

SUGARHOUSE HSP GAMING, L.P.	:	COMMONWEALTH OF
d/b/a SUGARHOUSE CASINO	:	PENNSYLVANIA
GAMING IDENTIFICATION	:	
NO. 1356	:	
	:	GAMING CONTROL BOARD
	:	
IN RE: FAILURE TO PROPERLY	:	REFERRALS #SH-E-0488689-17
ADDRESS AUTOMATED	:	#SH-E-0516579-17
SHUFFLER WARNINGS	:	#SH-E-0512412-17
TABLE GAME INTEGRITY	:	#SH-E-0513936-17
	:	#SH-E-0528127-17
	:	#SH-E-0538324-18
	:	#SH-E-0538286-18

CONSENT AGREEMENT AND STIPULATION OF SETTLEMENT

THIS CONSENT AGREEMENT AND STIPULATION OF SETTLEMENT

is made and entered into by and between the Office of Enforcement Counsel (“OEC”), and SugarHouse HSP Gaming, L.P. d/b/a SugarHouse Casino (“SugarHouse”) SugarHouse and OEC collectively are referred to as the “Parties”; and

WHEREAS, SugarHouse is a limited partnership organized and existing under the laws of Delaware and at all times referenced herein, has its business office located at 1080 North Delaware Avenue, Philadelphia, PA, 19125. SugarHouse is a Category 2 slot machine licensee; and

WHEREAS, OEC is the prosecutorial body established by 4 Pa.C.S. §1517(a.2) and has the power and duty to initiate proceedings for administrative violations of the Pennsylvania Race Horse Development and Gaming Act (Gaming Act) pursuant to §1517(a.2) (1) (iii) of the Act; and

WHEREAS, SugarHouse and OEC, through their authorized representatives, have investigated the events that are the subject of this Consent Agreement (“Events”), have

conferred extensively on the Events, and now desire to conclusively and amicably resolve all matters arising out of the Events, and enter into a Consent Agreement before the filing of a Complaint, pursuant to 58 Pa. Code §493a.13(a), which provides that “[p]arties may propose consent agreements at any time prior to the entry of a final order”; and

WHEREAS, pursuant to Condition 1 of the Statement of Conditions to its Category 2 License, signed on September 22, 2009, SugarHouse agreed “To at all times comply with any and all provisions of the Pennsylvania Race Horse Development and Gaming Act (“Act”) and any rules, regulations, technical standards or orders in effect as of this date or later amended or promulgated by the Board”; and

WHEREAS, pursuant to 4 Pa.C.S. § 1102(1), the primary objective of the Act to which all other objectives and purposes are secondary is to protect the public through the regulation and policing of all activities involving gaming and practices that continue to be unlawful; and

WHEREAS, pursuant to 4 Pa.C.S. § 1202(a)(1), of the Act, the Pennsylvania Gaming Control Board (“Board”) is responsible for ensuring the integrity of table games and has sole regulatory authority over every aspect of the authorization, operation and play of table games; and

WHEREAS, pursuant to 4 Pa.C.S. § 1331 of the Act, “Any licensee, key employee or gaming employee shall have a duty to: (1) provide any assistance or information required by the board and the Pennsylvania State Police and to cooperate in any inquiry, investigation or hearing; and (3) inform the board of any actions which they believe would constitute a violation of this part. . . .”;

WHEREAS, pursuant to 4 Pa.C.S. § 13A25(b)(11), of the Act, a table games certificate holder is required to establish procedures and rules governing the conduct of each table game and the responsibility of the employees related to the table games; and

WHEREAS, pursuant to section 465a.11(b), of the Board's Regulations (58 Pa. Code § 465a.11(b)(1) (ix)), "A slot machine licensee's system of internal controls must also include. . . (1) A surveillance department. . . The surveillance department shall be responsible for the following: (ix) The provision of immediate notice to. . . the casino compliance representatives. . . at the licensed facility upon detecting, and also upon commencing video recording of, an individual who is engaging in or attempting to engage in, . . . a violation of this part or other illegal activities. . ."; and

WHEREAS, pursuant to section 465a.9A – Surveillance Department Standard Operating Procedure Manual, of SugarHouse's Internal Controls, which were last approved by the Board on October 21, 2014: II. Responsibility – "The Surveillance Department is responsible for, . . . G. The notification of the. . . Pennsylvania Gaming Control Board upon detection and recording of. . . other illegal activities."; and

WHEREAS, pursuant to section 465a.9A – Surveillance Department Standard Operating Procedure Manual, of SugarHouse's Internal Controls, which were last approved by the Board on October 21, 2014: III. Surveillance Logs – "A daily log of activities and incident reports are recorded in the iTrak System by Surveillance Officers or above. The iTrak System includes at a minimum the following: C. When. . . suspected or alleged regulatory violations . . . is involved, the reason for the surveillance. . . and a brief description of the activity in which the person being monitored is engaged."; and

WHEREAS, pursuant to section 633a.5(h), of the Board's Regulations (58 Pa. Code § 633a.5(h)), a table games certificate holder may utilize a dealing shoe or other device that automatically reshuffles and counts the cards; and

