

**ORDER 2022-218  
INDIANA GAMING COMPANY, LLC d/b/a HOLLYWOOD CASINO  
LAWRENCEBURG  
22-HW-04**

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

**APPROVED**

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APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 15<sup>th</sup> DAY OF DECEMBER, 2022.**

**THE INDIANA GAMING COMMISSION:**



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Milton O. Thompson, Chair

ATTEST:



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Jason Dudich, Secretary

STATE OF INDIANA  
INDIANA GAMING COMMISSION

IN RE THE MATTER OF: )  
 )  
INDIANA GAMING COMPANY, LLC ) SETTLEMENT  
d/b/a HOLLYWOOD CASINO ) 22-HW-044  
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 July 2022. The results of this audit found one (1) individual was not searched through the CSADR system at the time a taxable jackpot was won.
7. Gaming Agent's audited the Child Support Arrears Delinquency Registry (CSADR) for September 2022. The results of this audit found three (3) individuals were not searched through the CSADR system at the time sports wagering winnings in excess of \$600 was won.

## COUNT II

8. 68 IAC 2-6-6(c) provides the requirements for converting an electronic gaming device.
9. 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.
10. 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.
11. 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.

12. Hollywood's approved internal control procedures, Part I: Section K, describe the procedures for the Child Intercept Process.
13. 68 IAC 15-13-3 provides if a manually paid jackpot exceeds one thousand two hundred dollars (\$1,200), the casino licensee shall complete and file the forms required by the Internal Revenue Service.
14. Hollywood's approved internal control procedures, Part III Section I, describe the procedures for manually paid jackpots.
15. Hollywood's approved internal control procedures, Part III Section F, describe the procedures for currency wallet controls.
16. Hollywood's approved internal control procedures, Part III Section E, describe the procedures for EGD's and other features of EGD's.
17. On July 18, 2022, a Slot Performance Assistant Manager ("SPAM") notified Gaming Agents that an electronic gaming device ("EGD") failed to lock up after a \$1,200 jackpot. The SPAM was notified of the issue when a patron who had previously worked in the gaming industry won a \$1,200 jackpot on the EGD and it did not lock up. The patron's jackpot was ultimately processed correctly. The SPAM also placed the EGD out of service. Gaming Agents performed an inspection of the EGD and determined it was an older model EGD and the jackpot limit was set at \$1,200. The EGD was recently on a software conversion project that was performed by the Slot Department. These older EGD's often need to have the jackpot limit to be set one (1) credit below \$1,200 to properly trigger a jackpot and lock out the game. The Gaming Agents reviewed all sixteen (16) EGD's that were on the recent software conversion and all EGD's were discovered to be set incorrectly. These EGD's were also placed out of service.
18. Upon further investigation, the Gaming Agents were able to determine which Slot Techs set the EGD's incorrectly and two (2) Slot Manager signed off on the work completed by Slot Techs, failing to properly verify that the settings were incorrect. Two (2) \$1,200 jackpots had been won on two (2) separate EGD's during this time period.
19. On July 14, 2022, a \$1,200 jackpot was won, and a TITO ticket printed out. No taxes were collected on the winning jackpot.
20. On July 18, 2022, a \$1,200 jackpot was won, and a TITO ticket was printed out. This was the jackpot that was ultimately discovered and processed.
21. Since a W2-G was not completed for the taxable jackpot, Hollywood also failed to perform the required CSADR search.

## 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 \$9,000 (\$4,000 for Count I and \$5,000 for Count II) 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 \$9,000 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.

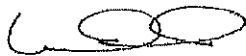
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by 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

12/14/2022  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Mike Galle, General Manager  
Indiana Gaming Company, LLC

12-8-2022  
\_\_\_\_\_  
Date