



State of Louisiana
Gaming Control Board

BOBBY JINDAL
GOVERNOR

DANE K. MORGAN
CHAIRMAN

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

SAR# 08-2-54-069-1949

SAR# 09-2-54-085-1835

SAR# 09-2-54-141-2967


ORDER

This matter was considered by the Louisiana Gaming Control Board at its meeting of May 18, 2010. The Hearing Officer's order dated May 5, 2010, 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#08-2-54-069-1949, SAR#09-2-54-085-1835, SAR#09-2-54-141-2967, 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 18th day of May, 2010.

LOUISIANA GAMING CONTROL BOARD

BY:



DANE K. MORGAN, CHAIRMAN

LOUISIANA GAMING CONTROL BOARD
I HERESY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR SERVED ON
ALL PARTIES THIS 18th DAY
OF May, 2010

APPEAL DOCKET CLERK



DKM/gac

MAY 05 2010
By

RECEIVED

MAY 05 2010

**STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD**

ADMINISTRATIVE HEARING OFFICE

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ADMINISTRATIVE HEARING OFFICE

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

**SAR # 08-2-54-069-1949
SAR # 09-2-54-085-1835
SAR # 09-2-54-141-2967**

**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.

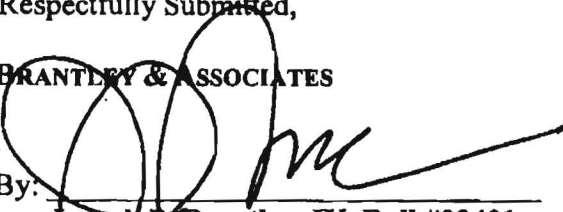
A true and correct copy of the proposed Compromise and Settlement Agreement is attached hereto as Exhibit "A" and incorporated by reference for all purposes.

TRUE COPY
[Handwritten Signature]
Representative
[Illegible]

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

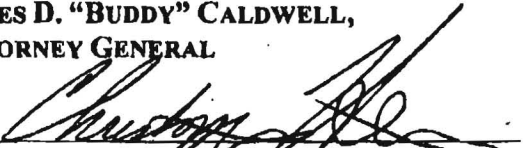
Respectfully Submitted,

BRANTLEY & ASSOCIATES

By: 

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Counsel for the Office of State Police

**BAKER, DONELSON, BEARMAN, CALDWELL &
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STATE OF LOUISIANA
LOUISIANA GAMING CONTROL BOARD
ADMINISTRATIVE HEARING OFFICE



**RE: THE OLD EVANGELINE DOWNS, LLC
D/B/A EVANGELINE DOWNS
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**SAR # 08-2-54-069-1949
SAR # 09-2-54-085-1835
SAR # 09-2-54-141-2967**

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. Between March 2008 and April 2009, the Division conducted three audit investigations at Evangeline Downs.

2. During March 2008, an investigation was conducted by the Division, which revealed that before the end of each month, Evangeline Downs gives a monthly drop schedule to the Division for the next calendar month. The schedule shows the date, time, and slot floor sections to be dropped.

3. On March 2, 2008, Evangeline Downs conducted a soft count. The March drop schedule provided to the Division shows "no drop" on March 2, 2008. Evangeline Downs' *Daily Activity Report* shows a drop and count on that date.

4. On March 3, 2008, the Division conducted its monthly drop-and-count inspection. Documentation from the test count of one (1) bill validator acceptor ("BVA") can was reviewed, including the currency tape printed by the currency-counting machine. The currency tape's print was so light that the print was unreadable. All six (6) count team members signed the unreadable currency tape. The Division's auditor could not read the tape and could not verify the counting machine's accuracy. Evangeline Downs failed to insert a working cartridge into the counting machine's printer.

5. When the test count was complete, count team members immediately mechanically counted all BVA cans, inserting the cans' currency into the counting machine. The machine printed a tape so light that the tape was unreadable. The Division's auditor could not read the tape's print and could not verify the machine's accuracy. All six (6) count team members signed the unreadable tape.

6. In May 2008, the Division conducted a review of the soft-count-room entry log and human resources documentation. The log disclosed that three employees participated in

soft-drop counts on several dates in May 2008. Their job titles and job descriptions as hard-count lead and attendants did not authorize them to do so.

7. A Division inspection disclosed that Evangeline Downs improperly programmed its key box to give access to restricted sensitive keys and sensitive keys to a drop attendant.

8. During March 2009, the Division conducted an investigation of Evangeline Downs' slot machine drop process because Evangeline Downs submitted to the Division – after an unscheduled drop had already occurred – an amended March 2009 drop schedule.

9. The Division's investigation disclosed that on March 2, 2009, Evangeline Downs dropped unscheduled *Section 100* slot machines for the following reasons:

When the drop began, Evangeline Downs did not have the March 2009 schedule posted on the drop team's bulletin board. The drop team assumed it was to begin the drops at *Section 100* and did so without obtaining the drop schedule or consulting the drop team supervisor.

Evangeline Downs' surveillance department deleted the March 2009 schedule from its electronic mail and did not post the schedule on the surveillance department's bulletin board. Surveillance operators commented on the absence of the March 2009 drop schedule in the presence of a surveillance lead and supervisor. The surveillance department allowed the drop to proceed without a copy of the drop schedule.

