

ORDER 2021-162
IN RE SETTLEMENT AGREEMENT
HARD ROCK CASINO NORTHERN INDIANA
21-HR-01

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

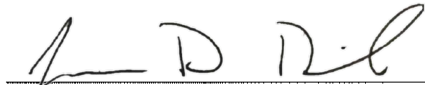
IT IS SO ORDERED THIS THE 29th DAY OF SEPTEMBER, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
HARD ROCK CASINO)	21-HR-01
NORTHERN INDIANA)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Hard Rock Casino Northern Indiana (“Hard Rock”) (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 11-9-2(a) provides 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.
2. 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.
3. Hard Rock’s approved internal control procedures, A-5, describe the procedures for child support delinquency reporting.
4. Gaming Agent’s audited the Child Support Arrears Delinquency Registry (“CSADR”) for May 2021. The results of this audit found two (2) individuals were not searched through the CSADR system at the time a taxable jackpot was won.
5. Gaming Agent’s audited the CSADR for June 2021. The results of this audit found nine (9) individuals were not searched through the CSADR system at the time a taxable jackpot was won.
6. Gaming Agent’s audited the CSADR for July 2021. The results of this audit found one (1) individuals was not searched through the CSADR system at the time a taxable jackpot was won.

COUNT II

7. IC 4-33-9-12(a) provides 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.

8. 68 IAC 1-11-1(c) provides a person under twenty-one (21) years of age shall not be present in a casino.
9. On May 15, 2021, Gaming Agents were advised that an underage vendor had accessed the casino floor on May 9, 2021. The underage vendor was identified by the identity credentials presented at Security Dispatch. Security Dispatch did not obtain a copy of his identification. According to a Hard Rock Security Incident Report, a Security Supervisor notified the vendor that since he was underage, he could not enter the casino floor; however, he was issued a vendor badge anyway. The underage vendor performed work on the casino floor. While Hard Rock was not open for business at this time, Security should not have allowed any underage person access to the casino floor.
10. On June 20, 2021, Surveillance notified Gaming Agents that two (2) underage persons had been allowed on the casino floor, an eighteen (18) year old and a sixteen (16) year old. A review of surveillance coverage showed a family attempted to enter the casino from the east entrance but were turned away due to underage persons being present. After turning the party away, the Security Officer advised all Security personnel, via two-way radio, that he had just turned a party away with two (2) underage persons. The family re-entered at the South-East entrance. The group walked past the Security Officer who did not card the underage persons. The family proceeded to the steakhouse.
11. On July 15, 2021, a Security Supervisor notified Gaming Agents that an underage female had obtained access to the casino floor with a possible fraudulent identification. The Gaming Agent met with a Security Shift Manager who provided the identification that one of the females used at the casino entrance. It was an Illinois identification card. The person pictured on the identification did not appear to be the same as the person who presented it. There were significantly different age and facial characteristics. There was no doubt that the identification did not belong to the female who presented it. The underage female admitted that she was nineteen (19) years old.

COUNT III

12. 68 IAC 13-1-1(b)(2) and (3) provides 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.
13. On May 18, 2021, the VP of Gaming Operations and Compliance Director notified Gaming Agents that nine (9) progressive electronic gaming devices ("EGD") were put into service before the jackpot transfer amounts from Majestic Star Casino were verified.
14. On May 14, 2021, the VP of Gaming Operations met with Commission staff for the purpose of discussing the progressive EGDs in the Hard Rock Live section of the casino that had progressive monies being transferred from Majestic Star Casino. The transfer amounts needed to be verified by Commission staff and/or the Gaming Agents prior to

placing those EGDs in service. Since accounting records made it difficult to verify these amounts, it was agreed upon by the Commission and Hard Rock that the remaining eighteen (18) progressive EGDs in Hard Rock Live would not be placed into service since the original progressive transfer amounts could not be verified. Instead, the progressive transfer monies were to be moved to one (1) progressive bank of EGDs on the main casino floor. These eighteen (18) EGDs were to be re-optioned, set to their original seed amount, verified by Gaming Agents, and then placed into service.

