

ORDER 2015-98
AN ORDER OF THE INDIANA GAMING COMMISSION
IN RE SETTLEMENT AGREEMENT
HOOSIER PARK, LLC
15-HP-02

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

APPROVES

the proposed terms of the Settlement Agreement.

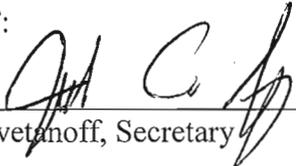
IT IS SO ORDERED THIS 18th DAY OF JUNE, 2015.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
HOOSIER PARK LLC.) **15-HP-02**
)

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Hoosier Park LLC (“Hoosier Park”), (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 6-3-4(a) Each casino licensee and casino license applicant shall establish internal control procedures for compliance with this rule, which shall be submitted and approved under 68 IAC 11.
 - (b) The internal controls must, at a minimum, address the following:
 - (3) Refuse wagers from and deny gaming privileges to any voluntarily excluded person.
 - (e) A casino licensee shall be subject to disciplinary action under 68 IAC 13 for failure to comply with the requirements of this section and the internal control procedures outlined under this section, including, but not limited to, the following:
 - (3) Failure to follow internal control procedures adopted under this rule.
2. Hoosier Park Internal Control M-1.4(c) and (d) Hoosier Park will refuse wagers from and deny gaming privileges to any person that Hoosier Park Knows to be on the VEP list. If it is suspected that a person is on the VEP list, the Security Department will send a Supervisor or Officer to attempt to confirm the identity of the patron.
3. On February 25, 2015, a Gaming Agent was contacted by a Security Supervisor regarding a possible Voluntary Exclusion Program (“VEP”) individual in the casino. Two Agents proceed to the location of the individual. When they arrived at the location they noted a Security Supervisor speaking with the individual and asking for his identification. The individual refused to give his identification and stated “I am an evicted player. I know I am part of the program.” An Agent introduced herself to the individual and requested identification from the individual to verify his identity. The individual refused, but after several promptings gave the Agent his identification. Another Agent confirmed that the individual was active in the VEP. An Agent had the individual sign the jackpot slip and collected the remaining credits on the slot machine while another Agent

escorted the individual out of the casino. The Agent took the jackpot slip and TITO ticket to the cage and while there was informed by electronic games floor attendants that the individual may have been paid for other jackpots which occurred earlier. The attendants further stated that the individual may have been involved with jackpot switches and gave the Agent a time frame. The Agent contacted two other Agents in the Surveillance room and was informed that they were completing a video review on the possible switches. When the Agent returned to the IGC office an Electronic Games Floor Attendant spoke to the Agent about a possible jackpot switch. The Attendant told the Agent that after a \$14,400 jackpot payment was made at the slot machine, a frequent patron informed the Attendant that a possible jackpot switch had occurred. The patron also said that the individual who won the jackpot had also switched seats with a patron for a different jackpot. The Agent asked the Attendant what she did with this information and the Attendant said she informed her Supervisor. The Supervisor had asked the Attendant if she had witnessed the switch and when the Attendant told her no, the Supervisor explained that the current policy was to only contact surveillance to complete reviews if attendants observe the jackpot switch in progress. The Agent spoke to an Electronic Games Supervisor and asked for a written copy of the current jackpot payout procedures and any policy regarding jackpot switches. The Agent did not receive any written policies regarding jackpot switches. The Agent verified that the individual had made two prior switches before being identified as a VEP. The VEP individual won three jackpots on February 25, 2015, in the amount of fifteen hundred dollars (\$1500), fourteen thousand four hundred dollars (\$14,400), and fifteen hundred dollars (\$1500). The first two jackpots the individual won were claimed by two different men the individual had asked to claim for him. It should be noted that on June 4, 2014 this same individual was successful in a jackpot switch before attempting a second switch wherein he was caught. On that date the individual refused to give ID and left the casino.

COUNT II

4. 68 IAC 1-5-1(10) states a casino or supplier licensee shall provide a written notice to the executive director as soon as the casino or supplier licensee becomes aware of apparent criminal activity taking place at the casino. A casino licensee shall submit the notice required under this subdivision to a gaming agent in addition to submitting it to the executive director.
5. On January 15, 2015, a Gaming Agent received a telephone call from a patron regarding \$200 that his wife had dropped in mid to late November 2014. They had reported the incident to Hoosier Park Security but had not heard from them. The patron told the Agent that Security told them the proper authorities would handle the incident if the security personnel could not resolve it. The Agent told the patron he would look into it. The Agent checked all the Commission reports and could not find any reference to the incident. The Agent spoke to a Security Manager and asked for copies of any security incident reports that dealt with the issue. The Agent then went to Surveillance to continue the investigation. A Surveillance Supervisor showed the Agent the surveillance logs completed on the day of the incident and also the saved surveillance footage. The log entries showed that surveillance was notified of the incident and the surveillance footage

