

**ORDER 2018-51
IN RE SETTLEMENT AGREEMENT**

**CENTAUR ACQUISITION, LLC d/b/a INDIANA GRAND RACING & CASINO
18-IG-01**

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

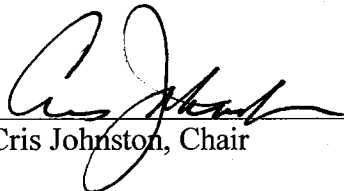
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 8th DAY OF MARCH, 2018.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CENTAUR ACQUISITION, LLC)	18-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 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 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. 68 IAC 2-3-9.2(c) requires the form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
2. On November 10, 2017, a Gaming Agent was notified by a Senior Labor Generalist that an Elite Valet Attendant was on the valet roster but he was no longer employed. An email was sent from Elite on March 3, 2017 to Indiana Grand, however, no paperwork was completed at the time, nor had the badge been returned. The Elite Valet Attendant was still showing active in the Commission’s occupational licensing database. Termination paperwork was completed on November 11, 2017.

COUNT II

3. 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.

4. On October 6, 2017, a Gaming Agent was notified by an Electronic Games Technician (EGT) that an electronic gaming device (EGD) was in service after it had failed a coin test. Upon review of the MEAL book and surveillance coverage, it was determined that an EGT had attempted to swap a hard drive. Another Gaming Agent was present during this work but the Gaming Agent was unaware the EGD had previously failed a coin test. The EGD was placed back into service after the work was completed without the EGD being coin tested.
5. On November 8, 2017, a Gaming Agent was notified by an EGT Supervisor that an EGD had been placed in service without an approved coin test conducted by the IGC. An EGT Supervisor had performed a pre-coin test and then left the EGD without placing the game out of service. The EGD was left in play for approximately four (4) hours before being placed out of service.
6. On December 10, 2017, a Gaming Agent was coin testing a bank of EGD's with an Electronic Games Tech Supervisor after a power outage. The EGD's needed to be coin tested to ensure they were communicating with the system after communication had been lost. The first EGD that was to be coin tested was found to be in service. Surveillance coverage was able to determine which Electronic Games Tech placed the game back in-service. The EGD was on a list that identified that the EGD should be coin tested prior to being returned to service.

COUNT III

7. 68 IAC 15-13-2(d) states 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. 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.
 9. 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.
 10. Indiana Grand's Internal Control Procedures, E-10, outline the procedures for jackpot payouts.
 11. On August 27, 2017, a Gaming Agent was notified by an Electronic Games Manager (EGM) about an improper jackpot payout and a patron refusing to return the funds that were not owed to him. Two (2) Electronic Gaming Attendants (EGA) were processing payments at the same time, one being a cancelled credit for the amount of \$1,218 and one being a jackpot for the amount of \$1,890. A cancelled credit was generated on one EGD since the EGD allows patrons to accumulate credits over \$1,199 and the EGD will trigger a hand pay once the patron attempts to redeem the credits. The EGA processing the cancelled credit incorrectly paid the cancelled credit to the wrong patron which happened to be the patron awaiting the \$1,890 jackpot payout. The EGA failed to properly confirm the identity of the patron he was paying since he had the identification of the patron awaiting the cancelled credit in his possession and it was not the same patron that he was paying. The second EGA that was processing the jackpot observed something suspicious had occurred when she returned to pay the patron his jackpot because he was unable to produce his jackpot slip. The EGA notified the EGM that the patron did not have his jackpot slip. Even though the patron did not possess the required and necessary jackpot slip, the EGM authorized payment of this jackpot without investigating or reviewing this matter to determine what had occurred with the jackpot slip.
 12. On October 28, 2017, a Gaming Agent was made aware of an improper jackpot payout found during the daily audit of gaming date October 27, 2017. The W-2G was completed with a female patron's name but the Child Support Arrears Delinquency Report (CSADR) was searched by a male patron's information. Surveillance coverage determined that the female patron was the correct winner of jackpot, therefore, the correct patron was not checked in CSADR. While investigating this incident, it was determined there was another incident that occurred on gaming date October 27, 2017. A W-2G was completed for a female patron. The CSADR was searched for a male patron. The W-2G was signed by the male patron even though the female patron's name was on the W-2G. The male patron was the winner of the jackpot. The W-2G was completed for the incorrect patron and the casino failed to properly verify.

