

ORDER 2007-86

**IN RE SETTLEMENT AGREEMENT
THE MAJESTIC STAR CASINO, LLC
07-MS-03**

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 THE 13th DAY OF SEPTEMBER, 2007.

THE INDIANA GAMING COMMISSION:



William W. Barrett, Chair

ATTEST:



Tim Murphy, Vice Chair

STATE OF INDIANA
INDIANA GAMING COMMISSION

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

INDIANA GAMING COMMISSION

SETTLEMENT AGREEMENT

The Indiana Gaming Commission ("Commission") by and through its Executive Director Ernest E. Yelton and The Majestic Star Casino, LLC ("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 14-7-4(l) states that when a roulette table is not open 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 wheel
2. On January 19, 2007 while performing a routine inspection of the Majestic Star table games, a Gaming Agent observed that the roulette wheel cover on a closed roulette table was not secured.

COUNT II

3. 68 IAC 14-7-4(b) states that before opening a roulette table for gaming activity each gaming day, the pit boss or the equivalent shall inspect the roulette table and roulette wheel to ensure compliance with this rule.
4. 68 IAC 14-7-4(c)(2) requires the pit boss or the equivalent to inspect the wheel with the use of a level to verify the wheel is balanced and rotating freely and evenly.
5. On January 19, 2007 while performing a routine inspection of the roulette wheel on Majestic Star, two Gaming Agents tested the level of the wheel and found it to be out of balance. The agents pointed out the failure to the Casino Floor Supervisor and told him to close the game immediately until repairs were made and the wheel brought back into compliance. It seems that the wheel was moved when the layout was changed, but when the wheel was replaced it was not inspected. The wheel was out of balance for 19 to 20 hours.

COUNT III

6. IC Section II Subsection E pg 237 states in the event communication between workstations and ACSC is disrupted, the patron will be able to cash out their TITO ticket at a cage location. During the outage the following procedures will apply:
- a. The cash out ticket will be presented to the cage cashier for payment, whereby the cage cashier will first determine that the TITO ticket was issued by Majestic Star Casino, and the expiration date is still valid
 - b. The cage cashier will then notify a slot employee
 - c. The slot employee will then use the originating EGD's diagnostics to verify if the EGD did produce the ticket in question
 - d. Once verified as a valid ticket, the slot employee will sign the ticket, including IGC number and give it to the cage cashier
 - e. The cage cashier will then record the patron's name, drivers license number, or other form of government ID, cashier's signature and license number on the back of the TITO ticket
 - f. After the TITO system is restored, the ticket shall be validated and recorded as paid in the system utilizing normal ticket verification procedures

7. IC Section II Subsection G pg. 230 – Signature for slot jackpots

Jackpot Amount	# of Signatures	Required Signatures
\$0.01 to \$4,999.99	3	Cage Cashier Slot Attendant Verifier
\$5,000.00 to \$24,999.99	3	Cage Cashier Slot Supervisor Security Verifier
\$25,000.00 and above	4	Cage Cashier Slot Supervisor Security Supervisor Independent Manager from another operational department

8. An Audit Staff report noted that on February 17, 2007 a Slot Attendant paid out seventy-eight (78) pouch pays without obtaining a verifier for the transaction. This occurred during an outage of the coupon/ticket server and once management realized what was going on they immediately stopped the slot attendant from further violations. On February 19, 2007 during another coupon/ticket server outage a Slot Shift Manager obtained a book of "Order for Jackpots" and wrote jackpot orders for patrons to present to the cage to cash in. She wrote

approximately one hundred (100) tickets without verifying the jackpots. In both cases the employees were terminated.

COUNT IV

9. 68 IAC 2-6-1-4e states after an individual has entered an electronic gaming device for any reason, the individual must complete a log that is maintained inside the electronic gaming device. The log shall contain, at a minimum, the following information:
 - a. The name and occupational license number of the individual entering the electronic gaming device
 - b. The date and time the electronic gaming device is entered
 - c. The date and time the electronic gaming device is exited
 - d. The identity of the electronic gaming device
 - e. The reason for entry
10. 68 IAC 2-6-30.1 states if the integrity of any electronic gaming device has been legitimately questioned, the riverboat licensee shall run the appropriate diagnostic tests on the device. If the riverboat licensee determines that the device is malfunctioning, the riverboat licensee shall remove the device from play until the device has been repaired and it has been determined that the device meets requirements of the Act and this title.
11. 68 IAC 2-6-6(C)(7) states the riverboat licensee shall perform a coin test to ensure that the electronic gaming device is in communication with the central computing system. If the electronic gaming device is not communicating with the central computing system, the electronic gaming device must be disabled.
12. On February 26, 2007 a Slot Technician entered machine #4110 because of a bill validator malfunction. The Slot Technician determined that a RAM clear was necessary and performed one with a Gaming Agent present. After the RAM clear, the bill validator still did not function so a bill test was not performed and the machine was left on and locked out using the machine's electronic keypad. There was no notation made in the MEAL book that RAM clear was done. The Slot Technician did say that he sent an e-mail to the next shift concerning the machine.
13. Later the same evening another Slot Technician entered the machine. He stated that the machine was not locked or out of order when he observed it. He determined that the bill validator had a broken pin and sent it to the count room for replacement. Since there was no replacement box available the machine was put out of service and the next shift was informed of the machine's status.
14. On the morning of February 27, 2007 a third Slot Technician entered the machine and looked at the MEAL book to determine why the machine was out of service.

