

LGCB - Board of Directors' Meeting, (Pages 1:1 to 53:24)

1:1 LOUISIANA GAMING LOUISIANA CONTROL BOARD

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4 BOARD OF DIRECTORS' MEETING

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9 THURSDAY, AUGUST 25, 2016

10

11 Louisiana State Capitol

12 900 North Third Street

13 House Committee Room 1

14 Baton Rouge, Louisiana

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18 TIME: 10:00 A.M.

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23

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25

2

1 APPEARANCES

2

RONNIE JONES

3 Chairman (At Large)

Third Congressional District

4 June 30, 2019

5 FRANKLIN AYRES BRADFORD

(Economic Planner)

6 Fifth Congressional District

June 30, 2019

7

MARK STIPE

8 (Attorney)

Seventh Congressional District

9 June 30, 2020

10 ROBERT W. GASTON, III

(At Large)

11 Sixth Congressional District

June 30, 2021

12

WANDA THERIOT

13 (At large)

First Congressional District

14 June 30, 2021

15 MAJOR MARK NOEL

Ex-Officio Board Member

16 Louisiana State Police

17 MICHAEL LEGENDRE

Director

18 Office of Charitable Gaming

19 LANA TRAMONTE

Executive Assistant

20

21 TRUDY SMITH

Confidential Assistant

22

23 REPORTED BY:

24 SHELLEY G. PAROLA, CSR, RPR

Baton Rouge Court Reporters

25

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10 Rouge Partnership) d/b/a
11 L'Auberge Baton Rouge -
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5

1 I. CALL TO ORDER

2 CHAIRMAN JONES: We'll call the
3 meeting to order. Miss Tramonte, call
4 the roll.

5 THE CLERK: Chairman Jones?

6 CHAIRMAN JONES: Here.

7 THE CLERK: Mr. Bradford?

8 MR. BRADFORD: Here.

9 THE CLERK: Mr. Stipe?

10 MR. STIPE: Here.

11 THE CLERK: Mr. Singleton? [No
12 response.]

13 Mr. Jackson? [No response.]

14 Mr. Gaston?

15 MR. GASTON: Here.

16 THE CLERK: Miss Berry? [No
17 response.]

18 Miss Theriot?

19 MS. THERIOT: Here.

20 THE CLERK: Colonel Edmonson?

21 MAJOR NOEL: Major Noel for Colonel
22 Edmonson.

23 THE CLERK: Secretary Robinson?

24 MR. LEGENDRE: Michael Legendre here
25 for Secretary Robinson.

1 II. PUBLIC COMMENTS

2 CHAIRMAN JONES: We do have a
3 quorum, and we may conduct business.

4 Is there anyone in the audience
5 today who has any public comment for any
6 matters coming before the Board? There
7 does not appear to be anyone.

8 III. APPROVAL OF MINUTES

9 CHAIRMAN JONES: Do I have a motion
10 to waive reading and approval of the
11 minutes? By Mr. Stipe, seconded by
12 Dr. Gaston.

13 Any objections? Without objection,
14 the minutes are adopted.

15 I want to thank you for your
16 indulgence for our postponement last
17 week. Our hearts and prayers go out to
18 those people who were affected by the
19 rains and unnamed storm that we were
20 subjected to, and I realize it creates a
21 degree of difficulty in your business
22 life when you postpone a meeting; but I
23 think everyone understands why we had to
24 do that, so I thank you for that
25 consideration. We should be back on

1 track next month.

2 IV. REVENUE REPORTS

3 CHAIRMAN JONES: First up is Revenue
4 Reports. Good morning.

5 MR. BOSSIER: Morning.

6 Good morning, Chairman Jones and
7 Board Members. My name is Jim Bossier
8 with Louisiana State Police Gaming
9 Enforcement Division. The riverboat
10 revenue report for July 2016 is shown on
11 page one of your handout.

12 During July, the 15 operating
13 riverboats generated Adjusted Gross
14 Receipts of \$178,183,983. This total
15 represents an increase of \$21.8 million
16 or 13.9 percent from last month.
17 Compared to July 2015, revenues
18 decreased almost \$1.8 million or
19 1 percent. Historically, July revenues
20 are higher than June. In addition, July
21 included five full weekends. During
22 July, the first month of the fiscal
23 year, the State collected fees totaling
24 \$38,309,556.

25 Next is a summary of the July 2016

8

1 gaming activity for Harrah's New Orleans
2 found on page three. During July,
3 Harrah's generated \$22,450,804 in gross
4 gaming revenue, up almost \$3 million or
5 15.4 percent from June. Compared to

6 July 2015, Harrah's revenues decreased
7 13.5 million or 37.6 percent. Because
8 we noted the unusually high single day
9 win in July 2015, we also want to
10 mention that day created the majority of
11 the difference between 2015 and 2016.
12 Without that win, July 2016 revenues
13 would still be down from 2015 by about
14 6 percent. During July, the State
15 received \$5,095,890 in minimum daily
16 payments.

17 Next I'll present the revenues for
18 Slots at the Racetrack. During July,
19 the four racetrack facilities combined
20 generated Adjusted Gross Receipts of
21 \$30,646,604, an increase of almost
22 \$3.8 million or 14 percent from June.
23 Compared to July 2015, revenues
24 decreased \$1.7 million or 5.3 percent.
25 During July, the State collected fees

9

1 totaling \$4,649,090.

2 Overall, Riverboats, Landbased and
3 Slots at the Racetracks combined
4 generated \$231 million in Adjusted Gross
5 Receipts and \$48 million in state fees.
6 These figures represent a decrease in
7 July 2015 of about 6.7 percent.

8 Are there any questions about casino

9 revenues before I present the Harrah's
10 employee numbers?

