

ORDER 2018-218

IN RE SETTLEMENT AGREEMENT

**THE MAJESTIC STAR CASINO, LLC and THE MAJESTIC STAR CASINO II,
LLC
18-MS-04**

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

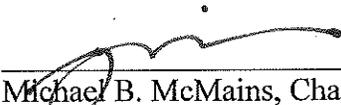
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

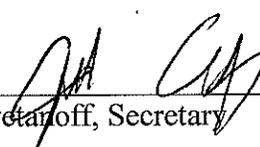
IT IS SO ORDERED THIS THE 6th DAY OF DECEMBER, 2018.

THE INDIANA GAMING COMMISSION:



Michael B. McMains, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
THE MAJESTIC STAR CASINO, LLC and)	18-MS-04
THE MAJESTIC STAR CASINO II, LLC)	
)	

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director Sara Gonso Tait and The Majestic Star Casino, LLC and The Majestic Star Casino II, LLC (together referred to herein as “Majestic Star”) (collectively, the “Parties”) desire to enter into this settlement agreement (“Agreement”) 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 11-9-2(a) states the casino licensee or trustee shall submit to the executive director internal control procedures concerning the withholding of cash winnings from delinquent obligors in accordance with 68 IAC 11-1.
2. 68 IAC 11-1-3(c)(4) states that no casino licensee or casino license applicant may use an internal control procedure unless the internal control procedure has been approved, in writing, by the executive director.
3. 68 IAC 13-1-1(b)(2) and (3) states the Commission may initiate an investigation or a disciplinary action, or both, against a licensee if the Commission has reason to believe the licensee is not complying with licensure conditions or is not complying with this Act or this title.
4. Majestic Star’s approved internal control procedures, I-M-1, describe the procedures for the child support intercept program.
5. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (CSADR) from January 2018-April 2018, as well as August-September 2018. The results of this audit found that six (6) individuals were searched using an incorrect social security number and seventeen (17) individuals were not searched through the CSADR system at all.

COUNT II

6. IC 4-33-9-12(a) states a person who is less than twenty-one (21) years of age may not be present in the area of a riverboat where gambling is being conducted.

7. 68 IAC 1-11-1(c) states a person under twenty-one (21) years of age shall not be present in a casino.
8. On August 25, 2018, Security notified Gaming Agents that an underage person was on the casino floor. The underage person was twenty (20) years old. A review of surveillance coverage confirmed that the underage person entered through the turnstiles with his family. Security failed to request identification from the underage patron.

COUNT III

9. 68 IAC 15-12-3(a) Live gaming device fills shall proceed in the following manner:
 - (1) The appropriate occupational licensee shall initiate a live gaming device fill by completing an input form. The input form is either carried to the casino cage or the information is electronically transmitted to the casino cage.
 - (2) The appropriate occupational licensee uses the input form to prepare and print a live gaming device fill slip.
 - (3) Surveillance shall be notified that a live gaming device fill is being processed.
 - (4) Based on the information contained on the fill slip, the casino cashier shall prepare the proper denomination and amount of chips and sign the fill slip. The casino cashier shall sign the fill slip, summon a security officer, and present the chips and the fill slip to the security officer.
 - (5) The security officer shall verify that the denomination and amount of chips match the amount on the fill slip. The security officer shall sign the fill slip after verifying the chips match the fill slips. The security officer who begins the live gaming device fill must complete the process of witnessing, escorting, and signing the appropriate documentation to verify that the live gaming device fill was completed. If there is a discrepancy with the live gaming device fill, the same security officer who began the live gaming device fill must accompany the fill back to the cage to resolve the discrepancy.
 - (6) The casino cashier shall retain one (1) copy of the fill slip in the casino cage.
 - (7) The security officer shall transport the chips to the appropriate pit area.
 - (8) The appropriate level of occupational licensee shall count the chips that are received as a live gaming device fill to ensure the denomination and amounts received match the amount and denomination reflected on the fill slip.
 - (9) If the amounts in subdivision (4) agree, the occupational licensee who counted the fill shall sign the fill slip. The pit supervisor or the equivalent shall also sign the fill slip. A copy of the fill slip or the original shall be inserted into the drop box of the live gaming device that received the fill. A copy of the fill slip or the original fill slip shall be returned to the casino cage.
 - (10) If the amounts in subdivision (4) do not agree, the fill slip shall not be signed and the discrepancy shall be resolved in accordance with the policy and procedure submitted in accordance with section 2(b)(8) of this rule. Surveillance shall be notified and the security officer shall return the chips and the fill slip to the casino cage.
 - (b) The casino cashier or appropriate department shall use copies of the completed live gaming device fill slip to balance the cage. All completed live gaming device fill slips shall be used to complete the soft count.

