

**ORDER 2008-154
IN RE SETTLEMENT AGREEMENT
CAESARS RIVERBOAT CASINO, LLC
08-CS-03**

COMMISSION ACTION

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

Approves

APPROVES or DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 13th DAY OF NOVEMBER, 2008.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CAESARS RIVERBOAT CASINO, LLC)	08-CS-03
d/b/a HORSESHOE CASINO HOTEL)	
SOUTHERN INDIANA)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Caesars Riverboat Casino, LLC d/b/a Horseshoe Casino Hotel Southern Indiana (“Horseshoe South”), (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 14-3-5 (a) states that all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
2. 68 IAC 14-3-5(c)(4) states riverboat licensees or riverboat license applicants shall maintain an inventory of all dice and playing cards on forms prescribed by the commission. The inventory shall contain the quantity of dice and playing cards that are removed from play and canceled each day.
3. 68 IAC 14-3-8 (a) states that each riverboat licensee must maintain a log in the pit area containing information about card and dice removal and transfer to the card and dice cancellation room.
4. 68 IAC 14-3-8 (b) states that each riverboat licensee must maintain a log in the card and dice cancellation room to track information about card and dice removal and cancellation.
5. On December 10, 2007, the IGC Gaming Supervisor entered the Surveillance room and noticed two clear bags containing 24 decks of playing cards on a shelf. The Supervisor took possession of the cards. After speaking with the Surveillance Supervisor, it was discovered that the surveillance department had been receiving decks of cards for over a period of ten days to do a random inspection. An additional 40 decks were located in a locked drawer of the surveillance room.

6. According to the Vice President of Table Games, a gaming/surveillance meeting occurred in late November during which the Vice President of Table Games asked the Surveillance Manager if his employees could randomly examine used decks of cards from the double deck games on deck 4 due to a low hold. At that time the casino did not suspect any tampering of the cards, but was being proactive towards game protection. The Vice President of Table Games claims he was unaware where the inspection of the cards would take place.
7. On November 29, 2007, the Director of Security sent an e-mail to Security Shift Managers, Surveillance Manager and Vice President of Table Games advising the Security Shift Managers to collect and deliver double deck Blackjack cards from the tables to the Surveillance Manager in surveillance every day for two weeks. They were also advised not to cancel the cards.
8. The Vice President of Table Games stated that the cards were cancelled in the pits with a black marker, logged and transferred from the table games pits to security. Security would then deliver the cards to surveillance for inspection. According to the Director of Security, a Surveillance Officer was to sign for the cards and the cards were to be cancelled upon return to the Security Officer. After a review of all the logs by the Gaming Agents and the IGC Auditors, it was confirmed that two decks of cards are not accounted for.
9. On June 10, 2008, the Director of Security contacted the Gaming Enforcement Supervisor to report a variance in the card deck count of used playing cards from earlier in the day. The investigation by a Gaming Agent found that the Table Games Floor Manager and Security Officer were in the process of counting the cancelled decks of cards from Pit 3. The Floor Manager counted the decks while they remained in the clear plastic bag. The Security Officer, who was to observe the Floor Manager while he counted, was somewhat distracted while having a conversation with another Security Officer. Both signed the reconciliation sheet verifying that 189 cards were inside the bag. The bag was given to the Security Officer to be taken to the hold of the vessel and placed in a cabinet for later destruction. When the Security Officers assigned to destroy the cancelled cards went to count the cards in the bag they found only 188. The missing deck of cards was found in Pit 3 in a locked cabinet drawer.
10. On July 25, 2008, a Gaming Agent was informed by a Security Supervisor that a deck of cards was missing. The following day the Agent was notified that the deck was found and that a Table Games Floor Supervisor had taken the deck home with her. The Floor Supervisor stated that she was changing cards when she was called to another table. Instead of placing the cards back in the podium, she put them in her jacket pocket and forgot about them until the next day when she put her jacket on.

