

**ORDER 2021-31  
IN RE SETTLEMENT AGREEMENT**

**HORSESHOE HAMMOND, LLC  
21-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 23<sup>rd</sup> DAY OF MARCH, 2021.**

**THE INDIANA GAMING COMMISSION:**



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Michael B. McMains, Chair

ATTEST:



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Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**HORSESHOE HAMMOND, LLC** ) **21-HH-01**  
 )

**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 11-9-2(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.
2. 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.
3. Horseshoe’s approved internal control procedures, E-8, describe the procedures for Child Support Intercept Process.
4. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for September 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.
5. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for November 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 II**

6. 68 IAC 2-3-1(c)(1) provides a person employed by the riverboat gambling operation and whose duties are to be performed on the riverboat must hold an occupational license.
7. 68 IAC 2-3-1(f) provides an employee of a riverboat gambling operation who does not hold an occupational license shall not perform any duties on the riverboat at any time.

8. On October 12, 2020, a Senior Human Resources Rep contacted Gaming Agents regarding an occupational licensee. A search of the Commission's Occupational Licensing Database discovered that the Dealer in question had been furloughed on July 6, 2020 per records submitted to the Commission by Horseshoe, however, the Dealer actually remained active. The Dealer worked thirty-eight (38) shifts without a valid/active occupational license between July 6, 2020 and October 12, 2020.
9. On November 27, 2020, a Gaming Agent was conducting an investigation and a Security Ambassador was a part of the investigation. A search of the Commission's Occupational Licensing Database discovered that the Security Ambassador in question had been furloughed on June 15, 2020 per records submitted to the Commission by Horseshoe, however, the Security Ambassador actually remained active. The Security Ambassador worked Seventy-nine (79) shifts without a valid/active occupational license between June 15, 2020 and November 27, 2020.

### COUNT III

10. IC 4-33-9-12(a) provides 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.
11. 68 IAC 1-11-1(c) provides a person under twenty-one (21) years of age shall not be present in a casino.
12. On November 18, 2020, Gaming Agents received a phone call from a Sergeant at the Illinois Gaming Board regarding a male patron that was attempting to enter an Illinois casino with a fraudulent Pennsylvania identification (ID). The ID had failed a scan and Security at the Illinois casino believed it to be a fake ID. The male patron admitted to the Illinois Gaming Board Sergeant that he was eighteen (18) years old. The male patron had a Caesars Rewards Card and three (3) William Hill Sportsbook vouchers from Horseshoe Hammond in his possession. All three (3) vouchers were for \$1,100.
13. Gaming Agents began their investigation by speaking to the Sportsbook Manager who confirmed that the vouchers were losing wagers and the wagers had been placed November 16, 2020. Gaming Agents then requested a surveillance review of these transactions. Surveillance was able to confirm the transactions were made by the underage person by reviewing the Pennsylvania ID he had presented at the Marina entrance Security checkpoint. Surveillance reverse tracked the surveillance coverage from the dates and times of the sportsbook wagers to obtain this information.
14. After receiving this information from Surveillance, Gaming Agents then interviewed a Security Supervisor to ascertain how many times the fraudulent ID had been ran through Veridocs. It was determined that the underage person's fraudulent ID was run on the following dates: November 1, 2020, November 2, 2020, November 4, 2020, November 5, 2020, November 7, 2020, November 12, 2020, November 13, 2020, November 15, 2020, November 16, 2020 and November 17, 2020.

15. A review of Veridocs confirmed that on each occasion the underage person's fraudulent ID was scanned, it failed the authenticity checks. There is a clear signal to Security Officers on the scanner when an ID fails Veridocs. The Gaming Agents questioned what the protocol was for failed ID's. The Security Supervisor advised that if the ID is from another state, the ID should be scanned again. The Security Officer may also check the "ID Checking Guide" book which shows the features of licenses, government ID's and passports from all states. If a Security Officer was unsure if the ID is valid, they could call for a Supervisor to help verify.
16. Gaming Agents requested a copy of the Veridocs report which confirmed that the underage person's fraudulent ID had been scanned on Veridocs forty (40) times between November 1, 2020 and November 17, 2020 by approximately eighteen (18) different Security Officers. The ID failed the Veridocs check on all forty (40) occasions.
17. On November 1, 2020, the underage person was also able to obtain a Caesars Rewards Card because Security failed in allowing an underage person on the casino floor when a fraudulent ID failed Veridocs and was not appropriately questioned.
18. The Gaming Agent performed a review of the surveillance coverage from November 16, 2020. The underage person first proceeded to the Main Cage and exchanged \$1,100 in \$20 denomination chips for \$100 denomination and then proceeded to a sports wagering kiosk where he placed an unknown wager. The underage person exited the casino and went to a vehicle and then re-entered the casino approximately three (3) minutes later. The underage person then obtained a cash advance in the amount of \$2,000 using his fraudulent ID. The underage person proceeded to a sports wagering kiosk to place another wager and then exited the casino. The underage person returned to the casino approximately forty-five (45) minute later. The underage person placed two (2) more sports wagers at a kiosk before proceeding to the sports wagering counter and placing a wager with a William Hill Ticket Writer. The underage person then buys-in at a blackjack game for \$1,000 and then proceeded to another blackjack table where he played. The underage person left the second blackjack table with \$1,052.50 and redeemed the chips at the Main Cage. The underage person made one last sports wager at a kiosk prior to exiting the casino for the last time.

#### COUNT IV

19. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills including the requirement that surveillance shall be notified that a live gaming device fill is being processed.
20. 68 IAC 1-5-1(1)(A) provides a casino 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.

21. On September 30, 2020, a Gaming Agent was investigating a \$2,000 variance because a Cage Cashier was short \$2,000 after balancing her drawer on September 29, 2020. Surveillance was requested to do a review for the missing funds and it was determined the variance was due to a table fill error. A table fill was requested for \$4,600, however, a table fill for \$6,600 was issued to table and accepted by the table games personnel.
22. While reviewing the recent table fill errors at Horseshoe Hammond, it was determined that Surveillance was not catching the table fill errors at the time the table fill process was being completed and that the incorrect table fills were only being discovered when a Cage Cashier had a variance at the end of the shift that required investigation.

### **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 \$108,000 (\$2,000 for Count I, \$3,000 for Count II, \$100,000 for Count III and \$3,000 for Count IV) and submit a corrective action plan for Count III which contemplates new procedures and re-training for Security and Surveillance when an ID fails Veridocs as well as updated internal controls 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 \$108,000, submit the corrective action plan for Count III and shall waive all rights to further administrative or judicial review.

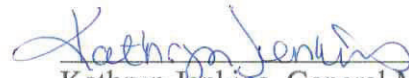
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or 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.

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Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

  
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Kathryn Jenkins, General Manager  
Horseshoe Hammond, LLC

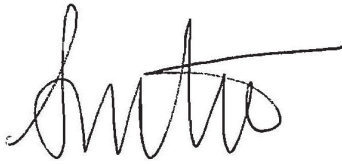
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Date

3/18/21  
\_\_\_\_\_  
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Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

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Kathryn Jenkins, General Manager  
Horseshoe Hammond, LLC

3/23/21

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Date

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Date