

**ORDER 2022-79  
IN RE SETTLEMENT AGREEMENT**

**CSI OPERATING COMPANY, LLC  
d/b/a CAESARS SOUTHERN INDIANA  
22-CS-02**

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 30<sup>th</sup> DAY OF JUNE, 2022.**

**THE INDIANA GAMING COMMISSION:**



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Milton O. Thompson, Chair

ATTEST:



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Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>CSI OPERATING COMPANY, LLC</b>	)	<b>22-CS-02</b>
<b>d/b/a CAESARS SOUTHERN INDIANA</b>	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and CSI Operating Company, LLC d/b/a Caesars Southern Indiana (“Caesars Southern Indiana”), (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. Caesars Southern Indiana approved internal control procedures, E-33, describe the procedures for Child Support Intercept Process.
4. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for December 2021. 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 January 2022. 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. 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.
7. 68 IAC 1-11-1(c) provides a person under twenty-one (21) years of age shall not be present in a casino.

8. On January 2, 2022, a Gaming Agent was notified by Surveillance that three (3) individuals attempted to enter the casino with possible fake identifications (ID). All three (3) ID's failed Veridocs, the ID scanner used to authenticate ID's and check for underage persons. The Gaming Agent reviewed the IDs in question and found the texture of the IDs to be plastic and did not feel genuine. The IDs did not pass the UV scan on Veridocs and had other issues such as incorrect shade of color and incorrect font. The Gaming Agent called State Police and they failed to get a return on the IDs.
9. The Gaming Agent proceeded to interview the three (3) individuals. One (1) individual presented his real ID, and the other two (2) individuals gave their correct date of births. The Gaming Agent was able to confirm with State Police that each individual had a valid Kentucky ID with their correct information on it and were found to be underage. The individuals advised they obtained the fake IDs from an unidentified website for \$50. The underage individuals advised they had been to the casino previously, accessed the casino floor with those ID's and gambled.
10. The Gaming Agent was able to obtain from Surveillance each time the fake IDs had been scanned by Veridocs. Underage person #1's ID was scanned on November 7, 2021, November 8, 2021, November 25, 2021, and November 29, 2021. Underage person #2's ID was scanned on November 29, 2021. Underage person #3's ID was scanned on November 29, 2021, December 8, 2021, December 14, 2021, December 20, 2021, December 21, 2021, December 22, 2021, and January 1, 2022. The fake ID's failed authentication every time they were scanned. It is believed that the underage individuals were allowed on the casino floor each time their IDs failed with the exception of December 22, 2021, as they admitted to being allowed on the casino floor previously and since Gaming Agents were never called to exam the fake IDs until the January 2, 2022, occurrence. Surveillance was no longer available for some of these instances. Surveillance coverage was still available for the December 21, 2021, December 22, 2021, and January 1, 2022, instances in which underage person #3 accessed the casino floor.
11. On December 21, 2021, the underage person entered the casino with two (2) unidentified females and gambled. The ID failed Veridocs.
12. On December 22, 2021, the underage person attempted to enter the casino with four (4) others but were turned away due to several IDs failing Veridocs.
13. On January 1, 2022, the underage person and two (2) others were allowed entry into the casino and gambled. The ID failed Veridocs.

### COUNT III

14. 68 IAC 2-6-33(a) provides a progressive jackpot that is currently in play may be transferred to other progressive electronic gaming devices in the casino in the event of:
  - (1) electronic gaming device malfunction;
  - (2) electronic gaming device replacement; and

(3) another good reason deemed appropriate by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.

(b) If the events set forth in subsection (a) do not occur, the progressive award must be permitted to remain until it is won by a player or transfer is approved by the executive director.

15. On November 30, 2009, the Commission issued a memorandum which provided in the event a casino wishes to transfer the progressive amount to another progressive on the casino floor, the casino must post signs thirty (30) days prior to moving the progressive informing the public that the progressive electronic gaming devices will be shut down. The incremental amount must then be transferred to a progressive with a similar denomination and the casino may retain the seed amount.
16. On May 2, 2022, the Commission's Director of Audit advised that a progressive transfer violation occurred at Caesars Southern Indiana.
17. On April 28, 2022, Caesars Southern Indiana requested a transfer of a progressive award that did not have a thirty (30) day notification. Details of the notification were missing, and the Commission's Audit Division requested additional information.
18. On April 29, 2022, Caesars Southern Indiana responded that the progressive electronic gaming device (EGD) was removed from the casino floor on January 19, 2021. Caesars Southern Indiana stated that the plan was for the EGD to be placed back on the casino floor and now decided to transfer the progressive funds since a return to the casino floor date was unknown. The progressive monies were off the casino floor for over a year. Therefore, customers have not been eligible to win these progressive monies for over a year and were not properly notified that the progressive monies were being removed from the casino floor and subsequently transferred.

