

**ORDER 2022-220**  
**CENTAUR ACQUISITION, LLC d/b/a HORSESHOE INDIANAPOLIS**  
**22-HI-04**

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

**APPROVED**

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APPROVES OR DISAPPROVES

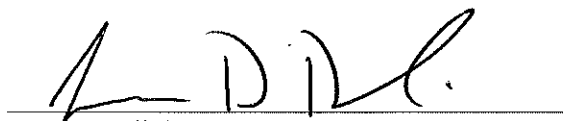
the proposed terms of the Settlement Agreement.

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

**THE INDIANA GAMING COMMISSION:**

  
Milton O. Thompson, Chair

ATTEST:

  
Jason Dudich, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

<b>IN RE THE MATTER OF:</b>	)	
	)	<b>SETTLEMENT</b>
<b>CENTAUR ACQUISITION, LLC</b>	)	<b>22-HI-04</b>
<b>d/b/a HORSESHOE INDIANAPOLIS</b>	)	
	)	

**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 2-6-6(c)(1) provides if a casino licensee converts an electronic gaming device, the casino licensee must take the following steps: (1) Request permission for the conversion from the commission and supply the commission with the following information: (A) The: (i) serial number; (ii) commission registration number; (iii) machine number; and (iv) model number; of the electronic gaming device that is being converted. (B) The type of electronic gaming device that is being converted and the new type of machine if the type of machine is changed. (C) The location of the electronic gaming device on the casino. (D) If the electronic gaming device is: (i) a stand alone progressive; or (ii) linked to a progressive controller; the old rate of progression and the new rate of progression must be submitted. (E) The current and future denomination of the electronic gaming device if the denomination is to be converted. (F) The current and future control program medium number that is installed or that is to be installed in the electronic gaming device. If a new control program medium is installed in an electronic gaming device, the control program medium must be approved for use in Indiana. (G) 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. This information must be submitted to the commission at least fourteen (14) days before the casino licensee plans to make the conversion. The request for conversion shall have a space for the commission to sign indicating approval of the conversion request and a space for the signature of the enforcement agent to indicate the conversion was completed.  
(2) The commission must approve the request for conversions before a conversion may be made by the casino licensee.
2. On July 28, 2022, Gaming Agents became aware that two (2) EGD's had been set up as an incrementing progressive, however, the EGD's had been approved to be a non-incrementing progressive. The EGD's in question were converted on April 14, 2022, and

the original reset value was set at \$5,000. Since that time, one (1) EGD had incremented to \$10,330.93 and the other EGD had incremented to \$13,084.42. Two (2) Slot Tech had performed the conversion on the EGDs and another Slot Tech and Slot Tech Supervisor signed off on the settings, failing to verify the incorrect settings.

3. On August 3, 2022, the Slot Performance Manager provided that the EGDs would be re-optioned to non-incrementing displays as was initially approved and the progressive monies currently displayed on the EGDs would remain on the EGDs until an applicable jackpot hits.
4. 68 IAC 2-6-31(b)(4) provides the casino licensee shall notify the executive director and the enforcement agent the rate of progression for the progressive link when using progressive electronic gaming devices.
5. On August 28, 2022, a Slot Technician Supervisor notified Gaming Agents that an EGD progressive bank was not incrementing correctly. The EGD bank has three (3) progressive EGDs. The progressive incrementation rate for the Grand should be .45% and the progressive incrementation rate for the Major should be .35%. The progressive incrementation rates were swapped. These EGDs have been in service since January 17, 2022 with the incorrect progressive incrementation rate. The EGDs were able to pass the progressive variance test due to the fact that the total value of the progressive amounts was used and not each individual progressive amount when the testing was conducted.
6. On January 17, 2022, a Slot Tech signed off on the project checklist. The project checklist for each EGD has the words "progressive issue" handwritten on the top of the page but there was not a Supervisor signature for the progressive check.
7. The total coin-in for these three (3) EGDs was \$24,163,905.04. \$24,163.91 was the amount that should have been incremented to the Grand progressive but instead went to the Major progressive. Since the Major progressive has been hit several times since this issue began, the \$24,163.91 is not available to transfer to the Grand Progressive. It is unknown how many times the Grand progressive was hit during this time and potentially shorted patrons.

## COUNT II

8. 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.
9. 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.

10. On September 7, 2022, Surveillance notified Gaming Agents that a Cage Supervisor had placed her sensitive keys in her mailbox located in the Cage. The keys were unattended in her locker for approximately four (4) hours and thirteen (13) minutes.
11. On October 26, 2022, Surveillance notified Gaming Agents that a Slot Attendant left sensitive keys unattended in his locker. The keys were unattended in the locker for seven (7) hours and fifteen (15) minutes.

### COUNT III

12. 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; and (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.
13. Horseshoe Indianapolis's approved internal control procedures, Y-6, describe the poker bank procedures.
14. Horseshoe Indianapolis's approved internal control procedures, C-9, describe the even exchange cage procedures.
15. On July 27, 2022, Surveillance notified Gaming Agents that an incorrect even exchange occurred. A chip fill was brought to the Poker Room Cage by a Table Games Supervisor and included an extra \$1,000 in red \$5 chips. The Table Games Supervisor, Cage Cashier and Surveillance failed to properly verify the even exchange.
16. On August 24, 2022, Surveillance called Gaming Agents to inquire if the paperwork was not correct for an even exchange between the Poker Bank and Main Bank should the original paperwork be redone and voided. The Gaming Agent advised Surveillance that the paperwork needed to match up. The total of \$1.00 chips were incorrect on the even exchange. The Dual Rate Floor Supervisor/Dealer and Cage Supervisor failed to properly verify the exchange.
17. 68 IAC 14-3-2(b) provides all playing cards must meet the following specifications:
  - (1) Unless otherwise provided in this article, all decks of cards must be one (1) complete standard deck of fifty-two (52) cards in four (4) suits. The four (4) suits shall be hearts, diamonds, clubs, and spades. Each suit shall consist of numerical cards from:
    - (A) two (2) to ten (10);
    - (B) a jack;
    - (C) a queen;

- (D) a king; and
- (E) an ace.

