



State of Louisiana  
Gaming Control Board

BOBBY JINDAL  
GOVERNOR

H. CHARLES GAUDIN  
CHAIRMAN

**IN RE: THE OLD EVANGELINE DOWNS, LLC D/B/A  
EVANGELINE DOWNS RACETRACK AND CASINO  
NO. SAR# 08-1-54-031-0979**

**ORDER**


This matter was considered by the Louisiana Gaming Control Board at its meeting of June 16, 2009. The Hearing Officer's order dated May 18, 2009, based on the "Joint Motion for Approval of Compromise and Settlement Agreement" in the matter of the "Notice of Recommendation of Administrative Action" No. SAR# 08-1-54-031-0979, by and between The Old Evangeline Downs, LLC d/b/a Evangeline Downs Racetrack and Casino, and the State of Louisiana, Department of Public Safety and Corrections, Office of State Police, which is attached hereto and incorporated herein, is **APPROVED**.

**THUS DONE AND SIGNED on this the 16<sup>th</sup> day of June, 2009.**

**LOUISIANA GAMING CONTROL BOARD**

BY:   
**H. CHARLES GAUDIN, CHAIRMAN**

HJC/gac

LOUISIANA GAMING CONTROL BOARD  
I HEREBY CERTIFY THAT A CERTIFIED  
COPY HAS BEEN MAILED OR SERVED ON  
ALL PARTIES THIS 19<sup>th</sup> DAY  
OF June, 2009  
APPEAL DOCKET OFFER  


**STATE OF LOUISIANA**  
**LOUISIANA GAMING CONTROL BOARD**  
**ADMINISTRATIVE HEARING OFFICE**

**RE: THE OLD EVANGELINE DOWNS, LLC**  
**D/B/A EVANGELINE DOWNS**  
**RACETRACK AND CASINO**

**SAR # 08-1-54-031-0979**

**JOINT MOTION FOR APPROVAL OF COMPROMISE AND  
SETTLEMENT AGREEMENT**

**TO THE HONORABLE ADMINISTRATIVE HEARING OFFICER:**

**NOW COME** the State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter, the "Division") and The Old Evangeline Downs, LLC d/b/a Evangeline Downs Racetrack and Casino (hereinafter "Evangeline Downs"), who file this Joint Motion for Approval of Compromise and Settlement Agreement, and in support thereof would respectively show unto the Hearing Officer as follows:

1.

The Division and Evangeline Downs are desirous of compromising and settling all disputes between them relative to the referenced administrative proceeding. In connection therewith, the parties have entered into a compromise and settlement agreement, which by its terms will become effective upon approval by the Administrative Hearing Office and the Louisiana Gaming Control Board.

2.

A true and correct copy of the proposed Compromise and Settlement Agreement is attached hereto as Exhibit "A" and incorporated by reference for all purposes.



WHEREFORE, PREMISES CONSIDERED, the Division and Evangeline Downs respectfully request that this Honorable Administrative Hearing Officer approve the parties' Compromise and Settlement Agreement.

Respectfully Submitted,

**BRANTLEY & ASSOCIATES**

By: 

**Joseph P. Brantley, IV, Roll #03401**  
6513 Perkins Road  
Baton Rouge, Louisiana 70808  
Telephone: (225) 769-9555  
Facsimile: (225) 769-0023  
*Counsel for The Old Evangeline  
Downs, LLC d/b/a Evangeline Downs  
Racetrack and Casino*

**JAMES D. "BUDDY" CALDWELL,  
ATTORNEY GENERAL**

By: 

**Christopher B. Hebert, Bar Roll #29044**  
Assistant Attorney General  
1885 North Third Street, 5<sup>th</sup> Floor  
Baton Rouge, Louisiana 70802  
Telephone: (225) 326-6500  
Facsimile: (225) 326-6599  
*Counsel for the Office of State Police*

**STATE OF LOUISIANA**  
**LOUISIANA GAMING CONTROL BOARD**  
**ADMINISTRATIVE HEARING OFFICE**

**RE: THE OLD EVANGELINE DOWNS, LLC**  
**D/B/A EVANGELINE DOWNS**  
**RACETRACK AND CASINO**

**SAR # 08-1-54-031-0979**

**COMPROMISE AND SETTLEMENT AGREEMENT**

The State of Louisiana, Department of Public Safety and Corrections, Office of State Police (hereinafter, the "Division") and The Old Evangeline Downs, LLC d/b/a Evangeline Downs Racetrack and Casino (hereinafter "Evangeline Downs") do hereby represent and agree as follows:

**WHEREAS**, the Louisiana Gaming Control Board has issued a Notice of Recommendation of Administrative Action to Evangeline Downs alleging certain violations of Louisiana Gaming Control Law; and

**WHEREAS**, the issues raised by the said Notice of Recommendation of Administrative Action are set for hearing before the Louisiana Gaming Control Board Administrative Hearing Office; and

**WHEREAS**, the Division and Evangeline Downs are desirous of fully and finally compromising and settling all issues and disputes arising out of and in connection with the said Notice of Recommendation of Administrative Action;

**NOW, THEREFORE**, in consideration of the foregoing, the parties hereto do hereby agree and stipulate as follows:

## STIPULATIONS

1. In February 2008, Evangeline Downs self reported to the Division that one of its employees had accessed sensitive keys using a security supervisor's verification code. The Division conducted an investigation, which disclosed the following information.

