

**ORDER 2022-152
IN RE SETTLEMENT AGREEMENT**

**INDIANA GAMING COMPANY, LLC
d/b/a HOLLYWOOD CASINO LAWRENCEBURG
22-HW-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 27th DAY OF SEPTEMBER, 2022.

THE INDIANA GAMING COMMISSION:


Milton Thompson, Chair

ATTEST:


Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, LLC)	22-HW-03
d/b/a HOLLYWOOD CASINO)	
LAWRENCEBURG)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Greg Small and Indiana Gaming Company, LLC d/b/a Hollywood Casino Lawrenceburg ("Hollywood"), (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(a) 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. 68 IAC 27-5-2(2)(X) provides 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. Hollywood's approved internal control procedures, Part I: Section K and Part VII: Section F, describe the procedures for the child support intercept process.
 6. Gaming Agent's audited the Child Support Arrears Delinquency Registry (CSADR) for April 2022. The results of this audit found two (2) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.
 7. Gaming Agent's audited the Child Support Arrears Delinquency Registry (CSADR) for May 2022. The results of this audit found one (1) individual was not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

COUNT II

8. IC 4-33-9-12(a) provides 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.
9. 68 IAC 1-11-1(c) provides a person under twenty-one (21) years of age shall not be present in a casino.
10. On May 28, 2022, Surveillance notified Gaming Agents that the Security Department had received a tip that an underage person was inside Boogie Nights Dance Club on the casino floor. A review of surveillance coverage determined that the underage person was carded and questioned by a Security Officer. Another Security Officer also checked the identification. Security then allowed the underage person to enter the casino floor. The underage person was nineteen (19) years old. Based on the

identification presented by the underage person, Security should have identified that the underage person was not the same person as the identification she presented.

11. On July 22, 2022, Surveillance notified Gaming Agents that an underage person was identified at the Cage. The underage person was nineteen (19) years old and presented a Canadian passport to the Cage and was identified as being underage. A review of surveillance coverage determined that the underage person presented her Canadian identification initially and was turned away. The underage person returned approximately fifteen (15) minutes later and presented her Canadian passport. The underage person was allowed to enter the casino.

COUNT III

12. 68 IAC 2-6-37(a) provides during the normal operating mode of the progressive controller, the controller must do the following: (1) Continuously monitor each electronic gaming device attached to the controller to detect credits wagered. (2) Multiply the credits wagered by the programmed rate of progression and denomination in order to determine the correct amounts to apply to the progressive jackpot. (b) The progressive display must be constantly updated as play on the link is continued. It will be acceptable to have a slight delay in the update as long as when a jackpot is triggered the jackpot amount is shown immediately. (c) At least one (1) progressive display to which a group of progressive electronic gaming devices is linked must continuously display the amount of the progressive jackpot that a patron may win.
13. On June 14, 2022, the Director of Casino Operations notified Gaming Agents that a progressive electronic gaming device ("EGD") had not been incrementing since March 7, 2022. The Director of Casino Operations explained that when a system error occurred and was cleared by a Slot Technician, the progressive option can lose its setting. Hollywood experienced a power outage on March 5, 2022, and March 7, 2022. The EGD was placed out of service due to a low battery error caused by the power outage.
14. On March 9, 2022, the low battery was replaced and the EGD went into a system error when powered back on. After the Slot Technician keyed off the system error, the progressive setting was disabled. The Slot Technician's did not think clearing the system error would result in the progressive setting being disabled. The Slot Technician's failed to properly verify the progressive setting prior to placing the EGD in service.
15. In April 2006, IGT released a customer service advisory on this EGD and software noting that upon resetting a system error, the progressive settings will be cleared. IGT recommended that operators verify the settings for all EGD options after the system error is cleared.

