

**ORDER 2020-49  
IN RE SETTLEMENT AGREEMENT**

**INDIANA GAMING COMPANY, LLC d/b/a HOLLYWOOD CASINO  
LAWRENCEBURG  
20-HW-01**

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

**APPROVED**

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

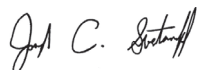
**IT IS SO ORDERED THIS THE 10<sup>th</sup> DAY OF JULY, 2020.**

**THE INDIANA GAMING COMMISSION:**



\_\_\_\_\_  
Michael B. McMains, Chair

ATTEST:



\_\_\_\_\_  
Joseph Svetanoff, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:	)	
	)	<b>SETTLEMENT</b>
INDIANA GAMING COMPANY, LLC	)	<b>20-HW-01</b>
d/b/a HOLLYWOOD CASINO	)	
LAWRENCEBURG	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Indiana Gaming Company, LLC d/b/a Hollywood Casino Lawrenceburg (“Hollywood”) (collectively, the “Parties”), desire to enter into this settlement agreement (“Agreement”) 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 15-6-4(b) provides that vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.
2. 68 IAC 15-6-4(e) provides that the vendor and visitor log shall contain the following information:
  - (1) The name of the vendor or visitor.
  - (2) The company or organization the vendor or visitor represents.
  - (3) The date and time the vendor or visitor entered the casino.
  - (4) The purpose that necessitates the vendor or visitor entering the casino.
  - (5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino.
  - (6) If the person is a visitor, the individual who authorized the visitor's presence in the casino.
  - (7) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.
3. On January 24, 2019, the Commission issued a memorandum to all casino licensees on occupational licenses. The memorandum states that vendor or visitor badges are not to be utilized by those who hold or should hold an occupational license. Per the memorandum, if individuals who hold or should hold an occupational license attempt to access the gaming floor using a vendor or visitor badge, casino staff should assist in the matter by refusing entry and directing the individuals to local Gaming Agents for assistance.

4. On October 3, 2019, a Gaming Agent performed an inspection of the vendor log at Hollywood Casino for September 2019 and identified the following violations.
5. On September 1, 2019, despite being an occupational licensee, a Novomatic employee utilized a vendor's badge. The Novomatic employee did not obtain and/or wear his Commission issued badge.
6. On September 8, 2019, despite being an occupational licensee, a Cook 3 for Hollywood was allowed to work on a vendor's badge.
7. On January 1, 2020, a Gaming Agent performed an inspection of the vendor log at Hollywood Casino for December 2019 and identified the following violations.
8. On December 2, 2019, an individual made a service call to Hollywood. The company was not noted on the vendor's log.
9. On December 19, 2019, Kambi Group signed in for service. No individual names were listed.

#### COUNT II

10. IC 4-38-11-1 provides that the bureau shall provide information to a certificate holder concerning persons who are delinquent in child support.
  - (b) Prior to a certificate holder disbursing a payout of six hundred dollars (\$600) or more, in winnings, from sports wagering to a person who is delinquent in child support and who is claiming the winning sports wager in person at the certificate holder's facility, the certificate holder:
    - (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 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 certificate holder that the bureau intends to offset the obligor's delinquent child support with the winnings.
    - (d) The bureau shall hold the amount withheld from the 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 winnings except claims for federal or state taxes that are required to be withheld under federal or state law.

11. Chapter 5, Section 2(2)(W) of the Emergency Rules for Sports Wagering provides that prior to beginning sports wagering operations, a sports wagering operator must submit for approval under 68 IAC 11 internal controls for withholding winnings from delinquent child support obligors in accordance with IC 4-38-11, including a plan for complying with IC 4-38-11 if the sports wagering operator allows the redemption of tickets via mail.
12. 68 IAC 11-9-2(a) provides that the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
13. 68 IAC 11-1-3(c)(4) provides that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
14. Hollywood's approved internal control procedures, Part I: Section K and Part VII: Section F, describe the procedures for the child support intercept process.
15. Gaming Agent's audited the Child Support Arrears Delinquency Registry ("CSADR") for September 2019. The results of this audit found two (2) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
16. Gaming Agent's audited the CSADR for October 2019. The results of this audit found three (3) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won and one (1) individual was not searched through the CSADR system at the time a taxable jackpot was won.
17. Gaming Agent's audited the CSADR for November 2019. The results of this audit found five (5) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

### COUNT III

18. 68 IAC 2-3-9.2 provides, in relevant part, that riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when one (1) of the following events occurs with an occupational licensee: (1) The occupational licensee's employment with the riverboat licensee is terminated for any reason. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
19. On February 2, 2020, Penn National's Contract Administrator discovered that the Corporate Director of Marketing was listed as an active licensed employee at Hollywood.

