

**STATE OF NEW JERSEY
Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
Dkt No. 12- 0344-VC**

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

Petitioner,

v.

**GOLDEN NUGGET ATLANTIC CITY,
LLC,, d/b/a Golden Nugget Hotel
Casino,**

Respondent.

ORDER

The Division filed a complaint on May 29, 2012, Docket No. 12-0344-VC, seeking sanctions against GOLDEN NUGGET ATLANTIC CITY, LLC, d/b/a Golden Nugget Hotel Casino ("GOLDEN NUGGET") for reasons set forth therein and, more specifically that GOLDEN NUGGET failed to identify, investigate and report slot machine variances to the Division; and

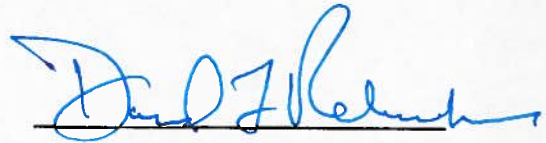
Having considered the relevant provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., and the regulations promulgated thereunder, specifically N.J.A.C. 19:45-1.42(r) and N.J.A.C. 13:69D-1.43A(m); and

Having considered the Stipulation of Settlement which the parties executed and

finding sufficient legal and factual support for the recommended penalty therein.

I hereby **ORDER** that the settlement be adopted and that a civil penalty in the amount of \$12,500 be imposed upon GOLDEN NUGGET, payable upon receipt of an invoice from the Division.

Dated: December 7, 2012



DAVID L. REBUCK
DIRECTOR

JEFFREY S. CHIESA
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
DIVISION OF GAMING ENFORCEMENT
DOCKET NO.: 12-0344-VC

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STATE OF NEW JERSEY, DEPARTMENT)	
OF LAW AND PUBLIC SAFETY,)	
DIVISION OF GAMING ENFORCEMENT,)	Civil Action
)	
Complainant,)	
)	STIPULATION OF
)	SETTLEMENT
v.)	
GOLDEN NUGGET ATLANTIC CITY,)	
LLC, d/b/a Golden Nugget Hotel)	
Casino,)	
)	
Respondent.)	
_____)	

The matters involved in the above-captioned action, having been discussed by and between the parties involved, Jeffrey S. Chiesa, Attorney General of New Jersey, Department of Law and Public Safety, Division of Gaming Enforcement ("Division"), by R. Lane Stebbins , Deputy Attorney General, and GOLDEN NUGGET

ATLANTIC CITY, LLC, d/b/a Golden Nugget Hotel Casino ("Golden Nugget"), Respondent, by Pacifico Agnellini, Esq., Counsel for Respondent, and said matters having been resolved, it is hereby consented to and agreed by and between the parties.

PRELIMINARY FACTS

1. Respondent, Golden Nugget is a New Jersey enterprise having its principal place of business located at 1 Castle Boulevard, Atlantic City, New Jersey 08401.

2. Golden Nugget is the holder of a casino license issued by the Casino Control Commission ("Commission") on or about June 14, 2011. At all times relevant herein, Golden Nugget was authorized to conduct casino gaming within its casino hotel facility.

APPLICABLE LAW

3. Prior to November 14, 2011, N.J.A.C. 19:45-1.42(r) provided, in pertinent part, that:

Whenever there is a variance of more than two percent and more than \$100 between the value of cash, gaming vouchers or coupons removed from a bill changer's slot machine cash storage box and the corresponding cash box meter reading, and, if applicable the value of the coupon meter, the value non-cashable coupon meter and the value voucher-in meter readingthe casino accounting department shall perform the following procedures:

1. If the variance exists in the value of cash, confirm the variance...
2. If the variance exists in the value of either gaming vouchers or coupons, confirm the variance...
3. The casino licensee shall be required to have its slot department, in cooperation with its casino accounting department, investigate the cause of each variance identified ... and prepare and file an incident report documenting such variance with the casino controller, the director of surveillance, the Commission and Division. The casino licensee shall report the actual cause of the variance unless such cause cannot be definitively determined after a diligent investigation, in which case the probable cause of the variance shall be reported. The incident report shall be a report of all bill changers with reportable variances and shall be filed within three weeks from the completion of the weekly slot cash storage box pickup...

4. Effective November 14, 2011, N.J.A.C.13:69D-1.43A(m) provides,

in pertinent part, that:

Whenever there is a variance of more than \$500.00 between the value of cash, gaming vouchers, or coupons removed from a bill changer's slot cash storage box to their corresponding meters as recorded on a report generated by the slot monitoring system, a casino licensee shall:

1. Cause a member of its slot department, in conjunction with its casino accounting department, to investigate the cause of each variance;
2. Prepare and file an incident report with the Division no later than three weeks after the completion of the corresponding slot or table game cash storage box pickup documenting each such variance; and
3. Include on the incident report the following for each bill changer with a reportable variance:
 - i. The date of the meter reading;
 - ii. The date the report was filed;
 - iii. The amount of the variance, by denomination, with the exception of gaming vouchers, which shall be by total value;

- iv. The asset number of the bill changer involved;
- v. The amount of the variance by currency, gaming vouchers, and/or coupons;
- vi. The cause of the variance with any documentation attached to support the explanation;
- vii. The manufacturer and model number of the slot machine to which the bill changer is attached or embedded; and
- viii. The signature and credential number of the preparer.