11 CHAIRMAN JONES: Board Members, any
12 questions? [No response.] You may
13 proceed.

14 MR. BOSSIER: Harrah's New Orleans
15 is required to maintain at least 2,400
16 employees and a bi-weekly payroll of
17 \$1,750,835. This report covers two pay
18 periods in July 2016.

19 For the first pay period, the
20 Division verified 2,464 employees with a
21 payroll of \$1,843,000. For the second
22 pay period, the Division verified 2,454
23 employees with a payroll of \$1,807,000.
24 Therefore, Harrah's met the employment
25 criteria during the month of July.

10

1 Are there any questions before I
2 proceed to video gaming statistics?

3 CHAIRMAN JONES: Any questions? No
4 questions.

5 MR. BOSSIER: Twenty-three new video
6 gaming licenses were issued during July:
7 Ten bars, twelve restaurants and one
8 device owner. Four new applications
9 were received by the Gaming Enforcement
10 Division during July and are currently
11 pending in the field: Two restaurants

12 and two truckstops.

13 The Gaming Enforcement Division
14 assessed \$2,000 and collected \$3,000 in
15 fines during July, and there are
16 currently \$1,250 in outstanding fines.
17 Please refer to page two of your
18 handout.

19 There are presently 13,046 video
20 gaming devices activated at 1,786
21 locations.

22 Net device revenue for July 2016 was
23 \$46.2 million, an \$800,000 increase, or
24 1.8 percent, when compared to June 2016,
25 and a \$2.4 million decrease, or

11

1 4.9 percent, when compared to July 2015.

2 Net device revenue so far for fiscal
3 year 2016 is \$46.2 million, a
4 \$2.4 million decrease, or 4.9 percent,
5 when compared to fiscal year 2015. Page
6 three of your handout shows a comparison
7 of net device revenue.

8 Total franchise fees collected for
9 July 2016 were \$13.8 million, a \$200,000
10 increase when compared to June and a
11 \$700,000 decrease when compared to
12 July 2015.

13 Total franchise fees collected for
14 fiscal year 2016 are \$13.8 million, a

15 \$700,000 decrease, or 4.8 percent, when
16 compared to fiscal year 2015.

17 Page four of your handout shows a
18 comparison of franchise fees. Does
19 anybody have any questions?

20 CHAIRMAN JONES: Any questions,
21 Board Members? There are no questions.

22 MR. BOSSIER: Thank you.

23 CHAIRMAN JONES: Thank you very
24 much.

25 V. COMPLIANCE REPORTS

12

1 CHAIRMAN JONES: I'll now call for
2 Compliance Reports. Good morning.

3 MS. BROWN: Good morning.

4 Good morning, Chairman Jones, Board
5 Members. I'm Mesa Brown Assistant
6 Attorney General.

7 Today I'll present the staff reports
8 on riverboat racetrack casino licensees'
9 compliance with employment and
10 procurement conditions for the second
11 quarter of 2016. I'll begin with
12 riverboats.

13 The second quarter reports are taken
14 from figures reported by the 15
15 operating riverboats to the Louisiana
16 Gaming Control Board. In the second
17 quarter of 2016, approximately 14,536

18 people were employed by the riverboat
19 industry. Of that number, 14,201 were
20 Louisiana residents, 9,579 were
21 minorities and 8,294 were women.

22 Four licensees achieved total
23 compliance this quarter, and they are:
24 L'Auberge Casino & Hotel Baton Rouge,
25 Golden Nugget, Belle of Baton Rouge

13

1 Casino and Isle of Capri Casino St.
2 Charles.

3 Next I'll address employment. Four
4 licensees did not meet their total
5 employment goals. They are DiamondJacks
6 Casino & Resort, who achieved 531 out of
7 a goal of 650; Hollywood achieved 440
8 out of a goal of 450; Boomtown Casino
9 Bossier achieved 549 out of 650, and
10 Eldorado Resort Shreveport achieved
11 1,146 out of 1,200. All licensees
12 either met or exceeded their goals in
13 all of the subcategories under the main
14 category of employment.

15 Next I'll address procurement. The
16 licensees are grouped according to three
17 subcategories which appear in your
18 report. They are Louisiana, minority
19 and female procurement.

20 Under Louisiana procurement, two

21 licensee did not achieve compliance with
22 its voluntary conditions, and they are
23 Margaritaville Resort Casino, who
24 achieved 79.6 out of a goal of
25 90 percent, and L'Auberge du Lac, who

14

1 achieved 72.6 out of a goal of
2 80 percent.

3 Minority procurement, six licensees
4 did not achieve compliance with their
5 voluntary conditions, and they are:
6 DiamondJacks, who achieved 9.7 out of
7 10 percent; Sam's Town achieved 10.1 out
8 of 25 percent; Horseshoe achieved 25.2
9 out of 35 percent; Treasure Chest
10 achieved 13.1 out of 15 percent; Amelia
11 Belle achieved 11.3 out of 30 percent,
12 and Eldorado achieved 19 out of
13 25 percent.

14 Female procurement, two licensees
15 did not meet their voluntary conditions,
16 and they are: Boomtown New Orleans, who
17 achieved 14.3 out of 15 percent, and
18 Hollywood, who achieved 8.1 out of
19 10 percent.

20 Are there any questions regarding
21 the riverboats?

22 CHAIRMAN JONES: It appears we fell
23 off the wagon in the second quarter.

24 The first quarter was superlative, and a
25 particular note, because we brought them

15

1 before the Board last year, Horseshoe
2 continues to show improvement; and I'm
3 proud of that. Whatever it is they're
4 doing I hope they can share with the
5 other properties, but there was a fall
6 off. And I don't know what that's
7 attributable to. In the fall, we will
8 look at who we need to bring in and talk
9 about those reasons, but I was happier
10 with the first quarter than I was the
11 second quarter.

