

**ORDER 2020-133
IN RE SETTLEMENT AGREEMENT**

**HOOSIER PARK, LLC d/b/a HARRAH'S HOOSIER PARK
20-HP-02**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

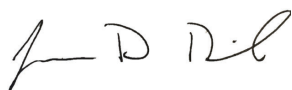
IT IS SO ORDERED THIS THE 23rd DAY OF NOVEMBER, 2020.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
HOOSIER PARK, LLC)	20-HP-02
d/b/a HARRAH'S HOOSIER PARK)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Sara Gonso Tait and Hoosier Park, LLC ("Hoosier Park"), (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 11-1-2(1) provides that the procedures of the internal control system are designed to ensure the assets of the casino licensee are safeguarded.
2. 68 IAC 15-10-2(a)(3)(B) provides that the casino licensee shall establish policies and procedures to ensure that all transactions that flow through the casino cage are accounted for. These policies and procedures shall include, but are not limited to, the following: At the end of a shift, the cashiers assigned to the outgoing shift shall: Reconcile the total closing inventory with the total opening inventory.
3. 68 IAC 15-10-4.1 provides that cage inventories must be accurately reported at the conclusion of a shift on the inventory form used by the casino licensee. Overages and shortages must be recorded at the conclusion of the shift during which the variance was discovered.
 - (b) Cage variances of five hundred dollars (\$500) or two percent (2%), whichever is less, must be reported on a form approved by the commission to the following within one (1) business day after the discovery of the variance:
 - (1) The security department.
 - (2) The surveillance department.
 - (3) An enforcement agent.
 - (c) Variances of five thousand dollars (\$5,000) or more, or a variance that is of a nature that indicates criminal activity must be reported on a form approved by the commission to the following immediately:
 - (1) The security department.
 - (2) The surveillance department.
 - (3) An enforcement agent.These variances must be reported to the commission audit staff at the beginning of the next business day.

(d) Variances of five hundred dollars (\$500) or two percent (2%), whichever is less, or a variance that is of a nature that indicates criminal activity must be investigated by the casino licensee. The variance and the results of the investigation must be reported to the head of the accounting department or the equivalent. Unresolved variances must be investigated by the accounting director or designee. The results of the investigation shall be reported on the document provided to him or her by the cage department. Surveillance tapes or records relating to the variance must be preserved and retained by the casino licensee until the commission audit director advises that the tapes or records, or both, may be recycled. The results of an investigation into these variances must be reported to an enforcement agent. If the variance that was investigated exceeded five thousand dollars (\$5,000), the results of the investigation must also be reported to the commission audit staff.

(e) The casino licensee's internal auditor must review, on a quarterly basis, cage variances to ensure that the variances are appropriately and thoroughly investigated and reported. The results of the internal auditor's review must be reflected on the quarterly internal audit report filed in accordance with 68 IAC 15-8.

4. Harrah's Hoosier Park's approved internal control procedures, C-13.1, describe the procedures for the Cage Ticket Redemption Kiosks.
5. On February 1, 2020, a Cage Supervisor notified Gaming Agents of a cage variance. The Cage Supervisor provided Gaming Agents with a Variance Notification Report which detailed a \$1,600.01 variance on January 31, 2020. Per the report, neither the Cage Cashier nor the Cage Supervisor could not explain why her drawer was short.
6. On February 2, 2020, Gaming Agents spoke to Surveillance about their review of the variance and they were able to determine there was a \$100 overpayment but could not find the reason for the remaining \$1,500 variance.
7. On February 5, 2020, Gaming Agents followed up again with Surveillance since the variance was never recovered. Surveillance conducted another review and came to the same conclusion. The Director of Surveillance reviewed the coverage with the Cage Manager and Regulatory Compliance Manager as well and also arrived at the same result. Gaming Agents also performed an independent review with Surveillance and arrived at the same result.
8. On February 6, 2020, a Cage Shift Supervisor notified Gaming Agents that a bundle of \$20's wrapped with a \$5 strap was found while counting down a drawer. The bundle of cash was signed by the Cage Cashier on January 31st that had the variance. The bundle was run through the bill counter which was verified to be \$2,000. The Cage Shift Supervisor advised that a bundle of \$5.00 is worth \$500.00, and would have made the Cage Cashier's drawer \$1,500.00 short. The Gaming Agent inquired about why this was just now being found. The Cage Shift Manager stated that the bundles of cash were counted by the dollar value on the strap, and the bundles were not moved to verify what bills were wrapped in the strap. Fifteen (15) cashiers used this drawer between the date

of the variance and the discovery of the currency and all failed to notice the drawers was \$1,500 over.

