

PAULA T. DOW

Attorney General of New Jersey
Attorney for Complainant
State of New Jersey
Department of Law and Public Safety
Division of Gaming Enforcement
1300 Atlantic Avenue
Atlantic City, New Jersey 08401

By: R. Lane Stebbins
Deputy Attorney General
609-317-6218

STATE OF NEW JERSEY
DOCKET NO.: 10-0038-VC

STATE OF NEW JERSEY, DEPARTMENT)	
OF LAW AND PUBLIC SAFETY,)	
DIVISION OF GAMING ENFORCEMENT,)	
)	Civil Action
Complainant,)	
)	STIPULATION OF
v.)	SETTLEMENT
)	
HARRAH'S ATLANTIC CITY OPERATING)	
COMPANY, LLC, d/b/a HARRAH'S MARINA)	
HOTEL & CASINO,)	
)	
Respondent)	

The matters involved in the above-captioned action, having been discussed by and between the parties involved, Paula T. Dow, Attorney General of New Jersey, Department of Law and Public Safety, Division of Gaming Enforcement ("Division"), by R. Lane Stebbins, Deputy Attorney General, and HARRAH'S ATLANTIC CITY OPERATING COMPANY, LLC, d/b/a HARRAH'S MARINA HOTEL & CASINO

("Harrah's"), Respondent, by N. Lynne Hughes, Esq., Vice President Legal Affairs, and said matters having been resolved, it is hereby consented to and agreed by and between the parties:

PRELIMINARY FACTS

1. Respondent, Harrah's, is a New Jersey enterprise having its principal place of business located at 777 Harrah's Boulevard, Atlantic City, New Jersey 08401.

2. Harrah's is the holder of a casino license first issued by the Casino Control Commission ("Commission") on or about November 19, 1981 and most recently renewed on or about June 18, 2008 to be effective July 1, 2008. At all times relevant herein, Harrah's was authorized to conduct casino gaming within its casino hotel facility.

APPLICABLE LAW

3. N.J.A.C. 19:45-1.11 provides, in pertinent part, that:

"(a) Each casino licensee's system of internal controls shall, in accordance with the provisions of N.J.A.C. 19:45-1.11A, include tables of organization. Each casino licensee shall be permitted, except as otherwise provided in this section and N.J.A.C. 19:53-1.4, to tailor its organizational structure to meet the needs or policies of its own particular management philosophy....Each casino licensee's tables of organization

shall provide for:

2. The segregation of incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties.”

4. N.J.A.C. 19:45-1.15 provides in pertinent part that:

“(a) The assets for which the general cashiers are responsible shall be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift shall record on a Cashiers' Count Sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories and shall reconcile the total closing inventory with the total opening inventory.

(b) At the opening of every shift, in addition to the imprest funds normally maintained by the general cashiers, each casino licensee shall have on hand in the cage or readily available thereto, a reserve cash bankroll adequately funded to pay winning patrons.

(c) Except as otherwise authorized by N.J.A.C. 19:45-1.14(i), the cashiers' cage and any satellite cage shall be physically segregated by personnel and function as follows:

1. **General cashiers shall operate with individual imprest inventories of cash** and, at the discretion of the casino licensee, slot tokens and gaming chips. [emphasis supplied]

xi. Receive from check, chip bank, master coin bank and reserve cash cashiers documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashiers' cage;”

5. N.J.A.C. 19:45-1.11(b)1 provides, in pertinent part, that the mandatory surveillance department shall be responsible for:

"vii. The detection of cheating, theft, embezzlement, and other illegal activities in the casino, casino simulcasting facility, count rooms, slot booths, and cashiers' cage;"

6. As to Reserve Cashiers (also known as Main Bank Cashiers), N.J.A.C. 19:45-1.15(c) provides in pertinent part that:

"4. Reserve cash ("main bank") cashiers' functions shall include, but are not limited to, the following:

iv. Prepare the overall cage reconciliation and accounting records;

v. Prepare the daily bank deposit for cash and checks;

viii. Receive from general, chip and check bank cashiers, documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashiers' cage;

ix. Be responsible for the reserve cash bankroll;

xvii. Prepare Cash Fills and Balance Receipts in accordance with N.J.A.C. 19:45-1.33A and 1.35A;"

7. N.J.A.C. 19:45-1.8(a) provides that:

"All original books records and documents pertaining to a casino licensee's operations and approved hotel shall be:

1. Prepared and maintained in a complete accurate and legible form;"

8. N.J.A.C. 19:45-1.45(a) provides, in pertinent part, that signatures shall:

"2. Signify that the signer has prepared forms, records, and documents, and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with this regulation and the casino licensee's system of internal accounting control."

