

**ORDER 2014-123
IN RE SETTLEMENT AGREEMENT
INDIANA GAMING COMPANY, L.P.
14-HW-01**

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

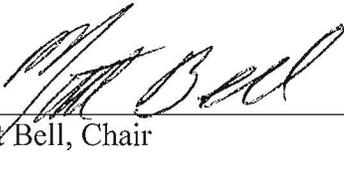
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

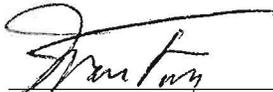
IT IS SO ORDERED THIS THE 26th DAY OF JUNE, 2014.

THE INDIANA GAMING COMMISSION:



Matt Bell, Chair

ATTEST:



Marc Fine, Vice Chair

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, L.P.)	14-HW-01
)	

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 12-1-5(f)(6) states electronic gaming device surveillance must be capable of providing coverage of progressive games, including dedicated coverage of the following:
 - (A) Any electronic gaming device or group of electronic gaming devices with a possible jackpot payout in excess of fifty thousand dollars (\$50,000).
 - (B) The progressive display showing the incrementation of the progressive jackpot for an electronic gaming device or a bank of electronic gaming devices.

2. 68 IAC 2-6-37(a) states during the normal operating mode of the progressive controller, the controller must do the following:
 - (1) Continuously monitor each electronic gaming device attached to the controller to detect inserted tokens or credits wagered.
 - (2) Multiply the accepted tokens by the programmed rate of progression and denomination in order to determine the correct amounts to apply to the progressive jackpot.
 - (b) The progressive display must be constantly updated as play on the link is continued. It will be acceptable to have a slight delay in the update as long as when a jackpot is triggered the jackpot amount is shown immediately.
 - (c) At least one (1) progressive display to which a group of progressive electronic gaming devices is linked must continuously display the amount of the progressive jackpot that a patron may win.

3. On September 30, 2010 Hollywood was granted a waiver allowing the delay of dedicated camera coverage for any progressive slot machines with an immediate jackpot of less

than \$50,000, until the progressive display reads a minimum of \$40,000. The waiver was granted on the condition that the accounting/income audit department would be responsible for verifying daily that the incrementation was correct on all progressive machines.

4. On October 21, 2013, a Gaming Agent was coin testing electronic gaming devices ("EGDS") with a Slot Technician when she noticed one of the machines did not have the correct display on the top glass. The machine was one of five machines linked to a progressive jackpot. The machine in question did not have the progressive jackpot amount displayed and the rules of play, max bet and payout schedule were different than the other four machines. The Agent checked to see if the machine was progressing properly and confirmed it was. However, the machine was not set correctly and if a patron had hit the winning combination the progressive jackpot would not have been triggered. The Agent checked the MEAL book and found that a system error occurred on September 7, 2013, which can cause an EGD to lose its setting and default back to factory setting when the slot technician keys off the error. Since this is the last notation of this type of error it is estimated that the machine was set incorrectly from September 7, 2013 until October 21, 2013 when the machine was set correctly.
5. On November 8, 2013 a Gaming Agent was notified by the Assistant Slot Tech Manager regarding a progressive display at a slot machine. The slot machine was one of thirteen machines linked to a progressive jackpot. The Manager informed the Agent that the machine had malfunctioned and he was currently investigating the issue. The Manager informed the Agent via email that a Slot Technician was in the machine on October 30, 2013 clearing a game memory tilt. The Manager stated that errors of this type, when cleared, will often disable progressive settings and all of the technicians are aware of this. The technicians are to always check all of the options after clearing a system or memory error especially when dealing with progressives. It was discovered that the progressive function was not working properly from October 30, 2013 through November 8, 2013. The progressive jackpot was corrected to show the proper amount.

COUNT II

6. 68 IAC 11-7-1(a) states this rule applies to casino licensees.
 - (b) For the purposes of this rule, "sensitive keys" means keys that either management or the commission considers sensitive to the casino 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) An item that would affect the integrity or outcome of a game.
7. 68 IAC 11-7-2(a) states the casino licensee shall submit a list of authorized occupational licensees who have access to the sensitive keys box. These employees must hold an

occupational license, Level 2 or higher. Amendments to the list of employees with authorized access must be submitted to the enforcement agent as the amendments occur.

8. On October 30, 2013 a Gaming Agent conducted an audit of the KeyWatcher PIN Numbers 10/24/13 Report and found the following discrepancies; 34 wrong position titles, 5 misspelled names, 1 person given duplicate access with different PIN numbers to two different key cabinets and 1 employee's name was not updated (she informed the ICG on July 24, 2013 of her name change).

COUNT III

9. 68 IAC 2-6-6(c)(5)(B) states the casino 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.
10. 68 IAC 11-3-6(b)(1) states the soft count team shall notify surveillance prior to the initiation of the soft count. Surveillance shall visually record the entire soft count process.
11. 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.
12. On February 10, 2014 a Gaming Agent was contacted by the Slot Performance Manager regarding a slot machine found in service without the required bill testing. The Agent reviewed video coverage and found that a Senior Slot Technician had accessed the machine on February 5, 2014. The Technician walked away from the machine and approximately three hours later the machine went into service. The machine stayed in service until February 9, 2014 when a Slot Technician noticed the machine was not authorized for play and placed the game out of service. During the four days the machine was in service, dozens of patrons played the game. The Gaming Agents were not notified of this violation until approximately twenty-eight hours after the violation was discovered.
13. On February 3, 2014 the Gaming Supervisor asked an Agent to look into a violation that occurred in the soft count room. The Agent found that on February 2, 2014 a Lead Surveillance Agent observed that the Count Room Lead failed to notify surveillance prior to starting the Bill Validator Acceptance process. The Gaming Supervisor was made aware of this violation during a weekly information sharing meeting with the Director of Compliance.

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 \$9,000 (\$3,000 for Count I; \$1,000 for Count II and \$5,000 for Count III) 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 \$9,000 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



Todd George, General Manager
Indiana Gaming Company, L.P.



Date

6/9/14
Date