9. On March 13, 2020, the VP of Finance notified Gaming Agents that cassettes in the NRT kiosk were loaded incorrectly by a Main Bank Cashier which created a variance. The \$100 cassettes had been loaded with \$20's and the \$20 cassettes had been loaded with \$100's, resulting in a \$16,946 variance.

The cassettes were incorrectly filled on March 12th and delivered to the NRT kiosks on the 13th at approximately 04:46hrs. The NRT kiosk was subsequently placed in service. At 08:22hrs, a patron reported being underpaid at the NRT kiosk. A Main Bank Cashier placed the NRT kiosk out of service and inspected the NRT kiosk but could not find any issues. At 10:23hrs, a Cage Shift Supervisor performed an inspection of the NRT kiosk and did not note any issues, placing the NRT kiosk back into service. At 10:41hrs, the Cage Shift Supervisor placed the NRT kiosk out of service again but still did not identify the cassette error. At 11:01, the Main Bank Cashier inspected the NRT kiosk for a second time and discovered the error. The NRT kiosk had been in service approximately six (6) hours with incorrect cassettes and performed seventy (70) transactions. Four (4) patrons used the NRT kiosk multiple times to their financial advantage.

COUNT II

10. 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.
11. 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.
12. Hoosier Park's approved internal control procedures describe the procedures for the Child Support Arrears Delinquency Registry in N-1.
13. Gaming Agent's audited the Child Support Arrears Delinquency Registry (CSADR) for January 2020. 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 III

14. 68 IAC 11-3-6(b)(1) provides that the soft count team shall notify surveillance prior to the initiation of the soft count. Surveillance shall visually record the entire soft count process.
15. On February 5, 2020, Surveillance notified Gaming Agents that the Count Team entered the mantrap and soft count room to begin the count without notifying Surveillance.

COUNT IV

16. 68 IAC 2-6-6(c)(5)(B) provides if a casino licensee converts an electronic gaming device, the casino licensee must perform a coin test to ensure that the electronic gaming device is communicating with the central computer system. If the electronic gaming device is not communicating with the central computer system, the electronic gaming device must be disabled.
17. On March 15, 2020, Gaming Agents were conducting coin tests on electronic gaming devices (EGD) when it was determined an EGD was in service without a coin test.
18. On July 23, 2020, the Electronic Games Tech Director notified Gaming Agents that two (2) change requests had been completed and wanted Gaming Agents to mark them completed in the EGD system. Another Gaming Agent overheard this conversation and advised the Gaming Agent that one of the change requests was not complete. Several EGD's on this request had not been approved by Gaming Agents and three (3) EGD's had not been coin tested. The Gaming Agent went out on the casino floor to check on these EGD's. It was determined that one (1) of the EGD's had been placed into service after failing a coin test and had not successfully passed a coin test.

COUNT V

19. IC 4-38-5-4(a) provides 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.
20. Chapter 7, Section 1(a) of the Emergency Rules for Sports Wagering provides that 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.
21. On August 10, 2020, the Commission's Sports Wagering Investigator notified Gaming Agents that Harrah's Hoosier Park had allowed wagers to be placed for Chinese Taipei Baseball League. The Chinese Taipei Baseball League was not a Commission approved event category. Two (2) wagers were placed.
22. On August 17, 2020, the Commission's Sports Wagering Investigator notified Gaming Agents that NYX Digital, the platform provider for Caesars, added Chinese Taipei Baseball League on April 8, 2020 in Indiana when it was approved in New Jersey.

23. Harrah's Hoosier Park was able to identify the patron who placed this wager and reimbursed him for his original wager.

COUNT VI

24. 68 IAC 6-1-1 provides that an excluded person is prohibited from entering gaming areas and a casino licensee or operating agent must evict any excluded person from its gaming area if the casino licensee or operating agent knows or reasonably should know that the person is an excluded person.
25. On January 21, 2020, a Gaming Agent audited the statewide exclusion list. It was determined that sixteen (16) statewide excluded persons were not flagged.

COUNT VII

26. 68 IAC 11-3-3(c)(9)(A)(i-ii) provides the soft count room shall be equipped with equipment that allows the surveillance department to monitor and record the entire count process and the soft count room, both audibly and visually.
27. 68 IAC 11-3-3(c)(9)(C) provides the surveillance department shall monitor and record, both audibly and visually, any other activity or area of the soft count room deemed necessary by the commission to ensure compliance with IC 4-33, IC 4-35, and this title.
28. 68 IAC 12-1-6.5 provides that in addition to other coverage requirements, the surveillance system must audibly record the soft count procedures in accordance with 68 IAC 11-3.
29. 68 IAC 12-1-7(a) provides all recordings must be kept in accordance with this section.
30. 68 IAC 12-1-7(b)(2) provides recordings depicting routine activity must be retained a minimum of seven (7) days.
31. 68 IAC 12-1-9(a) provides surveillance equipment that is out of service due to malfunction must be as follows: (1) Immediately: (A) reported to an enforcement agent; and (B) repaired or the equipment replaced with: (AA) alternative camera coverage; or (BB) live surveillance at the discretion of the enforcement agent; or (ii) activity in the area affected by the malfunction must be ceased and security personnel shall guard the area until coverage is restored.
(2) Repaired within twenty-four (24) hours.
32. On July 15, 2020, an Internal Audit Manager was observing the count process in the surveillance room and requested to hear the audio. At this time, it was discovered that Surveillance had an audio malfunction with the soft count cameras and microphones.
33. On July 15, 2020, the Surveillance Manager reported the audio issue to the Gaming Agents. Surveillance retention is only fourteen (14) days, so there was no way of