18. On August 8, 2022, Surveillance notified Gaming Agents that a card was missing from a Poker Room table. The ten (10) of spades from the green deck was missing and was later found in the shuffler. The card was missing from play for approximately seven (7) hours and forty-six (46) minutes. A review of surveillance coverage determined that multiple Dealers failed to count down the decks with each change of Dealer or identify that a card was missing when counting down the cards.
19. 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.
20. On August 7, 2022, Surveillance notified Gaming Agents that a table fill violation had occurred. The table fill error was identified by the Floor Supervisor, however, the Floor Supervisor failed to void the fill.
21. On September 18, 2022, Surveillance notified Gaming Agents that a table fill was delivered to the wrong table game. The fill was signed off by Table Games. Surveillance discovered the incorrect fill and notified Table Games. The chips were then placed back into the rack and into the carrier. The Security Officer then delivered the table fill to the correct table without voiding the fill.

#### COUNT IV

22. 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.
23. 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.

24. 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.
25. On July 24, 2022, Security notified Gaming Agents that a few unknown persons had been allowed in the back of the house area without authorization. An Assistant Table Games Shift Manager notified Security that he let members of the band through a secure door while they were loading their instruments and sound equipment, however, the Assistant Table Games Shift Manager did not stay with the band members and left them unattended. Security observed that two of three individuals did not have a wrist band which indicated that they were members of the band and had been checked in and signed in on the visitor log.
26. On August 11, 2022, Surveillance notified Gaming Agents that a Poker Shift Manager escorted a Touch of Luck employee from the Poker Room podium to Human Resources. The Touch of Luck employee had not been properly badged as a vendor or a visitor.

#### COUNT V

27. 68 IAC 11-3-1(d) provides that on the last day of the month, the casino licensee shall drop each bill validator and complete a reconciliation of that month's soft drop.
28. 68 IAC 15-5-2(d) The casino licensee shall be required to file a Form RG-1 and remit the tax imposed by IC 4-33-13 to the department before the close of the business day following the day the wagers are made. In addition, a copy of Form RG-1 shall be filed with the commission.
29. On September 30, 2022, the Regional Compliance Director ("RCD") notified Gaming Agents that due to a mechanical failure the electronic gaming device ("EGD") drop schedule would be modified. The RCD provided that the count machines were not working correctly and had contacted Cummins in hope that they would be able to resolve the matter. With the modification of the drop, none of the EGDs would exceed the seven (7) day drop cycle.
30. On October 1, 2022, the RCD notified the Gaming Agents that Cummins had been working on the count machines but their troubleshooting had been unsuccessful. The RCD stated that they would drop 200 EGDs and complete the table games drop as scheduled. The EGD bill validator ("BV") boxes would be placed in the count room and once the count machines were fixed, Horseshoe Indianapolis would count the BV boxes.
31. On October 2, 2022, the RCD informed the Commission that Cummins was unable to fix the count machines and would need to modify the EGD drop again.

32. On October 4, 2022, Security notified Gaming Agents that they would dropping eighty (80) EGDs instead of 200. Security stated that they were doing this since many of the EGDs were pulled the day before and that the full drop was scheduled for the next day.
33. On October 7, 2022, the Gaming Agent contacted Security to confirm that the full drop was conducted on October 6, 2022. A Security Shift Supervisor stated that he was told that the full drop was completed on that day, making the full drop seven (7) days late.
34. The Gaming Agent contacted the RCD to confirm the timeline of the drops and provided the following:
  35. On October 1, 2022, no BV boxes were pulled.
  36. On October 2, 2022, 200 BV boxes were pulled.
  37. On October 3, 2022, 200 BV boxes were pulled.
  38. On October 4, 2022, sixty-six (66) BV boxes were pulled and 466 BV boxes were counted.
  39. On October 5, 2022, no BV boxes were pulled.
  40. On October 6, 2022, a full BV drop was conducted. 1,598 BV boxes were pulled and counted.
  41. On October 7, 2022, no EGD drop conducted.
  42. The RCD also provided the RG-1 filing dates to the Gaming Agent. The RG-1 for gaming day October 1, 2022 was filed late on October 5, 2022. The RG-1 for gaming day October 2, 2022 was filed late on October 5, 2022. The RG-1 for gaming day October 3, 2022 was filed late on October 6, 2022.
  43. Horseshoe Indianapolis failed to request approval from the Commission to deviate from the mandatory 100% drop and did not submit an alternate proposal for review and approval.

### 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 \$19,500 (\$8,500 for Count I, \$1,000 for Count II, \$5,500 for Count III, \$2,000 for Count IV and \$2,500 for Count V) 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 promptly remit payment in the amount of \$19,500 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

  
\_\_\_\_\_  
Steven Jarmuz, SVP & General Manager  
Centaur Acquisition, LLC

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

12/9/22  
\_\_\_\_\_  
Date