2. Evangeline Downs uses a sensitive key watch system ("system") comprising a hand scanner and an electronic key box that are located next to each other outside a security dispatch office. Whenever the sensitive key box is accessed, the surveillance department must be notified because it is required to monitor the removal and return of all sensitive keys.

3. Before accessing the electronic key box, an employee must enter his access code into, and place his hand on, the hand scanner. The employee then goes to the sensitive key box where he enters into a keypad the number of the sensitive key he wants to remove or return. A security employee is then required to verify the transaction by entering his or her access code into the same keypad or a keypad located inside the security dispatch office. If verification is approved by the key box, the door latch releases and the employee removes or returns the sensitive key.

4. The employee is required to show a security dispatcher the ring number of the sensitive key. The employee is not authorized to leave the key box until security dispatch verifies the transaction by checking a computer screen that should properly reflect removal or return of the sensitive key. If the sensitive key removed is a BVA or drop key, a security officer is required to escort the employee until the key is returned.

5. This process of sensitive key removal and return is captured electronically and shown in print by *Morse Watchman Key Transaction Reports*.

6. During January and February 2008, five (5) employees accessed the sensitive key box eleven (11) times without security verification. The employees accomplished unverified

access because a security supervisor shared her access code with them. Those responsible for ensuring sensitive key integrity failed to properly perform their job duties, as shown below:

- Security personnel inside the security dispatch office and surveillance personnel monitoring the sensitive key transactions failed to detect and report the lack of security verification.
- When an employee returned a restricted sensitive key, both the security officer accompanying him and the security dispatcher inside the security dispatch office failed to verify the key's return, to detect that no one else verified the key's return, and to report the improper sensitive key box access.
- Surveillance personnel monitoring the key return failed to detect and report that only one employee was entering codes into the system.
- During one of the sensitive key transactions, security personnel stood with the employee as he accessed the sensitive key box without security verification.
- During a different transaction, the employee engaged in conversation with a security dispatch officer as the employee, without security verification, removed a key from the sensitive key box.
- On yet another occasion, both the security officer escorting the employee to the sensitive box and the security officer inside the security dispatch office failed to detect and report that the employee's sensitive key transaction lacked security verification.
- During a different transaction, the employee removed a restricted sensitive key from the sensitive key box without security verification while engaged in conversation with the director of security. The security director failed to detect or report this improper sensitive key transaction.

7. When a Division agent asked a slot technician supervisor if there was anything else the supervisor needed to tell the Division agent, the slot technician supervisor responded "no." The Division agent reminded the slot technician supervisor that the supervisor was required to notify Division agents of any gaming violations. The supervisor advised representatives of Evangeline Downs that it was not understood what information the Division Agent was seeking when the negative response was given.

8. In 2007, the Division issued four (4) Category 1 sensitive key violations to Evangeline Downs, as follows:

- 1) In January 2007, a violation issued concerning key access tables on the key box;

- 2) In April 2007, a violation issued for failure to maintain accurate key logs and failure to terminate dismissed employees' access to the electronic key box;
- 3) In July 2007, a violation issued because unauthorized personnel had access to sensitive keys; and
- 4) In October 2007, another violation issued because unauthorized personnel had access to sensitive keys.

### **TERMS AND CONDITIONS**

1. In lieu of Administrative Action of its Gaming License, Evangeline Downs will pay a civil penalty of FIFTY THOUSAND AND NO/100 (\$ 50,000.00) DOLLARS.

2. The Division hereby agrees to accept Evangeline Downs's payment of the above stated penalty in full and final settlement of the Notice of Recommendation of Administrative Action.

3. The Division reserves the right to take into consideration these admitted violations in connection with any future investigation, violation or assessment of penalty and in connection with any future assessments of Evangeline Downs's suitability.

4. Evangeline Downs has a designated Director of Compliance whose sole exclusive and full-time responsibility will be regulatory compliance.

5. The Risk Management function previously handled by the Compliance Director has been or will be transferred to and is under the administration of the General Manger.

6. With oversight from the Louisiana State Police Gaming Enforcement Division Evangeline Downs will conduct training, testing and evaluation of mid-level managers and supervisors either onsite, or at a remote location. The results of all tests will be reported to State Audit or Enforcement. In addition, Evangeline Downs will continue training basic management skills through The Pyramid Group (<http://www.thepyramidgroup.com/>), headed by Brent Henley, or a similar type organization.

7. Evangeline Down has or will create ongoing incentive programs for mid-level managers

and supervisors that meet defined goals for compliance attainment.

8. Evangeline Downs will conduct periodic internal "sting" operations to test the compliance efficiency of its staff in regard to underage gaming, it will conduct spot audit, of the count room operations, vault and cage procedures, EGD access, surveillance, and security practices and procedures, and sensitive keys. OED will report the results of all "sting" operations and spot audits to the Division, along with recommendations concerning improvement in areas found to be deficient.

