

Best laid plans

The Gulf Coast casinos have procedures in place for dealing with disasters. How well did they work?

BY MATT CONNOR & ANDY HOLTMANN

No one can ever be too prepared for a disaster on the scale of Hurricane Katrina. Called one of the worst natural disasters in

American history, it laid waste to the Gulf Coast region and no amount of advance planning could have stopped it.

But could the casino industry have done better to mediate the effects of the storm, to protect the third-largest casino jurisdiction in the nation?

"No," said Tim Hinkley, president and COO of Isle of Capri. "We've made some improvements to the way that we communicate, but quite frankly given the magnitude of this storm I think we moved as quickly as we possibly could. I think we did a pretty good job."

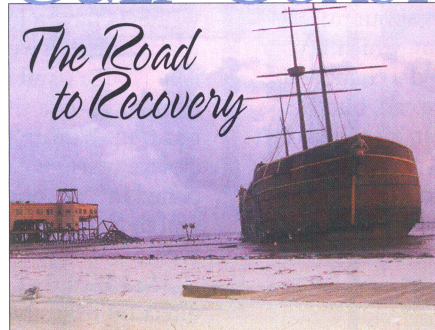
The Mississippi Gaming Commission ordered a mandatory closure order well in advance of the storm, and state and local officials urged residents to evacuate. Most of those who complied with the orders at least made it out of the region alive. Some of those who didn't, well, didn't.

"We've been through so many hurricane evacuations, and we learned so much about the impact of Hurricane Camille in 1969 that I really think that a lot of the plans that were put in place worked," Hinkley said. "Most of the people who were killed down here had lived through Camille and believed there would never be another storm as bad as Camille, and since their house survived Camille they believed they would survive this one. And those are the ones that are dead. I really think that if you followed the plan and you have great respect for the storm and understand that there can be some catastrophic damage, you came out okay."

Procedures in place

When the hurricane enters the Gulf area, the Mississippi Gaming Commission immediately begins monitoring it, according to Larry Gregory, executive director of the Mississippi

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Gaming Commission.

"Once I get a read that it is heading in the general direction of the Gulf coast, we're put on alert and the casinos are put on alert," Gregory said. "Then we start having our casino enforcement agents and our gaming auditors in each property assisting them notifying the casinos that there may be a possibility of closure. When we know for a fact that a storm is imminent and is heading for the Gulf Coast it becomes a fine line of when to close the casinos. Some of the factors that go into that decision are public safety, evacuation notices by

the county or state, and when best to close them.

"Once it gets to an area where I think we need to start closing the casinos and it looks like it will be a direct hit of some sort, what I typically do is give them a closure notice, each individual casino, signed by my three commissioners. I call them, they're from all over the state, well in advance we've got the orders signed and ready to go. I talk to each commissioner and we make the decision to close the casinos."

Gregory said the closure order can come 24 to 36 hours in advance of the storm, depending on the size of the storm and how fast it's going.

"What I'm concerned with most is public safety. So my first business is to get the tourist or the patrons off the casinos," he said.

That's not always easy, of course. According to Hinkley, there were casino guests at the Isle of Capri Biloxi riverboats that balked at the idea of leaving.

"As far as our guests, they were evacuated as well," Hinkley said. "That was mandatory. They don't always go willingly, but that's human nature. They felt like they had been inconvenienced. I think now that people have seen the >>>



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results of the storm, you won't have people feeling that way. Houston evacuated over two million people before (Hurricane) Rita hit, and Houston wasn't much damaged from the storm."

The next priority after evacuating patrons and employees, Gregory said, is "closing is the money." The properties do a drop and count the revenue, "and once that's taken place they do drops from all the slot machines and that's all counted. Then I call the armored cars to take the monies to a bank in a safe place until after the storm."

Beverly Martin, executive director of Mississippi Casino Operators Association, said that after the storm had passed it was not difficult to find coins and casino tokens littering the beach at Gulfport. Therefore, it's apparent that not all of the monies from the machines were able to be removed prior to the storm.

"What we do is we do a drop which takes about five hours," Martin said. "We get all the soft count, which is your bills, but the armored trucks are not equipped to handle the weight of all the coins. We get as much as we can, but there's no way we can get all of it off the casino floor. They just can't handle the weight in the trucks."

She said that while she heard reports of looters breaking into abandoned slot machines in search of ready cash, she saw little of that kind of behavior.

Fixing what didn't work

Most Gulf Coast casinos adhered to their existing disaster plans, and, said Mary Cracchiolo, assistant director of public

affairs for the Beau Rivage Resort & Casino, those plans were, by and large, effective.

"Beau Rivage and other coast casinos have hurricane plans in place," she said. "We followed our plan and successfully got everyone out and everything locked down in a timely manner."

She added that, "We're in rebuilding mode right now. We've got a progressive attitude. We're going to play a major role in rebuilding the coast. We played a role in building the area as a destination in the first place, and we'll play a role in the rebuilding."

Asked about lessons learned from Katrina that might be applied to future storms, Hinkley said he thought his own company's communications systems might be improved.

"We're taking a look at our location in Biloxi from a corporate standpoint," he said. "What I want make sure of is that we never have a loss of communication again. We have to make sure that we don't have the technical support—which is in charge of all of the communications processes at the company—in a situation where we moved all of our communications backup to Vicksburg, Miss., which was the plan, in a place where it can be knocked out, which is what happened in Vicksburg. That's the biggest issue. We'll establish that in a very remote site that is less vulnerable to weather events."

He added that, "Before, if the Biloxi area was to take a direct hit from the storm, we would download all of our critical information and move it to our satellite site in Vicksburg. And that's where the company would get its information until the all-clear to move everything back to Biloxi."

"What we're looking into doing now is to move our critical information somewhere like, who knows, in the side of a mountain in the Rockies."

The land-based Paragon Casino Resort in Marksville, La., owned and operated by the Tunica Biloxi Tribe of Louisiana, had its own special set of challenges during Hurricanes Katrina and Rita. Linda Bordelon, the vice president of public relations at Paragon, said the casino's new general manager—himself an evacuee of Hurricane Katrina—has asked the staff of the property to come up with new ideas for disaster preparedness.

"Our new GM, Jeff Favre asked us to submit what we felt were the strengths and weaknesses of the property during the crisis and what recommendations we would have to make things function even better during the ordeal," she said. "The challenge we faced during Rita was the fact that, because our employees were affected, we had many who could not come to work—they either could not come here or they could not leave their families. We had thousands of evacuees and we were short staffed. So it was an extreme challenge."

"Our new GM would like for us to come up with a plan that is a little bit more detailed than the crisis plan that we're currently operating under. For the first time, we lost power several times, even though we must have had fifteen generators. There are special challenges when you're a shelter and you're being affected by the weather as well."

Bordelon pointed out that many hurricane experts are predicting that the Gulf Coast region has entered a potentially decade-long "hurricane cycle," and that more disasters like Katrina and Rita may occur in coming years.

And the one thing everyone can agree upon is that Mother Nature is chillingly unpredictable. As awful as it is to contemplate, next time it could be worse. **CJ**

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