

ORDER 2018-113

IN RE SETTLEMENT AGREEMENT

**CENTAUR ACQUISITION, LLC d/b/a INDIANA GRAND RACING & CASINO
18-IG-02**

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

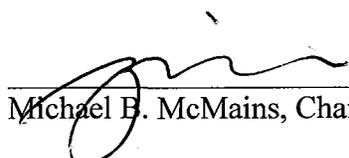
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 28th DAY OF JUNE, 2018.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Marc Fine, Vice Chair

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CENTAUR ACQUISITION, LLC)	18-IG-02
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. 68 IAC 2-3-9.2(b) states 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.
2. On February 28, 2018, an HR employee notified Gaming Agents that an EVS Attendant's employment had been terminated on February 8, 2018, but the EVS Manager failed to submit the required paperwork.
3. On March 6, 2018, an HR employee notified Gaming Agents that an F&B Server's employment had been terminated on May 25, 2016, but was still listed as “active” on the annual renewal report.
4. On May 4, 2018, Gaming Agents that were processing daily paperwork from HR discovered a Mutual Teller's employment had been terminated on April 14, 2018. The notification was not submitted in the required timeframe.
5. On May 10, 2018, an HR employee notified Gaming Agents that a Barback's employment had been terminated on March 5, 2018. The notification was not submitted in the required timeframe.

COUNT II

6. 68 IAC 15-13-2(d) states that manually paid jackpots shall proceed in the following manner:
 - (1) The jackpot shall be verified in accordance with the policies and procedures submitted under subsection (b)(1).
 - (2) Based on the information contained on the manually paid jackpot slip, the casino cashier shall present the proper amount of cash to the slot attendant.
 - (3) The slot attendant shall ensure that the amount of cash presented by the casino cashier matches the information contained on the manually paid jackpot slip.
 - (4) After the slot attendant and the casino cashier ensure the cash presented matches the information contained on the manually paid jackpot slip, both the slot attendant and the casino cashier shall sign the manually paid jackpot slip.
 - (5) The casino cashier shall retain the original copy of the manually paid jackpot slip and issue remaining copies to the slot attendant.
 - (6) A security officer or slot department employee shall escort the slot attendant from the cage to the appropriate electronic gaming device. The security officer or slot department employee who begins completing the manually paid jackpot must complete the process of witnessing, escorting, and signing the appropriate documentation to verify the manually paid jackpot was completed. If there is a discrepancy with the manually paid jackpot, the same security officer or slot department employee who began the manually paid jackpot must accompany the manually paid jackpot back to the cage to resolve the discrepancy.
 - (7) After arriving at the appropriate electronic gaming device, the security officer or slot department employee shall do the following:
 - (A) Verify the jackpot.
 - (B) Witness the jackpot payout to the patron.
 - (C) Complete the appropriate sections of the manually paid jackpot slip.
 - (8) The slot attendant shall reset the electronic gaming device so that play on the electronic gaming device may continue. The electronic gaming device shall be relocked after it is cleared. The security officer or slot department employee shall remain present throughout this procedure.
 - (9) One (1) copy of the completed manually paid jackpot slip shall be deposited into a locked accounting box so that it will not be available to slot attendants or other persons who participate in manually paid jackpots.
 - (10) The remaining copy of the completed manually paid jackpot slip shall be returned to the casino cage.
7. 68 IAC 11-1-3(c)(4) states 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.
8. 68 IAC 13-1-1(b)(2)(3) states 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.