WHEREAS, pursuant to section 633a.3(b), of the Board's Regulations (58 Pa. Code § 633a.3(b)), if an automated shuffling device is utilized, Blackjack is played with two decks in the following manner: (1) the cards are separated into two batches with equal numbers of cards in each batch; (2) the cards in each batch must be of the same design but the back of the cards in one batch must be of a different color than the cards in the other batch; (3) one batch of cards shall be shuffled and stored in the automated card shuffling device while the other batch is being used to play the game; (4) both batches of cards shall be continuously alternated in and out of play, with each batch being used for every other dealing shoe; (5) the cards from only one batch may be placed in the discard rack at any given time; and

WHEREAS, pursuant to section 633a.5(a), of SugarHouse's Internal Controls, which were approved by the Board on March 26, 2013, an automated card shuffling device is utilized by the dealer to shuffle cards; and

WHEREAS, pursuant to section 633a.14(l), of the Board's Regulations (58 Pa. Code § 633a.14(l)), "If an automated card shuffling device is being used and the device jams, stops shuffling or fails to complete a shuffling cycle, the cards shall be reshuffled"; and

WHEREAS, pursuant to section 633a.14(m), of the Board's Regulations (58 Pa. Code § 633a.14(m)), "If an automated shuffling device malfunctions and cannot be used,

the device must be covered or have a sign indicating that it is out of order placed on the device before any other method of shuffling may be utilized at that table”; and

WHEREAS, pursuant to section 637a.3(a), of the Board’s Regulations (58 Pa. Code § 637a.3(a)), “Poker shall be played with one deck of cards that are identical in appearance . . .” Two decks of cards with different color backs shall be maintained for use at each Poker table at all times. Each deck shall be continuously alternated in and out of play with each deck being used for every round of play.”; and

WHEREAS, pursuant to section 637a.5(a), of the Board’s Regulations (58 Pa. Code § 637a.5(a)), “Immediately prior to the commencement of play . . . after each round of play (Poker) has been completed . . . the dealer shall shuffle the cards, either manually or by use of an automated card shuffling device, so that the cards are randomly intermixed.”; and

WHEREAS, pursuant to section 633a.5(a), of SugarHouse’s Internal Controls, which were approved by the Board on March 26, 2013, an automated card shuffling device is utilized by the dealer to shuffle cards; and

WHEREAS, pursuant to section 637a.5(a), of SugarHouse’s Internal Controls, which were approved by the Board on July 30, 2014, “Immediately prior to the commencement of play . . . after each round of play (Poker) has been completed . . . the Dealer will shuffle the cards, by use of an automated card shuffling device, so that the cards are randomly intermixed.”; and

WHEREAS, pursuant to section 627a.3(a) and (b), of the Board’s Regulations (58 Pa. Code § 627a.3(a) and (b)), “Except as provided in subsection (b), Minibaccarat shall be played with six to eight decks of cards that are identical in appearance and two cover

cards. (b) If an automated card shuffling device is utilized, Minibaccarat shall be played with 12 to 16 decks of cards in accordance with the following requirements: (1) The cards shall be separated into two batches with an equal number of decks included in each batch. (5) The cards from only one batch shall be placed in the discard rack at any given time.”; and

WHEREAS, pursuant to section 627a.5 of SugarHouse’s Internal Controls, which were approved by the Board on March 13, 2013, subsection (g)(1) indicates “The MD3 automated shuffling device (for Minibaccarat) is utilized. The MD3 automated shuffling device shuffles eight decks at a time. When eight decks are being dealt the other set is being shuffled.” Pursuant to subsection (h) “In the event of a shuffler malfunction and there is no back up shuffler to use the Dealer will perform the Standard Manual Shuffle . . .”; and

WHEREAS, the Parties do not dispute the jurisdiction of the Board; and

WHEREAS, the Parties now seek to enter into this Consent Agreement as an accord, satisfaction and compromise of any disputed claims and in consideration of the Parties waiving, releasing, and forbearing any regulatory dispute; and

WHEREAS, the OEC has not previously entered into a Consent Agreement with SugarHouse regarding the improper handling of warning lights and malfunctions of card shuffling devices which impacted the integrity of Blackjack, Poker and Minibaccarat games.

NOW, THEREFORE, the Parties stipulate and agree, and present to the Board for its consideration, the following:

STIPULATED FACTS

Count I

SH-E-0488689-17

On June 12, 2017, the Bureau of Casino Compliance (“BCC”) referred violations of the Gaming Act, the Board’s regulations and SugarHouse’s Internal Controls. On May 28, 2017, SugarHouse Table Games Shift Manager Patty Chang (GID #52549) reported to the BCC that Shuffle Master Technician Thomas Sears (GID #6305) had discovered 16 purple playing cards in an automated card shuffling device (shuffler). Table Games Shift Manager Chang advised the BCC that an investigation by the Surveillance Department had been initiated.