The book indicated that the cash box had been removed but did not indicate why the machine was out of service. The cash box was replaced and the machine was placed back in service

15. Between February 27 to March 5, 2007 Majestic Star lost \$384,712 due to an improperly set dip switch on this machine. This dollar denomination machine was set so that every dollar inserted would produce 10 times the credit. It is believed that when the machine was RAM cleared, it caused the machines to reset to the Philippine dollar.

COUNT V

16. 68 IAC 2-6-16(d)(5) states the bill validator drop box shall meet the following requirements:

Have a separate lock to access the contents of the bill validator drop box. This key shall not access any other area of the electronic gaming device

17. On April 18, 2007 the Soft Count Lead discovered that eight (8) bill validators did not have locks on them. The machines that these boxes were in went live the morning of April 17, 2007. There were no variances found by the accounting department and all Slot Technical Supervisors received write ups for failure to follow procedures regarding new game set-up. A read and sign was issued to all personnel that come in contact with the bill validators to check for locks, labels and overall condition.

COUNT VI

18. 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." Pursuant to 68 IAC 1-11-1(c), "a person under twenty-one (21) years of age shall not be present on a riverboat."

19. On April 13, 2007 and April 28, 2007 a minor was allowed to board the casino. This is the 1st and 2nd time in the last six months.

COUNT VII

20. 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.
21. 68 IAC 14-3-6(b) states that playing cards shall be inspected by sorting the cards sequentially by suit and inspecting the sides of the cards for crimps, bends, cuts, shaving or any other defect that would affect the integrity or fairness of the game.

22. On January 20, 2007 an Assistant Casino Shift Manager notified a Gaming Agent that a deck of cards could not be located. The Floor Supervisor responsible for the cards that day was suspended for three days
23. On January 7, 2007 a Security Shift Manager summoned a Gaming Agent to a Blackjack table. When the agent arrived he was informed that a red two of hearts was missing from the blackjack table. After viewing the video tape the Agent was not able to determine what happened to the card. Also, after viewing the video tape for the procedure when verifying and counting cards, the Agent spoke to the Casino Shift Manager about the accuracy of the counting and inspection process (all decks are counted and inspected by three employees at one table and then all the open decks are transferred to the proper tables). A new procedure was implemented.
24. On February 6, 2007 it was noted that a jack of clubs was missing from a deck of cards at a Mini-Baccarat table. This was noted before the cards were put into play. The Casino Shift Manager looked for the card but could not find it. On February 8, 2007 the card was found in the chip tray of the Mini-Baccarat table.

COUNT VIII

25. 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.
26. On February 18, 2007 an Assistant Casino Manager informed a Supervisor that a sleeve of dice (5) was missing from a craps table. Upon follow-up, the Gaming Agent was unable to find any conclusive evidence or leads as to where the dice were or how they came up missing. The number of the sleeve of dice was cancelled (each sleeve have their own number etched into each die).

COUNT IX

27. 68 IAC 2-6-22 states that a riverboat licensee shall not permit any game to be played other than those specifically named in the Act and approved by the commission.
28. On April 14, 2007 a Gaming Agent discovered a revoked EPROM in a slot machine. The EPROM was revoked by the Indiana Gaming Commission on February 16, 2007.

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 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.

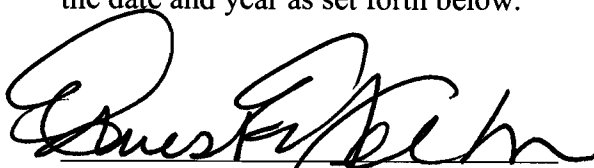
Majestic Star shall pay to the Commission a total of \$51,500 (\$2,500 for Count I; \$10,000 for Count II; \$5,000 for Count III; \$10,000 for Count IV; \$8,000 for Count V; \$4,500 for Count VI; \$5,000 for Count VII; \$1,500 for Count VIII; and \$5,000 for Count IX) in consideration for the Commission 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 \$51,500 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.

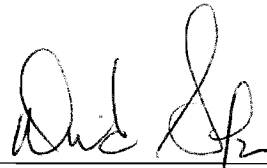
This Settlement Agreement shall be binding upon the Commission and Majestic Star.

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

9/13/07
Date



David Schugar, General Manager
Majestic Star Casino

9-6-07
Date