

**ORDER 2022-154
IN RE SETTLEMENT AGREEMENT**

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

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| IN RE THE MATTER OF: |) | |
| |) | SETTLEMENT |
| CENTAUR ACQUISITION, LLC |) | 22-HI-03 |
| d/b/a HORSESHOE INDIANAPOLIS |) | |
| |) | |

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 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. Horseshoe Indianapolis’ approved internal control procedures, N-1 and V-17, describe the procedures for Child Support Intercept Process.
4. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for June 2022. The results of this audit found three (3) individuals were not searched through the CSADR system at the time a taxable jackpot was won.

COUNT II

5. 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.
6. On May 2, 2022, a Slot Tech Supervisor notified Gaming Agents that an electronic gaming device (“EGD”) was placed into service without a coin test on April 19, 2022. The EGD had play and was in service for thirteen (13) days, twenty-three (23) hours and

twenty-six (26) minutes without a coin test. While investigating, the Gaming Agent discovered two (2) additional EGD's in-service without a coin test. One (1) EGD was in service without a coin test for twenty-six (26) hours and forty-two (42) minutes. The second EGD was in service without a coin test for thirty-eight (38) days and forty-two (42) minutes.

7. On May 8, 2022, a Slot Technical Supervisor notified a Gaming Agent that an EGD was found in service without a coin test. A review of surveillance coverage determined that on May 7, 2022, a Slot Attendant placed the EGD in service. The EGD was in service for one (1) day, nine (9) hours and twenty-three (23) minutes.

COUNT III

8. 68 IAC 27-10-3(d) provides if the system generated sports wagering window net receipts for the shift do not agree with the sports wagering count sheet total plus the sports wagering inventory, the shift supervisor shall record any overage or shortage. If the count does not agree, the cashier and the shift supervisor shall attempt to determine the cause of the discrepancy in the count. Any discrepancy that cannot be resolved by the cashier and the shift supervisor shall be reported in writing to the department supervisor in charge at such time. Any discrepancy in excess of five hundred dollars (\$500) shall be reported to the commission. The report shall include the: (1) date on which the discrepancy occurred; (2) shift during which the discrepancy occurred; (3) name of the cashier; (4) name of the supervisor; (5) window number; and (6) amount of the discrepancy.
9. On May 24, 2022, a Gaming Agent was reviewing a sportsbook report provided by Revenue Audit. The Gaming Agent discovered there was a variance in a sportsbook drawer of \$520.45 on May 1, 2022. The variance was found when Revenue Audit was completing their audit on May 6, 2022. It was determined that the variance was a result of a Cage Supervisor not redeeming one of the winning vouchers and it washed when they conducted their audit. Gaming Agents were not notified of this variance as required. The Gaming Agent also reminded Revenue Audit that even though it washed it was still a variance and needed to be reported as such to the Commission.
10. 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.
11. Horseshoe Indianapolis' approved internal control procedures, Y-6, describes the poker bank procedures.
12. On May 24, 2022, Surveillance notified Gaming Agents that a Poker Shift Manager failed to notify surveillance when transporting \$700 in chips from the employee service window to the poker room bank.

13. On June 21, 2022, Surveillance notified Gaming Agents that a Poker Floor Supervisor failed to notify Surveillance when transporting \$7,393 in chips from the employee service window to the poker room bank.
14. On June 29, 2022, Surveillance notified Gaming Agents that a Poker Floor Supervisor failed to notify Surveillance when transporting \$16,210 in chips from the employee service window to the poker room bank.
15. 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.
16. Horseshoe Indianapolis' approved internal control procedures, U-19, describes the jackpot payout procedures.
17. On June 11, 2022, Surveillance notified Gaming Agents that while auditing the daily logs, a large table tax return was discovered. Surveillance contacted the Assistant Table Games Shift Manager to inquire about the log entry and was told that there had been a \$25,000 jackpot. Table Games failed to contact surveillance for verification of the jackpot.

COUNT IV

18. IC 4-35-7-2 provides except as provided in subsection (c), a person who is less than twenty-one (21) years of age may not be present in the area of a racetrack where gambling games are conducted.
19. 68 IAC 1-11-1(c) provides a person under twenty-one (21) years of age shall not be present in a casino.
20. On July 7, 2022, Security requested Gaming Agents at the garage casino entrance due to a suspicious identification. Upon inspection, the Gaming Agent determined that the identification was counterfeit. It was determined that the person presenting the counterfeit identification was underage. A review of surveillance coverage determined that the underage person was allowed access to the casino floor on July 1, 2022, and July 2, 2022 using the counterfeit identification. On July 1, 2022, and July 2, 2022, the identification was scanned three (3) times and failed verification.

COUNT V

21. 68 IAC 1-12.5-2(a)(1) provides a casino licensee shall submit a promotional event to the commission for approval or review at least fifteen (15) days prior to the promotional event if the promotional event is listed under sections [section] 1(d) or 1(e) of this rule.