ALLEGATION AND ADMISSIONS

9. The Division, by Complaint filed January 13, 2010, Docket No. 10-0038-VC, a copy of which is attached hereto as Exhibit "A", sought sanctions against Harrah's for reasons set forth therein and, more specifically that:

a) Harrah's failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2;

b) Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii;

c) Harrah's permitted four casino cage supervisors, each then functioning as a front line cashiers, to have access to and share a single imprest inventory of currency, in violation of N.J.A.C. 19:45-1.15(c)1;

d) Harrah's, by its Main Bank cashier, signed a Bankroll increase document when the transaction was not performed by that cashier, in violation of N.J.A.C. 19:45-1.45(a);

e) Harrah's, by its Main Bank cashier signing a Bankroll increase document when the transaction was not performed by the cashier, created a document which was not complete or accurate, in violation of N.J.A.C. 19:45-1.8(a).

10. Respondent Harrah's acknowledges the accuracy of the facts set forth in Paragraph 9, *supra*, and admits the violations set forth therein.

Prior Regulatory History of the Licensee

11. Although Harrah's has been the subject of various regulatory complaints, it has not been the subject of a complaint alleging violations related to cage cashier operations or surveillance functions within the prior three years.

Corrective Action Of The Licensee And Mitigating Factors

12. As a result of these incidents, Harrah's terminated cage cashier supervisor MS. In addition, Harrah's issued written warnings to cage cashier supervisors CM, LH and RS for sharing a single cash imprest inventory.

13. Harrah's represents that it has implemented or reinforced the following controls to mitigate future occurrences:

a) Anyone entering the Main Bank other than the assigned Main Bank Cashier must call Surveillance immediately to identify himself. The Surveillance Department will contact Cashier Shift Manager on duty or above when this protocol is not followed. Progressive discipline will consistently be enforced for anyone in violation.

b) Anytime a Main Bank Cashier needs to access bundled money, a Cashier Supervisor or above is notified, as this person controls the key access to the Main Bank cabinets and drawers. The Cashier Supervisor or above notifies

Surveillance that he is accessing the cabinets and/or drawers in the Main Bank.

- c) Main Bank cabinets and drawers have been re-labeled for better visual identification by camera and by all cashiers for placement of currency.
- d) Main Bank Cashier bank count in and count down procedures have been regularly enforced in an effort to prevent any variances in bundled money from soft count from being sent for deposit.
- e) Main Bank Cashier and Cashier Supervisor or above key controls have been regularly enforced and monitored to ensure improper access to banks does not occur. Progressive discipline will consistently be enforced for anyone in violation.
- f) For approximately one-year immediately after Harrah's identified the incident, Main Bank Cashiers were required to verify 100% of \$50s coming out of soft count. This provided added controls above and beyond the 10% required verification. In addition, it provided added controls since the \$50s are typically not utilized in the day-to-day operation of the Cage.

- g) General Cashiers as well as Cashier Supervisors have been regularly reminded that they are not to share or access one another's cash impress inventory. Progressive discipline will consistently be enforced for anyone in violation.

- h) General Cashiers scheduled in remote cages or booths from the Main Cage must contact a Cashier Supervisor prior to leaving and when returning from breaks.

- i) Surveillance has since completed an extensive technological migration of its matrix and recording systems for the protection of the Company's assets and security of its guests and employees.

Settlement Agreement

IT IS THEREFORE AGREED AND STIPULATED by and between the parties hereto that:

- A. The facts stated herein are true and accurate.

- B. Respondent Harrah's, admits that it violated the provisions of the Act and the regulations, specifically, it failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to

conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2;

C. Respondent Harrah's, admits that it violated the provisions of the Act and the regulations, specifically, its surveillance department failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii;

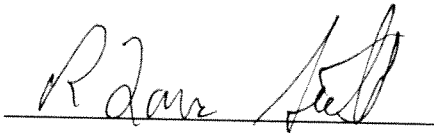
D. Respondent Harrah's, admits that it violated the provisions of the Act and the regulations, specifically, it permitted four casino cage supervisors, each then functioning as a front line cashiers, to have access to and share a single imprest inventory of currency, in violation of N.J.A.C. 19:45-1.15(c)1;