On May 29, 2017, Surveillance Officer Daniel Durnin (GID #6289) reported to the BCC that a surveillance review of the found cards had been completed and the coverage had been saved. Surveillance Officer Durnin reported that Table Games Shift Manager Chang had requested a review after five (5) cards were found in a shuffler by a Shuffle Master Technician. Per Surveillance Officer Durnin’s report on May 27, 2017, the shuffler at the Blackjack game on table BJ-906 began flashing red indicating there was a malfunction with the machine. SugarHouse Table Games Floor Supervisor Kristina Egger-Strumolo (GID #88305) removed the cards from the shuffler and then placed them back in the machine. The shuffler began flashing red again. Supervisor Egger-Strumolo removed the six decks from the shuffler and took the machine off the Blackjack game table BJ-906 and eventually placed the shuffler on the floor at table BJ-904 where it remained until the shuffler was taken to the Table Games Department office at 4:21 p.m. on May 27, 2017. Surveillance Officer Durnin’s report concluded that the six decks with the missing cards

were not used after some of the cards were jammed in the shuffler. A compliance review by the BCC found that SugarHouse's internal investigation was not accurate and revealed the following information.

BCC's compliance review confirmed that there were 16 cards from the six decks in play stuck in the shuffler: an Ace and Seven of Diamonds; a Seven, Eight, Ten and King of Spades; two Aces of Clubs as well as a Four, Six and Queen of Clubs; and a Two, Six, two Eights and an Ace of Hearts. The 16 cards were sent for destruction. On May 31, 2017, the BCC conducted its own surveillance review of the incident and it was discovered that the six decks that were short 16 cards ("illegitimate decks") were put back in play after the shuffler malfunctioned and it was removed from the Blackjack game on table BJ-906 with the 16 cards inside.

BCC's review found that the illegitimate decks were originally placed in play on May 27, 2017, at 5:08 a.m. when they were placed in the shuffler at the Blackjack game on table BJ-906. The shuffler first malfunctioned at 5:29 a.m. and again at 5:38 a.m. being addressed both times by Supervisor Egger-Strumolo who returned the illegitimate decks to the shuffler each time. At 5:43 a.m. the dealer on the Blackjack game on table BJ-906, Mary Seeger (GID #82754), experienced another malfunction with the shuffler and removed the illegitimate decks and placed the illegitimate decks behind the discard rack. At 5:44 a.m. Supervisor Egger-Strumolo removed the shuffler from the Blackjack game on table BJ-906 and placed it on the floor at table BJ-904. Supervisor Egger-Strumolo took the shuffler on table BJ-904 and moved it to the Blackjack game on table BJ-906. At 5:46 a.m. Supervisor Egger-Strumolo was recorded on surveillance placing the illegitimate decks that were short 16 cards into the new shuffler on table BJ-906. At 5:54 a.m.

surveillance coverage showed that the red warning light activated on the new shuffler on table BJ-906. At 5:58 a.m. Dealer Seeger was relieved by Dealer Aaron Christmas (GID #86873) who noticed the red warning light and requested Supervisor Egger-Strumolo. The illegitimate decks were removed from the new shuffler by Supervisor Egger-Strumolo who adjusted the illegitimate decks and returned it to the shuffler. Surveillance coverage showed that the red warning light activated again. At 6:17 a.m. Dealer Christmas summoned Supervisor Egger-Strumolo. At 6:18 a.m. Dealer Christmas removed the illegitimate decks from the shuffler and placed them in the dealing shoe. At 6:19 a.m. Dealer Christmas was relieved by Dealer Seeger who immediately began manually dealing the illegitimate decks to patrons.

From 6:19 a.m. to 6:38 a.m. Dealer Seeger dealt 29 rounds of Blackjack to three patrons resulting in 76 individual hands from the illegitimate decks that were short 16 cards. At the end of the shoe, Dealer Seeger placed the illegitimate decks in the new shuffler. At 6:47 a.m. the red warning light activated on the shuffler. SugarHouse Table Games Floor Supervisor Sabrina Harrell (GID #53524) responded to the shuffler on table BJ-906 at 6:53 a.m. She adjusted the illegitimate decks and returned them to the shuffler. At 7:02 a.m. the red warning light activated again on the shuffler. At 7:07 a.m. Dealer Seeger removed the illegitimate decks from the shuffler, placed them in the dealing shoe and began dealing the cards to patrons. From 7:10 a.m. to 7:27 a.m. Dealer Seeger dealt 17 rounds of Blackjack to four patrons resulting in 46 individual hands from the illegitimate decks that was short 16 cards.

BCC's surveillance review revealed that the illegitimate decks were taken out of play at 7:30 a.m. when the cards were changed at the Blackjack game on table BJ 906. The

illegitimate decks were not counted at that time but simply placed in a clear bag for processing. The original malfunctioning shuffler with the 16 missing cards remained on the floor near table BJ 904 until 11:37 a.m. when it was moved by SugarHouse Table Games Shift Manager James Weaver (GID #53795) and placed next to the pit stand where it remained until Dealer Francisco Vazquez (GID #80989) took it to the Table Games Shift Manager's office at 4:21 p.m. on May 27, 2017. The 16 missing cards were discovered the next day by the Shuffle Master technician.