22. 68 IAC 1-12.5-2(c) provides a submission for approval or review under subsection (a) must include the following: (1) A copy of the official rules. (2) A detailed description of the ways a patron can win. (3) A copy of the marketing materials. (4) A copy of documents used in the implementation of the promotional event. (5) The signature of the casino licensee's general manager or designee.
23. On July 8, 2022, Gaming Agent investigated a promotional violation.
24. On June 18, 2022, a Marketing Coordinator submitted a July Golden Games promotion to the Commission for review and approval. The promotion was scheduled for July 5, 2022.
25. On June 24, 2022, the Commission's Promotions Coordinator requested some revisions be made to the promotional submission.
26. On July 1, 2022, the Commission's Promotions Coordinator resent her email correspondence regarding the promotional submission.
27. Horseshoe Indianapolis ran the promotion without Commission approval.

COUNT VI

28. 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.
29. 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.
30. On May 26, 2022, Security notified Gaming Agents that a set of sensitive keys were found on the casino floor near a kiosk. A patron found the keys and turned them over to a Slot Attendant. The keys include a float lid key, roulette float lid key, roulette head cover, table game podium, craps lid, roulette padlock and table game cabinets under the tables.
31. On June 7, 2022, Security notified Gaming Agents that a set of sensitive keys had been taken off the property by a Dual Rate Floor Supervisor/Dealer. The key alarm did not sound when the keys were taken off the property or when the Dual Rate Floor Supervisor/Dealer returned to the property. The sensitive key was off property approximately twenty (20) minutes and operated the locks for the poker room cage/cashier locks.
32. On June 17, 2022, Security notified Gaming Agents that a set of sensitive keys had been taken off the property by a Floor Supervisor. An alarm did sound when the Floor Supervisor left the casino, however, the Floor Supervisor denied having any keys in his possession. The keys include a float lid key, roulette float lid key, roulette head cover,

table game podium, craps lid, roulette padlock and table game cabinets under the tables. They were off property for approximately twenty-one (21) minutes.

33. On June 24, 2022, Security notified Gaming Agents that a set of sensitive keys had been taken off the property by a Cage Cashier. The key alarm did not sound when the keys were taken off the property or when the Cage Cashier returned to the property. The keys were off property for approximately twelve (12) hours.
34. On June 24, 2022, Security notified Gaming Agents that a set of sensitive keys were found in the back of house corridor on a shelf. A Dual Rate Floor Supervisor/Dealer left his sensitive keys unattended and unsecured near the table game sign-in sheets. A Slot Attendant discovered the keys and alerted Security. The keys were unsecured for approximately nine (9) minutes.
35. On July 12, 2022, Security notified Gaming Agents that a set of sensitive keys had not been returned by a Race Sportsbook Ticket Writer. The sensitive keys included a key to the sportsbook money drawer. The keys were later found in the cashier drawer. The keys were unsecured for approximately eleven (11) hours.
36. On July 19, 2022, a Cage Supervisor notified Gaming Agents that a set of sensitive keys had been taken off the property by a Cage Cashier. Another Cage Supervisor had checked out the keys for the Cage Cashier because the Cage Cashier had not had his finger scanned for the key tracking system. The keys were off property for approximately eleven (11) hours. The keys were ultimately replaced, however, a fine is still warranted given that multiple employees violated the key control rules.

COUNT VII

37. 68 IAC 15-12-3(c) provides 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.
38. On May 25, 2022, Security notified Gaming Agents that a table fill was delivered to a table game, however, the table fill slip did not match the denominations and amount of chips delivered to the table. The fill slip was for \$1,000 in green \$25 chips. The Cage Cashier prepared the fill with \$5,000 green \$25 chips. The table fill was corrected without properly voiding the fill slip.
39. On May 27, 2022, Surveillance notified Gaming Agents that a table fill was delivered to a table game, however, the table fill slip did not match the denominations and amount of chips delivered to the table. The fill slip was for \$1,000 in green \$25 chips. The Cage Cashier prepared the fill with \$2,000 in green \$25 chips. The table fill was corrected without properly voiding the fill slip.

40. On July 11, 2022, Surveillance notified Gaming Agents that a table fill was delivered to a table game, however, the table fill slip did not match the denominations and amount of chips delivered to the table. The fill slip was for \$100 in pink \$2.50 chips. The Cage Cashier prepared the fill with \$100 in white \$1 chips. The table fill was corrected without properly voiding the fill slip.
41. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills.
42. On June 1, 2022, Surveillance notified Gaming Agents that a table fill was delivered to the wrong table game. The table fill was accepted at the wrong table by a Floor Supervisor and Dealer.
43. 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.
44. Horseshoe Indianapolis' approved internal control procedures, C-9, describe the cage and even exchanges.
45. On June 11, 2022, a Floor Supervisor notified Gaming Agents that a fill intended for the poker room was incorrect. A Floor Supervisor completed an even exchange at the employee service window for \$7,640. The even exchange requested \$7,000 in orange \$1,000 chips, \$500 in purple \$500 chips and \$140 in white \$1 chips. The Main Bank Cashier completed the even exchange incorrectly by giving the Floor Supervisor \$500 in red \$5 chips instead of the purple chip.
46. On June 19, 2022, Surveillance notified Gaming Agents that a Dual Rate Floor Supervisor/Dealer and Main Bank Cashier completed an even exchange that was short by \$10 (white \$1 chips). The Dual Rate Floor Supervisor/Dealer returned to the employee service window and collected the \$10 in white \$1 chips to be delivered to the poker room cage. The Dual Rate Floor Supervisor/Dealer failed to contact surveillance prior to conducting the transport.
47. 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.

