

**ORDER 2021-89
IN RE SETTLEMENT AGREEMENT**

**CAESARS RIVERBOAT CASINO, LLC d/b/a CAESARS SOUTHERN INDIANA
21-CS-02**

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 25th DAY OF MAY, 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
CAESARS RIVERBOAT CASINO, LLC)	21-CS-02
d/b/a CAESARS SOUTHERN INDIANA)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and Caesars Riverboat Casino, LLC d/b/a Caesars Southern Indiana (“Caesars Southern Indiana”), (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. IC 4-38-11-1 provides 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.

2. Chapter 5, Section 2(2)(W) of the Emergency Rules for Sports Wagering provide 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.
3. 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.
4. 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.
5. Caesars Southern Indiana approved internal control procedures, E-33 and S-22, describe the procedures for Child Support Intercept Process.
6. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (“CSADR”) for December 2020. The results of this audit found three (3) individuals were not searched through the CSADR system: two (2) at the time a taxable jackpot was won; and one (1) at the time sports wagering winnings in excess of \$600 was won.
7. Gaming Agents conducted an audit of CSADR for January 2021. The results of this audit found five (5) individuals were not searched through the CSADR system: four (4) at the time a taxable jackpot was won; and one (1) at the time sports wagering winnings in excess of \$600 was won.
8. Gaming Agents conducted an audit of the CSADR for February 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.

COUNT II

9. 68 IAC 11-5-2(a) provides in accordance with 68 IAC 11-1, the casino licensee or casino license applicant shall submit internal control procedures covering the rotation and counting of chips to the executive director.
10. Caesars Southern Indiana’s approved internal control procedures, G-20, specify the procedures for the inventory and reserve and secondary gaming chips and specifically state surveillance will be notified prior to starting and at the end of the rotation.

11. On February 7, 2021, Surveillance notified Gaming Agents that a Cage Cashier began the required daily chip rotation and did not notify surveillance.
12. 68 IAC 11-1-2(1) provides the purpose of the internal control system is to ensure the assets of the casino are safeguarded.
13. Caesars Southern Indiana's approved internal controls, G-31, describe the procedures for the casino deposit.
14. On March 19, 2021, Surveillance notified Gaming Agents that Security failed to notify surveillance before the Brinks armored truck employee entered the casino.
15. 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.
16. Caesars Southern Indiana approved internal control procedures, C-17, describe the card, dice, and layout control.
17. On March 25, 2021, Surveillance notified Gaming Agents that a Table Games Supervisor failed to notify surveillance prior to accessing the dice storage in a table games pit and subsequently transport them to another table games pit before going back to the original table games pit to complete the dice transfer log.

COUNT III

18. 68 IAC 1-16-2(a) and (b) provide casino licensees shall conspicuously display a toll-free telephone number that provides the public with information about compulsive gambling addictions on a poster or placard that is on display in a public area of the casino.
(b) The toll free telephone number to be displayed shall be specified by the division of mental health and addiction.
19. On January 15, 2021, Caesars Southern Indiana's Vice President of Operations and Marketing notified Gaming Agents that there would be a forthcoming notification from Harrah's Hoosier Park that a marketing email sent to patrons had an error on the responsible gaming telephone number.
20. On January 13, 2021, Harrah's Hoosier Park identified that the full telephone number next to the vanity number 1-800-9-WITH-IT was incorrect on marketing emails that were sent out. The correct telephone number is 1-800-994-8448; however, the emails provided 1-800-944-8448.

Between July 2020 and February 2021, ten (10) mailers with the incorrect responsible gaming number were initiated at Caesars Southern Indiana. Each mailer results in tens

of thousands of individual recipients. The total number of mail pieces during this time frame was 548,702. 165,276 individual mail pieces did not have the proper disclaimer.

