



State of Louisiana
Gaming Control Board

KATHLEEN BABINEAUX BLANCO
GOVERNOR

H. CHARLES GAUDIN
CHAIRMAN

ANNE LACOUR NEEB
EXECUTIVE DIRECTOR

**DECISION OF THE
LOUISIANA GAMING CONTROL BOARD**

**In Re: BENETECH, L.L.C.
No. P082602229**

This is an appeal by Benetech, L.L.C., from a decision of the Hearing Officer affirming Louisiana State Police's denial of the original application of Benetech, L.L.C. for a non-gaming supplier permit.

After careful review of the record and based on the facts and for the reasons assigned in the decision of the Hearing Officer which we attach hereto and adopt as our own, we find the Hearing Officer's decision should be affirmed.

ORDER

This matter having been considered by the Louisiana Gaming Control Board at its meeting of June 14, 2004:


IT IS ORDERED THAT the decision of the Hearing Officer is **AFFIRMED**.

THUS DONE AND SIGNED on this the 14 day of June, 2004.

LOUISIANA GAMING CONTROL BOARD

BY:


H. CHARLES GAUDIN, CHAIRMAN

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 14 DAY
OF June 2004
APPEAL DECKET CLERK


**STATE OF LOUISIANA
GAMING CONTROL BOARD**

**ADMINISTRATIVE HEARING
February 18, 2004**

**HEARING OFFICER
WILLIAM H. BROWN**

**IN RE: BENETECH, L.L.C.
#P082602229**


TRUE COPY

Representative

Louisiana Gaming Control Board

IN RE: BENETECH, L.L.C.

NO. P082602229

APPEARANCES:

For the State of Louisiana

**Michael J. Daniels
Assistant Attorney General
1885 North 3rd Street, Ste. 500
Baton Rouge, LA 70802**

For Benetech, L.L.C.

**William Aaron Bennett
Partner
405 Gretna Blvd., Ste 100
Gretna, LA 70053**

STATEMENT OF THE CASE:

On March 25, 2002 Benetech, L.L.C., ("Benetech") a Louisiana Limited Liability Company, organized October 4, 2001, made an application for a non-gaming supplier permit. Subsequently on April 8, 2003 the Louisiana State Police Gaming Suitability Unit ("Unit") issued a Notice of Denial of the Application. The notice cited a number of reasons for its finding of non-suitability.

STATE'S EXHIBITS:

1. Benetech, L.L.C. application dated March 15, 2002
2. Individual Personal History dated March 15, 2002
3. Interview with William Aaron Bennett dated October 10, 2002
4. Chitimacha Vendor Registration dated December 13, 2002
5. Jefferson Parish Sheriff's Office records
6. Fingerprints
7. Arrest register
8. Bill of Information from Criminal District Court of Orleans Parish
9. Notice of Denial of Original Application issued to Embosser Sales and Service, Inc., dated March 24, 1999
10. Individual Personal History of William A. Bennett for Embosser Sales and Service, Inc. dated November 10, 1998
11. Notice of Decision issued in Embosser Sales & Service, Inc.
12. Academic transcript of William Aaron Bennett from UNO
13. Bankruptcy petition of William Aaron Bennett 01-17858

14. Bankruptcy summary of schedules
15. Bankruptcy transcript
16. Bankruptcy discharge
17. Complaint to revoke discharge
18. Interview with William Aaron Bennett dated October 10, 2002
19. Interview with William Aaron Bennett dated October 10, 2002
20. Assignment and Bill of Sales Agreement
21. Pleading filed in Braley v. Bennett law suit
22. Announcement from Braley's FBS Customer
23. Isle of Capri Casinos vendor registration form
24. Braley's financial Business Systems invoice
25. Hibernia National Bank Commercial Account Information Card
26. Checks payable to Braley's Financial Business
27. Bankruptcy petition of Regional Card Systems, Inc.
28. Benetech, L.L.C. Secretary of State certificate
29. March 20, 2002 letter "To Whom It May Concern" notice that Braleys Financial Business System is closed
30. Benetech's letter dated October 17, 2001 to La. Department of Purchasing
31. Benetech's letter dated October 29, 2001 to La. Department of Purchasing
32. LSU Health Sciences Center letter to Claude C. Lightfoot, Trustee
33. Cover letter and lease from Cypress Park
34. Cover letter and lease from Cypress Park
35. Notice to Division of donation by William Aaron Bennett and act of donation
36. Interview with William Aaron Bennett dated October 10, 2002.
37. Interview with William Aaron Bennett dated October 10, 2002
38. Affidavit of Women/Minority Ownership dated July 8, 2002
39. Affidavit of Woman-Owned affidavit dated August 6, 2002
40. Affidavit of Conformation-Louisiana, Woman or Minority Owned
41. Bally's vendor maintenance form
42. Harrah's Lake Charles vendor registration
43. Interview with William Aaron Bennett dated October 10, 2002
44. Interview with William Aaron Bennett dated October 10, 2002
45. Interview with William Aaron Bennett dated October 10, 2002
46. Benetech's menu
47. Letter from Gaming Suitability Unit to Benetech, L.L.C.