48. On June 23, 2022, a Casino Manager notified Gaming Agents that a table inventory closer violation occurred. The table inventory closer form stated there were \$45,000 in purple \$500 chips, however, the physical inventory was \$45,500 in purple \$500 chips.

COUNT VIII

49. 68 IAC 15-10-4.1(a) states 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.

50. On May 19, 2022, Surveillance notified Gaming Agents that a variance occurred at the Main Cage when a Cage Cashier's drawer was over by \$541.14 at the end of the shift. Surveillance advised that they were able to locate the \$41.15 but failed to locate the remaining \$500. Multiple Surveillance team members and Supervisor attempted to determine the cause of the variance and were unable to do so. This variance remains unresolved.

COUNT IX

51. 68 IAC 15-6-4(b) provides vendors and visitors must report to security to complete the vendor and visitor log and to obtain a badge. When the vendor or visitor leaves the casino, the vendor or visitor must complete the appropriate portion of the log.
52. 68 IAC 15-6-4(e) provides the vendor and visitor log shall contain the following information:
- (1) The name of the vendor or visitor.
 - (2) The company or organization the vendor or visitor represents.
 - (3) The date and time the vendor or visitor entered the casino.
 - (4) The purpose that necessitates the vendor or visitor entering the casino.
 - (5) The date and time that the vendor or visitor exits the casino. The casino licensee is responsible for instituting a policy that ensures that vendor and visitor badges are returned to the security department and accounted for when the vendor or visitor exits the casino.
 - (6) If the person is a visitor, the individual who authorized the visitor's presence in the casino.
 - (7) Any other information deemed necessary by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.
53. On January 24, 2019, the Commission issued a memorandum to all casino licensees on occupational licenses and the usage of the vendor log which states vendor and visitor badges are not to be utilized by those who hold or should hold an individual license. If individuals referenced above attempt to access the gaming floor using a vendor or visitor badge, casino staff should assist in the matter by refusing entry and directing the individuals to local Gaming Agents for assistance.
54. On May 13, 2022, Security notified Gaming Agents that an individual was found in the hallway in front of the women's restroom near the Team Member Entrance/Exit without a vendor or visitor's badge. A review of surveillance coverage determined that the unbadged female entered the back of the house area with a Dual Rate Floor Supervisor/Dealer. The Security Officer assigned to Security Dispatch was away from the check-in window when they entered. Another Security Officer and non-gaming employee witnessed the Dual Rate Floor Supervisor/Dealer enter with an unbadged individual.

55. On June 3, 2022, Surveillance notified Gaming Agents that they observed a Poker Trainee enter the back of the house area through the Team Member Entrance/Exit with his girlfriend. A review of surveillance coverage determined that the girlfriend was initially turned away from entering the casino. The two (2) individuals then attempted to enter Horseshoe Indianapolis through the bridge doors. Next, they attempted to enter through the can wash doors with no success. They finally entered through the back of the house through the B4 doors and proceeded past Security Dispatch. They tried to enter the casino floor but could not unlock the doors. They were located at this time back of house without the appropriate badging.
56. On June 11, 2022, Surveillance notified Gaming Agents that a patron had entered the back of house area through the Team Member Entrance/Exit. A review of surveillance coverage determined that the unknown patron entered the back of house area and walked past the Security Officer working at Security Dispatch. The patron attempted to enter the casino floor from the back of house areas but was initially unsuccessful. A Main Bank Cashier was present in the area and allowed the patron access to the casino floor.

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 \$40,500 (\$3,000 for Count I, \$7,500 for Count II, \$5,000 for Count III, \$4,500 for Count IV, \$1,500 for Count V, \$7,500 for Count VI, \$6,500 for Count VII, \$2,000 for Count VIII and \$3,000 for Count IX) 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: 1) promptly remit payment in the amount of \$40,500 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.

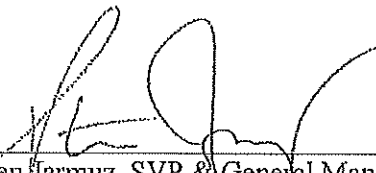
This Agreement shall be binding upon the Commission and Horseshoe Indianapolis.

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

9/26/2022
Date



Steven Jarmuz, SVP & General Manager
Centaur Acquisition, LLC

9/22/22
Date