

**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  
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STATE OF NEW JERSEY  
DOCKET NO. 09-0727-VC

STATE OF NEW JERSEY, DEPARTMENT	)
OF LAW AND PUBLIC SAFETY,	)
DIVISION OF GAMING ENFORCEMENT,	)
	)
Complainant,	)
	)
v.	)
	)
MARINA ASSOCIATES, d/b/a HARRAH'S	)
CASINO HOTEL ATLANTIC CITY,	)
	)
Respondent.	)
	)

Civil Action

STIPULATION OF  
SETTLEMENT

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 Resort Atlantic City, successor in interest to

MARINA ASSOCIATES, d/b/a HARRAH'S CASINO HOTEL ATLANTIC CITY ("Harrah's"), Respondent, by N. Lynne Hughes, Esq., Vice President Legal Affairs and Chief Legal Officer, 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 and INTERNAL CONTROLS**

3. N.J.A.C. 19:45-1.17(c) provides in pertinent part that:

"Except as otherwise provided in N.J.A.C. 19:45-1.38(e), 1.42(c), and (c)3 below, all slot cash storage boxes removed from bill changers shall be transported directly to and secured in the count room...

1. Upon its removal from a bill changer, a slot cash storage box shall be placed immediately in an enclosed trolley which is secured by two separately keyed locks.”

4. N.J.A.C. 19:45-1.42(d) provides in pertinent part that:

“In addition to complying with the procedures included in subsections (b) and (c) above, a casino licensee shall submit to the Commission for approval its procedures detailing how the slot drop bucket, slot drop box and slot cash storage box for each slot machine and attached bill changer on the gaming floor will be emptied or removed from its compartment when the casino is open to the public for 24 hours. Such submission shall include at least the following:

1. How patrons will be notified that a slot machine will be closed for emptying or removing slot drop buckets, slot drop boxes or slot cash storage boxes;
2. How patrons will be removed from slot aisles;
3. How the area will be secured while the slot drop buckets, slot drop boxes or slot cash storage boxes are emptied or removed; and
4. How the compartments in which the full slot drop buckets, slot drop boxes or slot cash storage boxes are transported, will be secured while they are in the casino.”

5. Harrah's approved internal control submission, as pertains to the requirements of N.J.A.C. 19:45-1.42(d)1 through (d)4, provides, at 1.42-5, that:

“One Casino Security Department representative will be

stationed near the trolley to guard and secure the contents of the trolley. At all times while on the casino floor, a Casino Security Department representative will be responsible for guarding the contents of the slot cash storage box trolley while it is stationary while slot cash storage boxes are being removed and when the trolley is being transported across the casino floor. The second Casino Security Department representative will be responsible for patron safety by requesting any patron whom may be playing a slot machine to momentarily suspend play and clear the aisle to allow for the removal of the slot cash storage box by a Count Room representative. Any non-drop team employees will also be requested to clear the aisle. After all patrons and non drop team employees have been cleared from the aisle, the Casino Security Department representative will station himself at the end of the slot aisle opposite the other Casino Security Department representative who is stationed at the slot cash storage box trolley. Both Casino Security Department representatives will prevent patrons and non-drop team employees from entering the slot aisle while the slot cash storage boxes are being collected. After the slot cash storage box trolley is in place at one end of the slot aisle and both Casino Security Department representatives are stationed at both ends of the slot aisle, a Count Room representative will remove the slot cash storage box from the bill changer compartment and replace an empty slot cash storage box into the bill changer compartment. The bill changer compartment will then be relocked. The slot cash storage boxes will then be immediately stored in the slot cash storage box trolley. Once the entire slot aisle of slot cash storage boxes containing currency are removed and placed onto the trolley, the trolley will be moved to the next slot aisle where the slot cash storage box collection procedures will be repeated.”

