

## **INDIANA GAMING COMMISSION BUSINESS MEETING**

September 14, 2006  
Indiana Government Center South  
Indianapolis, Indiana

### **Call to Order and Roll Call:**

Chairman William Barrett called the meeting to order at approximately 1:10 p.m. local time. A quorum was present.

### **Present:**

Commission Members: William Barrett, Chair; Tim Murphy, Vice Chair, Don Vowels, Secretary, and Tom Swihart. Commission Staff: Ernest E. Yelton, Phil Sicuso, Kevin Mahan, Mark Mitchell, Chris Gray, Michelle Marsden, Angie Bunton, Andrew Klinger, Adam Packer, Lea Ellingwood, Diane Freeman, Tami Timberman, Garth Brown, Bill Peevler, Jim Beebe, Tom Piskorowski, Kim Barnett, Karen Shadowens, Karen Hulsey, Rod Macy, Jackie Goldstein, Debbie Henderson, Lisa Nichols, and members of the public.

### **Approval of the Minutes:**

Upon motion by Don Vowels, second by Tim Murphy, and the unanimous vote of those present, the Commissioners approved the proposed minutes of the June 7, 2006, business meeting and the June 8, business meeting.

### **Report of the Executive Director:**

Executive Director Yelton reported that on July 1, 2006, Chairman Harold Calloway accepted an appointment to the Board of Trustees of the University of Southern Indiana, and he submitted his resignation as a Commissioner. Governor Daniels appointed William Barrett as the new Chair and Tim Murphy as Vice Chair. Tom Swihart of Valparaiso was appointed to replace Harold Calloway as Commissioner. As of September 1, 2006, the terms of Marya Rose, Bryan Robinson and Tim Fesko expired. The Governor has yet to fill those positions.

Executive Director Yelton reported on staff updates to the Commission. Mike Stokes is the Programmer for Information Technology. Tracy Sanders rejoined the Commission as our Promotions/Compliance Coordinator. The newly created position of Information Analyst has been filled by Andy Means. Jayme Robinson became the newest Field Auditor.

A litigation update was given wherein it was reported that the Quiet Title action which had been filed against the Commission, Argosy and others in the Dearborn Circuit Court was dismissed on

the Commission's Motion alleging lack of torts claim notice, waiver, statute of limitation and failure to state a claim. The Petition for Judicial Review of Administrative Action pending in the LaPorte Circuit Court was brought by the City of East Chicago to vacate the granting of the transfer of the license from Harrah's to Resort's. A Motion To Dismiss is being circulated to all parties for signature and is expected to be filed. East Chicago Second Century filed a Petition for Judicial Review of administrative action from Marion Superior Court requesting the Court to invalidate Resolution 2006-58 which relates to Second Century's portion of the Resorts Local Development Agreement. The City of East Chicago has filed a cross petition requesting the Court to order the IGC to disapprove the entire LDA rather than a portion thereof. Upon motion of the East Chicago not for profit foundations, this litigation was consolidated with Second Century's pending Declaratory Judgment before Judge Bradford. The order of consolidation and all previous orders in the original action have been authorized by the trial Court for interlocutory appeal. The Court of Appeals has yet to act on those appeals.

Two licensees have adopted new names. Blue Sky Casino, LLC has filed a d/b/a with the Secretary of State and will be doing business as French Lick Resort-Casino. A supplier, Certegy Transaction Services, has changed its name to Fidelity National Transaction Services as a result of their acquisition by Fidelity National.

Executive Director Yelton presented the Disparity Study Update for Deputy Director Arnold, who is out of the country. IGC staff has entered all purchases for 2003 & 2005 into a database. These files were sent to the riverboats with a request to assign a category to each vendor, with the categories being: Construction; Gaming Related Equipment; Gaming Related Supplies; Other Services; Professional Services. The entry of the 2005 procurement data is nearing completion and will be sent to the riverboats next week. Staff is preparing to meet with the advisory group in early October to provide an update and seek input to assist Drew Klacik of the Center for Urban Policy, and our outreach coordinator, Engaging Solutions, in completing the study. It is still anticipated that the study will be completed by the first of the year.

Hyatt Gaming announced previously its intention to market its property. They have contracted with Goldman Sachs to provide evaluation and marketing services.

