

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>INDIANA GAMING COMPANY, L.P.</b>	)	<b>10-HW-04</b>
	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission ("Commission") by and through its Executive Director Ernest E. Yelton and Indiana Gaming Company, L.P. ("Hollywood") (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 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.
  - (2) (C) When an occupational licensee transfers to another position with the riverboat licensee.  
The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
2. On June 2, 2010 a Gaming Agent received termination paperwork from the Human Resource Department for an employee who was terminated on April 17, 2010.
3. On June 11, 2010 a Gaming Agent received termination paperwork from the Human Resources Department for two employees who were terminated on May 10, 2010 and May 17, 2010.
4. On August 11, 2010 a Gaming Agent received termination paperwork from the Human Resource Department for seven employees who were terminated between June 23 and July 20, 2010.

5. On April 21, 2010 a Gaming Agent and the Gaming Supervisor were processing employee position changes. Eleven employees were changing from a Level 3 position to a Level 2 position. According to the forms presented the position changes were effective February 1, 2010, but the employees were not sent to the Gaming Office until April 21<sup>st</sup>.

### COUNT II

6. 68 IAC 2-3-8 states that an occupational license must be renewed annually.
7. On June 25, 2010 a Kitchen employee approached a Gaming Agent to request a renewal of his occupational license. The Agent noted that the license had expired on June 10, 2010; the employee had worked eleven shifts with the expired license.
8. On June 26, 2010 a Gaming Agent compiled a list of licensed employees working with expired licenses. There were seven employees; three whose licenses expired on June 3<sup>rd</sup> and one each on June 7<sup>th</sup>, June 8<sup>th</sup>, June 17<sup>th</sup> and June 18<sup>th</sup>.
9. On September 8, 2010 a Gaming Agent compiled a list of licensed employees who worked with an expired license. There were six employees whose licenses expired between July 30 and August 26, 2010.

### COUNT III

10. 68 IAC 6-3-4(b) states each casino shall establish internal control procedures for compliance with this rule, which shall be submitted and approved by the commission under 68 IAC 11-1-3. The internal controls must, at a minimum, address the following:
  - (3) Must:
    - (A) refuse wagers from; and
    - (B) deny gaming privileges to any individual who the casino knows to be a voluntarily excluded person.
  - (5) ensure voluntarily excluded persons do not receive check cashing privileges or extensions in credit, whether directly through the casino or operating agent, or through a supplier contracting with the casino or operating agent on property hired for the purpose of check cashing privileges or extension of credit, or both.
11. On May 27, 2010 a Gaming Agent was informed by the Director of Security and Regulatory Affairs that a VEP had received a credit card advance on May 26, 2010. The VEP was discovered when she later returned to the cage and attempted to cash a second advance.

12. On August 26, 2010 a Gaming Agent was informed by security dispatch regarding a possible Voluntarily Excluded Person ("VEP"). The Agent verified that the person was a VEP. The Agent was informed that the VEP had won and been paid for an earlier jackpot. The VEP confirmed that she had been paid the jackpot, but had gambled the winnings.

#### COUNT IV

13. 68 IAC 15-9-1(d) states the riverboat licensee shall establish policies for the acceptance of tips and gratuities for gaming and non-gaming employees. These policies shall include, at a minimum, the following requirements: (1) No gaming occupational licensee shall accept currency as a tip or gratuity.
14. On May 11, 2010 two Gaming Agents reviewed surveillance coverage of a Bad Beat Jackpot being paid out when they noticed that the Poker Dealer was accepting US currency ("cash") from a patron for a tip. Another patron placed cash in the dealer's tip box unassisted. An Agent noted that the Dealer received over \$1,000 in cash tips. The Director of Table Games stated that the issue would be immediately addressed with the poker dealers and any dealers accepting cash would receive some sort of disciplinary action. The Gaming Agent reviewed past Poker Token Deposit Slips and found numerous dealers were accepting cash as tips; however only the Poker Dealer that the Agents saw taking cash was disciplined.

