

**INDIANA GAMING COMMISSION  
BUSINESS MEETING**

**2:00 p.m., March 17, 1998  
Indiana Gaming Commission Office  
115 W. Washington Street, South Tower, Ste. 950  
Indianapolis, IN 46204-3408**

**PRESENT:** Commission members Donald R. Vowels, Chair; Thomas Milcarek, Secretary; Richard Darko; Robert Swan; David Ross, Jr., M.D. Commissioner's Ann Bochnowski and Bob Sundwick were not present. Staff: Jack Thar, Floyd Hannon, Cindy Dean, Jennifer Byrd, Rhonda Dalton, Michelle Marsden, Major Richard Shelton, Cpt. Mark Mason and members of the public.

**Call to Order and Roll Call**

Chairman Don Vowels called the meeting to order at approximately 2:15 p.m. (local time). A quorum was present.

**Approval of the Minutes**

Upon motion by Thomas Milcarek, second by Dr. Ross, the minutes of the January 20, 1998 business meeting were unanimously approved.

Upon motion by Richard Darko, second by Thomas Milcarek, the amended minutes of the December 15, 1998 business meeting were unanimously approved.

**Report of the Executive Director**

Jack Thar, Executive Director, gave a report to the Commission on the activities of the riverboats. He also introduced new staff of the Indiana Gaming Commission.

**New Business**

**Resolution 1998-5**

A Resolution Adopting, as Final Rules 68 IAC 1-14; 68 IAC 2-3-5; 68 IAC 2-3-6; 68 IAC 2-6-30.1; 68 IAC 10-1-1.1; 68 IAC 10-1-6.2; 68 IAC 10-7-2; 68 IAC 10-7-5; 68 IAC 11-3-1; 68 IAC 11-3-6; 68 IAC 14-11; 68 IAC 14-12; 68 IAC 15-1-1; 68 IAC 15-5-3; 68-IAC 15-5-4; 68 IAC 15-6-5; and 68 IAC 17-1-1.

**Action:** Upon motion by Dr. Ross, second by Robert Swan, and unanimous vote of those present, the Commission approved the above mentioned rules as Final Rules.

**Resolution 1998-6**

A Resolution Granting Temporary Supplier's Licenses to Hornblower Marine Services, Inc. and Midwest Game Supply Co.

**Action:** Upon motion by Thomas Milcarek, second by Dr. Ross, and unanimous vote of those present, the Commission granted Temporary Supplier's Licenses to the above mentioned suppliers.

**Resolution 1998-7**

A Resolution Granting Permanent Supplier's Licenses to WMS Gaming, Inc.; Lodging & Gaming Systems, Inc.; and Anchor Coin.

**Action:** Upon motion by Robert Swan, second by Richard Darko, and unanimous vote of those present, the Commission granted Permanent Supplier's Licenses to the above mentioned suppliers.

**Resolution 1998-8**

A Resolution Concerning the Request of TCS America, Inc. to Withdraw Its Application for a Supplier's License.

**Action:** Upon motion by Thomas Milcarek, second by Dr. Ross, and unanimous vote of those present, the Commission granted the request of TCS America, Inc. to Withdraw Its Application for a Supplier's License.

**Denial of Felony Disqualification Waiver  
Ralph Gates TR-FEL-98-1**

On or about May 6, 1996 Ralph Gates applied for an Occupational License, Level 2 for employment with Trump as a dealer. Mr. Gates was granted a temporary Occupational License since he did not reveal that a 1985 conviction for Possession of Controlled Substances was a felony conviction. While conducting the background investigation, the Commission revoked Mr. Gates' temporary Occupational License on or about January 12, 1998. Mr. Gates submitted a Request for a Felony Waiver form on or about January 21, 1998, requesting a waiver of the felony disqualification pursuant to IC 4-33-8-1 and 68 IAC 2-4. On February 3, 1998, at the Empress Casino Pavilion, Hammond, Indiana, a hearing on Mr. Gates' request for a felony waiver was conducted by the review officer, Ms. Kay Fleming, Chief Counsel for the Commission. In accordance with 68 IAC 2-4-9, the review officer has issued written Findings of Fact and Recommendation to the Commission that the Request for Felony Waiver of Ralph Gates be denied.

