

**ORDER 2013-114**  
**IN RE SETTLEMENT AGREEMENT**  
**THE MAJESTIC STAR CASINO, LLC**  
**13-MS-02**

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

**APPROVED**

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APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

**IT IS SO ORDERED THIS THE 27th DAY OF JUNE, 2013.**

**THE INDIANA GAMING COMMISSION:**

  
\_\_\_\_\_  
Matt Bell, Chair

ATTEST:

  
\_\_\_\_\_  
Marc Fine, Vice-Chair

**STATE OF INDIANA  
INDIANA GAMING COMMISSION**

**IN RE THE MATTER OF:** )  
 ) **SETTLEMENT**  
**THE MAJESTIC STAR CASINO, LLC** ) **13-MS-02**  
 )

**SETTLEMENT AGREEMENT**

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Ernest E. Yelton and The Majestic Star Casino, LLC and The Majestic Star Casino II, Inc. (together referred to herein as “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 6-3-2(g) states a voluntarily excluded person who enters the gaming area of a casino agrees to forfeit any jackpot or thing of value won as a result of a wager made at a casino. The forfeited jackpots or items will be withheld by the casino licensee and remitted to the commission. The commission shall collect the items and funds.
2. On February 24, 2013, a Gaming Agent was notified by a Security Supervisor that a VEP had gambled at the casino and left the property with approximately \$15,500. The VEP had been gambling in the baccarat room. When he went to cash out, he gave a friend \$4,500 to cash out while he cashed out \$2,000. The Pit Manager informed the Cage Supervisor that both patrons would have to show identification since all of the chips belonged to one person. When the Cage Supervisor entered the VEP’s name into the database, she entered it in incorrectly which resulted in the person not coming up as a VEP. The VEP cashed out \$2,000 while his friend cashed in a total \$13,500 for him. The Cage Supervisor provided the Pit Manager with a copy of the VEP’s identification so that a player’s card account could be made and it was at that time he was discovered to be a VEP. When it was discovered that the patron was a VEP, the VEP had already left the property.

**COUNT II**

3. 68 IAC 11-4-2 (f) states the transfer or exchange of chips, tokens, and currency between live gaming devices is prohibited.

4. On February 14, 2013, a Gaming Agent was notified by a Surveillance Shift Manager that a Table Games Pit Manager had exchanged gaming chips between two live gaming tables. The Table Games Pit Manager and a Table Games Floor Supervisor had taken \$2,000 in purple gaming chips (\$500 denomination) from a Mini-Baccarat table and took them to a Pai Gow Poker table to exchange them for \$1,800 in green gaming chips (\$25 denomination) and \$200 in red gaming chips (\$5 denomination). The Table Games Pit Manager had informed surveillance he would be transferring the funds and requested coverage. A Security Sergeant and Security Lieutenant advised that they had not been contacted for a security escort during the chip transfer.
5. The Gaming Agent spoke to the Pit Manager who stated that he did the exchange between tables because the printer for ordering fills and credits in the Cage was not working and he was waiting for approximately 15 table fills. He also stated that they were unable to find the manual fill slips and the Mini-Baccarat table was out of green, \$25, chips and red, \$5, chips. He advised his only other option was to shut the table down until a fill could be completed. The Gaming Agent advised the Pit Manager that a transfer of funds between tables is strictly prohibited and the table should have been closed until a table fill could have been completed appropriately.
6. Approximately two hours later, Gaming Agents were notified by the Pit Manager that the Pai Gow table had been filled and that he transferred the original amounts back to the Mini-Baccarat table, this time with a Security escort.

### COUNT III

7. 68 IAC 14-3-2 (b) states that all playing cards must meet the following specifications: (1) all decks of cards must be a complete standard deck of fifty-two cards in four suits. The four suits shall be hearts, diamonds, clubs and spades. Each suit shall consist of numerical cards from: (A) two to ten; (B) a jack; (C) a queen; (D) a king; and (E) an ace.
8. On January 28, 2013, a Gaming Agent observed an irate patron speaking to a Pit Manager so he inquired what the issue was. The Gaming Agent was informed by the patron that there was an extra card in the shoe and she wanted to file a complaint. At 18:49, surveillance coverage showed that the Dealer was ready to place the green deck into the shuffler; however, the red light was displayed, indicting a problem with the purple deck inside the shuffler. Also, there was one purple card on the outside of the shuffler. The Shift Supervisor took the one purple card from the outside and placed the green deck in the shuffler, leaving both decks in the shuffler with one purple card in her hand. When the shuffler was opened, both decks of cards were mixed together. The Shift Supervisor separated the green cards from the purple and put the purple deck in play. The green cards were placed in the shuffler and the red light came on and never went

off. At 19:14, the green 10 of spades is dealt to spot 2 and at the end of the round is placed in the discard rack with the rest of the purple cards. The purple deck is hand shuffled twice more with the green card being dealt. When the green card was dealt the third time a patron noticed it and pointed it out to the Dealer.

#### COUNT IV

9. 68 IAC 2-3-1(f) states an employee of a casino operation who does not hold an occupational license shall not perform any duties on the casino at any time.
10. 68 IAC 2-3-8 states that an occupational license must be renewed annually.
11. On April 22, 2013 a Gaming Agent was contacted by a HR Generalist regarding an employee who failed to renew his gaming badge. The Generalist escorted the occupational licensee to the Gaming Office to renew his badge. The employee was allowed to work for thirteen (13) days with an expired badge.