#### COUNT IV

19. 68 IAC 11-7-1(b) provides for the purposes of this rule, "sensitive keys" means keys that either management or the commission considers sensitive to the casino licensee's operation and therefore require strict control over custody and issuance.
20. 68 IAC 11-7-3(b) provides that sensitive keys shall be returned to custody and signed in by the same occupational licensee they were issued to unless there is a documented change of shift.
21. On January 22, 2022, a Security Officer notified Gaming Agents that sensitive keys were taken off property by a Poker Supervisor. The keys belonged to the poker bank. The keys were off property for ten (10) hours and forty-two (42) minutes.
22. On February 27, 2022, Surveillance notified Gaming Agents that a Cage key was taken from the property by a Cage Cashier. The keys belonged to the frontline cage window drawer. The keys were off property for approximately two and half (2.5) hours.

## COUNT V

23. 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.
24. 68 IAC 17-1-2(c)(1) provides before an electronic gaming device is removed from the casino floor, the casino licensee must ensure the hopper is emptied in accordance with 68 IAC 15-11-4.
25. On April 7, 2022, a Lead Slot Tech notified Gaming Agents that four (4) EGD's had been found stored in the Slot Tech office with hot bill validator boxes in the EGD's. The four (4) EGD's were from a bank of EGD's that had been removed from the casino floor for transportation to the warehouse on April 6, 2022. The Gaming Agent's investigation determined that these EGD's were included on an approved change request to move eight (8) EGD's from the casino floor, however, the drop team failed to drop four (4) of the EGD's prior to the EGD's being removed from the casino floor. Three (3) of the four (4) drop boxes had assets in them. The hot drop boxes had approximately \$1,600 in cash and TITO's.
26. 68 IAC 15-13-2 provides the casino shall submit policies and procedures for manually paid jackpots.
27. Caesars Southern Indiana's approved internal control procedures, E-12.2, describe the procedures for jackpots under \$1,200.
28. On February 26, 2022, the Assistant Manager of Slots notified Gaming Agents that a variance occurred in the Slot Department when a Slot Representative had a \$1,000 variance. A review of surveillance coverage determined that two (2) patrons were playing an EGD when one (1) patron hit the max bet button. Both patrons were observed waving their hands in the air and appear to have won a jackpot, however, there were no visual signs on the EGD that a jackpot was won and the candlestick atop the EGD did not illuminate.
29. A subsequent check of the slot data system did not show a jackpot was won and the jackpot did not register on the handheld device that the Slot Representatives carry. The Slot Representative requested a Slot Supervisor since the jackpot did not register. The Slot Supervisor failed to perform the necessary verifications on the EGD, and the Slot Representative performed a hand pay for the winning amount of \$1,000 to the patron.
30. In this instance, had the Slot Supervisor performed the proper verification procedures, it would have been determined that there was a win on the EGD for \$1,000 that would be paid out via TITO ticket since the EGD can print tickets under \$1,199.99. Since the patron only had \$9 in the EGD at the time, it would meet this threshold. After the Slot Representative paid the patron, the patron cashed out a TITO for \$1,009, resulting in a \$1,000 overpayment since proper verification procedures were not followed.

