

**ORDER 2008-106
IN RE SETTLEMENT AGREEMENT
CAESARS RIVERBOAT CASINO, LLC
d/b/a HORSESHOE CASINO HOTEL SOUTHERN INDIANA**

08-CS-02

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

Approves

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.


IT IS SO ORDERED THIS THE 28th DAY OF AUGUST, 2008.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CAESARS RIVERBOAT CASINO, LLC)	08-CS-02
d/b/a HORSESHOE CASINO HOTEL)	
SOUTHERN INDIANA)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and Caesars Riverboat Casino, LLC d/b/a Horseshoe Casino Hotel Southern Indiana (“Horseshoe South”) (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 14-3-5 (a) states that all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
2. 68 IAC 14-3-6 (a) states that when playing cards are accepted for play at a live gaming device, the occupational licensee accepting the playing cards shall inspect the playing cards to ensure the playing cards comply with this rule.
3. Pursuant to 68 IAC 11-1-6(b) failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. According to Horseshoe South’s Internal Controls, C-17.4 (7) states that cards shall not be left at a live gaming device unattended. At the end of each day and at such times as may be necessary, all decks of cards will be counted by the Dealers to ensure there are 52 cards per deck and the appropriate number of decks per shoe.
4. On February 14, 2008, the Poker Room Manager contacted a Gaming Agent to report that two decks of cards had been left on a table and unattended for approximately one hour. The cards were inspected and all were accounted for.
5. On March 8, 2008, a Gaming Agent was notified by a Table Games Shift Manager that cards had jammed in a shuffling machine. She contacted a casino tech to fix the machine. The tech retrieved a 2 of spades, a 4 and 5 of clubs and a 10 of hearts. The cards were placed into the machine and counted again. The shuffler indicated that there was an extra card. A hand count proved there was an extra card and after sorting the cards by suit, the extra card was the 2 of spades. The Floor Supervisor notified Surveillance of the incident. All of the 2

of spades were accounted for on the table, so tapes were pulled for that table to see if the extra card could be accounted for.

6. The Surveillance Department went back seven days and all of the 2 of spades were accounted for. The 2 of spades was pulled from a spot in the machine that does not shuffle or count because it did not indicate at first that there was an extra card. It was determined at some point a dealer did not properly count down the cards at the end of their shift and that it did not occur in the past seven days.

COUNT II

7. 68 IAC 14-7-4 (1) states when a roulette table is not open for gaming activity, the roulette wheel shall be secured by: (1) placing a cover over the entire wheel; (2) securely locking the cover to the roulette table.
8. On January 9, 2008, a Gaming Agent contacted the Table Games Manager to inspect the Roulette wheels. After inspecting the wheel at an open table, they started on the tables that were closed. At the first closed table, the top had been placed over the wheels but the locks had not been put in place. The Tables Games Manager did not know why the wheel had not been locked. The second and last wheel had the top placed over the wheel and only one lock secured. The first wheel had been left unsecured for four hours and the second wheel for eight and one half hours.

COUNT III

9. 68 IAC 1-5-1(10) requires the casinos to report any apparent criminal activity taking place on the riverboat property. This information must be submitted to an enforcement agent. IC 4-33-10-1 and 2 describes what is considered criminal activity. For Gaming Enforcement to properly handle criminal cases they should be informed immediately of all apparent criminal activity including capping and pinching bets.
10. On December 30, 2007, a Gaming Agent was notified by Surveillance of a possible suspicious criminal activity that occurred on the previous gaming day. A Table Games Supervisor was advised by a patron that a Dealer had told him that he would overpay him and they would split the money later. The Table Games Supervisor contacted Surveillance but not the Gaming Agents because they wanted to review surveillance footage first before informing the Agents. The Agents were not able to conduct an investigation into this because they were not informed immediately of the activity and information had been leaked.

11. On February 3, 2008, a patron capped her bet. The dealer informed the patron that she was not allowed to add to her bet and notified the Table Games Floor Supervisor. Nothing further was done. Later, an Agent was notified by a Table Games Floor Manager that the patron attempted to cap her bet. This patron had been flagged in the player tracking system with a message to contact IGC because she had previously been warned about capping bets. The Agent was not notified until an hour and a half after the incident.
12. On March 16, 2008, a Gaming Agent was approached by a Table Games Supervisor regarding a battery that had occurred at a Roulette table. The Supervisor stated that he observed a male patron hit a female patron several times, striking her in the head. A Security Supervisor was involved in ending the incident and speaking to the male patron. The Gaming Agents were not contacted by the Table Games Supervisor because Security was handling the matter. The Security Officer did not contact the Gaming Agents because the female patron did not want to press charges.

