

**ORDER 2014-227
IN RE SETTLEMENT AGREEMENT
BLUE SKY CASINO, LLC
d/b/a FRENCH LICK CASINO
14-FL-03**

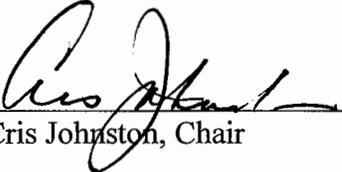
After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

APPROVES / DISAPPROVES

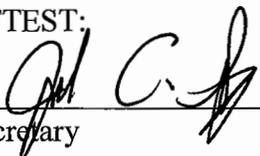
the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS 20th DAY OF NOVEMBER, 2014.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:


Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
FRENCH LICK RESORT•CASINO) **14-FL-03**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and French Lick Resort•Casino (“French Lick”) (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. Pursuant to IC 4-33-9-12 and 68 IAC 1-11-1(c), 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.
2. On August 10, 2014 a Gaming Agent was contacted by a Security Officer regarding an underage person who may have used her mother’s identification to enter the casino. The Agent reviewed surveillance coverage and found that the underage person had used her mother’s identification to board the casino; however the underage person did not look as old as the age stated on the identification. The Agent also noted that the mother presented identification that matched the identification previously present by her daughter two minutes earlier.

COUNT II

3. 68 IAC 15-1-2(9) states the purpose of the accounting records and procedures is to ensure that gaming is conducted with integrity and in accordance with IC 4-33, IC 4-35, and this title.
4. 68 IAC 11-1-6(a) states casino licensees and casino license applicants must conduct its operations in accordance with internal control procedures that have been approved, in writing, by the executive director. According to French Lick internal control Section A-11, Destruction of Records, Page 1, the casino may not destroy records of any type that relate to the gambling operation unless it is in compliance with the Rules.

5. On August 4, 2014, a Gaming Agent was contacted by a Surveillance Agent regarding a request from Internal Audit to review a No ID Jackpot. The surveillance review found that the casino had paid a hand pay jackpot to the incorrect patron. The surveillance review showed that on August 3, 2014 a hand pay jackpot was won by an unknown male who moved to another slot machine and a female sat at the machine with the jackpot. When the Slot Rep arrived at the machine she notified surveillance of the jackpot. Surveillance contacted the Slot Rep, informing her that the female did not win the jackpot but it was the unknown male that was there. The Slot Rep called for a Slot Rep Supervisor to fill out a NO ID Jackpot since the unknown male left to look for his identification in his car. Surveillance coverage shows that the unknown male went to a car where another male was already seated. The unknown male returned to the casino and met with the Slot Rep, Slot Rep Supervisor, a Slot Supervisor and a Security Officer. The unknown male completed a W-9 with the name of the other male inside the car. A photograph was taken of the unknown male. The paperwork was taken to the cage and the jackpot was placed into safekeeping until the unknown male returned with identification. Approximately six hours later the other male, whose name was on the W-9, arrived at the cage to claim the jackpot. A Cage Supervisor started to process the NO ID jackpot when the Slot Rep Supervisor and Slot Supervisor, who had been present for the completion of the W-9 arrived at the cage. The Slot Rep Supervisor took the other male's identification and proceeded to fill out a new W-9 form. The Slot Rep passed the new form to the Cage Supervisor and then tri-folded the original W-9 passing it to the Cage Supervisor as well. The Slot Rep then passed the photograph of the unknown male to the Cage Supervisor. The new W-9 was signed by the other male and he was given the jackpot. The Cage Supervisor then shredded the original W-9. The reason for the surveillance review was due to an IRS notification that the social security number given did not match the name. The reason that a new W-9 form was completed was because the unknown male had spelled the first name incorrectly on the original W-9. The unknown male and other male did not resemble each other.

COUNT III

6. 68 IAC 11-4-2(a) states in accordance with 68 IAC 11-1, the riverboat licensee shall submit internal control procedures covering:
 - (1) live gaming device inventory; and
 - (2) the opening and closing of a live gaming device.
 - (3) (b) The live gaming device inventory of chips and tokens shall be maintained in a tray, which is covered with a transparent, locking lid when the live gaming device is closed. The opener shall be placed inside the transparent locking lid and the information on the opener shall be visible from the outside of the cover.
7. French Lick Internal Control K5 states that surveillance will be notified that Table Games will conduct inventory of closed games. A Table Games Manager or

designee will unlock the float lid and visually inspect the chip denominations to verify the opener (yellow copy) of the Table Inventory Slip against the physical count. Totals will be recorded on a Table Games Daily Transfer Log Unopened Games and forwarded to revenue audit on a daily basis.

8. On June 22, 2014 a Gaming Agent reviewed surveillance coverage of June 13, 2014, to see if chips on the unopened table games had been inventoried and noted that they had not. The Agent requested a copy of the Table Games Daily Transfer Log Unopened Games for June 13, 2014 and noted that the log was signed by a Table Games Shift Manager. The Agent reviewed the surveillance coverage further and found that the Table Games Shift Manager had inventoried the unopened games on June 14, 2014 at 1130 hours. After the Agent emailed the Director of Table Games regarding this violation, the casino informed the Agent of several more days that the casino had not inventoried the unopened table games. The Director of Table Games was verbally counseled for the violations.

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 the IC 4-33, 68 IAC 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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

French Lick shall pay to the Commission a total of \$10,000 (\$3,000 for Count I; \$4,000 for Count II and \$3,000 for Count III) 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 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, French Lick agrees to promptly remit payment in the amount of \$10,000 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 French Lick.

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

11.17.14

Date



Chris Leininger, General Manager
French Lick Resort • Casino

11/13/14

Date