

**ORDER 2010-168
IN RE SETTLEMENT AGREEMENT
INDIANA GAMING COMPANY, L.P.
10-HW-03**

After reviewing the attached Settlement Agreement, the Indiana Gaming Commission:

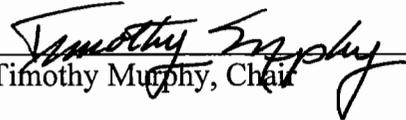
Approves

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 16th DAY OF SEPTEMBER, 2010.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Marc Fine, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, L.P.)	10-HW-03
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Indiana Gaming Company, L.P. (“Hollywood”) (collectively, the “Parties”), desire to settle this matter 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 2-6-6(c)(7) states that the riverboat licensee shall perform a coin test to ensure that the electronic gaming device is communicating with the central computer system. If the electronic gaming device is not communicating with the central computer system, the electronic gaming device must be disabled.
2. On March 23, 2010 and April 15, 2010, a Gaming Agent was informed by a Slot employee that a slot machine had been put into service before being coin tested.
3. On April 7, 2010 a Gaming Agent noted that a slot machine had been put into service before a coin test was completed.

COUNT II

4. 68 IAC 2-3-9.2 (b) states riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when one (1) of the following events occurs with an occupational licensee: (1) The occupational licensee’s employment with the riverboat 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.

5. On April 17, 2010, a Gaming Agent received termination paperwork from the Human Resource Department for four employees. The employees were terminated on March 19, 2010 (two), March 23, 2010 and March 26, 2010.
6. On May 12, 2010, a Gaming Agent received termination paperwork from the Human Resources Department for an employee who was terminated on April 23, 2010.

COUNT III

7. 68 IAC 2-3-5(b)(5) states temporary identification badges shall be:
 - (A) worn by all occupational licensees during work hours; and
 - (B) clearly displayed.
8. 68 IAC 2-3-5(f)(4)(B) states that the permanent identification badge shall be worn by all occupational licensees during work hours. Permanent identification badges shall be clearly displayed.
9. On April 23, 2010, a Gaming Agent observed the Hollywood on the Roof Manager without his gaming badge as he exited the casino and entered the Boogie Nights Dance Club. The agent then observed via surveillance several bartenders and cocktail servers in the Dance Club that were not displaying their gaming badges. The Agent went to the Club to inform the Hollywood on the Roof Manager that he needed to display his gaming badge and asked him to inform the bartenders and cocktail servers that their badges should be displayed. The Agent also spoke with the Director of Security and Regulatory Affairs about this and was told by the Director that all the licensee's should be aware that their gaming badges must be displayed. Later that same evening and into the next day, another Gaming Agent noted that the bartenders and cocktail servers were not wearing gaming badges. The Agent also noted that he saw an employee in the area of the executive offices that was not displaying his gaming badge. On May 2, 2010 and May 7, 2010, Bartenders inside the Dance Club were still not displaying their gaming badges.
10. On May 2, 2010, a Gaming Agent was in the casino back of house when he noted a Floor Supervisor not displaying a gaming badge. When the Agent saw the Floor Supervisor in Pit 1, he noted that the Floor Supervisor was wearing his gaming badge.

COUNT IV

11. 68 IAC 14-3-5 (a) states that all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.

12. On March 14, 2010, two decks of cards were left unattended for approximately six and a half hours on a poker tournament table and on April 20, 2010, two decks of cards were left unattended for approximately fifteen minutes on a poker table.

COUNT V

13. 68 IAC 15-1-4.1 states unless otherwise provided in this title, if an occupational licensee finds chips, tokens, cash, or cash equivalent on the riverboat, the occupational licensee must turn the chips, tokens, cash, or cash equivalent into the appropriate area of the main bank of the riverboat licensee. The riverboat licensee shall maintain the chips, tokens, cash, or cash equivalent for a period of at least twenty (20) days to determine if a patron will claim the chips, tokens, cash, or cash equivalent. If the chips, tokens, cash, or cash equivalents are not claimed by a patron, the riverboat licensee shall institute one (1) of the following policies with respect to unclaimed chips, tokens, cash, or cash equivalents turned in by occupational licensees:
 - (1) If the chips, tokens, cash, or cash equivalents are not claimed by a patron, the chips, tokens, cash, or cash equivalent must be included in the drop on the gaming day the waiting period expires.
 - (2) The riverboat licensee shall handle the chips, tokens, cash, or cash equivalent not claimed by a patron in accordance with a policy submitted by the riverboat licensee to the regional audit administrator for the commission and that has been approved by the executive director.The riverboat licensee must disseminate this rule to all occupational licensees employed by the riverboat licensee or occupational licensees employed by another company but assigned to perform their duties at the riverboat licensee's riverboat gambling operation.
14. On March 15, 2010, the Gaming Agent Supervisor was inspecting the podium in the Poker Room when he discovered six bags of valued chips inside the podium. The chips were left behind by unknown patrons and totaled fifty-one dollars (\$51). The dates on the bags ranged from January 25, 2010 to March 13, 2010.

COUNT VI

15. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. Hollywood Internal Controls, Part II Live Games, Section AE: Poker, Page 7 E(2) states the Poker Room Supervisor or above will contact Surveillance prior to unlocking the float in the presence of a dealer. The Poker Room Supervisor or above and the dealer will count the float and confirm the total. The float is used to color down/up chips from the patrons. Periodically throughout the day the dealer or above will request

an exchange be done between the table and the cage. A Poker Exchange form will be used (form II-S).

