

**ORDER 2022-78  
IN RE SETTLEMENT AGREEMENT**

**BLUE CHIP CASINO, LLC  
22-BC-02**

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

**APPROVED**

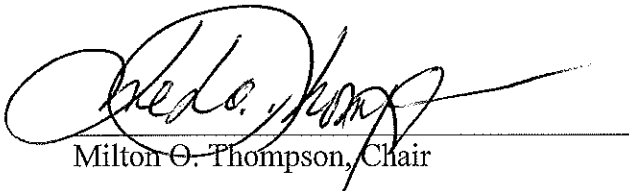
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APPROVES OR DISAPPROVES

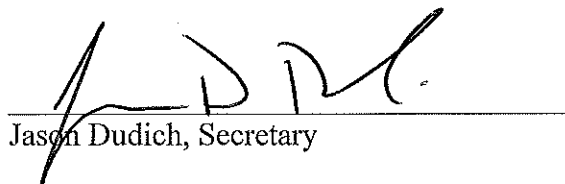
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 30<sup>th</sup> DAY OF JUNE, 2022.**

**THE INDIANA GAMING COMMISSION:**

  
Milton O. Thompson, Chair

ATTEST:

  
Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**BLUE CHIP CASINO, LLC** ) **22-BC-02**

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Blue Chip Casino, LLC (“Blue Chip”) (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 4-33-4-27 provides that (b) If a licensed owner, an operating agent, or a trustee is required to file Form W-2G or a substantially equivalent form with the United States Internal Revenue Service for a person who is delinquent in child support, before payment of cash winnings to the person, the licensed owner, operating agent, or trustee:  
(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 the cash 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.
2. 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.
3. 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.
4. Blue Chip’s approved internal control procedures, K-23, describes the procedures for the child support registry.

5. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for March 2022. The results of this audit found two (2) individuals were not searched through the CSADR system at the time a taxable jackpot was won.

## COUNT II

6. 68 IAC 17-1-3 provides a casino licensee shall use the Commission's electronic gaming device (EGD) database as prescribed by the commission.
7. 68 IAC 17-1-2(d) provides that the casino licensees must notify the executive director, in writing, of the following information before moving an EGD on the floor of the casino: (1) The change in the position or location number of the EGD. (2) The new designation the EGD will have in the central computer system. (3) 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.
8. On January 22, 2022, a Gaming Agent observed Vessel Maintenance Technicians and the Marine Chief Engineer working in the area of two (2) EGD banks, as well as in the area of two (2) proposed EGD banks and in the future casino area. The next day, two (2) Slot Technicians contacted the Gaming Agent to work on multiple EGD's. The Slot Technicians wanted to know if the EGD's that had been moved needed to be coin tested. The Gaming Agent advised that any EGD that had power and communication disconnected and restored had to be coin tested. The Gaming Agent also advised that any EGD being moved had to be on an approved slot project, meaning that it had to be approved through the Commission's EGD system. The Slot Technicians advised they had been instructed to coin test EGD's in two (2) banks on the casino floor as a part of the slot project.
9. Upon review of the paperwork for the slot project, the Gaming Agent determined that one (1) of the EGD banks were a part of the approved slot project, however, the second (2<sup>nd</sup>) bank was not a part of the approved slot project. The Gaming Agent allowed them to proceed with coin testing the EGD's that were included on the approved slot project.
10. The Gaming Agent proceeded to the other bank of EGD's where the Gaming Agent observed that four (4) EGD's had been moved. The Gaming Agent inquired with the two (2) Slot Technicians if they had been moved and if power and communications had been disconnected on these four (4) EGD's. The Slot Technicians advised that the EGD's had been without power and communication for some time, while the Vessel Maintenance Technician worked to move lines.
11. A review of surveillance coverage confirmed that these EGD's were in fact powered down, disconnected and moved. An IT Field Engineer was observed working on the communication lines while the Director of Slot Operations was in the area. The EGD's were moved into their new locations and then, power and communication were restored. The Gaming Agent advised that the EGD's had to remain out of service until his

investigation was complete and all appropriate approvals had been obtained. Blue Chip failed to submit an EGD move in the EGD system and then, proceeded with conducting the move without Commission approval.

