

**ORDER 2020-53  
IN RE SETTLEMENT AGREEMENT**

**CENTAUR ACQUISITION, LLC d/b/a INDIANA GRAND RACING & CASINO  
20-IG-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:**



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Michael B. McMains, Chair

ATTEST:



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Joseph Svetanoff, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 )  
 ) **SETTLEMENT**  
**CENTAUR ACQUISITION, LLC** ) **20-IG-01**  
**d/b/a INDIANA GRAND RACING &** )  
**CASINO** )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Centaur Acquisition, LLC d/b/a Indiana Grand Racing & Casino (“Indiana Grand”), (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. Indiana Grand's approved internal control procedures, E-33 and S-22, describe its procedures for Child Support Intercept Process.
6. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (the "CSADR") for September 2019. The results of this audit found five (5) individuals were not searched through the CSADR system: one (1) at the time a taxable jackpot was won and four (4) at the time sports wagering winnings in excess of \$600 was won.
7. Gaming Agents conducted an audit of the CSADR for October 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.
8. Gaming Agents conducted an audit of the CSADR for November 2019. The results of this audit found three (3) individuals were not searched through the CSADR system: two (2) at the time a taxable jackpot was won and one (1) at the time sports wagering winnings in excess of \$600 was won.
9. Gaming Agents conducted an audit of 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**

10. IC 4-35-7-2(b) provides that "[e]xcept as provided in subsection (c), a person who is less than twenty-one (21) years of age may not be present in the area of a racetrack where gambling games are conducted."
11. 68 IAC 1-11-1(c) provides that a person under twenty-one (21) years of age shall not be present in a casino.

12. On December 27, 2019, a Gaming Agent was notified of two underage persons on the casino floor. A wedding reception had taken place in the Marquee Banquet Room on the second level and had underage persons in attendance. Per Indiana Grand's approved internal control procedures, I-5, for events with underage persons in attendance, a Security Officer must be stationed at the escalator leading to the casino floor and at the elevator. Identification shall be checked for anyone who appears to be 30 or under. A review of surveillance coverage determined that the Security Officer stationed at the elevator walked to the escalator and appeared to be talking to a female patron and another Security Officer. During this time, two underage persons entered the elevator and exited out onto the casino floor. The underage person proceed to exit the casino. The underage person appeared to be between 5 and 10 years of age.
13. On January 17, 2020, Security notified Gaming Agents that an underage person was identified on the casino floor. A review of surveillance coverage determined that the underage person presented an identification to the Security Officer. The Security Officer scanned the identification and it was recorded as a valid license. When the Security Officer handed the identification back to the underage person, he did not closely compare the identification to the underage person and allowed the underage person to enter the casino. The underage person was identified again when he attempted to purchase a drink from a Food and Beverage Supervisor at the bar. The Food and Beverage Supervisor, however, immediately notified Security because she did not believe the person purchasing the drink was the same person on the identification presented.

### COUNT III

14. 68 IAC 2-6-2(a) requires that the following may not be used for gaming by any casino licensee prior to the executive director, or the executive director's designee, authorizing their inclusion in the commission's online database of approved items and technologies: (1) Electronic gaming devices ("EGD") and any component parts material to gaming activity, including, but not limited to, the following: (A) Random number generators. (B) All game media. (C) Progressive controllers. (D) Bill changers.
15. 68 IAC 17-1-3 provides that a casino licensee, casino license applicant, or supplier licensee shall use the commission's electronic gaming device database as prescribed by the commission.
16. In accordance with 68 IAC 17-1-2(a) and 68 IAC 17-1-3, when shipping an item approved under 68 IAC 2-6-2, the casino is required to provide the Commission with an accurate inventory of each item to be shipped and delivered, including each item's identification code in the Commission's Electronic Gaming Device System (the "EGDS"). Shipment should not take place until approval has been granted by the Commission.
17. On January 9, 2020, the Indiana Grand Slot Department inquired with the Commission's EGD Compliance Manager about an open change request in the EGDS that had not been

approved for a shipment of EGD's to Konami. The shipment of EGD's occurred on May 8, 2019. Subsequently, the EGD Compliance Manager requested a copy of the documents regarding this shipment from Indiana Grand and Konami.

