

**ORDER 2023-79
IN RE SETTLEMENT AGREEMENT
INDIANA GAMING COMPANY, LLC
d/b/a HOLLYWOOD CASINO
LAWRENCEBURG
23-HW-02**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

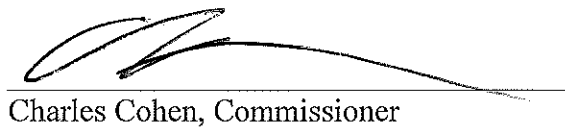
IT IS SO ORDERED THIS THE 15th DAY OF JUNE, 2023.

THE INDIANA GAMING COMMISSION:



Milton O. Thompson, Chair

ATTEST:



Charles Cohen, Commissioner

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
INDIANA GAMING COMPANY, LLC)	23-HW-02
d/b/a HOLLYWOOD CASINO)	
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 Agents audited the Child Support Arrears Delinquency Registry ("CSADR") for December 2022. The results of this audit found six (6) individuals were not searched through the CSADR system: (1) at the time a taxable jackpot was won and five (5) at the time sports wagering winnings in excess of \$600 was won.
7. Gaming Agents audited the CSADR for February 2023. The results of this audit found two (2) individuals were not searched through the CSADR system at the time a taxable jackpot was won.

COUNT II

8. 68 IAC 11-3-5 provides the procedures for the currency collection process.
9. 68 IAC 11-3-6 provides the procedures for the soft count process.
10. 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.
11. Hollywood's internal control procedures, Part III, Section J, describe the procedures for the bill validator drop, removal and transportation.

12. On March 6, 2023, Revenue Audit notified a Gaming Agent that a substantial variance had occurred on the prior day's electronic gaming device ("EGD") drop. The Revenue Audit Assistant Manager showed the Gaming Agent the bill and ticket in variance report for March 5, 2023. There was a \$146,748.47 shortage on two (2) EGD banks. The bill shortage was \$58,637 and the ticket shortage was \$88,111.50. These EGDs recently moved locations.
13. The Revenue Audit Assistant Manager provided the Gaming Agent with the variance report for three drop cycles, March 3, 2023, March 5, 2023, and March 6, 2023. Drops occur on Sunday, Monday, Thursday and Friday. Division one EGDs are dropped Monday and Friday. Division two EGDs are dropped on Thursday and Sunday. The two (2) banks of EGDs moved were moved from drop Division two to Division one. This created an issue because it was in the middle of the drop cycle. The EGDs were emergency dropped on Thursday, March 2, 2023, prior to the EGD move. Normally, there is a drop on Thursday but Wednesday, March 1, 2023, was a 100% drop day. Hollywood's internal controls allow for the Thursday drop to be skipped if the 100% drop falls the day before.
14. EGDs were moved to a new drop zone which caused a shortage on Friday's drop. They were short the funds that were in the BV boxes that were emergency dropped on March 2, 2023. On Sunday's drop, the BV boxes that were dropped on Thursday were counted for that drop cycle. This caused the large variance due the EGDs not being physically dropped.
15. The Commission audit staff was not notified of this variance investigation as required.

COUNT III

16. 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.
17. 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.

18. 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.
19. On January 9, 2023, a Gaming Agent performed an audit of the vendor log for December 2022.
20. On December 1, 2022, an Acres Manufacturing employee was allowed to work on the casino floor on a vendor's badge. The employee holds an occupational license with the Commission and should have worked on his occupational license.
21. On December 14, 2022, a Global Surveillance Associate was allowed to work on a vendor's badge. The employee holds an occupational license with the Commission and should have worked on his occupational license.
22. On March 7, 2023, a Gaming Agent performed an audit of the vendor log for February 2023.
23. On February 1, 2023 and February 21, 2023, a trainee with Everi games was issued a temporary badge. The log showed that it had been approved by the Commission. Gaming Agents had no record of approving this for these dates. The trainee was previously given a one-time approval back in January 2023 to observe and shadow another Everi licensee. The trainee had not been given any more approvals and was advised he could not perform work until he was licensed with the Commission. Gaming Agents were not contacted when the trainee showed up on property on the 1st and 2nd.

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 \$16,000 (\$8,000 for Count I, \$5,000 for Count II and \$3,000 for Count III) 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 \$16,000 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

6/6/2023
Date



Mike Galle, General Manager
Indiana Gaming Company, LLC

6-2-2023
Date