

**ORDER 2009-152
IN RE SETTLEMENT AGREEMENT
INDIANA GAMING COMPANY, L.P.
09-AR-03**

After reviewing 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 17th DAY OF SEPTEMBER, 2009.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Marc Fine, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
INDIANA GAMING COMPANY, L.P.) **09-AR-03**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Indiana Gaming Company, L.P. (“Argosy”) (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 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action.
2. Argosy Internal Control Part II –P-H -1 and 2 prohibit patrons from touching and/or holding the cards dealt to them and from altering, marking, bending or otherwise allowing any card to be distinguished from any other card.
3. Argosy Internal Control Part I-D-E -1 states it is the responsibility of the Surveillance Supervisor/Agents on duty to maintain a chronological listing in the Daily Activity Report all calls from the Casino Pit Personnel, Slot Department Personnel, Security Personnel and Casino Management Personnel relating to incidents within our areas of responsibility.
4. 68 IAC 15-2-6(1)(B) requires that the patron’s social security number must be included on the currency transaction report.
5. On April 11, 2009, a Gaming Agent was called to investigate a team of patrons allegedly marking cards at a blackjack table. A review of the surveillance video showed that two of the patrons were marking the “10” value cards by touching them with the edge of their chips. Four dealers and five supervisors were present while the patrons marked the chips. One dealer warned one of the patrons on two

separate occasions about touching the cards. The same dealer also informed her supervisor and called surveillance personnel about the alleged card marking. Surveillance personnel did not record the call. Prior to leaving the casino one of the patrons cashed in over \$22,000 in chips and the cashier failed to record the patron's social security number on the Currency Transaction Report as required by state and federal regulations. All of the table game employees involved in the incident were disciplined.

COUNT II

6. 68 IAC 14-3-2 (b) requires that all playing cards must meet the following specifications: (1) all decks of cards must be a complete standard deck of fifty-two cards in four suits. The four suits shall be hearts, diamonds, clubs and spades. Each suit shall consist of numerical cards from: (A) two to ten; (B) a jack; (C) a queen; (D) a king; and (E) an ace.
7. On April 22, 2009, a Gaming Agent was informed by a Casino Manager that a card was reported missing from a Blackjack table. The Agent reviewed the surveillance video which showed a Dual Rate Floor Supervisor collecting cards and the ace of clubs falls out sliding under the shuffle machine. The Dual Rate Floor Supervisor realized he had dropped a card and called over the Floor Supervisor. Both the Dual Rate Floor Supervisor and Floor Supervisor searched for the card but did not look under the shuffle machine or count down the cards to determine if all the cards were present. The Dual Rate Floor Supervisor continued to deal from that deck, for approximately nine hours with the missing ace.
8. On July 12, 2009, a Gaming Agent was contacted by the Senior Table Games Manager regarding a red backed ace of spades found in a shuffler at a Caribbean Stud table. All of the red backed cards that had been played at the table during the day were counted and all of them contained an ace of spades. The Agent and the Senior Table Games Manager checked the cards used during the previous gaming day and found one red backed deck missing an ace of spades. A review of the surveillance footage showed approximately one hour after the deck was put into play the shuffle machine indicated a malfunction. Approximately four minutes later, the shuffle machine indicated another issue and approximately ten minutes after that the shuffle machine indicated a third issue. After all three issues, the Floor Supervisor pulled the cards from the machine but never fanned the cards out or counted the cards to make sure all were there. At the end of the gaming day, the Senior Table Games Supervisor counted down the deck of cards and it appeared that only fifty-one (51) cards were counted. From the first shuffle machine problem until the table was closed approximately twenty hands were dealt using the red deck.

COUNT III

9. 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.
10. On April 29, 2009, a Gaming Agent was informed by Human Resources that five employees were terminated on March 27, 2009. No termination paperwork for those employees was submitted.
11. On June 11, 2009, a Gaming Agent received termination paperwork on four employees. Two of the employees had separated their employment on May 1, 2009, another on March 27, 2009 and the fourth on May 2, 2009.
12. On July 8, 2009, a Gaming Agent received separation from service paperwork on two employees. One of the employees was terminated on June 3, 2009 and the other one on June 13, 2009.

COUNT IV

13. 68 IAC 15-6-2(9)(F) states that any person authorized by the executive director or the commission is entitled to a tax-free pass and do not have to pass through the patron counting equipment when boarding the riverboat.
14. 68 IAC 15-6-2(10) states all persons boarding the riverboat on a tax-free pass must have an appropriate badge.
15. 68 IAC 15-6-4(c) states that vendors and visitors on board the riverboat with a tax free pass may not participate in any of the gambling games.
16. On May 13, 2009, a Gaming Agent was advised that on May 12, 2009 two unauthorized persons were allowed on the casino floor. Surveillance footage showed the Vice President of Marketing ("VP of Marketing") escorting the two people to the turnstiles. The VP of Marketing talks to the Security Guard and then motions with her left arm to show the two people which way to enter the boat, which is through the employee entrance, which does not pass through the patron counting system. The two people entered the casino where both play a slot machine. Neither person had a vendor/visitor badge, nor were either issued a tax-free pass by the commission.

COUNT V

17. 68 IAC 10-4-3(a) states a riverboat licensee shall offer the shooter at least five (5) dice from which the shooter shall select two (2) dice to roll.
18. On July 6, 2009, a Gaming Agent was contacted by the Senior Table Games Manager regarding a missing die from a craps table. The two dice were unintentionally thrown from the table by the shooter. One of the die was found but the other was not. The table games personnel spent fifteen minutes looking for the die and then returned to the table, resuming the play with only four dice. The play continued for thirty minutes before being replaced with five new dice.

COUNT VI

19. Pursuant to IC 4-33-9-12(a) 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.
20. On July 10, 2009, a Gaming Agent received a call from security dispatch regarding an underage person who was in the casino. The underage person's identification was not checked at the turnstiles.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Argosy by and through its agents as described herein constitute a breach of IC 4-33, 68 IAC and/or Argosy's approved internal control procedures. The Commission and Argosy hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Argosy. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Argosy shall pay to the Commission \$57,500 (\$13,000 for Count I; \$10,000 for Count II; \$22,000 for Count III; \$5,000 for Count IV; \$1,500 for Count V and \$6,000 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 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.

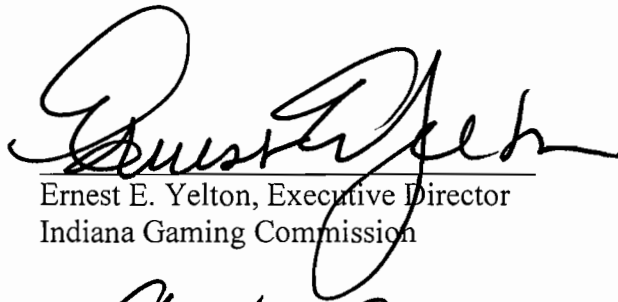
Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Argosy agrees to promptly

remit payment in the amount of \$57,500 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 Argosy.

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

9.16.09
Date



Tony Rodio, General Manager
Indiana Gaming Company, L.P.

Sept. 9, 2009
Date