The Director of Marketing was terminated on December 31, 2019. The completed termination form was submitted to the Commission's Gaming Administrator on February 12, 2020.

#### COUNT IV

20. Chapter 10, Section 3(d) of the Emergency Sports Wagering Rules provides that if the sports wagering window net receipts for the shift, as generated by the system, does not agree with the sports wagering count sheet total plus the sports wagering inventory, the shift supervisor shall record any overage or shortage. If the count does not agree, the cashier and the shift supervisor shall attempt to determine the cause of the discrepancy in the count. Any discrepancy that cannot be resolved by the cashier and the shift supervisor shall be reported in writing to the department supervisor in charge at such time. Any discrepancy in excess of five hundred dollars (\$500) shall be reported to the commission. The report shall include:
  - (1) date on which the discrepancy occurred;
  - (2) shift during which the discrepancy occurred;
  - (3) name of the cashier;
  - (4) name of the supervisor;
  - (5) window number; and
  - (6) amount of the discrepancy.
21. Internal Revenue Service ("IRS") Rules stipulate that the casino must withhold federal income tax from the winnings if the winnings minus the wager exceed \$5,000 and the winnings are at least 300 times the wager.
22. Hollywood's approved internal control procedures, Part VII - Section A, describe the Operation of the Sportsbook.
23. On December 2, 2019, Gaming Agents became aware of a variance in the Sportsbook. A review of surveillance coverage determined that on December 1, 2019, a patron approached window four to redeem two (2) sports wagering tickets. One (1) of the tickets contained multiple match bets, one (1) of which had not been completed yet. The procedure for this type of ticket scenario is to pay the winning wagers and return the original ticket to the patron so they can return and redeem the ticket if the unsettled match results in a winning wager. The Sportsbook Rep placed the incomplete ticket in her drawer. While reconciling her drawer at the end of her shift, the Sportsbook Rep counted the currency and scanned the tickets. The final wager of the incomplete ticket was in the patron's favor which resulted in the variance. The patron was ultimately paid out his winnings.
24. On December 15, 2019, the Revenue Audit Manager notified Gaming Agents of a W-2G error in the Sportsbook on December 11, 2019 which resulted in a \$1,488.69 variance. The variance was a result of federal taxes not being withheld from a \$6,202.87 winning wager that resulted from a \$5 wager. It was determined that the Sportsbook Manager failed to comply with IRS withholding requirements. Revenue Audit has corrected this error.

## COUNT V

25. 68 IAC 1-5-1(1)(A) provides that 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 a violation or apparent violation of a rule of the commission by the casino or supplier licensee.
26. 68 IAC 11-1-3(c)(4) provides that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
27. 68 IAC 13-1-1(b)(2) and (3) provides that the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
28. Hollywood's approved internal control procedures, Part II - Section PH, describe its procedures for Free Bet Blackjack.
29. On December 20, 2019, Gaming Agents received a record of counseling spreadsheet from the HR Business Partner. In reviewing this document, it was determined that a DR Dealer/Table Games Supervisor was written up for failing to complete a W-2g for a taxable \$1,500 winning at Free Bet Blackjack. Surveillance and Gaming Agents had not been notified of this violation. A W-2g was ultimately completed and sent to the patron.
30. 68 IAC 2-6-5(2) provides that electronic gaming devices must be connected and communicating to the central computer system.
31. Hollywood's approved internal control procedures, Part III – Section D, describe its procedures for the slot information system.
32. On January 24, 2020, Gaming Agents became aware of an outage of the player and slot tracking system on the link during an operational meeting. Gaming Agents were not notified of the outage at the time it occurred. The outage lasted for one (1) hour and twenty-seven (27) minutes and affected two hundred and eight (208) electronic gaming devices.

## COUNT VI

33. 68 IAC 12-1-5 provides, in relevant part, that the surveillance system shall provide coverage of each of the following areas as specified in this rule: (1) Areas of the main bank, including the following: (A) A general overview of the entire area of each cage and vault area with sufficient clarity to identify patrons and employees.

34. On November 29, 2019, Surveillance notified Gaming Agents that a camera overview shot of the main cage had lost coverage at 9:03hrs. The outage was not discovered until 14:50hrs. While alternative coverage was available, Surveillance missed this camera outage on the morning camera check.