18. On January 13, 2020, the EGD Compliance Manager received two (2) documents: 1) a waiver request from Indiana Grand; and 2) a shipment notice from Konami.
19. On April 23, 2019, the EGD Compliance Manager approved a waiver request for the ten (10) day notification on shipping these EGD's. This request was for the waiver only as Konami would still need to provide a shipment notification identifying the EGD serial numbers they expected to receive as a part of this shipment. A verification of serial numbers from both parties is required before the approval can be granted in EGDS.
20. While Konami did provide a shipment notification dated May 3, 2019, the notification was not stamped approved by the Commission. Konami was unable to provide a shipment notice that was stamped approved by the Commission identifying the serial numbers. Since this document was not received or approved by the Commission, the EGD Compliance Manager never approved the shipment in the EGDS; therefore, these EGD's were shipped without approval.
21. 68 IAC 2-6-5(8)(A) provides that electronic gaming devices must display an accurate representation of each game outcome using rotating reels.
22. On November 3, 2019, a Slot Tech Supervisor notified a Gaming Agent that an EGD had incorrect reel strips. It was determined that on September 6, 2019, a Slot Tech was working on the reel strips on an EGD and placed the reel strips on the incorrect reel basket. The reels on an EGD are made up of three separate parts: 1) assembly; 2) reel basket; and 3) reel strips. The reel strips display the symbols and go on the reel basket, the reel basket connects to the assembly, and the assembly is the motor which allows the reel strips to spin while being played. Furthermore, the reel baskets are numbered so the casino can keep them in correct order. The Slot Tech in this instance placed the reel strips on the incorrect reel basket but placed them in correct order, meaning the reel strips would display the symbols in the correct order.
23. On October 29, 2019, another Slot Tech entered the EGD and determined the reel strips were in the incorrect place as well as the assemblies. The Slot Tech attempted to correct the issue with the assemblies but in doing so placed the reel strips in the incorrect order, causing the reel strips to display incorrectly. The issue was found when a patron brought it to the attention of the casino.
24. 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.

25. On December 30, 2019, a Slot Tech notified Gaming Agents that an EGD had been placed into service prior to a coin test. It was determined that the EGD was placed into service by a Slot Tech on October 20, 2019 without a coin test.

#### COUNT IV

26. 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.
27. 68 IAC 12-1-5(c) provides that the surveillance system must provide an overall view of pit areas and gaming tables capable of clearly identifying the following:
  - (1) Dealers.
  - (2) Patrons.
  - (3) Hands of the participants.
  - (4) Facial views of the participants.
  - (5) Pit personnel.
  - (6) Activities of the pit personnel.
  - (7) The amount and incrementation of a progressive jackpot contained on a progressive jackpot display of a live gaming device.
28. On December 5, 2019, a Gaming Agent was reviewing surveillance coverage when it was discovered that the dedicated cameras above the electronic blackjack tables were off from what was previously approved. The tables had recently been moved so the Gaming Agents assumed they were still transitioning them. While on the casino floor later in the day, the Gaming Agent determined that the tables were back in service. Accordingly, the Gaming Agent conducted another review of surveillance and determined the cameras were still not in the correct position. Surveillance advised that the Slot Department never requested the cameras to be moved.

Gaming Agents had approved the move of the tables, but the Slot Department did not advise Surveillance that the tables were moved and did not ensure that adequate surveillance was available on the tables prior to opening them for play.

29. On January 29, 2020, Surveillance notified Gaming Agents that two (2) progressive signs had been moved and no notification was provided to Surveillance; therefore, Surveillance did not have coverage on the progressive displays.

