

**ORDER 2008-156
IN RE SETTLEMENT AGREEMENT
THE MAJESTIC STAR CASINO, LLC
08-MS-04**

COMMISSION ACTION

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

Approves
APPROVES or DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 13th DAY OF NOVEMBER, 2008.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
)
THE MAJESTIC STAR CASINO, LLC) **SETTLEMENT**
) **08-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 14-2-2(a)(1) requires each live gaming device to have a drop box attached to it.
2. On July 20, 2008, a Gaming Agent was called to the Poker Room regarding gaming chips falling to the floor at a Poker Table due to the lack of a drop box. Before the Agents arrived in the Poker Room, the chips had been collected and placed in a chip holding rack until the box was replaced.

COUNT II

3. 68 IAC 3-3-6(a) states that annually on January 31, for expenditures made during the previous calendar year, each riverboat licensee or riverboat licensee applicant, shall file a report with the commission concerning the performance of its continuing obligation to meet the goals required by IC 4-33-14-5.
4. On April 21, 2008, two IGC Auditors performed an audit of Majestic Star’s MBE/WBE expenditures for the year 2007. The Director of Finance provided the Auditors with a list of qualified MBE/WBE vendors and amounts paid to those vendors for services rendered in 2007. The list given to the Auditors was compared to a list from the Purchases Tracking System (“PTS”) that they had received from the IGC Programmer. The numbers did not match, as the numbers from the Majestic Star list were greater than the numbers provided by the PTS. When this was brought to the attention of the Director of Finance, he stated it was possible that the numbers he provided might be populated incorrectly. It was

agreed that the Director of Finance would reconcile the original list to the one from the PTS.

5. On April 23, 2008, the Director of Finance provided the Auditors with a new list of providers and the amounts paid to them. The differences in MBE and WBE expenses were a substantial amount. When the auditors looked at the records they found that some were unorganized and were unable to obtain some backup copies. It was also noted that Majestic Star was proposing to correct their MBE/WBE purchase amounts as well as their overall purchase amounts in PTS. These concerns were discussed with the Director of Finance who then conducted a thorough analysis of the Majestic Star records.
6. The PTS was configured to allow Majestic Star to re-enter all of their payables. Once Majestic Star completed their re-entries and corrections the schedules were compared. There was a substantial difference from the original purchases entered by Majestic and the corrected entries. The Vice President of Finance responded that the reports and PTS entries had been handled and reviewed by only one area of the finance department. He stated that going forward several individuals will be reviewing the reports. While the casino failed to report all of the purchases made, the casino continued to meet its' MBE/WBE goals.

COUNT III

7. According to a memorandum sent by former Executive Director Jack Thar, a licensee will assign sufficient Security Officers (SO) to comply with the Commission rules regarding the transfer of cash, coins, chips, etc. and will assign, at the minimum, one SO per open deck of gaming whose sole duties are to "patrol" the gaming areas to discourage theft and inappropriate behavior; and to respond to patron problems and take appropriate action when necessary.
8. On July 30, 2008, the Director of Enforcement and the Director of Compliance spoke to the Gaming Agents and Supervisor regarding the lack of security on the casino floors of the Majestic Star I and II. The Agents said at times there are only one or no security employees on each floor of the casinos. On one of the casinos, a fight broke out and the Gaming Agents arrived before any of the security officers because none were on that level of the casino.
9. On July 31, 2008, the Director of Compliance sent an e-mail to the General Manager and the Regulatory Compliance Officer relating the concern of the Gaming Commission over the lack of security on the casino floors. Attached were two memorandums sent by two of the IGC Executive Directors outlining the requirements for security. The Director of Compliance also asked the Gaming Supervisor to have Gaming Agents physically check the casinos at various times to see how many security officers were on the floors.

9. At the end of August, the Gaming Supervisor sent an e-mail with an attached listing of the days and times the Agents checked the casino floors for security officers. It was evident from the attachment that the casino still did not have sufficient security on every floor of the casino.

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.

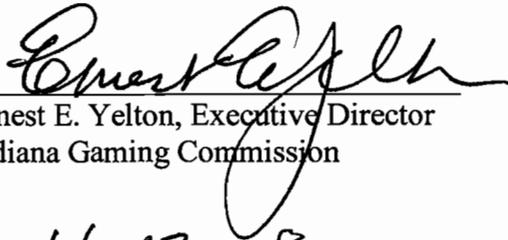
Majestic Star shall pay to the Commission a total of \$28,000 (\$5,000 for Count I; \$15,000 for Count II; and \$8,000 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only 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 \$28,000 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.

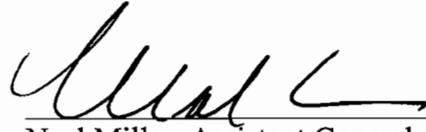
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

11.13.08

Date



Neal Miller, Assistant General
Manager/Acting General Manager
The Majestic Star Casino, LLC

11/7/08

Date