

ORDER 2007-117

**AN ORDER OF THE INDIANA GAMING COMMISSION
CONCERNING A SETTLEMENT AGREEMENT WITH
CAESARS RIVERBOAT CASINO, LLC
07-CS-04**


The Indiana Gaming Commission ("Commission") adopts the following order pursuant to authority granted it under IC 4-33.

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby **APPROVES** the proposed terms of the Settlement Agreement.

Pursuant to IC 4-21.5-3, this order is effective fifteen (15) days after the order is served.

IT IS SO ORDERED THIS THE 8th DAY OF NOVEMBER, 2007.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Tom Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
CAESARS RIVERBOAT CASINO, LLC) **07-CS-04**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Ernest E. Yelton and Caesars Riverboat Casino, LLC ("Caesars") (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 14-2-2(a)(1) requires each live gaming device to have a drop box attached to it.
2. On April 7, 2007, a Gaming Agent received a radio call to respond to the poker room in reference to tables not having drop boxes. When they arrived in the poker room a Floor Supervisor informed them that two of the live poker tables did not have drop boxes on them. One table had been opened for about a half hour and the other for over an hour. When the dealers were taking the house cut they were putting it into the slot to the drop boxes and the chips were falling into an open sided box meant to hold the drop box. The Agent promptly shut down the tables and the games were moved to two other tables. The money was transferred to the new tables. Security located the drop boxes for the two tables and attached them.

COUNT II

3. Pursuant to 4-33-9-12, "a person who is less than twenty-one (21) years of age may not be present in the area of a riverboat where gambling is being conducted." 68 IAC 1-11-1(c) states a person under twenty-one (21) years of age shall not be present on a riverboat.
4. On June 27, 2007, an underage person was allowed to board the casino. This is the second occurrence in the past six months.

COUNT III

5. Pursuant to 68 IAC 2-3-8(a), “[a]n occupational license must be renewed annually.”
6. On June 6, 2007, the Human Resources Manager came to the on site Commission office to renew her badge. While updating the system the Gaming Agent discovered that the badge had expired May 21, 2007. When the Agent asked the Human Resources Manager if she knew her badge was expired she stated that she had just realized it that day. She had worked eleven days on an expired badge.

COUNT IV

7. 68 IAC 11-7-1(b)(2) states that “sensitive keys” means keys that either management or the commission considers sensitive to the riverboat licensee’s operation and therefore require strict control over custody and issuance.
8. On March 12, 2007, a Security Officer found keys on top of an NRT unit. The keys were cage keys that opened the cash cassettes for the NRT machines. The Cage Supervisor who had signed the keys out admitted to leaving them on top of the NRT unit.

COUNT V

9. Caesars Indiana Internal Controls Section E: Slot Operations page E-28.2 states in the event that the entire ticketing system is inoperable and cage terminals are unable to communicate to the system, tickets over \$250 that are presented for redemption shall:
 - a. A cage cashier will validate the cash payout ticket at the CVT (Clerk Validation Terminal). If the cashier cannot validate the cash payout ticket at the CVT, Slot personnel will verify the ticket at the originating slot machine or at a separate terminal set up for that purpose.
10. On February 24, 2007, a Cage Shift Manager notified a Gaming Agent of a variance of \$812.56 in Cage 3. According the Cage Shift Manager, a female patron had taken a cash payout ticket to Cage 3 to cash it. The female patron asked the cashier for a copy of the ticket as a souvenir. The cashier cashed the ticket giving the patron \$812.56 in cash and also gave her the original ticket. The female patron then gave the ticket to a male patron who proceeded to Cage 4, where the ticket was redeemed again for \$812.56. At the time of the redemption in Cage 4 the ticketing system was down and the cashier did not properly verify the ticket.

COUNT VI

11. 68 IAC 2-6-40(a) states that each progressive controller linking two (2) or more progressive electronic gaming devices must be housed in a double keyed compartment in a location approved by the executive director. All keys must be maintained in accordance with 68 IAC 11-7.
12. On June 27, 2007, the Commission Audit staff proceeded to Caesars to inspect for compliance with 68 IAC 2-6-40(a). A memo regarding this rule was sent to all the casinos on March 23, 2007. The audit staff found ten (10) linked progressives having only one lock on each controller compartment. The keys to these locks were in possession of the local Gaming Enforcement Agents.

COUNT VII

13. 68 IAC 2-6-1(e) states after an individual has entered an electronic gaming device for any reason, the individual must complete a log that is maintained inside the electronic gaming device. The log shall contain:
 - 1) The name and occupational license number of the individual entering the electronic gaming device.
 - 2) The date and time that the electronic gaming device:
 - A. Is entered; and
 - B. Is exited.
 - 3) The identity of the electronic gaming device
 - 4) The reason for entry.
14. 68 IAC 2-6-6(c)(5)(B) states the riverboat 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.
15. 68 IAC 2-6-22 states that a riverboat licensee shall not permit any game to be played other than those specifically named in the Act and approved by the commission.
16. On April 26, 2007, a Slot Performance Supervisor contacted a Gaming Agent regarding seven slot machines that had been put into play without a Gaming Agent signing the bill and credit test. There was also no entry into the Machine Entry Access Log by the person who turned the machines on. The Gaming Agent verified that the EPROMs were still sealed in the machines and another coin test was performed. Upon completion of the coin tests, the Gaming Agent signed off on them and the machines were put into play.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Caesars by and through its agents as described herein constitute a breach of the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and Caesars' approved internal control procedures. The Commission and Caesars hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Caesars. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

Caesars shall pay to the Commission a total of \$49,500 (\$10,000 for Count I; \$3,000 for Count II; \$3,000 for Count III; \$2,500 for Count IV; \$6,000 for Count V; \$5,000 for Count VI; and \$20,000 for Count VII) 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, Caesars agrees to promptly remit payment in the amount of \$49,500 and shall waive all rights to further administrative or judicial review.

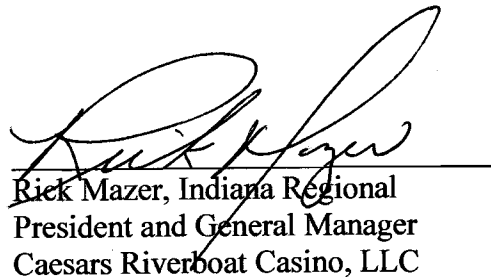
This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may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

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

10/31/07
Date


Rick Mazer, Indiana Regional
President and General Manager
Caesars Riverboat Casino, LLC

10-30-07
Date