

INDIANA GAMING COMMISSION BUSINESS MEETING

June 7, 2006
Marriott
Indianapolis, Indiana

Call to Order and Roll Call:

Chairman Harold Calloway called the meeting to order at approximately 1:05 p.m. local time. A quorum was present.

Present:

Commission Members: Harold Calloway, Chair; Bryan Robinson, Vice Chair, Don Vowels, Secretary, Tim Fesko, Tim Murphy, and William Barrett. Commission Staff: Ernest E. Yelton, Jennifer Arnold, Phil Sicuso, Kevin Mahan, Chris Gray, Michelle Marsden, Angie Bunton, Andrew Klinger, Adam Packer, Lea Ellingwood, Larry Rhoades, Mark Mitchell, Diane Freeman, Tami Timberman, Major Carlos Pettiford, Indiana State Police, Garth Brown, Larry Bostic, Angela Brooks, Bill Peevler, Ann Popchef, Doug Smiley, Jim Beebe, David Charlesworth, Joel DeCapua, Mike Hathaway, Glen Lloyd and Tom Piskorowski, Darrell Segoe, Sherry Green, Kileeta Holmes, and members of the public.

Approval of the Minutes:

Upon motion by Tim Fesko, second by Tim Murphy, and the unanimous vote of those present, the Commissioners approved the proposed minutes of the March 9, 2006, business meeting.

Report of the Executive Director:

Executive Director Yelton reported that on Jenny Chelf retired as Director of Compliance. He further reported that Nathan Battinich resigned as Senior Application Developer. Chris Gray has been appointed as Compliance Director and Larry Rhoades was promoted to Lead Field Auditor of the northern boats. Interns Dan Becker, Joe Cooper and Mindy Westerick were introduced. Executive Director Yelton reported that the Indiana Gaming Commission will ultimately employ a staff of approximately 185 people including Charity Gaming.

Executive Director Yelton reported on the ongoing litigation with the City of East Chicago. Another 90 day stay was stipulated in the LaPorte County action which should expire on or about July 17. At this time no further extensions are anticipated. Also, an individual had filed an adverse possession action in Dearborn County claiming a portion of the land owned by Argosy.

The IGC was named as an additional party defendant and the Attorney General has filed a Motion to Dismiss on the Commission's behalf.

Deputy Director Jennifer Arnold gave a report updating the progress of the Disparity study. The research for this study will be conducted by the Center for Urban Policy Development. If the study finds that minorities in business are underutilized, the statute requires the Commission to establish utilization goals for the riverboat. To date, the majority of work has focused on organizing the data from over 10,000 vendors who deal with the riverboats. The advisory group has also been developing an outreach effort, encouraging input from both MBE/WBE and non MBE/WBE firms. It is hoped that the study will be complete by the end of the year.

Kentucky based Columbia Entertainment has won the bidding war for the acquisition of Aztar. Commission staff is tentatively aiming for the November meeting to consider the petition to transfer ownership.

Orange County/Blue Sky Update

Pursuant to the Orange County Operating Agent Contract, Blue Sky was required to complete all of its financing by February 1, 2006. Representatives of Blue Sky notified the Commission prior to that date that the financing could not be finalized by that date. Because Blue Sky was looking to revise its initial financing package, the Commission notified Blue Sky in writing that it would forego until May 1 any action for the failure to satisfy the deadline. Blue Sky failed to fully close on its financing by May 1, and later disclosed that the revolver portion of the financing package was not expected to close until June 30. At the next meeting Executive staff intends to present its recommendation for disciplinary action against Blue Sky for failure to satisfy the May 1 deadline. Blue Sky has confirmed that it was still on schedule for the opening of the casino.

Waiver of Rules and Regulations:

A waiver was granted to all boats approving a separate shipment of boot proms from slot machines instead of the EPROMS. Boot proms are a part of the new technology on slot machines that are offered by IGT.

A waiver was granted to allow only poker room dealers to hold their own tokens as opposed to pulling them.

A waiver was granted for all licensees to cash cage checks written by patron to licensees or other Indiana riverboats.

All boats were granted relief from storing the entire PAR sheet in the electronic gaming device. They will be required to store only that part of the PAR sheet containing the exact EPROM and hold a percentage. The electronic copy or hard copy of the entire PAR sheet will be available on site.