13. On November 7, 2017, the Gaming Enforcement Supervisor was notified by Revenue Audit of an improper jackpot payout on November 6, 2017. The W-2G had a male patron's name on it. CSADR was searched for a female patron. The W-2G was signed by the female patron. The female patron was the correct winner of the jackpot. The W-2G was completed for the incorrect patron and the casino failed to properly verify.
14. On December 12, 2017, Gaming Agents were notified of an improper jackpot payout on December 8, 2017. The W-9 completed by the patron and the W-2G had two different social security numbers (SSN). The only SSN searched through CSADR was the SSN on the W-2G but not the SSN on the W-9. The Director of Finance later advised Gaming Agents that both SSN failed TIN check. The EGA failed to properly verify the W-2G and failed to place the jackpot as a No ID jackpot until the proper SSN could be verified.
15. 68 IAC 15-10-2(a) states the casino licensee shall establish policies and procedures to ensure that all transactions are accounted for that flow through the casino cage. These policies and procedures shall include, but are not limited to, the following:
 - (1) All transactions shall be recorded on a main bank or vault accountability form or its equivalent on a per shift basis.
 - (2) All increases or decreases to the main bank or vault shall be supported by the appropriate documentation.
 - (3) At the end of a shift, the cashiers assigned to the outgoing shift shall: (A) record on a main bank or vault accountability form, or its equivalent, the face value of each cage inventory item counted and the total of the opening and closing cage inventories; and (B) reconcile the total closing inventory with the total opening inventory.
16. 68 IAC 15-13-2(d) states 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.
17. 68 IAC 12-1-5(a) states surveillance employees shall:
(1) monitor regularly; and (2) visually record, either by: (A) continuous recording; or (B) motion activation; whichever is appropriate; the surveillance system coverage of the areas described in this section.
18. On October 22, 2017, a Gaming Agent was completing an investigation in the surveillance room when the Gaming Agent observed a Surveillance Officer reviewing a previous jackpot payout. The Surveillance Officer advised that a Cage Supervisor had requested a review of all jackpot payouts completed at the employee service window (ESW) by a Main Bank Cashier. Surveillance coverage showed an EGA processing a \$12,000 jackpot for a patron. The after-tax amount was \$11,612.41. The Main Bank Cashier began collecting the amount by verifying \$10,000 through the jetscan twice. The Main Bank Cashier then collected \$612.41, resulting in a \$1,000.00 shortage to the patron. The Main Bank Cashier failed to review the jackpot paperwork to verify the correct jackpot amount. The EGA contacted surveillance to inform them she would be verifying the jackpot amount. The EGA counted \$10,612.41 while being observed by Security and Surveillance. The EGA failed to review the jackpot paperwork. The Security Officer escorted the EGA back to the patron to complete the jackpot payout. Approximately three (3) hours later, a Cage Supervisor issued the \$1,000 to the patron that was shorted on his jackpot payout.
19. The Gaming Agent requested a copy of the paid in/paid out paperwork on the \$1,000. The Cage Supervisor advised that she did not complete a paid in/paid out form because she contacted the Cage and Credit Manager on how to handle this incident and was instructed to withdraw the overage of \$1,000 from ESW and directly pay the patron without completing any paperwork. The Cage and Credit Manager stated that since the Main Bank Cashier was still on duty and the patron was present in the casino, no paperwork was required.

COUNT IV

20. 68 IAC 15-1-2 states the purpose of the accounting records and procedures is to ensure the following:
(1) The assets of the casino licensee or casino license applicant are safeguarded.
(2) The financial records of the casino licensee or casino license applicant are accurate and reliable.
(3) The transactions of the casino licensee or casino license applicant are performed only in accordance with the specific or general authorization of IC 4-33, IC 4-35, and this title.
21. 68 IAC 15-10-4.1(a) state cage inventories must be accurately reported at the conclusion of a shift on the inventory form used by the casino licensee. Overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered.

(b) Cage variances of five hundred dollars (\$500) or two percent (2%), whichever is less, must be reported on a form approved by the commission to the following within one (1) business day after the discovery of the variance:

- (1) The security department.
- (2) The surveillance department.
- (3) An enforcement agent.

(c) Variances of five thousand dollars (\$5,000) or more, or a variance that is of a nature that indicates criminal activity must be reported on a form approved by the commission to the following immediately:

- (1) The security department.
- (2) The surveillance department.
- (3) An enforcement agent.

These variances must be reported to the commission audit staff at the beginning of the next business day.

