

**ORDER 2011-181  
IN RE SETTLEMENT AGREEMENT  
INDIANA GAMING COMPANY, L.P.  
11-HW-04**

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

Approves  
APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 15th DAY OF SEPTEMBER, 2011.**

**THE INDIANA GAMING COMMISSION:**

Timothy Murphy  
Timothy Murphy, Chair

ATTEST:

Mary A. Gray  
Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>INDIANA GAMING COMPANY, L.P.</b>	)	<b>11-HW-04</b>
	)	

**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 15-12-3 states (a) live gaming device fills shall proceed in the following manner:
  - (4) Based on the information contained on the fill slip, the casino cashier shall prepare the proper denomination and amount of chips or tokens, or both, and sign the fill slip. The casino cashier shall sign the fill slip, summon a security officer, and present the chips or tokens, or both, and the fill slip to the security officer.
  - (5) The security officer must verify that the denomination and amount of chips or tokens, or both, match the amount on the fill slip. The security officer shall sign the fill slip after verifying the chips or tokens, or both, match the fill slips.
  - (7) The security officer shall transport the chips or tokens, or both, to the appropriate pit area.
  - (8) The appropriate level of occupational licensee shall count the chips or tokens, or both, that are received as a live gaming device fill to ensure the denomination and amounts received match the amount and denomination reflected on the fill slip.
  - (10) If the amounts in subdivision (7) do not agree, the fill slip shall not be signed and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips or tokens, or both, and the fill slip to the casino cage.
- (b) The copies of the completed live gaming device fill slip shall be utilized by the casino cashier or appropriate department to balance the cage. All completed live gaming device fill slips shall be utilized to complete the soft count.

(c) If a live gaming device fill slip was erroneous, it shall be voided and a new live gaming device fill slip generated. The person voiding the fill slip shall indicate the reason the slip was voided and sign the slip. Any voided live gaming device fill slip shall be retained and deposited into a locked accounting box.

2. On May 18, 2011 a Gaming Agent was contacted regarding a cage variance of \$2000. Review of the variance report and surveillance coverage shows that a table fill was sent to a Roulette table with an incorrect amount of chips. The Cage Cashier, Security Officer, Dealer and Dual Rate all signed that the correct amount of chips were sent. The Cage Cashier ended her shift with a variance. All four employees were disciplined.

### **COUNT II**

3. 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 the occupational licensee's employment with the riverboat licensee is terminated for any reason. The forms must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
4. On May 14, 2011 a Gaming Agent received termination paperwork on an employee who was terminated on April 13, 2011.

### **COUNT III**

5. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Hollywood Casino Internal Control Part II: Live Games AE: Poker-H, Periodically throughout the day the dealer or above will request an exchange be done between the table and the cage. The exchange will be done by any of the following people: Chip Runner, Poker/Dual Rate, Poker Supervisor, Poker Shift Manager, or Poker Manager with a Security escort and using a Poker Exchange form. These exchanges can be done for players as well as employees.
6. On May 15, 2011, a Gaming Agent was notified by a Security Supervisor that a Poker Shift Manager was observed conducting a chip exchange without a Security Officer. The Poker Shift Manager informed the Agent that they could not wait for security so they conduct the chip exchanges on their own. The exchanges are done because the table is low on certain chips and the chips are needed to conduct the game. The exchanges take place without paperwork. The issue is that security officers take too long to respond to the Poker Room to conduct the exchange. The Poker Shift Manager was suspended.

