 chips. When the table was opened for play, it was discovered that there were \$22,500 in purple \$500 chips.

COUNT IV

26. 68 IAC 11-7-1(b) provides that 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.
27. 68 IAC 11-7-3(b) provides that 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.
28. On January 12, 2020, Security notified Gaming Agents that a Cage Cashier had not returned a set of sensitive keys. When a new Cage Cashier coming on shift attempted to sign out sensitive keys, it was discovered that the keys were missing. It was then

discovered the Cage Cashier left the property with the keys in her possession. The sensitive keys were off property for fifty (50) minutes.

29. On January 19, 2020, Security notified Gaming Agents that a Sportsbook Supervisor had taken a set of sensitive keys off property. The keys were discovered missing when the Sportsbook Assistant General Manager and Sportsbook Supervisor attempted to sign out a third set of keys and were denied. It was then determined that the Sportsbook Supervisor had left property with the keys. The keys were off property for fourteen (14) hours.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Blue Chip 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 Blue Chip's approved internal control procedures. The Commission and Blue Chip hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Blue Chip.

Blue Chip shall pay to the Commission a total of \$27,000 (\$14,000 for Count I, \$8,000 for Count II, \$2,000 for Count III, and \$3,000 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, Blue Chip agrees to promptly remit payment in the amount of \$27,000 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 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 Blue Chip.

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



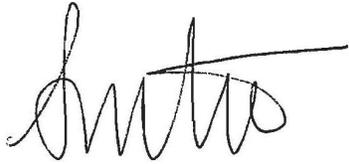
Brenda Temple, V.P. and Gen. Mgr.
Blue Chip Casino, LLC

Date

4.2.2020

Date

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

6/24/20

Date

Brenda Temple, V.P. and Gen. Mgr.
Blue Chip Casino, LLC

Date