

**ORDER 2022-84  
IN RE SETTLEMENT AGREEMENT**

**HORSESHOE HAMMOND, LLC  
22-HH-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:**

  
\_\_\_\_\_  
Milton O. Thompson, Chair

ATTEST:

  
\_\_\_\_\_  
Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**HORSESHOE HAMMOND, LLC** ) **22-HH-02**

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small 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. IC 4-33-4-27 provides that (b) If a licensed owner, an operating agent, or a trustee is required to file Form W-2G or a substantially equivalent form with the United States Internal Revenue Service for a person who is delinquent in child support, before payment of cash winnings to the person, the licensed owner, operating agent, or trustee:
  - (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 the cash 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.
2. 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.
3. 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.
4. Horseshoe's approved internal control procedures, E-8, describe the procedures for Child Support Intercept Process.

5. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for February 2022. The results of this audit found one (1) individual was not searched through the CSADR system at a taxable jackpot was won.
6. Gaming Agents conducted an audit of the CSADR for March 2022. The results of this audit found two (2) individuals were not searched through the CSADR system at the time a taxable jackpot was won.

### COUNT II

7. 68 IAC 11-3-3(c)(2) provides access to the soft count room shall be restricted to the following individuals: (A) Members of the soft count team. (B) Members of the currency collection team. (C) Maintenance personnel and supervisors who are accompanied by security personnel for problem resolution. (D) The internal auditor or equivalent, accompanied by security personnel, to verify the accuracy of the count machine. (E) Security personnel in conjunction with official duties. (F) Main bank employees in conjunction with official duties reconciling the soft count. (G) Enforcement agents in the performance of official duties. (H) Individuals specifically authorized by the commission or enforcement agents.
8. 68 IAC 11-3-6(b)(3) provides after the soft count team has entered the soft count room and the door has been locked, no one except: (A) authorized commission personnel; (B) individuals specifically authorized by the commission; (C) main bank employees; and (D) drop box collection team members who are dropping off drop boxes; are allowed access to the soft count room.
9. On January 31, 2022, Horseshoe's Regulatory Compliance Manager submitted notification to Gaming Agents that two (2) vendors would enter the count room after the count was completed on February 1, 2022. They would be accessing the count room to take measurements for a potential purchase.
10. On February 1, 2022, Gaming Agents became aware that the Director of Cage Operations and two (2) vendors from Data Financial entered the count room before the currency count was finished. Not only did Horseshoe Hammond allow unauthorized individuals in the count room during the count process but they also violated the rules on a Security escort for vendors entering the count room.

### COUNT III

10. 68 IAC 11-3-2(b) provides in accordance with 68 IAC 11-1, the casino licensee must submit to the executive director internal control procedures covering currency collection and soft count.
11. The Commission's 24-hour Gaming Operations Plan provides that after all patrons and non-drop team employees have been cleared from the designated drop area, Security will

station themselves at opposite ends of the designated drop area. Security will prevent patrons and non-drop employees from entering the designated drop area while the drop buckets are being collected. One Security Officer will be assigned to monitor the trolley.

12. Horseshoe's approved internal control procedures, D-7.2, describes the drop process.
13. On January 1, 2022, Surveillance notified Gaming Agents that a patron had entered the drop zone.
14. On January 2, 2022, Surveillance notified Gaming Agents that a patron had entered the drop zone area on two (2) separate occasions.
15. On January 8, 2022, Surveillance notified Gaming Agents that a patron had entered the drop zone.
16. On February 14, 2022, Surveillance notified Gaming Agents that a patron had entered the drop zone.
17. On March 13, 2022, Surveillance notified Gaming Agents that a patron had entered the drop zone.

#### COUNT IV

18. 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.
19. On February 18, 2022, Surveillance notified Gaming Agents that a table fill error occurred. The table fill was requested for in part \$10,000 in black \$100 chips, however, the table fill included \$10,000 in purple \$500 chips. The Dealer and Table Games Floor Supervisor accepted the incorrect fill. The Cage prepared the table fill incorrectly and the error was not identified by Security, Surveillance or Table Games.
20. On March 29, 2022, Surveillance notified Gaming Agents that a table fill error occurred. The table fill was requested for in part \$1,500 in green \$25 chips, however, the table fill included \$1,500 in red \$5 chips. Two (2) Table Games Floor Supervisors accepted the incorrect fill. The Cage prepared the table fill incorrectly and the error was not identified by Security, Surveillance or Table Games.

