

1 NGC 09-01

2 STATE OF NEVADA
3 BEFORE THE NEVADA GAMING COMMISSION

4 STATE GAMING CONTROL BOARD,)

5 Complainant,)

6 vs.)

COMPLAINT

7 HARRAH'S LAS VEGAS, INC.)
8 dba HARRAH'S CASINO HOTEL LAS VEGAS)

9 Respondent.)

10 The State of Nevada, on relation of its STATE GAMING CONTROL BOARD (BOARD),
11 Complainant herein, by and through its counsel, CATHERINE CORTEZ MASTO, Attorney
12 General, by EDWARD L. MAGAW, Deputy Attorney General, hereby files this Complaint for
13 disciplinary action against HARRAH'S LAS VEGAS, INC., dba HARRAH'S CASINO HOTEL
14 LAS VEGAS (HARRAH'S), Respondent herein, pursuant to Nevada Revised Statute (NRS)
15 463.310(2) and alleges as follows:

16 JURISDICTION

17 1. Complainant, BOARD, is an administrative agency of the State of Nevada duly
18 organized and existing under and by virtue of Chapter 463 of the NRS and is charged with the
19 administration and enforcement of the gaming laws of this state as set forth in Title 41 of the
20 NRS (Nevada Gaming Control Act) and the Regulations of the Nevada Gaming Commission.

21 2. Respondent, HARRAH'S, located at 3475 South Las Vegas Boulevard, Las Vegas,
22 Nevada 89109, is the holder of a nonrestricted gaming license, and, as such, is charged with
23 the responsibility of complying with all of the provisions of the Nevada Gaming Control Act and
24 the Regulations of the Nevada Gaming Commission.

25 RELEVANT LAW

26 3. The Nevada Legislature has declared under NRS 463.0129(1) that:

27 (a) The gaming industry is vitally important to the economy
28 of the State and the general welfare of the inhabitants.

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1 (b) The continued growth and success of gaming is
2 dependent upon public confidence and trust that licensed gaming
3 and the manufacture, sale and distribution of gaming devices and
4 associated equipment are conducted honestly and competitively,
5 that establishments which hold restricted and nonrestricted
6 licenses where gaming is conducted and where gambling devices
7 are operated do not unduly impact the quality of life enjoyed by
8 residents of the surrounding neighborhoods, that the rights of the
9 creditors of licensees are protected and that gaming is free from
10 criminal and corruptive elements.

11 (c) Public confidence and trust can only be maintained by
12 strict regulation of all persons, locations, practices, associations
13 and activities related to the operation of licensed gaming
14 establishments, the manufacture, sale or distribution of gaming
15 devices and associated equipment and the operation of inter-
16 casino linked systems.

17 (d) All establishments where gaming is conducted and
18 where gaming devices are operated, and manufacturers, sellers
19 and distributors of certain gaming devices and equipment, and
20 operators of inter-casino linked systems must therefore be
21 licensed, controlled and assisted to protect the public health,
22 safety, morals, good order and general welfare of the inhabitants of
23 the State, to foster the stability and success of gaming and to
24 preserve the competitive economy and policies of free competition
25 of the State of Nevada.

26 NRS 463.0129(1)(a)-(d).

27 4. The Nevada Gaming Commission has full and absolute power and authority to limit,
28 condition, restrict, revoke or suspend any license, or fine any person licensed, for any cause
deemed reasonable. See NRS 463.1405(4).

5. The BOARD is authorized to observe the conduct of licensees in order to ensure
that the gaming operations are not being conducted in an unsuitable manner. See NRS
463.1405(1).

6. This continuing obligation is repeated in Nevada Gaming Commission Regulation
5.040, which provides as follows:

A gaming license is a revocable privilege, and no holder thereof shall be deemed to have acquired any vested rights therein or thereunder. The burden of proving his qualifications to hold any license rests at all times on the licensee. **The board is charged by law with the duty of observing the conduct of all licensees to the end that licenses shall not be held by unqualified or disqualified persons or unsuitable persons or persons whose operations are conducted in an unsuitable manner.**

Nev. Gaming Comm'n Reg. 5.040 (emphasis added).