16. On June 17, 2022, a Slot Technician and Gaming Agent checked the progressive setting on the EGD. The progressive on the EGD was disabled and the game did have the software in which IGT sent the customer advisory for.
17. The Director of Casino Operations worked with accounting to determine the coin-in from March 7, 2022, to June 14, 2022, so they could add the incrementation amount to the meter.
18. Hollywood has a waiver to perform a weekly progressive audit. The Slot Department conducts the weekly audit and then sends their information to accounting for verification. The Gaming Agent inquired with the Revenue Audit Manager to determine how this was missed. The Revenue Audit Manager provided that the variance was so small, it was out of their research range. Revenue Audit has made changes to their audit to prevent this in the future.

COUNT IV

19. 68 IAC 27-1-2(16) defines a prohibited sports wagering participant as an individual listed on the commission's exclusion list kept under 68 IAC 6-1, that has a voluntarily excluded person (VEP) status as defined under 68 IAC 6-3 or has signed up for the statewide internet self-restriction program (ISRP).
20. 68 IAC 27-13-2(d) provides that sports wagering operators must restrict wagering by statewide Internet self-restriction participants and may not market to statewide Internet self-restricted participants.
21. 68 IAC 6-3-4(a) provides each casino licensee and casino license applicant shall establish internal control procedures for compliance with this rule, which shall be submitted and approved under 68 IAC 11.
22. 68 IAC 6-3-4(b)(3) provides the internal controls must, at a minimum, address that the casino licensee must refuse wagers from and deny gaming privileges to any voluntarily excluded person.
23. 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.
24. Hollywood's approved internal control procedures, Part VII – Section J, describes mobile wagering.
25. On July 5, 2022, a Gaming Agent conducted the 2nd quarter prohibited participant audit for Penn Sports Interactive. The results of this audit identified one (1) prohibited participant omission.

26. The prohibited participant in question was not flagged as an Indiana exclusion. The prohibited participant was marked as an Illinois self-exclusion. Hollywood's Compliance Department failed to properly enter the prohibited participant as an Indiana exclusion in their PennGen database which led Penn Interactive to not properly restrict the prohibited participant.
27. On July 5, 2022, a Gaming Agent conducted a 2nd quarter prohibited participant audit for PointsBet. The results of this audit identified one (1) prohibited participant discrepancy. It was determined that Hollywood provided an incorrect spelling to PointsBet which resulted in PointsBet not being able to properly restrict the prohibited participant. The notice from the Commission to Hollywood was spelled correctly.

COUNT V

28. 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.
29. On July 30, 2022, a Gaming Agent was verifying electronic gaming devices ("EGD") from a recent EGD move and it was determined that three (3) EGD's in service had not passed a coin test. All three (3) EGD's had play on them while in-service without a coin test.
30. 68 IAC 2-6-6(c)(3)(A) provides if a casino licensee converts an electronic gaming device, a Gaming Agent shall perform a digital signature verification on the control program media to ensure that the control program media being installed match those on the request for conversion.
31. On May 12, 2022, a Slot Performance Assistant Manager notified Gaming Agents that three (3) EGD's were put into service without the digital signatures being verified by the Gaming Agents. The EGD's had passed the coin testing, so the Slot Performance Assistant Manager assumed that the signatures had been verified. The EGD's were in service for approximately one (1) day.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Hollywood by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38, 68 IAC, and/or Hollywood's approved internal control procedures. The Commission and Hollywood hereby agree to a

monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Hollywood.

Hollywood shall pay to the Commission a total of \$27,500 (\$3,000 for Count I, \$12,000 for Count II, \$5,000 for Count III, \$1,500 for Count IV and \$6,000) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in the Findings 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, Hollywood agrees to promptly remit payment in the amount of \$27,500 and 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 Hollywood.

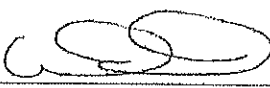
IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Greg Small, Executive Director
Indiana Gaming Commission

9/26/2022

Date



Mike Galle, General Manager
Indiana Gaming Company, LLC

9-20-2022

Date