

**ORDER 2007-121**

**AN ORDER OF THE INDIANA GAMING COMMISSION  
CONCERNING A SETTLEMENT AGREEMENT WITH  
THE MAJESTIC STAR CASINO, LLC  
07-MS-04**


The Indiana Gaming Commission ("Commission") adopts the following order pursuant to authority granted it under IC 4-33.

After having reviewed the attached Settlement Agreement, the Indiana Gaming Commission hereby **APPROVES** the proposed terms of the Settlement Agreement.

Pursuant to IC 4-21.5-3, this order is effective fifteen (15) days after the order is served.

**IT IS SO ORDERED THIS THE 8<sup>th</sup> DAY OF NOVEMBER, 2007.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
William Barrett, Chair

**ATTEST:**

  
\_\_\_\_\_  
Tom Swihart, Secretary

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 )  
**THE MAJESTIC STAR CASINO, LLC** ) **SETTLEMENT**  
 ) **07-MS-04**  
 )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission ("Commission") by and through its Executive Director Ernest E. Yelton and Majestic Star 1 and 2 Casinos ("Majestic Star") (collectively, the "Parties") desire to settle this matter 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 2-6-40(a) states that each progressive controller linking two (2) or more progressive electronic gaming devices must be housed in a double keyed compartment in a location approved by the executive director. All keys must be maintained in accordance with 68 IAC 11-7.
2. On June 18, 2007, the Commission Audit staff proceeded to Majestic Star to inspect for compliance with 68 IAC 2-6-40(a). A memo regarding this rule and applying it to table games was sent to all the casinos on March 23, 2007. The audit staff found that two table game progressive controllers on Majestic Star I and one table games progressive on Majestic Star II had only one lock on them and that the key to the locks was controlled by the Table Games Department.
3. On June 19, 2007, a Gaming Agent was contacted by a Slot Technician for assistance with a progressive controller. The progressive controller only had one lock on it which was opened by a key in the possession of the Gaming Agent. The Slot Technician asked for help with another progressive controller and this time the one lock on the controller was accessed by a key in the possession of the Slot Technician. The key used to open the progressive controller lock was a main door slot machine key. All of the progressive controllers were inspected for compliance to 68 IAC 2-6-40(a) and it was discovered that fourteen additional controllers did not have double locks. The Gaming Agents were in possession of keys to five of those controllers, the other nine were in the possession of the Slot Department.

## COUNT II

1. Pursuant to 68 IAC 6-3-4, riverboat licensees must adopt internal control procedures addressing the refusal of wagers from and denying gaming privileges to any individual who the casino knows to be a voluntarily excluded person.
2. On June 22, 2007, the Regulatory Compliance Officer sent an e-mail to the Commission's Problem Gaming Coordinator informing her that a VEP had won a jackpot on June 19, 2007. In an incident report submitted by a Gaming Agent, it was discovered during an interview with the VEP patron that the patron had four accounts in Majestic Star's Player Tracking System with two different spellings of her first name. Two of the four accounts were flagged. In one of the two accounts that were not flagged, the spelling of the patron's first name matches the spelling in the VEP database. The patron was enrolled in the VEP program on December 4, 2005 for a one year exclusion. She removed herself from the program on July 23, 2007. In May 2007, the patron won three hand paid jackpots under an account not flagged and five hand paid jackpots under another account not flagged. The total of all the jackpots paid was \$12,500.

## COUNT III

3. 68 IAC 2-3-1(j)(3) states that any employee of a riverboat gambling operation whose duties are performed on or off the riverboat and whose employment duties affect the flow of money obtained as a direct result of gaming operations or other operations aboard the riverboat shall obtain a Level 2 occupational license.
4. 68 IAC 2-3-6.1(a)(4) states if an occupational licensee ceases employment with a riverboat licensee, but returns to the same riverboat licensee in the same position within sixty (60) days, the occupational licensee does not have to be reprocessed. The occupational licensee may utilize the same identification badge if it has not been canceled by the commission or otherwise destroyed. If the occupational licensee needs a new identification badge, the ten dollar (\$10) replacement fee must be paid in accordance with section 5 of this rule.
5. On June 18, 2007, a Gaming Agent was contacted by a Cage Supervisor informing him that a Cage Cashier needed a new badge. She informed the Agent that the employee had resigned on May 22, 2007 but had returned to work on June 2, 2007. The employee had been terminated and processed out of the active employee system of the commission database. When the Agent followed up with the Human Resources Department he was told that the employee was not processed correctly and should not have been terminated. The employee was an active employee in the casino's database. When the Cage Cashier showed up for work on June 2, 2007, she obtained a temporary badge (a badge issued by security for employees that have lost or forgotten their badge for a day). She continued to obtain a temporary badge twelve (12) more times for a total of thirteen (13) times

while working. The casino's security department has a policy of three (3) consecutive days that an employee can use a temporary badge for work. The casino allowed this cage employee work without an occupational license for thirteen (13) days. On June 20, 2007 the Regulatory Compliance Officer informed a Commission Auditor of the violation.

#### COUNT IV

1. 68 IAC 15-1-2(1) states the purpose of the accounting records and procedures is to ensure that the assets of the riverboat licensee or riverboat license applicant are safeguarded.
6. 68 IAC 15-10-2(a) states the riverboat licensee shall establish policies and procedures to ensure that all transactions that flow through the casino cage shall be accounted for.
7. On July 5, 2007, a Gaming Agent, based on a surveillance report, reviewed video surveillance footage of a money transport conducted on June 22, 2007. While viewing the footage, he noted that the Cage Cashier did not lock the non-transparent money cart prior to transporting it from cage 6 to cage 8. The cashier was escorted by security. The cart was transported across the open casino floor to an elevator where the Cashier and Security Officer allowed a dealer to use the elevator while they waited. They then boarded the elevator and proceeded to cage 8. The Agent was informed by a Cage Shift Manager that it is the responsibility of the cage cashier to lock the cart before it leaves the cage.

#### 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 the Riverboat Gambling Act, Title 68 of the Indiana Administrative Code and 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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

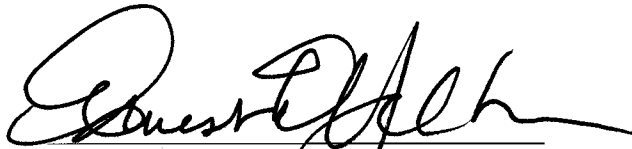
Majestic Star shall pay to the Commission a total of \$67,500 (\$30,000 for Count I; \$15,000 for Count II; \$2,500 for Count III; and \$20,000 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only to those violations and findings of fact, specifically alleged herein. If the Commission subsequently discovers facts that give rise to additional or separate violations, which are not described herein, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described herein.

Upon execution and approval of this Settlement Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Settlement Agreement by the Commission, Majestic Star agrees to promptly remit payment in the amount of \$67,500 and shall waive all rights to further administrative or judicial review.

This Settlement 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 Settlement Agreement. This Settlement Agreement may not be modified, supplemented, or amended, in any manner, except by written agreement signed by all Parties.

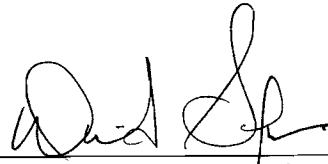
This Settlement Agreement shall be binding upon the Commission and Majestic Star.

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



Ernest E. Yelton, Executive Director  
Indiana Gaming Commission

Nov 2, 2007  
Date



David Schugar, General Manager  
The Majestic Star Casino, LLC

10-31-07  
Date