### **ALLEGATION AND ADMISSIONS**

6. The Division, by Complaint filed December 23, 2009, Docket No. 09-0727-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. On August 16, 2009, at approximately 6:30 a.m., Harrah's personnel were engaged in the process of picking up Slot Cash Storage Boxes ("SCSBs") from various slot machines on the casino floor according to a schedule submitted to and approved by the Commission.

b. The process of picking up SCSBs requires a slot machine to be opened utilizing a key; the unlocking, utilizing dual keys, of the SCSB within the slot machine; the removal of the SCSB from the slot machine bill changer; and, the insertion of an empty SCSB into the bill changer.

c. During the SCSB removal process at approximately 6:35 a.m., three SCSBs were removed from slot machines located at DS-07, DS-08 and DS-09. The referenced SCSBs were not secured in the trolley, rather, the three SCSBs were left on slot machine stools.

d. At approximately 6:37 a.m., the Harrah's personnel then engaged in the process of picking up the SCSBs left the area of slot machines located at DS-07, DS-08 and DS-09 and proceeded along the scheduled and approved route.

e. At approximately 7:11 a.m., the Harrah's personnel returned to the slot machines located at DS-07, DS-08 and DS-09 and retrieved the three unattended SCSBs from the stools.

f. On August 16, 2009, at approximately 6:30 a.m., Harrah's security personnel, as required by the approved internal controls, closed the aisle which included slot machines at locations DS-07, DS-08 and DS-09 to casino patrons so as to permit the process of picking up SCSBs from various slot machines. At approximately 6:38 a.m., prior to the retrieval of the three SCSBs which had been left unattended on slot machine stools, Harrah's security personnel reopened the aisle which included slot machines at locations DS-07, DS-08 and DS-09 to casino patrons so as to permit wagering by gaming patrons.

7. Harrah's admits the allegations as set forth in Paragraph 6, *supra*.

#### **Prior Regulatory History of the Licensee**

8. With regard to rules of the game, in the preceding 4 years, Harrah's has not been the subject of any regulatory complaint alleging violations related to the retrieval of slot cash storage boxes.

### **Corrective Action Of The Licensee And Mitigating Factors**

9. As a result of this incident, Harrah's issued a written warning and documented coaching to one count room attendant and one security officer involved, respectively. The second security officer was on his last day of employment with Harrah's at the time of the incident. He has since been separated from employment with Harrah's and listed as a "no re-hire".

10. In an effort to prevent a similar incident from occurring in the future, Harrah's has implemented new procedures that require Count Room personnel to inspect each section upon securing all SCSBs in the trolley and indicate to the assigned security officer(s) that the area is clear before moving the trolley to the next section. Security shall then communicate the all clear signal to the Surveillance Department prior to moving the trolley to the next section. All procedures regarding the collection of SCSBs, including these newly adopted procedures, were reinforced through read and sign documents with all members of the Count Room, Security Department and Surveillance Department.

### **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. Harrah's admits that its games personnel failed to properly retrieve and secure slot cash storage boxes as set forth in Paragraph 6 of this Stipulation, and, thus, violated of N.J.A.C. 19:45-1.17(c), N.J.A.C. 19:45-1.42(d) and it approved internal controls;

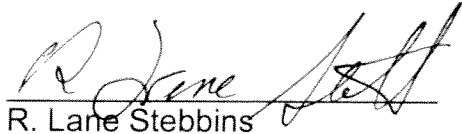
C. For the violations admitted in Paragraph B, *supra.*, Harrah's, shall pay to the New Jersey Casino Revenue Fund, as a civil penalty pursuant N.J.S.A. 5:12-129(5), and in recognition of the provisions of N.J.S.A. 5:12-130, the sum of \$10,000;

D. The parties agree that a monetary penalty, in the total amount of \$10,000 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.

[signature page follows]

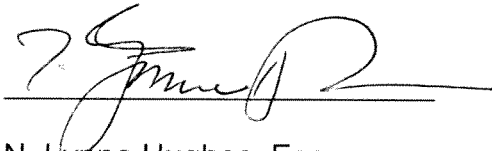


The undersigned consent to the form and entry of the above Stipulation.



