

ORDER 2015-64
AN ORDER OF THE INDIANA GAMING COMMISSION
IN RE SETTLEMENT AGREEMENT
THE MAJESTIC STAR CASINO, LLC
15-MS-01

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

APPROVES

the proposed terms of the Settlement Agreement.

IT IS SO ORDERED THIS 19th DAY OF MARCH, 2015.

THE INDIANA GAMING COMMISSION:



Cris Johnston, Chair

ATTEST:



Joseph Svetanoff, Secretary

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)
) **SETTLEMENT**
THE MAJESTIC STAR CASINO, LLC) **15-MS-01**
)

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 14-3-5(a) states all dice or playing cards that are not being utilized at a live gaming device shall be kept in locked compartments.

2. On September 29, 2014, a Gaming Agent was informed by the Casino Shift Manager that eight decks of gold backed cards were left in the shuffler machine. The Agent reviewed surveillance coverage and noted that at 0458 hours a Dealer at table #527 began to count the discard pile of red backed cards, another Dealer relieves the first Dealer two minutes later. The second Dealer places the cards back into the discard pile and proceeds to count down the chips in the chip tray. A Floor Supervisor brings a bag of gold backed cards from table #524 and places it on table #527. Two minutes later, Floor Supervisor #2 relieves the first Floor Supervisor. The second Dealer starts to count down the gold backed cards from table #524, and then seals them in the bag. The second Dealer then counts the red backed cards from the discard pile. The second Dealer is then relieved by the first Dealer who continues to count down the red backed cards. Floor Supervisor #2 is relieved by Floor Supervisor #1. At 0531 hours Floor Supervisor #3 locks the float lid on the tray and the first Dealer secures both the gold backed cards from table #524 and the red backed cards from table #527 in the cabinet. At 0915 hours the Casino Shift Manager discovered that eight decks of gold backed cards are missing from the cabinet and finds them in the shuffler machine on table #527.

COUNT II

3. 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.
4. On October 12, 2014, a Gaming Agent was contacted by a Pit Manager regarding a missing card from one of the eight decks of purple backed cards used at a blackjack table. The Agent viewed video coverage and found that a Dual Rate Supervisor inadvertently threw out the two of spades in the trash during the opening of the table game. The Dealer placed the cards in the shuffler and the red error light flashed on. The Dual Rate Supervisor ignored the error light and the cards were placed in the shoe and played. Seven more times the purple backed cards are placed in the shuffler. Each of the seven times the red error light flashed, it was ignored and the cards were placed in the shoe and played. When another Dual Rate Supervisor noticed the error, the cards were finally counted and it was discovered that a card was missing.

COUNT III

5. 68 IAC 15-5-2(d) states the casino licensee shall be required to file a Form RG-1 and remit the tax imposed by IC 4-33-13 to the department before the close of the business day following the day the wagers are made. In addition, a copy of Form RG-1 shall be filed with the commission.
6. In July of 2007 a memo was sent to the General Managers regarding the late filing of RG-1s and RG-2s indicating that the fine for late filings of these two forms should be consistent. For the most part the fine will be as follows: Each casino will be given one late filing per fiscal calendar year. The second late filing will result in a \$5,000 fine, the third \$10,000, the fourth \$15,000 and so on. The fines will be based on a rolling six month period. The Commission understands that at times extraordinary circumstances can arise that prevent the timely filing of the RG-1 and RG-2 and will take it under consideration when reviewing late filings.
7. On September 23, 2014, the IGC Deputy Director of Audit sent an email to the IGC Director of Compliance regarding late filings of two RG-1s. Both Majestic Star Casinos filed their RG-1s for gaming day September 18, 2014 late. On November 18, 2014, the Deputy Director of Audit sent another email to the Director of Compliance concerning the late filing of RG-1s by both Majestic Star Casinos for gaming day November 13, 2014.

COUNT IV

8. 68 IAC 1-5-1(10) states 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 apparent criminal activity taking place at the casino. A casino licensee shall submit the notice required under this subdivision to a gaming agent in addition to submitting it to the executive director.
9. On September 5, 2014, three Gaming Agents were summoned to Majestic Star I in reference to an alleged theft that occurred on July 27, 2014. The Agents checked the activity logs and noted that the Agents on duty were not notified. The Agents spoke to security and after checking their logs discovered that Security was not notified as well. On the date of the incident a Cage Supervisor contacted Surveillance to review video coverage. Surveillance reviewed the coverage and confirmed the theft; however, they failed to contact Casino Security or Gaming Agents about the theft.
10. On October 3, 2014, a Gaming Agent was notified by a Security Officer about a battery that had occurred earlier in the evening. One patron at a table game approached another patron and choked him for approximately two seconds. The patron, who did the choking, left the area, proceeded to Majestic Star II and after 30 minutes exited the Casino. A Floor Supervisor had contacted a Security Officer right after the incident happened and informed the Officer that the suspect was leaving the casino via the escalator. The Security Officer contacted the Security Manager and relayed the message that the suspect was leaving the casino. The Security Manager did not investigate the matter further and did not contact the Gaming Agents on duty.

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 \$16,500 (\$1,000 for Count I; \$2,500 for Count II; \$10,000 for Count III; and \$3,000 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 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 \$16,500 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.

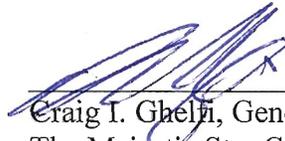
This Settlement Agreement shall be binding upon the Commission and Majestic Star.

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

3.11.15
Date



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

3/4/15
Date