



State of New Jersey

Philip D. Murphy
Governor

Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
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July 7, 2022

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Caesars Entertainment, Inc.
100 West Liberty Street, 12th Floor
Reno, NV 89501

Bessie A. Sacco, Esq.
Vice President & Chief Counsel, Regional Operations
Caesars Entertainment, Inc.
2831 Boardwalk
Atlantic City, NJ 08401

RE: Action in Lieu of Complaint

Dear Counsel:

The Division of Gaming Enforcement (Division) brings this Action in Lieu of Complaint against Boardwalk Regency, LLC (Caesars AC), Harrah's Atlantic City Operating Company, LLC (Harrah's AC), Tropicana Atlantic City Corp. (Trop AC), Caesars Enterprise Services, LLC (CES) and their ultimate parent company Caesars Entertainment, Inc. (CEI, and collectively with Caesars AC, Harrah's AC, Trop AC and CES, Caesars) concerning failure to comply with certain statutory and regulatory requirements set forth in the Casino Control Act (Act), *N.J.S.A. 5:12-1 et seq.*, and the regulations promulgated thereunder. In particular, Caesars has violated the provisions of *N.J.S.A. 5:12-91a* and *N.J.A.C. 13:69A-1.2* by employing, for a number of years, approximately 49 individuals in numerous positions throughout various departments, including in the areas of Purchasing, Information Technology (IT), Marketing, Human Resources, and Credit, without such employees holding the requisite casino employee registrations. Moreover, Caesars has violated the provisions of *N.J.A.C. 13:69C-9.3a* and *b*



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by failing to maintain complete, accurate, and current records for each of its employees, including license and registration numbers.

By notification dated May 3, 2021, Caesars self-reported to the Division that it had employed seven IT team members, consisting of two Senior Systems Analysts, one IT Manager, one Senior Programmer Analyst, two Lead Systems Analysts, and one Lead Programmer Analyst, who had inactive casino employee registrations. Caesars advised that it would continue to audit all employees with casino employee registrations to uncover any other inactive registrations. Caesars further advised that it would work internally to ensure that corporate employees would appear in the electronic data transfer employee reports that are sent to the Division once per month. See *N.J.A.C. 13:69C-9.3b*.

Thereafter, Caesars provided the Division with multiple reports which revealed further issues regarding the lack of necessary casino employee registrations. As of November 2021, Caesars appeared to have approximately 49 employees who were not properly credentialed due to either holding no casino employee registrations or holding inactive casino employee registrations. By communication dated November 24, 2021, the Division set a deadline of January 10, 2022 for Caesars to have those individuals properly registered. During the course of the Division's further review, additional information revealed that due to prior leaves of absences, resignations, or terminations, a total of approximately 37 active employees remained who were not properly registered. After several extensions of the initial January 10, 2022 deadline, these 37 active employees were properly registered as of February 4, 2022. Caesars will need to further address the proper registration of any employees who may be re-hired or return from leaves of absence, as applicable.

Furthermore, the Division notes, by way of background and as related to the matters which are the subject of this action, that pursuant to an earlier Caesars' self-report of February 25, 2021, Caesars had approximately 60 Casino Hotel Alcoholic Beverage (CHAB) employees working without the requisite casino employee registrations. Those CHAB employees were all properly registered by March 31, 2021. In recognition of the prompt correction of the failure to obtain credentials, no regulatory action had been taken in connection with the CHAB employee situation.

In pertinent part, Section 91a of the Act states that "[n]o person may commence employment as a casino employee unless such person has a valid registration on file with the division." Further, *N.J.A.C. 13:69A-1.2* sets forth a non-exhaustive list of positions requiring the employee "to hold, prior to such employment, a current and valid casino employee registration [...]." In the instant matter and as noted above, approximately 49 employees have been employed by Caesars for a number of years without active casino employee registrations. Accordingly, Caesars was in violation of the above-mentioned statute and regulation.

Moreover, *N.J.A.C. 13:69C-9.3a* mandates casino licensees to "maintain a complete, accurate and current record of each employee. . ." Specifically, *N.J.A.C. 13:69C-9.3b* requires each current employee's license or registration number, job title, and other relevant information

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to be reported via electronic data transfer on a monthly basis. As outlined above, Caesars did not submit proper monthly employee reports, where in some cases certain individuals were omitted from the monthly reports and in other cases the appropriate credential data was not included. Accordingly, Caesars was in violation of the above-mentioned regulation.

The Division therefore accepts the offer of Caesars to render a civil monetary penalty pursuant to *N.J.S.A. 5:12-123*, -129, and -130 in the amount of \$50,000 payable under the Act in accordance with *N.J.S.A. 5:12-145a*. Caesars has agreed to pay such amount in recognition of the seriousness of its failures related to non-compliance with the mandates of *N.J.S.A. 5:12-91a*, *N.J.A.C. 13:69A-1.2*, and *N.J.A.C. 13:69C-9.3a* and *b*. Any subsequent violations of the above-referenced or other statutes and regulations by Caesars may result in further regulatory action by the Division as appropriate under the circumstances.

Sincerely,

A handwritten signature in blue ink that reads "David Rebeck". The signature is fluid and cursive, with a horizontal line extending to the right.

DAVID REBUCK
DIRECTOR