

ORDER 2019-216

IN RE SETTLEMENT AGREEMENT

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

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

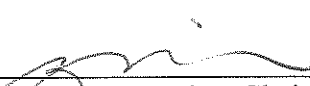
APPROVED

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.


IT IS SO ORDERED THIS THE 8th DAY OF NOVEMBER, 2019.

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)	19-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) provides that 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) provides 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) provides that 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 its Child Support Intercept Process.
5. Gaming Agents conducted an audit of the Child Support Arrears Delinquency Registry (“CSADR”) for June 2019. The results of this audit were that two (2) patrons were not searched in the CSADR after winning a taxable jackpot.

COUNT II

6. 68 IAC 1-5-1(1)(A) provides that a casino or supplier licensee shall provide a written notice to the executive director as soon as the casino or supplier licensee becomes aware of a violation or apparent violation of a rule of the commission by a casino or supplier licensee.

7. 68 IAC 6-3-4 provides, in relevant part, that each casino licensee and casino license applicant shall establish internal control procedures for compliance with this rule, which shall be submitted and approved under 68 IAC 11. (b) The internal controls must, at a minimum, address the following: (2) Provide a process whereby gaming agents and security and surveillance are notified immediately when a voluntarily excluded person is detected in the gaming area of a casino.
8. Majestic Star's approved internal controls, IX-b-5, describe the procedures for the Voluntary Exclusion Program ("VEP").
9. On June 11, 2019, a Security Shift Manager presented himself in the Gaming Agent office to inquire about a member of the VEP. At this time, the Gaming Agent inquired if the VEP in question was on property. The Security Shift Manager stated "no"; rather, the VEP had called inquiring about his VEP status. The Gaming Agent subsequently reviewed surveillance coverage and determined that the VEP had been on property that day for approximately four (4) hours. The VEP was discovered in the Poker Room and escorted off property. Neither surveillance nor Gaming Agents were notified of the VEP being on property.
10. On July 19, 2019, a Gaming Agent became aware of a failure to notify violation that occurred during a jackpot switch. The jackpot switch was in an attempt to evade child support payment and is considered a criminal act. The casino did not timely notify Gaming Agents of the switch; therefore, the Gaming Agents were unable to interview those involved in the attempted switch.

COUNT III

15. The 24-hour Gaming Operations Plan requires the following for the Slot Soft Drop:
 - a. The Drop Team will consist of *five (5)* Security Officers and at least two (2) employees from the Soft Count Staff.
 - b. Bill Validators will be laid out by the Drop Team and may begin prior to the end of the gaming day.
 - c. Security will define drop area/row/aisle.
 - d. The empty collection trolley will be stationed at the end of an aisle of slot machines which are having the bill validators removed and replaced with empty bill validators.
 - e. Security will be responsible for patron safety by requesting any patron who may be playing a slot machine to momentarily suspend play, and clear the aisle to allow for the removal of the slot bill validator by the drop team member. One Security Officer will be assigned to monitor the trolley.
 - f. Patrons will be allowed to remain within view of the game from which their play was suspended.
 - g. After all patrons and non-drop team employees have been cleared from the designated drop area, Security will station themselves at opposite ends of the designated drop area. Security will prevent patrons and non-drop employees from entering the designated drop area while the bill validators are being collected.

- h. Once the area is secured, the drop team member(s) will remove the bill validator from the slot machine base compartment and place the empty bill validator in the drop base.
- i. Once the bill validators collected from this area are stacked and placed on the collection cart, security will conduct a visual sweep of the drop area and the trolley will be moved to the next designated slot drop area where the bill validator process will be repeated. Patrons will then be allowed to resume gaming. 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.
16. Majestic Star's approved internal control procedures, IV-e-1, describe the procedures for the Count Room and detail the procedures for the bill validator collection.
17. On July 14, 2019, a Slot Technician notified a Gaming Agent that, while servicing an electronic gaming device ("EGD"), it was discovered that no bill validator ("BV") box was inside the EGD. A review of surveillance coverage determined that the drop team failed to place a "cold" BV box into the EGD after the "hot" BV box was pulled. The EGD was without a BV box for approximately eleven (11) hours.
18. On July 31, 2019, surveillance notified Gaming Agents that four (4) BV boxes were placed into incorrect EGD's. Each BV box has a label that correlates it with the EGD it is meant to be placed in. This error occurred during the drop process. Approximately nine (9) hours later, an emergency drop was conducted to rectify the error after Security requested a review of the morning drop.

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.

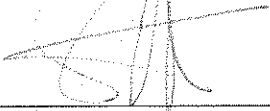
Majestic Star shall pay to the Commission a total of \$5,000 (\$1,000 for Count I, \$2,000 for Count II and \$2,000 for Count III) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each Count of this Agreement. This Agreement extends only to those violations and findings of fact specifically alleged 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 \$5,000 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 Agreement on the date and year as set forth below.



Sara Gonso Tait, Executive Director
Indiana Gaming Commission

11/6/19

Date



Jahnae Erpenbach, Executive VP of 17518
Operations & GM
The Majestic Star Casino, LLC
The Majestic Star Casino II, LLC

11-6-19

Date