Majestic Star I and II were granted relief from having a security guard in the VIP room, which has a boarding ramp onto the vessel, and these patrons would have already passed through the main turnstiles. A waiver was granted to Majestic Star II to utilize the equipment of Majestic Star I and share credit practices and policies. The two boats will be using the same playing cards, value chips, non-value chips, promotional chips, table layouts, and roulette and big six wheels. They will also have one credit policy and one marker bank. Additionally, they requested and received relief from various regulations related to token acceptance of the EGD's; fill amounts and probe level; token acceptor; hopper mechanism; drop box process; jet sort testing; comparison of actual token drop system; internal audit observing and testing; hopper fills and credits. They also received a waiver from investigating negative chip float inventories on individual riverboats, but they will be required to do an investigation report to the Commission if any of the consolidated float is negative. A waiver was also transferred that had previously been granted to Trump Casino approving the discontinuation of drop door meters displaying when a door has been opened in a ticket machine. Majestic Star also received a waiver from various regulations as they apply to the hopper fills, manual fills, fill slips, audit verification and review and internal audit review and verification of fill slips.

Caesars received three waivers. The first is to allow the management employees to receive a bonus in the context of the Midwest Regional Poker Promotion. Further, their dealers are allowed to accept currency as tips only during the time of tournament play. Finally, Caesars received a waiver to allow the table game supervisors to withdraw front money for the patrons.

Grand Victoria was granted a waiver to destroy redeemed TITO tickets after a 90 days retention period.

Argosy was granted a waiver allowing it to have six spots for wagering on their blackjack layouts.

Resorts received authority to allow drop team members to enter the soft count after the count has begun.

Report of Superintendent

It was reported by the Superintendent that Indiana's first group Gaming Agents graduated on March 29. Once they graduated from the academy they completed a three week on-site field training at Majestic Star I & II. Regulatory and compliance matters are being taken care of in a timely manner and slot machines are being tested and put into play at a more rapid pace. Also, there is now 24 hour-a-day badging at MS I and MS II. On May 31, the second recruit training class at the academy began. There are 31 individuals in the class and once they are trained, they will be assigned to Casino Aztar, Blue Sky and Caesars. They will graduate on July 25 and begin their three week training on July 26. Conditional offers of employment have been offered to 23 other individuals who will be assigned to Belterra and Grand Victoria casinos. Their training will begin on June 26 and they will graduate on August 18. Postings for positions at Horseshoe and Resorts will begin on June 14. After the first of the year, Blue Chip and Argosy will be staffed with the fifth gaming agent class. All 11 casinos should be transitioned by early

spring. The following people were introduced: Garth Brown, Director of Background Investigations, Investigators Larry Bostic, Angela Brooks, Bill Peevler, Ann Popchef and Doug Smiley. Also, Jim Beebe, Director of Financial Investigations, was introduced, along with Investigators David Charlesworth, Joel DeCapua, Mike Hathaway, Glen Lloyd and Tom Piskorowski. Darrell Segó, Executive Administrator, was also introduced. Sherry Green, Administrative Secretary, and Kileeta Holmes, Secretary to the enforcement section, were also introduced.

Old Business:

There was no old business.

New Business:

Emergency Rules:

Resolution 2006-24

Resolution adopting an Emergency Rule Regarding the Conduct of Charity Gaming under I.C. 4-32.2.

Action: Upon Motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission adopted Resolution 2006-24.

Resolution 2006-25

Resolution assigning to the Executive Director the right to exercise all Charity Gaming powers and duties conferred upon the Commission by Senate Enrolled Act 100.

Action: Upon Motion by Don Vowels, second by Bill Barrett, and unanimous vote of those present, the Commission adopted Resolution 2006-25.

Resolution 2006-26

Resolution adopting an Emergency Rule regarding weapons on a riverboat.

Action: Upon Motion by Bill Barrett, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2006-26.

Resolution 2006-27

Resolution adopting an Emergency Rule regarding Gaming Agents and Police Employees.

Action: Upon Motion by Tim Murphy, second by Bill Barrett, and unanimous vote of those present, the Commission adopted Resolution 2006-27.

