

**ORDER 2021-163
IN RE SETTLEMENT AGREEMENT**

**HOOSIER PARK, LLC
d/b/a HARRAH'S HOOSIER PARK
21-HP-03**

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

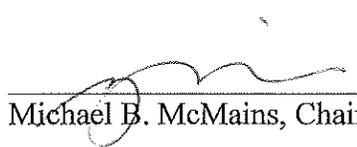
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

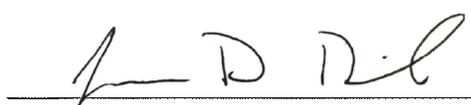
IT IS SO ORDERED THIS THE 29th DAY OF SEPTEMBER, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
HOOSIER PARK, LLC)	21-HP-03
d/b/a HARRAH'S HOOSIER PARK)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small 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 11-9-2(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. Hoosier Park's approved internal control procedures describe the procedures for the Child Support Arrears Delinquency Registry in N-1.
4. Gaming Agent's audited the Child Support Arrears Delinquency Registry ("CSADR") for April 2021. The results of this audit found one (1) individual was 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 one (1) individual was 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) individual was not searched through the CSADR system at the time a taxable jackpot was won.

COUNT II

7. 68 IAC 11-3-6 provides the requirements for the soft count process, including the procedures for dropping and counting the bill validator boxes. Any variances of 2% or

more shall be immediately investigated. Surveillance shall visually record the entire soft count process.

8. 68 IAC 12-1-5(a)(1) and (b)(2) provides surveillance employees shall monitor regularly the surveillance system coverage of the areas described in this section, including the soft count room and have dedicated coverage capable of clearly identifying employees and the value of cash and cash equivalents.
9. The 24-hour Gaming Operations Plan provides that a surveillance employee shall be dedicated to observing the count process.
10. Harrah's Hoosier Park's approved internal control procedures, J-5, describe the procedures for the soft count process.
11. On June 10, 2021, a Count Team Lead and a Revenue Audit Clerk notified Gaming Agents that several "hot" boxes were not appearing on the audit forms following the completion of the drop. The Count Room Lead advised the boxes may have been inadvertently left on a cart during the count or a computer glitch may have occurred during the drop that caused the system to not save the data from the boxes. Surveillance was notified to review the drop process to identify the status and location of the missing boxes. The Count Team Lead requested approval to re-enter the Count Room to look for the boxes and were granted approval.
12. Approximately an hour later, the Count Team Lead and Revenue Audit Clerk reported that thirty-six (36) to forty (40) boxes had been missed while unloading one of the drop carts. A review of surveillance coverage determined that the "hot" boxes had been left on a drop cart by the Count Room Manager.
13. A variance report was provided to the Gaming Agents, which stated that Revenue Audit discovered the discrepancy when "hot" boxes that were known to be dropped did not appear on the slot data system report. There were thirty-nine (39) boxes not counted, which created a \$230,819 shortage in the count resulting in a 5.5% variance. The total count amount, including the missing boxes, was \$4,207,155.
14. The Surveillance Operator observing the count failed to notice the "hot" boxes had been left on the drop cart and had not been counted.

COUNT III

15. 68 IAC 15-7-3 provides (a) the casino licensee shall require, on a daily basis, the revenue auditor or its equivalent to perform certain procedures on the calculation of the electronic gaming device win. These procedures shall include, at a minimum, the following: (1) Tracing the total of the "bills-in" meter readings as recorded by the bill acceptor flash report or equivalent to the actual count performed by the soft count team to verify agreement. (2) Generating the following reports and reconcile them with all validated/redeemed TITOs: (A) Ticket issuance report. (B) Ticket redemption report. (C)