12 Thank you, Mesa, you can continue.
13 Were there any questions from the Board?
14 [No response.] Please continue.

15 MS. BROWN: Thank you. I'll begin
16 with racetrack. In the second quarter
17 of 2016, approximately 1,648 people were
18 employed by the racetrack casino
19 industry. Of that number, 1,392 were
20 Louisiana residents, 8,071 were
21 minorities and 958 were women.

22 Three racetrack casinos achieved
23 total compliance this quarter, and they
24 are: Louisiana Downs, Evangeline Downs
25 & Fairgrounds. Delta Downs did not

16

1 achieve its Louisiana condition. It
2 achieved 63.4 out of the 80 percent
3 condition.

4 Are there any questions regarding
5 the racetracks?

6 CHAIRMAN JONES: Just for the
7 benefit of my fellow board members, I
8 recently met with the general manager at
9 Delta Downs, and theirs is a peculiar
10 situation because they're just about the
11 first exit inside Louisiana out of Texas
12 and competing with three major
13 properties in the Lake Charles area.
14 They struggle with employment, but I'm
15 satisfied, based on what they've laid
16 out to me, that they're vigilant in
17 trying to come towards their goal. So I
18 just wanted to share that with the
19 Board. Thank you.

20 MS. BROWN: Thank you.

21 CHAIRMAN JONES: No other questions.

22 VI. VIDEO GAMING ISSUES

23 A. Consideration of the following truckstop
24 applications:

25 1. Rand Investments, LLC, d/b/a Bayou

17

1 Casino - No. 2900517383 (new
2 application)

3 CHAIRMAN JONES: Okay. Now we'll go

4 to Video Gaming Issues. First up:
5 Consideration of truckstop application
6 of Rand Investments, LLC, doing business
7 as Bayou Casino. That's No. 2900517383.
8 This is a new application.

9 Good morning, gentlemen.

10 MR. PITRE: Morning, Chairman.

11 Chairman Jones, Board Members, I'm
12 Assistant Attorney General Earl Pitre,
13 Jr., appearing before the Board in the
14 matter of the original application of
15 Rand Investments, LLC, doing business as
16 Bayou Casino, applying for approval of a
17 Type 5 video draw poker gaming license.

18 The establishment is located at 4322
19 Highway 90, Suite A, Des Allemands,
20 Louisiana, in Lafourche Parish.

21 On March 31st, 2016, the following
22 transfers occurred: Baron Oil
23 Truckstop, LLC, doing business as Bayou
24 Casino, sold the business and business
25 assets to the applicant, and Baron Oil

18

1 Truckstop, LLC, sold to the applicant
2 all of their rights, title and interest
3 in their immovable property of the
4 truckstop facility and its interest in
5 the lease of real estate property that
6 was also part of the truckstop facility.

7 The members of the applicant are:
8 Raymond Garofalo, Jr., with 50 percent
9 and George Caraway with 50 percent.

10 Trooper Vincent Lenguyen conducted
11 the suitability investigation of the
12 relevant persons associated with the
13 application and conducted an on-site
14 inspection of the truckstop facility.

15 He is present before the Board to report
16 his findings.

17 TROOPER LENGUYEN: Good morning,
18 Chairman Jones and Board Members. My
19 name is Trooper Vincent Lenguyen with
20 Louisiana State Police Gaming
21 Enforcement Division. I conducted the
22 suitability investigation on all
23 relevant persons associated with the
24 application.

25 Raymond Garofalo, Jr., Joan

19

1 Garofalo, George Caraway and Deborah
2 Caraway previously submitted to a
3 suitability investigation in connection
4 with other video poker licenses.

5 An updated courtesy check was
6 performed that revealed no information
7 that would preclude them from
8 participating in the gaming industry.

9 An on-site inspection was conducted,

10 and it was determined that the
11 establishment meet all criteria set
12 forth in the video gaming law as a
13 qualified truckstop facility. All
14 required license and permit were posted
15 and valid at the time of inspection.

16 The establishment consists of
17 5.018 acres.

18 Rand Investments, LLC, submitted a
19 video draw poker license application
20 under a change of ownership; therefore,
21 they are not subject to the rule that
22 they must be one mile from a school,
23 church, playground, synagogue, public
24 library, residence and building on the
25 National Historic Registry.

20

1 I found no information that would
2 preclude the issuance of the Type 5
3 license to Rand Investments, LLC, doing
4 business as Bayou Casino.

5 MR. PITRE: The Office of the
6 Attorney General has reviewed the file
7 compiled as a result of the
8 investigation conducted by the Office of
9 State Police. Our review indicates that
10 no information has been found that would
11 preclude approval.

12 CHAIRMAN JONES: And just for the

13 record, I want to confirm: There are no
14 ethical prohibitions to Mr. Garofalo, in
15 his total responsibilities as a state
16 representative, in this transaction,
17 correct?

18 MR. PITRE: Correct, sir.

19 CHAIRMAN JONES: Okay. Are there
20 any questions?

21 MR. GASTON: I move, Mr. Chairman.

22 CHAIRMAN JONES: We have a motion to
23 approve by Dr. Gaston. We have a second
24 by Mr. Stipe.

25 Any objection? Without objection,

21

1 the application is approved. Thank you.

2 2. Chardele Enterprises, Inc., d/b/a Chardele
3 Enterprises, Inc. - No. 1000503988(transfer of
4 interest)

5 CHAIRMAN JONES: Next up is Chardele
6 Enterprises, Inc., doing business as
7 Chardele Enterprises, Inc., No.
8 1000503988. This is a transfer of
9 interest. Good morning.

10 MR. MEEK: Good morning, Chairman
11 Jones, Members of the Board. I'm
12 Matthew Meek, Assistant Attorney
13 General, present before the Board in the
14 matter of the transfer of 50 percent
15 stock in Chardele Enterprises,

16 Incorporated, which holds a Type 5
17 license.

18 On February 7th, 2016, Adele Harris,
19 who was a 25 percent owner of the
20 licensee and held a usufruct over
21 another 25 percent, passed way. She
22 left her 25 percent ownership interest
23 to her three children and five
24 grandchildren in certain percentages.
25 When Adele passed, her usufruct

22

1 terminated, and her eight legatees
2 gained full ownership in the other
3 25 percent.

