

ORDER 2006-77

IN RE SETTLEMENT AGREEMENT

**THE MAJESTIC STAR CASINO, LLC
06-MS-02**

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

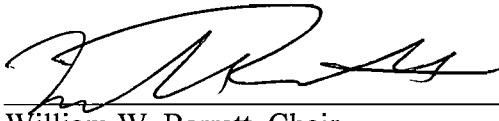
APPROVES

APPROVES OR DISAPPROVES

the proposed terms of the Settlement Agreement.

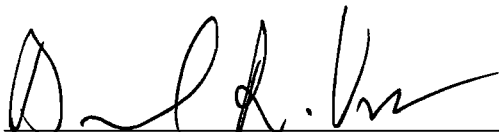
IT IS SO ORDERED THIS THE 14th DAY OF SEPTEMBER, 2006.

THE INDIANA GAMING COMMISSION:



William W. Barrett, Chair

ATTEST:



Donald R. Vowels, Secretary

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INDIANA GAMING COMMISSION

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

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

SETTLEMENT AGREEMENT

The Indiana Gaming Commission (“Commission”) by and through its Executive Director, Ernest E. Yelton and The Majestic Star Casino, LLC (“Majestic Star”) desire to compromise and 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 14-3-5(a) states that all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.
2. On April 3, 2006 in an incident report completed by a Commission agent it was noted that two decks of used playing cards were found in an unsecured drawer of the pit stand. These cards had not been cancelled. Also, according to the report the casino had been notified a week prior for the same violation with instructions to secure all cards.

COUNT II

3. Rule 68 IAC 14-2-2(a)(2)(C) states that each live gaming device can have a tip box attached to it and it shall be secured to the table by a chain, lock or equivalent.
4. In a separate incident report on April 3, 2006, a Commission agent found four table games with unsecured tip boxes. This rule violation had been noted by Commission agents on numerous occasions prior to the report and the casino had been asked to be more diligent in following the rule.

COUNT III

5. 68 IAC 14-7-4(l) states when a roulette table is not opened for gaming activity, the roulette wheel shall be secured by placing a cover over the entire wheel and securely locking the cover to the roulette table.
6. In an incident report completed by a Commission agent it was noted that on April 26, 2006 during a routine inspection, Roulette Table 304 was not being used for gaming and that the roulette wheel cover was not securely locked. The Commission agent informed a Floor Supervisor and the Floor Supervisor reported that they had no locks for the table but were in the process of getting some. This same violation was observed and documented two previous times, on April 20 and 23, 2006.

COUNT IV

7. 68 IAC 2-3-5(b)(7) states that a temporary identification badge shall not be transferred. If the applicant resigns or his or her employment is terminated, the applicant shall return the temporary badge to the commission. 68 IAC 2-3-8(a) states that an occupational license must be renewed annually.
8. On May 1, 2001 paperwork was received by an IGC Agent informing the IGC that a Cage Cashier was terminated.
9. In April of 2006 during the re-issuing of Majestic Star badges the Cage Cashier attempted to get a new badge. The system would not print one since she was in the system as terminated. According to the Cage Cashier she had been terminated but was rehired within a few days. Human resources never informed the IGC that the Cage Cashier had been rehired and she continued to work on a terminated temporary badge for five years.

COUNT V

10. Pursuant to 68 IAC 6-3-4, riverboat licensees must adopt internal control procedures addressing the refusal of wagers from and denying gaming privileges to any individual who the casino knows to be a voluntarily excluded person.
11. In an incident report completed by a Commission agent it was noted on May 5, 2006 that a VEP patron had won a jackpot of \$25,000. When the casino informed the patron that they were holding the jackpot because of his VEP status, the patron questioned why since he had won numerous jackpots totaling \$38,000 to \$40,000 during the previous five weeks.
12. Majestic Star had received the patron's VEP status on May 12, 2005 but did not flag him in their database system.

13. Between December of 2005 and May 2006 the patron won six hand paid jackpots with the sixth one being held.

COUNT VI

14. 68 IAC 11-4-2(f) states the transfer or exchange of chips, tokens or currency between live gaming devices is prohibited.

15. On June 27, 2006 during a table game re-configuration, a table was moved from Majestic Star I to Majestic Star II. Once the table was moved it was discovered that the table drop box had money in it.

COUNT VII

16. Pursuant to 4-33-9-12, "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." Pursuant to 68 IAC 1-11-1(c), "[a] person under twenty-one (21) years of age shall not be present on a riverboat."

17. On June 17, 2006 an underage person was allowed to enter the casino.

RECOMMENDATION TO THE COMMISSION

The actions of Majestic Star violated IC 4-33 and Title 68 of the Indiana Administrative Code, as well as Majestic Star's approved internal control procedures. Commission staff and Majestic Star agree that a sanction be imposed. Commission staff recommends, and Majestic Star will agree to pay a fine in the amount of \$76,500: \$2,500 for Count I; \$10,000 for Count II; \$15,000 for Count III; \$7,500 for Count IV; \$37,500 for Count V; \$2,500 for Count VI; and \$1,500 for Count VII.

The Commission staff and Majestic Star agree that a sanction be imposed due to the actions stated in the Findings of Fact. The Commission staff recommends and Majestic Star will agree to pay a fine in the amount of \$76,500.

Upon execution and approval of this Settlement Agreement, Majestic Star and the Commission staff agree to submit this Settlement Agreement to the Commission for review and final Commission action. Upon approval of the Settlement Agreement by the Commission, Majestic Star agrees to remit payment in the amount of \$76,500 and waives all rights to judicial review. 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



David Schugar, General Manager
Majestic Star Casino

Sept 13, 2006

Date

9-9-06

Date