## COUNT VI

31. 68 IAC 11-1-2 provides the internal control system is designed to ensure that the assets of the casino licensee are safeguarded.
32. Caesars Southern Indiana's approved internal control procedures, M-12, describe the poker bank procedures.
33. 68 IAC 14-3-5(a) provides that all dice and playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
34. Caesars Southern Indiana's approved internal control procedures, C-17, describe the procedures for card, dice and layout control.
35. On November 21, 2021, a poker bank drawer had been left unsecured and a patron stole \$300 from the drawer, reinforcing the importance of the assets of the casino being safeguarded.
36. On January 18, 2022, Surveillance notified Gaming Agents that the poker bank was left unsecured by a Poker Supervisor. A review of surveillance coverage identified that the poker bank was unsecured for thirteen (13) minutes.
37. On March 31, 2022, Surveillance notified Gaming Agents that a playing card drawer was left unsecured in a table games pit podium. The drawer was unsecured for approximately two (2) hours and was discovered on routine checks. The drawer contained twelve (12) decks of playing cards.
38. 68 IAC 15-12-4(3) provides surveillance shall be notified that a live gaming device credit is being processed.
39. On January 9, 2022, Surveillance notified Gaming Agents that a Cage Cashier self-reported to Surveillance that he failed to call them prior to conducted a table credit.
40. 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.
41. On March 2, 2022, Surveillance notified the Gaming Agents that a Cage Cashier processed a table fill in the amount of \$6,100 without notifying surveillance.
42. On April 3, 2022, Surveillance notified the Gaming Agents that a Cage Cashier processed a table fill in the amount of \$11,400 without notifying surveillance.
43. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills.

44. On January 31, 2022, Surveillance notified the Gaming Agents that an incorrect table fill was accepted at a table game. The table fill requested \$10,000 in purple (\$500) chips, however, the table fill was sent out with \$10,000 in black (\$100) chips.
45. 68 IAC 11-4-4(a) provides at any time when a live gaming device is closed, chips remaining at the live gaming device shall be counted by the appropriate level of occupational licensee assigned to the live gaming device and verified by the pit boss or the equivalent.
  - (b) A live gaming device inventory slip shall be prepared.
  - (c) The occupational licensee and the pit boss or the equivalent who observed the count of the contents of the tray shall sign the inventory slip at the time of closing the live gaming device attesting to the accuracy of the information recorded.
  - (d) The occupational licensee shall immediately deposit the closer in the drop box.
  - (e) The pit boss or the equivalent shall place the opener on the live gaming device tray in a manner that the amounts on the opener may be read through the cover, and lock the transparent live gaming device tray lid in place.
46. On December 24, 2021, a Gaming Agent was notified of a table inventory closer error. The table inventory closer slip showed \$1,110 in \$5 red chips, however, the physical inventory was \$1,010 in \$5 red chips.
47. On December 25, 2021, a Gaming Agent was notified of a table inventory closer error. The table inventory closer slip showed \$520 in red \$5 chips, however, the physical inventory was \$50 in red \$5 chips.
48. On February 24, 2022, a Gaming Agent was notified of a table inventory closer error. The table inventory closer slip showed \$27,103, however, the physical inventory was \$26,903.
49. On February 28, 2022, a Gaming Agent was notified of a table inventory closer error. The table inventory closer slip showed \$18,000 in purple \$500 chips, however, the physical inventory was \$19,000 in purple \$500 chips.
50. On April 11, 2022, a Gaming Agent was notified of a table inventory closer error. The table inventory closer slip showed \$30,863, however, the physical inventory was \$32,363.

#### COUNT VII

51. 68 IAC 2-2-6.1(b) provides an employee, independent contractor, agent, or subagent of a supplier licensee shall obtain a Level 2 occupational license under 68 IAC 2-3 if the executive director or the executive director's designee determines it is necessary. In making that determination, the executive director or the executive director's designee shall consider the: (1) frequency and duration of the individual's work in a casino or access to devices or systems that relate to the conduct or integrity of gaming; and (2) tasks that the individual will perform as part of the individual's job duties in a casino or while accessing devices or systems that relate to the conduct or integrity of gaming.

52. 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.
53. 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.
54. 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.
55. 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.
56. 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.
57. Caesars Southern Indiana's approved internal control procedures, G-4, describes the access to cage areas including which personnel requires a Security escort.
58. On December 7, 2021, Surveillance notified Gaming Agents that a vendor was left without a Security escort inside the cage. A review of surveillance coverage determined that that a Security Officer was in the cage with two (2) vendors. The Security Officer left the cage with one (1) of the vendors leaving the other vendor inside the cage without a Security escort. Both vendors worked for NRT, one (1) was licensed and one (1) was not licensed. The vendors were training cashiers on the new NRT machines. A vendor shall have a Security escort at all times while in the cage and unlicensed vendors shall not have access to the cage and regulated gaming equipment unless such approval is granted by the Commission.



