

**STATE OF INDIANA
INDIANA GAMING COMMISSION**

IN RE THE MATTER OF:)	
)	SETTLEMENT
THE MAJESTIC STAR CASINO, LLC)	10-MS-03
)	

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 15-4-3(6) states during non-gaming hours all chips shall be stored and locked in the casino cages, main bank vault, or locked table trays at the live gaming devices.
2. On May 10, 2010 a Gaming Agent performed a daily roulette table inspection when he discovered a large number of non-value roulette chips were left unsecured in the chip sorter. There were two hundred and twenty (220) roulette chips in the sorter.

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 June 8, 2010 a Gaming Agent was notified by a Surveillance Officer that a King of Clubs was missing at a blackjack table. The blackjack game is called a Pitch and only used two decks of cards as opposed to the six or eight deck used at a regular blackjack game. Surveillance footage showed the Dealer counted down the cards and did not notice the card was missing. The cards were in play for approximately two hours.

5. On June 7, 2010 a Gaming Agent was advised by an assistant Casino Manager that a Jack of Hearts was discovered missing from a blackjack table. Review of surveillance footage showed that the decks of cards were placed in the shuffler and the red light came on indicating a problem. The cards were placed in the shuffler a total of nine times and all nine times the red light came on. The decks with the missing card were in play five times.

COUNT III

6. IAC 2-6-19 states electronic gaming devices must have logic boards and any computer chips that store memory in a locked area within the electronic gaming device that is sealed with evidence tape. The evidence tape must:
 - (1) be affixed by an enforcement agent; and
 - (2) include the date, signature, and identification number of the enforcement agent.
7. On June 13, 2010 a Gaming Agent was advised by a Slot Technician that a seal for a logic door was needed for a slot machine, as the seal was broken. The Agent reviewed the MEAL book for the machine and found that on June 4, 2010 a Slot Technician had removed the board containing the IGC sealed EPROMs, thus breaking the seal. The board was replaced and the Technician did not call an Agent to have the logic door resealed.

COUNT IV

8. 68 IAC 12-1-1.7 states (a) The surveillance room on the riverboat shall be staffed by at least two (2) surveillance employees engaged in monitoring operations at all times.
(b) In addition to the minimum staffing level outlined in subsection (a), the surveillance room shall be staffed with additional surveillance employees as necessary to ensure that the requirements of this rule are met. Factors relevant to determining staffing levels include, but are not limited to, the following:
 - (1) The time of day.
 - (2) The size of the riverboat.
 - (3) The number of patrons present.
 - (4) Special events taking place on the riverboat.
 - (5) Events taking place that require continuous monitoring in accordance with this rule.
9. 68 IAC 12-1-5 (a) states surveillance employees shall:
 - (1) monitor regularly; and
 - (2) visually record, either by:
 - (A) continuous recording; or
 - (B) motion activation;

whichever is appropriate;
the surveillance system coverage of the areas described in this section.

10. 68 IAC 12-1-5(d) states the playing surface of all table games must be viewed by the surveillance system with sufficient clarity to do the following:
 - (2) Clearly observe, in detail, the following:
 - (A) Chip trays.
11. 68 IAC 12-1-6 states Surveillance employees must continuously monitor and visually record the following:
 - (1) Soft count procedures in accordance with 68 IAC 11-3.
 - (2) Hard count procedures in accordance with 68 IAC 11-2.
 - (3) Currency collection in accordance with 68 IAC 11-3.
 - (4) Drop bucket collection in accordance with 68 IAC 11-2.
12. On July 2, 2010 two Gaming Agents reviewed surveillance for a criminal investigation when they discovered there was no coverage of a live table game. A surveillance employee did not reset the Pan Tilt and Zoom (“PTZ”) camera to its original spot after using it to scan the pit area. The table had no coverage for six hours. This also occurred at another table on July 11, 2010, where there was no coverage for four hours.
13. On July 10 and July 14, 2010 Gaming Agents discovered that there was no camera coverage of chip trays at several different tables. The amount of time there was no coverage ranged from approximately two to ten hours.
14. From June 23, 2010 until September 30, 2010 the Gaming Agents conducted random checks of the number of surveillance employees in the surveillance room for MSI and MSII. On numerous occasions there has been only one surveillance employee in the room for approximately five to ten minutes. Also on several occasions there have only been two employees in the room when the drop and count room processes have taken place. Because both processes require a surveillance employee to visually monitor them, there was no employee in the room to monitor the gaming floor.

COUNT V

15. 68 IAC 2-3-9.2 (b) states riverboat licensees must advise the enforcement agent, on a form prescribed or approved by the commission, when one (1) of the following events occurs with an occupational licensee: (1) The occupational licensee’s employment with the riverboat licensee is terminated for any reason. The form must be submitted to the enforcement agent within fifteen (15) days of the occurrence of the change or action.
16. On July 29, 2010 a Gaming Agent was notified by the Director of Regulatory Compliance that Human Resources had discovered that a terminated employee

was not reported to the Commission. The casino realized this when mail sent to the employee from the casino was returned undeliverable. The employee had voluntarily resigned on March 16, 2010.

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 \$33,000 (\$4,000 for Count I; \$6,000 for Count II; \$1,000 for Count III; \$20,000 for Count IV and \$2,000 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 \$33,000 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.

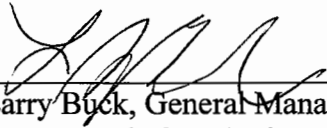
IN WITNESS WHEREOF, the parties have signed this Settlement Agreement on the date and year as set forth below.



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

11.3.10

Date



Larry Buck, General Manager
The Majestic Star Casino, LLC
The Majestic Star Casino II, Inc.

10-22-10

Date

**ORDER 2010-212
IN RE SETTLEMENT AGREEMENT
THE MAJESTIC STAR CASINO, LLC
10-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 10th DAY OF NOVEMBER, 2010.

THE INDIANA GAMING COMMISSION:



Timothy Murphy, Chair

ATTEST:



Marc Fine, Secretary