E. Respondent Harrah's, admits that it violated the provisions of the Act and the regulations, specifically, its Main Bank cashier signed a Bankroll increase document when the transaction was not performed by the cashier, created a document which was not complete or accurate, in violation of N.J.A.C. 19:45-1.8(a) and N.J.A.C. 19:45-1.45(a);

F. For the violations admitted in Paragraphs B through E, *supra.*, Respondent, Harrah's, shall pay to the New Jersey Casino Revenue Fund, as a civil penalty pursuant N.J.S.A. 5:12-129(5), and in recognition of the provisions of N.J.S.A. 5:12-130, the sum of \$40,000;

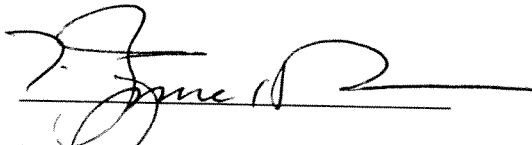
G. The parties agree that a monetary penalty, in the total amount of \$40,000 is just and equitable and in accordance with the criteria set forth in N.J.S.A. 5:12-130, and shall be in full and final settlement of the allegations set forth in the above-captioned complaint.

The undersigned consent to the form and entry of the above Stipulation.



Dated: 3/8/11

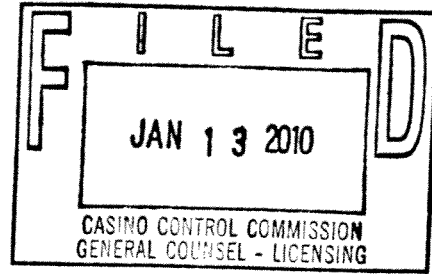
R. Lane Stebbins
Deputy Attorney General
Attorney for Complainant



Dated: 3/8/11

N. Lynne Hughes, Esq
Vice President Legal Affairs
Harrah's Atlantic City Operating
Company, LLC

ANNE MILGRAM
 Attorney General of New Jersey
 Attorney for Complainant
 State of New Jersey
 Department of Law and Public Safety
 Division of Gaming Enforcement
 1300 Atlantic Avenue
 Atlantic City, New Jersey 08401



By: R. Lane Stebbins
 Deputy Attorney General
 609-317-6218

STATE OF NEW JERSEY
 CASINO CONTROL COMMISSION
 DOCKET NO:

10-0038-VC

STATE OF NEW JERSEY, DEPARTMENT
 OF LAW AND PUBLIC SAFETY,
 DIVISION OF GAMING ENFORCEMENT,

Complainant,

v.

HARRAH'S ATLANTIC CITY OPERATING
 COMPANY, LLC, d/b/a HARRAH'S MARINA
 HOTEL & CASINO, Respondent

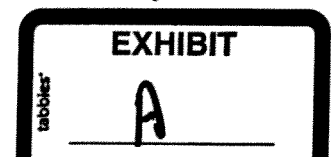
Civil Action

COMPLAINT

Complainant, State of New Jersey, Department of Law and Public Safety,
 Division of Gaming Enforcement ("Division"), located at 1300 Atlantic Avenue, Atlantic
 City, New Jersey 08401, says:

COUNT I (November 16, 2008)

1. Respondent, Harrah's Atlantic City Operating Company, d/b/a



Harrah's Marina Hotel & Casino (hereinafter "Harrah's") is a New Jersey enterprise having its principal place of business located at 777 Harrah's Boulevard, Atlantic City, New Jersey 08401.

2. Harrah's is the holder of a casino license first issued by the Casino Control Commission ("Commission") on or about November 19, 1981 and most recently renewed on or about June 18, 2008 to be effective July 1, 2008. At all times relevant herein, Harrah's was authorized to conduct casino gaming within its casino hotel facility.

3. N.J.A.C. 19:45-1.11 provides, in pertinent part, that:

(a) Each casino licensee's system of internal controls shall, in accordance with the provisions of N.J.A.C. 19:45-1.11A, include tables of organization. Each casino licensee shall be permitted, except as otherwise provided in this section and N.J.A.C. 19:53-1.4, to tailor its organizational structure to meet the needs or policies of its own particular management philosophy.... Each casino licensee's tables of organization shall provide for:

2. The segregation of incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties.

4. N.J.A.C. 19:45-1.15 provides in pertinent part that:

(a) The assets for which the general cashiers are responsible shall be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift shall record on a Cashiers' Count Sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories and shall reconcile the

total closing inventory with the total opening inventory.

