

**ORDER 2016-070**  
**AN ORDER OF THE INDIANA GAMING COMMISSION**  
**IN RE SETTLEMENT AGREEMENT**  
**INDIANA GAMING COMPANY, LLC**  
**dba HOLLYWOOD CASINO LAWRENCEBURG**  
**16-HW-01**

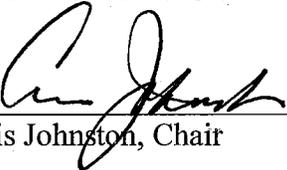
After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby:

**APPROVES**

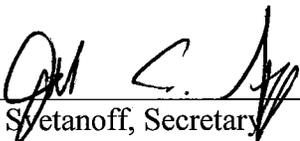
the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS 24<sup>th</sup> DAY OF FEBRUARY, 2016.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Cris Johnston, Chair

ATTEST:

  
\_\_\_\_\_  
Joseph Syetanoff, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>INDIANA GAMING COMPANY, LLC</b>	)	<b>16-HW-01</b>
	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Indiana Gaming Company, LLC. (“Hollywood”) (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 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.
  - (6) That only authorized personnel have access to assets.
2. Pursuant to 68 IAC 15-1-6(a) Casino licensees and casino license applicants must conduct its operations in accordance with IC 4-33, IC 4-35, this article, and policies and procedures for accounting records that have been approved, in writing, by the executive director.
  - (b) Failure to comply with this article may result in the initiation of a disciplinary action under 68 IAC 13.
3. Hollywood Internal Control IV-E-3(5)(a) states the assets which the cashiers are responsible for are maintained on an impress basis and protected from unauthorized access.
4. On October 7 and October 26, 2015, a Gaming Agent was notified that a cage cashier had left their drawer unsecured while away from the area. In the first incident the Cage Cashier left the drawer unlocked for approximately two hours. In the second incident a different Cage Cashier left her drawer unlocked for approximately fifteen minutes.
5. On August 4, October 7 and November 1, 2015 a Gaming agent was advised that funds were left unsecured in the cage. In the first incident the Cage Cashier left money in a

currency counter. The \$100 was left in the currency counter for approximately nine hours. Another Cage Cashier found the money. In the second incident a Cage Shift Manager asked a Cage Banker to take a break and told her she would watch the table game fill until Security came to pick it up. The Cage Shift Manager forgot about the fill and left the cage to do kiosk fills. The \$1,300 worth of value chips was left unsecured in the employee window for approximately thirty minutes. The third incident involved \$60 in cash left unsecured on a table in the main bank. The Cage Cashier placed the money on the table and walked away. The money was discovered approximately ten minutes later by a Cage Shift Manager.

## COUNT II

6. 68 IAC 12-1-4(a) states the surveillance system must be capable of monitoring activities on the:
  - (1) casino floor;
  - (2) support areas;
  - (3) areas of the pavilion through which monies are transported; and
  - (4) all other areas necessary to further the purpose of the surveillance system; including, but not limited to, the areas specifically outlined in this rule.
  
7. 68 IAC 12-1-7(a) states all recordings must be kept in accordance with this section.
  - (b) Recordings depicting routine activity must:
    - (1) contain the date and time reading; and
    - (2) be retained a minimum of seven (7) days.
  - (c) Recordings depicting detention or questioning of a detained individual or employee, procedural errors, regulatory violations, or criminal activity must be copied and provided to enforcement agents upon request. The casino licensee shall retain recordings under this section for a period of time not less than sixty (60) days and store the recordings in the following manner:
    - (1) Analog video and audio tapes, and copies of digital video recordings stored on tape, digital video disk, or other storage medium for later reproduction must:
      - (A) contain the date and time reading;
      - (B) be marked with the:
        - (i) date and time the recording was made;
        - (ii) identities of the employee or employees responsible for the monitoring; and
        - (iii) identity of the employee who removed the tape from the recorder and the time and date removed; and
      - (C) be secured in a cabinet that is in close proximity to the surveillance room that is security-locked and accessible by surveillance employees only.
    - (2) Digital video recordings not stored on tape, digital video disk, or other storage medium may be preserved by storing within the digital video system.
    - (d) Coverage that has been retained under this rule for a period of time exceeding seven (7) days may not be destroyed without the approval of the executive director or the executive director's designee.

