

**ORDER 2022-31
IN RE SETTLEMENT AGREEMENT**

**CENTAUR ACQUISITION, LLC
d/b/a HORSESHOE INDIANAPOLIS
22-HI-01**

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

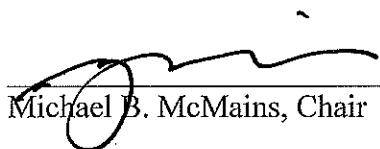
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

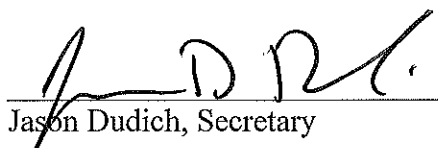
IT IS SO ORDERED THIS THE 8th DAY OF MARCH, 2022.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
CENTAUR ACQUISITION, LLC)	22-HI-01
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) states 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) states 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’s 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 August 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

5. 68 IAC 15-10-4.1 describes the procedures for cage variances.
6. 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.
7. 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.

8. Horseshoe Indianapolis' approved internal control procedures, C-14, describes the procedures for ticket redemption.
9. On October 5, 2021, a Revenue Audit Clerk notified Gaming Agents that a Cage Cashier had a variance of \$1,001.75 and \$1,000.27 of that variance was because the Cage Cashier redeemed a TITO that should not have been redeemed. After reviewing the paperwork submitted by Revenue Audit, the Gaming Agents spoke to Surveillance about the incident. Surveillance was able to provide that the Cage Cashier actually paid out a TITO that was marked as stolen by the Slot Department. The TITO in question was lost by a patron on October 2, 2021, and recovered by another patron on the same day. The Slot Department paid the patron out for the lost TITO and marked the TITO as stolen. The patron who took the TITO returned to the casino on October 4, 2021, and was able to redeem the TITO. Records show that on October 4, 2021, the stolen TITO was scanned at the Cage six (6) times, and it showed that the TITO had already been redeemed. The TITO was then scanned two (2) more times at a different Cage window and displayed that the TITO had already been redeemed.

COUNT III

10. 68 IAC 2-3-1(c)(1) provides a person employed by the riverboat gambling operation and whose duties are to be performed on the riverboat must hold an occupational license.
11. 68 IAC 2-3-1(f) provides an employee of a riverboat gambling operation who does not hold an occupational license shall not perform any duties on the riverboat at any time.
12. On October 19, 2021, Gaming Agents became aware that a Regional Director of Purchasing (Dual) was working without an occupational license. At some point after June 2020, the licensee had been terminated due to being a furloughed employee. Human Resources reinstated the licensee at an undetermined date. Reinstatement paperwork was not provided to Gaming Agents. Gaming Agents were able to confirm that the licensee was on the furloughed employee list and terminated prior to the casino re-opening on June 15, 2020.

COUNT IV

13. 68 IAC 12-1-5(c)(7) provides the surveillance system must provide an overall view of pit areas and gaming tables capable of clearly identifying the amount and incrementation of a progressive jackpot contained on a progressive jackpot display of a live gaming device.
14. On October 11, 2021, Surveillance notified Gaming Agents that a progressive display at a Face Up Pai Gow Poker table game went black. Since this game was a progressive, it required dedicated progressive coverage on the display. Surveillance notified an Assistant Table Games Manager that the display was out. Once rebooting the progressive display,

the progressive meter was restored. A review of surveillance coverage determined that while the table game was closed at the time, there was not dedicated progressive coverage for 18.5 hours. The malfunctioning display was not identified in a timely manner.

COUNT V

15. 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.
16. On September 21, 2021, a Gaming Agent was performing a coin test at an electronic gaming device (“EGD”) with a Slot Technician when it was discovered that the EGD had been in service prior to a coin test. Thirteen (13) patrons played the EGD while in service without a coin test.
17. On November 26, 2021, a Gaming Agent was notified by a Slot Tech Supervisor that an EGD was placed in-service without a coin test. The EGD was in service without a coin test for approximately twenty-four (24) hours and had patron play.
18. On December 2, 2021, Gaming Agents were notified by a Slot Tech Supervisor that an EGD was placed in-service despite a failed coin test. A Slot Tech had been coin testing several games and after getting results he placed them in service. The Slot Tech failed to notice that this EGD failed the coin test. The EGD was only in service for approximately ten (10) minutes but had patron play.
19. 68 IAC 15-13-2 provides the casino shall submit policies and procedures for manually paid jackpots.
20. Horseshoe Indianapolis’ approved internal control procedures, E-9, describes the procedures for jackpot payouts.
21. On December 15, 2021, Surveillance notified Gaming Agents that there was a jackpot violation on six (6) hand paid jackpots on December 4, 2021. An Accountant requested a surveillance review of six (6) jackpots because they were missing a verifier signature.
22. 68 IAC 2-6-31(b)(4) provides the casino licensee shall notify the executive director and the enforcement agent of the rate of progression for the progressive link prior to using progressive electronic gaming devices within the casino.
23. 68 IAC 2-6-35 provides the electronic gaming device must be linked to a progressive meter or meters showing the current payoff to all players who are playing an electronic gaming device which may potentially win the progressive amount.

24. 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.
25. On October 28, 2021, a Slot Tech Supervisor notified Gaming Agents that a progressive EGD was incrementing incorrectly. The EGD was a standalone progressive. The Slot Tech Supervisor showed the Gaming Agents that the EGD incrementation rate was set incorrectly, and the EGD was not set up with a seed percent. The incrementation rate was set at .33% and should have been set at 1%. The total coin-in since the EGD had been reset was \$1,885.55. The progressive meter was short approximately \$3,776.75. It is believed this EGD was reset in 2018 when the casino converted its slot system.

