

IN THE MATTER OF THE
HORSESHOE CASINO,
Respondent.

* BEFORE THE
* MARYLAND LOTTERY
* AND GAMING CONTROL
* COMMISSION
* July 2017 Regulatory Violations

* * * * *

CONSENT AGREEMENT

Pursuant to the Annotated Code of Maryland, State Government Article (“SG”), §§ 9-1A-01, *et seq.* (“Gaming Law”), and Code of Maryland Regulations (“COMAR”) 36.03.04.06, the Maryland Lottery and Gaming Control Commission (“Commission”) and CBAC Borrower, LLC (“Horseshoe Casino”) desire to resolve this matter without a formal administrative hearing. Accordingly, the parties recite the following facts and make the following agreements:

BACKGROUND

The Commission, with the assistance of the Maryland Lottery and Gaming Control Agency (“MLGCA” or “Agency”), regulates the operation of the State’s video lottery terminals (“VLTs”) and table games, and is responsible for licensing qualified facility operators and ensuring that the operation of video lottery facilities, VLTs and table games is conducted legally. SG §§ 9-1A-02(b), 9-1A-04(b)(14).

If a licensee violates a provision of the Gaming Law, a regulation promulgated by the Commission, or a directive of the Commission or the Director of the MLGCA, the Commission is authorized to, after a hearing, take action against a licensee that may include suspension or revocation of a license, and levying a civil penalty for each violation. SG §§ 9-1A-04(a)(3) – (8), -25; Code of Maryland Regulations (“COMAR”) 36.03.04. The Commission may also take other enforcement action, such as a corrective action plan, a reprimand, or imposition of a

condition on a license. SG §§ 9-1A-04(a)(3), -25; COMAR 36.03.04. The Commission may also agree with a licensee to reach a settlement to resolve a violation. COMAR 36.03.04.06.

Horseshoe Casino is licensed by the Commission as the operator of the video lottery facility in Baltimore City.

By letter dated October 4, 2017, the Agency notified Horseshoe Casino of alleged violations of the Gaming Law – regulatory violations for the audit period of July 1, 2017 through July 31, 2017. The Agency included the monthly audit report for July 2017 indicating those violations for which the Agency is proposing a monetary penalty. The Notice of Alleged Violations asserted that these actions violated the Gaming Law and regulations promulgated thereunder, and that these actions were sanctionable.

Horseshoe Casino has taken corrective measures to ensure future compliance with these regulations.

The parties agree to the following terms and conditions as a means of resolving the captioned alleged violations.

TERMS AND CONDITIONS


1. This Consent Agreement is being entered into as a means of settling the alleged violations and avoiding the potential expense and inconvenience of a formal hearing.
2. There has not been a formal finding as to the merits of the allegations in the Notices of Violation. This Consent Agreement does not constitute an admission or denial by either party that a violation of law or regulation has occurred.
3. Upon the parties' execution of this Consent Agreement, Commission staff shall submit this Consent Agreement to the Commission for review and final approval at its meeting on

December 21, 2017.

4. Upon the Commission's final approval of this Consent Agreement, and no later than 10 days after, Horseshoe Casino shall remit payment of \$5,750.00 to the Commission.
5. Upon receipt of payment from Horseshoe Casino, the Commission will close these matters.
6. Horseshoe Casino will continue to take appropriate measures to ensure future compliance with these violations.
7. If Horseshoe Casino violates a term of this Consent Agreement, the Commission may impose a sanction or penalty on Horseshoe Casino for violating the Agreement or for the underlying violations. COMAR 36.03.04.06.
8. By entering into this Consent Agreement, Horseshoe Casino waives all rights to administrative or judicial review of these alleged violations.
9. This Consent Agreement extends only to those alleged violations referenced in the October 4, 2017, Alleged Notice of Violations. If the Commission subsequently discovers additional facts of a material and substantial nature involving any of the incidents cited in the October 4, 2017, Alleged Notice of Violations, and said facts constitute additional alleged violations, the Commission may pursue such additional alleged violations. Horseshoe Casino may dispute such additional alleged violations.
10. This Consent Agreement constitutes the entire agreement between the parties. No prior or subsequent understandings, agreements, or representations, oral or written that are not specified or referenced within this document will be valid provisions of this Consent Agreement.

11. This Consent Agreement may not be modified, supplemented or amended, in any manner, except by written agreement signed by the parties.
12. This Consent Agreement is not final and binding until it is approved by the Commission.
COMAR 36.03.04.06B(2).

IN WITNESS WHEREOF, the parties have signed this Consent Agreement as set forth below:

 12-6-17

Erin Chamberlin (date)
General Manager
Horseshoe Casino

Gordon Medenica (date)
Director
Maryland Lottery and Gaming Control
Agency

APPROVED:

Kimberly Robertson (date)
Chair, Maryland Lottery and Gaming Control Commission

HORSESHOE CASINO – REGULATORY VIOLATION JULY 2017

The Gaming Audit Division conducted an audit of Horseshoe Casino for the period beginning, July 1, 2017, and ending July 31, 2017, pursuant to the Audit Plan.

Table Game Operations Condition:

Subject – On July 21, 2017, a \$28,123.10 table game jackpot was not paid by check. This is a repeat issue from the May 2017 audit report.

Proposed Settlement Amount: \$2,000.00

Cage Operations Condition:

Subject – On July 4, 2017, an individual enrolled in the Voluntary Exclusion Program performed a cash advance at the cage for \$3,000 before being identified during another cash transaction due to the first cashier's failure to perform the required VEP verification procedures. He patron was not issued a criminal citation by the Baltimore Police Department. This is a repeat issue from the October 2016 audit report.

Proposed Settlement Amount: \$2,000.00

Table Game Operations Condition:

Subject – A direct bet coupon that was not approved by the Commission is being used by the facility. This is a repeat issue from the December 2016 audit report.

Proposed Settlement Amount: \$500.00

Table Game Operations Condition:

Subject – Table game payout documents were not completed for two table game payouts requiring W-2G's, totaling \$43,105 on May 1 and \$40,049 on May 2; table games staff did not notify surveillance of the two jackpot payouts. This is a repeat issue from the March 2017 audit report.

Proposed Settlement Amount: \$500.00

Cage Operations Condition:

Subject – Nine out of fifteen window cashier count sheets were not signed properly by staff on June 7, 12, 15, 19 and 27. This is a repeat issue from the April 2017 audit report.

Proposed Settlement Amount: \$500.00

Table Game Operations Condition:

Subject – Two out of ten fill slips were not marked void on the drop box and accounting copies of the slips. The chip bank copies were marked void.

- \$5,700 on 6/18/2017 at BJ-815
- \$4,020 on 6/18/2017 at BJ-809

Proposed Settlement Amount: \$250.00