State of New Jersey
OFFICE OF THE ATTORNEY GENERAL
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF GAMING ENFORCEMENT
1300 ATLANTIC AVENUE
ATLANTIC CITY, NJ 08401

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MARY JO FLAHERTY
Interim Director

June 24, 2025

Jeremy Kleiman, Esq.
Saiber LLC
18 Columbia Turnpike
Suite 200
Florham Park, NJ 07932

Re: Action in Lieu of Complaint

Dear Jeremy Kleiman:

The Division of Gaming Enforcement ("Division") brings this Action in Lieu of Complaint against Tipico NJ LLC d/b/a Tipico ("Tipico") concerning failures to comply with *N.J.S.A.* 5:12-71.2(a), *N.J.A.C.* 13:69D-2.3, *N.J.A.C.* 13:69G-2.4(a), and *N.J.A.C.* 13:69N-1.9(q) by sending promotional materials to self-excluded patrons and by allowing patrons to cash out wagers at inflated odds.

From August 2021 until May 2022, Tipico improperly sent 973 promotional emails to 162 self-excluded patrons. Additionally, due to its own internal staffing issues and personnel failures, Tipico failed to notice the error until March 2022. Tipico then failed to correct and report the error to the Division until May 2022.

While Tipico used a third-party provider to send those marketing emails to patrons, Tipico's marketing team was responsible for ensuring that the proper filters were entered into the third-party provider's system so that self-excluded patrons did not receive promotional emails. In August 2021, when Tipico's marketing team was configuring the third-party system to send and filter emails, it failed to notice that the filters were not operating properly. Tipico claimed that until the resignation of its former Head of U.S. Compliance in March 2022 these errors had been overlooked. Tipico later reported that to prevent this error from reoccurring, it had created an internal report that would flag and identify self-excluded patrons prior to any promotional emails being sent.

N.J.S.A. 5:12-71.2(a) provides, in pertinent part, that "The Division shall provide by regulation for the establishment of a list of persons self-excluded from gaming activities at all licensed casinos and simulcasting facilities..." *N.J.A.C.* 13:69G-2.4(a) also requires casino licensees to establish procedures to "ensure that self-excluded patrons do not receive, either from the casino licensee or any agent thereof, junket solicitations, targeted mailing, telemarketing promotions, player club materials or other promotional materials…" *N.J.A.C.* 13:69D-2.3 requires Tipico to ensure that "all software utilized works as intended and functions properly in compliance with the Division's rules prior to installation…" Furthermore, *N.J.A.C.* 13:69N-1.9(q) requires Tipico's sports pool system to have "controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers." Tipico's activities were contrary to those requirements.

Also, on January 13, and 15, 2024, a patron was able to cash out numerous wagers claimed by Tipico to be at erroneous odds which situation was caused by a system error. The Division's investigation revealed that the one patron placed 41 parlay wagers and cashed out at those purported inflated odds. The patron's 41 parlay wagers had a total stake of $28,029.26 and a total payout value of $39,593.26. Tipico claimed that its parlay odds provider had set incorrect odds for these parlay wagers which had caused the erroneous inflation of the cash out values. Tipico suspended all 41 withdrawal requests from the patron, pending further Division guidance as to a void request by Tipico, causing the patron to file a complaint with the Division, which has been addressed by the Division.

To prevent this error from reoccurring, Tipico and its odds provider implemented technological changes to prevent offering cash out values at higher odds than were available during the original wager. Tipico also implemented an error messaging system for its traders regarding parlay wagers, which notifies traders when odds are erroneously inflated.

In connection with this incident, Tipico failed to comply with *N.J.A.C.* 13:69D-2.3 and *N.J.A.C.* 13:69N-1.9(q). The failure of Tipico's internal software coupled with its manual errors caused inflated odds to be available on parlay wagers. Tipico's course of conduct was contrary to the policies of the Casino Control Act, *N.J.S.A.* 5:12-1 *et seq.*, the Sports Wagering Act, *N.J.S.A.* 5:12A-1 *et seq.*, and the Division's regulations.

Based upon these incidents, Tipico failed to comply with *N.J.S.A.* 5:12-71.2(a), *N.J.A.C.* 13:69D-2.3, *N.J.A.C.* 13:69G-2.4(a), and *N.J.A.C.* 13:69N-1.9(q). Tipico's internal software failure in various instances coupled with its manual errors allowed promotional emails to be sent to self-excluded patrons and allowed a patron to cash out wagers at higher odds than were available during their original wagers.

In recognition that Tipico no longer conducts gaming activities in New Jersey, the Division accepts the offer of Tipico to render a civil monetary penalty payment in the total amount of $25,000. While the Division will not institute further regulatory action beyond this Action in Lieu of Complaint with regard to the above-described matters, any additional violations of *N.J.S.A.* 5:12-71.2(a), *N.J.A.C.* 13:69D-2.3, *N.J.A.C.* 13:69G-2.4(a), and *N.J.A.C.* 13:69N-1.9(q) should Tipico return to the regulated New Jersey market, no matter how de minimis, will result in further disciplinary action by the Division.

Date: June 24, 2025

Sincerely,
Mary Jo Flaherty
Interim Director

By: Louis S. Rogacki
Louis S. Rogacki
Deputy Director

Cc: File: D-82-22-052, D-82-24-015

Bcc: Afshien Lashkari, Technical Services Bureau Chief