48. Benetech's menu
49. Maintenance agreement
50. Checks issued by Regional Card Systems, Inc.
Bankruptcy Court Decision

PERMITTEE'S EXHIBITS

- B1 Notice of Denial
- B2 Last page of Notice of Denial
- B3 Page of Notice of Denial
- B4 Page of Notice of Denial
- B5 Page of Notice of Denial, interview and decisions of Embosser Sales and Service, Inc.
- B6 Page of Notice of Denial, interview and letter from Keaty
- B7 Page of Notice of Denial, letter, application forms and interview
- B8 Page of Notice of Denial, application forms and interview
- B9 Benetech's history letter

FINDINGS OF FACT

On March 24, 1999 the Louisiana State Police, Indian Casino Gaming Division, denied Embosser Sales & Services, Inc.'s application for state certification. A reason for the denial was the failure of its key employee, William A. Bennett, to list three criminal charges in his personal history form. Mr. Bennett's excuse for not listing the criminal charges was attributed to *forgetfulness* and *not spending enough time in the preparation of the personal history form.*¹ The Louisiana Gaming Control Board granted the certification, but suspended its issuance for three (3) months due to Mr. Bennett's failure to disclose his criminal activities.

Some three (3) years latter, Benetech, L.L.C. filed an application for a non-gaming supplier permit, wherein William Aaron Bennett was listed as 100% owner. Question 6 on page 4 of the application (Exhibit-1) asked:

¹ State Exhibit 11, Embosser Sales & Service, Inc., No. 032610565, dated April 14, 1999

"6. Has the Applicant, any owner, principal officer, or key employee ever been convicted, arrested, pled guilty, or nolo contendere to any crime which is punishable by law for more than one (1) year? If Yes, give explanation, current status, and supply certified documents of the disposition."

The answer given was:

"I (William A. Bennett) was arrested three times from 1988-1987. all charges in each case were either dismissed or the DA refused to charge".

Obviously Mr. Bennett's answer is false, inasmuch as he was arrested on June 16, 1988 for felony theft and later plead guilty to a lesser charge.² Attached to the application for a non-gaming supplier permit was a letter from Benetech dated Friday, March 15, 2002 that revealed a summary of litigation, as:

**Braleys v. Bennett Case 108358 (26th JDC) pending
Bennett & Regional Card Systems Case 0117859 (Eastern
District) Bankruptcy
Atlantek v. ESSi Case 0117859 ML(Rhode Island) Dismissed**

Mr. Bennett did not list his personal bankruptcy filed October 1, 2001. Bankruptcy No. 0117859 is the bankruptcy number for Regional Card Systems.³

The Individual Personal history form submitted by William Aaron Bennett likewise failed to list the June 16, 1988 arrest for felony theft and the subsequent plea.⁴ On page 5B Mr. Bennett listed a bankruptcy for "Bennett-0117859, Eastern District. Again, his personal bankruptcy number wasn't 0117859, but 0117858. Further, in Exhibit 2 Mr. Bennett stated he wasn't a graduate from UNO, whereas, in the 1998 application of Embosser Sales & Services, Inc., (Exhibit 10) Mr. Bennett stated he attended UNO (University of New Orleans), from 1988-1993 and graduated.

² Exhibit-8

³ Exhibit-13

⁴ Exhibit-2, Page 4B, Question 7

In the personal interview, Exhibits 2, 18, 19, 36, 37, 43, 44 and 45, a number of inconsistent answers were given by Mr. Bennett. The original application of March 15, 2002 listed Mr. Bennett as the 100% owner of Benetech, L.L.C. Subsequently on April 8, 2002 Mr. Bennett donated 51 membership shares to Benetech, L.L.C. to his wife, Bandi Bell Bennett. The notice of the transfer was not reported to the Unit until July 24, 2002. (Exhibit 35). The reason for the delay in noticing the Unit as *attributed to confusion of the Braley's thing and...getting the paperwork done.* (Exhibit 36, line 20-21).

After testifying about the membership transfer in Benetech to his wife, he was asked:

"With any of the casinos are you listed as a minority business?"

Answer: No. Bandy may start having a bigger role in the company. She doesn't yet.