16. Hollywood Internal Control II-C-4(19) Form II-S: Poker Room Exchange
A pre-printed three part form on which the following is recorded: date, shift, table number and denomination, amount by denomination, total amount to be sent and received by the Poker Dealer or above, signature and badge number of Dealer or above, Security Officer and Cashier. Original (white) will stay with the Dealer or above requesting the exchange, the 1st (yellow) copy will stay with the cage, and the 2nd (pink) copy will be returned to the dealer or above requesting the exchange. The original and 2nd copy will be dropped in the table drop box.
17. 68 IAC 15-12-3(a)(3) states surveillance shall be notified that a live gaming device fill is being processed.
18. On April 8, 2010, a Gaming Agent observed a Poker Chip Runner leave the cage area with four chip racks full of \$1 white chips which equaled four hundred dollars (\$400). The Chip Runner walked to two tables in the poker room and placed one rack of chips on each one. He then walked to a third table and left the remaining two racks of chips on it. The Agent reviewed surveillance footage and found that prior to receiving the white chips, the Chip Runner had collected \$5 red chips from each of the tables and taken them to the cage where he exchanged them for white chips. Only one of the dealers broke down the chips to verify the amount was correct. The Gaming Agent spoke with the Poker Room Manager and was told this procedure had been followed since the opening of Hollywood. The Gaming Agent also spoke to a Surveillance Manager who stated that since the opening of the new casino he had never received notification from the poker room when money was being transferred.

COUNT VII

19. 68 IAC 15-1-2(1) states the purpose of the accounting records and procedures is to ensure the assets of the casino licensee are safeguarded.
20. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action.
21. Hollywood Casino Internal Control IV-Q-1(C)(1) states the cage employee will notify the employee to receive the items in the dumbwaiter to ensure they are present and able to accept the items being sent.
22. 68 IAC 11-3-6(c)(12) states once all drop boxes have been counted, the soft count team shall complete the master gaming report or the bill validator.

- 23.68 IAC 11-3-6(c)(23) states in accordance with 68 IAC 15-7-3, the revenue auditor or the equivalent shall trace the total of the bill-in meter readings as recorded by the bill acceptor flash report to the actual count performed by the soft count team to determine variances. The casino licensee shall require the investigation of all variances. The results of the investigation shall be recorded and reported to the head of the accounting department and the commission audit staff.
24. The IGC Field Auditors submitted a report outlining several variances that occurred at Hollywood Casino. The money was eventually found in all of the variances; however, the employees failed to timely verify the funds. In the first variance on February 14, 2010, the Vault Cashier was over \$2500. The Vault Cashier and Cage Shift Manager concluded that one of the cassettes for the NRT Kiosks was shorted a brick of five dollar bills and since the NRT's are not dropped until the morning they would not know until the next day if the shortage was there. The casino did verify that the shortage was in one of the cassettes for NRT kiosk. In the procedure for the filling of the cassettes, the Vault Cashier did not verify the cash being taken into the cassette fill area. The Cashier and Count Room Attendant did not verify the cash nor notice the shortage when filling the cassette. Surveillance was also notified that the cassettes were being filled and did not notice the shortage.
25. On April 7, 2010, two variances were reported. The first variance was a \$1,001 shortage discovered at the end of a Cage Cashier's shift. The investigation showed that the Cage Cashier sent \$22,000 in orange chips to the main bank but incorrectly wrote down \$21,000. The Main Banker did not verify the chips upon receipt and ended her shift over \$1,000. In the second variance, another Cage Cashier ended her shift with a shortage of \$10,000 in the vault. An investigation showed that the Cage Cashier in the vault sent a buy to the Main Bank at 1130 via the dumbwaiter. The buy was removed from the dumbwaiter at 1259. At 1324 the money was put into a drawer and finally counted at 1704. When the money was counted it was discovered that an extra strap of \$100 bills was included in the brick making the Main Bank over \$10,000.
26. On May 15, 2010 a Gaming Agent was advised by a Surveillance Manager that a "hot" bill validator box ("BV") was placed inside a recently dropped slot machine instead of a "cold" BV. A "hot" BV contains currency and TITO tickets, while a "cold" BV is empty of all contents. On May 12, 2010, a Casino Accountant requested a surveillance review of a "hot" BV to determine why it was missing from the drop report. During the surveillance review, the "hot" BV was observed being dropped along with seven other BV's prior to a slot machine conversion. The eight boxes were taken to the vault and later passed into the keying room. The information regarding the "hot" BV was passed onto the Count Room Manager who stated that all BV's had been opened during the keying process. On May 15, 2010, during the drop process when the "hot" BV was placed into a machine the game indicated a com error due to data still being in the system for

that BV. A further surveillance review of the keying process showed that the "hot" BV was not opened, but was placed onto the cart containing the "cold" BV's. The morning of the May 15, 2010 drop, the "hot" BV was taken from the "cold" BV cart and placed along side a slot machine at 0530 hours. The "hot" BV sat there until 1045 hours when the slot machine is dropped. The total amount of currency and TITO tickets was approximately \$5700.

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, 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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Hollywood shall pay to the Commission \$31,500 (\$2,500 for Count I; \$10,000 for Count II; \$2,000 for Count III; \$1,500 for Count IV and \$1,500 for Count V; \$5,000 for Count VI and \$9,000 for Count VII) 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 herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Hollywood agrees to promptly remit payment in the amount of \$31,500 and shall waive all rights to further administrative or judicial review.

This Settlement 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 Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Settlement Agreement shall be binding upon the Commission and Hollywood.

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



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

9.13.10

Date



Tony Rodlo, General Manager
Indiana Gaming Company, L.P.

9-9-10

Date