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3  
4 STATE OF NEVADA

5 BEFORE THE NEVADA GAMING COMMISSION

6 NEVADA GAMING CONTROL BOARD,

7 Complainant,

8 vs.

COMPLAINT

9 WYNN LAS VEGAS, LLC  
10 dba WYNN LAS VEGAS;  
WYNN RESORTS, LIMITED (PTC)

11 Respondents.

12  
13 The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD  
14 (BOARD), Complainant herein, by and through its counsel, AARON D. FORD, Attorney  
15 General, by JOHN S. MICHELA, Senior Deputy Attorney General, MICHAEL P. SOMPS,  
16 Senior Deputy Attorney General, and EDWARD L. MAGAW, Deputy Attorney General,  
17 hereby files this Complaint for disciplinary action against WYNN LAS VEGAS, LLC, dba,  
18 WYNN LAS VEGAS (WYNN) and WYNN RESORTS, LIMITED (PTC) (RESORTS)  
19 (collectively RESPONDENTS), pursuant to Nevada Revised Statute (NRS) 463.310(2), and  
20 alleges as follows:

21 JURISDICTION

22 1. Complainant, BOARD, is an administrative agency of the State of Nevada duly  
23 organized and existing under and by virtue of Chapter 463 of the NRS and is charged with  
24 the administration and enforcement of the gaming laws of this state as set forth in Title 41  
25 of the NRS and the Regulations of the Nevada Gaming Commission.

26 2. WYNN, located at 3131 Las Vegas Boulevard, Las Vegas, Nevada, is organized  
27 under the laws of Nevada and holds a nonrestricted gaming license, manufacturer license,  
28 and distributor license. WYNN activated these licenses on or about April 28, 2005.



1 licensees to the end that licenses shall not be held by unqualified  
2 or disqualified persons or unsuitable persons or persons whose  
operations are conducted in an unsuitable manner.

3 Nev. Gaming Comm'n Reg. 5.040.

4 8. Nevada Revised Statute 463.641 provides as follows:

5 If any corporation, partnership, limited partnership, limited-  
6 liability company or other business organization holding a  
7 license is owned or controlled by a publicly traded corporation  
8 subject to the provisions of this chapter, or that publicly traded  
9 corporation, does not comply with the laws of this state and the  
regulations of the Commission, the Commission may in its  
discretion do any one, all or a combination of the following:

- 10 1. Revoke, limit, condition or suspend the license of the licensee;  
or
- 11 2. Fine the persons involved, the licensee or the publicly traded  
12 corporation, in accordance with the laws of this state and the  
regulations of the Commission.

13 NRS 463.641.

14 9. Nevada Gaming Commission Regulation 3.080 provides as follows:

15 The Commission may deny, revoke, suspend, limit, condition, or  
16 restrict any registration or finding of suitability or application  
17 therefor upon the same grounds as it may take such action with  
18 respect to licenses, licensees and licensing; without exclusion of  
19 any other grounds. The Commission may take such action on the  
20 grounds that the registrant or person found suitable is associated  
with, or controls, or is controlled by, or is under common control  
with, an unsuitable person.

21 Nev. Gaming Comm'n Reg. 3.080.

22 10. Nevada Revised Statute 463.170 provides as follows:

- 23 1. Any person who the Commission determines is qualified to  
24 receive a license, to be found suitable or to receive any approval  
25 required under the provisions of this chapter, or to be found  
26 suitable regarding the operation of a charitable lottery under the  
27 provisions of chapter 462 of NRS, having due consideration for  
28 the proper protection of the health, safety, morals, good order  
and general welfare of the inhabitants of the State of Nevada and  
the declared policy of this State, may be issued a state gaming  
license, be found suitable or receive any approval required by  
this chapter, as appropriate. The burden of proving an  
applicant's qualification to receive any license, be found suitable

1 or receive any approval required by this chapter is on the  
2 applicant.

3 2. An application to receive a license or be found suitable must  
4 not be granted unless the Commission is satisfied that the  
5 applicant is:

6 (a) A person of good character, honesty and integrity;

7 (b) A person whose prior activities, criminal record, if any,  
8 reputation, habits and associations do not pose a threat to the  
9 public interest of this State or to the effective regulation and  
10 control of gaming or charitable lotteries, or create or enhance the  
11 dangers of unsuitable, unfair or illegal practices, methods and  
12 activities in the conduct of gaming or charitable lotteries or in  
13 the carrying on of the business and financial arrangements  
14 incidental thereto; and

15 (c) In all other respects qualified to be licensed or found suitable  
16 consistently with the declared policy of the State.