4 Seven of her legatees renounced
5 their rights in the succession and
6 donated their portions of the 25 percent
7 to the eighth legatee, Raymond Harris,
8 Jr. They also donated their percentages
9 in the other 25 percent to Raymond
10 Harris, Jr., causing him to be the
11 50 percent owner of the licensee.

12 Criminal Investigator Glenn Verrett
13 conducted an investigation of the
14 transfers. He is present this morning
15 to report his findings to the Board.

16 TROOPER VERRETT: Good morning,
17 Mr. Chairman, Board Members.

18 I investigated the transfers that

19 occurred in the licensee due to the
20 death of Miss Adele M. Harris and
21 donations thereafter and found no
22 information that would preclude the
23 continuing licensing of Chardele
24 Enterprises, Inc., or that would
25 preclude Raymond D. Harris, Jr., from

23

1 being found suitable to participate in
2 Louisiana's gaming industry.

3 MR. MEEK: The Office of the
4 Attorney General has reviewed the file
5 prepared by the Office of State Police,
6 and the information contained therein
7 would not preclude approval.

8 CHAIRMAN JONES: I see that the
9 Board is clear. If there are no
10 questions, do I have a motion to
11 approve? By Mr. Stipe.

12 MS. THERIOT: Second.

13 CHAIRMAN JONES: Second by Miss
14 Theriot.

15 Any objection? Without objection,
16 the transfer is approved.

17 MR. MEEK: Thank you.

18 VII. CASINO GAMING ISSUES

19 A. Consideration of Request for Approval of
20 Compulsive Gaming Employee Training by
21 Hollywood Casino (Baton Rouge) - No.

22 R011700193

23 CHAIRMAN JONES: We'll now move to
24 Casino Gaming Issues. First up's,
25 Consideration for Request for Approval

24

1 of Compulsive Gaming Employee Training
2 by Hollywood Casino in Baton Rouge, No.
3 R011700193. Good morning.

4 MS. BROWN: Good morning, Chairman
5 Jones and Members of the Board. I'm
6 Mesa Brown, Assistant Attorney General,
7 and also here is Tony Frabbiele, General
8 Manager of Louisiana Casino Cruises,
9 Inc., d/b/a Hollywood Casino Baton
10 Rouge, appearing before you today on the
11 matter of Hollywood's request for Board
12 approval of an online Compulsive Gaming
13 Training Program.

14 Hollywood currently conducts both
15 its new hire orientation training and
16 its annual training on-site. Hollywood
17 employees conduct the new hire
18 orientation training, and Hollywood
19 contracts with Baton Rouge Community
20 College to conduct the annual training.
21 Hollywood is only seeking to change the
22 annual training. If approved, Hollywood
23 would use the online training program in
24 lieu of the annual responsible gaming

25 training program currently conducted

25

1 on-site by Baton Rouge Community

2 College.

3 I'll begin with background

4 information. The Louisiana Legislature

5 passed the Uniform Compulsive Gaming Act

6 in 2001. Pursuant to this enactment,

7 the Louisiana Gaming Control Board

8 adopted Rules 301 to 304 to aid in the

9 development of a statewide uniform

10 compulsive and problem gaming program.

11 Gaming law requires each casino to

12 submit its compulsive gaming program

13 outlining its policies and procedures

14 for Board approval.

15 Louisiana Revised Statute 27:27.1(L)

16 specifically provides that riverboat

17 licensees must demonstrate to the Board

18 compliance with the education and

19 training provisions of this section by

20 providing proof of attendance by all

21 employees when they are hired and

22 annually thereafter at one of the

23 following education programs: Training

24 programs conducted by the Louisiana

25 Association on Compulsive Gambling, any

26

1 other course on problem and compulsive

2 gaming training approved by the Board.

3 Approval of the Hollywood's online
4 training program would allow the entire
5 program to be handled in-house, and
6 Hollywood would no longer contract with
7 BRCC to conduct its annual training.

8 This program has been reviewed and
9 approved by the Louisiana Association on
10 Compulsive Gaming. It has also been
11 reviewed by the Attorney General's
12 Office and meets the legal requirements
13 for a training program.

14 CHAIRMAN JONES: Would you like to
15 add anything?

16 MR. FRABBIELE: Chairman Jones,
17 Members of the Board, good to be here
18 this morning. We are very committed to
19 the responsible gaming in the State of
20 Louisiana, and I want to thank Mesa
21 Brown, as well as Janet Miller from the
22 compulsive gaming office for their
23 assistance through this process. We
24 feel this is the best way for us to
25 administer the program and get the

27

1 information to our employees in an
2 effective way to ensure that they retain
3 the material and help those that are in
4 need.

5 CHAIRMAN JONES: And thank you and
6 your team for your work on this matter.
7 The legislature in their wisdom, when
8 they approved gaming years ago, saw that
9 this was an important component to make
10 sure that those who were -- who had
11 exposure and vulnerabilities to
12 compulsive gaming were -- we had proper
13 training that we could identify those
14 individuals and make sure that there
15 were opportunities for them to get
16 assistance and help, and these are key
17 components of the overall program. And
18 we appreciate the work that you've done
19 in bringing it to us.

20 Were there any questions from the
21 Board? Unless Miss Miller has some
22 comment, I'll accept a motion to approve
23 the plan.