(d) Variances of five hundred dollars (\$500) or two percent (2%), whichever is less, or a variance that is of a nature that indicates criminal activity must be investigated by the casino licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. Unresolved variances must be investigated by the accounting director or designee. The results of the investigation shall be reported on the document provided to him or her by the cage department. Surveillance tapes or records relating to the variance must be preserved and retained by the casino licensee until the commission audit director advises that the tapes or records, or both, may be recycled. The results of an investigation into these variances must be reported to an enforcement agent. If the variance that was investigated exceeded five thousand dollars (\$5,000), the results of the investigation must also be reported to the commission audit staff.

(e) The casino licensee's internal auditor must review, on a quarterly basis, cage variances to ensure that the variances are appropriately and thoroughly investigated and reported. The results of the internal auditor's review must be reflected on the quarterly internal audit report filed in accordance with 68 IAC 15-8.

22. Indiana Grand's Internal Control Procedures, R-1.3, outline the procedures for ticket redemption by Cashier's.
23. On September 15, 2017, a Gaming Agent was notified by the Cage Supervisor that a Cage Cashier was \$796 short at the end of his shift. The investigation conducted by the Cage Supervisor determined that the Cage Cashier had paid out to a patron a \$796 TITO voucher that had been redeemed on September 8, 2017. The Cage Cashier had issues scanning the TITO voucher but failed to alert anyone to the problem and paid the patron. This error was only discovered when a variance was found at the end of the Cage Cashier's shift.
24. Surveillance coverage showed a patron playing an EGD and cashing out a \$796 TITO voucher. The patron re-inserted the TITO voucher into another EGD and then cashed out again, receiving a \$796 TITO voucher. Approximately ten (10) minutes later, an EGA and EGT are seen opening the EGD for the patron. An EGM also arrived at the EGD.

Approximately, a half-hour later, the EGM escorts the patron to the main cage and hands a Cage Cashier a handwritten TITO voucher. The Advantage Monitor System confirmed that the TITO was printed, received by the patron and redeemed at the main cage on September 8, 2017, however duplicate TITO's should be identified by the Cage Cashier's since the system will not validate the same TITO validation number twice.

25. 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.
26. 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.
27. Indiana Grand's Internal Control Procedures, E-15, describes the TITO procedures.
28. On December 8, 2017, Surveillance notified Gaming Agents that an EGS issued a \$165.82 hand pay to an unidentified patron. The EGS later discovered that the EGD had issued a \$163.82 TITO which had been redeemed at a kiosk. Surveillance coverage showed the patron print the TITO ticket, redeem it at a kiosk and return to the same EGD and insert a \$20 bill into the EGD. At this point, the patron requested assistance from an EGA who requested the presence of the EGS. The hand pay was done at that time. The EGS failed to check the machine history prior to issuing the hand pay, which caused the overpayment. The patron's identity is unknown, thus, the funds were unable to be recovered.

COUNT V

29. 68 IAC 15-2-3(a) states 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.
 - (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.
 - (d) The reports shall be submitted to the accounting department on a daily basis and maintained by the casino licensee for five (5) years.
 - (e) Cage and pit personnel are responsible for communicating with other personnel to ensure the transactions are properly logged and any necessary currency transaction reports are completed.
30. 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.
31. 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.
32. Indiana Grand's Internal Control Procedures, L-1, describe the Title 31 Compliance procedures.
33. On December 16, 2017, Surveillance notified Gaming Agents that a Cage Cashier failed to request a surveillance photograph for a Multiple Transaction Log (MTL). A Cage Supervisor notified Surveillance and they were able to obtain a patron photo.
34. On December 16, 2017, Surveillance notified Gaming Agents that a Cage Cashier failed to request a surveillance photograph for an MTL. One of the transactions was verified by a Cage Supervisor.

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.

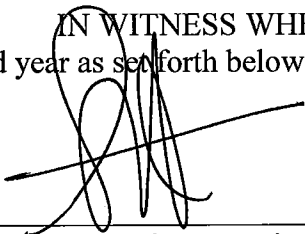
Indiana Grand shall pay to the Commission a total of \$22,500 (\$1,000 for Count I, \$4,500 for Count II, \$11,000 for Count III, \$4,500 for Count IV and \$1,500 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of 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 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, Indiana Grand agrees to promptly remit payment in the amount of \$22,500 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 Indiana Grand.

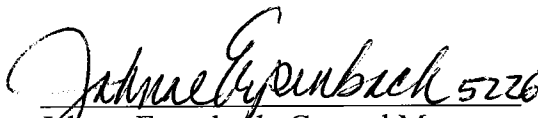
IN WITNESS WHEREOF, the Parties have signed this Settlement Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

3/8/18

Date



Janae Erpenbach, General Manager
Indiana Grand

3/6/18

Date