9. Indiana Grand's Internal Control Procedures, Section E-10, describes the procedure for Jackpot payouts for Electronic Gaming Devices.
10. On January 18, 2018, Gaming Agents were notified of an improper jackpot payout due to an Electronic Games Attendant (EGA) underpaying a patron. The jackpot was also not properly verified. The error was found when the EGA's pouch did not properly balance at the end of her shift.
11. On February 9, 2018, Gaming Agents were notified of an improper jackpot payout due to a patron being underpaid. It was discovered that the EGA initially processed the jackpot and failed to withhold federal taxes. The EGA created a new entry to correct the transaction and typed in the wrong jackpot amount. The Electronic Game Assistant Manager (EGAM) was requested for assistance to override the transaction. The EGAM signed off on the transaction without verifying the jackpot.
12. On February 21, 2018, Revenue Audit notified Gaming Agents that an improper jackpot payout occurred on February 20, 2018. A review of the paperwork indicated that a W-2G was completed for Patron A, however, when the CSADR was searched, it was searched using information from Patron B. The W-2G was also signed by Patron B. Surveillance confirmed that Patron B was the correct winner of the jackpot. The EGA failed to properly verify the information on the W-2G was correct.
13. On April 6, 2018, Revenue Audit notified Gaming Agents that an improper jackpot payout occurred on April 5, 2018. A review of the paperwork indicated that a W-2G was completed for Patron A, however, when the CSADR was searched, it was searched by Patron B. The W-2G was also signed by Patron B. Surveillance confirmed that Patron B was the correct winner of the jackpot. The EGA failed to properly verify the information on the W-2G was correct.
14. 68 IAC 2-6-6(c) states if a casino licensee converts an electronic gaming device, the casino licensee must take the following steps: (5) The casino licensee shall do the following: (B) 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.
15. On April 2, 2018, an Electronic Games Tech Supervisor notified Gaming Agents that an electronic gaming device (EGD) had been placed in service prior to a coin-test. The game was in-service for about twenty (20) minutes.
16. 68 IAC 2-6-31(a) stated this section authorizes the use of progressive electronic gaming devices within one (1) casino provided that the electronic gaming devices meet:
 - (1) the requirements stated in sections 1 through 30 and 46 of this rule; and
 - (2) any additional requirements imposed by sections 32 through 42 of this rule.

(b) The casino licensee shall notify the executive director and the enforcement agent of the following information prior to using progressive electronic gaming devices within the casino:

(1) The:

(A) serial numbers; and

(B) commission registration number;

of the electronic gaming devices that are common to a single progressive link.

(2) The odds of hitting the progressive amount on each of the electronic gaming devices that is attached to that link.

(3) The reset value of the progressive link.

(4) The rate of progression for that progressive link.

(5) How the rate of progression is split between the various progressive components.

17. 68 IAC 2-6-33(a) states a progressive jackpot that is currently in play may be transferred to other progressive electronic gaming devices in the casino in the event of:

(1) electronic gaming device malfunction;

(2) electronic gaming device replacement; and

(3) another good reason deemed appropriate by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(b) If the events set forth in subsection (a) do not occur, the progressive award must be permitted to remain until it is won by a player or transfer is approved by the executive director.

18. On January 29, 2018, a Gaming Agent was assisting an Electronic Games Tech (EGT) with a progressive meter on an EGD. The EGT advised the Gaming Agent that another EGT had incorrectly set the incrementation rate on the progressive meter on January 25, 2018. The linked progressive had six (6) different progressive amounts. The top two (2) progressive rates were supposed to be static, never incrementing. The top progressive was supposed to be static and was incrementing. The EGT advised the Gaming Agent he was going to return the progressive to the static amount and put the incrementation rate back to zero (0). The Gaming Agent requested to know what was going to happen to the funds that had been acquired during the incrementation of the top progressive. The EGT advised the amount was not going to be transferred at all because it was not supposed to be incrementing. The Gaming Agent advised the EGT that the amount had progressed with patron's money and that it had to remain on the EGD or be transferred to another EGD on the casino floor.

After completing the transfer, Gaming Agents coin tested the EGD with the EGT and discovered the lowest progressive amount was not properly set and therefore, was not incrementing correctly either.

COUNT III

19. 68 IAC 1-5-1 states 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.

20. On February 14, 2018, the Gaming Enforcement Assistant Supervisor discovered that surveillance had documented an incident in the main bank for unsecured funds and failed to notify Gaming Agents of the violation.