knowing how many days the audio had been malfunctioning, but it was confirmed to be malfunctioning for at least fourteen (14) days. When Gaming Agents questioned the Director of Surveillance how this went unnoticed, he stated that apparently no one checked the audio.

34. 68 IAC 12-1-5(d) provides that the playing surface of the live gaming devices must be viewed by the surveillance system with sufficient clarity to do the following:
 - (1) Determine the following:
 - (A) Wagers.
 - (B) Card values.
 - (C) Game results.
 - (2) Clearly observe, in detail, the following:
 - (A) Chip trays.
 - (B) Cash receptacles.
 - (C) Tip boxes.
 - (D) Dice.
 - (E) Shuffle machines.
 - (F) Card shoes.
35. 68 IAC 12-1-7(a) provides all recordings must be kept in accordance with this section.
36. 68 IAC 12-1-7(b)(2) provides recordings depicting routine activity must be retained a minimum of seven (7) days.
37. 68 IAC 12-1-9(a) provides surveillance equipment that is out of service due to malfunction must be as follows: (1) Immediately: (A) reported to an enforcement agent; and (B) repaired or the equipment replaced with: (AA) alternative camera coverage; or (BB) live surveillance at the discretion of the enforcement agent; or (ii) activity in the area affected by the malfunction must be ceased and security personnel shall guard the area until coverage is restored.
 - (2) Repaired within twenty-four (24) hours.
38. Harrah's Hoosier Park's approved internal control procedures, K-5, describe surveillance procedures and the daily camera check requirements.
39. On July 30, 2020, Surveillance notified Gaming Agents that a dedicated camera over a blackjack table had went out for approximately six (6) hours but two (2) other cameras had general overviews of the table. The table had been closed during this time. The camera was repaired.
40. On August 3, 2020, a Gaming Agent attempted to pull up the camera that had previously malfunctioned. The Gaming Agent called Surveillance and was advised the camera was down again. The table was in play when the camera went out. The camera had been discovered to be out for thirty-two (32) hours. The Director of Surveillance provided that each shift is required to do a camera check but said the previous two (2) days had been

busy and that may have contributed to it. The table was active for sixteen (16) hours with no overhead dedicated coverage.

41. 68 IAC 12-1-5(f)(6) provides electronic gaming device surveillance must be capable of providing dedicated coverage on progressive games.
 - (A) An electronic gaming device or group of electronic gaming devices with a possible jackpot payout in excess of fifty thousand dollars (\$50,000).
 - (B) The progressive display showing the incrementation of the progressive jackpot for an electronic gaming device or a bank of electronic gaming devices.
42. Harrah's Hoosier Park approved internal controls, K-7, describe the procedures for surveillance and the coverage of progressive games.
43. On August 4, 2020, the Director of Surveillance and Regulatory Compliance Manager self-reported that three (3) linked progressive electronic gaming devices (EGD) with a jackpot payout over \$50,000 did not have dedicated surveillance coverage. The lack of coverage was identified by a Surveillance Tech while walking the casino floor and immediately reported it to the Director of Surveillance.
44. On July 16, 2020, the EGD's had been repositioned to allow for social distancing. Since they were not disconnected from the system and merely repositioned, the EGD's were not on an EGD system change request. Since the EGD's were facing different directions, they no longer had dedicated coverage.
45. On August 12, 2020, a Surveillance Tech notified Gaming Agents that while walking the casino floor he noticed an EGD bank had a linked progressive in the amount of \$45,796 and there was not dedicated coverage.

COUNT VIII

46. 68 IAC 14-7-4(a) & (b) provides that before the initial use of the roulette wheel at a roulette table, the wheel shall be inspected and balanced by or in the presence of a gaming agent using a balancing level. 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.
47. On March 2, 2020, Gaming Agents became aware that a roulette wheel had not been inspected prior to being put into play on March 1, 2020.
48. 68 IAC 15-12-3 provides live gaming device fills shall proceed in the following manner:
 - (1) The appropriate occupational licensee shall initiate a live gaming device fill by completing an input form. The input form is either carried to the casino cage or the information is electronically transmitted to the casino cage.
 - (2) The appropriate occupational licensee uses the input form to prepare and print a live gaming device fill slip.
 - (3) Surveillance shall be notified that a live gaming device fill is being processed.

