

**ORDER 2021-157
IN RE SETTLEMENT AGREEMENT**

**AMERISTAR CASINO EAST CHICAGO, LLC
21-AS-03**

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 29th DAY OF SEPTEMBER, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
AMERISTAR CASINO EAST)	21-AS-03
CHICAGO, LLC)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and Ameristar Casino East Chicago, LLC ("Ameristar"), (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. IC 4-38-11-1 provides (a) the bureau shall provide information to a certificate holder concerning persons who are delinquent in child support.
 - (b) Prior to a certificate holder disbursing a payout of six hundred dollars (\$600) or more, in winnings, from sports wagering to a person who is delinquent in child support and who is claiming the winning sports wager in person at the certificate holder's facility, the certificate holder:
 - (1) may deduct and retain an administrative fee in the amount of the lesser of:
 - (A) three percent (3%) of the amount of delinquent child support withheld under subdivision (2)(A); or
 - (B) one hundred dollars (\$100); and
 - (2) shall:
 - (A) withhold the amount of delinquent child support owed from winnings;
 - (B) transmit to the bureau:
 - (i) the amount withheld for delinquent child support; and
 - (ii) identifying information, including the full name, address, and Social Security number of the obligor and the child support case identifier, the date and amount of the payment, and the name and location of the licensed owner, operating agent, or trustee; and
 - (C) issue the obligor a receipt in a form prescribed by the bureau with the total amount withheld for delinquent child support and the administrative fee.
 - (c) The bureau shall notify the obligor at the address provided by the certificate holder that the bureau intends to offset the obligor's delinquent child support with the winnings.
 - (d) The bureau shall hold the amount withheld from the winnings of an obligor for ten (10) business days before applying the amount as payment to the obligor's delinquent child support.
 - (e) The delinquent child support required to be withheld under this section and an administrative fee described under subsection (b)(1) have priority over any secured or

unsecured claim on winnings except claims for federal or state taxes that are required to be withheld under federal or state law.

2. 68 IAC 27-5-2(2)(X) provides prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for withholding winnings from delinquent child support obligors in accordance with IC 4-38-11, including a plan for complying with IC 4-38-11 if the sports wagering operator allows the redemption of tickets via mail.
3. 68 IAC 11-9-2(a) provides the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
4. 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.
5. 68 IAC 13-1-1(b)(2) and (3) provides 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.
6. Ameristar's approved internal control procedures, C-18, describe the procedures for the Child Intercept Process.
7. On December 22, 2020, a Gaming Agent was investigating why Ameristar had no failed Child Support Arrears Delinquency Registry ("CSADR") searches for the past seven (7) months. Sports Book Representatives ("SB Rep") had been filling out a handwritten log of each guest when a CSADR search was required based on the winning bet slip. This log was required to be completed by each SB Rep starting in January of 2020. Ameristar stopped completing this log in June 2020 when Ameristar re-opened after the Covid-19 shutdown. Instead, Sports Book Supervisors were copying and pasting the names that were ran through the CSADR system from the CSADR website to an excel spreadsheet, and that spreadsheet was being forwarded to Ameristar's Audit Department. The Auditing Department was not aware of these new procedures and was comparing the spreadsheet from the report from the CSADR system, which resulted in inaccurate no error results. A Sports Book Manager believed the written log was unnecessary since the list he ran each night was matching the log.
8. Absent the handwritten log, Ameristar was unable to do an accurate audit of the Sportsbook CSADR searches. Ameristar initially went back and audited December 2020 and January 2021. For December 2020, there were thirty-seven (37) CSADR searches not verified. For January 2021, there were thirteen (13) CSADR searches not verified. Ameristar provided that their definition of a non-verified search meant that Ameristar could not say with 100% certainty that a search was done on an individual. The

Commission viewed this as a non-search, since Ameristar could not produce documentation that a search was completed.

COUNT II

9. IC 4-38-11-1 provides (a) the bureau shall provide information to a certificate holder concerning persons who are delinquent in child support.
(b) Prior to a certificate holder disbursing a payout of six hundred dollars (\$600) or more, in winnings, from sports wagering to a person who is delinquent in child support and who is claiming the winning sports wager in person at the certificate holder's facility, the certificate holder:
 - (1) may deduct and retain an administrative fee in the amount of the lesser of:
 - (A) three percent (3%) of the amount of delinquent child support withheld under subdivision (2)(A); or
 - (B) one hundred dollars (\$100); and
 - (2) shall:
 - (A) withhold the amount of delinquent child support owed from winnings;
 - (B) transmit to the bureau:
 - (i) the amount withheld for delinquent child support; and
 - (ii) identifying information, including the full name, address, and Social Security number of the obligor and the child support case identifier, the date and amount of the payment, and the name and location of the licensed owner, operating agent, or trustee; and
 - (C) issue the obligor a receipt in a form prescribed by the bureau with the total amount withheld for delinquent child support and the administrative fee.
 - (c) The bureau shall notify the obligor at the address provided by the certificate holder that the bureau intends to offset the obligor's delinquent child support with the winnings.
 - (d) The bureau shall hold the amount withheld from the winnings of an obligor for ten (10) business days before applying the amount as payment to the obligor's delinquent child support.
 - (e) The delinquent child support required to be withheld under this section and an administrative fee described under subsection (b)(1) have priority over any secured or unsecured claim on winnings except claims for federal or state taxes that are required to be withheld under federal or state law.
10. 68 IAC 27-5-2(2)(X) provides prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for withholding winnings from delinquent child support obligors in accordance with IC 4-38-11, including a plan for complying with IC 4-38-11 if the sports wagering operator allows the redemption of tickets via mail.
11. 68 IAC 11-9-2(a) provides the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.

