



State of New Jersey

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Governor

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April 4, 2023

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Caesars Entertainment, Inc.
100 West Liberty Street, 12th Floor
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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*, *N.J.A.C. 13:69A-1.2*, and *N.J.A.C. 13:69C-9.2a* and *b* by actively employing three individuals with revoked, suspended, or inactive casino employee registrations. Caesars has also violated the provisions of *N.J.S.A. 5:12-91a* and *N.J.A.C. 13:69A-1.2* by actively employing 14 Casino Hotel Alcoholic Beverage (CHAB) employees without such employees holding the requisite casino employee registrations. Additionally, Caesars has violated the provisions of



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N.J.A.C. 13:69C-9.3a and *b* by failing to maintain complete, accurate, and current records for each of its employees, including registration numbers. As set forth below, such registration and reporting violations have been ongoing and pervasive, and as interrelated matters deriving from Caesars' continued employee audits, they warrant a third Action in Lieu of Complaint against Caesars for such conduct.

By way of background, on July 7, 2022, the Division issued an Action in Lieu of Complaint against Caesars for non-compliance with the credentialing and reporting requirements 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*. Caesars agreed to render a civil monetary penalty pursuant to *N.J.S.A. 5:12-123*, *-129*, and *-130* in the amount of \$50,000 in recognition of the seriousness of its failures. In conjunction with the issuance of the July 7, 2022 Action in Lieu of Complaint, the Division required monthly status updates as to Caesars' continued audits. These monthly updates revealed more credentialing and reporting violations. As a result, the Division issued a Warning Letter dated August 24, 2022 and, ultimately, a second Action in Lieu of Complaint dated November 22, 2022 in the amount of \$46,000 for non-compliance with the credentialing and reporting requirements of the above-referenced statutes and regulations. In conjunction with the issuance of the November 22, 2022 Action in Lieu of Complaint, the Division extended Caesars' obligation to submit monthly status updates.

The monthly updates for December 2022 and January 2023 revealed more credentialing and reporting violations, including information that Caesars had employed one individual with a revoked casino employee registration for approximately six months and two individuals with inactive casino employee registrations for approximately six months each, and that Caesars had reported a current employee with a valid casino employee registration under the registration number of a former employee whose casino employee registration had been revoked for approximately one year, in addition to a number of other reporting violations. As a result, the Division issued a Warning Letter dated January 4, 2023 and a further written notice dated January 18, 2023 regarding non-compliance with the credentialing and reporting requirements 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*. In conjunction with these communications, the Division advised that any additional failures by Caesars in relation to the above-referenced statutes and regulations would be subject to further regulatory action as determined by the Division. Furthermore, in light of those yet further violations, and due to Caesars' advisement that it would be conducting an audit of all property employees, the Division also extended Caesars' requirement to provide monthly status updates through April 2023.

Once again, the monthly updates for February and March 2023 included further violations 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*. One employee included in the February 2023 status update, Don Nguyen (DN), had worked as a Bartender at Trop AC for approximately three months without a proper credential in violation of *N.J.S.A. 5:12-91a* and *N.J.A.C. 13:69A-1.2*. Another employee, Lance Arlington (LA), had worked as a Bartender at Caesars AC with a revoked registration

for approximately four months, prior to termination, in violation of *N.J.S.A. 5:12-91a* and *N.J.A.C. 13:69A-1.2*. Another employee, Azizuddin Clark (AC), had worked as a Security Officer at Harrah's AC with a suspended registration for approximately one week prior to termination in violation of *N.J.S.A. 5:12-91a*, *N.J.A.C. 13:69A-1.2*, and *N.J.A.C. 13:69C-9.2a* and *b*. AC's termination was not processed in Caesars' HR system until nearly three weeks later, which resulted in AC appearing on the February employee report, thereby resulting in a reporting violation under *N.J.A.C. 13:69C-9.3a* and *b*. In regard to CHAB employees, Caesars' February and March 2023 status updates included information that seven warehouse employees who handled receipt and storage of alcohol inventory had worked without proper credentials and seven dining area attendants who handled alcohol had all worked without proper credentials for a number of years in violation of *N.J.S.A. 5:12-91a* and *N.J.A.C. 13:69A-1.2*. Caesars has advised that the job descriptions for warehouse employees and dining area attendants have been updated to note that a casino employee registration is required. Finally, in regard to reporting violations, the February 2023 status update included information that 27 employees were reported under incorrect registration numbers, in violation of *N.J.A.C. 13:69C-9.3a* and *b*. Caesars has advised that these clerical errors have been remedied.

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, 17 employees were employed by Caesars without proper casino employee registrations. Accordingly, Caesars was in violation of the above-mentioned statute and regulation. Additionally, of those 17 employees, 14 are CHAB employees. Pursuant to Order No. 2384 signed by the Director of the Division on April 12, 2022, Condition 4 requires the proper registration of individuals employed by Caesars who are responsible for alcoholic beverages. Caesars was therefore in violation of Order No. 2384 as well.

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 registration number to be reported via electronic data transfer on a regular basis. As outlined above, Caesars did not include correct registration numbers for 27 employees on its employee reports. 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 \$43,500 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 continued failures related to non-compliance with the mandates of *N.J.S.A. 5:12-91a*, *N.J.A.C. 13:69A-1.2*, *N.J.A.C. 13:69C-9.2a* and *b*, and *N.J.A.C. 13:69C-9.3a* and *b* following the issuance of Actions in Lieu of Complaint on July 7, 2022 and November 22, 2022 as well as other written warnings for the same

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type of violations. Any further violations of the above-referenced or other statutes and regulations by Caesars may result in additional regulatory action by the Division as appropriate under the circumstances.

Sincerely,

A handwritten signature in black ink, appearing to read "David Rebeck", with a long, sweeping horizontal stroke extending to the right.

DAVID REBUCK
DIRECTOR