15. The nine (9) progressive EGDs placed into service prior to verification were from the eighteen (18) that were to be shut down and progressive monies transferred to the bank of EGDs on the main casino floor. The VP of Gaming Operations provided that the EGDs were placed into service on May 16, 2021.

COUNT IV

16. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills including the requirement that surveillance shall be notified that a live gaming device fill is being processed.
17. On July 6, 2021, a Cage Shift Manager notified Gaming Agents that a \$5,000 variance occurred in Chip Bank 2 in the employee Cage. A review of surveillance coverage determined that a table fill was sent to a craps table and was short \$5,000. The incorrect fill was accepted at the table.

COUNT V

18. 68 IAC 15-6-4(b) provides 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.
19. 68 IAC 15-6-4(e) provides 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.
20. On January 24, 2019, the Commission issued a memorandum to all casino licensees on occupational licenses and the usage of the vendor log which states vendor and visitor

badges are not to be utilized by those who hold or should hold an individual license. If individuals referenced above 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.

21. On May 19, 2021, Surveillance advised that a Pit Manager had notified them that a male wearing a white hoodie and black backpack was walking through a table games pit on the casino floor. The Gaming Agent proceeded to the floor and identified the male in question. He was wearing a vendor/visitor badge. The male stated he was issued the vendor/visitor badge by a Security Officer at Security Dispatch and was on property for an upper management position in cybersecurity on the second floor. The male patron said he did not know where to go or the contact person he was supposed to speak to and was unaware there was not a second floor.
22. Gaming Agents proceeded to Security Dispatch where the Security Officer verified she had given the male a vendor badge after he told her he was on property to interview for a housekeeping position. A review of surveillance coverage showed the Security Officer issue the male a vendor/visitor badge without verifying if he was a with a vendor or verifying what was inside the backpack he was wearing. The male went into the kitchen, behind the bar, and inside two table game pits. The male was arrested for trespassing and the Security Officer was terminated.

COUNT VI

23. 68 IAC 2-3-1 provides the requirements for holding an occupational license.
24. 68 IAC 15-6-4(b) provides 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.
25. 68 IAC 15-6-4(e) provides 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.
26. On January 24, 2019, the Commission issued a memorandum to all casino licensees on occupational licenses and the usage of the vendor log which states vendor and visitor

badges are not to be utilized by those who hold or should hold an individual license. If individuals referenced above 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.

27. On May 25, 2021, a Gaming Agent was observing in Hard Rock Live and approached an employee who appeared to be wearing a vendor badge. The Gaming Agent asked what department the employee worked for. The employee advised that it was his first day in Security and was told to keep an eye on the curtain closing off the remaining area of Hard Rock Live. The Gaming Agent searched the Commission's Occupational Licensing Database to see if the employee was licensed as a Security Officer. The Gaming Agent contacted a Security Shift Manager and advised that the employee could not work on the casino floor or in any gaming related capacity since he was not licensed. The Security Shift Manager advised that he thought he had been licensed. It was also determined that another Security Officer had been working on a vendor badge. The Gaming Agent then did a review of the vendor log and noted that several employee names appeared as having signed in with a vendor badge.
28. On June 8, 2021, the Gaming Agent requested the vendor logs for the month of May to complete the vendor log audit.
29. On June 16, 2021, the Gaming Agent had not received the logs and sent a follow-up email.
30. On June 30, 2021, the Gaming Agent still had not received the logs. The Gaming Agent spoke with a Security Supervisor and advised the vendor logs were in the Security Supervisor's office and provided the logs for May 1, 2021 through May 17, 2021.
31. On July 1, 2021, the Gaming Agent met with a Security Shift Manager and advised that he needed the computer logs as well.
32. On July 10, 2021, the Gaming Agent discovered that the May log was incomplete. The remaining logs were not provided until July 15, 2021. A review of the log was conducted, and it was determined that the purpose of the visit was missing on nearly every entry. There were approximately 2,471 errors on the log for any missing or illegible information in the paper and electronic logs, not counting the missing purpose of visit. There were thirty-one (31) pages which did not contain any dates and could not be verified. These pages were largely incomplete with the majority of them only having a name and nothing further.
33. The Gaming Agent also discovered that fifty-five (55) employees signed in on one or more occasions and used a vendor badge prior to receiving a gaming license. The employees worked in the following departments: Food and Beverage, Table Games, Security, Facilities and Valet.
34. Additionally, on June 21, 2021, a Gaming Agent discovered that an Assistant Warehouse Supervisor had been working without a license. The employee initially began working for