17 3. A license to operate a gaming establishment or an inter-casino  
18 linked system must not be granted unless the applicant has  
19 satisfied the Commission that:

20 (a) The applicant has adequate business probity, competence and  
21 experience, in gaming or generally; and

22 (b) The proposed financing of the entire operation is:

23 (1) Adequate for the nature of the proposed operation; and

24 (2) From a suitable source.

25 ↪ Any lender or other source of money or credit which the  
26 Commission finds does not meet the standards set forth in  
27 subsection 2 may be deemed unsuitable.

28 4. An application to receive a license or be found suitable  
constitutes a request for a determination of the applicant's  
general character, integrity, and ability to participate or engage  
in, or be associated with gaming or the operation of a charitable  
lottery, as appropriate. Any written or oral statement made in  
the course of an official proceeding of the Board or Commission  
by any member thereof or any witness testifying under oath  
which is relevant to the purpose of the proceeding is absolutely  
privileged and does not impose liability for defamation or  
constitute a ground for recovery in any civil action.

5. The Commission may in its discretion grant a license to:

(a) A publicly traded corporation which has complied with the  
provisions of NRS 463.625 to 463.643, inclusive;

(b) Any other corporation which has complied with the provisions  
of NRS 463.490 to 463.530, inclusive;

(c) A limited partnership which has complied with the provisions  
of NRS 463.564 to 463.571, inclusive; and

(d) A limited-liability company which has complied with the  
provisions of NRS 463.5731 to 463.5737, inclusive.

6. No limited partnership, except one whose sole limited partner  
is a publicly traded corporation which has registered with the  
Commission, or a limited-liability company, or business trust or  
organization or other association of a quasi-corporate character  
is eligible to receive or hold any license under this chapter unless  
all persons having any direct or indirect interest therein of any  
nature whatever, whether financial, administrative,  
policymaking or supervisory, are individually qualified to be  
licensed under the provisions of this chapter.

1 7. The Commission may, by regulation:

2 (a) Limit the number of persons who may be financially  
3 interested and the nature of their interest in any corporation,  
4 other than a publicly traded corporation, limited partnership,  
5 limited-liability company or other organization or association  
6 licensed under this chapter; and

7 (b) Establish such other qualifications for licenses as it may, in  
8 its discretion, deem to be in the public interest and consistent  
9 with the declared policy of the State.

10 8. Any person granted a license or found suitable by the  
11 Commission shall continue to meet the applicable standards and  
12 qualifications set forth in this section and any other  
13 qualifications established by the Commission by regulation. The  
14 failure to continue to meet such standards and qualifications  
15 constitutes grounds for disciplinary action.

16 NRS 463.170.

17 11. Nevada Gaming Commission Regulation 5.010 provides as follows:

18 1. It is the policy of the Commission and the Board to require that  
19 all establishments wherein gaming is conducted in this state be  
20 operated in a manner suitable to protect the public health, safety,  
21 morals, good order and general welfare of the inhabitants of the  
22 State of Nevada.

23 2. Responsibility for the employment and maintenance of suitable  
24 methods of operation rests with the licensee, and willful or  
25 persistent use or toleration of methods of operation deemed  
26 unsuitable will constitute grounds for license revocation or other  
27 disciplinary action.

28 Nev. Gaming Comm'n Reg. 5.010.

12. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as  
follows:

The Board and the Commission deem any activity on the part of  
any licensee, the licensee's agents or employees, that is inimical  
to the public health, safety, morals, good order and general  
welfare of the people of the State of Nevada, or that would reflect  
or tend to reflect discredit upon the State of Nevada or the  
gaming industry, to be an unsuitable method of operation and  
shall be grounds for disciplinary action by the Board and the  
Commission in accordance with the Nevada Gaming Control Act  
and the regulations of the Board and the Commission. Without  
limiting the generality of the foregoing, the following acts or  
omissions may be determined to be unsuitable methods of  
operation:

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

....

1 10. Failure to conduct gaming operations in accordance with  
2 proper standards of custom, decorum and decency, or permit any  
3 type of conduct in the gaming establishment which reflects or  
tends to reflect on the repute of the State of Nevada and act as a  
detriment to the gaming industry.

