

**ORDER 2023-186  
IN RE SETTLEMENT AGREEMENT**

**CENTAUR ACQUISITION, LLC  
d/b/a HORSESHOE INDIANAPOLIS  
23-HI-04**

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

**APPROVED**

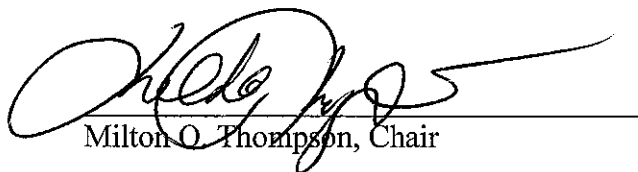
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APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 11<sup>th</sup> DAY OF DECEMBER, 2023.**

**THE INDIANA GAMING COMMISSION:**

  
Milton O. Thompson, Chair

ATTEST:

  
Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>CENTAUR ACQUISITION, LLC</b>	)	<b>23-HI-04</b>
<b>d/b/a HORSESHOE INDIANAPOLIS</b>	)	
	)	

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Centaur Acquisition, LLC d/b/a Horseshoe Indianapolis, (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 1-5-1(1) provides 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 any of the following: (A) The casino or supplier licensee.
2. 68 IAC 11-1-2(4) provides the procedures for the internal control system are designed to ensure that transactions are recorded adequately to permit the proper recording of the adjusted gross receipts, admission fees, and applicable taxes.
3. Horseshoe Indianapolis’s approved internal control procedures, A-1 General #3, provide the purpose of the internal control system.
4. 68 IAC 15-5-2(a) provides the casino licensee shall calculate the amount of wagering taxes to be paid by completing Form RG-1 in accordance with the applicable rules of the department, this rule, and the instructions that accompany Form RG-1.
5. 68 IAC 15-1-2(2) provides the purpose of the accounting records and procedures is to ensure the financial records of the casino licensee or casino license applicant are accurate and reliable.
6. 68 IAC 15-5-5 provides the casino licensee shall compute the net tournament receipts to be used in arriving at the daily adjusted gross receipts in the following manner: (1) Add the total receipts from tournaments. (2) Deduct tournament payouts, including prizes at their historical cost basis. The casino licensee may not take a deduction for net tournament receipts if the computation results in a negative number.

7. 68 IAC 15-7-2(a) provides the riverboat licensee shall require the revenue auditor or its equivalent to perform certain procedures on a daily basis. These procedures should be performed on a sample basis for both computerized and manual forms and shall include, at a minimum, the following: (1) Trace table game fills and credit slips originals to duplicate copies and to orders for fills and credits to verify agreement. (2) Review the table game fills and credits slips for the proper number of authorized signatures, date-time stamps, and accurate arithmetic. (3) Verify and account for the numerical sequence of the table games fills and credits slips. (4) Review all voided table game fills and credits for appropriate handling and required number of authorized signatures. Assure that all appropriate forms are attached. (5) Verify that credits and fills are properly recorded for the computation of win. (6) Trace opening drop cards to the previous shift's closing inventory slip to verify agreement and test for completeness and propriety. (7) Trace fills and credits, opening and closing table chip inventories, and marker transactions to the marker gaming reports. (8) Trace the detail from the master gaming report into the accounting entries recording the transactions and to the total cash summary. (9) Any other procedures deemed necessary by the executive director or the commission to ensure compliance with the Act and this title. (b) The riverboat licensee shall require that all variances or discrepancies from subsection (a) shall be investigated, recorded, and reported to the head of the accounting department or its equivalent. The information shall be made available upon demand by the commission staff or enforcement agent. (c) Any variances or discrepancies that affect the calculation of the win shall be adjusted for in the financial statements and reported on Form RG-1 for the appropriate gaming day.
8. On August 25, 2023, a Gaming Agent was assigned to investigate an issue with how the poker tournament revenue was taxed.
9. On June 1, 2023, Horseshoe Indianapolis changed their poker room tournament revenue from fifteen (15) percent to twenty (20) percent, however, this change was not communicated properly to the Revenue Audit Department. As a result, from June 1, 2023, to July 23, 2023, Horseshoe Indianapolis did not calculate their tax based on the new twenty (20) percent tournament revenue.
10. The VP of Finance advised the Gaming Agent that procedurally at the beginning of each month, the Lead Revenue Auditor would get information from the Poker Room Manager about the new poker tournament submissions and any changes to tournament revenue schedules. The Lead Revenue Auditor requested information regarding the changes to the June tournament revenue schedule and did not receive a response from the Poker Room Manager. The Lead Revenue Auditor then proceeded to Poker Room and spoke with a Poker Supervisor. The Poker Supervisor advised there was no changes to the tournament revenue schedule, despite a change clearly taking place on June 1, 2023.
11. On or around July 13, 2023, the Poker Room Manager raised issues with the Poker Room tournament revenue from a "flash" report which was forwarded to the Financial Controller and the Lead Revenue Auditor.

