

**ORDER 2021-29
IN RE SETTLEMENT AGREEMENT**

**INDIANA GAMING COMPANY, LLC d/b/a HOLLYWOOD CASINO
LAWRENCEBURG
21-HW-01**

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 MARCH, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, LLC)	21-HW-01
d/b/a HOLLYWOOD CASINO)	
LAWRENCEBURG)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Indiana Gaming Company, LLC d/b/a Hollywood Casino Lawrenceburg (“Hollywood”) (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 4-38-11-1(a) provides 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.
2. Chapter 5, Section 2(2)(W) of the Emergency Rules for Sports Wagering provides 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.
 3. 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.
 4. 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.
 5. Hollywood's approved internal control procedures, Part I: Section K and Part VII: Section F, describe the procedures for the child support intercept process.
 6. Gaming Agents audited the Child Support Arrears Delinquency Registry (CSADR) for November 2020. The results of this audit found three (3) individuals were not searched through the CSADR system: one (1) at the time a taxable jackpot was won and two (2) at the time sports wagering winnings in excess of \$600 was won.
 7. Gaming Agents audited the Child Support Arrears Delinquency Registry (CSADR) for December 2020. The results of this audit found three (3) individuals were not searched through the CSADR system: one (1) at the time a taxable jackpot was won and two (2) at the time sports wagering winnings in excess of \$600 was won.

COUNT II

8. 68 IAC 1-5-1(1)(A) provides a casino or supplier licensee shall provide a written notice to the executive director as soon as the casino or supplier licensee becomes aware of a violation or apparent violation of a rule of the commission by the casino or supplier licensee.
9. On November 29, 2020, a Slot Performance Assistant Manager notified Gaming Agents that she was pulling out a slot wallet to conduct hand pays on TITO tickets due to the ticket redemption system being down. The Gaming Agent contacted Surveillance to determine if they had been notified of the outage. Surveillance had not been notified. A Slot Assistant Shift Manager had notified the Cage of the outage but had not notified

Gaming Agents or Surveillance. Gaming Agents became aware of the outage approximately fifty-three (53) minutes after the outage occurred.

COUNT III

10. 68 IAC 15-13-2 & 68 IAC 15-13-2.5 provides the casino shall submit policies and procedures for manually paid jackpots and pouch pay jackpot winnings.
11. Hollywood's approved internal control procedures, Part III – Electronic Gaming Devices, Section I – Jackpots, C. Slot Customer Appeasement describe the procedures for appeasing a slot customer if there is a malfunction on an electronic gaming device.
12. On December 16, 2020, Surveillance notified a Gaming Agent that a Slot Tech failed to print and void a hand paid ticket after performing an emergency bill validator drop on an electronic gaming device (EGD). Surveillance advised the \$506.74 hand pay appeasement was issued to the patron because the EGD would not pay the patron due to needing an emergency drop. The Slot Tech performed the emergency drop but failed to print and void the ticket once the EGD was placed back into service. This allowed another patron to print and cash out the ticket.
13. 68 IAC 15-13-2(d) provide that the casino shall submit policies and procedures for manually paid jackpots and the manually paid jackpots shall proceed in the following manner:
 - (6) A security officer or slot department employee shall escort the slot attendant from the cage to the appropriate electronic gaming device. The security officer or slot department employee who begins completing the manually paid jackpot must complete the process of witnessing, escorting, and signing the appropriate documentation to verify the manually paid jackpot was completed. If there is a discrepancy with the manually paid jackpot, the same security officer or slot department employee who began the manually paid jackpot must accompany the manually paid jackpot back to the cage to resolve the discrepancy.
 - (7) After arriving at the appropriate electronic gaming device, the security officer or slot department employee shall do the following:
 - (A) Verify the jackpot.
 - (B) Witness the jackpot payout to the patron.
 - (C) Complete the appropriate sections of the manually paid jackpot slip.
 - (8) The slot attendant shall reset the electronic gaming device so that play on the electronic gaming device may continue. The electronic gaming device shall be relocked after it is cleared. The security officer or slot department employee shall remain present throughout this procedure.
14. Hollywood's approved internal control procedures, Part III – Electronic Gaming Devices, Section I – Jackpots, A(3)(B) describe the process for manually paid jackpots and require a security escort for jackpots of \$10,000 or more.

15. On September 13, 2020, Surveillance notified Gaming Agents that while confirming the winner of a \$10,000 jackpot that two (2) Slot Floor Person's did so without a security escort and neither employee contacted security for an escort.
16. On December 23, 2020, Surveillance notified a Gaming Agent that a patron was attempting to claim that he had won a jackpot in the amount of \$1,717.40. A Slot Floor Person requested the review because he did not believe it to be a legitimate jackpot as he had paid a jackpot at the exact same electronic gaming device (EGD) for the exact same amount shortly before.

A review of surveillance coverage determined that the patron had never played the EGD but when he saw the jackpot advisory on the screen, he sat down at the EGD and called for a Slot Floor Person. Further review indicated that the Slot Floor Person failed to properly clear the jackpot from the EGD.