#### COUNT V

15. 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.
16. 68 IAC 2-3-9(b) states riverboat licensees shall notify the commission that an occupational licensee is in violation of the requirements of this rule or IC 4-33 if the riverboat licensee is aware of the violation.
17. 68 IAC 2-3-9(d) states occupational licensees must notify the commission that a riverboat licensee, a supplier licensee, or an occupational licensee has violated the Act or this title as soon as the occupational licensee becomes aware of the violation. If an occupational licensee fails to notify the commission of a violation of the Act or this title by a riverboat licensee, a supplier licensee, or an occupational licensee, the commission may initiate a disciplinary action.
18. On July 11, 2010 a Gaming Agent was contacted by the Casino Manager regarding poker cards found on a table. The wife, of a Casino employee, informed the Casino Manager that a patron, who is employed at another casino, found a set of cards (two decks) on one of the poker tables. Surveillance coverage confirms that the patron took the cards to the poker podium and gave them to a Poker Room Supervisor, who was not sure what to do with the cards. The Supervisor stored the cards in the podium and went to speak with another Poker

Room Supervisor. The first Supervisor called the Poker Room Manager who instructed the Supervisor to go through the inventory, make sure the cards were there, the set ups were right and not to call anyone or let anyone know what had happened. Both Supervisors then instruct a Poker Dealer/Supervisor to go on business as usual and not say anything about what happened to anyone. The Agent also noted that the cards had been left on the table by a Dealer and Supervisor after the table was closed. The cards were left unattended for approximately two and a half hours.

19. On July 17, 2010 a Gaming Agent was contacted by the Poker Room Shift Supervisor regarding two card setups (four decks) that were left unattended at the podium in the back of the poker room. A review of the surveillance footage shows the two setups were left unattended on a shelf in the podium for approximately one hour.

#### COUNT VI

20. Pursuant to IC 4-33-9-12 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.
21. On July 14, 2010 a Gaming Agent was notified by a Security Supervisor that an ID had been found on the casino floor. The ID belonged to an underage person. A review of surveillance footage showed the underage person was not asked for identification at the turnstiles.
22. On July 15, 2010 a Gaming Agent was contacted by security dispatch of a minor on the casino floor. The minor had shown her identification at the turnstiles and was allowed to enter the casino.
23. On July 20, 2010 a Gaming Agent was informed that an underage person was at the turnstiles attempting to enter the casino. When the Agent arrived at the turnstiles he was informed that the underage person had entered the casino earlier in the evening. A review of surveillance footage shows the underage person was not asked for ID earlier in the evening.
24. On July 31, 2010 a Gaming Agent was notified by security dispatch that an underage person had been located on the casino floor. The underage person was not asked for identification at the turnstiles. The two security officers located at the turnstiles were busy checking other IDs due to the large volume of patrons.

## COUNT VII

25. 68 IAC 17-2-1(e) states a live gaming device may not be delivered to a riverboat licensee or a riverboat license applicant unless a member of the commission staff or an enforcement agent is present at the point of delivery. The riverboat licensee is responsible for ensuring that a member of the commission staff or an enforcement agent is present at the point of delivery.
26. On July 16, 2010 a Gaming Agent was requested at the loading dock by the Table Games Maintenance ("TGM") Supervisor to receive a shipment of dice. While at the loading dock the Agent noticed in a locked cage area, a package from Gaming Partners International ("GPI") and inquired what was in the package. The TGM Supervisor advised that inside the package were ten Texas Hold'Em poker layouts that not been approved by the Commission. The shipment had arrived on July 15, 2010 and the TGM Supervisor had not informed anyone.