**Action:** Upon motion by Robert Swan, second by Dr. Ross, and unanimous vote of those present the Commission denies the request for a Felony Disqualification Waiver submitted by Ralph Gates.

**Denial of Occupational License  
Lois J. Dorn Mayhew TR-DEN-2**

Lois Dorn Mayhew applied for an Occupational License, Level 2 for employment with the Trump as a cage cashier. The Commission issued a temporary Occupational License to Ms. Mayhew on or about that same date. Ms. Mayhew's temporary Occupational License was revoked and her application for a permanent license was denied by the Commission staff on or about September 5, 1997 after the Commission staff discovered that Ms. Mayhew had not accurately disclosed her criminal record on the application. The Commission upheld the Commission staff's revocation of the temporary license and the denial of her application for a permanent license on October 22, 1997. Ms. Mayhew subsequently retained Robert Lewis to represent her and appealed the decision of the Commission to Administrative Law Judge ("ALJ"), Bernard L. Pylitt. The ALJ held a hearing in this matter on February 3, 1998. Ms. Mayhew was present in person and by counsel. On or about February 24, 1998 the Commission filed its Proposed Findings of Fact, Conclusions of Law, and Recommendation with the ALJ Bernard Pylitt and Mr. Lewis. ALJ Pylitt issued his Findings of Fact, Conclusions of Law, and Recommendation in this matter on or about February 26, 1998. Mayhew's counsel was served with a copy of the same. ALJ Pylitt recommends that the revocation of Mayhew's temporary Occupational License and the denial of Mayhew's application for a permanent Occupational License be upheld.

**Action:** Upon motion by Richard Darko, second by Dr. Ross, and unanimous vote of those present, the Commission accepts the recommendation of the ALJ, Bernard L. Pylitt, and adopts the proposed order as its own.

#### **Shane Brogan TR-DEN-98-1**

Shane Brogan applied for an Occupational License, Level 2 for employment with Trump as a dealer. During his employment with Trump, it was discovered that Mr. Brogan was arrested for Visiting a Common Nuisance when he was present at an apartment that is alleged to be an "after hours club" where liquor was being sold without a permit and illegal gambling games were being conducted.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present, the Commission denies the application for Occupational License Level 2 submitted by Shane Brogan.

#### **Rodney Cox TR-DEN-98-2**

Rodney Cox applied for an Occupational License, Level 2 for employment with Trump as a slot attendant. During his employment with Trump, it was discovered that Mr. Cox was arrested for Visiting a Common Nuisance when he was present at an apartment that is alleged to be an "after hours club" where liquor was being sold without a permit and illegal gambling games were being conducted.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present the Commission denies the application for Occupational License Level 2 submitted by Rodney Cox.

#### **Jeannie David TR-DEN-98-3**

Jeannie David applied for an Occupational License, Level 2 for employment with Trump as a dealer. During her employment with Trump, it was discovered that Ms. David was arrested for

Visiting a Common Nuisance when she was present at an apartment that is alleged to be an “after hours club” where liquor was being sold without a permit and illegal gambling games were being conducted.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present, the Commission denies the application for Occupational License Level 2 submitted by Ms. David.

#### **Jason Gentry TR-DEN-98-4**

Jason Gentry applied for an Occupational License, Level 2 for employment with Trump as a floor supervisor. During his employment with Trump, it was discovered that Mr. Gentry was arrested for Visiting a Common Nuisance when he was present at an apartment that is alleged to be an “after hours club” where liquor was being sold without a permit and illegal gambling games were being conducted.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present the Commission denies the application for Occupational License Level 2 submitted by Mr. Gentry.

#### **Cynthia Langley TR-DEN-98-6**

Cynthia Langley applied for an Occupational License, Level 2 for employment with Trump as a dealer. During her employment with Trump, it was discovered that Ms. Langley was arrested for Visiting a Common Nuisance when she was present at an apartment that is alleged to be an “after hours club” where liquor was being sold without a permit and illegal gambling games were being conducted.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present, the Commission denies the application for Occupational License Level 2 submitted by Ms. Langley.