12. On July 23, 2023, the Financial Controller and Lead Revenue Auditor determined that the tournament revenue schedule was changed, and Horseshoe Indianapolis had been operating on an incorrect tournament revenue schedule since June 1, 2023. Horseshoe Indianapolis did not report this violation to the Commission until August 21, 2023, when the VP of Finance reported the issue via e-mail to the Commission's Director of Audit. The VP of Finance advised that the Lead Revenue Auditor left employment on July 27, 2023, and the issue was forwarded to her attention, however, the VP of Finance confirmed the discrepancy was known and found on July 23, 2023. The VP of Finance advised that Horseshoe Indianapolis under reported revenue in the Poker Room in June was \$6,810 and for July 1<sup>st</sup>-23<sup>rd</sup> was \$6,845.
13. The VP of Finance also reported that the Poker Room did not issue several W-2G's to patrons. As a result, a review was conducted back to January 1, 2023, and it was determined that the Poker Room failed to issue thirty-eight (38) W-2G's during that time frame. Horseshoe Indianapolis submitted a payment of \$12,300.59 for the state withholdings for the missing W-2G's. A review of the 2022 taxable winnings in the Poker Room found that six (6) W-2G's were not issued appropriately.
14. Horseshoe Indianapolis has implemented the following: 1) A Poker checklist will now require each tournament calculation of revenue, promotional fund, staffing fees and customer prize pool be compared to the poker tournament submission to make sure they agree. 2) The Poker team will ensure that all submissions match what has been implemented in Bravo. 3) Revenue Audit will also review prize payments to ensure any winnings in excess of \$5,000 and will compare to W-2G copies.
15. The Poker Room Manager was terminated due to on-going issues in the Poker Room.
16. 68 IAC 15-10-5 provides the casino licensee shall establish policies and procedures for the even exchange of funds between two (2) casino cashiering areas or between a casino cashiering area and change banks, which shall include the following: (1) A designation of the occupational licensee who may process the even exchange transaction. (2) A description of the even exchange form and the required information and signatures. The form shall be at least a two (2) part form. (3) A description of the distribution of each part of the form. (4) Types of items allowed to be exchanged. (5) Requirement that security personnel must accompany the transfer of the funds between locations. (6) Any other policy or procedure deemed necessary by the executive director or commission to ensure compliance with IC 4-33, IC 4-35, and this title.
17. Horseshoe Indianapolis' approved internal control procedures, C-9, describe the procedures for exchanges between the satellite cage locations and the main bank.
18. On August 6, 2023, Surveillance notified Gaming Agents that a Cage Cashier failed to have a Security Officer escort him as he transported \$23,000 to the Poker Room Cage from the Employee Service Window. Surveillance signed off on the transport.