(b) At the opening of every shift, in addition to the imprest funds normally maintained by the general cashiers, each casino licensee shall have on hand in the cage or readily available thereto, a reserve cash bankroll adequately funded to pay winning patrons.

c) Except as otherwise authorized by N.J.A.C. 19:45-1.14(i), the cashiers' cage and any satellite cage shall be physically segregated by personnel and function as follows:

1. **General cashiers shall operate with individual imprest inventories of cash** and, at the discretion of the casino licensee, slot tokens and gaming chips. [emphasis supplied]

xi. Receive from check, chip bank, master coin bank and reserve cash cashiers documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashiers' cage;

5. N.J.A.C. 19:45-1.11(b)1 provides, in pertinent part, that the mandatory surveillance department shall be responsible for:

vii. The detection of cheating, theft, embezzlement, and other illegal activities in the casino, casino simulcasting facility, count rooms, slot booths, and cashiers' cage;

6. As to Reserve Cashiers (also known as Main Bank Cashiers), N.J.A.C. 19:45-1.15(c) provides in pertinent part that:

4. Reserve cash ("main bank") cashiers' functions shall include, but are not limited to, the following:

iv. Prepare the overall cage reconciliation and accounting records;

- v. Prepare the daily bank deposit for cash and checks;
- viii. Receive from general, chip and check bank cashiers, documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashiers' cage;
- ix. Be responsible for the reserve cash bankroll;
- xvii. Prepare Cash Fills and Balance Receipts in accordance with N.J.A. C. 19:45-1.33A and 1.35A;

7. On November 16, 2008, the Main Bank of Harrah's facility was staffed by a Main Bank Cashier. On or about 6:45 p.m, according to the established schedule, the Main Bank Cashier departed the Main Bank area.

8. Subsequent to the events set forth in Paragraph 7, *supra*, a casino cage supervisor, MS, then assigned as a front line cashier whose duties were that of a General Cashier, entered the Main Bank of Harrah's cage facility at a time when the Main Bank cashier was absent from the work station.

9. While in the Main Bank, MS engaged in a series of actions including opening a sealed plastic bag containing currency which had been prepared for deposit, as required by N.J.A.C. 19:45-1.15(c)4v, and replacing 2 "straps" of currency having a denomination of \$50 with 2 "straps" of currency having a denomination of \$20 in a "bundle." This was done for the purpose of converting funds in the amount of \$8,000 to her own use from funds which had been prepared for deposit.

10. On November 17, 2008, Harrah's banking institution reported to Harrah's that the funds delivered to the bank for deposit, which were required to be prepared by a Main Bank cashier, were \$8,000 less than represented on the deposit documentation.

11. Harrah's surveillance department failed to detect the theft by MS, as described in Paragraph 9, *supra*, which resulted in the deposit shortage.

12. Based upon the information in Paragraphs 1 through 11, *supra*, Harrah's permitted a casino cage supervisor, MS, then assigned as a front line cashier, to enter the Main Bank at a time when the Main Bank cashier was absent, and, as a result, failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2.

13. Based upon the information in Paragraphs 1 through 11, *supra*, Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii.

WHEREFORE, Complainant demands judgment as follows:

A. Judgment that Respondents Harrah's permitted a casino cage

supervisor, MS, then assigned as a front line cashier, to enter the Main Bank at a time when the Main Bank cashier was absent, and, as a result, failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2;

B. Judgment that Respondent Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii;

C. Judgment imposing an appropriate monetary penalty pursuant to N.J.S.A. 5:12-129(5) upon Harrah's for said violations; and,

D. Judgment imposing such other relief as the Commission in its discretion may deem just and appropriate.

COUNT II (December 28, 2008)

14. Paragraphs 1 through 13 of COUNT I are incorporated by reference herein and made a part hereof as if set forth at length herein.

15. On December 28, 2008, at approximately 4:52 p.m., a casino cage supervisor, MS, then assigned as a front line cashier, entered the Main Bank of Harrah's cage facility.

16. MS removed currency, that is, \$5,000 (in \$100 bills), from a "bundle" of currency. MS held the \$5,000 in currency beneath other papers, including a Bankroll Increase Request form which she had prepared for her imprest cashier drawer, in her hand. The actions by MS were done for the purpose of converting the funds, in the amount of \$5,000, to her own use and concealing the theft.

17. MS handed the papers, including a Bankroll Increase Request form, to the Main Bank cashier and, in exchange for the Bankroll Increase Request, the Main Bank cashier transferred currency in the amount specified by the form to MS.

