

**ORDER 2017-203
IN RE SETTLEMENT AGREEMENT**

**INDIANA GAMING COMPANY, LLC d/b/a HOLLYWOOD CASINO
17-HW-03**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

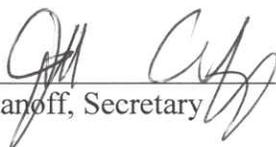
IT IS SO ORDERED THIS THE 16th DAY OF NOVEMBER, 2017.

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-03
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 2-6-29 states the electronic gaming device must meet the specific maximum and minimum theoretical percentage payouts during the expected lifetime of the electronic gaming device.
2. On July 31, 2017, Gaming Agents became aware of an incident involving a machine that may have had a mystery bonus contribution set incorrectly and that the game would be put out of service.
3. Based on this information, two (2) banks of machines were investigated. Each machine included a mystery progressive feature that functioned as a second game taking in coin and returning a specified percentage.
4. In the first bank, it was determined that the progressive feature on two (2) machines had been set under the state minimum requirement. This bank had been placed into service on July 25, 2017.
5. In the second bank, it was determined that the progressive feature on (4) machines had been set under the state minimum requirement. These games had been in service since January 20, 2017.

COUNT II

6. 68 IAC 12-1-2 states casino licensees must have a surveillance room. Surveillance rooms must be located out of the general view of patrons and non-surveillance employees. Surveillance room access shall be limited to: Surveillance employees, Enforcement Agents, Commission staff and Internal Audit staff except that persons with a legitimate need to enter the surveillance room, either on a routine or case-by-case basis, may do so upon receiving approval from the Executive Director or the Executive Director's designee. In the event of an emergency, emergency response personnel may enter the surveillance room without prior approval.
7. On August 2, 2017, a Gaming Agent was giving a property tour to the Gaming Enforcement Deputy Superintendent when he entered the Surveillance Room. The Gaming Agent observed someone that he did not recognize as a Surveillance employee and appeared to be working on the Surveillance system. Upon returning to the Commission office, the Gaming Agent attempted to review some Surveillance coverage and determined the review feature was not working. When he called the Surveillance Room, a Surveillance Tech advised that Synectics, Hollywood's Surveillance provider was working on the system. The Gaming Agent questioned if this was an emergency or a pre-arranged visit. It was determined through communication with the Director of Surveillance that this was a pre-arranged visit to work on the system as the Primary Storage Node's (PSN) had been freezing and locking up. The Commission had not given authorization or approval for this work to take place.
8. The Gaming Agent reviewed the Vendor Log and it was determined that the vendor had been on property on July 31, August 1, August 2 and August 4, 2017. It was not until the Vendor Log was reviewed that the Gaming Agent knew that the vendor was here prior to August 2.

COUNT III

9. 68 IAC 11-1-3(c)(4) states that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
10. 68 IAC 13-1-1(b)(2)(3) states the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
11. Hollywood's Internal Control Procedures, Part III, Section J, describes the procedures for the removal of Bill Validator Drop Boxes from Electronic Gaming Devices (EGD's).
12. On August 4, 2017, Security Dispatch notified a Gaming Agent that the bill validator drop began with a patron in the drop area. Surveillance coverage showed five (5)

Security Officers working the drop. Security placed barricades around the slot machines in the section to be dropped. A patron was playing a slot machine in the area while the barricades were put into place. Security began the drop process without clearing the patron out of the area. A few machines were dropped prior to Security noticing the patron and requesting the patron to exit the drop area.

COUNT IV

13. 68 IAC 15-13-2(a) states in accordance with 68 IAC 15-1-3, the casino licensee or casino license applicant shall submit policies and procedures covering manually paid jackpots.
14. 68 IAC 15-13-2(d) state manually paid jackpots shall proceed in the following manner:
 - (8) The slot attendant shall reset the electronic gaming device so that play on the electronic gaming device may continue. The electronic gaming device shall be relocked after it is cleared. The security officer or slot department employee shall remain present throughout this procedure.
15. Hollywood's Internal Control Procedures, Part III, Section I, describe the procedures for manually paid jackpots.
16. On August 6, 2017, Security notified a Gaming Agent that a Slot Floor Person failed to reset a slot machine after a jackpot had been won. Surveillance showed the patron being paid for the jackpot and the Slot Floor Person failing to reset the machine. The slot machine remained in jackpot mode for twenty-three minutes.

COUNT V

17. 68 IAC 11-7-1(b) states 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 keys that will allow access to currency, chips, electronic gaming devices or any item that would affect the integrity of a game.
18. 68 IAC 11-7-3(b) states sensitive keys shall be returned to custody and signed in by the same occupational licensee they were issued to unless there is a documented change of shift.
19. On September 1, 2017, Security notified a Gaming Agent that a Slot Supervisor failed to return sensitive keys before leaving the property at the end of her shift. The keys were found in the Slot Supervisor's Office filing cabinet. The keys had been in the filing cabinet for approximately 7.5 hours.

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.

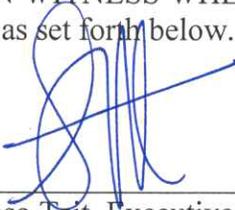
Hollywood shall pay to the Commission a total of \$87,500 (\$78,000 for Count I, \$5,000 for Count II, \$1,500 for Count III, \$1,500 for Count IV and \$1,500 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this 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 \$87,500 and shall waive all rights to further administrative or judicial review.

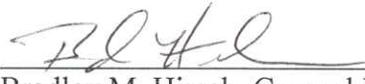
This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may 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



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

11/15/17

Date

11/8/17

Date