### COUNT VIII

59. 68 IAC 2-3-1(e) provides an occupational license, level one (1) is the highest level of occupational license. An occupational licensee may perform any activity included within the occupational licensee's level of occupational license or any lower level of occupational license.
60. 68 IAC 2-3-1(i)(5) provides that a Chief Financial Officer or Controller should hold a level one (1) license.
61. On February 21, 2022, Gaming Agents became aware that the Financial Controller had been working on a level two (2) license. This position is required to hold a level one (1) license.
62. On September 12, 2019, the Commission's Gaming Administrator sent correspondence to Caesars Southern Indiana's Regulatory Compliance Manager regarding eighty (80) job descriptions that had been approved and provided the designated licensing levels. The Financial Controller was on this list, and it was designated as a level one (1) license. This correspondence also provided that the level one (1) license application must be submitted within thirty (30) days from the date of approval. The Regulatory Compliance Manager acknowledged that he missed the licensing level and the individual holding the Financial Controller position was unaware that he needed to complete a Level one (1) application. The Financial Controller was working out of level for approximately one and half (1.5) years.

### COUNT IX

63. 68 IAC 2-6-2 (a) requires that the following may not be used for gaming by any casino licensee prior to the executive director, or the executive director's designee, authorizing their inclusion in the commission's online database of approved items and technologies: (1) Electronic gaming devices (EGD) and any component parts material to gaming activity, including, but not limited to, the following: (A) Random number generators. (B) All game media. (C) Progressive controllers. (D) Bill changers.
64. 68 IAC 17-1-3 provides a casino licensee, casino license applicant, or supplier licensee shall use the commission's electronic gaming device database as prescribed by the commission.
65. In accordance with 68 IAC 17-1-2(a) and 68 IAC 17-1-3, when shipping an item approved under 68 IAC 2-6-2, the supplier is required to provide the Commission with an accurate inventory of each item to be shipped and delivered, including each item's identification code in the Commission's Electronic Gaming Device System.
66. On February 2, 2022, a Caesars Southern Indiana Slot Technician requested Gaming Agents assistance with a central processing unit (CPU) at Caesars Southern Indiana. The

Slot Technicians advised that they were swapping out the CPU assemblies and moving the original software from the current CPU to a new CPU board since the current CPU board was not functioning properly. Neither Slot Technician advised the Gaming Agent that this CPU had been walked on property from an IGT Field Service Tech's vehicle.

67. On February 8, 2022, a Caesars Southern Indiana Slot Performance Supervisor notified the Gaming Agent that he believed the CPU was an item that should have been submitted and approved through the Commission's Electronic Gaming Device Systems (EGDS).
68. On February 9, 2022, it was determined that the CPU was a regulated item in the EGDS and this item had not been entered into EGDS prior to shipment or walking it onto the property.
69. IGT and Caesars Southern Indiana did not use the prescribed method, the EGDS, for submitted a shipment and obtaining Commission approval prior to installing regulated equipment into an EGD. Additionally, walking a regulated piece of equipment on to the casino property requires notification and approval by the Commission or local Gaming Agent as well as EGDS approval.

### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of Caesars Southern Indiana by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38, 68 IAC, and/or Caesars Southern Indiana's approved internal control procedures. The Commission and Caesars Southern Indiana hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Caesars Southern Indiana.

Caesars Southern Indiana shall pay to the Commission a total of \$87,000 (\$2,000 for Count I, \$50,000 for Count II, \$7,500 for Count III, \$5,000 for Count IV, \$4,000 for Count V, \$12,500 for Count VI and \$3,000 for Count VII, \$1,500 for Count VIII and \$1,500 for Count IX) and submit a 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.

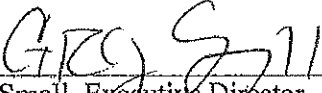
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Caesars Southern Indiana agrees to: 1) promptly remit payment in the amount of \$87,000; 2) submit a corrective action plan for Count II; and 3) shall waive all rights to further administrative or judicial review.

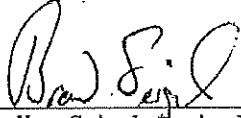
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or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

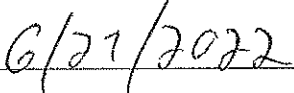
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by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

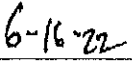
This Agreement shall be binding upon the Commission and Caesars Southern Indiana.

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

  
\_\_\_\_\_  
Greg Small, Executive Director  
Indiana Gaming Commission

  
\_\_\_\_\_  
Bradley Seigel, Senior VP & GM  
CSI Operating Company, LLC

  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Date