COUNT II

13. 68 IAC 14-7-4 (l) 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; (2) securely locking the cover to the roulette table.
14. On August 17, 2008, while preparing to inspect and balance a Roulette wheel with the Table Games Manager, a Gaming Agent found the wheel to be unsecured. A review of the surveillance footage shows the wheel was unsecured for five hours.

COUNT III

15. 68 IAC 14-2-2(a)(1) requires each live gaming device to have a drop box attached to it.
16. On July 14, 2008, a Gaming Agent was approached by a Table Games Floor Supervisor stating there was a problem at a Craps table. She stated that when security did the cash box drop they neglected to return a "cold" box into the table. The cash box at the table was dropped at 0429 hours and not discovered until 0809 hours. The table was never closed and remained in play with the relief of dealers four times.

COUNT IV

17. 68 IAC 12-1-5(c) states the surveillance system must provide an overall view of pit areas and gambling tables capable of clearly identifying the following:
 - (2) Patrons
 - (6) Activities of all pit personnel
18. On May 23, 2008, a Gaming Agent was observing patron activity when he noticed several patrons sitting, standing and walking inside the table games pit G-1 in the Diamond Lounge. Patrons were using the table games tables as dining room tables. There were six tables in the pit area with chips in locked float trays and no covers on top of the tables. There were no employees from the table games department or the security department in the room. The tables were not secured by any barricades to keep patrons out. Two Agents cleared the patron's away from the pit area and had barricade rope extensions brought to the room to secure the area.
19. The Agent went to surveillance to review coverage of the pit area. The Surveillance Supervisor stated that there was only coverage from the fixed cameras over the top of the table games. The other camera in the room was

monitoring the entrance and exit of the Diamond Lounge. The Agent requested that the camera be moved to cover the pit area.

COUNT V

20. 68 IAC 2-3-8(a) states that an occupational license must be renewed annually.
21. 68 IAC 2-3-9.2(d) states riverboat licensees must collect the identification badge issued by the commission to an occupational licensee when the occupational licensee's employment with the riverboat licensee is terminated for any reason. All identification badges collected by the riverboat licensee must be turned over to an enforcement agent within seven (7) days.
22. On July 9, 2008, a Gaming Agent received an email from a HR Coordinator regarding the reinstatement of a General Maintenance Mechanic. The Gaming Agent advised that a reinstatement form was needed to be able to place the employee as active in the OCCLIC system. Review of the OCCLIC system showed the Mechanic was terminated on June 12, 2008. It was noted that his occupational license was not collected by HR upon termination. The termination notification was completed by the HR Coordinator on June 20, 2008 and forwarded to the IGC office.
23. On July 16, 2008, the Gaming Agent informed his Supervisor that he had not received the reinstatement form. The HR Coordinator advised he was unaware of who was to complete the form and thought another employee had completed it. The form was received the same day.
24. The Mechanic had been terminated on June 12, 2008 for failure to meet attendance standards. The Mechanic advised that his badge was collected by HR on the day of his termination and that he returned to work approximately June 20, 2008. A review of his time sheet showed that on June 18 and 19, 2008 the time clock would not allow him to clock in and out with his gaming badge. From June 20 through July 16, 2008, the Mechanic had been able to clock in and out with his badge.

TERMS AND CONDITIONS

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

Horseshoe South shall pay to the Commission a total of \$36,000 (\$20,000 for Count I; \$2,500 for Count II; \$10,000 for Count III; \$2,500 for Count IV; and \$1,000 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 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, Horseshoe South agrees to promptly remit payment in the amount of \$36,000 and shall waive all rights to further administrative or judicial review.

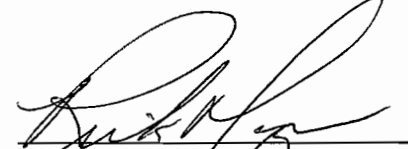
This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may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

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

11-13-08
Date


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

11-10-08
Date