#### **Robert Rigoni TR-DEN-98-7**

Robert Rigoni applied for an Occupational License, Level 2 for employment with Trump as a floor supervisor. During his employment with Trump, it was discovered that Mr. Rigoni was arrested for Visiting a Common Nuisance when he was present at an apartment that is alleged to be an “after hours club” where liquor was being sold without a permit and illegal gambling games were being conducted.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present, the Commission denies the application for Occupational License Level 2 submitted by Mr. Rigoni.

#### **Ronald M. Kole MA-DEN-98-1**

Ronald M. Kole applied for an Occupational License, Level 2 for employment with Majestic Star as a dealer. During his employment with Majestic Star, it was discovered that Mr. Kole was

arrested for Visiting a Common Nuisance when he was present at an apartment that is alleged to be an "after hours club" where liquor was being sold without a permit and illegal gambling games were being conducted.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present, the Commission denies the application for Occupational License Level 2 submitted by Mr. Kole.

#### **Joshua P. Brenner SB-DEN-98-2**

Joshua P. Brenner applied for an Occupational License, Level 3 for employment with Showboat as a seaman. During his employment with Showboat, it was discovered that Mr. Brenner was moving chairs and slot bases and utilizing a wire coat hanger to retrieve loose tokens from underneath slot machines. Showboat has terminated Mr. Brenner's employment.

**Action:** Upon motion by Dr. Ross, second by Thomas Milcarek, and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 3 submitted by Joshua P. Brenner.

#### **Johnny Rodriguez SB-DEN-98-3**

Johnny Rodriguez applied for an Occupational License, Level 3 for employment with Showboat as a seaman. During his employment with Showboat, it was discovered that Mr. Rodriguez was moving chairs and slot bases and utilizing a wire coat hanger to retrieve loose tokens from underneath slot machines. Showboat has terminated Mr. Rodriguez's employment.

**Action:** Upon motion by Dr. Ross, second by Thomas Milcarek, and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 3 submitted by Johnny Rodriguez.

#### **Keefe Wayne Norman MA-DEN-98-2**

Keefe Wayne Norman applied for an Occupational License, Level 2 for employment with Majestic Star as a dealer. During his employment with Majestic Star, it was discovered that Mr. Norman was exposing cards to a certain player while Mr. Norman was dealing the game of mini-baccarat, thereby, giving that customer information that other customers did not have when making decisions regarding wagers. The Lake County Prosecutor has filed criminal charges against Mr. Norman. Majestic Star has terminated Mr. Norman's employment.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 2 submitted by Keefe Wayne Norman.

#### **Matthew Glass TR-DEN-98-5**

Matthew Glass applied for an Occupational License, Level 2 for employment with Trump as a dealer. During his employment with Trump, it was discovered that Mr. Glass was exposing cards to a certain player while Mr. Glass was dealing the game of mini-baccarat, thereby, giving that customer information that other customers did not have when making decisions regarding wagers. The Lake County Prosecutor has filed criminal charges against Mr. Glass. Trump has terminated Mr. Glass' employment.

**Action:** Upon motion by Richard Darko, second by Robert Swan, and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 2 submitted by Matthew Glass.

#### **Sonja N. Blakeney SB-DEN-98-1**

Sonja N. Blakeney applied for an Occupational License, Level 2 for employment with Showboat as a cage cashier. During her employment with Showboat, it was discovered that Ms. Blakeney processed credit card advances for a patron who was a customer at Showboat. An order was subsequently placed to the Home Shopping Network for a pearl and diamond necklace utilizing the credit card number of the patron. The patron did not authorize the use of her credit card number. The order for the necklace was to be mailed to Jackie Rose at Ms. Blakeney's address. Jackie Rose is an alias that Ms. Blakeney has used and in which she currently has her telephone service listed. The LaPorte County Prosecutor has filed criminal charges against Ms. Blakeney.