Regulation Requirements:

Resolution 2006-28

Resolution waiving requirements and procedures in 68 IAC 2-3, which would allow riverboat licensees to issue one identification badge for both temporary and permanent occupational licensees.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2006-28.

Licensing matters:

Resolution 2006-29

Resolution granting the Executive Director Authority to waive requirements and procedures in 68 IAC 2-3 in order to allow licensees with approved job duties pertaining to multiple commonly owned riverboats, to obtain a single occupational license.

Action: Upon Motion by Tim Fesko, second by Don Vowels, and unanimous vote of those present, the Commission adopted Resolution 2006-29.

Resolution 2006-30

Resolution granting the Executive Director authority to waive requirements and procedures in 68 IAC 4-1 to allow publicly held licensees not to submit paper copies of SEC filings.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission adopted Resolution 2006-30.

Resolution 2006-31

Resolution granting the Executive Director the authority to grant temporary Supplier's Licenses.

Action: Upon Motion by Bill Barrett, second by Don Vowels, and unanimous vote of those present, the Commission adopted Resolution 2006-31.

Voluntary Exclusion Program:

**Orders Concerning
The Voluntary Exclusion Program
Order 2006-32
Order 2006-33**

**Order 2006-34
Order 2006-35 &
Order 2006-36**

Order 2006-32 approves the remittance of winnings by VEP participant John Doe #4 in the amount of \$2313.90 as a fine. Argosy withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-33 approves the remittance of winnings by VEP participant John Doe #5 in the amount of \$1,350 as a fine. Horseshoe withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-35 approves the remittance of winnings by VEP participant John Doe #7 in the amount of \$1,285 as a fine. Majestic Star withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Order 2006-36 approves the remittance of winnings by VEP participant John Doe #8 in the amount of \$4,500 as a fine. Resorts withheld the winnings as required by Commission regulations and will remit the fine on behalf of the patron.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved Orders 2006-32, 33, 34, 35 & 36 as recommended by Commission staff.

**Order 2006-37
John Doe #9**

Order of the Indiana Gaming Commission concerning the Voluntary Exclusion Program, John Doe #9, who appealed the forfeiture of a jackpot won while he was a participant in the Voluntary Exclusion Program. The Administrative Law Judge found that John Doe #9 was lawfully on the Voluntary Exclusion List and that his fines were properly levied against him.

Action: Upon Motion by Bill Barrett, second by Don Vowels, and unanimous vote of those present, the Commission approved Order 2006- 37 as recommended by Commission staff.

Exclusion Matters:

Order 2006-38

Order of the Indiana Gaming Commission regarding the exclusion of Robert M. Wilson. Mr. Wilson appealed the Commission's action of placing him on the Exclusion List. The Administrative Law Judge's findings recommended that the Commission affirm the exclusion of Mr. Wilson from riverboat gambling facilities.

Action: Upon Motion by Don Vowels, second by Bill Barrett, and unanimous vote of those present, the Commission approved Order 2006-38 as recommended by Commission staff.

Occupational License Matters:

**Order 2006-39
Order of the Indiana Gaming Commission Concerning the
Disciplinary Action against the Occupational License
of Monique Johnson
05-OL-TR-014**

Monique L. Johnson, a level 2 occupational licensee employed by Majestic Star as a Floor Supervisor, had an undisclosed felony conviction on her record but was issued a permanent occupational license. The Commission staff, upon discovering the licensee's felony conviction, filed a complaint for disciplinary action against Ms. Johnson's license on January 14, 2006. The complaint was submitted to an Administrative Law Judge. On March 20, 2006, prior to a hearing being set, Ms. Johnson was terminated from her employment with Majestic Star. As a result, the Commission staff moved that the complaint be withdrawn. On May 10, 2006, the Administrative Law Judge issued a Recommended Order Granting Complainant's Motion To Withdraw Complaint for Disciplinary Action.

Action: Upon Motion by Tim Murphy, second by Don Vowels, and unanimous vote of those present, the Commission approves Order 2006-39 to approve the Administrative Law Judge's recommendation.