8. 68 IAC 12-1-5(f)(6) states electronic gaming device surveillance must be capable of providing camera coverage of progressive games, including dedicated coverage of the following:
  - (A) An electronic gaming device or group of electronic gaming devices with a possible jackpot payout in excess of fifty thousand dollars (\$50,000).
  - (B) The progressive display showing the incrementation of the progressive jackpot for an electronic gaming device or a bank of electronic gaming devices.
9. On July 30 and October 7, 2015 a Gaming Agent was notified that camera coverage was lost due to failed Primary Storage Node Hotswaps. In the first incident, approximately thirty-two cameras lost coverage for about forty-five minutes. In the second incident approximately thirty-one cameras with video footage from the past seven days, either had the saved video deleted or due to severely corrupt files the video could not be accessed. The areas the cameras covered were table games, slot machines, banker cage, a progressive jackpot and the turnstiles.
10. On August 7, 2015 a Gaming Agent was contacted by the Director of Surveillance regarding the camera coverage for progressive jackpot. The Agent's investigation found that three slot machines were linked to a progressive jackpot with a current amount over \$50,000. There was not a top glass which displayed the progressive amount and instead the amount is displayed on each machine underneath an overhang at the top of each machine. The machine which had camera coverage of the progressive jackpot amount had been placed out of service by a Slot Technician, thus the amount space was blank. The machine was placed out of service on August 2, 2015 and the Slot Technician failed to inform the Surveillance Department. The Surveillance Department also failed to notice that there was no coverage of the progressive jackpot.

### COUNT III

11. 68 IAC 17-1-1(f) states EPROMs shall be transported separately from the shipment of electronic gaming devices. If an electronic gaming device:
  - (1) is not being used by a casino licensee; and
  - (2) is being stored outside the casino;the EPROM shall be stored separately in a locked safe or the equivalent.
12. 68 IAC 11-1-6(a) states Casino licensees and casino license applicants must conduct its operations in accordance with internal control procedures that have been approved, in writing, by the executive director.
  - (b) Failure to comply with this article may result in the initiation of a disciplinary action under 8 IAC 13.
13. Hollywood Casino Internal Control III-E-3(10) states when and EGD is removed from the Casino floor, the software will be removed from the unit while on the casino floor. The EGD unit will be stored in a secure area on property separately from the software. The software will be stored in a secure area on property separately from the EGD unit.

14. On October 15, 2015 at 4:00am a Slot Specialist contacted a Gaming Agent to ask permission to place twelve slot machines outside the slot storage area. The machines were being shipped later in the day and this would make it easier to load the semi when it arrived. The Gaming Agent told the Specialist he could not place the machines in that area as it was not secure. The Agent did tell the Specialist he could place the machines at the key watch area as there is a Security Officer stationed there as well as sufficient camera coverage. The Agent went on to tell the Specialist he would speak to the Gaming Supervisor when he arrived to get his thoughts on the issue. The Agent spoke to the Gaming Supervisor and he stated "absolutely not". Sometime between 8:00am and 12:00pm the Gaming Supervisor spoke to a Slot Technician Supervisor about placing the games outside the secure area and both agreed that it was not necessary. Another Slot Technician Supervisor spoke to a different Gaming Agent and asked the same question regarding the machines. The Agent stated that the machines could be placed by the key watch area in anticipation of the machines leaving the property in a short while. At approximately 9:00am the casino and the Gaming Agents were advised the truck that was to transport the machines was having mechanical difficulties and would be delayed a day. At 6:30pm a third Slot Technician Supervisor spoke to a third Gaming Agent to ask if the machines leaving the property, that had been approved earlier to be placed outside the storage area, could be left there overnight. The Slot Technician told the Agent the games had been there all day and indicated a second time that it was approved. The Agent then approved for the machines to be left in the unsecured area overnight, since he thought it was previously approved. When the first Gaming Agent returned to work at 8:00pm, he spoke to the third Gaming Agent and the third Slot Technician Supervisor. The first Agent told the third Slot Technician Supervisor to inform his night shift that they were not to place the machines outside the storage area. The third Slot Technician Supervisor informed the first Agent that the machines were placed outside the storage area and had been there all day. The first Agent told the third Slot Technician Supervisor to put the machines back in the storage area as the request was never approved. The machines were put back into the storage area until the truck arrived.
  