Ticket liability report. (D) Ticket drop report. (E) Transaction detail report. (F) Cashier report. (3) Reviewing all voided electronic gaming device jackpots for accuracy and proper handling. Verify proper number of authorized signatures. (4) Tracing the electronic gaming device count documentation into the cage checkout sheet and subsequent posting to the general ledger. (5) Verifying that all manual electronic gaming device jackpots are entered into the central computer system. (b) The casino 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 and the commission staff. (c) Any variances or discrepancies that affect the calculation of the electronic gaming device win shall be adjusted for in the financial statements and reported on Form RG-1 for the appropriate gaming day. (d) The casino licensee shall require the revenue auditor or its equivalent to perform certain procedures, on a sample basis, on the electronic gaming devices on a daily basis. These procedures shall be performed for both computerized and manual forms and shall include, at a minimum, the following: (1) Comparing the original electronic gaming device jackpot slips to the duplicate jackpot slips to verify accuracy. (2) Reviewing the electronic gaming device jackpot slips for the proper number of authorized signatures. (3) Verifying and accounting for the numerical sequence of the electronic gaming device jackpot slips. (4) Recalculating the electronic gaming device documentation for accuracy and recording. (5) Randomly selecting certain days to verify the accuracy of the total of jackpots and re-foot and trace to the jackpot report. (e) The casino licensee shall require that all variances or discrepancies of greater than two percent (2%) from subsection (a) or (d) shall be investigated, recorded, and reported to the head of the accounting department or equivalent. (f) Any variances or discrepancies that affect the calculation of the electronic gaming device win shall be adjusted for in the financial statements and reported on Form RG-1 for the appropriate gaming day.

16. On July 12, 2021, a Financial Controller notified Gaming Agents that a variance totaling \$118,924.97 was discovered. A report provided stated that the Casino Accounting Manager discovered TITOs printed by an electronic gaming device ("EGD") had not been included in the Financial Detail Report generated by the slot data system ("SDS"). The data for the TITOs was recorded in the SDS Ticket Issued Report but that data had not populated in the Financial Detail Report. Further, the report explained that since the TITOs from the EGD were not included in the revenue calculations, a misrepresentation of earned revenue was used to calculate the gaming taxes paid to the State. When the issue was discovered on July 9, 2021, the amount of the variance was thought to be insignificant, but upon further investigation, it was determined that the issue had begun on May 21, 2021 and lasted until July 21, 2021; a period of approximately fifty (50) days. This led to a variance of \$118,924.97 in overstated revenues and an overstated daily tax calculation of \$34,365.31.
17. Harrah's Hoosier Park believes an undetermined technical issue related to the iView/Soft GMU communication and SDS led to the significant variance and incorrect tax reporting; however, this was not properly audited by the casino.

COUNT IV

18. 68 IAC 1-5-1(1) & (10) 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 casino or supplier licensee or if apparent criminal activity has taken place at the casino. A casino licensee shall submit the notice required under this subdivision to a gaming agent in addition to submitting it to the executive director.
19. 68 IAC 15-10-4.1(b) provides that cage variance of five hundred (\$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.
20. On March 30, 2021, Security notified Gaming Agents that a Security Shift Supervisor requested Gaming Agents presence at a restaurant on the casino floor due to a verbal altercation between a disorderly married couple. During the criminal investigation, it was determined that the Security Shift Supervisor failed to report a physical battery that was committed by the wife despite recently being issued a "read and sign" by the casino in regard to the obligation to report apparent criminal activity immediately to Gaming Agents. Surveillance had not been notified of the incident either.
21. On June 9, 2021, Surveillance notified Gaming Agents that they had observed someone laundering money. A full review had been completed, and it was determined that the same suspect had done something similar a week prior. A Table Games Supervisor called Surveillance requesting a Suspicious Activity Report, as he overheard a patron saying he only wanted to buy-in but had no intention of playing and merely wanted to exchange money. This was a red flag for criminal activity. Surveillance began tracking the patron's movements and actions in real time. After observing the patron exchange \$1,900 at the Cage, the patron handed a second patron a stack of money. The second patron exchanged these bills at the Cage, then turned those bills over to the first patron, another red flag for criminal activity. Surveillance did not notify Gaming Agents of this activity until four (4) hours and seventeen (17) minutes after the patron left the property.
22. On June 25, 2021, the Financial Controller sent a variance notification to Gaming Agents. The variance had occurred on March 10, 2021, in the amount of \$1,377.47. Cage variances should be reported one (1) business day after the discovery of the variance.