12. 68 IAC 2-6-6(c)(4) provides if a casino licensee converts an EGD, the casino licensee must take the following steps: in the presence of an enforcement agent, a slot technician or the equivalent shall ensure that the payglass installed on the electronic gaming device accurately reflects the payouts for the control program medium that has been installed in the electronic gaming device. The payglass test may be performed by either: (A) running the payout table test; or (B) ensuring the payglass matches the approved diagram set forth in the payglass manual maintained by the commission.
13. On March 20, 2022, a Gaming Agent was notified by Surveillance that a progressive jackpot had hit for \$43,803, however, a Slot Shift Manager had advised that the jackpot did not register correctly. The jackpot showed up as \$40,000 on the EGD, however, the progressive meter was showing the correct amount of \$43,803. The Slot Shift Manager advised that a setting/switch in the EGD was not set up correctly and this was discovered when the Slot Shift Manager was verifying the jackpot. When setting up progressive EGD's, a second Slot Technician is required to verify the game was set up correctly. Either both Slot Technicians failed to verify the EGD was set up correctly or there was not a second verifier. The error was caught because the Slot Shift Manager appropriately verified the jackpot.

### COUNT III

14. 68 IAC 12-1-4(a) provides the surveillance system must be capable of monitoring activities on the: (1) casino floor; (2) support areas; (3) areas of the pavilion through which monies are transported; and (4) all other areas necessary to further the purpose of the surveillance system; including, but not limited to, the areas specifically outlined in this rule. (b) The executive director or the executive director's designee may require additional areas be monitored to ensure compliance with IC 4-33 and this title.
15. 68 IAC 12-1-5(a) provides 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.
16. 68 IAC 12-1-5(b) provides the surveillance system shall provide coverage of each of the following areas as specified in this rule: (2) Soft count rooms including a general overview of each room and additional dedicated coverage capable of clearly identifying the following: (A) Employees. (B) The value of cash and cash equivalents.
17. 68 IAC 12-1-5(c) provides the surveillance system must provide an overall view of pit areas and gaming tables capable of clearly identifying the following: (1) Dealers. (2) Patrons. (3) Hands of the participants. (4) Facial views of the participants. (5) Pit personnel. (6) Activities of the pit personnel. (7) The amount and incrementation of a progressive jackpot contained on a progressive jackpot display of a live gaming device.

18. 68 IAC 12-1-5(d) provides the playing surface of the live gaming devices must be viewed by the surveillance system with sufficient clarity to do the following: (1) Determine the following: (A) Wagers. (B) Card values. (C) Game results. (2) Clearly observe, in detail, the following: (A) Chip trays. (B) Cash receptacles. (C) Tip boxes. (D) Dice. (E) Shuffle machines. (F) Card shoes.
19. 68 IAC 12-1-5(e) provides roulette tables must be viewed by the surveillance system with color cameras.
20. On April 14, 2022, a Gaming Agent was notified by Surveillance that they were experiencing another partial system failure. All of the digital cameras in soft count and the table games area were experiencing functionality issues. The cameras were going in and out. There was no one in soft count, but there were four (4) table games open. Surveillance advised Gaming Agents that they were going to move some analog cameras to cover the active table games. Surveillance called back a short time later and advised that the digital cameras experienced the problems had all gone down. Approximately five (5) minutes later, Surveillance advised Gaming Agents that table games requested a review of a craps game. The camera outage occurred during this dispute, and they were unable to review sufficient coverage, so they paid the patron. Surveillance provided that there were no new or used replacement switches available, so they moved some of the cameras from that switch and onto different ones to reduce data load. Previously, on April 4, 2022, there was an outage of the exact same network switch and the exact same cameras had gone down which was a total of 386 cameras.

#### COUNT IV

21. 68 IAC 27-5-2(R) provides that Certificate Holders are required to Identify and restrict prohibited sports wagering participants.
22. Blue Chip's approved internal control procedures, R-20, describes the process of providing the list of prohibited sports wagering participants to its vendors, so that its vendors can properly restrict sports wagering from those individuals.
24. On January 5, 2022, a Gaming Agent conducted a statewide exclusion audit. The results of this audit determined that Blue Chip failed to restrict and evict twenty (20) individuals on the statewide exclusion list. It was determined that Blue Chip did not receive the email communication from the Commission's Legal Division because they are restricted from receiving zip files, however, new additions to the Statewide Exclusion List are announced at the Commission's public business meeting each quarter and subsequently posted on the website. Blue Chip could have requested this information from the Gaming Agents or the Commission's Legal Division at any time after the Commission meeting. As a result, Blue Chip did not provide this information to their sports wagering partner Fan Duel in a timely manner.

#### TERMS AND CONDITIONS

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

Blue Chip shall pay to the Commission a total of \$11,500 (\$2,000 for Count I, \$3,500 for Count II, \$5,000 for Count III, and \$1,000 for Count IV) 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, Blue Chip agrees to promptly remit payment in the amount of \$11,500 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 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 Blue Chip.

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

Greg Small  
Greg Small, Executive Director  
Indiana Gaming Commission

6/27/2022  
Date

Brenda Temple  
Brenda Temple, V.P. and Gen. Mgr.  
Blue Chip Casino, LLC

6-16-22  
Date