The Blackjack game on table BJ 906 was never shutdown while SugarHouse supervisory personnel were attempting to resolve a problem with the automatic shuffler. This impacted the integrity of the Blackjack game on table BJ 906 for 36 minutes. SugarHouse personnel did not advise the five patrons on the Blackjack game of the error on the 122 hands dealt with the illegitimate decks missing 16 cards. The BCC reported that two of the five patrons could not be identified because they were unrated or refused to provide their names. The other three patrons were rated players and were identified. The BCC compliance review determined the win/loss record for the five patrons. In the first segment (6:19 a.m. to 6:38 a.m.) when the illegitimate decks were missing 16 cards, only one of the three patrons on the game won more hands (two) than they loss. The patron in spot one played 29 hands during this time segment, winning 14 hands totaling \$950, losing 12 hands totaling \$700 and three hands being a push for a total of \$175. The patron in spot three played 18 hands during this time segment, winning six hands totaling \$200 and losing 12 hands totaling \$475. The patron in spot six played 29 hands during this time segment, winning 12 hands totaling \$600, losing 13 hands totaling \$625 and four hands being a push for a total of \$200. In the second segment (7:10 a.m. to 7:27 a.m.) when the illegitimate

decks were missing 16 cards, none of the up to five patrons on the game won more hands than they loss. The patron who played spots one and two played 15 hands during this time segment, winning four hands totaling \$200, losing 10 hands totaling \$5,500 and one hand being a push for a total of \$50. The patron in spot three played eight hands during this time segment, winning two hands totaling \$60, losing five hands totaling \$155 and one hand being a push for a total of \$50. The patron in spot four played four hands during this time segment, losing all four hands for a total of \$85. The patron in spot six only played nine hands during this time segment, winning two hands totaling \$150 and losing seven hands totaling \$325. The patron who played spots five and six played seven hands during this time segment, winning two hands totaling \$125 and losing five hands totaling \$375. SugarHouse personnel did not provide the patrons with any kind of reimbursement.

SugarHouse personnel failed to properly address a warning light on a shuffler resulting in the breach of the integrity of a Blackjack game. This resulted in violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls. Additionally, SugarHouse's Surveillance Department failed to adequately review and report the violations that occurred at the blackjack table.

SugarHouse took disciplinary action against one employee involved in this incident. Table Games Supervisor Egger-Strumolo received a Performance Improvement Notice-Written Warning Level 1. In addition, the Director of Table Games sent an email to the Table Games Shift Managers with a "read and sign" memorandum regarding red lights on shuffling devices. The "read and sign" memorandum was issued on September 5, 2017.

Count II

SH-E-0516579-17

On October 17, 2017, the BCC referred violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls. On September 26, 2017, SugarHouse Surveillance Officer Walter Tomlinson (GID #84389) reported to the BCC that a shuffler malfunctioned in Pit Six on the Blackjack game on table BJ 607. A surveillance review found that on September 3, 2017, at 10:01 p.m. the shuffler at the Blackjack game on table BJ 607 began flashing red indicating there was a malfunction with the machine or with the cards contained therein. Dealer Brittany Jackson (GID #97958) requested that Table Games Supervisor William Marshall (GID #68111) respond to table BJ 607 at 10:07 p.m. Supervisor Marshall removed the cards from the shuffler and placed them on the Pit Stand at 10:09 p.m. Supervisor Marshall began counting the set of six decks from the shuffler on table BJ-607 at 10:10 p.m. While this was occurring, the second set of decks last removed from the shuffler on table BJ-607 were in the shoe and in play. At 10:22 p. m Table Games Supervisor Sung Fitzmaurice (GID #49988) recounted the first set of cards removed from the shuffler and confirmed that the set of six decks was missing one card.

At 10:26 p. m Table Games Supervisor Vincent Math (GID #51470) installed a new shuffler on the Blackjack game on table BJ-607. At 10:32 p.m., Supervisor Fitzmaurice inspected the removed shuffler from table BJ-607 but did not find the missing card. After the set of decks in the new shuffler on table BJ-607 were finished shuffling, the decks were removed from the new shuffler by Supervisors Math and Marshall and counted at 10:44 p.m. Supervisor Marshall found the missing card in the second set of decks at 10:45 p.m. The missing card was placed back in the first set of decks, completing

both sets, and Supervisor Marshall returned both sets to the Blackjack game on table BJ 607 and put them back into play.

As a result of the missing card, the first set of decks was in play for 15 minutes, from 9:39 p.m. to 9:54 p.m., while one of the decks was one card short. Additionally, because of the missing card, the second set of decks was in play for 50 minutes, from 9:54 p.m. to 10:44 p.m., with one extra card. During this time segment 60 hands were dealt to six patrons on the game at different times. Two of the six patrons were rated and identified. The other four patrons were not rated and not identified. One of the rated and identified patrons played four hands during this time segment and loss a total of \$25. The other rated and identified patron played 18 hands and loss a total of \$45. Two of the four unidentified patrons totaled winning amounts of \$15 and \$45 after the 60 hands were dealt with the illegitimate decks. Ultimately, SugarHouse came out \$255 ahead after the 60 hands were dealt with the illegitimate decks. The Blackjack game on table BJ 607 was never shutdown while SugarHouse supervisory personnel were looking for the missing card. This impacted the integrity of the Blackjack game on table BJ 607 for more than one hour. While SugarHouse personnel reported to the BCC that they did not receive any complaints from patrons, it is unknown whether the patrons on the Blackjack game on table BJ 607 knew they were playing with decks that were either one card short or had one card too many.

