

ORDER 2011-250
IN RE SETTLEMENT AGREEMENT
INDIANA GAMING COMPANY, L.P.
11-HW-05

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

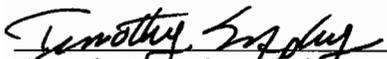
Approves

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

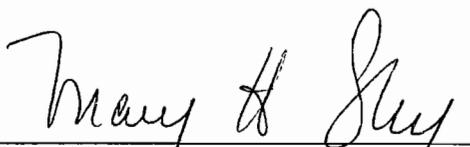
IT IS SO ORDERED THIS THE 10th DAY OF NOVEMBER, 2011.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Mary Shy, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
INDIANA GAMING COMPANY, L.P.) **11-HW-05**
)

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 2-3-1(c) states the following persons are required to hold an occupational license:
 - (1) A person employed by the riverboat gambling operation and whose duties are to be performed on the riverboat.

2. On August 23, 2011 a Gaming Agent was on the lower level of the casino floor when he noticed a Cocktail Server with a temporary badge. Later, while in the IGC office the Agent received a file from a Human Resources employee containing the new employees who were to be processed the following day. The Cocktail Server’s name was in the file, so she was working without an Occupational License. When the Agent interviewed the Cocktail Server the next day he found that she had been working on the casino floor for two days without a license.

COUNT II

3. 68 IAC 1-5-1 states any riverboat or supplier licensee shall provide a written notice to the executive director at such time as it becomes aware of the following:
 - (1) Any violation or apparent violation of any rule of the commission by any of the following:

(A) The riverboat or supplier licensee.

(B) Any substantial owner, key person, or employee of the riverboat or supplier licensee.

4. 68 IAC 2-3-9(d) states Occupational licensees must notify the commission that a riverboat licensee, a supplier licensee, or an occupational licensee has violated the Act or this title as soon as the occupational licensee becomes aware of the violation. If an occupational licensee fails to notify the commission of a violation of the Act or this title by a riverboat licensee, a supplier licensee, or an occupational licensee, the commission may initiate a disciplinary action.
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 III Electronic Gaming Device, Section J: Bill Validator Drop, Removal and Transportation A, 1, c the count team consists of no less than three (3) Count Room Attendants, one of the count room attendants may, when needed or necessary, card the machine, pull the full box and replace it with an empty box, while the last one picks up the hot boxes. **Before starting the drop process, a Security Officer will clear the area of guests and non-authorized employees. Once cleared and secured, Security officers will be deployed with Five (5) Security Officers; two (2) to card the machine and observe the drop in process; one (1) to guard the drop cart; one (1) of the two (2) remaining Security Officers will be responsible, or when needed, will card the machines, pull out chairs and clear the area while the other will ensure that the designated area remains clear of patrons.**
6. On August 27, 2011 a Gaming Agent observed a patron approach a Security Officer and after a conversation the Security Officer directs the patron through the drop zone and onto the main aisle way. The patron walked directly in front of the open cart where the "hot" BV boxes were being stored.
7. On September 17, 2011 two Gaming Agents met with a Security Supervisor to review video of the drop that had occurred earlier. The video showed that two patrons entered the drop zone past a Security Officer who is looking elsewhere. A drop team member noticed the two patrons and stopped the drop process until they passed through the drop area.
8. On September 24, 2011 a Gaming Agent was observing the drop process when a Count Room Supervisor stated to the Agent that he could not believe two patrons had walked through the drop area on September 22. The Agent stated that he was not contacted although he was the only agent on duty that day. The Agent contacted a Security Supervisor to see if he had been notified. The Supervisor said that he had heard a rumor but did not look into it. Since the Security Supervisor was standing next to the Director of Security he inquired whether he had been told about it. The Director had not. Upon video review the Agent verified that two patrons had walked through the drop area. When the first patron

walked through the area, the Security Officers stopped the drop process and then a few seconds later, the second person walked through the drop while the process is still on hold. Security did not contact surveillance (it was not recorded on their log) and they did not contact IGC or a Security Supervisor. Surveillance did not contact Security Officers to find out why the drop was stopped.

