

APPROVED

3/16/99

LOUISIANA GAMING CONTROL BOARD

Minutes of February 18, 1999

The Louisiana Gaming Control Board conducted a meeting on Thursday, February 18, 1999, House Committee Room 6 of the Louisiana State Capitol.

Present at this meeting were Hillary J. Crain, Chairman; Robert M. Fleming, Vice-Chairman; James Boyer, Gen. Sherian Cadoria, Marcia Morgan, Dudley Lastrapes, Rupert Richardson, and ex-officio member Sec. John Kennedy. Absent were Sec. Ralph Perlman, Ecotry Fuller and Col. W.R. "Rut" Whittington.

The meeting was called to order. Gen. Cadoria moved to approve the minutes of December 29<sup>th</sup> and January 19<sup>th</sup>. That motion was seconded by Mr. Boyer and unanimously approved by the Board.

Ms. Charlotte McGarr, state police auditor in riverboat gaming, presented the monthly riverboat revenue. Mr. Mike Legendre presented the video poker revenue and Trooper Hugh McKnight reported on the Indian revenue.

Next on the agenda was the approval of a fee schedule for the land based casino. Mr. Jay Quinlan, Asst. Attorney General in the Gaming Division, stated that a fee schedule had been previously adopted by LEDGC and recommended that this Board continue to use the LEDGC schedule, because state police would soon be receiving key employee applications for the land based casino.

Following his presentation, Mr. James Boyer moved to continue to use the LEDGC fee schedule. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

Lt. Dane Morgan, Supervisor in the Riverboat Gaming Division, addressed the Board with reference to the pending renewal applications of Grand Palais and Isle of Capri Casinos in Lake Charles.

It was moved by Ms. Richardson to grant a conditional approval on both Grand Palais and Isle of Capri Casinos subject to completion of the suitability investigation presently being conducted. That motion was seconded by General Cadoria and unanimously approved by the Board.

The next item on the agenda was a discussion of alternate cruising routes.

Mr. Charles Barham, Executive Director of the Louisiana Casino Association, addressed

Board members concerning the three regions of the state where riverboat casinos are required to sail. He stated that the New Orleans Region would address board members at this meeting and the other two regions would address the Board at later meetings.

Mr. Jay Rabalais, General Manager of Boomtown Belle Casino in Harvey and Mr. Jack Bernsmeier, General Manager of the Treasure Chest Casino in Kenner, addressed the Board concerning the cruising problems unique to each casino and stated that a set number of cruises per year would be their recommendation to the Board.

Continuing with the agenda, the Chairman called upon Ms. Susan Demouy, audit manager of the Riverboat Gaming Division, and Ms. Lonna Willingham, audit supervisor in the Riverboat Gaming Division, to address the Board with reference to the Division's minimum internal control standards for independent CPA's. With them was Ms. Annette Ebert of Ernst & Young, L.L.P., who stated that based on their internal audit of the Isle of Capri, Ernst & Young were satisfied that the Isle of Capri's accounting department met the qualifications and requirements of 42:XIII.2515D and should receive a waiver of the requirement that the internal audit department have a certified CPA or CCA.

Following their presentation, it was moved by Marcia Morgan to approve the waiver. That motion was seconded by General Cadoria and unanimously approved by the Board.

A motion was presented by Ms. Rupert Richardson for the Board to go into Executive Session and discuss litigation. That motion was seconded by General Cadoria and unanimously approved by the Board.

Following the Executive Session, the Board acted on appeal/recommendations in the following cases:

1. **In Re: O'Henry's** - Motion by Vice-Chairman Fleming to adopt the proposed decision dismissing the citations. That motion was seconded by Ms. Morgan and unanimously approved by the Board.
2. **In Re: L.C.C.I.** - Motion by Mr. Boyer to approve the settlement. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.
3. **In Re: Locker Room of Bossier** - Motion by Gen. Cadoria to approve the settlement. That motion was seconded by Mr. Boyer and unanimously approved by the Board.
4. **In Re: Trevonie Johnson** - Motion by Vice-Chairman Fleming to remand the case back to the hearing officer. That motion was seconded by General Cadoria and unanimously approved by the Board.
5. **In Re: Payton's Place** - Motion by Ms. Morgan to dismiss as moot. That motion was seconded by Mr. Lastrapes and unanimously approved by the Board.

6. **In Re: Lucky Lady Distributors** - Motion by Mr. Boyer to consider the appeal timely. That motion was seconded by General Cadoria and unanimously approved by the Board.
7. **In Re: Bernie's** - Motion by Mr. Lastrapes to dismiss the appeal. That motion was seconded by General Cadoria and unanimously approved by the Board.

Following the appeals, public comments were made by Mr. Thomas Tucker with reference to Bally's Belle of Orleans.

Upon request from Secretary Kennedy, Mr. Lastrapes made a motion to amend the agenda to discuss the ongoing investigation of Hilton. That motion was seconded by General Cadoria and unanimously approved by the Board.

Sec. Kennedy asked state police questions regarding Hilton's decision in Missouri to sell its casino to Donald Trump, and what impact, if any, would that decision have on their operations in Louisiana and our pending investigation.

Lt. Dane Morgan, Supervisor in Riverboat Gaming, anticipated that the state police investigation regarding Hilton would be complete in approximately 90 days and all questions would be answered at that time.

There being no further business, it was moved by General Cadoria to adjourn. That motion was seconded by Ms. Morgan and unanimously approved by the Board.

The meeting was then adjourned.