COUNT IV

13. 68 IAC 6-3-4 (b) (2) & (3) require that casinos must provide a process whereby enforcement agents and security and surveillance are notified immediately when a voluntarily excluded person is detected in the gaming area of a facility. Casinos must refuse wagers from and deny gaming privileges to any individual who the casino knows to be a voluntarily excluded person. Horseshoe South has outlined the procedures in their internal controls.
14. 68 IAC 6-3-4(e) states that a riverboat licensee or operating agent shall be subject to disciplinary action under 68-IAC-13 for failure to comply with the requirements of this section and the internal control procedures outlined pursuant to this section, including but not limited to the following:
 - (1) Release of confidential information for a purpose other than enforcement.
 - (3) Failure to follow internal control procedures adopted under this rule.
15. Horseshoe South's Internal Control K 17.2 states in part that no information about the guest being in a voluntary excluded status will be released or acknowledged by any Harrah's Entertainment employee to any company, individual or entity outside of Harrah's Entertainment, Inc. corporate structure.
16. On January 22, 2008, a Gaming Agent was approached by a Casino Host regarding a VEP. The Agent confirmed that the patron was a VEP since October 16, 2007 and had signed up for life. The Gaming Agent was contacted after the VEP had left the casino. According to the Casino Host, she was contacted by a

Credit Clerk who informed her that the patron wished to receive a fee reimbursement for a credit card cash advance. At Horseshoe South when a “well known” player makes a cash advance on property they may be issued a fee reimbursement. The patron must have enough reward credits on their Total Rewards card and present their receipt to the clerk. This fee reimbursement is at the discretion of the casino. The Credit Clerk suspected that the patron was a VEP when he presented his identification containing his name. The patron was paid the fee reimbursement.

17. In the Horseshoe South’s CMS system, the VEP had four different accounts. In two of the accounts he is listed under his first and last name (one account was flagged for VEP), in the other two he is listed under his middle name, first name initial and last name. A review of the player tracking revealed that the VEP had visited Horseshoe South nine times between November 30, 2007 and January 22, 2008 and received thirteen fee reimbursements. He was also comped for a hotel room.
18. On June 9, 2008, the IGC Problem Gaming Coordinator contacted the Supervisor for the Gaming Agents requesting follow up information regarding Horseshoe South’s Marketing Department providing the VEP quick list to an outside third party vendor. The Director of Marketing had received the list from the Security Investigator and had asked a marketing employee to forward the list to the third party vendor.

COUNT V

19. 68 IAC 1-11-1(c) states a person under twenty-one (21) years of age shall not be present on a riverboat.
20. Pursuant to IC 4-33-9-12, 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.
21. On March 17, 2008, an underage person was allowed to enter the casino. The minor was not asked for identification because the Security Officers were talking to another patron.
22. On May 17, 2008, an underage person was allowed to enter the casino using his cousin’s identification. When the cousin presented the same identification, the Security Officer realized he had seen the ID before; however, the ID was returned to the cousin and he left the premises.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Horseshoe South by and through its agents as described herein constitute a breach of the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and Horseshoe South's approved internal control procedures. The Commission and Horseshoe South hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Horseshoe South. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

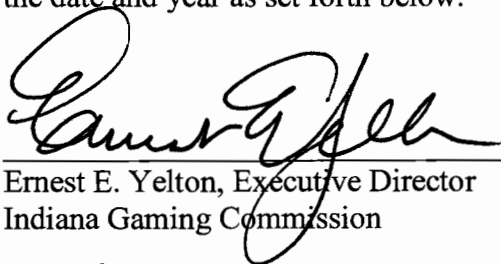
Horseshoe South shall pay to the Commission a total of \$59,000 (\$5,000 for Count I; \$5,000 for Count II; \$15,000 for Count III; \$26,500 for Count IV; \$7,500 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of 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, Horseshoe South agrees to promptly remit payment in the amount of \$59,000 and shall waive all rights to further administrative or judicial review.

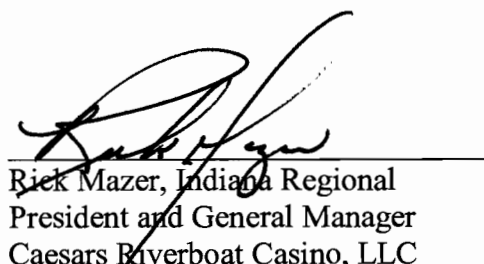
This Settlement Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Settlement Agreement. This Settlement Agreement may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

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


Ernest E. Yelton, Executive Director
Indiana Gaming Commission

8.25.08
Date


Rick Mazer, Indiana Regional
President and General Manager
Caesars Riverboat Casino, LLC

08/21/08
Date