

ORDER 2018-217

IN RE SETTLEMENT AGREEMENT

**CAESARS RESORT COLLECTION, LLC d/b/a INDIANA GRAND RACING &
CASINO
18-IG-04**

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

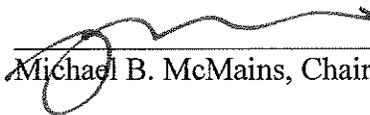
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 6th DAY OF DECEMBER, 2018.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CAESARS RESORT COLLECTION, LLC)	18-IG-04
d/b/a INDIANA GRAND RACING &)	
CASINO)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Caesars Resort Collection, LLC d/b/a Indiana Grand Racing & Casino (“Indiana Grand”), (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) 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 2-3-9.2(b) states riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when one (1) of the following events occurs with an occupational licensee: (1) The occupational licensee's employment with the riverboat licensee is terminated for any reason. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
2. On August 21, 2018, a Gaming Agent was updating the occupational licensing database to reflect employee terminations. It was discovered that a SR Team Member Relations Specialist had failed to timely notify the Commission of a separation of a Pastry Cook. The Pastry Cook was separated on July 11, 2018.

COUNT II

3. 68 IAC 15-13-2(d) states 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).
 - (2) Based on the information contained on the manually paid jackpot slip, the casino cashier shall present the proper amount of cash to the slot attendant.
 - (3) The slot attendant shall ensure that the amount of cash presented by the casino cashier matches the information contained on the manually paid jackpot slip.
 - (4) After the slot attendant and the casino cashier ensure the cash presented matches the information contained on the manually paid jackpot slip, both the slot attendant and the casino cashier shall sign the manually paid jackpot slip.
 - (5) The casino cashier shall retain the original copy of the manually paid jackpot slip and issue remaining copies to the slot attendant.

- (6) A security officer or slot department employee shall escort the slot attendant from the cage to the appropriate electronic gaming device. The security officer or slot department employee who begins completing the manually paid jackpot must complete the process of witnessing, escorting, and signing the appropriate documentation to verify the manually paid jackpot was completed. If there is a discrepancy with the manually paid jackpot, the same security officer or slot department employee who began the manually paid jackpot must accompany the manually paid jackpot back to the cage to resolve the discrepancy.
 - (7) After arriving at the appropriate electronic gaming device, the security officer or slot department employee shall do the following:
 - (A) Verify the jackpot.
 - (B) Witness the jackpot payout to the patron.
 - (C) Complete the appropriate sections of the manually paid jackpot slip.
 - (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.
 - (9) One (1) copy of the completed manually paid jackpot slip shall be deposited into a locked accounting box so that it will not be available to slot attendants or other persons who participate in manually paid jackpots.
 - (10) The remaining copy of the completed manually paid jackpot slip shall be returned to the casino cage.
4. 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.
 5. 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.
 6. Indiana Grand's approved internal control procedures, E-9, describe the procedures for jackpot payouts for Electronic Gaming Devices.
 7. On August 20, 2018, a Gaming Agent was reviewing the surveillance incident reports when the Gaming Agent discovered a violation had occurred during the processing of a taxable jackpot. Revenue Audit identified the error. A male patron won a jackpot. The W-2G was completed with a female patron's name. The CSADR check was completed with the male patron's name.
 8. 68 IAC 2-6-6(c) states if a casino licensee converts an electronic gaming device, the casino licensee must take the following steps: (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.

9. On August 26, 2018, an Electronic Games Tech Supervisor notified Gaming Agents that an electronic gaming device (“EGD”) had been placed in service without a coin test. A review of surveillance coverage determined that six (6) EGDs were placed out of service due to a communication failure on August 24, 2018. All six (6) EGDs were later placed back into service prior to Gaming Agents conducting the required coin testing. The EGDs were in service for approximately eleven (11) hours.
10. On August 21, 2018, an Electronic Games Tech Supervisor notified Gaming Agents that two (2) EGDs had been placed into service without a coin test. A review of surveillance coverage confirmed the failure to coin test.

COUNT III

11. 68 IAC 11-9-2(a) states the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1. 68 IAC 11-9-2(b)(11) states the measures the casino licensee or trustee will take to ensure compliance with: (A) IC 4-33-4-27 or IC 4-35-4-16; and (B) this rule.
12. 68 IAC 11-9-2(b)(12) states any other information the commission or the executive director deems necessary to ensure compliance with: (A) IC 4-33-4-27 or IC 4-35-4-16; and (B) this rule.
13. Indiana Grand’s approved internal control procedures, N-1.1, describe the procedures for Child Support Intercept.
14. On August 19, 2018, a Gaming Agent was reviewing the daily surveillance summaries when an entry concerning an incorrectly processed jackpot was observed. Revenue Audit has requested a surveillance review. The W-2G was completed for a male patron. This male patron was the actual winner and received the winnings. It was determined that the CSADR was searched for another male patron.
15. On August 29, 2018, a Gaming Agent was reviewing the daily surveillance summaries when an entry concerning an incorrectly processed jackpot was observed. Revenue Audit has requested a surveillance review. The W-2G was completed for a male patron. This male patron was the actual winner and received the winnings. It was determined that the CSADR was searched for another male patron.

