

**ORDER 2016-203  
IN RE SETTLEMENT AGREEMENT  
INDIANA GAMING COMPANY, LLC  
16-HW-03**

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

**APPROVED**

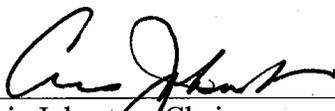
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APPROVES OR DISAPPROVES

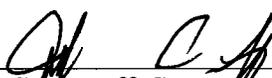
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 8<sup>th</sup> DAY OF SEPTEMBER, 2016.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Cris Johnston, Chair

ATTEST:

  
\_\_\_\_\_  
Joseph Syetanoff, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>INDIANA GAMING COMPANY, LLC</b>	)	<b>16-HW-03</b>
	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Indiana Gaming Company, LLC. (“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. 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 April 22, 2016, a Gaming Agent was informed by Security Dispatch of an underage person in the casino. The Agent reviewed surveillance coverage and found that the Security Officer stationed at the turnstiles failed to ask the underage person for identification before allowing him on the casino floor.
3. On May 17, 2016, a Gaming Agent was notified by Security Dispatch that a Security Officer had just discovered a vendor on property who had worked in the Surveillance Room was underage. The vendor was sent to the casino by the manufacturer to troubleshoot issues with the new surveillance system that had recently been installed. The underage vendor had developed the system so the company had sent him. The casino’s request to allow engineers from the company to enter the surveillance room had been approved by the Commission, but the casino did not inform the Commission that the engineer was underage. The Security Officer who issued the vendor badge to the underage vendor failed to note that the vendor’s identification indicated he was under 21 years of age.

## COUNT II

4. 68 IAC 1-15-1(a) states this rule applies to casino licensees and casino license applicants.  
(b) Casino licensees and casino license applicants may not destroy records of any type that relate to the casino gambling operation unless they have complied with this rule.  
(c) At least twenty (20) working days before a casino licensee or casino license applicant intends to destroy any records that relate to the casino gambling operation, the casino licensee or casino license applicant must notify, in writing, the commission audit director of the following information:
  - (1) The records the casino licensee or casino license applicant intends to destroy.
  - (2) The date, time, and manner of destruction.
  - (3) The date that the records were generated.
  - (4) The applicable length of time that the record was to be maintained in accordance with this title.
  
5. 68 IAC 15-1-1(c) states unless otherwise specified, casino licensees and casino license applicants shall maintain accounting records for a period of five (5) years within the state of Indiana.
  
6. 68 IAC 1-5-1 states a casino or supplier licensee shall provide a written notice to the executive director as soon as the casino or supplier licensee becomes aware of the following:
  - (1) A violation or apparent violation of a rule of the commission by any of the following:
    - (A) The casino or supplier licensee.
  
7. On May 12, 2016, the Hollywood Compliance Manager contacted the Gaming Supervisor to notify him that thirty-two (32) boxes of accounting documents had been inadvertently transported from the storage facility to the destruction company. Eight boxes were shredded before the mistake was realized. The Gaming Supervisor asked a Gaming Agent to investigate. The Agent spoke to the Revenue Audit Manager who told the Agent that thirty-two (32) pallets (40 boxes each) were erroneously sent to destruction and eight (8) pallets (320 boxes) were destroyed. The remaining twenty-four (24) pallets not shredded, were returned to the storage facility Midwest Services Warehouse ("MSW"). On March 8, 2016, the Revenue Audit Manager and an Accounting Supervisor audited the boxes and the contents at MSW and placed bright green florescent sheets of paper on the rows of pallets slated for destruction. On March 9, 2016, the Revenue Audit Manager received approval from the Commission's Deputy Director of Audit to destroy accounting records from 2010 and prior to 2010. The Agent spoke to the Purchasing Manager who stated casino personnel were never present when the pallets of documents were leaving MSW for destruction and the only way MSW knew which pallets to load was by the green sheets of paper. On April 28, 2016, the Purchasing Manager received an email from an employee at MSW noting the number of pallets that had been picked up by the trucking company. The Purchasing Manager noted that the number of pallets shipped exceeded the amount slated for destruction. The Purchasing Manager contacted the destruction company to stop further destruction of the records not approved for destruction. The Purchasing Manager contacted the Revenue

Audit Manager and they decided not to inform the Director of Finance until after they audited the remaining pallets at MSW. The pallets were not audited until May 11, 2016. The accounting records that were destroyed were from the vault, slot audits and table games from years 2011 to 2012.