Question: So ya'll aren't actually listed as a minority..

Answer: Well we are...on paper a minority company" Exhibit-36

Although Mr. Bennett declared that Benetech was not listed with any casino as a minority business, Exhibits 38, 39 and 40 are affidavits submitted by Benetech to casinos stated that Benetech is a woman/minority business.

On October 1, 2001 William Aaron Bennett filed a voluntary petition in bankruptcy. A discharge was issued February 15, 2002. On February 12, 2003, the Trustee filed a motion to revoke the bankruptcy discharge based on Mr. Bennett's failure to disclose assets in his bankruptcy schedules.⁵ Since a revocation of a discharge requires a fraudulent intent, your Hearing Officer continued the application hearing until the U.S. Bankruptcy Judge ruled on the motion to revoke. On February 5, 2004 Judge J. A. Brown, U.S. Bankruptcy Judge issued an order denying the motion to revoke the discharge of bankruptcy since the Trustee had not proven fraud. Judge Brown stated, "*While the debtor's actions may have been reckless, this court does not find that they rise to the level of*

⁵ Exhibit 17

recklessness required to find fraud such that the debtor's discharge should be revoked. (Court's Decision).

APPLICABLE LAW:

La. R.S. 28H.(1):

Any person who has or controls directly or indirectly five percent or more ownership, income, or profit or economic interest in an entity which has or applies for a license, or permit, or enters into a casino operating contract with the state pursuant to the provisions of this Title, or who receives five percent or more revenue interest in the form of a commission, finder's fee, loan repayment, or any other business expense related to the gaming operation, or who has the ability, in the opinion of the board, to exercise a significant influence over a licensee, the casino gaming operator, a permittee, or other person required to be found suitable pursuant to the provisions of this Title, shall meet all suitability requirements and qualifications pursuant to the provisions of this Title

La. R.S. 28A(1)(2):

No person shall be eligible to obtain a license or permit, enter into a casino operating contract with the state, or obtain any other approval pursuant to the provisions of this Title unless the applicant has demonstrated by clear and convincing evidence to the board or division, where applicable, that he is suitable. For the purposes of this Title, "suitable" means the applicant, licensee, casino gaming operator, permittee, or other person is:

- (1) A person of good character, honesty, and integrity.**
- (2) A person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or carrying on of the business and financial arrangements incidental thereto.**

REASONS FOR JUDGMENT

It was interesting to read the transcript of Mr. Bennett's testimony about why he gave different information on the applications or failed to list certain information, such as, the June 16, 1988 felony theft charge to which he entered a guilty plea to a lesser charge. His reasons were "the Division/Board already knew of the guilty plea, or I just blasted through the application". The U.S. Bankruptcy Judge found that Mr. Bennett was reckless in submitting information for the bankruptcy schedules. I concur that recklessness has been a habit of Mr. Bennett since the Embosser Sales & Services, Inc.'s application. In the Embosser Sales & Services, Inc. decision, the Louisiana Gaming & Control Board suspended the issuance of Embosser's permit for three (3) months because of Mr. Bennett's failure to truthfully disclose information.

Now, about three (3) years later, Mr. Bennett again has failed to truthfully disclose information requested in Benetech's applications.

Since Mr. Bennett has a five percent or more ownership in Benetech L.L.C., it is necessary that he meet the suitability requirements of the law. La.R.S. 27:28(A) requires Mr. Bennett to demonstrate by clear and convincing evidence that he is suitable. Suitability includes:

- (1) A person of good character, honesty, and integrity.
- (2) A person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest of this state or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or carrying on of the business and financial agreements incidental thereto.

Clearly Mr. Bennett has demonstrated "habits" of omitting correct and truthful information in various applications for non-gaming permits. These flagrant omissions do pose a threat to the public interest of this state and effective regulation and control of gaming.

The statute requires Mr. Bennett to demonstrate by clear and convincing evidence that he is a person of good character, honest and has integrity. I do not find that Mr. Bennett has carried his strict burden of proof. Non-gaming permits should not issue to applicants who are reckless in disclosing requested information.

The April 8, 2003 Notice of Denial issued by the Louisiana Gaming Control Board to Benetech L.L.C. is affirmed.

Baton Rouge, Louisiana this 18th day of February 2004.



William H. Brown, Hearing Officer

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 19th DAY
OF February 2004
BY Sarah H. Smith
DEPUTY CLERK, ADMINISTRATIVE HEARING OFFICE

cc: William A. Bennett
Mike Daniels
St. George Dean

A TRUE COPY ATTEST
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 2-19-04

Sarah H. Smith
BY: CLERK