As reported at the last meeting, Columbia Sussex was the successful bidder for all Aztar properties. The Background and Financial Investigators are examining the request for transfer and the key persons involved. To date, they have received 9 of 10 of the anticipated PD1's and are expecting the last one shortly. A final report will be completed for consideration at the November Commission meeting.

The Annual Report was presented to Governor Daniels last week as required by law. A full copy is posted on the website at [www.in.gov/gaming](http://www.in.gov/gaming).

IGC is currently involved in two investigations. One relates to allegations concerning Blue Sky and the second relates to the two not-for-profit Foundations which are parties to Resorts Local Development Agreement. Both are ongoing.

## **French Lick Resort-Casino Update**

Chris Leininger, General Manager, gave an update on French Lick Resort-Casino. A slide show was presented documenting the progress to date. There currently are 250 rooms awaiting delivery of furnishings which is expected to begin the first week of October. The Donald Ross Golf Course is now fully operational and has already hosted a tournament. October 31 is projected to be the host date for the test casino, which will be monitored by the IGC.

### **Waiver of Rules and Regulations:**

A waiver was granted to all boats approving a separate shipment of boot proms from slot machines instead of the EPROMS. Boot proms are a part of the new technology on slot machines that are offered by IGT.

A waiver was granted to allow only poker room dealers to hold their own tokens as opposed to pulling them.

A waiver was granted for all licensees to cash cage checks written by patron to licensees or other Indiana riverboats, checks written to patrons by sister properties and checks written to entertainment vendors.

All boats were granted relief from storing the entire PAR sheet in the electronic gaming device. They will be required to store only that part of the PAR sheet containing the exact EPROM and hold percentage. The electronic copy or hard copy of the entire PAR sheet will be available on site.

All boats were granted a waiver approving the discontinuation of the registration number issued by the commission for each electronic gaming device.

Majestic Star I and II were granted relief from having a security guard in the VIP lounge, which has a boarding ramp onto the vessel, and these patrons would have already passed through the main turnstiles. A waiver was granted to Majestic Star II to utilize the equipment of Majestic Star I and share credit practices and policies. The two boats will be using the same playing cards, value chips, non-value chips, promotional chips, table layouts, and roulette and big six wheels. They will also have one credit policy and one marker bank. Additionally, they requested and received relief from various regulations related to token acceptance of the EGD's; fill amounts and probe level; token acceptor; hopper mechanism; drop box process; jet sort testing; comparison of actual token drop system; internal audit observing and testing; hopper fills and credits. They also received a waiver from investigating negative chip float inventories on individual riverboats, but they will be required to do an investigation report to the Commission if any of the consolidated float is negative. A waiver was also transferred that had previously been granted to Trump Casino approving the discontinuation of drop door meters displaying when a door has been opened in a ticket machine. Majestic Star also received a waiver from various regulations as they apply to the hopper fills, manual fills, fill slips, audit verification and review and internal audit review and verification of fill slips.

Caesars received three waivers. The first is to allow the management employees to receive a bonus in the context of the Midwest Regional Poker Promotion. Further, their dealers are allowed to accept currency as tips only during the time of tournament play. Finally, Caesars received a waiver to allow the table game supervisors to withdraw front money for the patrons.

Grand Victoria was granted a waiver to destroy redeemed TITO tickets after a 90 days retention period.

Argosy was granted a waiver allowing it to have six spots for wagering on their blackjack layouts.

Resorts received authority to allow drop team members to enter the soft count after the count has begun.

### **Report of the Director of Charity Gaming**

Mark Mitchell, Director of Charity Gaming, reported that the transfer of employees and equipment dedicated to charity gaming from the Department of Revenue to the Indiana Gaming Commission was effectuated July 1, 2006, as set forth in Senate Enrolled Act 100. No organization's charity gaming event was affected. The following employees were introduced: Diane Freeman, Director of Licensing Compliance; Kim Hall, Coordinator; Kim Barnett, Karen Shadowens, Karen Hulsey, Rod Macy, Jackie Goldstein and Debbie Henderson, Tax Analysts; Lisa Nichols, Administrative Assistant; Jim Biddle and Janice Witham, Investigators. 465 licenses have been issues since the transfer on July 1, 2006. A draft of new, permanent rules governing the administration of Charity Gaming have been completed and forwarded for publishing. Charity Gaming forms used by the Department of Revenue are being reviewed and updated for use with the Indiana Gaming Commission.