Evangeline Downs sent the drop schedule by electronic mail to its security department's group address. The compliance director represented that the security department did not receive or request a drop schedule. Security personnel who participated in the drop "did not know what was happening" and "just follow[ed] the lead for drops."

10. On March 5, 2009, a Division auditor observed Evangeline Downs' BVA drop-and-count process. The Division conducted an investigation, which disclosed that a count team member made a key-punch error on the Glory machine – a money-counting machine – and entered \$603 more in one-dollar bills than were in BVA can 10603. Four count team members, including two count team leads, tried "to balance the [Glory] machine the best way" they knew how by taking 603 one-dollar bills from approximately twenty-eight (28) unaudited BVA cans.

The 603 one-dollar bills were added to BVA can 10603 so that it appeared BVA can 10603 actually contained 603 one-dollar bills when it did not. This process created unaccounted for variances in unaudited BVA cans from which the one-dollar bills were taken. A count room employee represented that entry mistakes had been corrected this way in the past.

11. During April 2009, the Division conducted an investigation in response to Evangeline Downs' notification that \$48,000 cash had been left in an unlocked cage cabinet. The investigation disclosed additional violations, as follows:

12. On April 11, 2009, swing shift cashiers worked – at varying times -- five Tills in Cage One. A Till is a moveable insert separated into compartments for holding different cash denominations.

13. Near the shift's end, cashiers completed Even Exchange forms ("exchange forms") listing mostly non-cash items such as checks, coupons, and jackpot slips to be exchanged by the main bank for money, as follows:

Till 1	\$ 33,980.00
Till 2	\$ 48,000.00
Till 3	\$ 49,100.00
Till 4	\$ 41,800.00
Slot Till	<u>\$ 75,700.00</u>
	\$248,580.00

14. The cage supervisor who signed verifying the accuracy of the Till counts failed to count and verify the money in each Till. One cage supervisor represented that there was nothing in Evangeline Downs' Internal Controls about procedures for verifying a "dead window," a Till that has not been worked for a full gaming day. The cage supervisor represented that her understanding about how to verify a "dead window" was incorrect, "but...[t]his method was done and enforced before I even started."

15. A total of six cage employees, including cage management personnel, signed official accounting records certifying that \$48,000 was in Till Two when it was not.

TERMS AND CONDITIONS

1. In lieu of Administrative Action of its Gaming License, Evangeline Downs will pay a civil penalty of ONE HUNDRED TWENTY THOUSAND AND NO/100 (\$120,000.00) DOLLARS.

2. The Division hereby agrees to accept Evangeline Downs' 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' suitability.

4. 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.

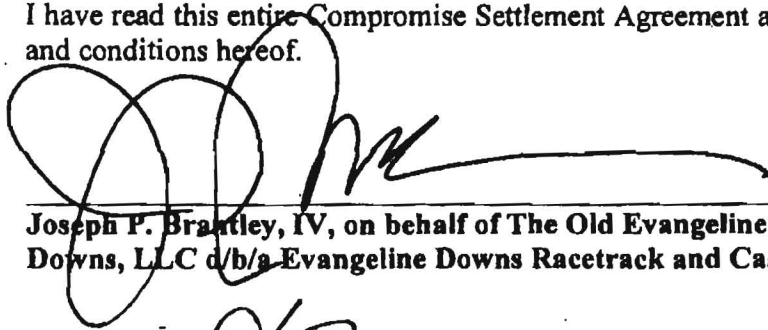
5. The terms of this Compromise and Settlement Agreement shall be interpreted under the laws of the State of Louisiana.

6. 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.

7. 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' license without the necessity of further administrative action, until such time as the penalty is paid in full.

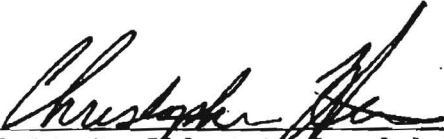
I have read this entire Compromise Settlement Agreement and agree to all stipulations and terms and conditions hereof.



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



Juliann L. Keenan, on behalf of The Old Evangeline Downs, LLC d/b/a Evangeline Downs Racetrack and Casino



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
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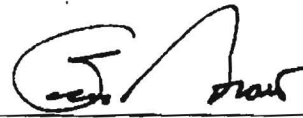
ORDER

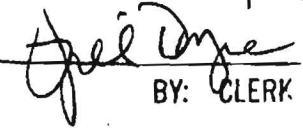
BE IT REMEMBERED that on the 5th day of May, 2010, came on for consideration the Joint Motion for Approval of Compromise and Settlement Agreement, and the parties having appeared by and through their respective attorneys of record, and the Hearing Officer having considered the pleadings on file, the 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 One Hundred Twenty Thousand and No/100 (\$120,000.00) 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 5th day of May, 2010, in Baton

LOUISIANA GAMING CONTROL BOARD
I HEREBY CERTIFY THAT A CERTIFIED
COPY HAS BEEN MAILED OR DELIVERED ON
ALL PARTIES TOUS
OF
DATE
cc) Joseph P. Banty, IV
Julianne L. Keenan
Christopher Hebert
Sgt. Lonnell Sibley


WILLIAM H. BROWN
HEARING OFFICER

A TRUE COPY ATTES
LOUISIANA GAMING CONTROL BOARD
HEARING OFFICE
BATON ROUGE, LA 70801

BY: CLERK