24 MR. GASTON: I'll move,
25 Mr. Chairman.

28

1 CHAIRMAN JONES: By Dr. Gaston,
2 second by Mr. Bradford.

3 Any objection? Without objection,
4 the plan's adopted. Thank you very
5 much.

6 MS. BROWN: Thank you.

7 B. Consideration of Certificate of Compliance for

8 the Alternate Riverboat Inspection of the
9 gaming vessel of Louisiana Casino Cruises,
10 Inc., d/b/a Hollywood Casino Baton Rouge - No.
11 R011700193

12 CHAIRMAN JONES: We'll now move to
13 our second casino matter: Consideration
14 of the Certificate of Compliance for the
15 Alternate Riverboat Inspection of the
16 gaming vessel Louisiana Casino Cruises,
17 Inc., doing business as Hollywood Casino
18 Baton Rouge, No. RO11700193.

19 You'll recall this came before us
20 last month and I had some questions, and
21 in the interim, my staff and I have met
22 with the representatives from the
23 maritime consultants; and we're
24 satisfied with what our discussions
25 were, so please proceed, gentlemen.

29

1 MR. LEWIS: Mr. Chairman,
2 distinguished Board Members, I'm
3 Assistant Attorney General Kanick Lewis,
4 Jr., representing the Office of State
5 Police, and we're here in the matter of
6 the issuance of the renewal Certificate
7 of Compliance for Hollywood Casino. And
8 ABSC began the inspection process for
9 the renewal of the Certificate of
10 Compliance, and for more on this, I now

11 turn the presentation over to
12 Mr. Francic.

13 MR. FRANCIC: Chairman, again, the
14 annual exam went fine, and we discussed,
15 you know, the substantial mooring; and I
16 think we've got that all clear during
17 our meeting. And the alternate
18 searchlight, I think, you know,
19 Hollywood sent a revised letter, and
20 they're going to just remove the --
21 they're not going to remove it. They're
22 going to keep it onboard, but they'll
23 have the other searchlights available,
24 so I think we've got everything cleared.

25 CHAIRMAN JONES: And I appreciate

30

1 you coming over and visiting with us at
2 State Police and the Attorney General's
3 Office and helping us better understand
4 what safety measures are in place, and
5 so I have a better level of comfort with
6 that.

7 Board Members, y'all have any
8 questions for Mr. Francic? No
9 questions.

10 MR. LEWIS: We now present these
11 findings to the Board and request that
12 upon you accepting the report submitted
13 by ABSC, the Board will move for the

14 renewal of Hollywood's Certificate of
15 Compliance.

16 CHAIRMAN JONES: Do I have a motion
17 to issue the Certificate of Compliance
18 and approve the request to remove
19 certain equipment?

20 MS. THERIOT: I'll move.

21 CHAIRMAN JONES: By Miss Theriot,
22 Dr. Gaston second.

23 Any objections? Without objection,
24 the motion is approved.

25 C. Consideration of Certificate of Compliance for

31

1 the Alternate Riverboat Inspection of the
2 gaming vessel of PNK (Baton Rouge Partnership)
3 d/b/a L'Auberge Baton Rouge - No. R011000801

4 CHAIRMAN JONES: We now move to
5 Consideration of the Certificate of
6 Compliance for the Alternate Riverboat
7 Inspection of gaming vessel PNK (Baton
8 Rouge Partnership) doing business as
9 L'Auberge Baton Rouge, No. RO11000801.
10 Please proceed.

11 MR. LEWIS: Again, Mr. Chairman,
12 esteemed Board Members, I'm Assistant
13 Attorney General Kanick Lewis, Jr. With
14 me is Mr. John Francic of ABSC, and
15 we're here in the matter of the issuance
16 of the renewal Certificate of Compliance

17 to PNK (Baton Rouge Partnership) doing
18 business as L'Auberge Baton Rouge.

19 And on June 22nd, 2016, ABSC began
20 the inspection process for the renewal
21 of the Certificate of Compliance. Now
22 for more on this, I turn the
23 presentation over to Mr. Francic.

24 CHAIRMAN JONES: Mr. Francic.

25 MR. FRANCIC: Chairman, Board

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1 Members, John Francic with ABS
2 Consulting here to present the annual
3 certification for L'Auberge Baton Rouge
4 Casino.

5 The inspectors, Sam Maupin and Doug
6 Chapman, did, on June 22nd and 23rd,
7 attend L'Auberge Baton Rouge Casino to
8 conduct the annual inspection in
9 accordance with the State of Louisiana
10 Alternate Inspection Program.

11 The surveyors reviewed fire
12 protection equipment, life-saving
13 equipment, egress routes, training
14 records and conducted a fire drill.
15 Deficiencies noted are on page eight and
16 nine of your report, and the
17 deficiencies were cleared on June 27th.

18 The 2016th annual survey as
19 required by the Louisiana Gaming Control

20 Board is complete to date and does not
21 present any safety concerns to its
22 patrons or employees onboard the
23 riverboat. It is the recommendation of
24 ABS Consulting that L'Auberge Baton
25 Rouge be issued the Certificate of

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1 Compliance.

2 MR. LEWIS: We now present these
3 findings to the Board and request that
4 upon the Board accepting the report
5 submitted by ABSC, you will move for the
6 renewal of the L'Auberge's Certificate
7 of Compliance.

8 CHAIRMAN JONES: Board Members, any
9 questions? The Board appears to be
10 clear.

11 Do I have a motion? By Mr. Bradford
12 and a second by Dr. Gaston.

13 Any objection? Without objection,
14 the is Certificate of Compliance is
15 issued. Thank you, gentlemen.

16 MR. LEWIS: Thank you.

17 VIII. CONSIDERATION OF REHEARING REQUEST/APPEALS

18 IN THE FOLLOWING:

19 1. In Re: Johnette J. Staes - No.
20 PO40063243 (rehearing request)

21 CHAIRMAN JONES: We'll now move to
22 Consideration of Rehearing Request and

23 Appeals in the following matters. First
24 up is in regard to Miss Johnette Staes.
25 That's No. PO40063243.

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1 MR. GASTON: Mr. Chairman, while
2 they're coming up, I'd like to comment:
3 L'Auberge has been so wonderful with the
4 people who have been flooded, taking
5 them in in the middle of the night,
6 doing everything they can, just helping
7 them when they didn't have any
8 necessities. I just wanted to commend
9 them. They wasn't making money off of
10 these people; they weren't gambling in
11 their facility. It was just wonderful.