ALLEGATION AND ADMISSIONS

5. The Division, by Complaint filed May 29, 2012, Docket No. 12-0344-VC, a copy of which is attached hereto as Exhibit "A", sought sanctions against Golden Nugget for reasons set forth therein and, more specifically that Golden Nugget failed to identify, investigate and report to the Division slot machine variances as required by N.J.A.C. 19:45-1.42(r) and N.J.A.C.13:69D-1.43A(m).

6. On various dates prior to May 29, 2012, the Division advised Golden nugget of the necessity to identify, investigate and report slot machine variances.

7. Respondent Golden Nugget acknowledges the accuracy of the facts set forth in Paragraphs 5 and 6, *supra*, and admits that, after notice from the Division, it failed to identify, investigate and report to the Division slot machine variances as required by N.J.A.C. 19:45-1.42(r) and N.J.A.C.13:69D-1.43A(m).

PRIOR REGULATORY HISTORY OF THE LICENSEE

8. Golden Nugget has not been the subject of prior regulatory action involving the identification, investigation and reporting of slot machine variances.

Corrective Action Of The Licensee And Mitigating Factors

9. In the fall of 2011, Golden Nugget began the process of implementing a new windows based data management system. This implementation was the beta test for the new windows based system in New Jersey and was implemented with the assistance and oversight of the Division. There were many technical issues with the system that had to be resolved, one of which was the reporting by the system of "false positives" with respect to variances. The new software processor was having great difficulty interfacing with the years of "homegrown" software patches that had been developed and deployed in the old data management system. The GNAC Controller had discussions with Division staff about this situation during the fall and winter of 2012. However, this former Controller mistakenly believed that since he was sure some of the variances were "false positives", that none of the variances needed to be reported.

10. Immediately upon the filing of the complaint in this matter, Golden Nugget began to generate variance reports every three (3) weeks detailing all variances and providing an explanation for each variance (regardless of whether or not any variance had been determined to be a "false positive") all in accordance with the

applicable regulations.

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 Golden Nugget, admits that it violated the provisions of the Act and the regulations, specifically N.J.A.C. 19:45-1.42(r) and N.J.A.C.13:69D-1.43A(m) in that after notice from the Division, it failed to identify, investigate and report to the Division slot machine variances as required.

- C. For the violations admitted in Paragraphs B, *supra.*, Respondent, Golden Nugget, 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 \$12,500.

- D. The parties agree that a monetary penalty, in the total amount of \$12,500 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: December 7, 2012

R. Lane Stebbins
Deputy Attorney General
Attorney for Complainant



Dated: 12/7/12

Pacifico Agnellini, Esq.,
Counsel for Respondent
Golden Nugget Atlantic City, LLC
d/b/a Golden Nugget Hotel Casino

JEFFERY S. CHIESA
Attorney General of New Jersey
State of New Jersey
Department of Law and Public Safety
Division of Gaming Enforcement
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Atlantic City, New Jersey 08401

By: R. Lane Stebbins
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STATE OF NEW JERSEY
DIVISION OF GAMING ENFORCEMENT
DOCKET NO. 12-0344-VC

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GAMING ENFORCEMENT,)	
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Complainant,)	Civil Action
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GOLDEN NUGGET ATLANTIC CITY,)	
LLC,, d/b/a Golden Nugget Hotel)	
Casino,)	
)	
Respondent.)	

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
(Pre-November 14, 2011)



1. Respondent, GOLDEN NUGGET ATLANTIC CITY, LLC, d/b/a Golden Nugget Hotel Casino ("Golden Nugget") is a New Jersey enterprise having its principal place of business at 1 Castle Boulevard, Atlantic City, New Jersey 08401.

2. Golden Nugget is the holder of a plenary casino license first issued by the Casino Control Commission ("Commission") on June 14, 2011. At all times relevant herein, Golden Nugget was authorized to conduct casino gaming within its casino hotel facility.

3. Prior to November 14, 2011, N.J.A.C. 19:45-1.42(r) provided, in pertinent part, that:

Whenever there is a variance of more than two percent and more than \$100 between the value of cash, gaming vouchers or coupons removed from a bill changer's slot machine cash storage box and the corresponding cash box meter reading, and, if applicable the value of the coupon meter, the value non-cashable coupon meter and the value voucher-in meter readingthe casino accounting department shall perform the following procedures:

1. If the variance exists in the value of cash, confirm the variance...
2. If the variance exists in the value of either gaming vouchers or coupons, confirm the variance...
3. The casino licensee shall be required to have its slot department, in cooperation with its casino accounting department, investigate the cause of each variance identified ... and prepare and file an incident report documenting such variance with the casino controller, the director of surveillance, the Commission and Division. The casino licensee shall report the actual cause of the variance unless such cause cannot be definitively determined after a diligent investigation, in which case the probable cause of the variance shall be reported, The incident report shall be a report of all bill changers with reportable variances and shall be filed within three

weeks from the completion of the weekly slot cash storage box pickup...