15. On October 26, 2015 a Gaming Agent was walking the casino floor with the Gaming Supervisor when they noticed eight machines, waiting approval to be temporarily stored on the casino floor, stored in the location on the floor. The Agent spoke to a Slot Technician Supervisor who stated the machines had been moved by the night shift slot technicians and the boards and software were being kept in the slot tech shop. The Agent reviewed surveillance coverage and verified that two Slot Technicians placed the eight slot machines in the unauthorized area. An email sent on October 23, 2015 from the Slot Performance Manager to the Slot Technicians instructs them to move the machines to the unauthorized area and not to the secured storage area. Hollywood had requested approval to temporarily store ten slot machines in an area on the casino floor. The request further stated if the request was approved by the Commission the boards and software were to be stored in the vessel Commission office; as stated above the boards were stored in the slot tech shop. The Slot Performance Manager was disciplined.

#### COUNT IV

16. 68 IAC 1-5-1(10) states a casino or supplier licensee shall provide 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.
17. IC 4-33-10-2(9)(B) states a person who knowingly or intentionally claims, collects, takes or attempts to claim, collect or take money or anything of value in or from a gambling game without having made a wager contingent on winning a gambling game commits a Level 6 felony.
18. On December 17, 2015 a Gaming Agent was asked to contact a Slot Operations Supervisor about a Suspicious Activity Report ("SAIR"). The Agent spoke to the Supervisor regarding the SAIR and the Supervisor informed the Agent that the incident had occurred approximately an hour before. The Supervisor stated that two female patrons were sitting next to each other and one of the females won a jackpot. She had her friend switch seats with her because she didn't want her husband to know she was gambling. The Surveillance department notified the Supervisor of the switch. The Supervisor stated that she wasn't sure if the Gaming Agents needed to be contacted at the time the incident occurred, so she did not contact them. The Supervisor was disciplined.

#### COUNT V

19. Pursuant to IC 4-33-9-12 and 68 IAC 1-11-1(c), 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.
20. On December 18, 2015 a Gaming Agent was contacted by Security regarding an underage person on the casino floor. The Agent reviewed surveillance coverage and found that the underage person attempted to give the Security Officer, at the turnstile, her identification, but the Security Officer allowed her to walk through the turnstile without looking at the identification.

#### 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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

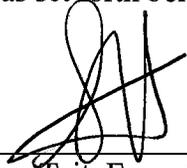
Hollywood shall pay to the Commission a total of \$20,000 (\$7,500 for Count I; \$7,000 for Count II; \$2,500 for Count III; \$1,500 for Count IV and \$1,500 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only to those violations and findings of fact, specifically alleged 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, Hollywood agrees to promptly remit payment in the amount of \$20,000 and shall waive all rights to further administrative or judicial review.

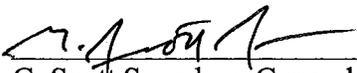
This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may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

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

2/22/16  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
G. Scott Saunders, General Manager  
Indiana Gaming Company, L.P.

2/16/16  
\_\_\_\_\_  
Date