#### COUNT V

12. 68 IAC 11-3-6(b)(15) states after the results of the count process have been reconciled, the members of the soft count team shall sign and date the appropriate section of the master gaming report or the bill validator report.
  - (16) After reconciliation has been completed by the soft count team, the main bank cashier shall be contacted. The main bank cashier shall complete an independent physical inventory of all of the currency, coins, chips, and tokens in the presence of at least one (1) soft count team member. The main bank cashier shall not have access to the master gaming report or the bill validator report until after the completion of the independent physical inventory.
  - (17) Discrepancies between the independent physical inventory and the totals entered on the master gaming report or the bill validator report shall be investigated by independent recounts conducted by the casino licensee. If the master gaming report or the bill validator report was erroneous, it shall be voided and a new master gaming report or the bill validator report generated with the appropriate signatures. A voided copy of the master gaming report or the bill validator report shall be retained and attached to the completed and signed copy of the new master gaming report or bill validator report.
  - (18) After reconciliation of the master gaming report, the bill validator report, and the physical inventory conducted by the main bank cashier, the main bank cashier shall verify the accuracy of and sign and date the master gaming report and the bill validator report in the appropriate section. When the main bank cashier signs the master gaming report and the bill validator report, the main bank assumes responsibility for the currency, coins, chips, and tokens.
  - (19) All currency, chips, and tokens shall be transported to the main bank for use during the gaming day.

13. 68 IAC 11-1-6(b) states failure to comply with approved internal control procedures may result in the initiation of a disciplinary action. Majestic Star internal control Section IV: Count Teams, Subsection C, page 420 states with security escort all cash, chips, cash equivalents and tokens from the drop shall be transported to the main bank. The transfer shall be made by a cage cashier using a Soft Count Transfer form. The Soft Count Transfer form is signed including gaming license number by the two soft count team members and the cage cashier.
14. On March 18, 2013 during a review of a Surveillance Incident Report for Gaming Day March 17, 2013, a Commission Field Auditor noted that \$3,000 in five dollar bills was not counted by the Main Banker when she entered the count room to conduct the buy. The Main Banker had left the count room and a Security Officer was conducting a routine inspection of the room when the funds were discovered by the Count Supervisor. The money was found in a sort bin of the counting/sorter machine. The Main Banker returned to the count room and filled out another Soft Count Transfer Sheet for the \$3,000. When the initial count was done by the Main Banker, a Soft Count Representative failed to note that the amount written on the Soft Count Transfer Sheet was \$3,000 short of the grand total on the printout from the sorter machine. The Field Auditor contacted the Operations Controller who incorrectly informed the Auditor that the money was never included in the count. On March 20, 2013 the Security Director was contacted by the Commission Audit Director regarding this matter and the Security Director had no knowledge of the incident. Also, this violation was not reported to the Commission.

## COUNT VI

15. 68 IAC 2-1-4(b) states application procedures shall be as follows:
  - (1) An applicant is seeking a privilege and assumes and accepts any and all risk of adverse publicity, notoriety, embarrassment, criticism, or other action or financial loss that may occur in connection with the application process or the public disclosure of information requested. The applicant expressly waives any claim for damages that may result from the application process.
  - (2) Any misrepresentation or omission made with respect to an application may be grounds for denial of the application.
  - (3) An applicant must submit nine (9) bound and three (3) unbound copies of Parts I and II of the riverboat owner license application.
  - (4) An applicant must submit three (3) bound and two (2) unbound copies of the Personal Disclosure Form 1 under 68 IAC 2-3-4(d) that have been completed by the substantial owners, key persons, or other persons as deemed necessary by the commission to allow the commission to ensure the applicant meets the statutory criteria for licensure set forth in the Act and this title.
  - (8) An applicant is under a continuing duty to disclose any changes in the information submitted to the commission.

16. On February 18, 2013 the Commission's Licensing Coordinator sent an email to the casino's General Counsel noting the separation of the Casino's Compliance Manager. The Licensing Coordinator also inquired about two corporate job titles, where the persons who last held those titles had left the company in January of 2012. The Coordinator wanted to know if the titles were eliminated, currently vacant or replaced by another title. The General Counsel informed the Coordinator that the positions had been eliminated and the company had no plans to bring back those positions or refill them. The General Counsel also stated that the decision to eliminate those positions was made after January 2012. On March 5, 2013, the Licensing Coordinator was sent an email from the Human Resource Manager which informed the Commission that the position of VP of Asset Protection and Risk Management would be eliminated once the employee working in that position left the company on March 15, 2013. With the elimination of these positions, the job duties performed were added to the job descriptions of other positions. A new organizational chart and job descriptions for the job titles were not sent until March 2013.

### **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. 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 \$23,500 (\$7,500 for Count I; \$2,500 for Count II; \$2,500 for Count III; \$1,000 for Count IV; \$2,500 for Count V and \$7,500 for Count VI) 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 \$23,500 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

6.28.13

Date



Craig I. Ghelfi, General Manager  
The Majestic Star Casino, LLC  
The Majestic Star Casino II, Inc.

6/13/13

Date