R. Lane Stebbins  
Deputy Attorney General  
Attorney for Complainant

Dated: 3/8/11



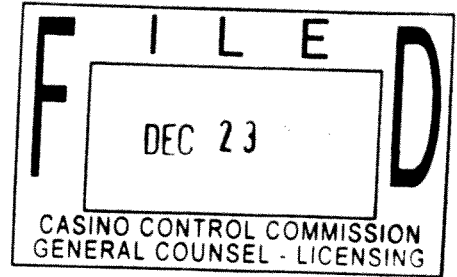
N. Lynne Hughes, Esq  
Vice President Legal Affairs  
Attorney for Respondent  
HARRAH'S ATLANTIC CITY  
OPERATING COMPANY, LLC

Dated: 3/8/11

**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

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Deputy Attorney General  
609-317-6817



STATE OF NEW JERSEY  
CASINO CONTROL COMMISSION  
DOCKET NO.: 09-0727-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

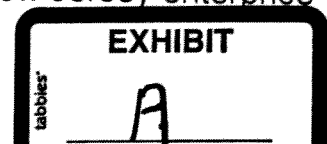
Civil Action

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**

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. 19:45-1.17(c) provides in pertinent part that:

Except as otherwise provided in N.J.A.C. 19:45-1.38(e), 1.42(c), and (c)3 below, all slot cash storage boxes removed from bill changers shall be transported directly to and secured in the count room...

1. Upon its removal from a bill changer, a slot cash storage box shall be placed immediately in an enclosed trolley which is secured by two separately keyed locks.

4. On August 16, 2009, at approximately 6:30 a.m., Harrah's personnel were engaged in the process of picking up Slot Cash Storage Boxes ("SCSBs") from various slot machines on the casino floor according to a schedule submitted to and approved by the Commission.

5. The process of picking up SCSBs requires a slot machine to be opened utilizing a key; the unlocking, utilizing dual keys, of the SCSB within the slot machine; the removal of the SCSB from the slot machine bill changer; and, the insertion

of an empty SCSB into the bill changer.

6. During the SCSB removal process as set forth in Paragraph 4, *supra*, at approximately 6:35 a.m., three SCSBs were removed from slot machines located at DS-07, DS-08 and DS-09. The referenced SCSBs were not secured in the trolley, rather, the three SCSBs were left on slot machine stools.

7. At approximately 6:37 a.m., the Harrah's personnel then engaged in the process of picking up the SCSBs left the area of slot machines located at DS-07, DS-08 and DS-09 and proceed along the scheduled and approved route.

8. At approximately 7:11 a.m., the Harrah's personnel return to the slot machines located at DS-07, DS-08 and DS-09 and retrieved the three unattended SCSBs from the stools.

9. Based upon the information set forth in Paragraphs 1 through 8, *supra*, Harrah's personnel failed to immediately place three SCSBs removed from slot machines in an enclosed trolley, in violation of N.J.A.C. 19:45-1.17(c).

WHEREFORE, Complainant demands judgment as follows:

A. Judgment that Respondent Harrah's failed to immediately place three SCSBs removed from slot machines in an enclosed trolley, in violation of N.J.A.C.

19:45-1.17(c);

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

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

### **COUNT II (Security)**

10. Paragraphs 1 through 9 of COUNT I are incorporated by reference herein and made a part hereof as if set forth at length herein.

11. N.J.A.C. 19:45-1.3 requires casino licensees, including Harrah's, to submit to the Commission for approval a narrative description of its system of internal controls which describes the procedures by which the licensee will conduct its operations.

12. N.J.A.C. 19:45-1.42(d) provides in pertinent part that:

In addition to complying with the procedures included in subsections ( b) and (c) above, a casino licensee shall submit to the Commission for approval its procedures detailing how the slot drop bucket, slot drop box and slot cash storage box for each slot machine and attached bill changer on the gaming floor will be emptied or removed from its compartment when the casino is open to the public for 24 hours. Such submission shall include at least the following:

1. How patrons will be notified that a slot

machine will be closed for emptying or removing slot drop buckets, slot drop boxes or slot cash storage boxes;

2. How patrons will be removed from slot aisles;

3. How the area will be secured while the slot drop buckets, slot drop boxes or slot cash storage boxes are emptied or removed; and

4. How the compartments in which the full slot drop buckets, slot drop boxes or slot cash storage boxes are transported, will be secured while they are in the casino.