12. 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.
13. 68 IAC 13-1-1(b)(2) and (3) provides 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.
14. Ameristar's approved internal control procedures, C-18, describe the procedures for the Child Intercept Process.
15. Gaming Agents conducted an audit of the CSADR for April 2021. The results of this audit found eight (8) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
16. Gaming Agents conducted an audit of CSADR for May 2021. The results of this audit found that eight (8) individuals were not searched in the CSADR system: two (2) individuals were not searched at the time a taxable jackpot was won and six (6) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

COUNT III

17. 68 IAC 11-3-6(b)(2 & 3) provides during the soft count process the drop box shall be opened by the appropriate soft count team member, and the entire contents of the drop box shall be emptied onto the soft count table. The inside of the empty drop box shall be held up for full view by the surveillance camera, and at least one (1) member of the soft count team shall verify that the drop box is empty.
18. On April 26, 2021, Surveillance notified Gaming Agents that during the table games drop a \$100 bill was located in a cold drop box while pulling cold drop boxes in preparation for the table games drop. The drop box was escorted to the Count Room.
19. A review of the surveillance coverage of the drop and count on April 25, 2021 showed that, while performing the drop on a EZ Baccarat table game, a \$100 bill was not in the drop box, so a Security Officer placed the bill into the drop box. During the soft count process, the drop box in question was pulled from the drop cart. The contents of the box was emptied by Count Room Supervisor and then the box was held up with the opening of the box facing the Count Team Member. No one noticed the \$100 bill. At this time, the \$100 bill was seen in the open slot of the drop box before it was placed into drop cart.
20. Gaming Agents were notified by Surveillance that a \$100 bill was found in a cold drop box while conducting a swap of drop boxes.
21. A review of the surveillance coverage of the May 4, 2021 soft count process showed the Count Team Manager processing the drop box. The Count Team Manager showed the

drop box to the Count Team Supervisor. Neither noticed the bill. During the count process, a Count Room Supervisor placed the drop box against the wall without clearing the drop box. The drop box remained there until May 8, 2021 when the Count Room Supervisor placed the box on the floor near the count room table. A Count Room Team Member placed the drop box on a cart without the drop box being cleared. Security placed the drop box at a table game on May 9, 2021 and that is when the \$100 bill was discovered by the drop team.

COUNT IV

22. 68 IAC 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the licensee are safeguarded.
23. 68 IAC 15-10-2(a)(3)(B) provides the casino licensee shall establish policies and procedures to ensure that all transactions that flow through the casino cage are accounted for. These policies and procedures shall include, but are not limited to, the following: At the end of a shift, the cashiers assigned to the outgoing shift shall: Reconcile the total closing inventory with the total opening inventory.
24. 68 IAC 15-10-4.1 provides (a) 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.

25. On July 15, 2021, Surveillance notified Gaming Agents of an NRT variance where the NRT was short \$919.98. The Gaming Agent reviewed the Cashier Variation Report ("CVR") for the NRT in question and found that it was \$919.97 short and had an additional discrepancy of \$145, resulting in a total shortage of \$1,064.98. Per the CVR, the additional discrepancy was found in coin fills and the soft count credit.
26. On August 2, 2021, the Gaming Agent followed up on the NRT variance with the Cage Manager and was advised that the shortage had not been located and the variance remained unresolved.

COUNT V

27. 68 IAC 1-1-73 provides that a progressive jackpot means a value determined by application of an approved formula to the income of independent, local, or electronic gaming devices or live gaming devices. This value must be clearly displayed above the interlinked electronic gaming device, above or beside the live gaming device and metered incrementally by a progressive controller. A progressive electronic gaming device must prominently display a manufacturer-supplied glass indicating either that a progressive jackpot is to be paid or the current amount of the jackpot.
28. On May 21, 2021, Surveillance notified Gaming Agents regarding a dealer error at a Blackjack table. The Dealer failed to account for sixty-eight (68) \$5.00 Blazing 7's progressive wagers. The Dealer must manually enter the progressive amounts into the computer and failed to do so.
29. A review of surveillance coverage confirmed that patrons placed a \$5.00 wager on the Blazing 7's side bet, however, when patrons lost the side bet, the Dealer would remove the losing progressive wager and not add it to the progressive amount. The missing amounts were later added to the progressive.

COUNT VI

30. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills.
31. On June 14, 2021, Surveillance notified Gaming Agents of a \$10,000 Cage variance. The variance originated from the Main Bank. It was determined that the variance was a result of a table fill error. A table fill was requested for \$21,800, however, \$31,800 was delivered to the Baccarat table and accepted. Table fill violations should be identified

during the fill process since it involves oversight of three departments and not as a variance at the end of a shift.

32. On June 21, 2021, Surveillance notified Gaming Agents that a table fill was delivered to the wrong table and that Security failed to notify Surveillance that a table fill was being processed. A review of surveillance coverage confirmed that a \$5,000 table fill was delivered to the incorrect Roulette table and accepted.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Ameristar by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38, 68 IAC, and/or Ameristar's approved internal control procedures. The Commission and Ameristar hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Ameristar.

Ameristar shall pay to the Commission a total of \$43,500 (\$20,000 for Count I, \$16,000 for Count II, \$1,000 for Count III, \$2,500 for Count IV, \$1,000 for Count V and \$3,000 for Count VI) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in 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.

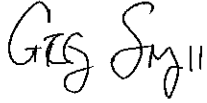
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Ameristar agrees to promptly remit payment in the amount of \$43,500 and waive all rights to further administrative 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 may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and Ameristar.

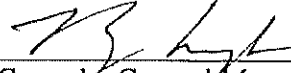
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Greg Small, Executive Director
Indiana Gaming Commission

9/28/21

Date



Ryan Coppola, General Manager
Ameristar Casino East Chicago, LLC

9/24/21

Date