

**ORDER 2020-48  
IN RE SETTLEMENT AGREEMENT**

**FRENCH LICK RESORT CASINO  
20-FL-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:**

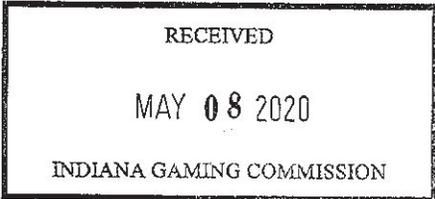


\_\_\_\_\_  
Michael B. McMains, Chair

ATTEST:



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



STATE OF INDIANA  
INDIANA GAMING COMMISSION

IN RE THE MATTER OF: )  
 )  
BLUE SKY CASINO, LLC d/b/a ) SETTLEMENT  
 ) 20-FL-01  
FRENCH LICK RESORT•CASINO )

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Blue Sky Casino, LLC d/b/a 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. IC 4-38-11-1(a) provides that 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 provide 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. French Lick's approved internal control procedures, B-25, describe its procedures for child support delinquency reporting.
6. Gaming Agent's audited the Child Support Arrears Delinquency Registry (the "CSADR") for December 2019. 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

7. 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.
8. 68 IAC 1-11-1(c) provides that a person under twenty-one (21) years of age shall not be present in a casino.
9. On December 19, 2019, Surveillance notified Gaming Agents that two (2) underage persons were on the casino floor. Three (3) males entered the casino and only one (1) male provided identification. The other two (2) males did not provide their identification and Security permitted them to enter the casino without verifying their age. The underage persons were on the casino floor for approximately three (3) hours.
10. On December 27, 2019, Surveillance notified Gaming Agents that an underage person was on the casino floor. The underage person entered the casino with her mother and her uncle. Security did not request to see the underage person's identification upon entry into the casino.

11. On January 30, 2020, Surveillance notified Gaming Agents that an underage person had attempted to enter the casino. The underage person had showed his Illinois identification. The underage person was turned away by Security and not allowed to enter the casino.

Surveillance contacted Gaming Agents a short while later because the Surveillance Supervisor believed he had seen the underage person's name before. A review of surveillance coverage determined that the underage person was allowed to enter the casino on two previous occasions: 1) January 25, 2020 after his New York identification failed the Veridox scan with seven (7) possible issues. No further investigation occurred nor was any attempt made to contact Gaming Agents at that time; and 2) on January 29, 2020 the underage person was allowed to enter the casino again after his New York identification failed the Veridox scan.

- 12.

### COUNT III

13. 68 IAC 15-2-3(a) provides that the casino licensee shall be required to maintain a log for the purpose of recording aggregated cash transactions in excess of three thousand dollars (\$3,000). The casino licensee shall require coordination between the pits, slots, cashiers, cages, redemption centers, and other appropriate areas to ensure all transactions in excess of three thousand dollars (\$3,000) are recorded.
14. 68 IAC 15-2-3 provides, in relevant part, that the employee witnessing the transaction is responsible for completing the log and a photograph of the patron shall be taken during the first transaction of the day involving that patron.
15. 68 IAC 15-2-5 provides, in relevant part, that the casino licensee shall establish policies and procedures for the notification of surveillance prior to completing a currency transaction report. The procedures shall include, at a minimum, the following:
  - (1) The window cashier, pit boss, table games shift manager, or table games manager must notify surveillance.
  - (2) Surveillance shall take a photograph of the patron from the surveillance camera.
  - (3) Prior to the completion of the transaction, surveillance shall notify the window cashier, pit boss, table games shift manager, or table games manager that it has an acceptable photograph.
16. French Lick's approved internal control procedures, E-2, describe its procedure for Title 31 reporting and photograph requirements.
17. On October 5, 2019, a Cage Shift Manager notified Gaming Agents that a Cage Cashier failed to notify Surveillance for a multiple transaction log ("MTL") photograph when a transaction in excess of \$3,000 was completed at the Cage.

18. On November 27, 2019, Surveillance notified Gaming Agents that a Cage Cashier failed to notify surveillance for an MTL photograph when a transaction in excess of \$3,000 was completed at the Cage.
19. On December 28, 2019, a Gaming Agent was observing the Cage area when the Gaming Agent observed a transaction that put a patron over the \$3,000 MTL level. The Cage Cashier failed to notify Surveillance prior to completing the transaction.
20. 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.
21. 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.
22. French Lick's approved internal control procedures, B-13, describe its procedures for the purchase of the drop.
23. On December 1, 2019, Surveillance notified Gaming Agents that a Dual Rate Cage Cashier/Cage Supervisor failed to notify Surveillance prior to opening the pass through window from the count room to the main bank. Approximately two (2) hours later, Surveillance once again notified Gaming Agents that the same violation occurred again.

