

APPROVED

7/21/98

LOUISIANA GAMING CONTROL BOARD

Minutes of June 16, 1998

The Louisiana Gaming Control Board held a meeting on Tuesday, June 16, 1998, 10:00 a.m., House Committee Room 6. In attendance were Hillary J. Crain, Chairman; Vice-Chairman Robert Fleming, Secretary-Treasurer Ralph Perlman, James Boyer, Sherian Cadoria, Ecotry Fuller, Marcia Morgan, Rupert Richardson, and ex-officio members Col. Rut Whittington, and Sec. John Kennedy. Absent from the meeting was board member Dudley Lastrapes.

The meeting was called to order by the Chairman. Minutes of the May 19th meeting were presented to the Board. It was moved by Sec. Perlman and seconded by Ms. Richardson to approve the proposed minutes. The Board unanimously approved the minutes.

Ms. Susan Demouy, Audit Supervisor, Riverboat Gaming, presented the monthly riverboat revenue report to the Board. Lt. Stanley Griffin, Video Gaming, presented board members with the report of video poker statistics.

The Chairman discussed with Board members the Strategic Plan. All state agencies were required to submit to the Department of Administration a five-year strategic plan.

Claudeidra Minor, Asst. Attorney General in the Gaming Division, presented second quarter compliance reports on all riverboat casinos.

Next on the agenda was a proposal by the Belle of Baton Rouge to change the times of their cruising schedule. It was moved by Sec. Perlman, seconded by Gen. Cadoria, and unanimously approved by the Board to allow the Belle to amend their cruising schedule beginning July 1, 1999, if their sailing record improved by 50%.

Mr. Wade Duty, Asst. A.G. in the Gaming Division, presented a report on Casino Rouge's cruising schedule. Mr. Joseph Brantley, General Counsel for Casino Rouge, and Captain Greg Brown, a port captain, were on hand to answer any questions. Casino Rouge's overall cancellation rate is 70.3%.

Proceeding with the agenda was the review of internal controls with reference to underage patrons gaining access to riverboat casinos. At the meeting the riverboat casinos in the Baton Rouge area presented their internal controls to the Board. Mr. Dale Darrough, General Manager, Mr. Terry Shirley, Director of Security, Mr. Joseph Brantley, General Counsel, spoke on behalf of Casino Rouge's procedures. Representing the Belle of Baton Rouge was Mr. Mike Mix, Director of Security.

Next on the agenda was a presentation by Lt. Dane Morgan, Louisiana State Police Riverboat Gaming Division, and St. Leland Falcon. They presented board members with suggestions for Revised Internal Controls for all riverboats.

Following the state police presentation, Mr. Paul Alanis, President of Horseshoe Gaming, made a presentation to the Board with reference to underage patrons trying to gain access to riverboat casinos. Horseshoe and the Bossier City city council have initiated penalties to underage patrons for trying to enter the casino. The penalties include a \$500.00 fine and 10 days in jail for a first offense and a \$1,000.00 fine and 30 days in jail for a second offense. Mr. David Jones with the Bossier City Council was on hand to answer any questions Board members might have with reference to these penalties.

The Casino Association of Louisiana also addressed the Board with reference to underage patrons. Speaking on behalf of the association were Mr. Frank Williams, President, Mr. Tim Hemphill, Executive Director, Mr. Robert Piper and Ms. Janet Boles. The Casino Association requested that if the Board adopted new procedures dealing with underage patrons, that riverboats would only be penalized if: 1) they knowingly allowed a underage patron to enter the casino and 2) that the licensee should only be sanctioned after a cause in effect finding had been determined.

It was moved by Ms. Morgan to adopt the revised internal controls proposed by state police. That motion was second by Mr. Boyer. The Board unanimously approved the revised internal controls.

The Board acted on an application for a truckstop license. Mr. Rudy D. Chandler, owner of the Silver Fox Truckstop, Mr. Cyrus Pitre & Mr. Young Bonner, Asst. A.G.'s in the Gaming Division, and Trooper Richard Honora, State Police Video Gaming Division, addressed the Board with reference to Mr. Chandler's gaming license. It was moved by Vice-Chairman Fleming, seconded by Mr. Fuller, and unanimously approved by the board to grant the license to the Silver Fox Truckstop.

Ms. Olga Bogran, Asst. A.G. in the Gaming Division, updated the Board on the landbased casino. At this time, background investigations to determine suitability are being conducted.

Mr. Tom Warner, Asst. A.G. in the Gaming Division, discussed the amendment to LAC 42:XI.2415 C.3 with board members. It was moved by Mr. Boyer, seconded by Ms. Richardson and unanimously approved by the Board to adopt the amendments to this rule dealing with the location of video poker devices in truckstops.

At this time, it was moved by Sec. Perlman, seconded by Ms. Morgan, and unanimously approved by the Board that a public hearing on rule 2417, Code of Conduct of Licensees, would be held at the July 21st board meeting.

A motion to go into Executive Session was made by Ms. Rupert Richardson and seconded by Sec. Perlman. After a unanimous vote, the Board went into Executive Session.

The Board acted on recommendations/decisions from the Hearing Officers in the following cases:

1. **In Re: Kevin Cavanaugh** - Motion to adopt proposed decision denying application by Mr. Boyer, seconded by Ms. Richardson. Unanimously approved by the Board.
2. **In Re: JIC** - Motion to adopt proposed decision by Mr. Boyer, seconded by Ms. Morgan. Unanimously approved by the Board.

Mr. Cheney Joseph, Executive Counsel to the Governor, addressed the Board on behalf of Governor Foster's request to Board Members to defer awarding the 15th riverboat license until a comprehensive study of gaming and its affects in Louisiana are studied.

After Mr. Joseph's presentation, it was moved by Sec. Perlman to defer awarding the 15th license. That motion was seconded by Gen. Cadoria and unanimously approved by the Board.

There being no further business, a motion to adjourn was proposed by Gen. Cadoria. That motion was seconded by Sec. Perlman and unanimously approved by the Board.

The meeting was then adjourned.