

**ORDER 2022-30
IN RE SETTLEMENT AGREEMENT**

**HORSESHOE HAMMOND, LLC
22-HH-01**

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

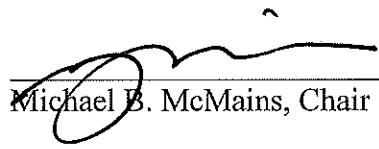
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.


IT IS SO ORDERED THIS THE 8th DAY OF MARCH, 2022.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
HORSESHOE HAMMOND, LLC) **22-HH-01**

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Greg Small and Horseshoe Hammond, LLC (“Horseshoe”), (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’s approved internal control procedures, E-8, describe the procedures for Child Support Intercept Process.
4. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for August 2021. The results of this audit found one (1) individual was not searched through the CSADR system at a taxable jackpot was won.
5. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) for November 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

6. 68 IAC 1-5-1(1) 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. A casino licensee shall submit the notice required under this subdivision to a gaming agent in addition to submitting it to the executive director.

7. 68 IAC 11-3-2(b) provides in accordance with 68 IAC 11-1, the casino licensee must submit to the executive director internal control procedures covering currency collection and soft count.
8. 68 IAC 11-3-2(c) provides the internal control procedures for the currency collection and soft count process must include the following: (1) The times that currency collection will occur, (2) The manner in which the: (A) currency collection process will proceed, including the location from which the currency collection process will commence; (B) live gaming device drop box will be identifiable as having come from the live gaming device from which it was removed; and (C) bill validator drop box will be identifiable as having come from the electronic gaming device from which it was removed.
9. Horseshoe's approved internal control procedures, D-7, describe the procedures for the bill validator drop collection.
10. 68 IAC 11-3-6(c)(2) & (3) provides the soft count team shall open the drop box and empty the entire contents of the drop box on the soft count table. The inside of the empty drop box shall be held up for full view by the surveillance camera, and at least one (1) member of the soft count team shall verify that the drop box is empty.
11. 68 IAC 11-3-6(c)(23) provides in accordance with 68 IAC 15-7-3, the revenue auditor or the equivalent shall trace the total of the bill-in meter readings as recorded by the bill acceptor flash report to the actual count performed by the soft count team to determine variances. The casino licensee shall require the investigation of all variances. The results of the investigation shall be recorded and reported to the head of the accounting department and the commission audit staff.
12. 68 IAC 15-7-3(a) provides that 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.
13. On November 23, 2021, Security notified Gaming Agents that a Count Room Rep reported that an unsecured "hot" bill validator ("BV") box was found on a chair on the casino floor at an electronic gaming device ("EGD"). A review of the surveillance coverage on November 19, 2021, determined that a Count Room Rep pulled the last BV box from the cart in the count room. The asset voucher, signifying a "hot" box from the BV drop, fell out of the "hot" box and onto the floor. The Count Room Rep was observed

placing verified empty boxes at the end of the count table next to the “hot” box with no asset voucher. The “hot” box was subsequently placed back into the cart with the empty boxes. A different Count Room Rep picked up the dropped asset voucher and compiled it with the day’s other asset vouchers.

14. On November 23, 2021, a Count Room Rep placed the “hot” box out for the drop, thinking it was a “cold” box. The “hot” box was left unsecured on the chair for approximately two (2) hours. The Gaming Agent spoke to Revenue Audit. Revenue Audit requested a surveillance review of the drop and surveillance confirmed all EGD’s had been dropped. Revenue Audit advised the Count Room Supervisor that a “hot” box containing \$13,290.21, \$9,202 in currency and \$4,088.21 in TITO’s was missing. Later in the day, the Count Room Supervisor advised that they were unable to locate the box. Once Horseshoe identified that a BV box was missing, they failed to notify Gaming Agents. During the investigation, Gaming Agents also spoke with the Director of Cage Operations who verified this information and advised that if the Count Room Supervisor had counted the cold boxes in the collection carts, she would have found the “hot” box.
15. On November 25, 2021, Surveillance notified Gaming Agents that a drop violation occurred. A review of surveillance coverage on November 21, 2021, discovered that a Count Room Rep removed a “hot” box from an EGD. The “hot” box was placed inside the EGD to the left of the BV housing compartment. The asset voucher was placed in the receiving slot. The Count Room Rep then handed four (4) other BV boxes she had been carrying to another Count Room Rep. The Count Room Rep closed the EGD and locked the access door, leaving the pulled “hot” box unsecured inside the EGD. The Count Room Rep was acting as temporary Lead that day. The Count Room Rep failed to count the BV boxes on the collection cart and did not verify the Collection Sign Off Sheet attached to the side of the cart to ensure all BV boxes were accounted for.
16. On November 25, 2021, the Count Room Rep was pulling BV boxes on the drop from the same bank of EGD’s. It was at this time that the Count Room Rep discovered the “hot” box unsecured inside the EGD. It was also determined that Revenue Audit failed to properly log and/or notice that funds were missing from the count process.