12 CHAIRMAN JONES: And, actually,
13 we've heard from many of the properties
14 in Louisiana, including Harrah's in New
15 Orleans, who have put together a number
16 of things for those who have been
17 affected by the flooding. Thanks for
18 reminding me. I was amiss in not
19 recognizing what the industry has done
20 to help out the people who have been
21 affected by this flooding in the central
22 Louisiana area, and we thank the
23 industry for that.

24 MR. GASTON: Yes, sir.

25 CHAIRMAN JONES: Please proceed.

1 Miss Staes or her representative is not
2 here.

3 MR. LEWIS: Assistant Attorney
4 General representing the Office of State
5 Police in this matter. Mr. Chairman,
6 esteemed Board Members, we asked for the
7 rehearing today, and before you first is
8 whether or not we should be allowed to
9 have this matter to be reheard, and
10 second is the rehearing of the matter.

11 We stated three grounds in our
12 motion for -- as a reason for this
13 matter to be heard. One, is a Board
14 Member should recused himself; two, the
15 decision was contrary to law, and three,
16 new evidence was admitted.

17 The Louisiana law states that a
18 member shall withdraw from any
19 proceeding in which he cannot be fair
20 and impartial. At the previous board
21 meeting, Mr. Singleton indicated that he
22 has known Mrs. Staes' family over the
23 years, and it was hard for him to
24 believe that she had done something like
25 this.

1 Now, I understand this Board's
2 compassion, but the decision must be

3 based on law; and it appears that this
4 decision was not. What I'm asking and
5 what I have seen this Honorable Board do
6 is to make decisions that are consistent
7 with prior Board decisions regarding
8 countless other permittees.

9 Specifically, in the case of Leslie
10 White, the facts and circumstances are
11 very similar to this case. In the White
12 case, the hearing officer and the Board
13 ruled that given the information and the
14 facts and the law, the permittee did not
15 prove that she was suitable to holding a
16 gaming permit. In both cases, the
17 applicants failed to provide information
18 regarding a material fact in determining
19 suitability. Additionally, both
20 applicants provided a sworn affidavit
21 alleging it was someone else, and
22 neither provided a shred of evidence to
23 support this claim.

24 Mrs. Staes' version of these events
25 is constantly changing. Prior to the

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1 revocation hearing, she provided a
2 notarized affidavit indicating that it
3 was an unknown relative. Then at the
4 time of the hearing, it was represented
5 that Mrs. Staes did, in fact, write the

6 checks. At the appeal, which was not
7 the proper forum to give new
8 information, she claimed it was her
9 sister. At no time during the
10 adjudication did she provide any
11 information to support this allegation.
12 This information was not presented at
13 that revocation hearing; it was not
14 presented as evidence, and it was not
15 part of the record. Therefore, it
16 should not have been allowed or
17 considered at the appeal.

18 Further, we have evidence to show
19 that Mrs. Staes made appearances on two
20 separate matters for issuing worthless
21 checks. She paid the fines and the fees
22 associated with them.

23 As a Gaming Control Board, you are
24 bound by the law when making decisions.
25 You made decisions on countless other

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1 cases based on law, and here you must do
2 the exact same thing and base your
3 decision on law, not on emotions,
4 personal feelings or empathy for the
5 permittee. And for these reasons, the
6 Division respectfully requests that you
7 grant the motion for the rehearing of
8 the appeal of the matter of Johnette

9 Staes.

10 CHAIRMAN JONES: Thank you. I'm
11 going to move that we grant the motion
12 for reconsideration, and out of an
13 abundance of caution, since information
14 was introduced in the last meeting which
15 was not under oath, not subject to
16 cross-examination, I'm going to further
17 move that the matter be remanded to the
18 hearing officer so that people can be
19 put under oath, they can be
20 cross-examined, and the hearing officer
21 can consider all the information again.

22 So I'm moving to grant the motion
23 for rehearing and to remand it to the
24 hearing officer.

25 Do I have a second?

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1 MR. GASTON: I second it,
2 Mr. Chairman.

3 CHAIRMAN JONES: Dr. Gaston.

4 Any objection to those motions?

5 Without objection, the motion carries.

6 Thank you.

7 MR. LEWIS: Thank you.

8 2. In Re: Shakia T. Robinson - No. PO40062763

9 (appeal)

10 CHAIRMAN JONES: Next up is in
11 regard to Shakia T. Robinson. That's

12 No. PO40062763. Miss Robinson or Miss
13 Robinson's representative, are you
14 present? Please come up, have a seat at
15 the table. Good morning.

16 MS. ROBINSON: Good morning.

17 CHAIRMAN JONES: This is an appeal
18 which you have filed for a decision that
19 has already been rendered based on a
20 hearing that's been conducted. We have
21 the record and the transcript of that
22 hearing before us so we have all the
23 documents, and we've reviewed those
24 documents. You can't talk about
25 anything that was not discussed at that

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1 hearing, okay? Do you understand that?

2 MS. ROBINSON: Yes, sir.

3 CHAIRMAN JONES: Okay. Why do you
4 believe -- introduce yourself.

5 MS. ROBINSON: Shakia T. Robinson,
6 and I believe that it should be relooked
7 at because I was told, before I was
8 given the charge, that State Police --
9 that I can work with a misdemeanor
10 charge, that it was okay, before the
11 judge even made a decision, and that's
12 what the judge went off of. So I feel
13 like it should be relooked at, and I
14 should get a second chance at something.