**Order 2006-40
Order of the Indiana Gaming Commission
Approving Settlement Agreement Re:
Adam Combs
05-OLCA-1**

On or about December 21, 2004, Mr. Combs was issued a permanent occupational license to work for Caesars Casino as a General Maintenance Mechanic. On December 5, 2005, Mr. Combs notified the Indiana Gaming Commission about an arrest that occurred on December 24, 2004. Mr. Combs submitted court documentation to the Commission that showed that he had pleaded guilty to Criminal Recklessness, a Class A Misdemeanor. Mr. Combs failed to submit to a Commission Agent the information relating to his arrest within ten calendar days of the occurrence of the event. On or about January 3, 2006, the Commission initiated a disciplinary action against Mr. Combs. Mr. Combs agreed to a settlement of this matter wherein his occupational license shall be suspended for two consecutive working days. Mr. Combs agreed that failure to comply with the settlement agreement will result in further disciplinary action against his occupational license.

Action: Upon Motion by Don Vowels, second by Bill Barrett, and unanimous vote of those present, the Commission approved of the proposed terms of the settlement agreement.

**Order 2006-42
Order of the Indiana Gaming Commission
Concerning the Revocation of a Temporary**

**License and Denial of the Application for an
Occupational License of Brenda Wilson**

On or about September 21, 2005, Brenda Wilson was issued a level 2 temporary occupational license to work as a Casino Host at Caesars Indiana. Ms. Wilson failed to disclose several criminal arrests on her application for an occupational license. After learning of these omissions, but before having an opportunity to complete a full investigation, Commission staff placed her license on six months probation. As the investigation continued, staff learned that one of her arrests was a 1973 arrest and conviction in Orange County, California, for forgery. Upon obtaining court records from this arrest and conviction, Commission staff discovered that this forgery conviction was a felony. Commission staff recommended the denial of the application for an occupational license.

Action: Upon Motion by Bill Barrett, second by Bryan Robinson, and unanimous vote of those present, the Commission denies the application for an occupational license.

Supplier License Matters:

Order 2006-45

Order concerning the renewal of suppliers licenses of Giesecke & Devrient America, Inc., Konami Gaming, Inc., NRT Technology Corp., Shuffle Master Gaming, and Cummins-Allison Corp.

Action: Upon Motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission grants the renewal of the licenses for each of the suppliers for a period of one year.

Order 2006-46

Order concerning a settlement agreement with Certegy Inc./Fidelity National Information Services, Inc. Commission staff recommends the approval of the agreement between the Commission and Fidelity wherein Fidelity will pay a fine of \$15,000 in lieu of a disciplinary action.

Action: Upon Motion by Tim Murphy, second by Tim Fesko, and unanimous vote of those present, the Commission approves the terms of the settlement agreement.

Order 2006-47

Order of the Indiana Gaming Commission concerning the renewal of the suppliers' license held by Chipco International.

Action: Upon Motion by Don Vowels, second by Bill Barrett, and unanimous vote of those present, the Commission approves the renewal of Chipco's license until October 23, 2006.

Order 2006-48

Order of the Indiana Gaming Commission concerning the renewal of Vendingdata Corporation's supplier license.

Action: Upon Motion by Don Vowels, second by Bill Barrett, and unanimous vote of those present, the Commission approves the renewal of Vendingdata's license until September 27, 2006.

Disciplinary Action:

**Settlement Agreement of
Indiana Gaming Company, L.P.
06-AG-03
Order 2006-49**

A settlement agreement was reached regarding an incident on March 5, 2006, wherein a VEP participant was able to receive two \$300 checks from a Game Cash ATM located on casino property. Commission staff recommended and Argosy agreed to pay a fine in the amount of \$11,000.

Action: Upon Motion by Don Vowels, second by Tim Fesko, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Casino Aztar
06-AZ-01
Order 2006-50**

A settlement agreement was reached with Aztar involving seven counts. The first involved a poker podium where a drawer containing chips and currency were kept insecure. In the second count, a minor was allowed to board the riverboat. The third count involved a violation of the rule requiring all persons who board on a tax free pass to have an appropriate badge. On three different occasions, patrons were allowed to board the casino by going through the crew member turnstiles. The fourth count involves the violation of the rule requiring the casino to notify the Commission Agent immediately if the denomination of chip float becomes negative. This occurred on seven separate occasions. The fifth count involves the riverboat allowing an occupational licensee to work with an expired badge on five separate occasions. The sixth count involves the violation of securing drop bucket compartments on a slot machine. The seventh count involves the violation of the rule that requires a dedicated camera monitoring the area where the cards are store. Aztar agreed to a total fine of \$30,000 and Commission staff recommended the approval of this settlement agreement.

