

ORDER 2009-57
IN RE SETTLEMENT AGREEMENT
THE MAJESTIC STAR CASINO, LLC
09-MS-01

After reviewing the attached Settlement Agreement, the Indiana Gaming Commission hereby:

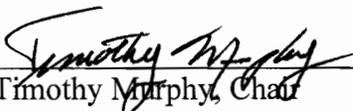
Approves

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS THE 19th DAY OF MARCH, 2009.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
)
THE MAJESTIC STAR CASINO, LLC) **SETTLEMENT**
) **09-MS-01**
)

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 2-3-9.2 (b)(1) states riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when the occupational licensee’s employment with the riverboat licensee is terminated for any reason. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
2. 68 IAC 2-3-9.2 (c)(1) states the form utilized by the riverboat licensee to report the information set forth in subsection (b) must provide, at a minimum, the following information:
 - A. Name;
 - B. Address;
 - C. Telephone number; and
 - D. Occupational license numberof the occupational licensee
3. On October 6, 2008, the Gaming Enforcement Supervisor gave to a Gaming Agent a list of employee’s whose badges had to be renewed. The first three names on the list had passed the renewal date and the Agent was asked to investigate the matter. The Agent checked the IGC OCCLIC system to verify that the employees were still active. He then checked the file folders for all three to see if there was paperwork regarding termination, but did not find any. The Agent contacted the Human Resources Department and spoke to the HRIS Coordinator about the three employees. The Coordinator checked her records and stated that one was terminated (9/07), one voluntarily quit (11/06) and the last one

was laid off (3/06). The Coordinator then provided paperwork to show the employees no longer worked for the casino and the paperwork was dated 10/7/08.

5. On November 24, 2008, the Gaming Enforcement Supervisor met with the Director of Compliance for the Majestic Star Casinos regarding the occupational license status on three employees. The Gaming Supervisor checked the IGC OCCLIC system and found all three names listed as current employees. The Director of Compliance advised that all three of the personnel were no longer employed by the casino nor could any records be found in the Human Resources Department (HR) for two of the employees. She requested that all three be changed in the OCCLIC system as terminated and handed the Gaming Supervisor termination papers with only the names listed. The Gaming Supervisor accessed the IGC files and found paperwork on all three with forms signed by HR personnel. The dates of processing were 5/10/07, 5/28/08 and 6/5/08. The Gaming Supervisor spoke with the HR Coordinator in charge of termination files to confirm that there was no information on the three employees. The HR Coordinator checked again for the files but was not able to locate them. The HR Coordinator and Director of Compliance told the Gaming Supervisor the explanations they had were the following:
 - One employee never showed up for work after being processed.
 - The second employee was to work at the casino through a temp agency and was not actually an employee of the casino but needed a gaming license to perform the job.
 - The third employee had been hired through a temp agency to work with IT and there would not be any file on the employee of a temp agency.
6. On December 3, 2008, two Gaming Agents were processing former employees through the IGC OCCLIC system when one of the Agents noticed an Occupational License Separation form for a Slot Tech was dated November 30, 2008. The Agent could not recall the exact date that the Slot Tech quit but knew it was sometime during the summer. The Agent requested a copy of the schedules for the Slot Technicians from June 2008 through December 2008. The last day that the Slot Tech was scheduled for work was 8/2/08 and the first day that the Slot Tech was listed as terminated was 8/12/08. As of August 25, 2008, the Slot Tech is no longer listed on any of the remaining schedules.

COUNT II

7. 68 IAC 11-4-3 (a)(1) and (2) states immediately before opening a live gaming device, a security officer shall obtain the key to the locked live gaming device tray lid from the main bank in accordance with 68 IAC 11-7 and turn the key over

to the pit boss or the equivalent who is designated to access the live gaming device tray.

