

**ORDER 2020-134
IN RE SETTLEMENT AGREEMENT**

**HORSESHOE HAMMOND, LLC
20-HH-02**

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 23rd DAY OF NOVEMBER, 2020.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
HORSESHOE HAMMOND, LLC) **20-HH-02**
)

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 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. 68 IAC 11-3-1(b) provides members of the currency collection team and soft count team shall wear clothing that is not conducive to the concealment of currency. Members of the currency collection team and soft count team shall not wear hats.
2. 68 IAC 11-3-3(c)(6) provides after the soft count team has entered the soft count room and the door has been locked, no one except:
(A) commission personnel;
(B) individuals specifically authorized by the commission;
(C) main bank employees; and
(D) currency collection team members who are dropping off drop boxes;
is allowed access to the soft count room.
3. Horseshoe’s approved internal control procedures, D-5, describes the table games count process.
4. On July 20, 2020, Surveillance notified Gaming Agents that an Engineer had been allowed in the count room as the table games count process was about to begin without a jumpsuit. A review of surveillance coverage showed a Security Ambassador opening the count room door and allowing the soft count team to enter the room. Another Security Ambassador entered the room followed by the Engineer, who was not wearing a jumpsuit. The soft count door is closed. A Security Supervisor was notified of the incident and the Engineer exited the room. The Engineer returned with a jumpsuit on.
5. On July 26, 2020, Gaming Agents interviewed a Security Shift Manager who advised that the Engineer had requested access to the count room to troubleshoot an air conditioning issue prior to the count. Security allowed the Engineer to enter the soft count room without a jumpsuit since the count had not begun quite yet but the count team had also

entered the room and the Engineer had a jumpsuit on his person. The soft count team began counting while the Engineer was in the room without a jumpsuit. The Engineer was not authorized to be in the room during the count and the Engineer should not have been in the room without a jumpsuit.

COUNT II

6. IC 4-38-11-1(a) states 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.
7. Chapter 5, Section 2(2)(W) of the Emergency Rules for Sports Wagering provide 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.
8. 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.

9. 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.
10. Horseshoe's approved internal control procedures, E-8 and T-22, describe the procedures for Child Support Intercept Process.
11. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for January 2020. The results of this audit found three (3) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
12. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for February 2020. The results of this audit found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
13. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for March 2020. The results of this audit found one (1) individual was not searched through the CSADR system at the time a taxable jackpot was won.
14. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for June 2020. The results of this audit found two (2) individuals were not searched through the CSADR system: one (1) at the time of a safekeeping withdrawal from the Cage and one (1) at the time a taxable jackpot was won.
15. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for July 2020. The results of this audit found two (2) individuals were not searched through the CSADR system: one (1) at the time of a safekeeping withdrawal from the Cage and one (1) at the time a taxable jackpot was won.
16. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for August 2020. The results of this audit found one (1) individual was not searched through the CSADR system at the time a taxable jackpot was won.

COUNT III

17. Chapter 3, Section 4(3) of the Emergency Rules for Sports Wagering provide Sports wagering transactions shall be conducted from a designated window in the cashier's cage for the redemption of winning sports wagering tickets only.
18. Horseshoe's approved internal control procedures, T-13, describe the procedures for cashing sports wagering tickets at the cage.
19. On June 30, 2020, the Regulatory Compliance Manager self-reported a violation of commingling sports wagering funds with the cage funds.

20. On July 1, 2020, the Director of Cage Operations advised that a Cage Supervisor opened a sportsbook till on June 28, 2020 for \$13,612.50. Using the same till, the Cage Supervisor paid both sportsbook transactions and regular transactions. The Cage Supervisor had a shortage of \$4 at the end of the day, however, Horseshoe's audit team discovered a \$6,680.16 sportsbook shortage. The Cage separated the sportsbook transaction from the cage transactions discovering that the sportsbook shortage had offset the cage overage resulting in the total \$4 shortage for the day.
21. On July 6, 2020, Gaming Agents spoke with the Cage Supervisor. The Cage Supervisor provided that the Cage Cashiers were busy so she started taking regular cage transactions along with sportsbook transactions. The Cage Supervisor also indicated that she was using the cage drawer instead of the sportsbook drawer in effort to social distance from other cashiers.

