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Attorney General of New Jersey  
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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  
DIVISION OF GAMING  
ENFORCEMENT

DOCKET NO. 12-0428-VC

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

Complainant,

v.

MARINA DISTRICT  
DEVELOPMENT CORPORATION  
d/b/a BORGATA HOTEL CASINO  
AND SPA

AND

GARY MARTIN,

Respondents.

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CIVIL ACTION

ORDER

The Division filed a Complaint against Marina District Development Corporation, d/b/a Borgata Hotel Casino and Spa ("Borgata"), and Gary Martin, alleging violations of

former regulations *N.J.A.C.* 19:45-1.27 and 19:45-1.45 pertaining to the casino's credit department.

Having considered the relevant provisions of the Casino Control Act, *N.J.S.A.* 5:12-1 et seq., and the regulations promulgated thereunder; and

Having considered the Stipulation of Facts, Conclusions of Law, and Settlement between the Division of Gaming Enforcement and Respondents Borgata and Gary Martin which all parties have executed, and finding sufficient legal and factual support for the recommended penalties agreed upon therein;

I ORDER that the Stipulation of Facts, Conclusions of Law, and Settlement be adopted; that a civil penalty of \$80,000.00 be imposed upon Respondent Borgata, payable upon receipt of an invoice from the Division; and that Respondent Borgata impose a 10 day suspension from employment of Respondent Martin, with credit for time previously suspended regarding this matter.

Dated: September 6, 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  
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CIVIL ACTION  
  
STIPULATION  
OF  
FACTS, CONCLUSIONS  
OF LAW, AND  
SETTLEMENT

The matters in the above-captioned contested case having been discussed by  
and among the parties involved, Jeffrey S. Chiesa, Attorney General of New Jersey,

Department of Law and Public Safety, Division of Gaming Enforcement ("Division"), Complainant, by Charles F. Kimmel, Deputy Attorney General; Marina District Development Corporation represented by Joseph Corbo, Esq., and Gary Martin, represented by John Donnelly, 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 District Development Corporation, d/b/a Borgata Hotel Casino and Spa ("Borgata") is a New Jersey enterprise having its principal place of business located at One Borgata Way, Atlantic City, New Jersey 08401.

2. Borgata is the holder of a casino license first issued by the Casino Control Commission ("Commission") in 2003 and renewed continually thereafter.

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

4. Respondent Gary Martin, at all relevant times herein, held a casino key employee license, #4152-11. At all times referenced herein, Respondent Martin was employed by Borgata as Director of Credit.

5. At all times herein, the Casino Control Commission's former

regulation N.J.A.C. 19:45-1.27 was effective and in force.

6. N.J.A.C. 19:45-1.27(a) required that a casino licensee segregate the duties of credit executives from the duties of credit clerks within the credit department. Pursuant to N.J.A.C. 19:45-1.27(c), credit clerks were to prepare a credit file by taking the application and performing certain enunciated verifications, including a check on the credit applicant's outstanding balances; the patron's residence; patron's checking account information (including type of account, signature authority, account number, average balance, current balance, date the account was opened, and the name of the person supplying the information); any outstanding indebtedness; casino credit history, and whether the patron has voluntarily suspended his credit privileges or is on the exclusion or self-exclusion list.

7. Credit executives who reviewed and approved credit applications were obligated pursuant to N.J.A.C. 19:45-1.27(a) to do so on the basis of account information gathered and verified by credit clerks. Credit executives were not permitted to do any of the account verifications required by N.J.A.C. 19:45-1.27(c). Performing such duties would be an incompatible function for a credit executive.

8. Credit clerks were required to gather the account information required by N.J.A.C. 19:45-1.27(c). Credit clerks were prohibited from making the determination whether to grant a new line of casino credit or to grant an increase to an existing line of casino credit.

9. From the time Respondent Borgata commenced operations in 2003 and continuing through 2011, Borgata credit executives on numerous occasions performed the functions of credit clerks by obtaining and verifying the information required by N.J.A.C. 19:45-1.27(c). Initially, this occurred because of the tremendous demand for credit at the time of the opening of Respondent's casino. Such practices eventually became part of the credit department's normal mode of operation. Respondent Martin failed to correct the actions. The Division's investigation demonstrated that for the three month period between January 2011 and April 2011, of the 431 initial credit applications received, 39 were actually signed by the credit executive as having verified information and performed functions which only a credit clerk could perform. The Division acknowledges that Respondents Borgata and Martin do not have actual knowledge of the exact number of applications where the credit executive performed the functions of the credit clerk. Respondents are choosing not to contest the Division's assertions.

10. On occasions during 2010, credit executives were scheduled for overnight shifts either without a credit clerk also being scheduled or with a credit clerk being out on leave so that credit executives had to perform the functions of both credit executives and credit clerks during such time periods.

11. At all times herein, the Casino Control Commission's former regulation N.J.A.C. 19:45-1.45 was effective and in force. Such regulation states that signatures shall signify that the preparer has personally signed prepared forms, records or

documents or has participated in a transaction so as to attest to the accuracy of the recorded information.