15 MR. LEWIS: Assistant Attorney
16 General Kanick Lewis, Jr., representing
17 the Office of State Police.

18 Miss Skakia Robinson came to the
19 hearing. She was present, and she
20 submitted her renewal application dated
21 January 4th, 2016. Included with that
22 application was a letter from her
23 attorney stating that she was going to
24 plead guilty to aggravated assault,
25 which is a crime of violence. She was

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1 sentenced to probation. She pled guilty
2 to and was sentenced to probation.

3 Now, aggravated -- pleading guilty
4 to aggravated assault is a statutory
5 disqualifier. There's no cleansing
6 period. She plead guilty to this. We
7 have the documentation to show that.
8 Because of that, the hearing officer
9 based the decision that she should be
10 revoked, and we are here today saying
11 that decision should be affirmed.

12 CHAIRMAN JONES: Board Members, any
13 questions?

14 Do I have a motion? [No response.]

15 Move to affirm?

16 MR. STIPE: Yes.

17 CHAIRMAN JONES: By Mr. Stipe to

18 affirm.

19 Do I have a second?

20 MR. GASTON: Second.

21 CHAIRMAN JONES: Dr. Gaston.

22 Any objection? Without objection,

23 the hearing officer's decision is

24 affirmed. Thank you so much for coming.

25 The decision stands.

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1 3. In Re: Leilani C. Paeste - No. PO40026639

2 (appeal)

3 CHAIRMAN JONES: Next up is in

4 regard to Leilani C. Paeste. I don't

5 know if I got the name correct. By all

6 accounts I didn't. That's No.

7 PO40026639. This is an appeal from the

8 hearing officer's decision.

9 Please have a seat and good morning.

10 MS. PAESTE: Good morning.

11 CHAIRMAN JONES: Introduce yourself

12 to the Board, please.

13 MS. PAESTE: I am Leilani C. Paeste.

14 CHAIRMAN JONES: Okay. I just want

15 to make sure you understand. This isn't

16 a trial, and this isn't a hearing. All

17 we're doing today is making a

18 determination whether or not the hearing

19 officer followed the law --

20 MS. PAESTE: Okay.

21 CHAIRMAN JONES: -- in considering
22 the facts that have been presented.

23 MS. PAESTE: Okay.

24 CHAIRMAN JONES: We have a lengthy
25 record which has been produced, all of

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1 the testimony that was introduced at the
2 hearing, in addition to all the
3 supporting documents.

4 MS. PAESTE: Okay.

5 CHAIRMAN JONES: I think you know
6 that you wanted to introduce other
7 information which you're not permitted
8 to do.

9 MS. PAESTE: That's correct.

10 CHAIRMAN JONES: All right. So you
11 can't talk about any of that this
12 morning.

13 MS. PAESTE: Okay.

14 CHAIRMAN JONES: You can't talk
15 about anything that hasn't already been
16 introduced, okay?

17 MS. PAESTE: Okay.

18 CHAIRMAN JONES: You may explain to
19 the Board now why you think the facts
20 were either incorrect or the law was
21 incorrect as applied to your case.

22 MS. PAESTE: The law was not
23 incorrect. I marked the wrong box. I

24 absolutely did. I made a mistake. I've
25 been in this business 17 years. The

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1 last thing I wanted to do was lie. I
2 have a great work ethic, and I've been
3 with this company a long time. It was a
4 "no bill." It was one ticket. That's
5 what I'm here for.

6 You know, my history -- my personal
7 life is not my professional life. I've
8 never brought my problems to work.
9 That's what I was taught. That's what I
10 stuck with all these years. I'm sorry
11 that my personal life doesn't coincide
12 with the law. You know, it has its
13 issues, and I'm still in that process.
14 I'm working on it. We're still in the
15 last findings of this last situation
16 that I'm in, and it hasn't been proven
17 one way or another.

18 So what I'm here for is that ticket
19 that I failed to comply with and turn
20 in, and that's cost me my 17 years.
21 That's all.

22 CHAIRMAN JONES: Okay.

23 MS. BOGRAN: Okay. Good morning,
24 Chairman Jones, Board Members.

25 CHAIRMAN JONES: Morning.

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1 MS. BOGRAN: I'm Olga Bogran
2 Assistant Attorney General in the Gaming
3 Division.

4 We are here at Miss Paeste's request
5 because she's appealing the hearing
6 officer's decision regarding her
7 suitability to maintain her gaming
8 permit. Her ability to be your friend,
9 her work ethic is not the issue here,
10 but the issue is whether she maintained
11 her suitability.

12 Gaming, as we know, by statute is a
13 highly regulated environment. The
14 holding of a gaming permit is a
15 privilege, not a right, and any person
16 seeking to have a gaming permit must be
17 suitable and then must remain so.

18 Having said that, it would be impossible
19 to keep eyes on every gaming permittee
20 24/7, 365 days a year, but there are
21 checkpoints that allow for oversight.

22 And one of the most important
23 checkpoints is the gaming application.

24 Questions on the gaming application
25 are tailored to be clear on what they're

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1 asking for. For example, the arrest
2 questions don't just ask general arrest
3 information. They specify things, like:

4 Were you detained; were you issued a
5 summons; were you issued a citation?
6 And because the answers to these
7 applications play a pivotal role in the
8 regulatory oversight of gaming
9 permittees, misrepresentations,
10 omissions or lies are not acceptable on
11 the gaming applications.

12 Over the years, Miss Paeste, as she
13 said, she's had a long career. She
14 submitted several applications, and
15 she's familiar with these forms. She's
16 used these forms to show that in 1996,
17 she pled guilty to battery charges and
18 then again in 2001. She disclosed that
19 she was arrested for charges of
20 aggravated assault, which were reduced
21 to simple assault by the time of the
22 conviction in 2012. But after that
23 arrest, all those disclosures became an
24 issue.