COUNT IV

22. IC 4-38-5-4(a) provides a certificate holder or vendor may accept wagers on professional and collegiate sporting events approved for sports wagering by the commission, and other events as approved by the commission. A certificate holder or vendor may use data selected in a manner approved by the commission to determine whether a wager is a winning wager.
23. Chapter 7, Section 1(a) of the Emergency Rules for Sports Wagering provide before accepting wagers on any event category from patrons, a sports wagering operator must receive event category approval from the executive director or the executive director's designee. The sports wagering operator shall provide notice to the executive director or the executive director's designee and such notice shall include the name of the sports governing body and a description of its policies and procedures regarding event integrity. The commission reserves the right to prohibit the acceptance of any wagers, and may order the cancellation of wagers and require refunds on any event for which wagering would be contrary to the public policies of the state.
 - (b) The commission will post approved event categories to its website.
24. On August 10, 2020, the Commission's Sports Wagering Investigator notified Gaming Agents that Horseshoe had allowed wagers to be placed for Chinese Taipei Baseball League. The Chinese Taipei Baseball League was not a Commission approved event category. Sixty-six (66) wagers were placed.
25. On August 17, 2020, the Commission's Sports Wagering Investigator notified Gaming Agents that NYX Digital, the platform provider for Caesars, added Chinese Taipei Baseball League on April 8, 2020 when it was approved in New Jersey. Horseshoe was unable to identify the patrons who wagered on this event category.

COUNT V

26. 68 IAC 6-1-1 provides an excluded person is prohibited from entering gaming areas and a casino licensee or operating agent must evict any excluded person from its gaming area if the casino licensee or operating agent knows or reasonably should know that the person is an excluded person.
27. Horseshoe's approved internal control procedures, K-6, describe the procedures for prohibited guests.
28. On January 24, 2020, a Gaming Agent audited the statewide exclusion list. It was determined that twenty-five (25) individuals had not been flagged in the casino management system.

COUNT VI

29. 68 IAC 12-1-5(f)(6) provides electronic gaming device surveillance must be capable of ensuring dedicated coverage of progressive games.
 - (A) An electronic gaming device or group of electronic gaming devices with a possible jackpot payout in excess of fifty thousand dollars (\$50,000).
 - (B) The progressive display showing the incrementation of the progressive jackpot for an electronic gaming device or a bank of electronic gaming devices.
30. On August 8, 2020, the Regulatory Compliance Manager reported to Gaming Agents that it had been determined that eight (8) electronic gaming devices (EGD), when played at the highest denomination, changed the progressive value to \$50,000 and these EGD's had been placed into service without dedicated surveillance coverage.

The EGD's were placed into service on July 17, 2020. It was determined that the error occurred when the EGD's were initially set-up. The Slot Tech Supervisor setting up the EGD's did not realize the potential for the \$50,000 progressive jackpot and failed to notify surveillance for dedicated coverage.

COUNT VII

31. 68 IAC 15-12-4 provides live gaming device credits shall proceed in the following manner:
 - (1) The appropriate occupational licensee shall initiate a live gaming device credit by completing an input form. The input form is either carried to the casino cage or the information is electronically transmitted to the casino cage.
 - (2) The input form is utilized to prepare and print a live gaming device credit slip.
 - (3) Surveillance shall be notified that a live gaming device credit is being processed.
 - (4) The live gaming device credit slip shall be transported or transmitted to the appropriate pit area.
 - (5) A security officer shall be called to the pit area to observe that the appropriate denomination and amount of chips to complete the live gaming device credit are counted and removed from the live gaming device. A pit supervisor or the equivalent shall also

observe the removal of the appropriate chips. After the appropriate chips are removed from the live gaming device, the credit slip shall be signed by the following individuals:

- (A) The occupational licensee who removed the chips.
- (B) The pit supervisor or the equivalent who observed the removal of the chips.
- (C) The security officer who observed the removal of the chips and who will transport the chips to the casino cage.

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

(6) A copy of the live gaming device credit slip shall be retained at the table from which the chips were removed.

(7) The security officer shall transport the chips to the casino cage.

(8) In the presence of the security officer, the casino cashier shall verify that the denominations and amounts of chips match the information contained on the credit slip.

(9) If the amounts in subdivision (8) agree, the casino cashier shall sign the credit slip. A copy of the credit slip or the original shall be retained by the casino cashier. A copy of the credit slip or the original credit slip is returned to the live gaming device from which the chips were removed.

(10) The original credit slip and the duplicate credit slip that was retained at the live gaming device are matched and deposited into the live gaming device drop box.

(11) If the amounts in subdivision (8) do not agree, the credit slip shall not be signed by the casino cashier and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips to the appropriate live gaming device.

32. On September 4, 2020, Gaming Agents began investigating a variance that occurred in the chip bank in the amount of \$100,000. During reconciliation, a Cage Supervisor discovered an overage in the chip bank of five (5) teal (\$20,000) chips. It was determined that a table credit was generated for \$980,000, however, \$1,080,000 was received from the table creating the variance. At the time of the table credit, the discrepancy was not detected by Table Games, Security or the Cage.