COUNT IV

17. 68 IAC 12-1-5(f)(6)(A-B) provides that electronic gaming device surveillance must be capable of providing dedicated coverage for progressive games on electronic gaming devices or a group of electronic gaming devices with a possible jackpot payout in excess of \$50,000. The progressive display shall also show the incrementation of the progressive jackpot.
18. Hollywood's approved internal control procedures, Part I – Administration, Section D – Surveillance, describe the operations of surveillance.
19. On November 30, 2020, Surveillance notified Gaming Agents that a table game progressive monitor was not working. Surveillance found a log entry about table games doing a layout change but table games did not notify Surveillance that the progressive monitor would be powered down. There were four (4) table games on the linked progressive and two (2) were still in play at the time the progressive display was not being monitored. There was no coverage on the monitor of approximately fourteen (14) hours.

COUNT V

20. 68 IAC 2-3-9.2(b)(1) provides casinos must advise the enforcement agent, on a form prescribed or approved by the commission, when an occupational licensee's employment with the casino licensee is terminated for any reason. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
21. On October 7, 2020, the Licensing Manager for Penn National Gaming notified the Commission's Gaming Administrator that a Senior Database Administrator was separated from Penn National on August 25, 2020. Penn National failed to timely notify the Commission.

COUNT VI

22. 68 IAC 15-6-4(b) provides 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.
23. 68 IAC 15-6-4(e) provides 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.
24. 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.
25. On December 22, 2020, Surveillance notified Gaming Agents that two (2) unknown vendors were performing work in the sportsbook without displaying a vendor badge/bracelet. The vendors did not check in with Security upon arrival at the property.

COUNT VII

26. 68 IAC 11-1-2(1) provides the purpose of the internal control system is to ensure the assets of the casino are safeguarded.
27. 68 IAC 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the casino are safeguarded.
28. On September 24, 2020, a Gaming Agent was conducting a surveillance observation when she observed a Sportsbook Representative conduct a large cash transaction in an inconsistent and inaccurate manner. A patron approached the sportsbook counter to place a wager. The patron placed a huge stack of bills on the counter, some of which

were sorted by paper clips. The Sportsbook Representative subsequently removed the paperclips from the bills and ran the currency through a money counter. At the same time, the patron was counting loose bills and placed them into stacks on the counter. The Sportsbook Representative then ran those bills through the money counter. A fifth stack of bills is also ran through the money counter. After running the currency through the money counter, the Sportsbook Representative provided the patron with the sportsbook ticket and then placed the currency into his drawer.

29. Two (2) Sportsbook Supervisors were at the sportsbook counter but neither address the Sportsbook Representative's money handling errors. The actual cash buy-in for this patron was unable to be verified because the Sportsbook Representative failed to count the money out visually for Surveillance and for the patron to see.
30. 68 IAC 11-1-2(1) provides the purpose of the internal control system is to ensure the assets of the casino are safeguarded.
31. 68 IAC 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the casino are safeguarded.
32. Chapter 10, Section 3(d) of the Emergency Sports Wagering Rules provides if the sports wagering window net receipts for the shift, as generated by the system, does not agree with the sports wagering count sheet total plus the sports wagering inventory, the shift supervisor shall record any overage or shortage. If the count does not agree, the cashier and the shift supervisor shall attempt to determine the cause of the discrepancy in the count. Any discrepancy that cannot be resolved by the cashier and the shift supervisor shall be reported in writing to the department supervisor in charge at such time. Any discrepancy in excess of five hundred dollars (\$500) shall be reported to the commission. The report shall include:
 - (1) date on which the discrepancy occurred;
 - (2) shift during which the discrepancy occurred;
 - (3) name of the cashier;
 - (4) name of the supervisor;
 - (5) window number; and
 - (6) amount of the discrepancy.
33. Hollywood's approved internal control procedures, Part VII – Section A, describe the Operation of the Sportsbook.
34. On November 1, 2020, a Sportsbook Assistant Manager notified Gaming Agents that a Sportsbook Representative had a variance of \$500 on his drawer at the end of his shift.

A review of surveillance coverage showed a patron placed two (2) wagers at the sportsbook of \$18,500, totaling \$37,000. A Sportsbook Representative and a Sportsbook Supervisor began sorting the currency into stacks by denomination (\$100's, \$50's and \$20's). The Supervisor counted the \$100's while the Representative counted the \$20's. The \$50's were set aside and ultimately counted by the Supervisor.

The Supervisor and Representative did not conduct their verifications independently when counting and verifying the \$37,000. The \$500 variance occurred due to the inconsistent and inaccurate ways the sportsbook employees count and verify money.

35. On December 5, 2020, Surveillance notified Gaming Agents of a variance of \$5,000 in the sportsbook. The Sportsbook Assistant Manager advised Surveillance that Sportsbook Writer A would be short \$5,405 and Sportsbook Writer B would be \$5,395 over. A review of surveillance coverage determined that Sportsbook Writer A left his terminal and failed to log out from the terminal. Sportsbook Writer B then began taking wagers at the same terminal under Sportsbook Writer A's log in. Five (5) wagers were placed before Sportsbook Writer B discovered the issue. The total of the five (5) wagers was \$5,395.