## COUNT VIII

27. 68 IAC 12-1-1.7(a) and (b) state the surveillance room on the riverboat shall be staffed by at least two (2) surveillance employees engaged in monitoring operations at all times. In addition to the minimum staffing level outlined in subsection (a), the surveillance room shall be staffed with additional surveillance employees as necessary to ensure that the requirements of this rule are met. Factors relevant to determining staffing levels include, but are not limited to, the following:
  - (1) The time of day.
  - (2) The size of the riverboat.
  - (3) The number of patrons present.
  - (4) Special events taking place on the riverboat.
  - (5) Events taking place that require continuous monitoring in accordance with this rule.
  - (6) Any other factor identified by the executive director or the executive director's designee.
28. 68 IAC 12-1-1(b)(3) states "monitor continuously" means to observe:
  - (A) in real time; and
  - (B) without interruption;an event, a location, or an activity in its entirety.
29. 68 IAC 12-1-6(1) states surveillance employees must continuously monitor and visually record the soft count procedures in accordance with 68 IAC 11-3.
30. On August 27, 2010 at approximately 0900hrs a Gaming Agent entered the surveillance room to request assistance with an issue and noted that there were only three surveillance employees in the room. One employee was observing the bill validator drop, another one was watching a blackjack table and observing the

bill validator drop and the third surveillance employee was watching recorded coverage for cage variances. The count room process was not being monitored by any of the surveillance employees. The Agent asked if only three employees were on duty and was informed that there were only going to be three employees until approximately 1500hrs.

31. The Agent advised the Gaming Supervisor, who in turn contacted the IGC Director of Compliance. The IGC Director of Compliance informed the IGC Executive staff of the lack of surveillance staffing and the Gaming Supervisor was instructed to contact the Director of Surveillance to increase the number of employees. The Gaming Supervisor contacted the Director of Security and Regulatory Affairs, since the Director of Surveillance was on vacation. At 1300hrs the Agent entered the surveillance room and noted that there were numerous shots of the empty keying room on the wall monitors but none of the processing room where the count was being conducted. At 1350hrs the Agent observed another surveillance employee in the room.

### COUNT IX

32. 68 IAC 15-10-4.1(a) and (b) state all cage inventories must be accurately reported at the conclusion of each shift on the inventory form utilized by the riverboat licensee. All overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered. All 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.
33. On August 10, 2010, a Gaming Agent was notified about an eight hundred dollar (\$800) variance in the cage. The variance was discovered when a Cage Cashier was verifying a strap of \$100 bills dated August 1, 2010; the strap was short eight \$100 bills. The mistake originated in the processing room during the strapping process.
34. The strap variance was not reported by the cage, but was noticed by a Surveillance employee who was reviewing the cage shift reports. The variance remained unresolved until the Financial Controller was contacted by the IGC Audit Staff on August 17, 2010.

**TERMS AND CONDITIONS**

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

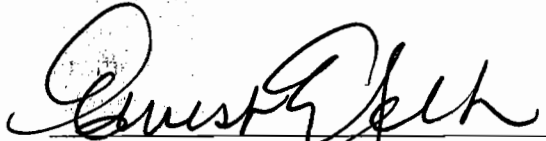
Hollywood shall pay to the Commission \$115,500 (\$36,500 for Count I; \$14,000 for Count II; \$4,500 for Count III; \$5,000 for Count IV; \$10,000 for Count V; \$27,000 for Count VI; \$5,000 for Count VII; \$10,000 for Count VIII and \$3,500 for Count IX) in consideration for the Commission foregoing 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, Hollywood agrees to promptly remit payment in the amount of \$115,500 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 Hollywood.

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

Nov 8, 2017  
Date

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

11/1/17  
Date

**ORDER 2010-207**  
**IN RE SETTLEMENT AGREEMENT**  
**INDIANA GAMING COMPANY, L.P.**  
**10-HW-04**

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

Approves  
APPROVES OR DISAPPROVES

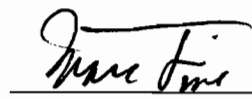
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 10<sup>th</sup> DAY OF NOVEMBER, 2010.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Timothy Murphy, Chair

ATTEST:

  
\_\_\_\_\_  
Marc Fine, Secretary