**Action:** Upon motion by Robert Swan, second by Dr. Ross, and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 2 submitted by Sonja N. Blakeney.

#### **Adam B. Ross AR-DEN-98-1**

Adam B. Ross applied for an Occupational License, Level 3 for employment with Argosy as a bartender. During his employment with Argosy, it was discovered that Mr. Ross was not ringing up all drinks that were purchased from him, and that he was then removing the money represented by the drinks not rung up from the cash register and keeping that money for himself. The matter has been forwarded to the Dearborn County Prosecutor for determination regarding the filing of criminal charges against Mr. Ross. Argosy has terminated Mr. Ross' employment.

**Action:** Upon motion by Robert Swan, second by Thomas Milcarek, and unanimous vote of those present, the Commission denies the application for an Occupational License, Level 3 submitted by Adam B. Ross.

#### **Settlement Offers on Disciplinary Actions**

**Complaint No. 98-MS-1, Majestic Star Casino (Majestic Star).** The disciplinary action against Majestic Star consists of 9 counts. 1. Falsifying their records regarding the cage inventory to avoid the payment of tax on \$300,000 of \$500 chips that had been stolen from the casino. 2. Although the \$500 chip float at Majestic Star became negative on December 25, 1996, that situation was not investigated until December 31, 1996, the day that the total chip float for all denominations of chips went negative. 3. Failure to rotate chips contained on the bank and reserve chip cabinet. 4. Inadequate surveillance coverage. 5. Failure to have a second individual check bagged trash. 6. Failure to obtain requisite photographs of individual completing log transactions. 7. Failure to lock chip banks and drawers on several occasions. 8. A Majestic Star employee who held a nongaming Occupational License redeemed three \$500 chips without being required to complete the chip redemption log. 9. Majestic Star management continued to allow Chuck Finnegan to perform his duties as Security Director and to act as Interim Surveillance Manager until on or about February 6, 1997, even after the

request to combine the duties of those two positions had been denied by the Commission staff on or about December 4, 1996. The Commission staff and the Majestic Star have reached a settlement agreement whereby a fine of \$110,000.00 would be imposed.

**Action:** Upon motion by Thomas Milcarek, second by Dr. Ross and unanimous vote of those present, the Commission approved the proposed terms of the settlement agreement.

**Complaint No. 98-MS-2, Majestic Star.** The disciplinary action against Majestic Star Casino (Majestic Star) consists of 4 counts. 1. Occupational licensees working for Majestic Star failed to accurately and completely fill out the hard count room log. 2. Occupational licensees working for Majestic Star failed to accurately and completely fill out the soft count room log. 3. Occupational Licensees working for Majestic Star failed to accurately and completely fill out the sensitive key log or failed to return the sensitive key to security. 4. Between September 3, 1996 and March 21, 1997, there were approximately nineteen occasions when the vendors and visitors log was not properly completed. The Commission staff and Majestic Star have reached a settlement agreement whereby a fine of \$10,000 would be imposed.

**Action:** Upon motion by Thomas Milcarek, second by Dr. Ross and unanimous vote of those present the Commission approved the proposed terms of the settlement agreement.

#### **Resolution 1998-9**

A Resolution Concerning the Request of Blue Chip Casino, Inc. to Transfer an Ownership Interest and Request that the Commission Waive the Transfer of Ownership Rules.

**Action:** Upon motion by Dr. Ross , second by Thomas Milcarek and unanimous vote of those present, the Commission approved the request for a waiver of the transfer of ownership procedures and attendant background investigations. Adoption of this resolution and the approval of the modification does not in any way constitute a waiver of the Commission's authority and ability to approve or disapprove any future changes in the ownership of the Riverboat Owner's License, or assets incident thereto which may occur in the event of a default.

#### **BOND REDUCTION**

##### **Casino Aztar**

On December 8, 1997; December 30, 1997; and March 4, 1998, Casino Aztar made payments to the City of Evansville pursuant to the Development Agreement between Casino Aztar and City of Evansville as a condition of the riverboat owner's license issued to Casino Aztar. As a result of these payments, the Indiana Gaming Commission authorized the National City Bank to reduce the Letter of Credit 101 and Letter of Credit 102 posted by Casino Aztar, beginning with Letter of Credit 101, in a total amount of \$916,666.67.

