

**ORDER 2012-197
IN RE SETTLEMENT AGREEMENT**

**HORSESHOE HAMMOND, LLC
12-HH-03**

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

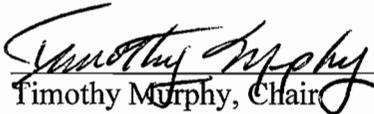
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 15th DAY OF NOVEMBER, 2012.

THE INDIANA GAMING COMMISSION:


Timothy Murphy, Chair

ATTEST:


Marc Fine, Vice-Chair

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
HORSESHOE HAMMOND, LLC)	12-HH-03
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Horseshoe Hammond, LLC (“Horseshoe”) (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. 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.
2. On February 12, 2012 a Gaming agent was contacted by a Security Officer concerning a person under twenty-one that had entered the casino. The Agent reviewed surveillance coverage and noted that the Security Officer check the identification and allowed the minor to go through the turnstiles.
3. On July 7, 2012 a Gaming Agent was notified by a Security Supervisor that an underage person was found on the casino floor. The video review showed a woman pushing a stroller, with her baby inside, through boarding and neither Security Officer made an attempt to stop the woman.
4. On July 31, 2012, a Gaming Agent was informed by a Security Supervisor that an underage person was found on the casino floor. The person had presented his valid identification at the boarding area and was allowed to enter the casino.

COUNT II

5. 68 IAC 10-1-6.1 states (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:

(7) How players are eliminated from the tournament and how the winner or winners are determined.

6. Horseshoe Hammond held the Chicago Poker Classic tournament from February 23 through March 5, 2012. The tournament was approved by the Commission's Promotions/Compliance Coordinator on September 16, 2011 and she also approved a revised submission on February 20, 2012. In the submission and revision points were mentioned with the possibility of prizes for the point winners, however the point system was not described. Because the point system was not fully described in the submission to the Commission, the description of how the winners were to be determined was incomplete.

COUNT III

7. 68 IAC 2-6-6 (c) states if a riverboat licensee converts an electronic gaming device, the riverboat licensee must take the following steps:
 - (5) the riverboat licensee shall do the following:
 - (A) Ensure that a copy of the par sheet is placed in the electronic gaming device in accordance with section 5 of this rule.
 - (B) 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.
8. 68 IAC 2-6-19 states electronic gaming devices must have logic boards and any computer chips that store memory in a locked area within the electronic gaming device that is sealed with evidence tape. The evidence tape must:
 - (1) be affixed by an enforcement agent; and
 - (2) include the date, signature, and identification number of the enforcement agent.This tape may only be removed by an enforcement agent.
9. On March 12, 2012 a Gaming Agent was notified by the Director of Casino Operations of slot machine violations. The Director informed the Agent that three slot machines had been turned on for play prior to being sealed or coin tested. The machines were in service from one to three days before being discovered.

COUNT IV

10. 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

Horseshoe Hammond Internal Control D-7.2 after all the patrons and non-collection team members have been cleared from the designated area, one (1) Security Officer will be stationed at each end of the drop area, one (1) Security Officer will be stationed at the storage cart and one (1) Security Officer will observe the drop process. A collection cart(s) will be stationed at the end of an aisle of slot machines, which are having the BV's removed and replaced with empty BV's. Security will prevent patrons and non-collection team members from entering the designated drop area while the BV's are being collected.

11. On April 28, 2012 a Gaming Agent, while reviewing a surveillance report, noted that a patron had walked through the drop zone and Security failed to stop the patron. The drop team was removing "hot" BV boxes at the time.

COUNT V

12. 68 IAC 14-3-2 (b) states that all playing cards must meet the following specifications: (1) all decks of cards must be a complete standard deck of fifty-two cards in four suits. The four suits shall be hearts, diamonds, clubs and spades. Each suit shall consist of numerical cards from: (A) two to ten; (B) a jack; (C) a queen; (D) a king; and (E) an ace.
13. On May 14, 2012 a Gaming Agent was informed by a Table Games Assistant Shift Manager that a yellow colored card had been left in the discard rack and then mixed in the black colored cards. The rest of the deck of yellow colored cards was placed in the shuffler. The shuffler's red light flashed indicating a problem with the yellow colored cards. The cards are removed from the shuffler, placed back in it and the red light flashed again. This is done a total of four times and each time the red light flashed. The shuffler is then replaced and the yellow colored cards are placed in the new shuffler which flashed the red light. While the yellow colored cards were being placed in the shufflers, the black colored cards were being hand shuffled and placed in the shoe for five games. After approximately ninety minutes, the Dealer and Floor Supervisor finally count the black colored cards and discover the yellow colored card. By the time the cards were counted there were no patrons at the table.

COUNT VI

1. 68 IAC 1-5-1(10) states any riverboat or supplier licensee shall provide a written notice to the executive director at such time as it becomes aware of any apparent criminal activity taking place on riverboat property. This information must also be submitted to an enforcement agent.
2. On July 19, 2012, a Gaming Agent was called by the Security Investigator regarding an underage person on the casino floor. The person had attempted to

get a cash advance on her credit card and when she presented to identification to the Cage Cashier the Cashier noted the person was under 21 years of age. Another Cashier told the first Cashier to refuse the transaction and return the identification and credit card. Security was contacted, but the underage person had left the casino by the time security arrived. This happened at 2:30 and the Gaming Agents were not informed until approximately two hours later.

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

Horseshoe shall pay to the Commission a settlement of \$28,000 (\$13,500 for Count I; \$7,500 for Count II; \$3,000 for Count III; \$1,000 for Count IV; \$1,000 for Count V and \$2,000 for Count VI) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. Neither this agreement nor any action performed pursuant to it will constitute an admission of any violation by Horseshoe. This agreement extends only to known incidents specifically alleged in this agreement and wholly based on the facts described herein. If the Commission subsequently discovers additional facts, which are not described in this agreement, that may support an independent determination that a violation has occurred, the Commission may pursue disciplinary action for such violations even if the facts are 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, Horseshoe agrees to promptly remit payment in the amount of \$28,000 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.

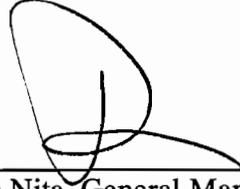
This Settlement Agreement shall be binding upon the Commission and Horseshoe.

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

11.14.12
Date



Dan Nita, General Manager
Horseshoe Hammond, LLC

11/6/12
Date