33. 68 IAC 15-12-3(a) provides live gaming device fills shall proceed in the following manner:

(1) The appropriate occupational licensee shall initiate a live gaming device fill by completing an input form. The input form is either carried to the casino cage or the information is electronically transmitted to the casino cage.

(2) The appropriate occupational licensee uses the input form to prepare and print a live gaming device fill slip.

(3) Surveillance shall be notified that a live gaming device fill is being processed.

(4) Based on the information contained on the fill slip, the casino cashier shall prepare the proper denomination and amount of chips and sign the fill slip. The casino cashier shall

sign the fill slip, summon a security officer, and present the chips and the fill slip to the security officer.

(5) The security officer shall verify that the denomination and amount of chips match the amount on the fill slip. The security officer shall sign the fill slip after verifying the chips match the fill slips. The security officer who begins the live gaming device fill must complete the process of witnessing, escorting, and signing the appropriate documentation to verify that 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.

(6) The casino cashier shall retain one (1) copy of the fill slip in the casino cage.

(7) The security officer shall transport the chips to the appropriate pit area.

(8) The appropriate level of occupational licensee shall count the chips 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 in subdivision (4) 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 shall be returned to the casino cage.

(10) If the amounts in subdivision (4) 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 section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips and the fill slip to the casino cage.

(b) The casino cashier or appropriate department shall use copies of the completed live gaming device fill slip to balance the cage. All completed live gaming device fill slips shall be used to complete the soft count.

(c) If a live gaming device fill slip was erroneous, it shall be voided and a new live gaming device fill slip generated. The person voiding the fill slip shall indicate the reason the slip was voided and sign the slip. A voided live gaming device fill shall be retained and deposited into a locked accounting box.

34. On September 9, 2020, Gaming Agents investigated a variance where a Cage Cashier was short \$20,000 upon balancing her drawer in the chip bank. Surveillance was able to determine that the variance occurred due to a table fill error. The table fill requested was for \$68,200.00, however, the table fill sent to the table included 20 extra pink (\$1,000) chips, resulting in the shortage in the chip bank.

COUNT VIII

35. 68 IAC 15-6-4(b) states vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.
36. 68 IAC 15-6-4(e) states the vendor and visitor log shall contain the following information:
- (1) The name of the vendor or visitor.
 - (2) The company or organization the vendor or visitor represents.

- (3) The date and time the vendor or visitor entered the casino.
 - (4) The purpose that necessitates the vendor or visitor entering the casino.
 - (5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino.
 - (6) If the person is a visitor, the individual who authorized the visitor's presence in the casino.
 - (7) 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.
37. On January 24, 2019, the Commission issued a memorandum to all casino licensees on occupational licenses and the usage of the vendor log which states vendor and visitor badges are not to be utilized by those who hold or should hold an individual license. If individuals referenced above attempt to access the gaming floor using a vendor or visitor badge, casino staff should assist in the matter by refusing entry and directing the individuals to local Gaming Agents for assistance.
 38. On May 8, 2020, a Gaming Agent audited the vendors log for the 4th quarter of 2019. The outcome of the audit determined there were six (6) occurrences where the vendor log was incomplete.
 39. Gaming Agents audited the vendors log for the first quarter of 2020. The outcome of the audit determined there were three (3) occurrences where the vendor log was incomplete.
 40. On July 18, 2020, a Gaming Agent audited the vendors log for the May 2020. The outcome of the audit determined there were three (3) occurrences where the vendor log was incomplete.

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, IC 4-38, 68 IAC, the Emergency Rules for Sports Wagering, 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 \$25,450 (\$1,500 for Count I, \$10,000 for Count II, \$1,500 for Count III, \$500 for Count IV, \$6,250 for Count V, \$1,500 for Count VI, \$3,000 for Count VII and \$1,200 for Count VIII) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in each Count 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, Horseshoe agrees to promptly remit payment in the amount of \$25,450 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 Horseshoe.

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

Sara Gonso Tait, Executive Director
Indiana Gaming Commission



Kathryn Jenkins, General Manager
Horseshoe Hammond, LLC

Date

11/11/2020

Date

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.

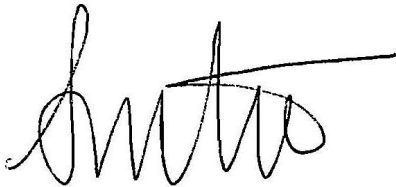
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This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic 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 Horseshoe.

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



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

Kathryn Jenkins, General Manager
Horseshoe Hammond, LLC

11/20/20

Date

Date