**Action:** Upon motion by Robert Swan, second by Richard Darko and unanimous vote of those present, the Commission authorized the National City Bank to reduce the Letters of Credit posted by Casino Aztar, beginning with Letter of Credit 101, in a total amount of \$916,666.67.

#### **Resolution 1998-10**

A Resolution Concerning Debt Acquisition By Aztar Corporation and Action on Request for Approval of Two Debt Transactions by Aztar Corporation.

**Action:** Upon motion by Robert Swan, second by Richard Darko and unanimous vote of those present, the Commission approved the request for Aztar Corporation's debt transactions in an amount of up to \$350,000,000. Adoption of this resolution and approval of the debt transactions are subject to a review and approval of the terms of the final draft and associated documents by the Commission staff.

#### **Resolution 1998-11**

A Resolution Concerning An Extension of the Certificate of Suitability Issued to RDI/Caesars Riverboat Casino, L.L.D. on May 20, 1996.

**Action:** Upon motion by Dr. Ross, second by Thomas Milcarek, and unanimous vote of those present, the Commission extended the Certificate of Suitability issued to RDI/Caesars Riverboat Casino, L.L.C. on May 20, 1996. The extension will remain valid until the Commission can, pursuant to 68 IAC 1-2-5, schedule a business meeting at which a larger quorum of the Commission members can be present and conduct a hearing on this matter.

#### **EMPRESS FINANCIAL/FIRST REQUEST**

John G. Costello, Vice-President and Chief Financial Officer, Empress Corporation presented for initial consideration two financing alternatives. These two alternatives are outlined in the confidential material previously submitted. Final financing proposals will be presented at the next scheduled Business Meeting.

**Action:** Before the Commissioners give final approval, Empress, with the Approval of their Board of Directors, must choose a financing alternative. Pending a request by Empress, this issue will be placed on the agenda of the next business meeting.

#### **Other Business**

#### **ARGOSY REQUEST FOR FINANCING/FIRST REQUEST**

Dale Black, Argosy Gaming Company presented for initial consideration transactions as outlined in the confidential materials submitted to staff and the Commissioners.

**Action:** As the materials submitted to staff and commissioners are confidential, the Argosy Gaming Company will submit additional materials, which are not confidential. Pending a request by the Argosy Gaming Company, this issue will be placed on the agenda of the next business meeting.

#### **Next Meeting**

The tentative date for the next Business Meeting is Wednesday, May 6, 1998 and will be held in the Indiana Government Center South Auditorium at 9:30 a.m.. This date is subject to confirmation and subject to change. The meeting was adjourned at approximately 3:15 p.m. by unanimous Commission vote upon motion by Dr. Ross, second by Tom Milcarek.

**Adjournment**

Upon motion by Dr. Ross, second by Thomas Milcarek, and unanimous vote, the meeting was adjourned at 3:15 p.m.

**Minutes**

The March 17, 1998 meeting was transcribed by Baynes & Shirey Reporting Services; consequently, the transcript is the complete record of the meeting. Anyone wishing to see the transcript can review it in the Commission office or obtain copy of the transcript from Baynes & Shirey, Bank One Center/Circle Center, 111 Monument Circle, Ste. 582, Indianapolis, IN 46207, (317) 231-9004.

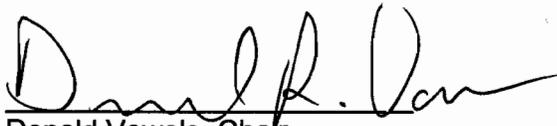
These minutes were prepared by Rhonda K. Dalton, Executive Secretary, of the Indiana Gaming Commission Staff.

Respectfully submitted,



Rhonda K. Dalton

**THE INDIANA GAMING COMMISSION:**



Donald Vowels, Chair



Thomas Milcarek, Secretary