#### COUNT IV

24. 68 IAC 15-12-3 provides that 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.

25. On January 31, 2020, Surveillance notified Gaming Agents that a Casino Manager had requested Surveillance to review a table fill that was requested for \$740 because the table fill never arrived at the table. A review of surveillance coverage determined that the table fill was delivered to the wrong table where it was accepted by the Dealer and Table Games Supervisor.

#### COUNT V

26. 68 IAC 2-6-6(c)(5)(B) provides that if a casino licensee converts an electronic gaming device, the casino licensee must perform a coin test to ensure that the electronic gaming device is communicating with the central computer system. If the electronic gaming device is not communicating with the central computer system, the electronic gaming device must be disabled.

27. On October 19, 2019, a Gaming Agent was observing the casino floor when he noticed a Slot Supervisor was placing an electronic gaming device (“EGD”) out of service. The Slot Supervisor indicated that the EGD needed to be coin tested. The EGD had been originally placed out of service due to a communication error. The EGD was in service for approximately six (6) hours without a coin test and had five (5) different patrons play the EGD during this time.

#### COUNT VI

28. 68 IAC 12-1-4 provides that 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.
29. 68 IAC 12-1-5(c)(7) provides that the surveillance system must provide an overall view of pit areas and gaming tables capable of clearly identifying the following: The amount and incrementation of a progressive jackpot contained on a progressive jackpot display of a live gaming device.
30. French Lick's approved internal control procedures, J-1, describe its procedures for surveillance system coverage.
31. On December 23, 2019, a Gaming Agent was reviewing surveillance coverage when he identified a camera facing the back of two (2) individuals. The description for the camera stated three card poker progressive. The Gaming Agent reviewed past coverage and determined the camera appeared to move on its own. The Gaming Agent notified the Surveillance Supervisor of his findings. There was no progressive coverage for approximately 13 hours and 14 minutes. No alternate coverage was available.
32. On January 4, 2020, a Surveillance Supervisor notified Gaming Agents of a camera outage. Surveillance encountered an electrical issue which resulted in a loss of camera coverage for one (1) minute and thirty (30) seconds on eighty-one (81) cameras. Eight (8) of these cameras did not have adequate alternate coverage and covered cage hallways, Cage Manager Office and Cage Key Traka box. The same issue occurred approximately six (6) hours later on the same cameras but this time it included approximately twenty (20) minutes of lost coverage.

#### COUNT VII

33. 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.
34. Chapter 7, Section 1 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.

35. 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.
36. On November 6, 2019, the Commission's Director of Sports Wagering and Paid Fantasy Sports (the "DSW") requested that the Gaming Agent Assistant Supervisor at French Lick 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.
37. On November 9, 2019, it was discovered that Kambi Group PLC D/B/A Sports Information Services Limited ("Kambi"), the sports book provider for French Lick Resort 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).
38. 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.
39. On December 13, 2019, the Commission's Sports Wagering Investigator was notified that unapproved events had been offered across the Kambi platform. 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.

### **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, IC 4-38, 68 IAC, the Emergency Rules for Sports Wagering 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 \$38,000 (\$1,000 for Count I, \$22,500 for Count II, \$4,000 for Count III, \$1,500 for Count IV, \$1,500 for Count V, \$3,500 for Count VI, and \$4,000 for Count VII) and ensure that all wagers placed on all unapproved 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, French Lick agrees to: 1) promptly remit payment in the amount of \$38,000; 2) ensure that all wagers placed on all unapproved events are voided and the original wager is returned to the player; and 3) waive all rights to further administrative or judicial review.

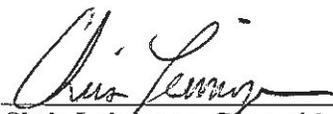
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or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

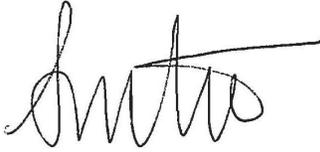
  
\_\_\_\_\_  
Chris Leininger, General Manager  
Blue Sky Casino, LLC

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

4/7/20

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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Chris Leininger, General Manager  
Blue Sky Casino, LLC

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Date