verified the victim dropped the money. The footage also showed that a female picked up the money and was later identified. The Agent returned to the Commission office where the Security Supervisor gave him a copy of the security report. In the security report there was no mention of the Gaming Agents being contacted. Also, the Security Supervisor that initially received the report passed it on during the shift change to a Security Manager, due to the suspect not being identified at the time. The Security Manager was informed of the identity of the suspect after a review by surveillance. The Security Manager called the suspect and left a message for her to return his call. She did not return it. The Security Manager failed to follow up on the incident and forgot about it. The Agent took over the case and was able to resolve it.

COUNT III

6. Pursuant to IC 4-33-9-5(9)(b) if a licensed owner, an operating agent, or a trustee is required to file Form W-2G or a substantially equivalent form with the United States Internal Revenue Service for a person who is delinquent in child support, before payment of cash winnings to the person, the licensed owner, operating agent, or trustee:
 - (1) may deduct and retain an administrative fee in the amount of the lesser of: (A) three percent (3%) of the amount of delinquent child support withheld under subdivision (2)(A); or (B) one hundred dollars (\$100); and
 - (2) shall: (A) withhold the amount of delinquent child support owed from the cash winnings;
(B) transmit to the bureau: (i) the amount withheld for delinquent child support; and (ii) identifying information, including the full name, address, and Social Security number of the obligor and the child support case identifier, the date and amount of the payment, and the name and location of the licensed owner, operating agent, or trustee; and
(C) issue the obligor a receipt in a form prescribed by the bureau with the total amount withheld for delinquent child support and the administrative fee.
 - (c) The bureau shall notify the obligor at the address provided by the licensed owner, operating agent, or trustee that the bureau intends to offset the obligor's delinquent child support with the cash winnings.
 - (d) The bureau shall hold the amount withheld from cash winnings of an obligor for ten (10) business days before applying the amount as payment to the obligor's delinquent child support. (e) The delinquent child support required to be withheld under this section and an administrative fee described under subsection (b)(1) have priority over any secured or unsecured claim on cash winnings except claims for federal or state taxes that are required to be withheld under federal or state law.
7. 68 IAC 11-9-2(b)(11) states the internal control procedures for withholding cash winnings from delinquent obligors shall include 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.

8. Hoosier Park Internal Control E-12.4(3)(d) states if at any time Hoosier Park has knowledge of or reason to suspect that the person who is trying to claim the jackpot is not the same person who was responsible for hitting the jackpot, Hoosier Park will confirm the identity of the actual jackpot winner via Surveillance review prior to payment of the jackpot.
9. On February 14, 2015, a Gaming Agent was informed by a Surveillance Dual Rate Supervisor of possible criminal activity involving a jackpot switch. On February 12, 2015 a \$4,000 jackpot was won by a male patron. The patron claimed he did not have identification so he was asked to give his name so a NO ID Jackpot could be placed in safekeeping until he could return with proper identification. The patron gave a false first name that could also be a female name. On February 13, 2015 a female suspect with the name claimed the jackpot and was paid the jackpot after presenting identification with the name given by the male patron. Four casino employees were involved in the transaction and did not confirm that the person claiming the jackpot actually won it. The Agent was able to identify the male patron and found that he owed back child support. The casino paid to DCS the amount of the jackpot.

TERMS AND CONDITIONS

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

Hoosier Park shall pay to the Commission a total of \$20,500.00 (\$17,500 for Count I; \$2,500 for Count II and \$500 for Count III) and will also submit revised internal controls together with a corrective action plan for verifying the correct winner of a jackpot, 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 Hoosier Park. 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 approval of the Settlement Agreement by the Commission, Hoosier Park agrees to promptly remit payment in the amount of \$20,500.00, will also submit revised internal controls together with a corrective action plan for verifying the correct winner of a jackpot, and shall waive all rights to further administrative or judicial review.

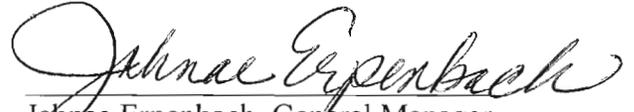
This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may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

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



Jahnae Erpenbach, General Manager
Hoosier Park

6/9/15

Date

6-2-15

Date