



*State of New Jersey*

Chris Christie  
*Governor*

Office of the Attorney General  
Department of Law and Public Safety  
Division of Gaming Enforcement  
1300 Atlantic Avenue  
Atlantic City, NJ 08401

Paula T. Dow  
*Attorney General*

Kim Guadagno  
*Lt. Governor*

David Rebeck  
*Acting Director*

May 24, 2011

LETTER/ORDER

N. Lynne Hughes, Esq.  
Vice President of Legal Affairs  
Bally's Park Place, Inc.  
Park Place and The Boardwalk  
Atlantic City, NJ 08401

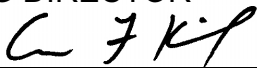
RE: STATE v. MARINA ASSOCIATES, d/b/a HARRAH'S MARINA HOTEL AND CASINO,  
ATLANTIC CITY  
DOCKET #: 10-0129-VC

Dear Ms. Hughes:

Per the stipulation of settlement agreed to between you and the Division of Gaming Enforcement in the above referenced case, the settlement is hereby APPROVED. You are directed to remit the civil penalty amount of \$20,000 to the Division upon receipt of an invoice from the Division's Financial Department.

Respectfully submitted,

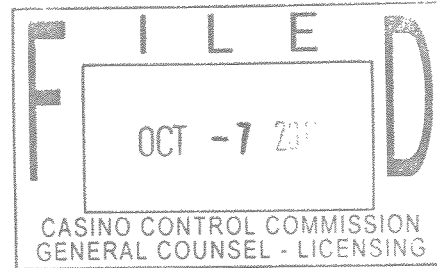
DAVID REBUCK  
ACTING DIRECTOR

By:   
Charles F. Kimmel  
Deputy Attorney General

kd  
c: Kevin Garvey, Financial Dept.  
Kathryn Durning, ELS



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: Charles F. Kimmel  
Deputy Attorney General  
(609) 441-3431

STATE OF NEW JERSEY  
CASINO CONTROL COMMISSION  
DOCKET NO. 10-0129-VC

MARINA ASSOCIATES, D/B/A  
HARRAH'S ATLANTIC CITY HOTEL  
AND CASINO

By: N. Lynne Hughes, Esq.  
Vice President of Legal Affairs,  
Harrah's Eastern Division  
(609) 340-2120

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

Complainant,

v.

MARINA ASSOCIATES,  
d/b/a HARRAH'S MARINA  
HOTEL AND CASINO, ATLANTIC CITY,

Respondent

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CIVIL ACTION

STIPULATION OF

SETTLEMENT

The matters in the above-captioned contested case having been discussed by

and among the parties involved, Paula T. Dow, Attorney General of New Jersey, Department of Law and Public Safety, Division of Gaming Enforcement ("Division"), Complainant, by Charles F. Kimmel, Deputy Attorney General; and Marina Associates, d/b/a Harrah's Atlantic City Hotel and Casino ("Harrah's"); represented by N. Lynne Hughes, Esq., and the following Stipulation of Facts and Conclusions of Law having been agreed to, it is hereby agreed and consented to among the parties that:

1. Respondent, Marina Associates, d/b/a Harrah's Marina Hotel & Casino, Atlantic City (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 renewed continually thereafter.

3. At all times relevant herein, Harrah's was authorized to conduct casino gaming within its casino hotel facility.

4. Harrah's uses an SDS computer system manufactured by Bally Technologies to record and monitor the activity of its slot machines. The SDS system reads and records all slot machine and bill changer meters and stores such data. At least once a week, such data is read in conjunction with the slot machine drop

schedule so as to compare the electronic data with the actual contents of the slot machines' cash storage boxes. Such data is used to support revenue and tax calculations. The SDS system also hosts the casino's slot voucher system.

5. The SDS system is required by N.J.A.C. 19:45-1.55(f)(3) to have a backup system onto which data is periodically moved. The backup system is to consist of a removable storage media such as magnetic tape onto which data is transferred so it can then be removed from the live SDS system.

