

**ORDER 2021-91
IN RE SETTLEMENT AGREEMENT**

**THE MAJESTIC STAR CASINO, LLC
21-MS-02**

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

APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

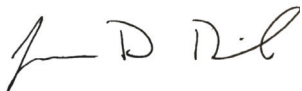
IT IS SO ORDERED THIS THE 25th DAY OF MAY, 2021.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Jason Dudich, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
THE MAJESTIC STAR CASINO, LLC) **21-MS-02**

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and The Majestic Star Casino, LLC (“Majestic Star”) (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) 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.
2. 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.
3. 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.
4. Majestic Star’s approved internal control procedures, I-M-1, describe the procedures for Child Support Intercept Process.
5. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (“CSADR”) for December 2020. The results of this audit were that one (1) individual was not searched in the CSADR after winning a taxable jackpot.
6. Gaming Agents conducted an audit of the CSADR for January 2021. The results of this audit were that two (2) individuals were not searched in the CSADR after winning a taxable jackpot.
7. Gaming Agents conducted an audit of the CSADR for February 2021. The results of this audit were that one (1) individual was not searched in the CSADR after winning a taxable jackpot.

8. Gaming Agents conducted an audit of the CSADR for March 2021. The results of this audit were that four (4) individuals were not searched in the CSADR after winning a taxable jackpot.

COUNT II

9. 68 IAC 2-6-33 provides (a) a progressive jackpot that is currently in play may be transferred to other progressive electronic gaming devices in the casino in the event of:
 - (1) electronic gaming device malfunction;
 - (2) electronic gaming device replacement; and
 - (3) another good reason deemed appropriate by the executive director or the commission to ensure compliance with IC 4-33, IC 4-35, and this title.(b) If the events set forth in subsection (a) do not occur, the progressive award must be permitted to remain until it is won by a player or transfer is approved by the executive director.
10. On November 30, 2009, the Commission issued a memorandum which provided, in the event a casino wishes to transfer the progressive amount to another progressive on the casino floor, the casino must post signs thirty (30) days prior to moving the progressive informing the public that the progressive electronic gaming devices will be shut down. The incremental amount must then be transferred to a progressive with a similar denomination and the casino may retain the seed amount.
11. On March 29, 2021, upon Commission request, Majestic Star provided a list of the current progressive liability for Majestic Star prior to their upcoming closure. While reviewing this documentation, it was determined that several progressive electronic gaming devices (“EGDs”) were showing removed from the casino floor and not in the warehouse but appeared to still be holding progressive funds.
12. On March 30, 2021, the Commission’s Director of Compliance requested clarification on the removed EGDs. Majestic Star advised that the removed EGDs were games that had been returned to the vendor and were no longer on property.
13. On April 26, 2021, the Commission’s Director of Compliance requested clarification to determine if Majestic Star had approval from the Commission to remove the progressive funds from the casino floor or to transfer progressive funds to other EGDs.
14. On April 28, 2021, Majestic Star responded and confirmed that the nineteen (19) EGDs in question were removed from the casino floor and had a total progressive liability of \$64,792.58. Majestic Star had approval to remove the EGDs from the casino floor but did not request or obtain approval to remove the progressive funds from the casino floor or to re-allocate these funds to new EGD’s.

COUNT III

15. 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.

16. On February 25, 2021, a Casino Shift Manager notified Gaming Agents that a playing card was missing at a Blackjack table. While closing the table, the Dealer kept coming up one (1) playing card short. The missing playing card was found in the bag which is used to store the playing card boxes. The playing cards were in play for seventeen (17) hours while missing a card.

COUNT IV

17. 68 IAC 6-3-4(b)(3)&(5) provides the casino shall establish internal control procedures for refusing wagers from and deny gaming privileges to any voluntarily excluded person and ensure that voluntarily excluded persons do not receive check cashing privileges or extensions of credit, whether directly through the casino licensee or operating agent, or through a supplier contracting with a casino licensee on property hired for the purpose of check cashing or extension of credit, or both.
18. Majestic Star's approved internal control procedures, IX-b-5, describe the procedures for the Voluntary Exclusion Program.
19. On April 17, 2021, a Cage Supervisor notified Gaming Agents that a VEP participant had made several cash transactions at the Cage. The first cash advance was for \$2,000 which was conducted by a Cage Cashier and verified by a Cage Supervisor. The second cash advance was for \$2,000 and conducted by a Cage Cashier. The third transaction was a cash out of chips in the amount of \$11,500. During all three (3) transactions, the VEP provided his Illinois identification and his player's card; however, casino personnel did not identify that he was a VEP due to the patron having two (2) player accounts and only one (1) account was flagged.

TERMS AND CONDITIONS

Commission staff alleges that the acts or omissions of Majestic Star by and through its agents as described herein constitute a breach of IC 4-33, 68 IAC and/or Majestic Star's approved internal control procedures. The Commission and Majestic Star hereby agree to a monetary settlement of the alleged violations described herein in lieu of the Commission pursuing formal disciplinary action against Majestic Star.

Majestic Star shall pay to the Commission a total of \$21,500 (\$8,000 for Count I, \$7,500 for Count II, \$1,500 for Count III and \$4,500 for Count IV) 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 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, Majestic Star agrees to promptly remit payment in the amount of \$21,500 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 Majestic Star.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.

Sara Gonso Tait, Executive Director
Indiana Gaming Commission

Date


Jahnae Erpenbach, Executive VP of
Operations & GM
The Majestic Star Casino, LLC

5/12/21

Date

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This Agreement shall be binding upon the Commission and Majestic Star.

IN WITNESS WHEREOF, the Parties have signed this Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

5/24/21

Date

Jahnae Erpenbach, Executive VP of
Operations & GM
The Majestic Star Casino, LLC

Date