The Sportsbook Variance Report provided that at the end of the shift, Sportsbook Writer B was over \$5,400.10 and with the \$5,395 in wagers being placed on Sportsbook Writer A's account log-in, this left a final unresolved variance of \$5.10. The variance can be attributed to the five (5) wagers placed on the incorrect log-in.

36. 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.
37. 68 IAC 13-1-1(b)(2) and (3) provides the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
38. Hollywood's approved internal control procedures, Part VII Sportsbook, Section G Revenue Audit and Auditing, (I)(a)(ii), describe the procedures for revenue audit and auditing the sportsbook.
39. Hollywood's approved internal control procedures, Part VII Sportsbook, Section A Operations, (II)(e), provides emergency buys for additional currency shall be obtained from the MIMO or the Cage. An Emergency Buy form (IV-B) will be utilized to receive funds from the Cage.
40. Hollywood's approved internal control procedures, Part I, Administration, Section H, Anti-Money Laundering Program, (D) and Part VII Sportsbook, Section C Controls, (III)(e), describe the procedures for recording MTL transactions.
41. On November 26, 2020 and December 10, 2020, a Gaming Enforcement Assistant Supervisor observed sensitive documents in unsecured places at the sportsbook. Among those documents were multiple transaction logs (MTL), variance slips, patron appeasement forms, paid-in slips, records of counseling, compliance audit forms, complaint forms and non-winning sportsbook vouchers. There was a total of thirty-six

(36) MTL forms found detailing information several patrons. The forms were incomplete and not completely filled out.

The Gaming Enforcement Supervisor spoke to the General Manager and Director of Casino Operations about the importance of completing the MTL's properly, securing sensitive documents and ensuring the paperwork is appropriately forwarded to Revenue Audit.

42. On December 11, 2020, the Gaming Enforcement Supervisor spoke to the Director of Casino Operations again about the concerns.
43. On December 12, 2020, the Gaming Enforcement Assistant Supervisor spoke to the Sportsbook Assistant Manager regarding the paid-in/paid-out form and for the purpose for the form. The Sportsbook Assistant Manager provided that they use that form to sell money from one person to another. For the paid-in/paid-out form in question, the Sportsbook Assistant Manager advised that the Sportsbook Representative's take the maximum amount of money out of the money-in/money-out (MIMO) machine to fill their drawer and if a large payout occurs, a Sportsbook Supervisor has to take money out of the MIMO to sell it to the Representative. A subsequent review of Hollywood's internal controls by the Gaming Enforcement Assistant Supervisor determined that the Sportsbook staff is not using the appropriate form for emergency buys.

Gaming Agents spoke with the Director of Casino Operations on multiple occasions regarding these errors and the need to comply with internal controls and he advised it would be addressed. She also spoke with the Sportsbook Manager about this as well.

44. On December 13, 2020, the documents still remained unsecured and the sportsbook still was not complying with internal controls.
45. 68 IAC 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the casino are safeguarded.
46. 68 IAC 13-1-1(b)(2) and (3) provides the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
47. On December 13, 2020, the Gaming Enforcement Supervisor was reviewing surveillance coverage of the sportsbook and observed Security Officers with a transport cart next to the MIMO. A Sportsbook Supervisor was also standing next to the MIMO. The Sportsbook Supervisor was holding a large brick of currency inside a sealed plastic bag and proceeded away from this area to the Sportsbook Supervisor desk. The Security Officers remained next to the MIMO. The Sportsbook Supervisor began taking pictures of the large brick of currency with his cell phone.

48. The Sportsbook Supervisor confirmed to Gaming Agents that he did photograph the currency. Gaming Agents requested he forward the photographs to their attention and then delete the photographs from his cell phone. The Sportsbook Supervisor also advised he did not know that he could not take photographs within the Sportsbook counter and Gaming Agents reminded him that this area was a sensitive area that must be safeguarded at all times. The Sportsbook Assistant Manager also confirmed he did not know that photographing inside the Sportsbook counter was prohibited.

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, IC 4-38, 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.

Hollywood shall pay to the Commission a total of \$41,500 (\$6,000 for Count I, \$1,500 for Count II, \$3,000 for Count III, \$3,000 Count IV, \$1,000 for Count V, \$2,000 for Count VI and \$25,000 for Count VII) and submit a corrective action plan for Count VII which shall contemplate money handling practices in the sportsbook, updated internal controls and re-training of employees in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings 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, Hollywood agrees to promptly remit payment in the amount of \$41,500, as well as the submission of a corrective action plan for the sportsbook and 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 Hollywood.

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



Mike Galle, General Manager
Indiana Gaming Company, LLC.

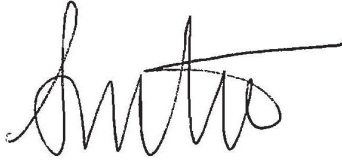
Date

3/17/2021

Date

This Agreement shall be binding upon the Commission and Hollywood.

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

3/23/21

Date

Mike Galle, General Manager
Indiana Gaming Company, LLC.

Date