

ORDER 2015-102
AN ORDER OF THE INDIANA GAMING COMMISSION
IN RE SETTLEMENT AGREEMENT
THE MAJESTIC STAR CASINO, LLC
15-MS-02

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 18th DAY OF JUNE, 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-02
)	

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 14-3-2 (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.
2. On February 23, 2015, a Gaming Agent was informed by the Pit Manager upon closing a Baccarat table it was discovered that four cards were missing from the eight deck shoe. The Pit Manager requested a surveillance review. The review found that after the first hand was dealt a Dealer placed the cards in the drop box. The Dealer followed the correct procedure for all subsequent hands by placing the cards in the discard rack. The eight decks of playing cards, minus the four missing cards, were hand shuffled four times during a six hour period and 308 hands were dealt.

COUNT II

3. 68 IAC 15-4-3(6) states during nongaming hours, chips shall be stored and locked in the casino cages, main bank vault, or locked table trays at the live gaming devices.
4. On March 7, 2015, a Gaming Agent, while conducting a routine inspection of a pit area, discovered that 128 roulette chips were in the chip sorter. The roulette table was closed and the chips were unsecured for approximately 105 minutes. The Table Inventory Slip was underneath the locked table tray which secures

value and non value chips on the table. A Dealer and Casino Floor Supervisor had signed the slip indicating that all the chips were accounted for.

COUNT III

5. 68 IAC 11-2(a) states the procedures of the internal control system are designed to ensure the following:
 - (1) Assets of the casino licensee are safeguarded.
 - (2) The financial records of the casino licensee are accurate and reliable.
 - (3) The transactions of the casino licensee are performed only in accordance with the specific or general authorization of this article.
 - (4) The transactions are recorded adequately to permit the proper recording of the adjusted gross receipts, admission fees, and applicable taxes.
 - (5) Accountability for assets is maintained in accordance with generally accepted accounting principles.
 - (6) Authorized personnel have access to assets.
 - (7) Recorded accountability for assets is compared with actual assets at reasonable intervals, and appropriate action is taken with respect to any discrepancies.

6. On September 19, 2014, a Gaming Agent was contacted by a Slot Technician regarding a “hot box” (a cash box with cash and cash equivalents inside) sitting on the side of a slot machine. The Agent went to the location of the slot machine and spoke with the Slot Technician. The Technician stated he was changing locks on the Bill Validator Acceptor (BVA) doors when he observed one was open and there was a cash box in the game and one on the side of the machine. The Technician saw money inside the box next to the machine and immediately notified his Supervisor. The Technician took possession of the box and with a security escort took the box to the count room. The Technician replaced the BVA door lock and locked the door. The “hot box” was left unsecured for approximately two to three hours. No disciplinary action was taken as the Soft Count Supervisor was not advised of the team member that pulled the “hot box” from the machine. There was \$1,409 in cash and cash equivalents inside the “hot box”.

COUNT IV

7. 68 IAC 2-6-38 (a) states when a progressive jackpot is recorded on an electronic gaming device which is attached to the progressive controller, the progressive controller must allow for the following:
 - (1) The displaying of the winning amount.
 - (2) The displaying of the electronic gaming device identification that caused the progressive meter to activate if more than one (1) electronic gaming device is attached to the controller.

- (b) The progressive controller is required to send to the electronic gaming device the amount that was won. The electronic gaming device is required to update its electronic meters to reflect the winning jackpot amount consistent with this rule.
- (c) When more than one (1) progressive electronic gaming device is linked to the progressive controller, the progressive controller shall automatically reset to the reset amount and continue normal play. During this time, the progressive meter or another attached approved device must display the following information:
- (1) The identity of the electronic gaming device that caused the progressive meter to activate.
 - (2) The winning progressive amount.
 - (3) The new normal mode amount that is current on the link.

8. On January 9, 2015, a Gaming Agent was called to Majestic Star II in reference to a slot machine payout. The slot machine in question was a part of a bank of four linked machines with the current payout of \$7,503.44. A patron won the progressive amount but the ACSC (main computer system) was not registering the slot machine had won that amount and was showing a win of \$2,500. Upon further inspection, it was discovered that two slot machines in this bank were not set up to communicate with the Paltronic's Progressive Controller. On December 13, 2014, both machines went into a "system error" which caused the machines to automatically reset to the default settings and stop communicating with the progressive controller. Two Slot Techs checked the four main settings prior to putting both machines back into play; however, they failed to check all of the settings which caused them not to realize that the machines were no longer communicating with the progressive controller. All machines in the bank were still causing the progressive meter to increment properly so it was found that \$7,503.44 was the correct progressive amount.

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 \$11,500 (~~\$5,000 for Count I; \$2,500 for Count II; \$1,500 for Count III; and \$2,500 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 \$11,500 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.

Sara
Tail



Ernest E. Yelton, Executive Director
Indiana Gaming Commission

6/9/15

Date



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

5/28/15

Date