## COUNT II

19. 68 IAC 11-4-4(a) 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.
20. Horseshoe Indianapolis' approved internal control procedures, U-7.1, describes closing of gaming tables.
21. On July 4, 2023, Surveillance notified Gaming Agents that a table closer error had occurred. The table inventory closer slip showed \$5,600 in black \$100 chips, however, the physical inventory was \$7,600 in black \$100 chips.
22. On July 7, 2023, a Casino Manager notified Gaming Agents that a table closer error had occurred. The table inventory closer slip showed \$5,500 in green \$25 chips, however, the physical inventory was \$6,000 in green \$25 chips.
23. On August 26, 2023, a Surveillance notified Gaming Agents that a table closer error had occurred. The table inventory closer slip showed \$6,935 in red \$5 chips, however, the physical inventory was \$6,135 in red \$5 chips.

### COUNT III

24. 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.
25. 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.
26. 68 IAC 11-7-4 provides the procedures for replacement of sensitive keys.
27. On August 6, 2023, an Assistant Table Games Shift Manager notified Gaming Agents that a Table Games Floor Supervisor had left the casino property at the end of her shift with sensitive keys in her possession. The Assistant Table Games Shift Manager had already made contact with the Floor Supervisor and instructed her to return the keys immediately.

28. A review of surveillance coverage confirmed that the Floor Supervisor exited the property with sensitive key and that the key alarm did not activate when she exited at the employee entrance/exit. The sensitive key set included a Podium Key, a Roulette Key to unlock the bank, a Roulette Wheel Cover key, a Craps Key to unlock the bank, a Chip Tray key to unlock the bank on the Blackjack and Carnival Games, the locks under all the table games, and a Roulette Wheel Cover Lock key. The keys were off property for approximately 3.5 hours.

#### COUNT IV

29. 68 IAC 14-3-2(b) provides all playing cards must meet the following specifications:
- (1) Unless otherwise provided in this article, all decks of cards must be one (1) complete standard deck of fifty-two (52) cards in four (4) suits. The four (4) suits shall be hearts, diamonds, clubs, and spades. Each suit shall consist of numerical cards from:
    - (A) two (2) to ten (10);
    - (B) a jack;
    - (C) a queen;
    - (D) a king; and
    - (E) an ace.
30. 68 IAC 14-3-5(a) provides all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
31. On July 9, 2023, Dual Rate Assistant Table Games Shift Manager/Floor Supervisor notified Gaming Agents that a yellow playing card was found in a black deck of playing cards on a table game. A review of surveillance coverage showed that six (6) Dealers over the course of 4.5 hours encountered issues with the deck of cards and shuffler, none of which inspected or counted down the cards. The seventh (7<sup>th</sup>) Dealer, after encountering errors and issues, inspected and counted down the cards, discovering the yellow card. This Dealer then closed the table and made the appropriate notifications. It was inconclusive as to when exactly the yellow playing card made it into the black deck of playing cards, nor was there any indication if it was ever dealt.
32. On July 9, 2023, a Casino Manager notified Gaming Agents that a yellow playing card was found in a black deck of playing cards at a table game. A review of surveillance coverage determined that a Dealer removed playing cards from the yellow deck from the discard rack without noticing one (1) yellow playing card. The Dealer then placed the yellow deck of playing cards into the shuffler and removed the black deck of playing cards. Later, a second (2<sup>nd</sup>) Dealer burned a card from the black deck of playing cards and placed it into the discard rack and did not appear to notice the yellow playing card in the discard rack. Shortly thereafter, a red light showed on the shuffler, indicating an error with the playing cards. At this time, a Floor Supervisor began counting down the yellow deck of playing cards and the Dealer counted down the black deck of playing cards, locating the yellow playing card in that black deck of playing cards. A review of surveillance coverage concluded that the black deck of playing cards did not go through

the shuffler with an extra card, therefore, there was not an extra card in the black deck of playing cards while being dealt.