### COUNT III

8. 68 IAC 15-6-2(a)(9)(E) states Vendors who have completed the appropriate vendor log in accordance with section 4 of this rule are entitled to a tax-free pass and do not have to pass through the patron counting system when boarding the riverboat.
9. 68 IAC 15-6-4(a) states the casino licensee's security department shall maintain a vendor and visitor log on forms prescribed or approved by the commission.
  - (e) The vendor and visitor log shall contain the following information:
    - (1) The name of the vendor or visitor.
    - (2) The company or organization the vendor or visitor represents.
    - (3) The date and time the vendor or visitor entered the casino.
    - (4) The purpose that necessitates the vendor or visitor entering the casino.
    - (5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino.
10. Hollywood Internal Control VI-R-1(6)(B) states vendors badge must be issued by the security department before any vendor, maintenance, repair, or similar worker is allowed to enter the casino. The vendor's badge must be displayed by the holder of the badge at all times while on Hollywood property. No holder of a vendor's badge may participate in any gambling activity in the casino. The vendor's badges will be controlled by the security supervisor who will maintain a log of all issued badges including the name of the vendor, the company or organization that the vendor represents, date, time of issuance, purpose for visit, and the time of return of the badge.
11. On June 23, 2016, a Gaming Agent was notified by Security Dispatch that a Labor Ready worker had taken a yellow vendor badge from Gate 1. The Agent spoke to a Security Supervisor and was informed that the Labor Ready Worker ("Worker") had forgotten his identification and since Gate 1 was unmanned he had taken a vendor's badge. The Worker had used the vendor badge for two days before two other Labor Ready employees, who were aware of the situation, told Security. The two Labor Ready employees stated that the Worker had indicated to them that he was not going to return the badge. The Agent reviewed surveillance and confirmed that the Worker had taken the vendor badge from the unmanned Gate 1 and used the badge for two days. Previously, Gate 1 was continually staffed with a Security Officer who used an ID scanner to save each vendors and visitors' information on a database that allowed for flagging problem individuals, making notes and alerting if a vendor was overdue or under 21. The system of badges utilized Tempbadge™ that after a certain length of time would show a series of red lines or "void" when expired. Currently Gate 1 is no longer an entry point and is not staffed. However, the remnants of the office remained behind an

unlocked door. The office contained a plastic storage box with vendor and visitor badges. The previous software, scanner and self-expiring badges had previously been removed. There is no procedure in place to audit or verify the numbered badges are returned, as evident by the violation above. The procedure for numerous temporary workers is to call security to meet them at Gate 1 to issue vendor badges in exchange for the workers identification. At the end of the workers' shifts they return to Gate 1 to call security and exchange the vendor badges for their identifications. There is also a hand written sign in sheet that includes the name, date and time. Since the time of this report, the plastic storage box with the badges has been relocated and the vendor badges are stored in a safe.

12. On June 26, 2016, a Gaming Agent was notified by a Security Supervisor that a Labor Ready Worker ("Worker") failed to follow Hollywood's vendor badge procedure when he left the property after his shift without turning his badge into security and receiving his identification. The Agent spoke to the Worker who stated that he had called security twice within an hour and a Security Officer had not shown up. The Worker needed to get home to take care of his children and could not wait any longer so he left with the vendor badge. The Worker stated it can take several minutes to an hour for a Security Officer to arrive at Gate 1.

### **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 a total of \$24,500 (\$7,500 for Count I; \$15,000 for Count II and \$2,000 for Count III) and submit a corrective action plan for the storage of documents 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 \$24,500, submit a corrective action plan for the storage of documents 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.

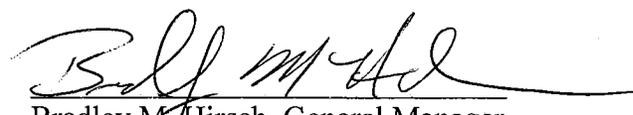
This Settlement Agreement shall be binding upon the Commission and Hollywood.

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



\_\_\_\_\_  
Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

8/29/16  
\_\_\_\_\_  
Date



\_\_\_\_\_  
Bradley M. Hirsch, General Manager  
Indiana Gaming Company, L.P.

8/13/16  
\_\_\_\_\_  
Date