18. The reconciliation by the Main Bank cashier for December 28, 2008, required pursuant to N.J.A.C. 19:45-1.15(c)4iv, resulted in a determination that the Main Bank had a negative variance (shortage) of approximately \$5,000 while the imprest amount of casino cage supervisor, MS, reflected no variance.

19. Harrah's surveillance department failed to detect the theft by MS which resulted in the Main Bank shortage of \$5,000.

20. Based upon the information in Paragraphs 1 through 19, *supra*, Harrah's, by permitting a casino cage supervisor then functioning as a front line cashier to enter the Main Bank, failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2.

21. Based upon the information in Paragraphs 1 through 19, *supra*, Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii.

WHEREFORE, Complainant demands judgment as follows:

A. Judgment that Respondents Harrah's, permitted a casino cage supervisor, MS, to enter the Main Bank at a time when the supervisor was functioning as a front line cashier and, as a result, failed to segregate incompatible functions, in violation of N.J.A.C. 19:45-1.11(a)2;

B. Judgment that Respondent, Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii;

C. Judgment imposing an appropriate monetary penalty pursuant to N.J.S.A. 5:12-129(5) upon Harrah's for said violations; and,

D. Judgment imposing such other relief as the Commission in its discretion may deem just and appropriate.

COUNT III (January 1, 2009)

22. Paragraphs 1 through 21 of COUNTS I and II are incorporated by reference herein and made a part hereof as if set forth at length herein.

23. On January 1, 2009, four cage cashier supervisors, MS, CM, LH, and RS, at various times, performed the functions of a general cashier at a casino cage window while utilizing a single imprest cash inventory.

24. On January 1, 2009, at approximately 4:45 p.m., MS, one of the four cage cashier supervisors referred to in Paragraph 24, *supra*, removed currency in the amount of \$5,000 from the drawer shared by the four cage cashier supervisors. MS ultimately placed the currency in her pocket.

25. On January 1, 2009, the reconciliation of the shared cashier drawer resulted in a determination that the drawer was short by \$5,195. As four cage cashier supervisors were utilizing a single cash imprest inventory all four individuals were disciplined by Harrah's at that time. At a later date, upon determining that MS took the funds, Harrah's removed the disciplinary information from the personnel files of CM, LH, and RS.

26. The removal and conversion to personal use of the currency from the shared imprest drawer by MS was not a transaction authorized by N.J.A.C. 19:45-1.15.

27. Harrah's surveillance department failed to detect the theft by MS which resulted in the cash drawer imprest variance of \$5,195.

28. Based upon the information in Paragraphs 1 through 27, *supra*, Harrah's, permitted four casino cage supervisors, each then functioning as a front line cashiers, to have access to and share a single imprest inventory of currency, in violation of N.J.A.C. 19:45-1.15(c)1.

29. Based upon the information in Paragraphs 1 through 27, *supra*, Harrah's, by permitting four casino cage supervisors then functioning as a front line cashiers to have access to and share a single imprest inventory of currency, failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2.

30. Based upon the information in Paragraphs 1 through 27, *supra*, Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii.

WHEREFORE, Complainant demands judgment as follows:

A. Judgment that Respondent Harrah's, by permitting four casino cage supervisors, each then functioning as a front line cashiers, to have access to and share a single imprest inventory of currency, violated N.J.A.C. 19:45-1.15(c)1;

B. Judgment that Respondent Harrah's, by permitting four casino

cage supervisors then functioning as a front line cashiers to have access to and share a single imprest inventory of currency, failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2;

C. Judgment that Respondents Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii;

D. Judgment imposing an appropriate monetary penalty pursuant to N.J.S.A. 5:12-129(5) upon Harrah's for said violations; and,

E. Judgment imposing such other relief as the Commission in its discretion may deem just and appropriate.

COUNT IV (January 19, 2009)

31. Paragraphs 1 through 30 of COUNTS I, II and III are incorporated by reference herein and made a part hereof as if set forth at length herein.

32. N.J.A.C. 19:45-1.8(a) provides that:

"All original books records and documents pertaining to a casino licensee's operations and approved hotel shall be:

1. Prepared and maintained in a complete accurate and legible form;

33. N.J.A.C. 19:45-1.45(a) provides, in pertinent part, that signatures shall:

2. Signify that the signer has prepared forms, records, and documents, and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with this regulation and the casino licensee's system of internal accounting control.