### **Report of Superintendent**

It was reported by the Superintendent that Gaming Agents for Belterra began their Gaming Agent training on June 26. The Enforcement section participated in a day long job fair at the Indiana Black Expo at the Convention Center on July 14. 31 gaming agents graduated from the 2<sup>nd</sup> enforcement class on July 25. Eleven of those agents went to Aztar, with the remainder going to Caesars. On August 13, field training was complete at Aztar and Caesars and the agents officially took over enforcement and regulatory duties from the Indiana State Police at those two properties. 19 agents graduated from the academy on August 18. Ten of these agents went to Belterra and nine went to Grand Victoria for field training. August 28 was the first day at French Lick Resort and Casino. Temporary offices are set up and the badging and processing has begun. Also at French Lick, 454 of the 1200 slot machines have been delivered to the casino floor. French Lick is also under 24 hour a day surveillance and security. On September 10 our agents relieved the Indiana State Police from their duties at Belterra and Grand Victoria. At the present time, the Division of Gaming Agents has taken over enforcement and regulatory duties as seven of Indiana's eleven casinos.

**Old Business:**

There was no old business.

**New Business:**

**Resolution 2006-59**

Resolution granting the Executive Director the authority to renew supplier licenses.

**Action:** Upon Motion by Tim Murphy, second by Don Vowels, and unanimous vote of those present, the Commission adopted Resolution 2006-59.

**Emergency Rule:**

**Resolution 2006-60**

Resolution adopting an Emergency Rule Regarding Patron Exclusion with provisions for forfeiture and fines, and a procedure for removal of patrons from the exclusion list.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2006-60.

**Occupational License Matters:**

**Order 2006-61**

Order of the Indiana Gaming Commission regarding the request of Elisabeth Streckfus for a waiver of 68 IAC 2-3-5(c) (10).

**Action:** Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission adopted Order 2006-61.

**Order 2006-62**

Order of the Indiana Gaming Commission regarding the settlement agreement with Michael J. McEnelly.

**Action:** Upon Motion by Tim Murphy, second by Don Vowels, and unanimous vote of those present, the Commission rejected Order 2006-62.

## Order 2006-63

Order of the Indiana Gaming Commission regarding settlement agreement with Larry J. Wolf.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Order 2006-63.

### **Voluntary Exclusion Program:**

#### **Orders Concerning The Voluntary Exclusion Program**

**Order 2006-64**

**Order 2006-65**

**Order 2006-66**

**Order 2006-67**

**Order 2006-68 &**

**Order 2006-69**

Order 2006-64 approves the remittance of winnings by VEP participant John Doe #9 in the amount of \$25,000 as a fine. Majestic Star Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-65 approves the remittance of winnings by VEP participant John Doe #10 in the amount of \$2,700 as a fine. Majestic Star Casino withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-66 approves the remittance of winnings by VEP participant John Doe #11 in the amount of \$1,039.01 as a fine. Belterra withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-67 approves the remittance of winnings by VEP participant John Doe #12 in the amount of \$5,600 as a fine. Resorts withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-68 approves the remittance of winnings by VEP participant John Doe #13 in the amount of \$1,3500 as a fine. Caesars withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-69 approves the remittance of winnings by VEP participant John Doe #14 in the amount of \$1,715 as a fine. Belterra withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

**Action:** Upon Motion by Tim Murphy, second by Tom Swihart, and unanimous vote of those present, the Commission approved Orders 2006-64, 65, 66, 67, 68 and 69 as recommended by Commission staff.

**Riverboat License Renewals:**

**Order 2006-70**

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Blue Chip Casino, LLC.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved Order 2006-70 and renewed Blue Chip Casino's license for a period of one year as recommended by Commission staff.

**Order 2006-71**

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Grand Victoria Casino and Resort, LP.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved Order 2006-71 and renewed Grand Victoria Casino and Resort LP's license for a period of one year as recommended by Commission staff.

**Order 2006-72**

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Belterra Resort, LLC.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved Order 2006-72 and renewed Belterra Resort LLC's license for a period of one year as recommended by Commission staff.

