

**ORDER 2019-212**

**IN RE SETTLEMENT AGREEMENT**

**FRENCH LICK RESORT • CASINO  
19-FL-04**

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

**APPROVED**

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APPROVES OR DISAPPROVES


the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 8<sup>th</sup> DAY OF NOVEMBER, 2019.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Michael B. McMains, Chair

ATTEST:

  
\_\_\_\_\_  
Joseph Svetanoff, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>BLUE SKY CASINO, LLC d/b/a</b>	)	
<b>FRENCH LICK RESORT • CASINO</b>	)	<b>19-FL-04</b>
	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Blue Sky Casino, LLC d/b/a French Lick Resort • Casino (“French Lick”) (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 15-9-3(a)(1) provides that the casino licensee or operating agent must establish policies and procedures in connection with the removal, collection, and counting of the tip box contents for subsequent distribution to gaming occupational licensees. These policies and procedures must include, at a minimum, the following: (1) Tip boxes must be dropped and counted at the end of each day. Surveillance must be notified before the emptying of any tip boxes.
2. French Lick’s approved internal control procedures, K-14, describes the procedures for Dealer Gratuities.
3. On August 1, 2019, a Surveillance Supervisor notified a Gaming Agent that a Lead Security Officer failed to contact surveillance prior to beginning the collection of dealer tips/gratuities.
4. 68 IAC 1-5-1(1)(A) provides that 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 a violation or apparent violation of a rule of the commission by the casino or supplier licensee.
5. 68 IAC 11-1-2 (1) & (6) provides that the internal control system is designed to ensure the assets of the casino are safeguarded and authorized personnel have access to assets.
6. French Lick’s approved internal control procedures, A-7(a), describe the access control system and specify a list of authorized users maintained by surveillance who have access to certain areas of the casino which includes the IDF closet.

7. French Lick's approved internal control procedures, J, describe the surveillance procedures and specifically state that surveillance will monitor and visually record on-site maintenance and repair service.
8. On July 30, 2019, a Security Supervisor notified a Gaming Agent that an IDF closet had been left open and unsecured without a Security Officer present.
9. On July 29, 2019, a vendor was on-site working in the IDF closet and a Security Officer was stationed at the IDF closet while the closet was unsecured and work was being performed. The IDF closet is a controlled area and secured by a sensitive key. The Security Officer left the area since no work was being performed by the vendor, leaving the door unsecured. This incident was not reported to Gaming Agents in a timely manner.
10. On August 5, 2019, a Surveillance Supervisor notified a Gaming Agent that a Slot Tech failed to notify surveillance prior to allowing Maintenance Electricians into the IDF closet to make repairs. The Maintenance Electricians were in the IDF closet for approximately two (2) hours without Security personnel present.

## COUNT II

11. 68 IAC 15-2-3(a) provides that the casino licensee shall be required to maintain a multiple transaction log (MTL) 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.
12. 68 IAC 15-2-3 provides, in relevant part, that the employee witnessing the transaction is responsible for completing the log, and the log shall include a photograph of the patron taken during the first transaction of the day involving that patron.
13. 68 IAC 15-2-5 provides that the casino licensee shall establish policies and procedures for the notification of surveillance prior to completing a currency transaction report. The procedures shall include, at a minimum, the following:
  - (1) The window cashier, pit boss, table games shift manager, or table games manager must notify surveillance.
  - (2) Surveillance shall take a photograph of the patron from the surveillance camera.
  - (3) Prior to the completion of the transaction, surveillance shall notify the window cashier, pit boss, table games shift manager, or table games manager that it has an acceptable photograph...
14. French Lick's approved internal control procedures, E-2, describe the procedure for Title 31 reporting and photograph requirements.

15. On August 1, 2019, a Surveillance Agent notified Gaming Agents that a Cage Cashier failed to request a photograph from surveillance prior to completing a transaction at the cage in the amount of \$4,498. This same patron conducted two more transactions at the Cage. The third transaction of \$1,500 put the patron over the Currency Transaction Reporting (“CTR”) threshold; however, French Lick failed to notify surveillance prior to completing the transaction.
16. On August 9, 2019, a Surveillance Agent notified Gaming Agents that a Cage Cashier failed to request a photograph from surveillance prior to completing a transaction at the cage in the amount of \$3,000.
17. On August 11, 2019, a Surveillance Agent notified Gaming Agents that a Cage Cashier failed to request a photograph from surveillance prior to completing a transaction at the cage that placed the patron over the MTL and CTR level.

### COUNT III

18. 68 IAC 11-1-3(c)(4) provides 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.
19. 68 IAC 13-1-1(b)(2) and (3) provides that 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.
20. French Lick’s approved internal control procedures, K-16, describe the procedures for card, dice and layout control.
21. On August 20, 2019, a Gaming Agent overheard radio traffic from Security requesting a Casino Manager. When the Gaming Agent inquired about what was going on, Security notified the Gaming Agent that a deck of playing cards in the card and dice cancellation room had the incorrect date on them.
22. On August 25, 2019, a Gaming Agent was notified by Security that a deck of playing cards in the card and dice cancellation room had the incorrect date on them.
23. IC 4-33-9-15 provides all tokens, chips, or electronic cards that are used to make wagers must be purchased from the owner or operating agent of the riverboat:
  - (1) while on board the riverboat; or
  - (2) at an on-shore facility that:
    - (A) has been approved by the commission; and
    - (B) is located where the riverboat docks.

(b) The tokens, chips, or electronic cards may be purchased by means of an agreement under which the owner or operating agent extends credit to the patron.

24. On August 24, 2019, a Surveillance Supervisor notified Gaming Agents that an improper purchase of value chips occurred at a blackjack table when a player wrote a check in exchange for chips from another patron.

Upon review of surveillance coverage, a patron at seat two pulled out a piece of paper from his left front pocket. Then, the patron pulled out his phone and showed it to the patron's seated at the table. The patron at seat six slid five (5) black \$100 chips to the player in seat two. The Dealer at the table observed the transaction and did nothing to stop it. Once the \$500 had been played the player at seat two wrote on the paper and passed it to the player in seat six. This was also observed by a Dealer. The Dealer acknowledged to the Gaming Agent that the player in seat two offered to write a check in exchange for chips.

### **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 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.


French Lick shall pay to the Commission a total of \$8,000 (\$3,000 for Count I, \$3,000 for Count II, and \$2,000 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 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, French Lick agrees to promptly remit payment in the amount of \$8,000 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 French Lick.

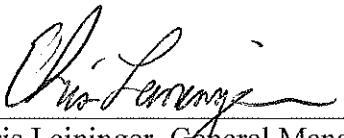
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

11/6/19

Date



Chris Leininger, General Manager  
Blue Sky Casino, LLC

10/31/19

Date