SugarHouse personnel failed to properly address a warning light on a shuffler resulting in the breach of the integrity of a Blackjack game. This resulted in violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls.

Although SugarHouse took no disciplinary action against the employees involved in this incident, Table Games Manager Rita Colletti (GID #51450) advised the BCC that

the Table Games Department staff involved in this incident received verbal coaching and were refreshed on the proper procedure for addressing shuffler malfunctions.

Count III

SH-E-0512412-17

On October 18, 2017, the BCC referred violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls. On September 23, 2017, SugarHouse Surveillance Officer Adam Hebel (GID #97513) reported to the BCC that a shuffler malfunctioned in the Poker Room at the Poker game on table PK 1217, a tournament table. A surveillance review found on September 23, 2017, at 3:28 p.m. the green light on the shuffler at the Poker game on table PK-1217 began blinking. The shuffler was on sort mode instead of shuffle mode. Surveillance coverage showed that Dealer Javier Bermudez (GID #59617) continued to deal 16 hands while the shuffler was set in sort mode. The surveillance coverage also showed that the cards dealt in these 16 hands were in sequential order and in the same suit. At 3:55 p.m. Dealer Bermudez advised Poker Supervisor Dawn Oliver (GID #84007) of the malfunction. Supervisor Oliver corrected the setting on the shuffler to the proper mode-shuffle.

While SugarHouse personnel reported to the BCC that they did not receive any complaints from patrons, it is unknown whether the patrons playing poker on table PK 1217 knew they were playing with two decks that were sorted and not in random order. None of the patrons on the Poker game on table PK 1217 were eliminated from the tournament during the time the 16 improper hands were dealt. The BCC investigation did not identify and did not determine the win/loss record for the patrons during the time the integrity of the Poker game was affected.

SugarHouse personnel failed to properly address a blinking light on a shuffler resulting in the breach of the integrity of a Poker game. This resulted in violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls.

SugarHouse took disciplinary action against one employee involved in this incident. Dealer Javier Bermudez received a Performance Improvement Notice-Written Warning Level 1.

Count IV

SH-E-0513936-17

On October 17, 2017, the BCC referred violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls. On September 26, 2017, SugarHouse Surveillance Officer Walter Tomlinson (GID #84389) reported to the BCC that a regulatory violation had occurred involving the eight decks of cards involved in play in the Minibaccarat games on tables WT 1501 and WT 1502 (an electronic table game) in Pit 2. An investigation of a shuffler malfunction by Table Games Pit Manger James Weaver (GID #53795) resulted in a determination that the eight decks in the game on table WT 1502 were four cards short and the eight decks in play on table WT 1501 had four extra cards.

A surveillance review by BCC found that on September 26, 2017, at 1:13 p.m. the dealer on the Minibaccarat game on table WT 1502, Hayford Jarpa (GID #51666), placed four cards from the game he was dealing in the discard rack for the Minibaccarat game on table WT 1501. The error went undetected and Dealer Jarpa continued to deal the Minibaccarat game on table WT 1502. Dealer Jarpa was relieved by Fazila Chowdhury (GID #81161) at 1:57 p.m., who was relieved by Alice Cao (GID #85546). At 2:18 p.m. Dealer Chowdhury relieved Dealer Cao. At 2:24 p.m. the shoe was completed. Dealer

Chowdhury was recorded on surveillance coverage removing the remaining cards in the shoe and the cards in the discard rack then placing them in the shuffler, with the eight decks four cards short. Dealer Chowdhury repeated this conduct at 2:26 p.m. returning the short decks to the shuffler to be put back in play on table WT 1502. At 2:29 p.m. the shoe on table WT 1501 was completed and Dealer Chowdhury was recorded on surveillance coverage removing the remaining cards in the shoe and the cards in the discard rack then placing them in the shuffler with the four extra cards. Surveillance coverage showed that at 2:34 p.m. the red light on the shuffler for table WT 1502 began to flash indicating an error was found during the shuffle. Neither Dealers Chowdhury nor Cao took any action in regard to the red light on the shuffler for table WT 1502 and both continued to deal and attend to the Minibaccarat games, relieving one another occasionally. At 3:49 p.m. the red light on the shuffler for table WT-1501 began to flash indicating an error was found during the shuffle. Dealer Chowdhury was recorded on surveillance coverage addressing the red light by locating four extra cards and placing them with the affected decks and placing the cards in the shuffler for a second shuffle. After the second shuffle, Dealer Chowdhury removed the affected decks (four extra cards) and placed it in the dealing shoe. The surveillance coverage indicated Dealer Chowdhury turned off the shuffler. At 3:53 p.m. Dealer Chowdhury addressed the red light on the shuffler for table WT 1502 and removed the affected deck (short four cards) and placed it in the dealing shoe.