**Wager Request:**

**Order 2006-73**

Order of the Indiana Gaming Commission concerning the request of Horseshoe Casino Hammond for approval of two side bets for the game of Craps.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved Order 2006-73 and approved the request and permits the acceptance of the wagers.

**Disciplinary Action:**

**Settlement Agreement of  
French Lick Resort-Casino  
06-FL-1  
Order 2006-74**

A settlement agreement was reached regarding a breach of the Operating Agent's Contract and/or Executive Director's deadline. Commission staff recommended and Blue Sky/French Lick-Casino agreed to pay a fine in the amount of \$10,000.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of  
Casino Aztar  
06-AZ-02  
Order 2006-75**

A settlement agreement was reached with Aztar regarding a violation of a sensitive keys violation. Aztar agreed to a total fine of \$30,000 and Commission staff recommended the approval of this settlement agreement.

**Action:** Upon Motion by Don Vowels, second by Tom Swihart, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of  
Blue Chip Casino, LLC  
06-BC-02  
Order 2006-76**

A settlement agreement was reached which involved a cage cashier cashing a check for a VEP patron. The casino was notified by Central Credit that the patron was on the VEP list. Blue Chip agreed to pay a fine in the sum of \$10,000. Commission staff recommended the approval of the settlement agreement.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of  
The Majestic Star Casino, LLC  
06-MS-02  
Order 2006-77**

A settlement agreement was reached involving seven counts; the first incident involved two decks of used playing cards found in an unsecured drawer of the pit stand. The cards had not



been cancelled and the casino had been notified a week prior for the same violation; the second incident involved four table games with unsecured tip boxes; the third incident involved a roulette wheel that was not in use which was not securely locked. This violation had been documented two previous times; the fourth incident involves the re-issuing of Majestic Star badges. A cage cashier attempted to obtain a new bad but could not as she was listed as terminated in the system. She had been rehired, but continued to work on a terminated temporary badge for five years; the fifth incident involves the failure to withhold jackpots from a patron with VEP status; the sixth incident involves a table being moved from Majestic Star I to Majestic Star II with money in the table drop box; the seventh and final incident involves an underage person being allowed to enter the casino. Majestic Star agreed to pay a fine of \$76,500. Commission staff recommended the approval of the settlement agreement.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of  
Gemaco Inc.  
06-01  
Order 2006-78**

A settlement agreement was reached with regard to failure to comply with an application for re-investigation and related Personal Disclosure Form 1's for five key individuals. Gemaco has agreed to pay a fine of \$4,500 in settlement of this matter. Commission staff recommended the approval of the settlement agreement.

**Action:** Upon Motion by Tim Murphy, second by Don Vowels, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Supplier License Renewals**

**Order 2006-79**

Order of the Indiana Gaming Commission concerning the renewal of supplier's licenses for Atronic Americas, LLC; GEMACO, Inc.; and Progressive Gaming International Corp.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission granted the renewal of the supplier's licenses for Atronic Americas, LLC; GEMACO, Inc.; and Progressive Gaming International Corp.

**Order 2006-80**

Order of the Indiana Gaming Commission granting a permanent supplier's license to Benchmark Hospitality of Indiana, Inc.

**Action:** Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission granted a permanent supplier's license to Benchmark Hospitality of Indiana, Inc. for a period of one year.

**Next Meeting:**

The next business meeting of the Commission will be November 9, 2006, at a yet undetermined place.

**Adjournment:**


Upon motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the meeting was adjourned at approximately 2:45 p.m.

**Minutes:**

Robin L. Helton transcribed the September 14, 2006, business meeting. The transcript is a complete record of the meeting. Anyone wishing to see the transcript may review it at the Commission Office at 115 West Washington Street, South Tower, Suite 950, Indianapolis, Indiana.

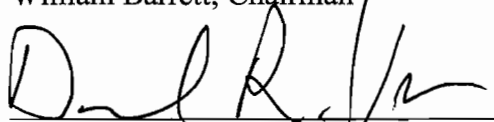
These minutes were prepared by Tami Timberman, Administrative Assistant for the Indiana Gaming Commission.

Respectfully Submitted,

  
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Tami Timberman

THE INDIANA GAMING COMMISSION:

  
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William Barrett, Chairman

  
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Donald R. Vowels, Secretary