13. Harrah's approved internal control submission, as pertains to the requirements of N.J.A.C. 19:45-1.42(d)1 through (d)4, provides, at 1.42-5, that:

One Casino Security Department representative will be stationed near the trolley to guard and secure the contents of the trolley. At all times while on the casino floor, a Casino Security Department representative will be responsible for guarding the contents of the slot cash storage box trolley while it is stationary while slot cash storage boxes are being removed and when the trolley is being transported across the casino floor. The second Casino Security Department representative will be responsible for patron safety by requesting any patron whom may be playing a slot machine to momentarily suspend play and clear the aisle to allow for the removal of the slot cash storage box by a Count Room representative. Any non-drop team employees will also be requested to clear the aisle. After all patrons and non drop team employees have been cleared from the aisle, the Casino Security Department representative will station himself at the end of the slot aisle opposite the other Casino Security Department representative who is stationed at the slot cash storage box trolley. Both Casino Security Department representatives will prevent patrons and non-drop team employees from entering the slot aisle while the slot cash storage boxes are being collected. After the slot cash storage box trolley is in place at one end of the slot aisle and both Casino Security Department representatives are stationed at both ends of the slot aisle, a Count Room representative will remove the slot cash storage box from the bill changer compartment and replace an empty slot cash storage box into the bill changer compartment. The bill changer compartment will then be relocked. The slot cash storage boxes will then be immediately stored in the slot

cash storage box trolley. Once the entire slot aisle of slot cash storage boxes containing currency are removed and placed onto the trolley, the trolley will be moved to the next slot aisle where the slot cash storage box collection procedures will be repeated.

14. On August 16, 2009, at approximately 6:30 a.m., Harrah's security personnel, as required by the approved internal controls as set forth in Paragraph 13, *supra*, closed the aisle which included slot machines at locations DS-07, DS-08 and DS-09 to casino patrons so as to permit the process of picking up SCSBs from various slot machines.

15. On August 16, 2009, at approximately 6:38 a.m., subsequent to the action as described in Paragraph 14, *supra*, but prior to the retrieval of the three SCSBs which had been left unattended on slot machine stools as described in Paragraph 8, *supra*, Harrah's security personnel reopened the aisle which included slot machines at locations DS-07, DS-08 and DS-09 to casino patrons so as to permit wagering by gaming patrons.

16. Based upon the information set forth in Paragraphs 1 through 15, *supra*, Harrah's security personnel failed to guard the contents of three slot cash storage boxes while slot cash storage boxes were being removed, in violation of N.J.A.C. 19:45-1.42(d), N.J.A.C. 19:45-1.3 and Harrah's approved internal controls at 1.42-5.

17. Based upon the information set forth in Paragraphs 1 through 15, *supra*, Harrah's security personnel failed prevent patrons and non-drop team employees from entering the slot aisle while the slot cash storage boxes were being

collected, in violation of N.J.A.C. 19:45-1.42(d), N.J.A.C. 19:45-1.3 and Harrah's approved internal controls at 1.42-5.

WHEREFORE, Complainant demands judgment as follows:

A. Judgment that Respondent Harrah's, by its security personnel, failed to guard the contents of three slot cash storage boxes while slot cash storage boxes were being removed, in violation of N.J.A.C. 19:45-1.42(d), N.J.A.C. 19:45-1.3 and the approved internal controls;

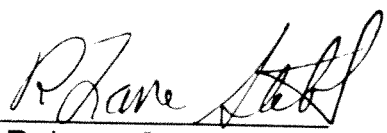
B. Judgment that Respondent Harrah's, by its security personnel, failed prevent patrons and non-drop team employees from entering the slot aisle while the slot cash storage boxes were being collected, in violation of N.J.A.C. 19:45-1.42(d), N.J.A.C. 19:45-1.3 and Harrah's approved internal controls at 1.42-5;

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.

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

By:   
R. Lane Stebbins  
Deputy Attorney General

Dated: *December 23, 2007*