From 3:53 p.m. to 5:21 p.m. there were 77 hands dealt by Dealers Chowdhury and Cao on the Minibaccarat game on table WT 1501 with the affected decks that had four extra cards and there were 78 hands dealt on the Minibaccarat game on table WT 1502 with the affected decks that were missing four cards. When the decks were returned to

their respective shufflers the red light on the shuffler for table WT 1502 began flashing and was investigated by Table Games Pit Manger Weaver who discovered the errors with the two decks and corrected them.

While SugarHouse personnel did not report receiving any complaints from patrons, it is unknown whether the patrons on the Minibaccarat games on tables WT 1501 and WT 1502 knew they were playing with improper decks. The BCC compliance review was not able to identify the patrons, nor determine their win/loss record during the time the integrity of the Minibaccarat games were affected because these are dealer assisted electronic table games with 24 different terminals.

SugarHouse personnel failed to properly address a blinking light on a shuffler and allowed hands of Minibaccarat to be dealt with defective decks resulting in the breach of the integrity of Minibaccarat games. This resulted in violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls.

SugarHouse took disciplinary action against one employee involved in this incident. Dealer Fazila Chowdhury received a Performance Improvement Notice-Written Warning Level 1.

Count V

SH-E-0528127-17

On January 3, 2018, the BCC referred violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls. On December 9, 2017, SugarHouse Poker Room Supervisor Michael Ricci (GID #84186) reported to the BCC that there was an issue with a shuffler in the Poker Room at the Poker game on table PK 1212, resulting in several hands of Poker being dealt with two decks that were one card short.

A surveillance review found that on December 9, 2017, at 1:30 p.m. the shuffler at the Poker game on table PK 1212 ejected some of the orange decks of cards. Dealer Jerry Cana (GID #84967) removed all but one of the cards (an eight of Clubs) from the shuffler and placed them aside. Dealer Cana then completed the hand he had dealt before the shuffler incident. The patron in spot 9 on the game noticed the one remaining card in the shuffler and retrieved it. The patron handed it to Dealer Cana who added the card (an orange eight of Clubs) to the two purple decks he was dealing. Dealer Cana then placed the two purple decks he had been dealing, with the extra orange eight of Clubs, in the shuffler and proceeded to deal a new hand with the two orange decks that were short an eight of Clubs. After dealing one hand of Poker with the short orange decks, Dealer Cana was tapped off the game by Dealer Christopher Davis (GID #53066) at 1:31 p.m. Dealer Davis proceeded to deal six more hands with the orange decks that were short an eight of clubs. During the time that these seven hands of Poker were dealt with two decks that were short a card, from 1:31 p.m. to 1:44 p.m., there were nine to ten patrons present on the Poker game on table PK 1212. Dealer Davis hand shuffled the orange decks during these hands while the purple decks remained in the shuffler or out of play.

The surveillance coverage showed that at 1:36 p.m. Poker Room Supervisor Ricci arrived at the Poker game on table PK 1212 and began to examine the shuffler machine. The purple decks with the extra eight of clubs from the orange decks were removed from the shuffler and then returned to it. Issues with the shuffler continued. At 1:39 p.m. Dealer Davis removed the purple decks from the shuffler and checked the decks face-up, not detecting the extra eight of clubs from the orange decks. At 1:40 p.m. Dealer Davis returned the purple decks to the shuffler. At 1:44 p.m. Poker Supervisor Dawn Oliver (GID

#84007) arrived at the Poker game on table PK 1212 and after a conversation with Supervisor Ricci closed the game and asked the patrons to move to another Poker table.

At 1:45 p.m. Dealer Cana returned to table PK 1212 and began to countdown the chip float and close the table along with Supervisor Oliver. After both sets of decks were run through the shuffler, Supervisor Oliver conducted a hand check of both sets of decks at 1:53 p.m. and discovered the mix-up with the orange eight of Clubs. Both sets of decks were bagged and secured for destruction.

While SugarHouse personnel reported to the BCC that they did not receive any complaints from patrons, it is unknown whether the patrons on the Poker game on table PK 1212 knew they were playing with decks that were short an eight of Clubs.

SugarHouse personnel failed to properly address a malfunctioning shuffler resulting in the breach of the integrity of a Poker game. This resulted in violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls.

SugarHouse took disciplinary action against both dealers involved in this incident. Dealers Cana and Davis both received Performance Improvement Notices-Verbal Feedback.