#### COUNT IV

7. Pursuant to IC 4-33-9-12 and 68 IAC 1-11-1(c), 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.
8. On June 15, 2011, a Gaming Agent was advised of an under age person on the casino floor. The underage person was not asked for identification before going through the turnstiles.
9. On June 28, 2011 a Gaming Agent was contacted by a Security Manager regarding an under age vendor who was allowed access to the casino floor. Pryor to entering the casino the Valet Lead Attendant had spoken to a Security Officer stationed at the turnstiles and informed her that one of the valet employees was under twenty-one. Another Security Officer arrived, escorted the group to the casino ballroom and then inquired if everyone was over twenty-one. The Lead Valet Attendant informed the Security Officer that one of the employees was under twenty-one. The Security Officer that escorted the group to the ballroom was given disciplinary action, while the one at the turnstile was not, even though the Gaming Agents were informed that she would be.
10. On July 3, 2011 a Gaming Agent was notified of a person under twenty-one on the casino floor. The under age person was not asked for identification prior to entering the casino.

#### COUNT V

11. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Hollywood's Internal Controls, Part II Live Games/Federal & State Withholding Requirements for Jackpot Payouts, table games are covered by general rules for gambling winnings. Before any table game winnings are reported to the IRS, the amount paid to the customer (less the amount wagered) must be at least 300 times the amount wagered. Then if the amount paid to the customer (less the amount wagered) is at least \$600, a Form W2-G or a Form 1042-S is completed. If the amount paid to the customer (less the amount wagered) is more than \$5,000, taxes must be withheld.
12. On July 17, 2011 a Gaming Agent was contacted by the Casino Manager informing him that a Lucky Lucky bonus wager won and was paid directly from the float instead of the cage. A Lucky Lucky wager is one dollar (\$1) and pays 1000 to one. The casino should have paid the patron from the cage so that a W2-G could be completed. The patron exited the casino before he could be identified. The Table Game Supervisor, who approved the payout and had the Dealer pay it out of the float, was disciplined.

## COUNT VI

13. 68 IAC 15-12-3 (a)(10) states If the amounts in subdivision (7) do not agree, the fill slip shall not be signed and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips or tokens, or both, and the fill slip to the casino cage.
14. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Hollywood's Internal Controls, Part II Live Games, Section H: Gaming Tables - Receiving Chips, II-H-2(B)(9) if a fill is received incorrectly the fill slip must be signed by the dealer/ boxperson and a Table Games Supervisor or above and marked "void", with a brief description of the reason for the void. Surveillance will be notified once an error is determined and log the error. Any fills received in the pit which do not agree to the fill slip will be immediately returned by the Security Officer involved to the Chip Bank involved in the transaction.
15. On June 12, 2011 a Gaming Agent was notified by a Table Games Manager that an incorrect fill was received at a table game. At the table game it was noted that the fill was short \$20.00 in white chips and was returned to the cage without the fill slip being voided. The Table Games Manager called the cage to have them return the fill so it could be voided, but the cage had placed the chips in the rack and sent the fill back out.

## 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 \$31,000 (\$5,000 for Count I; \$2,000 for Count II; \$2,500 for Count III; \$18,000 for Count IV; \$1,000 for Count V and \$2,500 for Count VI) 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.

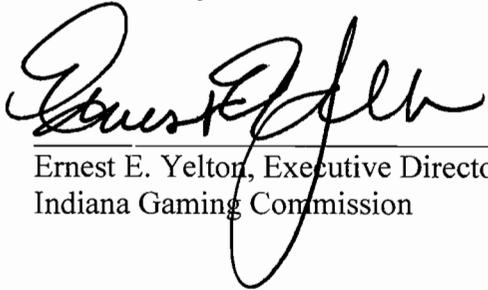
Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon

approval of the Settlement Agreement by the Commission, Hollywood agrees to promptly remit payment in the amount of \$31,000 and shall waive all rights to further administrative or judicial review.

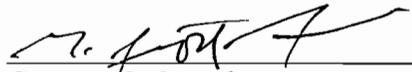
This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may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

  
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Ernest E. Yelton, Executive Director  
Indiana Gaming Commission

9.8.11  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Gregory S. Saunders,  
Acting General Manager  
Indiana Gaming Company, L.P.

9/1/11  
\_\_\_\_\_  
Date