

ORDER 2018-109

IN RE SETTLEMENT AGREEMENT

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

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

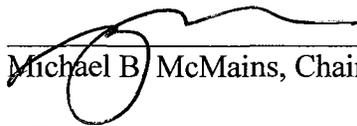
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

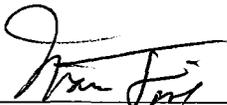
IT IS SO ORDERED THIS THE 28th DAY OF JUNE, 2018.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Marc Fine, Vice Chair

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, LLC)	18-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 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 12-1-5(a) states surveillance employees shall:
 - (1) monitor regularly; and
 - (2) visually record, either by:
 - (A) continuous recording; or
 - (B) motion activation;whichever is appropriate; the surveillance system coverage of the areas described in this section.
 - (d) The playing surface of the live gaming devices must be viewed by the surveillance system with sufficient clarity to do the following:
 - (1) Determine the following:
 - (A) Wagers.
 - (B) Card values.
 - (C) Game results.
 - (2) Clearly observe, in detail, the following:
 - (A) Chip trays.
 - (B) Cash receptacles.
 - (C) Tip boxes.
 - (D) Dice.
 - (E) Shuffle machines.
 - (F) Card shoes.
2. On April 24, 2018, Surveillance notified Gaming Agents that an overhead camera covering a table game had stopped working during live gaming activity. Surveillance moved two (2) other cameras to cover the table and suggested to the Assistant Table Games Shift Manager that the table be closed.

Upon review of the surveillance coverage, there was a sixteen (16) minute blackout. When the camera blacked out, there was one patron at the table and when the camera returned, three (3) patrons were playing. The alternate camera coverage that was moved to cover the table was not sufficient. The table remained open for thirty-one (31) minutes with the alternate coverage before the table was closed.

COUNT II

3. 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.
4. On February 7, 2018, the Gaming Enforcement Supervisor requested that a Gaming Agent investigate a possible late termination notification. An HR Coordinator had received the three (3) year investigation list for employees requiring annual renewals and noticed one (1) employee on the list had their employment terminated on January 13, 2018. The HR Coordinator forwarded this information to the Gaming Enforcement Supervisor on February 7, 2018. It was determined that an Entertainer/Cocktail Server was still showing as active in the occupational licensing database and had no termination paperwork on file.

COUNT III

5. 68 IAC 1-12.5-1(b) states a "Promotional event" means an activity that either:
 - (1) is sponsored by a casino licensee; or
 - (2) takes place on a casino licensee's property;
and is designed to entice people to visit the casino in order to increase casino patronage or the public awareness and appreciation of gaming in Indiana.
 - (c) Promotional events must comply with this rule.
 - (d) The following promotional events require approval by the commission:
 - (1) An electronic gaming device tournament or live gaming device tournament sanctioned by the casino that:
 - (A) incorporates a game;
 - (B) may require a buy-in or invitation;
 - (C) has a fixed number of players;
 - (D) pays out a percentage of the total buy-in; and
 - (E) pays out one grand prize and other smaller payouts.
 - (2) Giveaways where a patron's chances of winning the giveaway are based on the patron's level of play at the casino.
 - (3) Other promotional events that the commission determines require approval.
 - (e) The following promotional events require review by the commission:
 - (1) Live entertainment.

- (2) Other promotional events that the commission determines require review.
6. 68 IAC 1-12.5-2(a) states a casino licensee shall submit a promotional event to the commission for approval or review if the promotional event is listed under sections 1(d) or 1(e) of this rule.
- (1) A casino licensee shall submit a promotional event under this subsection to the commission at least fifteen (15) days prior to the promotional event.
- (2) Any substantial changes to the submission must be submitted to the commission in writing at least two (2) days prior to the start of the event.
- (3) If there are substantial changes less than two days prior to an event and the commission's staff is unavailable to review the submission, a casino licensee shall submit the request to a gaming enforcement agent assigned to the property.
- (4) A casino licensee may cancel an event at any time prior to the start of the event by notifying the commission's staff, including a gaming enforcement agent assigned to the property.
- (b) A submission for approval or review under subsection (a) must be submitted on the appropriate forms prescribed by the commission.
- (c) A submission for approval or review under subsection (a) must include the following:
- (1) A copy of the official rules.
- (2) A detailed description of the ways a patron can win.
- (3) A copy of the marketing materials.
- (4) A copy of documents used in the implementation of the promotional event.
- (5) The signature of the casino licensee's general manager or designee.
- (d) A casino licensee shall submit written notice to the commission for promotional events that are listed in section 1(f) of this rule.
- (1) Written notice under this subsection may take whatever form the casino licensee prefers.
- (2) A casino licensee shall submit notice of a promotional event under this subsection to the commission at least fifteen (15) business days prior to the promotional event.
- (3) Notice under this subsection shall include the following:
- (A) The date of the promotional event.
- (B) The time of the promotional event.
- (C) The location of the promotional event.
- (D) A general description of the promotional event.
- (e) A submission shall be deemed filed when the casino licensee has submitted the completed submission forms, including required documents, and the commission has stamped the submission as received.
- (f) A misrepresentation or omission made with respect to the submission may be grounds for denial of the promotional event.
- (g) The casino licensee is under a continuing duty to disclose changes in the submission, subject to the limitations in subsection (a).
7. On January 25, 2018, the Casino Compliance Manager notified a Gaming Agent that the promotional notification was not sent to the Commission for the January Winners Drawing Promotion and thus had not received required Commission approval.

8. On April 20, 2018, a Gaming Agent was conducting a promotion inspection when it was determined that the in progress promotion, Tokyo Takeover, did not have required Commission approval.