Count VI

SH-E-0538324-18

On March 26, 2018, the BCC referred violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls. On January 22, 2018, SugarHouse Surveillance Officer Joseph Pizzillo (GID #47668) reported to the BCC that a shuffler malfunctioned in Pit Nine at the Blackjack game on table BJ 905. A surveillance review found that on January 22, 2018, at 12:00 a.m. the Blackjack game on table BJ 905 was

being dealt by Dealer Katrina Hill (GID #99247). Dealer Hill finished a shoe at that time and retrieved the cards from the discard rack and placed them in the shuffler. Surveillance coverage showed that Dealer Hill left one of the cards in the discard rack. The six decks placed in the shuffler were short one card. Dealer Hill took the second set of decks from the shuffler and placed them in the shoe and resumed dealing the game. She had dealt seven hands when at 12:07 a.m. the shuffler at the Blackjack game on table BJ 905 began flashing red indicating there was a malfunction with the machine or with the cards contained therein. Dealer Hill requested Table Games Supervisor Khalil Bullock (GID #66294) respond to table BJ 905. Supervisor Bullock turned off the shuffler and then turned it back on resetting it. Supervisor Bullock did not stop the game nor did he remove the cards from the shuffler to count them. Dealer Hill continued dealing from the six decks that were in the shoe. At 12:17 a.m. Dealer Hill finished the shoe and looked to the shuffler to retrieve the shuffled decks when she noticed the red light was flashing again. Dealer Hill requested Table Games Supervisor Bullock respond to her table again. Supervisor Bullock turned off the shuffler and then turned it back on resetting it a second time. At 12:18 a.m. Supervisor Bullock removed the decks (which were one card short) from the shuffler and placed them on the table. Dealer Hill took the cards in the discard rack and placed the decks (which were at the time one card over) in the shuffler. Supervisor Bullock instructed Dealer Hill to manually shuffle the six decks from the shuffler. At 12:19 a.m. Dealer Hill finished shuffling and placed the six decks, which were at the time one card short, in the shoe and resumed dealing the Blackjack game. Dealer Hill dealt 17 hands from the shoe that was short one card. At 12:34 a.m. Dealer Hill finished the shoe. During this time, Supervisor Bullock attended to the shuffler, attempting several times to have it

shuffle the six decks that were one card over, without success. At 12:36 a.m. Supervisor Bullock removed the six decks from the shuffler and counted them, discovering the extra card from the other set of decks.

As a result of the missing card, the second set of six decks was in play for 14 minutes, from 12:20 a.m. to 12:34 a.m., while one card short. The Blackjack game on table BJ 905 was never shutdown while SugarHouse supervisory personnel were attempting to resolve a problem with the automatic shuffler. This impacted the integrity of the Blackjack game on table BJ 905 for 14 minutes. SugarHouse personnel did not advise the four patrons on the Blackjack game of the error on the 17 hands dealt with the short decks. The BCC reported that the four patrons could not be identified because they were unrated or refused to provide their names. A surveillance review of the 17 hands dealt with the short decks indicated that all four patrons loss more than they won, for a collective loss of \$840.

SugarHouse personnel failed to properly address a warning light on a shuffler resulting in the breach of the integrity of a Blackjack game. This resulted in violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls.

SugarHouse took disciplinary action against the employees involved in this incident. Table Games Supervisor Bullock was terminated and Dealer Hill received a Performance Improvement Notice-Verbal Feedback.

Count VII

SH-E-0538286-18

On March 26, 2018, the BCC referred violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls. On January 24, 2018, SugarHouse Surveillance Shift Manager William Shreckengost (GID #6286) reported to the BCC that

an internal control violation involving an extra card and an automatic shuffler occurred in Pit Nine at the Blackjack game on table BJ 907. A surveillance review found that on January 24, 2018, at 2:35 p.m. the Blackjack game on table BJ 907 was being dealt by Dealer Paul Cao (GID #60446). Dealer Cao finished the shoe at that time and retrieved the cards from the discard rack and placed them in the shuffler. Surveillance coverage showed that Dealer Cao left one of the cards in the shoe. The six decks placed in the shuffler were short one card. Dealer Cao took the second set of six decks from the shuffler and placed them in the shoe behind the card that was left in the shoe and resumed dealing the game. When Dealer Cao went to "burn" (remove) the first card, two cards came out of the shoe. One of the cards was the card left behind in the shoe from the other set of decks that were now in the shuffler. Dealer Cao requested Table Games Supervisor Joel Leventon (GID #53602) respond to table BJ 907. Supervisor Leventon instructed Dealer Cao to conduct a hand shuffle of the decks in the shoe which included the extra card from the other decks that were now in the shuffler. Dealer Cao complied and at 2:37 p.m. shuffled the six decks with one card over and returned them to the shoe. At 2:38 p.m. Dealer Cao was relieved by Dealer Mark Grams (GID #51539) who burned one card and began dealing from the shoe. At 2:42 p.m. surveillance coverage showed that the red light on the shuffler began flashing. Supervisor Leventon attended the shuffler at 2:43 p.m. and ran the decks that were short one card through the shuffler a second time. At 2:50 p.m. surveillance coverage showed that the red light on the shuffler began flashing again and Supervisor Leventon returned and ran the shortened decks through the shuffler a third time. At 2:54 p.m. Dealer Grams finished dealing the shoe that had the extra card while the shuffler was processing the shortened set of decks for a third time. Supervisor Leventon