Hard Rock on March 10, 2021 as a Receiving Clerk. The employee worked for thirty-six (36) days before the opening of the casino and then worked twenty-two (22) more days between May 11, 2021 and June 3, 2021 without a license.

35. On June 4, 2021, she was licensed as a Receiving Clerk and then on June 21, 2021, she changed positions to an Assistant Warehouse Supervisor.

COUNT VII

36. 68 IAC 6-3-4(b)(4) provides that casino licensee shall make all reasonable attempts to ensure that voluntarily excluded persons do not receive direct marketing. A casino licensee will satisfy this requirement if the casino licensee removes the voluntarily excluded person's name from the list of patrons to whom direct marketing materials are sent, and the voluntarily excluded person does not receive direct marketing materials more than forty-five (45) days after the casino licensee receives notice, under section 3(a) of this rule, that the voluntarily excluded person has entered the VEP.
37. Hard Rock's approved internal control procedures, A-2, describe the procedures for the Voluntary Exclusion Program ("VEP").
38. On July 22, 2021, Hard Rock's Director of Compliance self-reported a VEP direct mail violation. An invitation signup was mailed to 4,282 patrons in the Seminole Gaming patron database based on the residence proximity to Hard Rock and play criteria which is separate from the Hard Rock Northern Indiana's player database. The offer included a free play offer and dining credit.
39. On July 21, 2021, an Executive Casino Host was contacted by a patron inquiring about the offer and her ability to play. The patron indicated she was a VEP member, but her term had expired. This prompted an investigation. The review was conducted by Seminole Hard Rock Support Services and property marketing, it was determined that twenty-one (21) VEP members and one (1) Statewide Exclusion List participant were mailed the offer. Hard Rock Northern Indiana did not review the mailing list prior to the offer being mailed out as they do not have access to that database. Going forward, a separate 3rd party Seminole Gaming Database will be discontinued. Player's Club has also been alerted to be diligent in reviewing the ban status prior to redeeming Seminole Gaming Database offers.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Hard Rock by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38, 68 IAC, and/or Hard Rock's approved internal control procedures. The Commission and Hard Rock hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Hard Rock.

Hard Rock shall pay to the Commission a total of \$62,500 (\$12,000 for Count I, \$15,000 for Count II, \$5,000 for Count III, \$1,500 for Count IV, \$1,500 for Count V, \$7,500 for VI, and

\$20,000 for Count VII) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings of Fact contained in 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.

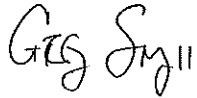
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Hard Rock agrees to promptly remit payment in the amount of \$62,500 and waive all rights to further administrative 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 Hard Rock.

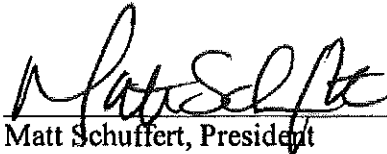
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Greg Small, Executive Director
Indiana Gaming Commission

9/28/21

Date



Matt Schuffert, President
Hard Rock Casino Northern Indiana

9/21/21

Date