COUNT VI

27. 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.
28. On September 16, 2021, Surveillance notified Gaming Agents that there was an eight (8) of diamonds found under the shuffler. The playing card was missing from play for forty-eight (48) minutes.
29. 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.
30. 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.
31. On November 18, a Casino Manager notified Gaming Agents that an Assistant Table Games Shift Manager left property with sensitive keys. The keys were off property for approximately two (2) hours.
32. 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.

33. On September 3, 2021, a table inventory closer violation occurred. The form noted \$16,500 in purple \$500 chips. The physical inventory was \$15,500 in purple \$500 chips.
34. On October 4, 2021, a table inventory closer violation occurred. The form noted \$5,325 in green \$25 chips. The physical inventory was \$4,825 in green \$25 chips.
35. On October 4, 2021, a table inventory closer violation occurred. The form noted \$39,500 in black \$100 chips. The physical inventory was \$39,000 in black \$100 chips.
36. 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.
37. On October 22, 2021, Security notified Gaming Agents that a table fill was processed with an incorrect amount of purple \$500 chips. The Table Games Supervisor identified the error. The table fill was returned to the Cage, and the Cash Cashier corrected the table fill. Proper procedures were not followed, and the fill was not voided as required.
38. On December 20, 2021, Security notified Gaming Agents that there was an error with a table fill. Table Games personnel identified the error. The fill was returned to the Cage, and the Cash Cashier corrected the table fill. Proper procedures were not followed, and the fill was not voided as required.
39. On December 20, 2021, Surveillance notified Gaming Agents that there was an error with a table fill in the amount of \$346,660. Table Games personnel identified the error. The fill was returned to the Cage, and the Cash Cashier corrected the table fill. Proper procedures were not followed, and the fill was not voided as required.
40. 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.
41. Horseshoe Indianapolis's approved internal control procedures, U-19, describe the procedures for table games jackpot payout procedures.

42. Internal Revenue Service requires both Federal and State taxes be withheld on qualifying table game wins.
43. On September 1, 2021, a Gaming Agent was notified that a Dual Rate Table Games Supervisor failed to collect taxes from a \$5,000 jackpot on August 29, 2021. Gaming Agents had not been notified of this violation either. A patron won a five (5) card royal flush wager resulting in a \$5,000 payment. The patron was paid in chips and taxes were not withheld. A Dual Rate Table Game Supervisor verified the payout.
44. 68 IAC 14-3-5(a) provides all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
45. On October 14, 2021, Surveillance notified Gaming Agents that a Table Games Supervisor was opening a craps table and had placed dice in her shirt. The Table Games Supervisor left the pit area and went to the restroom with the dice in her shirt. The dice color was changed on the tables after this incident.

COUNT VII

46. 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.
47. 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.
48. On January 24, 2019, the Commission issued a memorandum to all casino and supplier licensees on occupational licenses. The memorandum provided that vendor and visitor badges are not to be utilized by those who hold or should hold an individual occupational 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.

49. On September 4, 2020, a Gaming Agent audited the vendor log for the month of August 2020.
50. On August 12, 2020, one (1) individual was on property for service, however, his last name was not correct on the log.
51. On August 17, 2020, one (1) individual was on property for service, however, his last name was not correct on the log.
52. On August 18, 2020, one (1) individual was on property for service, however, his last name was not correct on the log.
53. On August 31, 2020, two (2) individuals were on property for service, however, only one (1) individual was logged in.
54. On October 1, 2020, a Gaming Agent audited the vendor log for the month of September 2020.
55. On September 2, 2020, one (1) individual was on property for service, however, his last name was not correct on the log.
56. On September 23, 2021, Surveillance notified Gaming Agents that a vendor working for the construction company performing work on the expansion on the casino floor was accessing the casino floor without a vendor's badge.
57. On October 3, 2021, Surveillance notified Gaming Agents that an unknown patron had entered the back of house area through the employee entrance. A review of surveillance coverage showed the patron slipped around the turnstile at the employee entrance without swiping a badge to gain access. A Security Dispatcher and Security Officer witnessed this action but did not attempt to stop the patron.
58. On October 7, 2021, Surveillance notified Gaming Agents that during a contact tracing review they observed an unauthorized person being escorted back of house by a Guest Services Lead Rep.
59. On December 1, 2021, a Gaming Agent was performing an audit of the vendor log for November 2021. The audit determined that on November 6, 2021, four (4) employees from Quest Audio were provided vendor badges. While this company is not licensed a supplier through the Commission, these specific employees are requested to be hold a level 3 license through Horseshoe Indianapolis under the job description of an Audio Engineer – Vendor.

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 \$27,500 (\$1,000 for Count I, \$1,500 for Count II, \$1,000 for Count III, \$1,500 for Count IV, \$7,000 for Count V, \$10,000 for Count VI and \$5,500 for Count VII) 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 \$27,500 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.

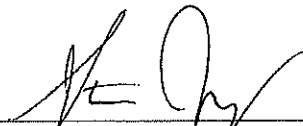
This Agreement may be executed in multiple counterparts, each of which shall be deemed an original agreement and both of which shall constitute one and the same agreement. The counterparts of this Agreement may be executed and delivered by electronic mail, facsimile, or other electronic signature by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

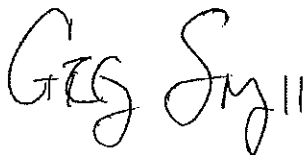
Date



Steven Jarmuz, SVP & General Manager
Centaur Acquisition, LLC

3/2/22
Date

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

3/8/22

Date

Steven Jarmuz, SVP & General Manager
Centaur Acquisition, LLC

Date