#### COUNT V

30. Chapter 7, Section 8 of the Emergency Sports Wagering Rules provides that wagers and payouts made under this document shall be subject to the requirements described in 68 IAC 15-2.
31. 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.
32. 68 IAC 15-2-3(b) and (c) provides that (b) the employee witnessing the transaction is responsible for completing the log.
  - (c) The log shall include, but is not limited to, the following information:
    - (1) Date of the transaction.
    - (2) Time of the transaction.
    - (3) Description of the patron and name of the patron, if known.
    - (4) Type of transaction and related information, including, but not limited to, the following types of transaction:
      - (A) Marker payment.
      - (B) Deposit.
      - (C) Check.
      - (D) Chip redemption.
    - (5) Amount of the transaction.
    - (6) Signature and occupational licensee number of the individual recording the transaction.
    - (7) Location of transaction.
    - (8) Photograph of the patron to be taken during the first transaction of the day involving that patron.
    - (9) 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.
33. 68 IAC 15-2-4(a) provides that the casino licensee shall establish policies and procedures for the processing of cash transactions in excess of ten thousand dollars (\$10,000). Prior to the processing of a cash transaction in excess of ten thousand dollars (\$10,000), the casino licensee shall obtain, at a minimum, the information that is required by 31 U.S.C. 5313 and 31 CFR 103.
34. On October 6, 2019, a Gaming Agent was conducted a CSADR report when he discovered that a Race Sportsbook Ticket Writer failed to complete a search for a \$6,000 ticket win and a \$9,000 total payout. The Gaming Agent conducted a review of surveillance and determined that the Race Sportsbook Supervisor authorized payment without requesting identification. The Ticket Writer assisting the patron continued to take new wagers from the patron without paying him. After placing the wagers, the patron was owed \$2,000. The Ticket Writer paid the \$2,000 to the patron who subsequently placed another \$1,150 wager. At no point during this transaction did the Ticket Writer or Supervisor request the patron's identification to complete the multiple

transaction log (“MTL”) or currency transaction report (“CTR”). Revenue Audit provided that there was one (1) entry on the MTL for an earlier \$6,000 wager but no entry for the \$9,000 pay out. There was also not an entry for the additional \$11,000 in wagers placed or any CTR associated paperwork.

### COUNT VI

35. 68 IAC 1-5-1(1)(A) provides 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 a violation or apparent violation of a rule of the commission by a casino or supplier licensee.
36. 68 IAC 15-12-3(c) provides that 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.
37. On January 20, 2020, a Gaming Agent was coin testing EGD’s when the Gaming Agent overheard radio traffic on the Security Operations channel that an incorrect table fill had occurred. After the completion of coin testing, the Gaming Agent inquired with other Gaming Agents to see if they had been notified of the table fill error and they had not been notified. The Gaming Agent reviewed surveillance and determined that the Cage incorrectly processed the fill. Security verified the fill and transported it to the table game. The Table Game Supervisor identified the discrepancy and sent it back to the Cage. The Cage Cashier failed to void the table fill and instead fixed the error and sent the table fill back out to the table game with the same paperwork.
38. 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.
39. 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.
40. Indiana Grand’s approved internal control procedures, W-1, describe its procedures for blackjack.
41. On January 1, 2020, the Director of Table Games notified a Gaming Agent that a blackjack table was operating without the use of an installed peeking device. The Director of Table Games advised they were using the old method of lifting up the card to view the hole card and asked if this would be an acceptable practice. The Gaming Agent advised him that they must follow their approved internal controls which required the use of a peeking device. The table was subsequently closed.

42. 68 IAC 10-4-1(e) provides that craps games may only be conducted when, at a minimum, the following individuals are present:
  - (1) One (1) boxperson.
  - (2) One (1) stickperson.
  - (3) Two (2) base dealers.
  
43. On January 22, 2020, Gaming Agents were made aware that a Craps table was operating with only three (3) team members. A Casino Manager decided to only open half of the craps table with only three (3) team members. The table was open for approximately two (2) hours with a dealer, boxperson and stickperson.

### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of Indiana Grand by and through its agents as described herein constitute a breach of IC 4-35, IC 4-38, the Emergency Rules for Sports Wagering, 68 IAC and/or Indiana Grand's approved internal control procedures. The Commission and Indiana Grand hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Indiana Grand.

Indiana Grand shall pay to the Commission a total of \$30,000 (\$10,000 for Count I, \$7,500 for Count II, \$3,500 for Count III, \$1,000 for Count IV, \$3,000 for Count V, and \$5,000 for Count VI) 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 each Count 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, Indiana Grand agrees to promptly remit payment in the amount of \$30,000 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.

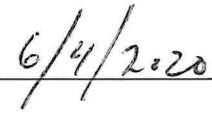
This Agreement shall be binding upon the Commission and Indiana Grand.

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

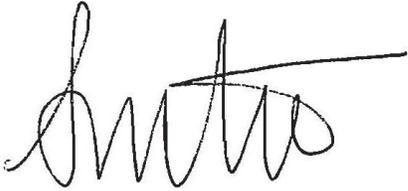
  
\_\_\_\_\_  
Mike Rich,  
General Manager  
Centaur Acquisition, LLC

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Date

This Agreement shall be binding upon the Commission and Indiana Grand.

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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Mike Rich,  
General Manager  
Centaur Acquisition, LLC

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Date