COUNT IV

9. 68 IAC 15-13-3 states if a manually paid jackpot exceeds one thousand two hundred dollars (\$1,200), the casino licensee shall complete and file the forms required by the Internal Revenue Service.
10. 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.
11. 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.
12. Hollywood Internal Control Procedures, Part III, Section I, describes the procedure for Electronic Gaming Device jackpots.
13. On February 24, 2018, the VP of Casino Operations notified Gaming Agents that an incident had occurred on February 23, 2018 with a cancelled credit/jackpot. The VP of Casino Operations informed Gaming Agents that a Lead Slot Floor Person went to pay a jackpot exceeding \$1,199.99 when he saw that the slot information screen showed "hand pay" and assumed it was a canceled credit instead of a jackpot. The Slot Floor Person also verified and signed off on the cancelled credit slip. Upon discovery of the error, the Director of Slots was notified. However, the Director of Slots did not verify it was a jackpot, overrode the cancelled credits, and failed to create a W-2G.
14. 68 IAC 15-13-2(d) states that manually paid jackpot 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. On February 15, 2018, Security notified Gaming Agents that a Slot Floor Person failed to reset a jackpot at an electronic gaming device (EGD).
16. On February 16, 2018, Security notified Gaming Agents that a Slot Floor Person failed to reset a jackpot at an electronic gaming device (EGD).
17. 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.

18. 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.
19. On January 10, 2018, a Slot Performance Manager notified Gaming Agents an electronic gaming device (EGD) was placed into service prior to conducting the required coin test. This EGD was on a movement request and was required to be coin tested prior to being placed back in service. A Slot Tech installed a BV box which put the game in service and failed to place the game out of service until it could be coin tested. The Slot Tech also failed to complete the machine entry authorization log during this entry into the EGD. One patron played this machine prior to the EGD being coin tested.

COUNT V

20. 68 IAC 15-1-2 states the purpose of the accounting records and procedures is to ensure the following: (1) The assets of the casino licensee or casino license applicant are safeguarded.
21. On January 5, 2018, Security notified Gaming Agents that a Main Cage Cashier left her window without securing assets. The Cage Cashier left her window and failed to lock her drawer. Assets were unsecured for approximately one (1) minute.
22. On February 9, 2018, a Slot Supervisor notified Gaming Agents that a TITO ticket was left unsecured at a computer station on the employee side of the high limit cage. It was discovered that the TITO ticket was from a jackpot.

Surveillance determined that a Security Officer sat the TITO ticket aside when he was arranging paperwork from the jackpot and forgot to include it when he placed the jackpot paperwork in the drop box.
23. On February 23, 2018, Surveillance notified Gaming Agents that a Cage Supervisor left the Main Bank door at the Main Cage unsecured for two (2) hours.
24. On February 10, 2018, Security notified Gaming Agents that a Cage Cashier failed to secure her cash drawer at the Main Cage window before leaving the Cage. The cash drawer was left unsecured for approximately ten (10) minutes.
25. On February 25, 2018, Gaming Agents discovered a cabinet door unsecured in the Poker Room podium during a routine inspection. The cabinet contained playing cards and gift certificates with serial numbers. The cabinet was unsecured for approximately two (2) hours.

26. On March 5, 2018, Gaming Agents were conducting a random inspection of a table game pit area and discovered a podium drawer unsecured. The drawer contained pre-shuffled playing cards and single decks of playing cards. The drawer was unsecured for three and half (3.5) hours.
27. On March 7, 2018, Security notified Gaming Agents that a Cage Banker was short \$1,200. Surveillance showed a patron cash in \$525 in casino chips at the High Limit Cage. The Cage Banker paid the patron seventeen (17) \$100 bills, one (1) \$20 bill and one (1) \$5 bill for a total \$1,725, resulting in an overpayment of \$1,200.
28. On April 4, 2018, Surveillance notified a Gaming Agent that a Cage Banker exited the Main Cage without securing \$0.98 and it remained unsecured for approximately two (2) hours.
29. On March 15, 2018, Security notified a Gaming Agent that a jackpot reset key was found hanging at an electronic gaming device (EGD). Surveillance confirmed that the key was left unsecured for approximately twelve (12) hours.
30. 68 IAC 14-7-4(1) states when a roulette table is not open for gaming activity, the roulette wheel shall be secured by:
 - (1) placing a cover over the entire wheel; and
 - (2) securely locking the cover to the roulette table.
31. On April 8, 2018, Gaming Agents were conducting an inspection of a table games pit area and discovered two (2) roulette wheels unsecured. Surveillance confirmed it had been unsecured for approximately 2.5 hours.
32. On February 28, 2018, Security notified Gaming Agents that a roulette wheel was found unsecured. Surveillance confirmed it had been unsecured for approximately 1.5 hours.
33. On March 14, 2018, a Gaming Agent was observing the gaming floor and found a roulette wheel to be unsecured. Surveillance confirmed it had been unsecured for approximately two (2) 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.

Hollywood shall pay to the Commission a total of \$12,500 (\$1,500 for Count I, \$1,000 for Count II, \$3,000 for Count III, \$4,500 for Count IV and \$2,500 for Count V) in consideration

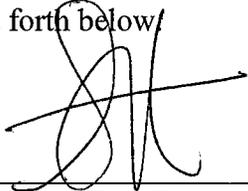
for the Commission foregoing disciplinary action based on the facts specifically described in each count of this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the findings above. If the Commission subsequently discovers facts that give rise to 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 Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Hollywood agrees to promptly remit payment in the amount of \$12,500 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 Hollywood.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below:



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

Date

6/28/18



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

Date

6/26/18