

**ORDER 2017-162
IN RE SETTLEMENT AGREEMENT**

**INDIANA GAMING COMPANY, LLC d/b/a HOLLYWOOD CASINO
17-HW-02**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

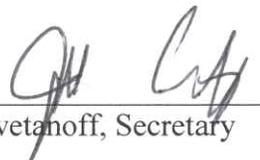
IT IS SO ORDERED THIS THE 29th DAY OF SEPTEMBER, 2017.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, LLC)	17-HW-02
d/b/a HOLLYWOOD CASINO)	
LAWRENCEBURG)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Indiana Gaming Company, LLC d/b/a Hollywood Casino Lawrenceburg (“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 1-12-4(e) states the internal control procedures concerning coupon-based complimentary program shall include at a minimum the following information: (12) the manner in which: (A) coupons may be redeemed for play; (B) coupons redeemed by patrons will be canceled; (C) coupons distributed, coupons not distributed, and coupons issued will be reconciled; (D) coupons that have been issued, but not distributed to patrons in the appropriate time frame will be voided and reconciled; and (E) a dealer or cage employee shall receive and account for coupons redeemed by patrons.
2. 68 IAC 11-8-1(a) states this rule applies to casino licensees.
(b) As used in this rule, "cash" means the following: (1) Cash. (2) Cash equivalent. (3) A coupon issued by the casino licensee that may be exchanged for chips.
3. 68 IAC 11-8-2(a) states whenever cash or a coupon is presented by a player at a gaming table for exchange of gaming chips, the following procedures and requirements shall be observed:
 - (1) The cash shall be spread on the top of the gaming table by the dealer or box person accepting it in full view of the following: (A) The player who presented it. (B) The pit boss or the equivalent assigned to such gaming table. (C) The surveillance system.
 - (2) The cash value amount shall be verbalized by the dealer or box person accepting it in a tone of voice calculated to be heard by the player and the pit boss or the equivalent assigned to such gaming table.
 - (3) Immediately after the cash value is announced, the cash shall be moved away from the player and the dealer or box person shall display the equivalent amount of chips in

full view of the following: (A) The player. (B) The pit boss or the equivalent assigned to such gaming table. (C) The surveillance system. The chips shall then be presented to the player.

(4) Immediately after the chips have been presented to the player, the cash shall be taken from the top of the gaming table and placed by the dealer or box person into the drop box attached to the gaming table.

4. Hollywood's Internal Control Section N, Letter F describes Hollywood's policy and procedures for complying with 68 IAC 1-12-4(e) and 68 IAC 11-8-2(a).
5. On April 26, 2017, a Gaming Agent was notified by his Supervisor of an incident on a table game that occurred on April 24th. The Gaming Agent spoke to the Director of Table Games who advised that a patron was permitted to bet a piece of paper worth \$30.00 instead of an approved table games match play promotion coupon. Specifically, the Dealer permitted the player to use a note, drafted by the Dealer, valued at \$30.00 as the match play coupon. The actual coupon was later collected and dropped in the table box but was never played at the table. According to Hollywood's approved promotional submission, patrons must redeem their coupon at a table by placing their match play coupon on the table with their marquee rewards card.

COUNT II

6. 68 IAC 2-6-6(c) states if a casino licensee converts an electronic gaming device, the casino licensee must take the following steps: (4) In the presence of an enforcement agent, a slot technician or the equivalent shall ensure that the payglass installed on the electronic gaming device accurately reflects the payouts for the control program medium that has been installed in the electronic gaming device. The payglass test may be performed by either: (A) running the payout table test; or (B) ensuring the payglass matches the approved diagram set forth in the payglass manual maintained by the commission. (5) The casino licensee shall do the following: (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.
7. On April 14, 2017, a Slot Performance Assistant Manager notified a Gaming Agent that a Slot Tech had placed a slot machine in service before a coin test had been conducted. One patron played on the machine prior to it being placed out of service.
8. On April 27, 2017, a Gaming Agent was working with a Slot Tech to replace a CPU board. Once they arrived at the slot machine, it was in play, however, the work order paper was still attached to the top monitor of the game. The game had not been coin tested. One person played the machine during this time.
9. On May 5, 2017, a Slot Tech notified a Gaming Agent of a reel strip malfunction at a slot machine. The machine was placed out of service for IGC inspection. At 12:30, a patron

had played the game and noticed the reel strips to be misaligned. The patron questioned if he had a winning combination. It was determined that the reel was misaligned. The customer was appeased \$500. A surveillance review indicated that a Slot Tech and Slot Performance Assistant Manager was at the slot machine and manually moved a reel strip number on the game at approximately 10:16. After the reel strip was moved, the Slot Tech did not complete the reel test as required.

