

**ORDER 2009-56
IN RE SETTLEMENT AGREEMENT
CAESARS RIVERBOAT CASINO, LLC
09-CS-01**

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 19th DAY OF MARCH, 2009.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CAESARS RIVERBOAT CASINO, LLC)	09-CS-01
d/b/a HORSESHOE CASINO HOTEL)	
SOUTHERN INDIANA)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Caesars Riverboat Casino, LLC d/b/a Horseshoe Casino Hotel Southern Indiana (“Horseshoe South”), (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 14-3-2 (b)(1) states that all playing cards must meet the following specifications: 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.
2. On July 27, 2008, a Gaming Agent was notified by the Poker Room Supervisor that a poker table had used a deck of cards with two kings of spades and no king of clubs. The Agent looked at the video coverage of the opening of the poker table and observed a Poker Room Supervisor and Dealer checking the decks of cards but could not tell if the king of clubs was missing or if there were two kings of spades. The casino later informed the Gaming Agents that the cards had not actually been used, just opened and inspected.

COUNT II

3. Pursuant to IC 4-33-9-12(a), 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.
4. 68 IAC 1-11-1(c) states a person under twenty-one (21) years of age shall not be present on a riverboat.

5. On December 1, 2008, a Security Dispatch Officer contacted a Gaming Agent regarding a minor being escorted off of the casino. The underage person had been allowed to pass through the turnstiles without being asked for identification.
6. On December 26, 2008, a Gaming Agent was contacted by a Security Manager regarding an underage person who had attempted to board the casino. The underage person stated that he had been on the casino earlier in the day. A review of the surveillance coverage shows the underage person presenting his identification to the Security Officer. The Security Officer examines the identification by holding it vertically, which indicates the person is under the age of twenty-one (21). The underage person was allowed on the casino.

COUNT III

7. 68 IAC 14-3-5 (a) states that all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
8. On November 9, 2008, a Gaming Agent was contacted by a Surveillance Officer to notify him that a storage compartment containing cards and a dealer shoe had been left unsecured. When the Agent arrived at the table game, he observed a dealer shoe containing eight decks of red backed cards and another eight decks with a black back. The compartment had been left unsecured for approximately four hours.
9. On December 31, 2008, a Gaming Agent received a radio transmission from the Casino Operations Manager advising the Agent that cards had been left in an unsecured card storage box left on a closed gaming table. The cards were left unsecured for approximately five and a half hours.
10. The casino has been fined twice in the past year for similar violations.

COUNT IV

11. 68 IAC 15-12-3 (a) states, in pertinent part, that live gaming device fills shall proceed in the following manner:
 - (4) Based on the information contained on the fill slip, the casino cashier shall prepare the proper denomination and amount of chips or tokens, or both, and sign the fill slip. The casino cashier shall sign the fill slip, summon a security officer, and present the chips or tokens, or both and the fill slip to the security officer.
 - (5) The security officer must verify the denomination and amount of chips or tokens, or both, match the amount on the fill slip. The security officer shall sign the fill slip after verifying the chips or tokens, or both, match the fill slip. The

security officer who begins the live gaming device fill must complete the process of witnessing, escorting, and signing the appropriate documentation to verify the live gaming device fill was completed. If there is a discrepancy with the live gaming device fill, the same security officer who began the live gaming device fill must accompany the fill back to the cage to resolve the discrepancy.

(8) The appropriate level of occupational licensee shall count the chips or tokens, or both, that are received as a live gaming device fill to ensure the denomination and amounts received match the amount and denomination reflected on the fill slip.

(9) If the amounts agree, the occupational licensee who counted the fill shall sign the fill slip. The pit supervisor or the equivalent shall also sign the fill slip. A copy of the fill slip or the original shall be inserted into the drop box of the live gaming device that received the fill. A copy of the fill slip or the original fill slip should be returned to the casino cage.

(10) If the amounts do not agree, the fill slip shall not be signed and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips or tokens, or both, and the fill slip to the casino cage.

12. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to the last paragraph of Horseshoe Southern Indiana Internal Control C-9.2 if a Fill Slip received in the pit does not match the denomination and amount of the chips, the slip will not be signed and both the slip and the chips will be returned to the cage to follow the proper void procedures. Security will notify Surveillance prior to returning the slip and chips to the Cage. All voids will be signed by a Cage Supervisor and a Cashier. All copies of the Fill Slip will be marked "VOID" with a brief explanation. A new Fill Slip reflecting the accurate fill transaction will be completed by the Cage and delivered with the chips to the designated table. Verification procedures of the new fill will be followed as indicated above. The voided copies will be forwarded to Accounting on a daily basis.