6. The SDS system in use at Harrah's used a magnetic tape backup system onto which data was moved on a monthly basis. The SDS computer system used a compression utility as part of its operating system which would compress the data and move the compressed data to the magnetic tape. Due to a limitation in the operating system, only 2 gigabytes of data could be compressed and transferred onto the magnetic tape. Once the limitation was exceeded, additional data would not be saved.

7. Each day's worth of data was transformed into a file for transfer to the magnetic tape. Once the 2 gigabyte size limitation would be reached, additional days were not stored on the tape. If the data from days one through twenty of a month reached the limit, then the data from day 21 through the rest of the month was lost and could not be recovered.

8. The Division was conducting an investigation into a patron complaint and

attempted to retrieve slot meter data for May 23, 2009. The data was not included on the archive tape for May 2009 as the size limitation had been reached and no data was saved for May 20 through May 31, 2009. Further investigation revealed that because of the number of unredeemed slot vouchers which had begun to build up from the time Harrah's commenced using vouchers in 2003, data began to be lost in October 2008.

9. From October 2008 through October 2009, 154 days worth of data was permanently removed from the live SDS system and was not archived on magnetic tape due to the space limitation in the compression system. Such data is permanently lost. The Division was unable to complete the investigation referred to in Paragraph 8 above due to the data loss by Respondent. Specifically, data was permanently lost as follows: May 2008, 2 days of data; June 2008, 5 days; July 2008, 7 days; August 2008, 9 days; September 2008, 4 days; October 2008, 5 days; November 2008, 4 days; December 2008, 4 days; January 2009, 8 days; February 2009, 9 days; March 2009, 9 days; April 2009, 10 days; May 2009, 11 days; June 2009, 13 days; July 2009, 18 days; August 2009, 19 days; and September 2009, 17 days.

10. In October 2009, Harrah's began to separate different types of data for archival storage and has now resolved the issue. Data since October 2009 is fully retained as required.

11. The missing data includes meter data used to calculate slot win. N.J.A.C. 19:45-1.8(c)(3) requires that such data be retained for a period of four years.

12. On the basis of the information set forth in Paragraphs 4 through 9 above, Respondent Harrah's has violated N.J.A.C. 19:45-1.8(c)(3) and N.J.A.C. 19:45-1.55(f)(3).

It is therefore STIPULATED AND AGREED to among the Parties that:

- A. The facts stated herein are true and accurate;
- B. On the basis of the information contained in Paragraphs 4 through 11, Respondent Harrah's has violated N.J.A.C. 19:45-1.55(f)(3) and N.J.A.C. 19:45-1.8(c)(3);
- C. As a sanction for the foregoing violations, Harrah's agrees to pay a civil penalty of \$1000 for each of the eleven months in which less than ten days worth of data was lost and \$1500 for each of the six months in which ten or more days worth of data was lost. A total civil penalty of \$20,000 shall be imposed.

This agreement is subject to the approval of the Casino Control Commission and is not effective without that approval. The parties understand that this settlement agreement shall not preclude the Casino Control Commission from reviewing and considering any facts, including those which formed the basis for the Division's Complaint, in any future proceeding relating to any application for licensure or qualification of the licensee.

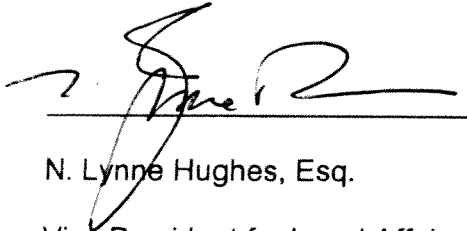
The undersigned consent to the form and entry of the above Stipulation.

  
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Dated: 09/30/2010

Charles F. Kimmel

Deputy Attorney General

  
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Dated: 9/23/10

N. Lynne Hughes, Esq.

Vice President for Legal Affairs, Harrah's Eastern Division

Respondent ~~Marina Associates,~~

~~d/b/a Harrah's Atlantic City Hotel and Casino~~

Harrah's Atlantic City Operating Company, LLC,  
Successor in interest to Marina Associates