COUNT V

26. 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.

27. On July 6, 2021, an EGD Tech inquired with a Gaming Agent to find if an electronic gaming device ("EGD") had been coin tested as the Slot Department did not have any paperwork showing it had been tested. It was determined that the EGD had not been tested and was currently in play. Additionally, a patron won a jackpot on the EGD while it was in service without a coin test.
28. 68 IAC 2-6-40(d) provides a progressive controller entry authorization log must be maintained within each controller. The log shall be on a form prescribed by the commission and completed by an individual gaining entrance to the controller.
29. On April 18, 2021, a Gaming Agent and an EGD Tech were conducting an EGD audit o when it was determined that the progressive controller did not have a progressive entry authorization log.

COUNT VI

30. 68 IAC 12-1-5.5(2) provides surveillance employees shall visually record observed criminal activity when it is known to have occurred on the property directly or indirectly owned or operated by a casino licensee.
31. Harrah's Hoosier Park approved internal control procedures, K-7, describe the procedures of the Surveillance Department.
32. On August 5, 2021, a Commission Investigator went to the Surveillance Department to obtain DVD of surveillance coverage for a criminal investigation; however, the coverage had not been saved as required and was no longer available.

COUNT VII

33. 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.
34. On April 16, 2021, Gaming Agents became aware of a table inventory closer violation. The paperwork had an overage of \$500.

35. On May 14, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$13,100 in black \$100 chips. The physical inventory was actually \$15,100 in black \$100 chips.
36. On May 30, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted a total of \$6,600 in green \$25 chips. The physical inventory was actually \$3,600 in green \$25 chips.
37. On May 30, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$39,000 in yellow \$20 chips. The physical inventory was actually \$41,000 in yellow \$20 chips.
38. On July 8, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$36,000 in chips. The physical inventory was actually \$26,000 in chips.
39. On July 25, 2021, Gaming Agents became aware of a table inventory closer violation. The paperwork was understated by \$500.
40. On August 14, 2021, Gaming Agents became aware of a table inventory closer violation. The form noted \$29,500 in purple \$500 chips. The physical inventory was actually \$39,500 in purple \$500 chips.
41. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills.
42. On April 10, 2021, a Table Games Casino Manager self-reported that a table fill was delivered to an incorrect table game and was accepted at the game.

COUNT VIII

43. 68 IAC 2-3-9.2(b) provides riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when one (1) of the following events occurs with an occupational licensee: (1) The occupational licensee's employment with the riverboat licensee is terminated for any reason. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
44. On July 7, 2021, the Manager of Regulatory Compliance notified Gaming Agents that a Racing and Sports Book Ticket Writer/Mutuel Teller voluntarily separated on April 26, 2021. The Commission was not timely notified.

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, 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, \$3,000 for Count II, \$7,500 for Count III, \$3,000 for Count IV, \$2,500 for Count V, \$1,500 for Count VI, \$7,500 for Count VII and \$1,000 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.

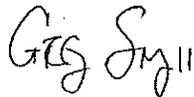
Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Hoosier Park agrees to promptly remit payment in the amount of \$29,000 and shall waive all rights to further administrative 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.

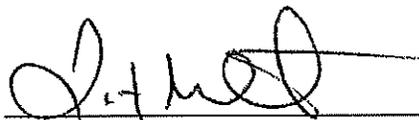
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below



Greg Small, Executive Director
Indiana Gaming Commission

9/28/21

Date



Trent McIntosh, General Manager
Hoosier Park, LLC

9/23/21

Date