9. Evangeline Downs has or will establishment more formal dates and times for quarterly meetings with representatives of Audit and Enforcement at the property, in order to review compliance initiatives, deficiencies and enhancement relative to #6, above.

10. Evangeline Downs has or will establish a budget specifically to accomplish the 4-9 above, and the reward program previously initiated has or will be enhanced

11. The terms of this Compromise and Settlement Agreement shall be interpreted under the laws of the State of Louisiana.

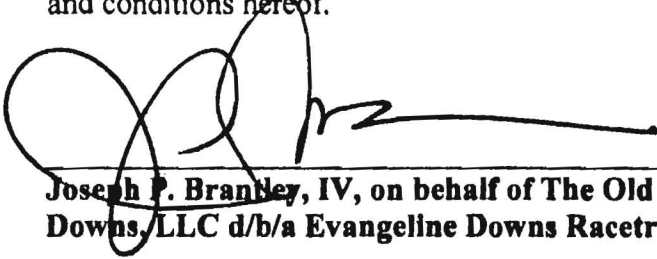
12. This Compromise and Settlement Agreement constitutes the entire agreement between the Division and Evangeline Downs, pertaining to the subject matter contained herein and supersedes all prior and contemporaneous agreements, representations and understandings of the parties.

13. This Compromise and Settlement Agreement is subject to approval by the Hearing Officer and the Louisiana Gaming Control Board. It is expressly understood that if this proposed settlement is approved by the Hearing Officer, this agreement is not thereby executory, but will be submitted to the Louisiana Gaming Control Board for its determination as to whether to approve same or to remand the matter to the Hearing Officer for a full hearing on the merits. Failure to pay the penalty within fifteen (15) days of approval of this settlement by the Louisiana



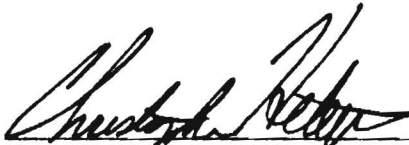
Gaming Control Board, and to comply with each term and condition listed herein, shall result in the immediate suspension of Evangeline Downs's license without the necessity of further administrative action, until such time as the penalty is paid in full .

I have read this entire Compromise Settlement Agreement and agree to all stipulations and terms and conditions hereof.



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**Joseph P. Brantley, IV, on behalf of The Old Evangeline Downs, LLC d/b/a Evangeline Downs Racetrack and Casino**



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**Christopher Hebert, AAG, on behalf of State of Louisiana, Department of Public Safety & Corrections, Office of State Police**

STATE OF LOUISIANA  
LOUISIANA GAMING CONTROL BOARD  
ADMINISTRATIVE HEARING OFFICE

**RE: THE OLD EVANGELINE DOWNS, LLC  
D/B/A EVANGELINE DOWNS  
RACETRACK AND CASINO**

**SAR # 08-1-54-031-0979**

**ORDER**

**BE IT REMEMBERED** that on the 18<sup>th</sup> day of May, 2009, came on for consideration the Joint Motion for Approval of Compromise and Settlement Agreement, and the parties having appeared by and through their respective attorneys of record, and the Hearing Officer having considered the pleadings on file, the proposed Settlement Agreement, and the said Motion, and it appearing to the Hearing Officer that the said Compromise and Settlement Agreement should be approved; it is, therefore,

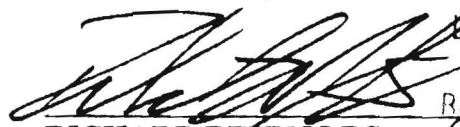
**ORDERED, ADJUDGED, AND DECREED** that the Compromise and Settlement Agreement attached to the parties' Joint Motion for Approval of Compromise and Settlement Agreement be, and the same is hereby, **APPROVED**; that Evangeline Downs must pay Fifty Thousand and No/100 (\$50,000.00) Dollars to the Division within fifteen (15) days of approval by the Louisiana Gaming Control Board. Failure to do so shall result in the immediate suspension of the gaming license without the necessity of any further administrative action until such time as the penalty is paid in full.

**SIGNED AND ENTERED** this 18<sup>th</sup> day of May, 2009, in Baton

LOUISIANA GAMING CONTROL BOARD  
I HEREBY CERTIFY THAT A CERTIFIED  
COPY OF THIS ORDER WAS DELIVERED ON

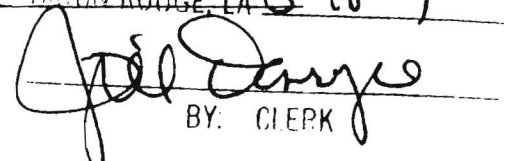
May 18<sup>th</sup> 2009  
CLERK, ADMINISTRATIVE HEARING OFFICE

cc: Joseph Brantley  
Christopher Helbert  
Sgt. Lionel Sibley



**RICHARD REYNOLDS  
HEARING OFFICER**

A TRUE COPY ATTEST  
LOUISIANA GAMING CONTROL BOARD  
HEARING OFFICE  
BATON ROUGE, LA 5-18-09



BY: CLERK