COUNT IV

16. 68 IAC 11-3-3(c)(2) states the casino licensee shall take the following security measures with respect to the soft count room: (2) Access to the soft count room shall be restricted to the following individuals:
 - (A) Members of the soft count team.
 - (B) Members of the currency collection team.

- (C) Maintenance personnel and supervisors who are accompanied by security personnel for problem resolution.
- (D) The internal auditor or equivalent, accompanied by security personnel, to verify the accuracy of the count machine.
- (E) Security personnel in conjunction with official duties.
- (F) Main bank employees in conjunction with official duties reconciling the soft count.
- (G) Enforcement agents in the performance of official duties.
- (H) Individuals specifically authorized by the commission or enforcement agents.

17. 68 IAC 11-3-3(b)(3)(B) states a telephone located in the soft count room that is used only in the case of an emergency or normal work functions to contact: surveillance, security, the enforcement agent or any other necessary party.
18. On October 17, 2018, the Gaming Enforcement Supervisor observed two (2) unauthorized individuals in the count room while viewing live surveillance coverage in the Gaming Agent office. Eight (8) additional authorized individuals also entered the count room at that time. While inside the count room, one (1) of the unauthorized individuals unzipped his count room jumpsuit and pulled out a cell phone. The cell phone is carried around the count room and a live video chat is conducted on the cell phone.

The two (2) unauthorized individuals were identified as an employee from Scientific Games and an employee from Caesars Corporate. Neither individual holds an Indiana occupational license.

Gaming Agents required the two (2) unauthorized individuals and the cell phone be immediately removed from the count room. Allowing a cell phone and a live video chat to take place in the count room compromises the integrity of the count process, the security of the soft count team and is expressly prohibited by the Commission.

COUNT V

19. The Commission's 24-hour Gaming Operation Plan for the Bill Validator Drop require the following: 1) Security will define drop area/row/aisle. 2) After all patrons and non-drop team employees have been cleared from the designated drop area, Security will station themselves at opposite ends of the designated drop area. Security will prevent patrons and non-drop employees from entering the designated drop area while the bill validators are being collected. 3) Once the area is secured, the drop team member(s) will remove the bill validator from the slot machine base compartment and place the empty bill validator in the drop base. 4) Once the bill validators collected from this area are stacked and placed on the collection cart, security will conduct a visual sweep of the drop area and the trolley will be moved to the next designated slot drop area where the bill validator process will be repeated.

20. 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.
21. 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.
22. Indiana Grand's approved internal control procedures, Sec 4-3, describe the procedures for the bill validator drop.
23. On October 21, 2018, Security notified a Gaming Agent that an Electronic Games Supervisor visiting from another Caesars property passed through the drop zone while the drop was in progress. Surveillance confirmed that the Electronic Games Supervisor exited from the jackpot station and walked through the drop zone.

COUNT VI

24. IC 4-35-7-2 states, "[e]xcept as provided in subsection (c), a person who is less than twenty-one (21) years of age may not be present in the area of a racetrack where gambling games are conducted."
25. 68 IAC 1-11-1(c) states a person under twenty-one (21) years of age shall not be present in a casino.
26. On September 23, 2018, Security notified Gaming Agents that an underage patron had attempted to enter the casino. The underage patron was twenty (20) years old and was denied entrance to the casino when he presented a passport with the date of birth of August 30, 1998. The underage patron admitted to Gaming Agents that he had been on the casino floor several hours earlier and was not asked for identification. A review of surveillance coverage confirmed the underage patron's statement, showing the underage patron enter the casino through the Security podium. At that time the Security Officer failed to request identification from the underage patron.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Indiana Grand by and through its agents as described herein constitute a breach of IC 4-35, 68 IAC and/or Indiana Grand's approved internal control procedures. The Commission and Indiana Grand hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Indiana Grand.

Indiana Grand shall pay to the Commission a total of \$19,500 (\$1,000 for Count I, \$3,000 for Count II, \$1,000 for Count III, \$10,000 for Count IV, \$1,500 for Count V and \$3,000 for Count VI) 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 Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Indiana Grand agrees to promptly remit payment in the amount of \$19,500 and shall waive all rights to further administrative or judicial review.

This 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 Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement shall be binding upon the Commission and Indiana Grand.

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



Ron Baumann, Sr. Vice President and
General Manager
Indiana Grand

12/4/18

Date

11-29-18

Date