33. On July 11, 2023, a Dual Rate Assistant Table Games Shift Manager/Floor Supervisor notified Gaming Agents that a yellow playing card was found in a black deck of playing cards. A black playing card was also found in the yellow deck of playing cards. This was discovered after a card was replaced upon being damaged in the shuffler. Two (2) separate shuffler errors caused the comingling of colors. In both instances, an unnoticed playing card was stuck in the elevator of the shuffler when a deck of playing cards of the opposite color was placed in the shuffler. It was after clearing several shuffler errors without supervision and not noticing the problem that the Dealer called a Floor Supervisor. The error was discovered during a manual count of the playing cards. As a result, the black deck of playing cards was in play for six (6) hands while missing a playing card.

#### COUNT V

34. 68 IAC 2-6-31(a) provides this section authorizes the use of progressive electronic gaming devices within one (1) casino provided that the electronic gaming devices meet:
- (1) the requirements stated in sections 1 through 30 and 46 of this rule; and
  - (2) any additional requirements imposed by sections 32 through 42 of this rule.
- (b) The casino licensee shall notify the executive director and the enforcement agent of the following information prior to using progressive electronic gaming devices within the casino:
- (1) The:
    - (A) serial numbers; and
    - (B) commission registration number;of the electronic gaming devices that are common to a single progressive link.
  - (2) The odds of hitting the progressive amount on each of the electronic gaming devices that is attached to that link.
  - (3) The reset value of the progressive link.
  - (4) The rate of progression for that progressive link.
  - (5) How the rate of progression is split between the various progressive components.
35. On July 25, 2023, while working with Slot Technicians at an Electronic Gaming Device ("EGD") to complete a Random Access Memory ("RAM") clear, Slot Technicians advised Gaming Agents that the progressive was incorrect. Additionally, the Slot Technicians were unsure why the EGD was placed into service, as they were unable to get the game-to-game ("G2G") communication to connect properly. RAM clearing the game did not fix the EGD, therefore, the progressive was not reset. The grand jackpot was set up as a standalone instead of being linked progressive.
36. On July 19, 2023, a Slot Technician signed off on part of the EGD set-up, however, the Slot Technician noted on the top of the sheet that the G2G was unable to connect properly.

37. On July 20, 2023, another Slot Technician signed off on the EGD set-up and placed the EGD in service. On this same day, a third (3<sup>rd</sup>) Slot Technician signed off on the progressive set-up on the EGD and the progressive set-up was verified and signed off by a Slot Tech Supervisor.
38. The EGD remained in service for three (3) days with incorrect progressive settings. The progressive funds were added back to the meter.

### **TERMS AND CONDITIONS**

Commission staff alleges that the acts or omissions of Horseshoe Indianapolis by and through its agents as described herein constitute a breach of IC 4-35, IC 4-38, 68 IAC and/or Horseshoe Indianapolis's approved internal control procedures. The Commission and Indiana Grand hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Horseshoe Indianapolis.

Horseshoe Indianapolis shall pay to the Commission a total of \$33,500 (\$24,000 for Count I, \$1,000 for Count II, \$1,500 for Count III, \$2,000 for Count IV and \$5,000 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 in each Count 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, Horseshoe Indianapolis agrees to promptly remit payment in the amount of \$33,500 and shall waive all rights to further administrative or judicial review.

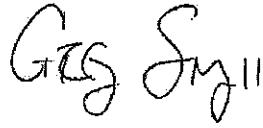
This Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or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



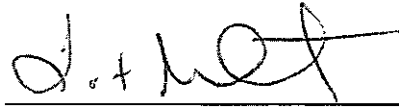
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below



\_\_\_\_\_  
Greg Small, Executive Director  
Indiana Gaming Commission

11/28/23

\_\_\_\_\_  
Date



\_\_\_\_\_  
Trent McIntosh, SVP & General Manager  
Centaur Acquisition, LLC

11-28-23

\_\_\_\_\_  
Date