10. 68 IAC 15-13-2(a) state in accordance with 68 IAC 15-1-3, the casino licensee or casino license applicant shall submit policies and procedures covering manually paid jackpots. The policies and procedures for manually paid jackpots shall include, but not be limited to, the following areas: (1) The manner in which the slot attendant will verify the validity of the jackpot.
11. 68 IAC 15-13-2(d) state manually paid jackpots shall proceed in the following manner: (1) The jackpot shall be verified in accordance with the policies and procedures submitted under subsection (b)(1). (7) After arriving at the appropriate electronic gaming device, the security officer or slot department employee shall do the following: (A) Verify the jackpot.
13. Hollywood's Internal Control, Part III: Electronic Gaming Devices, Letter A: Manually Paid Jackpots, Number 5, 6, and 12 describe Hollywood's policy and procedures for complying with 68 IAC 15-13-2.
14. On February 25, 2017, Security Dispatch notified a Gaming Agent that a Slot Floor Person had cleared off a jackpot prior to verification. The Slot Floor Person cleared off a slot machine after a \$2,000 jackpot was won before the jackpot was properly verified. The Slot Floor Person advised the Agent that she walked to another bank of machines to have the patron who had won the jackpot sign the Jackpot Request Form and during this time the Slot Supervisor arrived at the slot machine to be the second verifier but found the jackpot had already been cleared off.
15. On May 14, 2017, a Gaming Agent was notified that a \$50,100 jackpot had been hit. While observing the surveillance verification of the jackpot, the Gaming Agent noticed the verification was taking a long time. The delay occurred when the Assistant Table Games Shift Manager was unable to act as the second verifier, which is required for the Slot Information System (SIS) Jackpot Fill. The system was rejecting his authorization attempts. Another Assistant Table Game Shift Manager attempted to login into the SIS with the same outcome. A third Assistant Table Game Shift Manager was called in from home and was unable to act as the verifier as well. At 7:18, the Director of Slot Operations provided his login credentials by phone which were then written down on the back of envelope next to the computer they were using in the employee area of the high limit cage. Surveillance could zoom in and easily read his username and password. A Slot Supervisor was able to gain the level of authorization required for jackpots over \$50,000 in the SIS by using the Director of Slot Operations username and password. At 8:20, the Director of Slot Operations arrived at Hollywood, went to the main cage to complete the jackpot paperwork but did not go to the EGD for the final level of

verification. Upon further review by the Gaming Agent, it was determined that the three Assistant Table Games Shift Managers did not have the appropriate access in the SIS due to their recent title changes.

COUNT III

17. 68 IAC 15-10-4.1(d) state variances of five hundred dollars (\$500) or two percent (2%), whichever is less, or a variance that is of a nature that indicates criminal activity must be investigated by the casino licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. Unresolved variances must be investigated by the accounting director or designee. The results of the investigation shall be reported on the document provided to him or her by the cage department. Surveillance tapes or records relating to the variance must be preserved and retained by the casino licensee until the commission audit director advises that the tapes or records, or both, may be recycled. The results of an investigation into these variances must be reported to an enforcement agent. If the variance that was investigated exceeded five thousand dollars (\$5,000), the results of the investigation must also be reported to the commission audit staff.

18. On June 11, 2017, Security Dispatch notified a Gaming Agent of a \$600 variance in the main cage. A Cage Banker had a \$600 shortage. The total impress amount was \$55,000 and final inventory due to the variance was \$54,400. While monitoring Surveillance's progress with the review of this variance, the Gaming Agent noticed the incident had not been preserved yet and as a courtesy, the Gaming Agent reminded the Surveillance Shift Manager of the regulation requiring the preservation of this incident. The Surveillance Shift Manager acknowledged this requirement and stated he would save the incident. On June 21, 2017, the Director of Surveillance reported the surveillance coverage had been lost due to the Surveillance Shift Manager failing to verify the incident had been saved correctly. As a result of the lost surveillance coverage, the variance was unable to be resolved.

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 \$9,000 (\$1,500 for Count I, \$6,000 for Count II and \$1,500 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 in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

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.

Sara Gonso Tait, Executive Director
Indiana Gaming Commission

9-29-17

Date

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

9/29/17

Date