(c) If a live gaming device fill slip was erroneous, it shall be voided and a new live gaming device fill slip generated. The person voiding the fill slip shall indicate the reason the slip was voided and sign the slip. A voided live gaming device fill shall be retained and deposited into a locked accounting box.

10. On August 29, 2018, Surveillance notified Gaming Agents that Security escorted a table fill from the Cage to a table game but failed to notify surveillance.
11. On September 23, 2018, Surveillance notified Gaming Agents that a table fill went out incorrectly to a Mini Baccarat table. The amount of the table fill requested \$21,030, but \$11,030 was issued. The Dealer and Floor Supervisor discovered the table fill was incorrect, but still accepted it. The paper work was signed and placed in the drop box. The Security Officer then went to the Cage to get the remaining \$10,000 and transported the money to the table game without any further paperwork.

COUNT IV

12. 68 IAC 12-1-3(c)(13)(A)(iii) states digital video systems, which are used to comply with the requirements of this rule for surveillance required by section 4 of this rule, shall be enterprise systems capable of allowing instant replay, recording what is viewed by any camera in the system, allowing simultaneous recording and playback and providing uninterrupted recording while using the playback or copy functions.
13. On October 6, 2018, a power surge took place at Majestic Star and a Gaming Agent observed that power had been lost on the casino floor. Power was restored within approximately two (2) minutes. During a camera check following the outage, the Surveillance Shift Manager observed that there were some issues with several cameras covering the drop process and the count room. All drop and count activities were halted at Majestic Star II.

Approximately two (2) hours later, the Surveillance Shift Manager notified Gaming Agents that the Majestic Star II cameras for the drop and count were functional and recording, however, several cameras had stopped recording. The cameras could pull up live coverage but could not be reviewed. It was unknown how many cameras were not recording.

14. On October 10, 2018, the Director of Surveillance sent an email in reference to the camera issues and advised that an archiver (storage server) experienced an operation system failure, which caused the loss of video. The archiver stopped recording on October 6, 2018 at 5:45 a.m. on Majestic Star II and advised that at 6:17 a.m. the failover archiver took over the recordings. The gap between the initial failure and the failover caused a loss of recording to ninety-three (93) cameras.

A Gaming Agent checked the surveillance coverage based on the list of cameras that experienced a loss of recording that was provided by Surveillance management. The cameras in question covered the slot floor, slot progressives, poker room, ticket redemption kiosks and cages. During this check, it was discovered that there was

additional lost coverage on October 6, 2018 between 1:26 p.m. and 9:45 p.m.. When this was brought to the attention of the Director of Surveillance and the Surveillance Technical Manager, they were unaware of this lost coverage and concluded that the coverage was beginning to get erased. The Surveillance Technical Manager advised that when the archiver was reinstated in the system on October 10, 2018, the only lost surveillance coverage that could not be restored at that time was the thirty (30) minute period when the initial failure occurred. It is unknown why the additional surveillance coverage had since been lost and when exactly it was lost.

15. On October 20, 2018, a Gaming Agent spoke with the Director of Surveillance and he advised that normal procedure for camera checks should have caught any further missing recordings, as surveillance employees are to review approximately thirty (30) minutes prior while completing camera checks.

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.

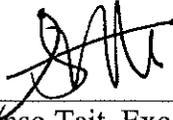
Majestic Star shall pay to the Commission a total of \$18,500 (\$8,500 for Count I, \$1,500 for Count II, \$3,500 for Count III and \$5,000 for Count IV) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged in the findings above. If the Commission subsequently discovers facts that give rise to additional or separate violations, the Commission may pursue disciplinary action for such violations even if the subsequent violations are similar or related to an incident described in the findings above.

Upon execution and approval of this Agreement, Commission staff shall submit this Agreement to the Commission for review and final action. Upon approval of the Agreement by the Commission, Majestic Star agrees to promptly remit payment in the amount of \$18,500 and shall waive all rights to further administrative or judicial review.

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

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

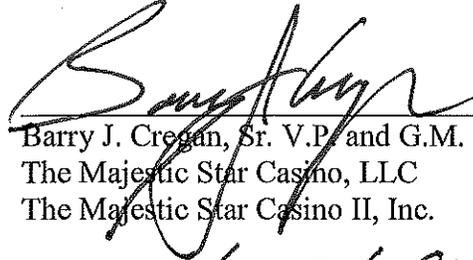
IN WITNESS WHEREOF, the Parties have signed this Settlement Agreement on the date and year as set forth below.



Sara Genso Tait, Executive Director
Indiana Gaming Commission

12/6/18

Date



Barry J. Cregan, Sr. V.P. and G.M.
The Majestic Star Casino, LLC
The Majestic Star Casino II, Inc.

11/27/18

Date