4. Commencing on or about September 13, 2011, and continuing to November 14, 2011, Golden Nugget experienced 934 reportable variances.

5. Commencing on or about September 13, 2011, Golden Nugget failed to compare the results of the count of the contents of the slot cash storage boxes to the meter readings of the corresponding slot machines. Accordingly, Golden Nugget failed to identify any of the 934 reportable variances.

6. Commencing on or about September 13, 2011, and continuing to November 14, 2011, Golden Nugget, having failed to identify reportable the 934 reportable variances, as alleged in Paragraph 4, failed to investigate the cause of any such reportable variances.

7. Commencing on or about September 13, 2011, and continuing to November 14, 2011, Golden Nugget, having failed to identify or investigate any of the 934 reportable variances, as alleged in Paragraphs 4 and 5, failed to prepare and file an incident report of the cause(s) of the reportable variances with the Division.

WHEREFORE, Complainant demands the following relief against Respondent, Golden Nugget:

A. Judgment that prior to November 14, 2011, Golden Nugget failed to confirm, investigate and prepare and file reports of 934 reportable variances, in violation of N.J.A.C. 19:45-1.42(r); and,

B. Judgment imposing against Golden Nugget a civil monetary penalty, pursuant to N.J.S.A. 5:12-129(5); and,

C. Judgment imposing against Golden Nugget such other and further relief as may be deemed just and appropriate under the circumstances.

COUNT II
(Post-November 14, 2011)

8. COUNT I is incorporated by reference herein and made a part hereof as if set forth at length.

9. Effective November 14, 2011, N.J.A.C.13:69D-1.43A(m) provides, in pertinent part, that:

Whenever there is a variance of more than \$500.00 between the value of cash, gaming vouchers, or coupons removed from a bill changer's slot cash storage box to their corresponding meters as recorded on a report generated by the slot monitoring system, a casino licensee shall:

1. Cause a member of its slot department, in conjunction with its casino accounting department, to investigate the cause of each variance;
2. Prepare and file an incident report with the Division no later than three weeks after the completion of the corresponding slot or table game cash storage box pickup documenting each such variance; and

3. Include on the incident report the following for each bill changer with a reportable variance:
 - i. The date of the meter reading;
 - ii. The date the report was filed;
 - iii. The amount of the variance, by denomination, with the exception of gaming vouchers, which shall be by total value;
 - iv. The asset number of the bill changer involved;
 - v. The amount of the variance by currency, gaming vouchers, and/or coupons;
 - vi. The cause of the variance with any documentation attached to support the explanation;
 - vii. The manufacturer and model number of the slot machine to which the bill changer is attached or embedded; and
 - viii. The signature and credential number of the preparer.

10. Subsequent to November 14, 2011, and continuing to March 5, 2012, Golden Nugget experienced 1398 cash variances greater than \$500 but failed to identify the variance or cause a member of its slot department, in conjunction with its casino accounting department, to investigate the cause of each variance. Further, Golden Nugget failed to timely prepare and file with the Division a report of such variances.

11. Subsequent to March 5, 2012 and continuing to April 15, 2012, Golden Nugget identified and investigated 388 cash variances greater than \$500 but failed to timely report the variances or the cause of the variance to the Division.

12. On May 14, 2012, Golden Nugget belatedly filed the variance incident report for the time period of April 2, 2012, through April 8, 2012.

13. Based upon the information in Paragraphs 8 through 13, above, Golden Nugget failed to identify, and investigate 1398 variances greater than \$500, and failed to prepare and file incident reports related to said variances with the Division.

14. Based upon the information in Paragraphs 8 through 12, above, Golden Nugget identified and investigated 388 variances greater than \$500 but failed to prepare and failed to timely file incident reports related to said variances.

WHEREFORE, Complainant demands the following relief against Respondent, Golden Nugget:

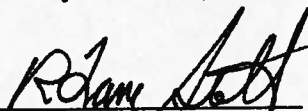
A. Judgment that subsequent to November 14, 2011, and continuing to March 5, 2012, Golden Nugget failed to identify, investigate, prepare and file incident reports related to 1398 variances greater than \$500, in violation of N.J.A.C.13:69D-1.43A(m);

B. Judgment that subsequent to March 5, 2012 and continuing to April 15, 2012, Golden Nugget failed to prepare and file incident reports with the Division related to 388 variances greater than \$500, in violation of N.J.A.C.13:69D-1.43A(m);

C. Judgment imposing against Golden Nugget a civil monetary penalty, pursuant to N.J.S.A. 5:12-129(5); and,

D. Judgment imposing against Golden Nugget such other and further relief as may be deemed just and appropriate under the circumstances.

Respectfully submitted,
JEFFERY S. CHIESA
Attorney General of New Jersey
Attorney for Complainant

By: 
R. Lane Stebbins
Deputy Attorney General

Dated: *May 27, 2012*
A-70-12-0200