COUNT III

19. 68 IAC 1-16-2(a) provides casino licensees shall conspicuously display a toll-free telephone number that provides the public with information about compulsive gambling addictions on a poster or placard that is on display in a public area of the casino.
(b) The toll-free telephone number to be displayed shall be specified by the division of mental health and addiction.
20. On December 31, 2021, Horseshoe’s Manager of Regulatory Compliance self-reported that four (4) direct mail pieces for New Year’s Eve were sent to patrons with the incorrect responsible gaming number. A total of 11,336 mail pieces were sent out. Each mail piece contained an incorrect Responsible Gaming phone number of 1-800-WITH-IT rather than the correct phone number of 1-800-9-WITH-IT.

COUNT IV

21. 68 IAC 15-12-3(a) provides the requirements for live gaming device fills including the requirement that surveillance shall be notified that a live gaming device fill is being processed.
22. On August 23, 2021, the Director of Cage Operations notified Gaming Agents that a \$12,150 variance occurred on August 19, 2021, in the Main Bank which was a result of an incorrect table fill. A review of surveillance coverage determined that the table fill was delivered to the wrong table and accepted by the table games personnel. Both table games prepared error notifications once this error was discovered, however, the error notification forms were not completed and taken to the Cage until after the Main Banker counted down the Main Bank at the end of her shift.

COUNT V

23. 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.
 - (b) The internal controls must, at a minimum, address the following:
 - (5) Ensure that voluntarily excluded persons do not receive check cashing privileges or extensions of credit, whether directly through the casino licensee or operating agent, or through a supplier contracting with a casino licensee on property hired for the purpose of check cashing or extension of credit, or both.
24. Horseshoe's approved internal control procedures, K-5, describe the procedures of the Voluntary Exclusion Program (VEP).
25. On January 5, 2022, Horseshoe's Regulatory Compliance Manager self-reported that a CTR Specialist identified that on December 29, 2021, a VEP was able to obtain two (2) cash advances. The cash advances were for \$600 and \$400 and were performed by two (2) different Cage Cashiers.
26. 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 status as defined under 68 IAC 6-3 or has signed up for the statewide internet self-restriction program.
27. 68 IAC 27-5-2(2)(F) provides that a sports wagering operator shall have internal controls identifying what procedures will be in place to prevent wagering by prohibited sports wagering participants.
28. 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.

29. 68 IAC 6-3(b)(3) provides each casino licensee and casino license applicant shall establish internal control procedures for refusing wagers from and denying gaming privileges to any voluntarily excluded person.
30. Horseshoe's approved internal controls for the Caesars Sportsbook, 5-2(f), describe the procedures for sports wagering prohibited participants.
31. On October 20, 2021, the Regulatory Compliance Manager at Caesars Sportsbook reported that on September 14, 2021, a prohibited participant was able to register and obtain a mobile wagering account.
32. On September 14, 2021, the prohibited participant created an account and placed forty-seven (47) wagers for a total of \$22,224.60 with a total loss of \$2,385. Caesars Sportsbook disabled his account on September 24, 2021.
33. The Director of Compliance for Caesars Sportsbook provided that Tropicana Evansville ("Tropicana") previously provided the prohibited participant list to them and did not specify if the excluded patron was VEP, ISRP or Statewide Exclusion. This was one all-inclusive list. In September 2021, Horseshoe Hammond started sending the prohibited participant list to Caesars Sportsbook.
34. On September 3rd, 9th and 17th, Horseshoe sent three (3) exclusion lists to Caesars Sportsbook. The Director of Compliance provided that she did not know that Horseshoe had separated the VEP, ISRP and Statewide Exclusion Lists and assumed the list included all prohibited participants since this was how Tropicana provided the list.
35. On September 24, 2021, the Director of Compliance received two (2) exclusion lists from Horseshoe, one for VEP and one for ISRP which led her to realize that Horseshoe had separated the lists. Since the prohibited participant was not listed on the September 3, 2021, list sent to Caesars Sportsbook, they removed the prohibited participant which allowed him to create an account and wager. Horseshoe failed to maintain confidentiality of the participants of the VEP and ISRP when sending the lists to Caesars Sportsbook.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Horseshoe by and through its agents as described herein constitute a breach of IC 4-33, IC 4-38, 68 IAC, and/or Horseshoe's approved internal control procedures. The Commission and Horseshoe hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Horseshoe.

Horseshoe shall pay to the Commission a total of \$20,000 (\$2,000 for Count I, \$7,500 for Count II, \$2,500 for Count III, \$1,500 for Count IV and \$6,500 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in 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 agrees to promptly remit payment in the amount of \$20,000 and shall waive all rights to further administrative or judicial review.

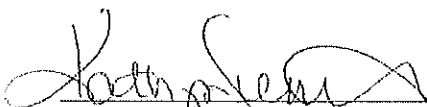
This Agreement constitutes the entire agreement between the Parties. No prior or subsequent understandings, agreements, or representations, oral or written, not specified or referenced within this document will be valid provisions of this Agreement. This Agreement may not be modified, supplemented, or 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 Horseshoe.

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



Kathryn Jenkins, General Manager
Horseshoe Hammond, LLC

Date

3/2/22

Date

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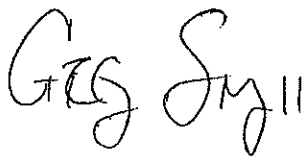
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Greg Small, Executive Director
Indiana Gaming Commission

3/8/22

Date

Kathryn Jenkins, General Manager
Horseshoe Hammond, LLC

Date