#### COUNT VII

35. IC 4-38-5-4(a) provides that a certificate holder or vendor may accept wagers on professional and collegiate sporting events approved for sports wagering by the commission, and other events as approved by the commission. A certificate holder or vendor may use data selected in a manner approved by the commission to determine whether a wager is a winning wager.
36. Chapter 7, Section 1 of the Emergency Rules for Sports Wagering provides before accepting wagers on any event category from patrons, a sports wagering operator must receive event category approval from the executive director or the executive director's designee. The sports wagering operator shall provide notice to the executive director or the executive director's designee and such notice shall include the name of the sports governing body and a description of its policies and procedures regarding event integrity. The commission reserves the right to prohibit the acceptance of any wagers, and may order the cancellation of wagers and require refunds on any event for which wagering would be contrary to the public policies of the state.
- (b) The commission will post approved event categories to its website.
37. On July 23, 2019, the Commission issued a directive on approved events for sports wagering which indicated that collegiate events shall be limited to NCAA Division I sports.
38. On November 6, 2019, the Commission's Director of Sports Wagering and Paid Fantasy Sports (the "DSW") requested that the Sports Wagering Gaming Enforcement Investigator (the "SWI") conduct an audit investigation regarding a Division II Men's College Basketball Game being offered for wagering in Indiana retail and mobile platforms. The DSW had identified that a Division II Men's College Basketball game had been offered on at least one platform.
39. On November 9, 2019, it was discovered that Kambi Group PLC D/B/A Sports Information Services Limited ("Kambi"), the sports book provider for Hollywood Casino, had offered four (4) men's college basketball games that included a non-division I team. The four games offered on the Kambi platform were as follows: 1) TCU Horned Frogs (Division I) vs Southwestern Pirates (Division III); 2) LIU Post Pioneers (Division II) vs Rhode Island Rams (Division I); 3) Howard Bison (Division I) vs Washington Adventist Shock (Division II); and 4) Florida National Conquistadors (Division II) vs North Florida Ospreys (Division I).
40. On November 12, 2019, Kambi's Head Sportsbook Controller notified the DSW that Kambi had offered Division II and Division III events across all platforms offered by Kambi.

41. On December 16, 2019, a Gaming Agent was notified by the SWI that unapproved events had been offered across the Kambi platform on December 13, 2019. The following NCAA football games were offered: 1) Muhlenberg Mules vs North Central Cardinals, a NCAA Football Division III play-off semifinal; 2) Slippery Rock vs Minnesota State Mankato Mavericks, a NCAA Football Division II play-off semifinal; 3) Wisconsin Whitewater Warhawks vs St. Johns Johnnies, a NCAA Football Division III play-off semifinal; and 4) Ferris State Bulldogs vs West Florida, a NCAA Football Division II play-off semifinal.
42. On January 1, 2020, the DSW notified Gaming Agents of a sports wagering offering violation on December 30, 2019. The Penn Interactive Ventures Director of Sports Book Operations notified the DSW that a matchup between Penn State York, a Division II NCAA men's basketball team and University of Maryland, Baltimore County (UMBC), a Division I men's basketball team, was mistakenly received from Kambi.

Due to a technological mapping error within their system, this offering was sent to Hollywood. As a result of the error, patrons were able to view a matchup displayed as Penn State Nittany Lions (Division I Basketball Team) vs UMBC (Division I Men's Basketball Team). As a result of this error, a matchup was offered that did not exist.

#### 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, IC 4-38, 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.

Hollywood shall pay to the Commission a total of \$24,200 (\$2,200 for Count I, \$11,000 for Count II, \$1,000 for Count III, \$2,000 for Count IV, \$2,000 for Count V, \$1,500 for Count VI, and \$4,500 for Count VII) and ensure that all wagers placed on unapproved events are voided and the original wager is returned to the player in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the Findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the Findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Hollywood agrees to: 1) promptly remit payment in the amount of \$24,200; 2) ensure that all wagers placed on unapproved events are voided and the original wager is returned to the player; and 3) waive all rights to further administrative or judicial review.



This 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 Agreement. This Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by either of the parties and the receiving party may rely on the receipt of such document so executed and delivered electronically as if the original had been received.

This Agreement shall be binding upon the Commission and Hollywood.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

\_\_\_\_\_  
Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

  
\_\_\_\_\_  
Mike Galle, General Manager  
Indiana Gaming Company, LLC.

\_\_\_\_\_  
Date

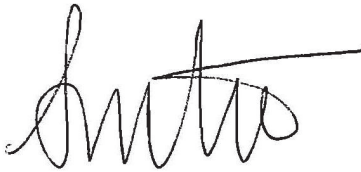
4-21-2020  
\_\_\_\_\_  
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\_\_\_\_\_  
Sara Gonso Tait, Executive Director  
Indiana Gaming Commission

\_\_\_\_\_  
Mike Galle, General Manager  
Indiana Gaming Company, LLC.

6/24/20

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date