

**ORDER 2008-108
IN RE SETTLEMENT AGREEMENT
THE MAJESTIC STAR CASINO, LLC
08-MS-03**

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 28th DAY OF AUGUST, 2008.

THE INDIANA GAMING COMMISSION:



William Barrett, Chair

ATTEST:



Thomas Swihart, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
THE MAJESTIC STAR CASINO, LLC) **08-MS-03**
)

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 1-11-1(c) states a person under twenty-one (21) years of age shall not be present on a riverboat.
2. Pursuant to IC 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.
3. On September 10, 2007, a Gaming Agent was informed by a Security Supervisor that on September 8, 2007 an underage person was allowed to enter the casino. He also stated that her ID had not been checked. When asked why a Gaming Agent was not notified the night of the incident, the Supervisor only replied that once she was found she was just escorted off the property. The Gaming Agent reviewed the surveillance coverage and noticed that the female did have her ID checked and was still allowed to enter the casino.
4. On December 6, 2007, a Gaming Agent was approached by a Security Supervisor concerning an underage person in the poker room. The two proceeded to the poker room and checked the ID of the patron. It was discovered the patron was using the ID of another person. The photo on the ID did not resemble the patron presenting it.
5. On April 27, 2008, an underage person was allowed to enter the casino. The person claimed not to have ID and was turned away the first time he tried to enter the casino. The person waited until Security did a shift change and then went through the turnstiles without being asked for ID.

COUNT II

6. 68 IAC 2-6-45 (a)(6), (7) state the riverboat licensee shall submit rules of tournament play to the executive director at least thirty (30) days in advance of the commencement of the tournament or in a shorter time period as the executive director may designate. The rules of play shall include, but not be limited to, the following:
 - (6) The number of prizes to be awarded.
 - (7) An exact description of each prize to be awarded.
7. 68 IAC 2-6-45(e) states that the rules of tournament play shall be provided to all tournament players and members of the public who request a copy of the rules.
8. On April 21, 2008, a patron complained to a Gaming Agent about the rules for a Silver Star Slot Tournament. On April 28, 2008, the patron requested to fill out a formal complaint. The patron was complaining that the casino was not following the posted rules. She also complained that she asked for a copy of the rules but was told by a Pit Administrator and a Customer Service Representative that there were no copies of the rules and she would have to wait until after the tournament was over to receive a copy. A Gaming Agent reviewed the approved rules for the Silver Star Slot Tournament as well as the rules on the posted signs located at the registration table. The Gaming Agent found four discrepancies between the rules and the signs posted.

COUNT III

9. 68 IAC 2-3-8 states that an occupational license must be renewed annually.
10. On May 20, 2008, a Gaming Agent was cross referencing the current Permanent Employee Renewal List with the OCCLIC files and found a surveillance employee whose license expired on May 12, 2008. The Gaming Agent contacted HR and was told that the Surveillance Department was contacted. They said the paperwork had been turned in to HR, but HR could not locate it. The employee submitted the paperwork and his license was renewed on May 20th.
11. On May 2, 2008, a Human Resources Training Clerk went to the IGC Office to inquire about the status of four employees. It was discovered that a Security Officer had been working with an expired license since April 3rd. The Security Officer renewed her license before her next scheduled shift.

COUNT IV

12. 68 IAC 2-6-31(b)(4) states that riverboat licensee shall notify the executive director and the enforcement agent of the rate of progression for that progressive link.
13. On March 31, 2008, a Gaming Agent was performing a routine monthly check on a bank of stand alone progressive slot machines. An Agent checks the machines monthly to verify that the progressive jackpot amount matches the actual coin in amount multiplied by the state approved progressive rate. The Agent discovered that one of the machines had changed the progress rate to 0.20% instead of the approved 0.50%. This change was not initiated by the casino but apparently was a glitch in the machine. A Slot Tech was asked to verify the progressive rate and confirmed that it was set at 0.20%. The machine was shut down until the rate was changed and the machine was coin tested. The amount of the progressive was also increased by \$13.38 which was the difference calculated between the coin in multiplied by 0.20% and the coin in multiplied by 0.50% from the last known day of the correct rate. The machine was reset to the approved progressive rate and to date is incrementing correctly.

COUNT V

14. 68 IAC 10-1-1.2(d) states if a riverboat licensee will hold seats for a patron, the riverboat licensee must post a sign in a conspicuous area of each deck of the riverboat indicating the riverboat's policy of holding seats.
15. On April 4, 2008, a Gaming Agent observed while walking through the casino that there were no signs on either MS I or MS II regarding the holding of seats for patron other than in the Poker Room where a sign regarding the Poker Rules states that seats can be held by the casino for a maximum of ten minutes. The lack of signage was brought to the attention of a Slot Shift Manager who admitted to being aware that the casino was able to hold seats for patron for up to twenty minutes, but had not gotten around to posting signs regarding this policy. On June 11, 2008, the Agent once again walked through the casino to check for signage regarding the holding of seats. The only signage found was still in the Poker Room.

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 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.

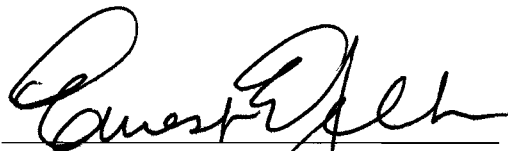
Majestic Star shall pay to the Commission a total of \$34,500 (\$18,500 for Count I; \$10,000 for Count II; \$2,000 for Count III; \$1,500 for Count IV and \$2,500 for Count V) in consideration for the Commission foregoing disciplinary action based on the facts specifically described in each count of 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 \$34,500 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.

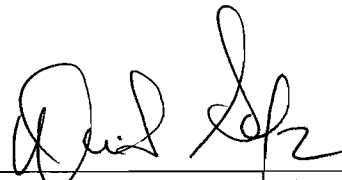
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

8-25-08

Date



David Schugar, General Manager
The Majestic Star Casino, LLC

8-21-08

Date