12. It became the standard operating procedure of Respondent Borgata, while under the direction of respondent Martin, for the license number of each credit executive to be written down near the computer of each credit clerk. If a credit executive were unavailable to personally approve a credit line or a credit line increase, a credit clerk would on occasion read the information via phone to a credit executive and complete the transaction if the credit executive gave verbal approval for the transaction. Rather than having the credit executive use his or her own password at the time when they returned to the credit department, the credit clerks would utilize the credit executives' license numbers which were stored near the computer. This practice compromised the reason for having personal passwords and violated N.J.A.C. 19:45-1.45.

13. In addition to having credit clerks use the license numbers of credit executives, Respondent Borgata's practice, while under the direction of Respondent Martin, was for credit executives who had improperly performed the functions of credit clerks by obtaining and verifying account information, to require credit clerks to sign the credit file as if the credit clerks had performed the verifications. The Division's investigation demonstrated that for the three month period between January 2011 and April 2011, of the 431 initial credit applications received, 121 were "signed" by a credit clerk but such credit clerk did not work on the date of the signing. This practice was in

effect from the time of Respondent Borgata's opening in 2003 through 2011. The Division acknowledges that Respondents Borgata and Martin do not have actual knowledge of the exact number of applications where the credit clerk who "signed" the application did not work on the day the application was signed. Respondents are choosing not to contest the Division's assertions.

14. Using the signature of a credit clerk so as not to accurately reflect the fact that the work had been performed by a credit executive violated N.J.A.C. 19:45-1.45.

15. On the basis of the information set forth in paragraphs 5 through 14, Respondents Borgata and Martin violated N.J.A.C. 19:45-1.27(a), -1.27(c), and -1.45.

16. As mitigation regarding the above-noted violations, it is noted and acknowledged that:

A. Respondent Martin did not personally profit from any actions cited herein;

B. Respondent Borgata ordered a review by its internal audit department and provided the results of the review to the Division when this matter became known to Borgata senior management after it was reported on its ethics hotline;

C. Respondent Borgata self-reported the results of its internal audit with the Division and shared the results of its internal audit with the Division;



D. Respondent Borgata imposed internal discipline and counseling for members of the credit department as a result of the review by its internal audit department. Borgata's Senior Vice President met with each credit clerk and credit executive, each of whom was required to sign a written acknowledgment confirming their respective understanding of applicable regulations and related policies and controls;

E. Respondent Martin submitted nine character reference letters on his behalf; and

F. Respondent Martin has been a credit employee or credit executive since 1985 and has never heretofore been cited for a regulatory violation.

G. Respondent Martin asserts that the practice of having credit executives' license numbers available to credit clerks did not actually compromise any passwords but rather allowed credit clerks to enter credit increases into the computer system on behalf of credit executives when such increases had been verbally approved.

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

A. The facts set forth herein are true and accurate;

B. On the basis of the information set forth herein, Respondents Borgata and Martin violated N.J.A.C. 19:45-1.45 by permitting credit clerks to use the license numbers of credit executives;

C. On the basis of the information set forth herein, Respondents Borgata and Martin violated N.J.A.C. 19:45-1.45 by allowing credit clerks to engage in a longstanding practice of signing account verifications which they had not performed so as not to accurately reflect the fact that such verifications were performed by a credit executive for whom it was an incompatible function to perform such verifications;

D. On the basis of the information set forth herein, Respondents Borgata and Martin violated N.J.A.C. 19:45-1.27(a) and (c) by permitting credit executives to perform the functions of credit clerks by gathering and verifying credit information;

E. As an appropriate sanction for the violations herein, and giving due weight to the mitigating factors set forth in Paragraph, Respondent Borgata agrees to pay a civil penalty of \$80,000.00;

F. As an appropriate sanction, Respondent Gary Martin agrees to accept, and Respondent Borgata agrees to impose, a ten day suspension of Respondent from employment. Respondent Gary Martin is to be given credit for any employment suspension previously served in connection with these regulatory violations.

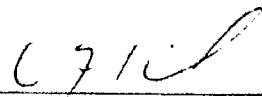
This stipulation is effective when approved and incorporated into an Order issued by the Director of the Division of Gaming Enforcement. The parties understand that this settlement agreement shall not preclude the Division or the Casino Control Commission from reviewing and considering any facts, including 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.

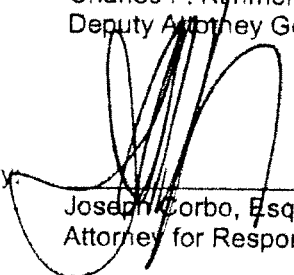
Dated: August 28, 2012

By:

  
Charles F. Kimmel  
Deputy Attorney General

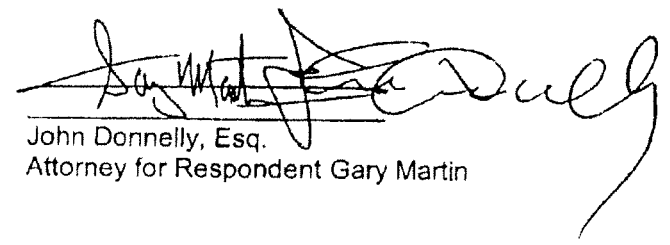
Dated: 8/31/12

By:

  
Joseph Corbo, Esq.  
Attorney for Respondent Borgata

Dated: August 29, 2012

By:

  
John Donnelly, Esq.  
Attorney for Respondent Gary Martin