

ORDER 2007-44
IN RE SETTLEMENT AGREEMENT
CAESARS RIVERBOAT CASINO, LLC
07-CS-02

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

APPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 7th DAY OF JUNE, 2007.

THE INDIANA GAMING COMMISSION:

A handwritten signature in black ink, appearing to read 'W. Barrett', written over a horizontal line.

William W. Barrett, Chair

ATTEST:

A handwritten signature in black ink, appearing to read 'D. Vowels', written over a horizontal line.

Donald R. Vowels, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CAESARS RIVERBOAT CASINO, LLC)	07-CS-02
)	

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. Pursuant to 68 IAC 2-6-6(c)(1)(I) a casino converting an electronic gaming device must request permission for the conversion from the commission and supply the commission with the current and future EPROM number that is installed or that is to be installed in the EGD. The EPROM must be one that is approved for use in Indiana.
2. At the end of August 2006, IGC Agents began a complete audit of all the slot machines at Caesars. During this audit, 14 machines with revoked EPROMS were found. All of the EPROMS had been revoked prior to March 2006 when Caesars was asked to do a full audit of all their machines. On April 19, 2006 an e-mail was received from Scott Estes stating that there were no more revoked EPROMS.

COUNT II

3. 68 IAC 2-6-6(c)(7) states that 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.
4. On July 24, 2006 an IGC Agent was informed by a Security Officer that a slot machine had paid out a large amount of money. The casino became aware of the problem when a patron reported that the machine was out of paper and not working properly. The machine had paid out \$443,529 dollars over a two day period. The machine had been set to Philippine dollars instead of US and the

payout out was 10 times the amount of credits when currency was placed in the bill acceptor. The machine had supposedly been ticket tested but not bill validator tested. According to the IGC incident report the Slot Supervisor had instructed the Technicians not to perform the bill validator test to save time. The casino was asked for all paperwork associated with the testing of the machine. The casino provided a copy of a manually filled out Credit Report but not the corresponding computer print-out showing that the machine was correctly communicating with the central computer system. Also, in viewing the surveillance tape it does not show that the machine was tested at all, this questions the credibility of the Credit Report.

COUNT III

5. 68 IAC 2-6-6(c)(5) states in the presence of a commission agent, a slot technician or equivalent shall ensure that the payglass installed on the electronic gaming device accurately reflects the payouts for the EPROM that has been installed in the electronic gaming device.
6. On May 4, 2006 an IGC agent was contacted by a Slot Tech Supervisor in regards to a patron dispute. A patron was playing a \$10 machine and hit a jackpot displaying on the digital readout a winning jackpot of \$50,000. The top pay on the pay glass, however, displayed the winning combination as 50,000 credits which would be \$500,000. The Slot Shift Manager was told by the Vice President of Slot Operations to pay the patron \$50,000 and provide him with an IGC complaint form. The patron later settled with the casino and did not send in a complaint form to the IGC. The casino did an audit of the slot pay glasses and discovered that another \$10 and a \$100 machine had higher payouts on the pay glass.

COUNT IV

7. Caesars Internal Control Rule M-2.5 states that games of Blackjack utilizing a dealing shoe will have the cards dealt face up and guest will not be permitted to touch the cards in any manner. As stated in 68 IAC 11-1-6(a) Failure to comply with an Internal Control approved by the Executive Director is a violation of this rule.
8. On November 20, 2006 gaming agents received a call from the Table Games Floor Manager about a possible table game dispute. A patron at a blackjack table utilizing a shoe, had requested that he be dealt the cards face down. The Floor Supervisor approved the request and the Dealer complied. When the patron moved to another table and made the same request it was denied by the Floor Manager. The patron then became upset with the inconsistencies between the blackjack tables.

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.

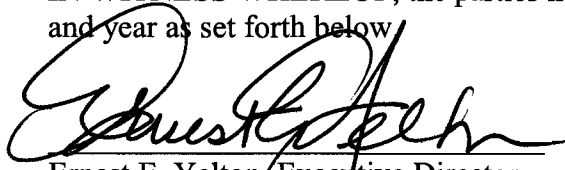
Caesars shall pay to the Commission a total of \$97,500 (\$70,000 for Count I; \$15,000 for Count II; \$10,000 for Count III; \$2,500 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. Neither this agreement nor any action performed pursuant to it will constitute an admission of any violation by Caesars. This agreement extends only to known incidents specifically alleged in this agreement and wholly based on the facts described herein. If the Commission subsequently discovers additional facts, which are not described in this agreement, that may support an independent determination that a violation has occurred, the Commission may pursue disciplinary action for such violations even if the facts are 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 notification of approval of the Settlement Agreement by the Commission, Caesars agrees to promptly remit payment in the amount of \$97,500 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

June 5, 2007
Date



Edward Garruto, General Manager
Caesars Riverboat Casino, LLC

5/30/07
Date