1 7. Nevada Gaming Commission Regulation 5.010(2) provides that the "[r]esponsibility
2 for the employment and maintenance of suitable methods of operation rests with the licensee,
3 and willful or persistent use or toleration of methods of operation deemed unsuitable will
4 constitute grounds for license revocation or other disciplinary action." Nev. Gaming Comm'n
5 Reg. 5.010(2).

6 8. Nevada Gaming Commission Regulation 5.011 states in relevant part as follows:

7 The board and the commission deem any activity on the
8 part of any licensee, his agents or employees, that is inimical to the
9 public health, safety, morals, good order and general welfare of the
10 people of the State of Nevada, or that would reflect or tend to
11 reflect discredit upon the State of Nevada or the gaming industry,
12 to be an unsuitable method of operation and shall be grounds for
13 disciplinary action by the board and the commission in accordance
14 with the Nevada Gaming Control Act and the regulations of the
15 board and the commission. Without limiting the generality of the
16 foregoing, the following acts or omissions may be determined to be
17 unsuitable methods of operation:

18 1. Failure to exercise discretion and sound judgment to
19 prevent incidents which might reflect on the repute of the State of
20 Nevada and act as a detriment to the development of the industry.

21 Nev. Gaming Comm'n Reg. 5.011(1) (emphasis added).

22 9. Nevada Gaming Commission Regulation 5.030 provides as follows:

23 **Violation of any provision of the Nevada Gaming
24 Control Act or of these regulations by a licensee, his agent or
25 employee shall be deemed** contrary to the public health, safety,
26 morals, good order and general welfare of the inhabitants of the
27 State of Nevada and **grounds for suspension or revocation of a
28 license.** Acceptance of a state gaming license or renewal thereof
by a licensee constitutes an agreement on the part of the licensee
to be bound by all of the regulations of the commission as the
same now are or may hereafter be amended or promulgated. **It is
the responsibility of the licensee to keep himself informed of
the content of all such regulations, and ignorance thereof will
not excuse violations.**

Nev. Gaming Comm'n Reg. 5.030 (emphasis added).

10 10. Nevada Revised Statutes 463.310 states in relevant part as follows:

11 1. The Board shall make appropriate investigations:
12 (a) To determine whether there has been any violation of
13 this chapter or chapter 462, 464, 465 or 466 of NRS or any
14 regulations adopted thereunder.

1 (b) To determine any facts, conditions, practices or matters
2 which it may deem necessary or proper to aid in the enforcement
3 of any such law or regulation.

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5 2. If, after any investigation the Board is satisfied that a
6 license, registration, finding of suitability, pari-mutuel license or
7 prior approval by the Commission of any transaction for which the
8 approval was required or permitted under the provisions of this
9 chapter or chapter 462, 464 or 466 of NRS should be limited,
10 conditioned, suspended or revoked, it shall initiate a hearing before
11 the Commission by filing a complaint with the Commission in
12 accordance with NRS 463.312 and transmit therewith a summary
13 of evidence in its possession bearing on the matter and the
14 transcript of testimony at any investigative hearing conducted by or
15 on behalf of the Board.

16 NRS 463.310(1)(a) and (b), and (2).

17 11. Nevada Revised Statute 463.1405(3) provides:

18 3. The Board has full and absolute power and authority to
19 recommend the denial of any application, the limitation,
20 conditioning or restriction of any license, registration, finding of
21 suitability or approval, the suspension or revocation of any license,
22 registration, finding of suitability or approval or the imposition of a
23 fine upon any person licensed, registered, found suitable or
24 approved for any cause deemed reasonable by the Board.

25 NRS 463.1405(3).

26 12. Nevada Gaming Commission Regulation 22.115 states that "[a] book may not
27 unilaterally rescind any wager without the prior written approval of the chairman." Nev.
28 Gaming Comm'n Reg. 22.115.

13 13. A "wager" is defined under NRS 463.01962 as "a sum of money or representative
14 of value that is risked on an occurrence for which the outcome is uncertain." NRS 463.01962.
15 NRS 463.362(1)-(2)(a) and (4) (emphasis added).