Action: Upon Motion by Don Vowels, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Belterra
06-BT-02
Order 2006-51**

A settlement agreement was reached which involved two minors who were allowed to board the riverboat. Belterra agreed to pay a total fine in the sum of \$13,500. Commission staff recommended the approval of the settlement agreement.

Action: Upon Motion by Tim Fesko, second by Bill Barrett, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
RIH Acquisitions IN, LLC
06-RS-01
Order 2006-52**

A settlement agreement was reached with regard to employees working with expired occupational licensee badges. Resorts has agreed to pay a fine of \$7,500 in settlement of this matter. Commission staff recommended the approval of the settlement agreement.

Action: Upon Motion by Bryan Robinson, second by Tim Murphy, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Caesars Riverboat Casino, LLC.
06-CS-02
Order 2006-53**

A settlement agreement was reached with regard to two counts. The first violated regulations receiving approval before revising associated equipment, approval of patron counting equipment and notifying the commission agent immediately if the primary patron counting system malfunctions. In the second count, a minor attending a private party was allowed to board the riverboat. Caesars agreed to pay a fine in the amount of \$16,500. Commission staff recommended the approval of the settlement agreement.

Action: Upon Motion by Bryan Robinson, second by Tim Fesko, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

**Settlement Agreement of
Grand Victoria Casino & Resort LP
06-GV-01
Order 2006-54**

A settlement agreement was reached in regard to five counts. The first is a violation of maintaining a chip and token redemption log by nongaming employees. The second is a violation of bill validator boxes when an employee missed a box during the drop process. The third violated an internal control requiring positive and current identification from a patron. In letting a patron claim a jackpot while having an expired driver's license. The fourth violated accurately reporting inventory at the end of each shift, recording all overages and shortages. It also violated internal controls and standard operating procedures. The fifth count violated the sensitive key regulations wherein a slot attendant took home sensitive keys. Grand Victoria agreed to pay a fine in the amount of \$24,500. Commission staff recommended the approval of the settlement agreement.

Action: Upon Motion by Tim Fesko, second by Bryan Robinson, and unanimous vote of those present, the Commission approved the proposed terms of the agreement.

Order 2006-55

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Majestic Star Casino LLC.

Action: Upon Motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission granted the renewal of the riverboat license for Majestic Star Casino LLC for a period of one year.

Order 2006-56

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Majestic Star Casino II, Inc.

Action: Upon Motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission granted the renewal of the riverboat license for Majestic Star II for a period of one year.

Order 2006-57

Order of the Indiana Gaming Commission renewing the riverboat owner's license of Horseshoe Hammond, LLC.

Action: Upon Motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the Commission granted the renewal of the riverboat license for Horseshoe Hammond LLC for a period of one year.

Next Meeting:

The next business meeting of the Commission will be September 14, 2006, in the auditorium of the Indiana Government Center South.

Adjournment:

Upon motion by Don Vowels, second by Bryan Robinson, and unanimous vote of those present, the meeting was adjourned at approximately 4:00 p.m.

Minutes:

Robin L. Helton transcribed the June 7, 2006, business meeting. The transcript is a complete record of the meeting. Anyone wishing to see the transcript may review it at the Commission Office at 115 West Washington Street, South Tower, Suite 950, Indianapolis, Indiana.

These minutes were prepared by Tami Timberman, Administrative Assistant for the Indiana Gaming Commission.

Respectfully Submitted,

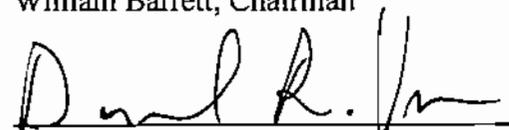


Tami Timberman

THE INDIANA GAMING COMMISSION:



William Barrett, Chairman



Donald R. Vowels, Secretary