COUNT III

9. 68 IAC 10-1-6.1(a) Live gaming device tournaments may be conducted by riverboat licensees.
 - (b) At least thirty (30) business days before a riverboat licensee plans to offer a live gaming device tournament, the riverboat licensee must submit the rules of tournament play to the commission for approval. No live gaming device tournament may be offered until approved by the commission. The rules of tournament play shall include, at a minimum, the following information:
 - (1) The amount of the entry fee for participating in the tournament.
 - (2) The game that will be played.
 - (3) The qualification or selection criteria that will be used to limit the eligibility of players in a tournament. Any criteria or qualification utilized must be reasonably related to gaming activity.
 - (4) Any rules of play that differ from the rules submitted by the riverboat licensee in accordance with section 3 of this rule.
 - (5) The amount of chips, tokens, or both, that a player will begin with.
 - (6) The manner in which players will receive seat and table assignments and how reassignments are to be handled.
 - (7) How players are eliminated from the tournament and how the winner or winners are determined.
 - (8) The manner in which ties will be handled.
 - (9) The number of prizes to be awarded.
 - (10) The actual cost of the prizes to be awarded.
 - (11) Whether the patron will have an option of taking the prize or requesting a cash alternative. If such an alternative is offered, the amount of cash the patron may receive.
 - (12) An exact description of each prize to be awarded.
 - (13) If the entire pot of entry fees is awarded as prizes, the percentage of the pot that each place will receive.
 - (14) Whether or not the riverboat licensee will guarantee the dollar value of the prizes if insufficient entry fees are collected.
 - (c) The executive director or the executive director's designee shall approve or disapprove the rules within thirty (30) business days of the receipt of the rules.
10. On August 20, 2011 a Gaming Agent was approached by a Poker Room Employee with a question about a satellite poker tournament which took place earlier that morning. The Agent answered the question and then asked the employee to verify the time of the tournament. The employee verified that the

tournament took place at 1:30 in the morning. Over the next week the Agent questioned several people in the poker room about the tournaments. The Director of the Poker Tournaments told the Agent that most of their tournaments are submitted to IGC, but if a patron requests a satellite poker tournament or a sit and go tournament they will conduct these without approval. These two tournaments are conducted at random without any scheduled time. The Agent also spoke to the Director of Table Games and the Poker Room Manager and advised them that all tournament must be approved.

COUNT IV

11. 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.
12. On September 5, 2011 a Gaming Agent was notified by a Senior Table Games Manager that a variance had occurred on a table game. The Agent was informed that as a table was closed it was discovered that there were \$20,000 more in orange chips than there should be. The Agent reviewed the video coverage and found that the Cage Cashier had broken down the chips, which included an extra barrel of orange chips, while the Security Officer marked off the amounts on the

table fill slip. The Security Officer took the chips to the table game, where the Dealer and Table Games Supervisor broke down the chips, placed them into the float, signed the fill slip and dropped the Table Game copy into the drop box. The Cage Cashier was \$20,000 short when she counted her drawer at the end of her shift.

COUNT V

13. 68 IAC 11-7-1 (a) this rule applies to riverboat licensees.
 - (b) For the purposes of this rule, "sensitive keys" means keys that either management or the commission considers sensitive to the riverboat licensee's operation and therefore require strict control over custody and issuance. The term includes, but is not limited to, keys that will allow access to the following:
 - (1) Currency.
 - (2) Chips.
 - (3) Tokens.
 - (4) Electronic gaming devices.
 - (5) Any item that would affect the integrity or outcome of a game.
14. On September 14, 2011 two Gaming Agents walked past the Slot Technician Shop and noticed that the door to the MIS Server room was ajar. The door had been propped open with a door stop placed there by the IT Support Manager. When questioned by an Agent the IT Support Manager said that she was trying to get the internet up for a group who were going to be in the Ballroom. To save time she propped open the door while trouble shooting the internet issue. When she finished she forgot to secure the door. The door was left ajar for approximately four hours.

COUNT VI

15. 68 IAC 11-4-4(e) states 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.
16. On September 15, 2011 a Gaming Agent was contacted by a Casino employee regarding the new Craps tables. The Casino Manager informed the Agent that the rails on the tables were not secure and if lifted up the chips in the float could be accessed. On September 13, 2011 six new tables were placed on the casino floor.

COUNT VII

17. 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.
18. On September 20, 2011, a Gaming Agent was contacted by a Security Supervisor regarding an underage person allowed on the casino floor. The underage person had provided a Mexican Consular Card as a form of identification. The card belonged to another person who did not resemble the underage person.

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 \$72,000 (\$2,000 for Count I; \$7,500 for Count II; \$40,000 for Count III; \$7,500 for Count IV; \$5,000 for Count V; \$2,500 for Count VI and \$7,500 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 \$72,000 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.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

11-9-11
Date



Joseph Hasson, General Manager
Indiana Gaming Company, L.P.

11/1/11
Date