16 **FACTS**

17 14. On or about the evening of April 12, 2008, a patron of HARRAH'S placed three
18 \$550 (Five Hundred Fifty Dollar) wagers at the HARRAH'S sports book.

19 15. The lines for these wagers were found on a wagering sheet titled "Overnight Lines
20 Pro Basketball," which the patron had obtained from an affiliate of HARRAH'S.

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1 16. The wagering sheet had the names of nine affiliated casinos listed across the top,
2 including HARRAH'S.

3 17. There were no indications on the wagering sheet that the lines were not available at
4 all nine of the affiliated properties listed across the top.

5 18. While the overnight lines at issue were not posted on the wager boards in the
6 HARRAH'S sports book, the wagers were available in HARRAH'S sports book computer system
7 and were accessible to the sports book writer that handled the patron's wagers.

8 19. Upon arriving at the sports book window, the patron requested the three wagers
9 from the sports book writer. The patron then presented his HARRAH'S player's club card and
10 a winning sports book ticket from an unrelated sporting event to the sports book writer.

11 20. When the sports book writer entered the bet number for the first wager, the system
12 indicated that supervisor approval of the bet was required.

13 21. At the request of the sports book writer, a race and sports book supervisor came
14 to the betting window where the patron was located.

15 22. After reviewing the particulars, the supervisor approved the wager and the sports
16 book ticket was generated and placed on the counter for the patron to inspect.

17 23. Immediately thereafter, the supervisor approved the second \$550 (Five Hundred
18 Fifty Dollar) wager.

19 24. The sports book writer then generated the second sports book ticket and placed it on
20 the counter for the patron to inspect.

21 25. The supervisor then went on to approve the third \$550 (Five Hundred Fifty Dollar)
22 wager.

23 26. The sports book writer then generated the third sports book ticket and placed it on
24 the counter for the patron to inspect.

25 27. Almost immediately after the third sports book ticket was placed in front of the
26 patron, the supervisor who approved the three wagers retrieved all three sports book tickets
27 from the counter and left the betting window to check the patron's player rating history.

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1 28. While the supervisor was examining the patron's player rating records, the sports
2 book writer collected payment for the three wagers from the patron. The patron funded the
3 wagers using the proceeds from a \$1,050 (One Thousand Fifty Dollar) winning HARRAH'S
4 sports book ticket and an additional \$600 (Six Hundred Dollars) in cash.

5 29. After reviewing the patron's player rating records, the supervisor consulted with
6 another sports book supervisor regarding the patron's wagers. The supervisor who approved
7 the wager then returned to the sports book window and informed the patron that HARRAH'S
8 would not accept the three wagers the patron had just placed.

9 30. The supervisor then voided the three wagers and returned the aggregate \$1,650
10 (One Thousand Six Hundred Fifty Dollars) that the patron wagered.

11 31. When The patron objected to the rescission of his wagers, the supervisor informed
12 the patron that he could either come back to HARRAH'S in the morning and place the wagers at
13 that time, or, if he wanted to place the wagers that night, he could go to Caesars Palace's race
14 and sports book and do so.

15 **COUNT I**
16 **VIOLATION OF NEVADA GAMING COMMISSION REGULATION 22.115 – UNILATERAL**
17 **RESCISSION OF THREE WAGERS WITHOUT THE PRIOR WRITTEN APPROVAL OF THE**
18 **CHAIRMAN OF THE NEVADA GAMING CONTROL BOARD**

19 32. The BOARD realleges and incorporates by reference paragraphs 1 through 31
20 above as though set forth in full herein.

21 33. On or about April 12, 2008, the HARRAH'S patron referred to in the "Facts"
22 section above placed three simultaneous \$550 (Five Hundred Fifty Dollar) sports wagers at
23 HARRAH'S race and sports book.

24 34. HARRAH'S accepted the patron's wagers by entering the three wagers into its
25 sports book computerized system, generating the three relevant sports book tickets, and
26 accepting the patron's payment for the three wagers.