A Cage Supervisor notified surveillance that he was leaving the Main Bank and it was empty and secured. Shortly after, surveillance discovered an undetermined amount of funds inside a currency counter. Surveillance notified the Cage Supervisor of the unsecured funds. The Cage Supervisor returned to the Main Bank and secured the funds.

21. On March 13, 2018, a Gaming Enforcement Supervisor inquired whether Gaming Agents had been notified of a jackpot switch. During this conversation, a suspicious activity report (SAR) had been forwarded from a Slot Operations Supervisor (SOS). The Gaming Agent requested the details of the jackpot switch from the SOS who asked if he received the SAR. The Gaming Agent advised SOS that the SAR did not meet the criteria for proper notification.

The SOS stated that a male and female patron were playing an electronic gaming device (EGD) when the male patron hit a jackpot. The female patron claimed to have won the jackpot. The Electronic Games Attendant (EGA) requested surveillance to review the jackpot and it was determined the male patron won the jackpot. The SOS stated that the male patron did not owe child support. The SOS indicated that this occurred about forty-five (45) minutes ago.

After speaking with the SOS, it was determined that the male patron had a warrant out for his arrest and had been featured on Crime Stoppers of Central Indiana.

The Gaming Agent requested surveillance review to see if the male patron was still on the casino floor. The Gaming Agent also asked why the Gaming Agents were not notified and the Surveillance Officer stated that the SOS was going to contact the Gaming Agents. The Surveillance Incident Report also states that a Gaming Agent had been advised of the jackpot switch which was not an accurate statement. The male patron was identified on the floor and arrested.

COUNT IV

22. 68 IAC 15-2-1(a) states this rule applies to casino licensees and occupational licensees.
(b) As used in this rule, "security department" means the individuals employed by the casino licensee to provide security services for the casino gambling operation.
(c) The casino licensee shall establish procedures for the following:
(1) Tracking and reporting cash transactions or a series of cash transactions that occur in the same gaming day, in excess of three thousand dollars (\$3,000).
(2) Reporting on a currency transaction report the cash transactions made by a gaming patron during a twenty-four (24) hour period that exceed ten thousand dollars (\$10,000).

The currency transaction report shall be filed with the Internal Revenue Service within fifteen (15) days of the transaction occurring and a copy shall be filed as directed by the enforcement agent. Currency transaction reports shall be filed for a single transaction or a series of related multiple transactions with the same directional flow.

(d) Compliance with this rule does not release the casino licensee from its obligation to comply with applicable state and federal regulations.

23. Indiana Grand Internal Control Procedures, Section L-1, describes the procedure for Title 31 Compliance.
24. Following an audit and investigation conducted by the Gaming Enforcement Supervisor, it was determined that Indiana Grand failed to file a required Currency Transaction Report (CTR) for a patron on March 12, 2018. The CTR was due 15 days after the transaction occurred.

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, 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.

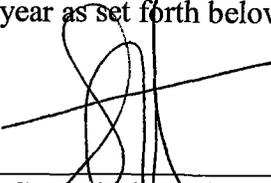
Indiana Grand shall pay to the Commission a total of \$18,500 (\$4,000 for Count I, \$8,000 for Count II, \$1,500 for Count III and \$5,000 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this Agreement. This Agreement 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, Indiana Grand 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 Indiana Grand.

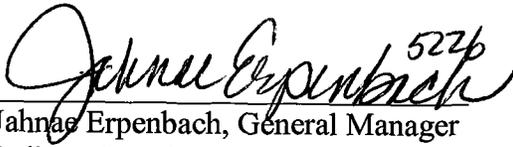
IN WITNESS WHEREOF, the Parties have signed this Settlement Agreement on the date and year as set forth below.



Sara Gonso Yait, Executive Director
Indiana Gaming Commission

6/27/18

Date



Jahnas Erpenbach, General Manager
Indiana Grand

6-27-18

Date