

**ORDER 2018-50  
IN RE SETTLEMENT AGREEMENT**

**HORSESHOE HAMMOND, LLC  
18-HH-01**

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

**APPROVED**

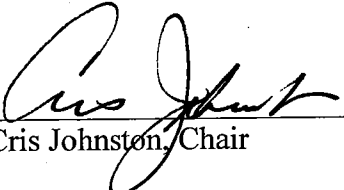
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APPROVES OR DISAPPROVES

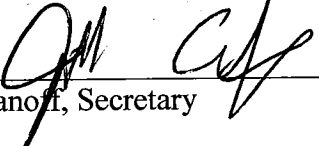
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 8<sup>th</sup> DAY OF MARCH, 2018.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Cris Johnston, Chair

ATTEST:

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

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>HORSESHOE HAMMOND, LLC</b>	)	<b>18-HH-01</b>
	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Horseshoe Hammond, LLC (“Horseshoe”) (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 11-1-3(c)(4) states 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.
2. Horseshoe Hammond’s Internal Control Procedure, G-16.1, describes the procedures for Cage Accountability.
3. On March 6, 2017, a Surveillance Lead reported a situation concerning unsecured funds. The Security Department had notified Surveillance that \$31,500 was discovered in a cash drawer in the Venue Registration Room, as this area was being used for the temporary bank cage for the Chicago Poker Classic taking place in the Venue. Surveillance advised that the funds had been left unsecured the previous evening by a Cage Cashier who had last worked the afternoon shift on March 5, 2017.
4. Surveillance coverage determined that during closeout procedure, the Cage Cashier failed to follow proper procedures and during this event. Specifically, there were unique procedures and protocol put into place that required Cage Cashiers to take the funds resulting from customer transactions down to the Cage where they would be counted and balanced against the slips from the Cage Cashier’s shift.

**COUNT II**

6. 68 IAC 6-3-4(a) state each casino licensee and casino license applicant shall establish internal control procedures for compliance with this rule, which shall be submitted and approved under 68 IAC 11. (b) The internal controls must, at a minimum, address the following:

(3) Refuse wagers from and deny gaming privileges to any voluntarily excluded person.  
(5) Ensure that voluntarily excluded persons do not receive check cashing privileges or extensions of credit, whether directly through the casino licensee or operating agent, or through a supplier contracting with a casino licensee on property hired for the purpose of check cashing or extension of credit, or both.

7. Horseshoe Hammond's Internal Control Procedure, Section K-5.1, describes the procedures the casino must follow for the Voluntary Exclusion Program (VEP).
8. On October 11, 2017, a Gaming Agent was notified that a Voluntary Exclusion Program (VEP) participant completed two (2) credit card transactions on October 2, 2017. Surveillance had been notified by an email communication from a Corporate Senior Analyst during an audit of credit card transactions. The first transaction was for \$500.00 and the second transaction was for \$250.00.
9. On October 18, 2017, a Gaming Agent was notified by the Manager of Regulatory Compliance that a VEP had been on property, received a new Gold level Total Rewards Account and was able to conduct several transactions. The VEP signed up for the program on January 19, 2017 and her current Total Rewards Account was flagged as gaming prohibited due to her VEP status. This account had the correct date of birth.

On September 25, 2017, the flagged VEP was able to obtain a new Total Rewards Card with a different account number that was not marked as gaming prohibited. This new account was created using a fake Illinois Driver's License which did not have the VEP's correct date of birth.

On October 9, 2017, the flagged VEP gained entry to the casino using the fake Illinois identification. The identification was checked at the turnstiles on two (2) occasions but Security did not identify it as fraudulent. The VEP was able to gamble in the casino for ten (10) hours and twenty-five (25) minutes. The VEP conducted her first cash advance of \$2,500.00 at 10:01pm at the main cage. The VEP presented her new Total Rewards Card and her passport to the Cage Cashier. The Cage Cashier swiped the new Total Rewards Card, therefore, the Casino Management System (CMS) does not show the patron as gaming prohibited since the VEP was allowed to create a new account. The Cage Cashier then checked the passport but failed to verify the birthdate as the date of birth on the passport was different than the date of birth in the Total Rewards Account. The transaction was completed.

On October 10, 2017, a second cash advance was taken out at 3:47am for \$2,000. The flagged VEP once again presented her new Total Rewards Card and her passport to the Cage Cashier. A third cash advance was taken out at 7:27am on October 10, 2017 for \$3,000. The Cage Cashier completed the cash advance without comparing the date of births on the passport and the Total Rewards Account. The flagged VEP was also able to earn a total of three (3) comps.

On October 12, 2017, the flagged VEP attempted to enter the casino, but Security at the turnstiles identified that the identification she was using was fraudulent. As of October 16, 2017, the Corporate Marketing Operation Senior Database Support combined both Total Rewards Accounts and the accounts are marked gaming prohibited.

10. On November 20, 2017, the Manager of Regulatory Compliance reported that a VEP had been paid a \$200 credit card advance on November 13, 2017. The violation was discovered after the fact by the Corporate Senior Analyst. Surveillance coverage confirmed the transaction.
11. On November 27, 2017, the Manager of Regulatory Compliance reported that a VEP had been paid a \$400 cash advance on November 19, 2017 at the main cage. This violation was discovered after the fact by the Corporate CTR Specialist. Surveillance coverage confirmed the transaction by the Cage Cashier.

### **TERMS AND CONDITIONS**

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

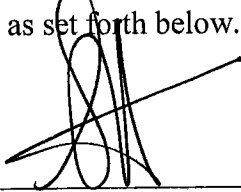
Horseshoe shall pay to the Commission a total of \$47,500 (\$2,500 for Count I and \$45,000 and comprehensive corrective action plan for Count II) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This Agreement 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 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 agrees to promptly remit payment in the amount of \$47,500 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.

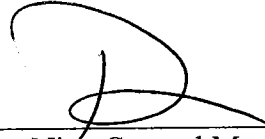
IN WITNESS WHEREOF, the Parties have signed this Settlement Agreement on the date and year as set forth below.



\_\_\_\_\_  
Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

3/8/18

\_\_\_\_\_  
Date



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Dan Nita, General Manager  
Horseshoe Hammond, LLC

3/5/18

\_\_\_\_\_  
Date