#### COUNT V

21. 68 IAC 15-1-2(1) provides the purpose of the accounting records and procedures is to ensure the assets of the licensee are safeguarded.
22. 68 IAC 15-10-2(a)(3)(B) provides the casino licensee shall establish policies and procedures to ensure that all transactions that flow through the casino cage are accounted for. These policies and procedures shall include, but are not limited to, the following: At

the end of a shift, the cashiers assigned to the outgoing shift shall: Reconcile the total closing inventory with the total opening inventory.

23. 68 IAC 15-10-4.1(a) states cage inventories must be accurately reported at the conclusion of a shift on the inventory form used by the casino licensee. Overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered.
  - (b) Cage variances of five hundred dollars (\$500) or two percent (2%), whichever is less, must be reported on a form approved by the commission to the following within one (1) business day after the discovery of the variance:
    - (1) The security department.
    - (2) The surveillance department.
    - (3) An enforcement agent.
  - (c) Variances of five thousand dollars (\$5,000) or more, or a variance that is of a nature that indicates criminal activity must be reported on a form approved by the commission to the following immediately:
    - (1) The security department.
    - (2) The surveillance department.
    - (3) An enforcement agent.These variances must be reported to the commission audit staff at the beginning of the next business day.
  - (d) Variances of five hundred dollars (\$500) or two percent (2%), whichever is less, or a variance that is of a nature that indicates criminal activity must be investigated by the casino licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. Unresolved variances must be investigated by the accounting director or designee. The results of the investigation shall be reported on the document provided to him or her by the cage department. Surveillance tapes or records relating to the variance must be preserved and retained by the casino licensee until the commission audit director advises that the tapes or records, or both, may be recycled. The results of an investigation into these variances must be reported to an enforcement agent. If the variance that was investigated exceeded five thousand dollars (\$5,000), the results of the investigation must also be reported to the commission audit staff.
  - (e) The casino licensee's internal auditor must review, on a quarterly basis, cage variances to ensure that the variances are appropriately and thoroughly investigated and reported. The results of the internal auditor's review must be reflected on the quarterly internal audit report filed in accordance with 68 IAC 15-8.
24. On February 11, 2022, Gaming Agents were made aware of an NRT variance. A Cage Supervisor reported an \$1,819.98 variance that occurred on February 6, 2022.
25. On February 11, 2022, a Cage Supervisor reported a \$1,198.94 variance that occurred on February 4, 2022. A Cage Supervisor was short after reconciliation.
26. On February 27, 2022, the variance had not been resolved.

27. On March 11, 2022, a Dual Rate Cage Supervisor advised that there had been no recovery or explanation. Horseshoe believed the two (2) variances would wash, however, there has no confirmed resolution to the two (2) variances.
28. On March 4, 2022, a Cage Supervisor reported a \$3,580 variance occurred on March 2, 2022, when a Count Room Manager was short during reconciliation.
29. On March 2, 2022, a Count Room Manager removed the \$100 cassettes from an NRT during reconciliation. The cassette had \$3,400. Instead of inserting an empty cassette into the NRT, the Count Room Manager re-inserted the same \$100 cassette into the NRT. This error caused the NRT to be \$3,400 short on March 2, 2022. When the NRT was reconciled on March 3, 2022, the NRT was found to be \$3,400 over. The remaining difference of \$180 could not be determined and remains unrecovered.

### **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, 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 \$17,000 (\$3,000 for Count I, \$5,000 for Count II, \$3,000 for Count III, \$3,000 for Count IV and \$3,000 for Count V) 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 \$17,000 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.

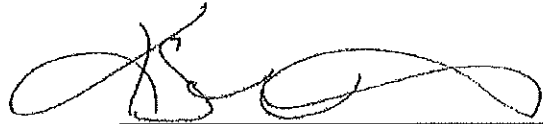
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by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

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

  
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Kathryn Jenkins, General Manager  
Horseshoe Hammond, LLC

6/27/2022  
Date

6-13-2022  
Date