(4) Based on the information contained on the fill slip, the casino cashier shall prepare the proper denomination and amount of chips and sign the fill slip. The casino cashier shall sign the fill slip, summon a security officer, and present the chips and the fill slip to the security officer.

(5) The security officer shall verify that the denomination and amount of chips match the amount on the fill slip. The security officer shall sign the fill slip after verifying the chips match the fill slips. The security officer who begins the live gaming device fill must complete the process of witnessing, escorting, and signing the appropriate documentation to verify that the live gaming device fill was completed. If there is a discrepancy with the live gaming device fill, the same security officer who began the live gaming device fill must accompany the fill back to the cage to resolve the discrepancy.

(6) The casino cashier shall retain one (1) copy of the fill slip in the casino cage.

(7) The security officer shall transport the chips to the appropriate pit area.

(8) The appropriate level of occupational licensee shall count the chips that are received as a live gaming device fill to ensure the denomination and amounts received match the amount and denomination reflected on the fill slip.

(9) If the amounts in subdivision (4) agree, the occupational licensee who counted the fill shall sign the fill slip. The pit supervisor or the equivalent shall also sign the fill slip. A copy of the fill slip or the original shall be inserted into the drop box of the live gaming device that received the fill. A copy of the fill slip or the original fill slip shall be returned to the casino cage.

(10) If the amounts in subdivision (4) do not agree, the fill slip shall not be signed and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips and the fill slip to the casino cage.

(b) The casino cashier or appropriate department shall use copies of the completed live gaming device fill slip to balance the cage. All completed live gaming device fill slips shall be used to complete the soft count.

(c) If a live gaming device fill slip was erroneous, it shall be voided and a new live gaming device fill slip generated. The person voiding the fill slip shall indicate the reason the slip was voided and sign the slip. A voided live gaming device fill shall be retained and deposited into a locked accounting box.

49. On February 16, 2020, a Cage Supervisor notified Gaming Agents of a \$2,000 variance from the chip bank due to incorrect table fill. The table fill requested was for \$4,400; however, the Cage Cashier sent out a table fill in the amount of \$6,400. The incorrect was not caught by Cage, Surveillance, Security, or Table Games at the time of the fill.

50. On June 16, 2020, Surveillance notified Gaming Agents that a \$20,000 overage/variance had occurred in the chip bank due to an incorrect table fill. The variance occurred when the fill was initially miscounted by the Cage Shift Supervisor who counted \$83,300.00. The actual chip count for the table fill was \$103,300.00. The incorrect fill was not caught by Cage, Surveillance, Security, or Table Games.

51. On July 22, 2020, Surveillance notified Gaming Agents of a \$2,000 variance from the chip bank due to incorrect table fill. The variance occurred when the fill was initially

miscounted by the Cage Shift Supervisor who counted \$12,060.00. The actual chip count for the table fill was \$14,060.00. The incorrect fill was not caught by Cage, Surveillance, Security, or Table Games.

52. On August 4, 2020, Surveillance notified Gaming Agents of a table fill error that occurred on August 3rd. A Cage Supervisor had requested a review due to a \$2,000 variance. The table fill amount requested was \$2,870; however, the fill amount sent out to the table was for \$4,870. The incorrect fill was not caught by Cage, Surveillance, Security, or Table Games.

TERMS AND CONDITIONS

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

Hoosier Park shall pay to the Commission a total of \$29,000 (\$3,000 for Count I, \$2,000 for Count II, \$1,000 for Count III, \$1,500 for Count IV, \$500 for Count V, \$4,000 for VI, \$10,000 for Count VII, and \$7,000 for Count VIII) 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, Hoosier Park agrees to promptly remit payment in the amount of \$29,000 and shall waive all rights to further administrative or judicial review.

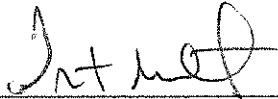
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or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

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



Trent McIntosh, General Manager
Hoosier Park, LLC

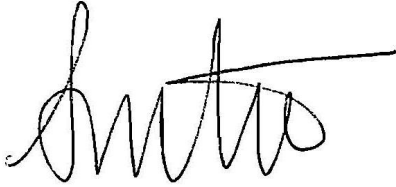
Date

11/12/20

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Sara Gonso Tait, Executive Director
Indiana Gaming Commission

11/20/20

Date

Trent McIntosh, General Manager
Hoosier Park, LLC

Date