8. 68 IAC 11-4-3 (b) states that in the presence of the appropriate level of occupational licensee assigned to the live gaming device, the pit boss or the equivalent shall unlock the transparent live gaming device tray lid.
9. 68 IAC 2-3-9 (b)(2) states an occupational licensee shall cooperate with and provide truthful information to commission agents and staff during any investigation regarding criminal activity or regulatory violation, or both.
10. On April 28, 2008, all Casino Association members, of which this casino is a member, were granted a waiver of the rule. The waiver allowed the Float Lid Key to be placed under the responsibility of the Table Games Department to alleviate the key from passing to multiple hands. The waiver was granted with the condition that the Pit Manager or higher level employee be in possession of the float lid key at all times.
11. In June 2008, a former Assistant Casino Manager who was terminated by the casino, contacted the Gaming Agents. The former Assistant Casino Manager's termination was related to a policy whereby Supervisors pass Sensitive Keys to each other without signing in/out on the Table Games Sensitive Key Log. The Gaming Agents had not been informed of the sensitive key violation or the termination of the Assistant Casino Manager. Until the former Assistant Casino Manager informed them, the Gaming Agents were also unaware that a Table Games Sensitive Key Box and Log existed. This prompted two of the Agents to begin an investigation of the Table Games Sensitive Key Controls on June 16, 2008.
12. The Agents spoke with a current Assistant Casino Manager about the existence of a Table Games sensitive key box and log in the Table Games Department barge office. He showed the Agents the Sensitive Key box and a partial log. The Assistant Casino Manager stated that he didn't know where the previous months' logs were stored but he would find out from the Casino Shift Manager. On the front of the Sensitive Key box was the Sensitive Key Access List. The Agents requested copies of the Table Games Department Standard Operating Procedures ('SOPs'), the Table Games Key Box Access List and the Table Games Sensitive Key Logs for February through May of 2008. The Assistant Casino Manager stated that he would pass on the request to the Casino Shift Manager.
13. As of Friday June 21, 2008, the Agents had not received any of the requested information so they contacted the Assistant Casino Manager for the second time. The Assistant Casino Manager told them that the Casino Shift Manager said the Agents would need to contact the Vice President of Table Games. A Casino Manager heard about the request for information from the Assistant Casino Manager and the Casino Manager provided the Agents with a copy of the

Sensitive Key Access List and the SOPs. The Casino Manager did not know where the Sensitive Key Logs were stored.

14. On June 24, 2008, the Agents sent a memo to the Vice President of Table Games explaining the Agents' request for information and the response they had received, noting that they still had not received the Sensitive Key Logs. The copies of the requested Sensitive Key Logs were in the IGC office within 24 hours along with a reply from the Vice President of Table Games stating he would find out why the request was not handled better. An explanation for the delay was never given.
15. The Agents have observed Table Games Supervisors opening and closing live table games using the Sensitive Keys. There are five keys on the key ring with access to the following: Blackjack Table Float Key, Roulette and Craps Table Bankroll (Float) Key, Rapid Roulette Bankroll (Float) Key, Pit Stand Key and CSP Control Box Key. On the Sensitive Key Access List that was first given to the Agents the sensitive keys had to be signed out by an Assistant Pit Manager or above. On a list updated on June 24, 2008, a Level Two or higher was allowed to sign for the keys. This includes Floor Supervisors who should not have access to the float keys per a waiver sent to all the casinos who are part of the Casino Association.
16. According to the Security Investigator, the Security employees have never signed for the float keys and the casino continued to allow Supervisors to sign for the keys after the waiver was granted. On the Sensitive Key Logs, many of the signatures for the keys are Floor Supervisors and in February there are days with no signatures.

COUNT III

16. 68 IAC 1-5-1 (10) requires the casinos to report any apparent criminal activity taking place on the riverboat property. This information must be submitted to an enforcement agent. For Gaming Enforcement to properly handle criminal cases they should be informed immediately of all apparent criminal activity.
17. On January 3, 2009, a Gaming Agent was approached by the Casino Manager regarding a patron, who is a regular player, which took \$344.00 in chips from another patron and cashed them in. The Casino Manager told the Agent that he had taken care of the situation and the \$344.00 was returned to the patron it was taken from. He also told the Agent that he evicted the patron, who had taken the chips, from the casino for 48 hours and he was escorted off of the property. A few hours later, the Agent received a call from a Security Supervisor stating a patron at the turnstiles wanted to speak to a Gaming Agent. Once the Agent arrived at the turnstile, he realized the patron was the one who had been evicted for taking the chips. The patron felt that he had been wrongly evicted and when asked if he took the money he stated he couldn't remember. The patron said he

moves back and forth from table to table and the Casino Managers do not like it. He wanted someone who did not work for the casino to review the footage of what happened. The Agent questioned a Table Games Floor Supervisor that worked during the time the incident took place and the Floor Supervisor told the Agent that the patron had taken \$18.00 from another patron shortly before the above mentioned incident. Both times surveillance was called to confirm that the patron had taken chips from another patron.

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/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. This agreement is being entered into to avoid the potential expense and inconvenience of disciplinary action.

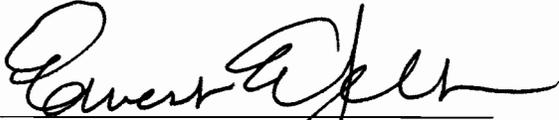
Majestic Star shall pay to the Commission a total of \$26,500 (\$11,500 for Count I; \$10,000 for Count II and \$5,000 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this agreement. This agreement extends only 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 \$26,500 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

3.19.09

Date



Larry Duck, General Manager
The Majestic Star Casino, LLC

March 16, 2009

Date