34. On January 18, 2009, the Main Bank of Harrah's facility was staffed by a Main Bank Cashier. Prior to 7:53 p.m. the Main Bank Cashier departed the Main Bank area for a scheduled break thus leaving the Main Bank facility unattended.

35. Subsequent to the events set forth in Paragraph 34, *supra*, at approximately 7:53 p.m., a casino cage supervisor, MS, then assigned as a front line cashier, entered the Main Bank of Harrah's facility bringing with her several Bankroll Increase Request forms, including one in the amount of \$31,000 for her individual cashier drawer.

36. Between 7:53 p.m. and 8:18 p.m., MS, who was then alone in the Main Bank and who was at that time assigned as a front line cashier, engaged in a series of currency transactions, including preparing two Bankroll increases, one of which was in the amount of \$31,000 and was for her drawer. During these transactions, MS manipulated a bundle of currency "straps" and, in so doing, took \$5,000 thus leaving the bundle \$5,000 short.

37. At approximately 8:12 p.m., MS departed the Main Bank taking with her \$36,000 which represented the Bankroll increase in the amount of \$31,000 which she, herself, had requested and prepared, as described in Paragraph 35, *supra*, as well as the \$5,000 MS took from the bundle of currency referred to in Paragraph 36, *supra*.

38. At approximately 8:20 p.m., the cashier assigned to the Main Bank returned to the assigned work station. This cashier began to prepare the Bankroll increase requested by MS in the amount of \$31,000. Further, the Main Bank cashier signed the Bankroll Increase Request form prepared by MS, which signature purportedly indicated that the Main Bank cashier had prepared the Bankroll increase.

39. At approximately 8:20 p.m., MS returned to the Main Bank window to advise the Main Bank cashier that she (MS) had already prepared the increase and taken the money. The Main Bank cashier then ceased preparing the requested Bankroll increase.

40. On January 19, 2009, at approximately 8:11 a.m., the bundle of currency which MS had manipulated, as described in Paragraph 36, *supra*, was found to be \$5,000 short. Harrah's cage personnel notified the surveillance department of the shortage.

41. Harrah's surveillance department failed to detect the theft by MS which resulted in the Main Bank shortage of \$5,000.

42. Based upon the information in Paragraphs 1 through 41, *supra*, Harrah's, by permitting a casino cage supervisor, MS, then functioning as a front line cashier, to enter the Main Bank, failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2.

43. Based upon the information in Paragraphs 1 through 41, *supra*, Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii.

44. Based upon the information in Paragraphs 1 through 41, *supra*, Harrah's, by its Main Bank cashier signing a Bankroll increase document when the transaction was not performed by that cashier, violated N.J.A.C. 19:45-1.45(a).

45. Based upon the information in Paragraphs 1 through 41, *supra*, Harrah's, by its Main Bank cashier signing a Bankroll increase document when the transaction was not performed by the cashier, created a document which was not complete or accurate, violated N.J.A.C. 19:45-1.8(a)

WHEREFORE, Complainant demands judgment as follows:

A. Judgment that Respondent Harrah's, by permitting a casino cage

supervisor then functioning as a front line cashier to enter the Main Bank, failed to segregate incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties, in violation of N.J.A.C. 19:45-1.11(a)2;

B. Judgment that Respondent Harrah's, by its surveillance department, failed to detect theft, in violation of N.J.A.C. 19:45-1.11(b)1vii;

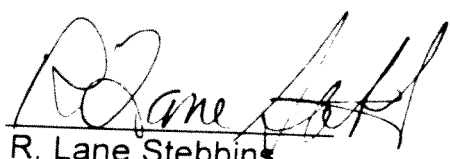
C. Judgment that Respondent Harrah's, by its Main Bank cashier signing a Bankroll increase document when the transaction was not performed by the cashier, violated N.J.A.C. 19:45-1.45(a);

D. Judgment that Respondent Harrah's, by its Main Bank cashier signing a Bankroll increase document when the transaction was not performed by the cashier created a document which was not complete or accurate, violated N.J.A.C. 19:45-1.8(a);

E. Judgment imposing an appropriate monetary penalty pursuant to N.J.S.A. 5:12-129(5) upon Harrah's for said violations; and,

F. Judgment imposing such other relief as the Commission in its discretion may deem just and appropriate.

Respectfully submitted,
ANNE MILGRAM
Attorney General of New Jersey
Attorney for Complainant

By: 
R. Lane Stebbins
Deputy Attorney General

Dated: *January 13, 2010*