COUNT IV

21. 68 IAC 11-7-1(b) provides for the purposes of this rule, “sensitive keys” means keys that either management or the commission considers sensitive to the casino licensee’s operation and therefore require strict control over custody and issuance.
22. 68 IAC 11-7-3(b) provides that sensitive keys shall be returned to custody and signed in by the same occupational licensee they were issued to unless there is a documented change of shift.
23. On February 11, 2021, Surveillance notified Gaming Agents that a Security Officer left property with two (2) sensitive keys which included a hot box key and an NRT key. The Security Officer exited the casino through the doors next to the Security Command Post and this route does not have any key alarms. The keys were off property for approximately one (1) hour.
24. On March 8, 2020, Surveillance notified Gaming Agents that a Cage Cashier left property with a sensitive key that opens a frontline cage window drawer. The key was off property for approximately one (1) hour. The Cage Cashier did not exit through the regular employee exit which was alarmed as he had parked in the casino garage due to flooding from the river.

COUNT V

25. 68 IAC 14-7-4(b) provides before opening a roulette table for gaming activity each gaming day, the pit boss or equivalent shall inspect the roulette table and roulette wheel to ensure compliance with this rule.
26. On March 8, 2021, a Gaming Agent recalled that he had not received notification to observe the inspection and balancing of the roulette wheels for daily opening as the casino had been closed due to flooding and was due to open at 10am. The Gaming Agent contacted a Table Games Manager who advised that the roulette wheels had not been inspected for the day but two (2) roulette tables were open for play without inspection.
27. 68 IAC 11-4-4 provides at any time when a live gaming device is closed, chips remaining at the live gaming device shall be counted by the appropriate level of occupational licensee assigned to the live gaming device and verified by the pit boss or the equivalent.
 - (b) A live gaming device inventory slip shall be prepared.
 - (c) The occupational licensee and the pit boss or the equivalent who observed the count of the contents of the tray shall sign the inventory slip at the time of closing the live gaming device attesting to the accuracy of the information recorded.

- (d) The occupational licensee shall immediately deposit the closer in the drop box.
- (e) The pit boss or the equivalent shall place the opener on the live gaming device tray in a manner that the amounts on the opener may be read through the cover, and lock the transparent live gaming device tray lid in place.

28. On January 4, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$2,475 in red \$5 chips. The physical inventory was \$1,975 in red \$5 chips.
29. On January 4, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$16,500 in purple \$500 chips and \$2,400 in black \$100 chips. The physical inventory was \$16,000 in purple \$500 chips and \$2,000 in black \$100 chips.
30. On January 12, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted a total of \$2,275 in red \$5 chips. The physical inventory was \$1,275 in red \$5 chips.
31. On January 18, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$25,000 in purple \$500 chips. The physical inventory was \$25,500 in purple \$500 chips.
32. On January 20, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$1,855 in red \$5 chips. The physical inventory was \$1,955 in red \$5 chips.
33. On February 17, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$2,735 in red \$5 chips. The physical inventory was \$2,235 in red \$5 chips.
34. On March 13, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$64,000 in orange \$1000 chips. The physical inventory was \$63,000 in orange \$1000 chips.

TERMS AND CONDITIONS

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

Caesars Southern Indiana shall pay to the Commission a total of \$21,500 (\$10,000 for Count I, \$3,000 for Count II, \$2,500 for Count III, \$2,000 for Count IV and \$4,000 for Count V) and submit a corrective action plan for Count IV and Count V for sensitive keys and table

inventory closers 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 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, Caesars Southern Indiana agrees to promptly remit payment in the amount of \$21,500 and shall waive all rights to further administrative or judicial review.

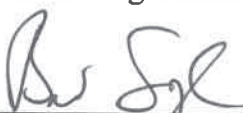
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or 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 Caesars Southern Indiana.

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



Bradley Seigel, Senior VP & GM
Caesars Riverboat Casino, LLC

Date

5-13-21

Date

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Sara Gonso Tait, Executive Director
Indiana Gaming Commission

Bradley Seigel, Senior VP & GM
Caesars Riverboat Casino, LLC

5/24/21

Date

Date