

**ORDER 2008-29
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC
08-BC-01**


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

Approves
APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 31ST DAY OF MARCH, 2008.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Tom Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
BLUE CHIP CASINO, LLC)	08-BC-01
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Blue Chip Casino, LLC (“Blue Chip”) (collectively, the “Parties”) desire to settle this matter 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 1-5-1 (10) requires the casinos to report any apparent criminal activity taking place on the riverboat property. This information must be submitted to an enforcement agent. IC 4-33-10-2 describes what is considered criminal activity. For Gaming Enforcement to properly handle criminal cases they should be informed immediately of all apparent criminal activity including capping and pinching bets.
2. On August 12, 2007, a Security Shift Supervisor was notified of a theft of a TITO ticket. A patron was playing on a slot machine and could not find an employee to watch his machine while he went to the restroom. The patron pulled up a chair to save his machine. While he was in the restroom, another patron cashed out his slot machine. Security was able to verify the patron’s story and locate the patron who stole the ticket. At no time during this incident were the Gaming Agents contacted.

COUNT II

3. 68 IAC 2-6-40(a) and (b) requires progressive controllers linking two or more electronic gaming devices to be housed in a double keyed compartment and that one of the keys must be in possession of the executive director or his designee.
4. On March 23, 2007, a memo was sent to all casinos by the Director of Compliance regarding 68 IAC 2-6-40 and applying it to table games. On September 24, 2007, a Gaming Agent proceeded to the linked progressive slot machines to do an inspection of the progressive controllers. It was discovered that the progressive controller was not in a double-keyed compartment.

Additional progressive controllers were checked throughout the casino and one other violation was found.

COUNT III

5. 68 IAC 11-7-3 (a) requires the riverboat licensee shall maintain a sensitive keys log on a form approved by the commission. The sensitive keys log shall include, but not limited to, the following: (1) The date, (2) The time the key is signed in and out, (3) The key name, (4) The printed name, signature and occupational license number of the occupational licensee obtaining and returning the key.
6. On October 5, 2007, a Dealer signed out a table games token drop box key to complete an emergency token drop; however, she failed to return the key after completing the token drop and left the property. Less than two hours later, she realized the key was still in her possession. She called Security Dispatch to notify them. The key was returned to the lock box at 05:41 hours.

COUNT IV

7. Blue Chip Casino Internal Control Procedure K16.2 covers the event in which "it becomes necessary to remove and replace a bill validator drop box due to a special circumstance i.e., conversion, movement, or replacement of an electronic gaming device. The following procedures will be followed: The Security Officer and the Slot Shift Supervisor or Slot Technician or above will then proceed to the Soft Count room to obtain an empty, lockable cart. Once all affected bill validator cash boxes are removed from the affected electronic gaming devices, the cart from soft count is locked and transported with a security escort to the soft count room. The cart will be placed and secured in the soft count room.
8. On October 15, 2007, a Slot Technician entered soft count for an emergency bill validator drop box (e-drop) to deposit the cash boxes that he had already removed from the slot machines in preparation for an upcoming project. The BV boxes were transported in an unlocked cart. The boxes were removed from the cart, placed into a locked cabinet designated "e-drops" and the cart was removed from the soft count room.

COUNT V

9. 68 IAC 11-3-6(c)(12) states once all drop boxes have been counted, the soft count team shall complete the master gaming report or the bill validator report.
10. 68 IAC 11-3-1(a)(1) defines the "Bill Validator Report" as a report completed by the soft count team that documents the value of the currency collected from the bill validator drop boxes. The report shall be completed on a form prescribed or approved by the commission and shall include the currency count by

denomination and the total amount of the currency removed from the bill validator boxes.

11. On October 8, 2007, a currency counter inside the soft count room was not operating properly and was placed outside the door for repair. It was returned to the soft count room on October 9th after repairs had been completed. On the 9th, a Count Room Manager performed a daily test by placing \$372 in the machine and it jammed. \$1,097 was recovered from the machine resulting in a variance of \$725. The \$725 had been left in the machine the previous day. These funds belonged to the table games drop for gaming date October 7, 2007 which were being counted on October 8, 2007.
12. The Count Room Supervisor and the Security Officer did not properly inspect the machine for funds prior to removing it from the Count Room. Surveillance coverage was maintained from 10:14 am to 3:08 am while the machine sat in the hallway.

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 the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and 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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Blue Chip shall pay to the Commission a settlement of \$25,000 (\$5,000 for Count I; \$10,000 for Count II; \$2,500 for Count III; \$2,500 for Count IV; and \$5,000 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in this agreement. This agreement extends only to those violations and findings of fact, specifically alleged herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

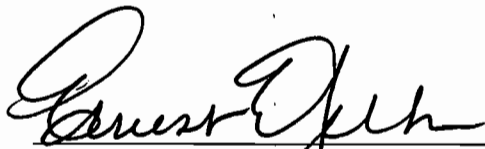
Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Blue Chip agrees to promptly remit payment in the amount of \$25,000 and shall waive all rights to further administrative or judicial review.

This Settlement 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

Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Settlement Agreement shall be binding upon the Commission and Blue Chip.

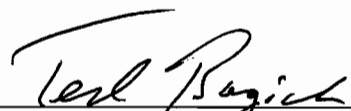
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

3.25.08

Date



Theodore A. Bogich, Gen. Mgr
Blue Chip Casino, LLC

3/13/08

Date