instructed Dealer Grams to conduct a hand shuffle of the decks with the extra card. Dealer Grams complied. He completed the shuffle and returned them to the shoe at 2:56 p.m. and resumed dealing from the decks with the extra card. At 2:57 p.m. surveillance coverage showed that the red light on the shuffler began flashing again and Supervisor Leventon returned and ran the shortened decks through the shuffler for a fourth time. At 2:58 p.m. Dealer Cao relieved Dealer Grams at the Blackjack game on table BJ 907. At 3:05 p.m. surveillance coverage showed that the red light on the shuffler began flashing again. At 3:08 p.m. Supervisor Leventon returned to the Blackjack game on table BJ 907 and removed the shortened decks from the shuffler and placed them on the pit stand. At 3:09 p.m. surveillance coverage showed Supervisor Leventon began counting down the shortened decks with assistance from Table Games Supervisors Tony Nguyen (GID #69305) and Natalia Alegria (GID #54071). At 3:12 p.m. Dealer Cao finished the second shoe played with the extra card. At 3:13 p.m. surveillance coverage showed that Supervisor Alegria retrieved the cards with the extra card from the discard rack on table BJ 907 and located the extra card and returned it to the shortened decks. After both sets of decks were corrected they were returned to the Blackjack game on table BJ 907.

As a result of a card being left in the dealing shoe, two sets of the same six decks with an extra card were in play for 34 minutes, from 2:38 p.m. to 3:12 p.m. The Blackjack game on table BJ 907 was never shutdown while SugarHouse supervisory personnel were attempting to resolve a problem with the automatic shuffler. This impacted the integrity of the Blackjack game on table BJ 907 for 34 minutes. SugarHouse personnel did not advise the three patrons on the Blackjack game of the error on the 42 hands dealt with the six decks holding an extra card. The BCC reported that one of the three patrons could not

be identified because he was unrated and refused to provide his name. The other two patrons were rated players and were identified. The BCC reported that they were unable to determine an accurate win/loss record for the three patrons through a surveillance review of the 42 hands dealt with the extra card. SugarHouse personnel did not provide the three patrons with any kind of reimbursement.

SugarHouse personnel failed to properly address a warning light on a shuffler resulting in the breach of the integrity of a Blackjack game. This resulted in violations of the Gaming Act, the Board's regulations and SugarHouse's Internal Controls.

SugarHouse took disciplinary action against the employees involved in this incident. Table Games Supervisor Leventon was terminated and Dealer Cao received a Performance Improvement Notice-Written Warning Level One.

TERMS OF AGREEMENT

In consideration of the foregoing stipulated facts, and in full and final settlement of any and all claims, or causes of action which could or might be brought under the Act or the regulations promulgated thereunder, whether against SugarHouse and/or any of its owners, employees or agents, arising out of the matters identified in the above stipulated facts, the Parties do hereby further stipulate and agree that:

1. This Consent Agreement shall become final and effective only upon its approval by the Board;
2. SugarHouse shall pay a civil penalty in the amount of eighty-five thousand dollars (\$85,000.00) to the Board;

3. Within five days of the Board's Order approving this Consent Agreement, SugarHouse shall pay the Board two thousand five hundred dollars (\$2,500.00) for the costs incurred by OEC, the BCC and other related staff in connection with this matter;

4. SugarHouse shall reinforce its policies and provide additional training and guidance to its employees, which will minimize the chance for similar incidents to occur in the future;

5. If approved, the Board may make information public with respect to the terms and conditions of this Consent Agreement;

6. This Consent Agreement may be set aside by the Board if any term herein is violated by SugarHouse;

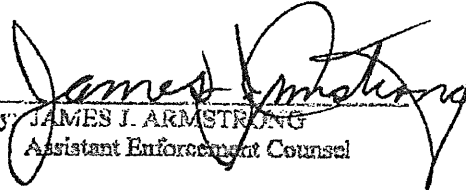
7. SugarHouse, through their authorized representative whose signature appears below, has read and fully understands the terms of this Consent Agreement; and

8. This Consent Agreement shall not preclude the Board or OEC from reviewing and considering any facts in any future proceeding relating to any applications for licensure or qualifications of the licensee. SugarHouse expressly acknowledges and agrees that the Board reserves the right to take any actions that the Board, in its sole discretion, believes is necessary to protect the integrity of gaming in Pennsylvania, including the right to suspend or revoke any license, approval or permit without limitation if any further violations occur or are subsequently discovered, all in accordance with the Act and the regulations promulgated thereunder.

Schiffler


The undersigned consent to the form and entry of the above.

OFFICE OF ENFORCEMENT COUNSEL


By: JAMES J. ARMSTRONG
Assistant Enforcement Counsel

7/26/18
DATED

**SUGARHOUSE CASINO
SUGARHOUSE HSP GAMING, L.P.**


By: JOHN M. DONNELLY, ESQ.
Attorney for Sugarhouse Casino
Sugarhouse HSP Gaming, L.P.

July 25, 2018
DATED