13. On March 10, 2008, a Gaming Agent was contacted by a Security Officer who wanted to meet with the Agent to talk about a possible procedure violation. The Security Officer told the Agent that on March 9, 2008 there was a table fill on Craps table 215 that he needed to look into because it was wrong. The Security Officer told the Agent that purple chips were delivered to the table instead of the black chips requested. The Agent contacted a Surveillance Supervisor and asked if they were aware of a table fill violation on table 215. The Supervisor told the Agent that they received a call from a Security Lead Officer informing them that there was an error on the table fill on 215 for \$36,600. \$10,000 of the fill was supposed to be black \$100 chips but instead the \$10,000 was delivered in purple \$500 chips. Approximately 30 minutes later another fill was ordered by a Table Games Manager in the amount of \$10,000. The Table Games Manager

requested the cage to mark the paperwork for \$500 chips but to actually send \$100 chips instead to balance out the float.

14. Upon further review, it was determined that the original erroneous fill request was for \$36,600. The Cage Cashier and the Security Officer counted out the chips for the fill but did not compare it with the fill request and erroneously sent out \$500 purple chips instead of the \$100 black chips. The fill was handed over to a Table Games Supervisor/Box Person and another Table Games Supervisor to be counted down and verified. The fill was counted, verified and signed off on and then dropped into the drop box. The Supervisor/Box Person did not realize the mistake until he went to place the chips into his float. He contacted the Table Games Manager and explained what happened. The Table Games Manager contacted the cage requesting the \$10,000 fill for \$500 chips but requested the Cage send \$100 chips instead. A Cage Supervisor approved the transaction. The Security Lead Officer who had been asked to deliver the chips to the Craps table refused because the requested chips on the fill slip did not match the actual chips being sent. She contacted her Supervisor who approved another Security Officer to transport the chips.
15. In October 2008, the Commission Audit Director and a Commission Staff Attorney investigated the incident further and found that the table games employees had been taught to handle these types of fill errors from co-workers and/or supervisors. They also found that although memos were sent on March 13, 2008 by the Director of Table Games and the Director of Cage and Credit, regarding the proper handling of an incorrect fills, the incorrect fills were still being handled incorrectly, contrary to the casino's Internal Controls. The Commission Audit Director and the Commission Staff Attorney spoke to the appropriate people regarding the fact that the employees were not following the correct procedure and stressed that the correct procedure must be followed. An audit of the fills from March 10, 2008 to September 27, 2008, conducted by the Commission Audit Staff, confirmed that the employees were not following the proper procedure for all of the incorrect fills. There were 13 fill slip errors found during the audit and only 4 of those were corrected in accordance with the casinos internal controls.
16. According to a memo sent by the Director of Table Games, if the paperwork on an incorrect fill has been dropped in the drop box, the Floor Manager or Shift Manager should be advised and they will assist with the "error of notification" paperwork. This paperwork should be dropped into the drop box. The Floor Manager or Shift Manager will advise surveillance and the cage and will assist the cage in completing a notification of error slip for the cage's records.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Horseshoe South by and through its agents as described herein constitute a breach of the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and/or Horseshoe South's approved internal control procedures. The Commission and Horseshoe South hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Horseshoe South. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

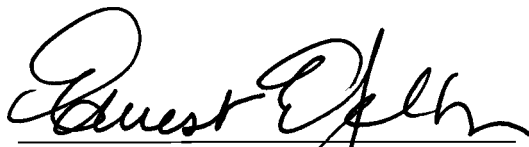
Horseshoe South shall pay to the Commission a total of \$60,500 (\$1,000 for Count I; \$4,500 for Count II; \$15,000 for Count III and \$40,000 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only to those violations and findings of fact, specifically alleged 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, Horseshoe South agrees to promptly remit payment in the amount of \$60,500 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.

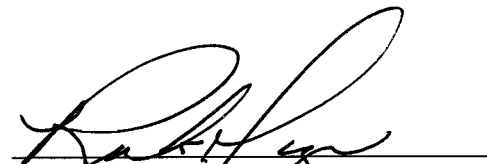
This Settlement Agreement shall be binding upon the Commission and Horseshoe South.

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

3-19-09
Date



Rick Mazer, Indiana Regional
President and General Manager
Caesars Riverboat Casino, LLC

3-15-08
Date