25 On September 3rd, 2015, Miss Paeste

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1 was charged with simple battery. She
2 submitted her renewal application, at
3 the end of that month, September 30th,
4 four weeks later, and she did not
5 disclose the September 3rd charges. One
6 month later, on November 18th, she was,

7 again, charged with simple battery.
8 That charge was not disclosed to the
9 Division, keeping in mind that gaming
10 law requires that such things are
11 disclosed to the Division within 15
12 days.

13 On January -- January 4, which was a
14 point in time which Miss Paeste had not
15 received her renewal confirmation at
16 that point and it was the day of the
17 expiration of her gaming permit, she
18 disclosed the September 3rd charges, but
19 not the November 18th charges, to the
20 Division. Because of her increasing
21 number of battery charges and because of
22 the failure to fully disclose, the
23 Division issued a denial of renewal, and
24 Miss Paeste requested a hearing; but
25 just three weeks before her hearing,

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1 Miss Paeste was, again, arrested for
2 simple battery charges. The charges
3 were not disclosed to the Division, but
4 they, of course, validated the
5 Division's denial on the basis of the
6 increased activity that was violent in
7 nature.

8 In fact, the arresting officers
9 testified at the hearing that in their

10 encounters with Miss Paeste, she had
11 been violent, aggressive and volatile.
12 Miss Paeste has been in the Gaming
13 Division for a long time -- in gaming
14 for a long time, but the statutory duty
15 to remain suitable is not waived because
16 of seniority of employment.

17 At the hearing, Miss Paeste
18 indicated that a third party was the
19 root and cause of most of the problems,
20 but that person is not a gaming
21 permittee; and that person is -- does
22 not have the duty to remain suitable,
23 but what has been consistent throughout
24 the six battery charges that were
25 addressed at the hearing was that Miss

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1 Paeste was the common denominator.

2 The Division carefully reviewed the
3 facts before they issued their
4 recommendation of denial, and the
5 hearing officer thoughtfully considered
6 all of the evidence that was presented,
7 including the arguments put forth by
8 Miss Paeste's attorney, the witness's
9 testimony -- Miss Paeste's witness
10 testimony and Miss Paeste's testimony.

11 The hearing officer found that she
12 failed to carry the burden of proving by

13 clear and convincing, a burden of proof
14 which is imposed by gaming law, to prove
15 that she was still suitable to maintain
16 her gaming permit.

17 In consideration of these facts, but
18 especially in light of the fact that
19 this board has consistently demanded
20 that there be truth and candor in gaming
21 applications, we ask you to affirm the
22 hearing officer's decision in finding
23 that she is unsuitable to maintain a
24 gaming permit.

25 CHAIRMAN JONES: Are there any

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1 questions from the Board?

2 Miss Paeste, you mentioned something
3 in your statement that you have your
4 professional life, and you have your
5 personal life.

6 MS. PAESTE: That's correct.

7 CHAIRMAN JONES: And in most
8 occupations, those two things seldom
9 overlap, one has nothing to do with the
10 other; and the Board isn't here to judge
11 who you are, but we do judge conduct and
12 we do judge behavior.

13 MS. PAESTE: You know --

14 CHAIRMAN JONES: Excuse me. Okay?

15 MS. PAESTE: Okay.

16 CHAIRMAN JONES: The legislature has
17 set a standard for conduct in this
18 industry. Our job is simply to uphold
19 that standard of conduct --

20 MS. PAESTE: I gotcha.

21 CHAIRMAN JONES: -- okay?

22 You were permitted to work in this
23 industry with previous violations.

24 MS. PAESTE: That's correct.

25 CHAIRMAN JONES: You knew that,

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1 okay? And then you had additional
2 violations. Based on that, I'm going to
3 move that we affirm the hearing
4 officer's decision.

5 Do I have a second?

6 MS. THERIOT: Second.

7 CHAIRMAN JONES: By Miss Theriot.

8 Any objection? No objection. The
9 matter's been affirmed. Thank you.

10 IX. ADJOURNMENT

11 CHAIRMAN JONES: There being no
12 further business, do I have a motion to
13 adjourn?

14 MR. GASTON: I move.

15 CHAIRMAN JONES: By Dr. Gaston,
16 second by Mr. Stipe. Without objection,
17 we stand adjourned.

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1 REPORTER'S PAGE

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3 I, SHELLEY PAROLA, Certified Shorthand
4 Reporter, in and for the State of Louisiana, the
5 officer before whom this sworn testimony was
6 taken, do hereby state:

7 That due to the spontaneous discourse of this
8 proceeding, where necessary, dashes (--) have been
9 used to indicate pauses, changes in thought,
10 and/or talkovers; that same is the proper method
11 for a Court Reporter's transcription of a
12 proceeding, and that dashes (--) do not indicate
13 that words or phrases have been left out of this
14 transcript;

15 That any words and/or names which could not
16 be verified through reference materials have been
17 denoted with the word "(phonetic)."

18
19
20
21

22

23

24 SHELLEY PAROLA

 Certified Court Reporter #96001

25 Registered Professional Reporter

 53

1 STATE OF LOUISIANA

2 PARISH OF EAST BATON ROUGE

3 I, Shelley G. Parola, Certified Court

4 Reporter and Registered Professional Reporter, do

5 hereby certify that the foregoing is a true and

6 correct transcript of the proceedings on August

7 25, 2016, as taken by me in Stenographic machine

8 shorthand, complemented with magnetic tape

9 recording, and thereafter reduced to transcript,

10 to the best of my ability and understanding, using

11 Computer-Aided Transcription.

12 I further certify that I am not an

13 attorney or counsel for any of the parties, that I

14 am neither related to nor employed by any attorney

15 or counsel connected with this action, and that I

16 have no financial interest in the outcome of this

17 action.

18 Baton Rouge, Louisiana, this 19th day of

19 September, 2016.

20

21

22 _____

 SHELLEY G. PAROLA, CCR, RPR

CERTIFICATE NO. 96001

23

24