27 35. Shortly after the three wagers had been accepted, and while the patron was still
28 present at the betting window, a HARRAH'S race and sports book supervisor voided all three
of the patron's wagers without the patron's consent. The actions of the race and sports book

1 supervisor constituted unilateral rescissions of each of the patron's three \$550 (Five Hundred
2 Fifty Dollar) sports wagers.

3 36. Pursuant to Nevada Gaming Commission Regulation 22.115, a wager cannot be
4 unilaterally rescinded without prior written approval from the BOARD's Chairman.

5 37. HARRAH'S failed to obtain written approval from the BOARD's Chairman prior to
6 unilaterally rescinding each of the patron's three wagers, and thus it violated Nevada Gaming
7 Commission Regulation 22.115.

8 38. Such violations on the part of HARRAH'S constitute an unsuitable method of
9 operation and grounds for disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2) and
10 5.030.

11 **COUNT II**
12 **VIOLATION OF NRS 463.0129(e) – UNLAWFULLY LIMITING THE ACCESS OF THE**
13 **GENERAL PUBLIC TO CERTAIN GAMING ACTIVITIES**

14 39. The BOARD realleges and incorporates by reference paragraphs 1 through 38
15 above as though set forth in full herein.

16 40. It was discovered through interviews by BOARD Agents that the race and sports
17 book supervisor who voided the three wagers at issue did so because he believed the
18 patron's player rating level at the time was not high enough to qualify him to wager on the
19 relevant overnight lines.

20 41. At the time of the incident the above sports book supervisor erroneously believed
21 that it was the policy of HARRAH'S to only allow patrons with certain high player rating levels
22 to place wagers on overnight lines, and to deny such wagering opportunities to patron's who
23 did not rate high enough.

24 42. According to NRS 463.0129(e) "access of the general public to gaming activities
25 must not be restricted in any manner except as provided by the Legislature." While the Nevada
26 State Legislature has provided certain exceptions to this rule, none of those exceptions apply
27 to the facts and circumstances at issue in this Complaint.

28 43. By limiting the ability to place wagers on particular overnight sport lines as described
in paragraph 41 above, the aforementioned race and sports book supervisor restricted the

1 access of the general public, including the patron at issue, to its gaming activities in violation of
2 NRS 463.0129(e).

3 44. Such a violation on the part of an employee of HARRAH'S constitutes an
4 unsuitable method of operation and grounds for disciplinary action. See Nev. Gaming
5 Comm'n Regs. 5.010(2) and 5.030.

6 **PRAYER FOR RELIEF**

7 WHEREFORE, based upon the allegations contained herein that constitute reasonable
8 cause for disciplinary action against HARRAH'S, pursuant to NRS 463.310 and Nevada
9 Gaming Commission Regulations 5.011, 5.030, and 16.300 the BOARD prays for relief as
10 follows:

11 1. That the Nevada Gaming Commission serve a copy of this Complaint on
12 HARRAH'S pursuant to NRS 463.312(2);

13 2. That HARRAH'S be fined a monetary sum pursuant to the parameters defined at
14 NRS 463.310(4) for each separate violation of the provisions of the Nevada Gaming Control
15 Act or the Regulations of the Nevada Gaming Commission;

16 3. That the Nevada Gaming Commission take action against HARRAH'S license
17 pursuant to the parameters defined in NRS 463.310(4); and,

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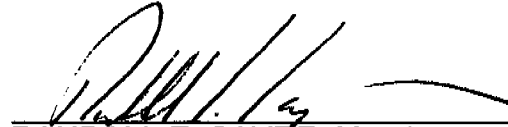
1 4. For such other and further relief as the Nevada Gaming Commission may deem just
2 and proper.

3 DATED this 8th day of January, 2010.

4 STATE GAMING CONTROL BOARD

5 

6 DENNIS K. NEILANDER, Chairman

7 

8 RANDALL E. SAYRE, Member

9 

10 MARK A. LIPPARELLI, Member

11 Submitted by:

12 CATHERINE CORTEZ MASTO
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14 By: 

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