4 Nev. Gaming Comm'n Reg. 5.011 (1), and (10).

5 13. Nevada Gaming Commission Regulation 5.030 provides as follows:

6 ***Violation of any provision of the Nevada Gaming Control***  
7 ***Act or of these regulations by a licensee, the licensee's***  
8 ***agent or employee shall be deemed*** contrary to the public  
9 health, safety, morals, good order and general welfare of the  
10 inhabitants of the State of Nevada and ***grounds for suspension***  
11 ***or revocation of a license.*** Acceptance of a state gaming license  
12 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  
informed of the content of all such regulations, and ignorance  
thereof will not excuse violations.

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

#### 14 BACKGROUND

15 14. On or about January 26, 2018, the *Wall Street Journal* published an article with  
16 the headline "Dozens of People Recount Pattern of Sexual Misconduct by Las Vegas Mogul  
17 Steve Wynn" (WSJ Article).

18 15. The WSJ Article commenced with a description of allegations taking place in  
19 2005 regarding Stephen Alan Wynn, former RESORTS Chief Executive Officer, and a  
20 manicurist who worked for WYNN. The description of allegations contained in the WSJ  
21 Article included that Mr. Wynn forced the manicurist to have sex with him. The description  
22 of allegations contained in the WSJ Article included that the manicurist's supervisor  
23 learned of the allegations and "filed a detailed report to the casino's human-resources  
24 department recounting the episode." The WSJ Article stated, "according to people familiar  
25 with the matter," Mr. Wynn paid a \$7.5 million settlement to the manicurist based on the  
26 allegations.

27 16. The WSJ Article stated Mr. Wynn's behavior went beyond the manicurist  
28 incident: "dozens of people The Wall Street Journal interviewed who have worked at Mr.

1 Wynn's casinos told of behavior that cumulatively would amount to a decades-long pattern  
2 of sexual misconduct by Mr. Wynn."

3 17. The WSJ Article went on to describe further sexual incidents alleged against Mr.  
4 Wynn and how employees were aware of Mr. Wynn's power in Las Vegas and worried about  
5 how this power could impact their ability to work elsewhere.

6 18. Immediately upon learning of the allegations raised against Mr. Wynn in the  
7 WSJ article, the BOARD launched a thorough and extensive investigation of  
8 RESPONDENTS and Mr. Wynn.

9 19. The BOARD set up an online portal through which members of the public could  
10 submit information to assist the BOARD.

11 20. The BOARD interviewed multiple individuals, including accusers, witnesses,  
12 current and former employees of RESPONDENTS, current and former members of  
13 RESPONDENTS' management, current and former directors and officers of  
14 RESPONDENTS.

15 21. The BOARD reviewed relevant documentation, including, but not limited to:  
16 personnel and other records of RESPONDENTS; court records; claims filed by employees  
17 of RESPONDENTS with the United States Equal Employment Opportunity Commission  
18 (EEOC) and the Nevada Equal Rights Commission; settlement agreements entered into  
19 between Mr. Wynn and employees or former employees of RESPONDENTS; information  
20 provided by RESORTS; administrative records of other government agencies; records  
21 provided by witnesses; and minutes of meetings of the Board of Directors and of the Special  
22 Committee.

23 22. Through its investigation, the BOARD discovered multiple allegations of sexual  
24 misconduct and/or sexual harassment against Mr. Wynn.

25 23. Mr. Wynn, at all times relevant to this Complaint, was found suitable as the  
26 controlling shareholder of RESORTS, found suitable as a shareholder of RESORTS, found  
27 suitable as the Chairman of the Board of RESORTS, and found suitable as the Chief  
28 Executive Officer of RESORTS.

1           24. On or about February 6, 2018, Mr. Wynn resigned from all positions held with  
2 RESPONDENTS.

3           25. On or before March 28, 2018, Mr. Wynn transferred all ownership interests he  
4 held in RESPONDENTS. Mr. Wynn presently does not hold any ownership interests in  
5 RESPONDENTS.

6           26. The BOARD has placed administrative holds on all Nevada Gaming Commission  
7 approvals of Mr. Wynn.

8           27. During all times relevant to this Complaint, RESPONDENTS maintained a  
9 policy concerning sexual harassment. RESPONDENTS' harassment policy was "to prohibit  
10 any conduct, whether intentional or unintentional which results in the harassment or  
11 discrimination of employees . . . ." RESPONDENTS' harassment policy specifically defined  
12 one type of harassment to be sexual harassment.

13           28. RESPONDENTS' harassment policy defined sexual harassment as "any  
14 unwelcomed sexual advances, request for sexual favors, or other conduct of a sexual nature  
15 either verbal or physical . . . ."

16           29. RESPONDENTS' harassment policy set out that an employee who experiences  
17 or witnesses sexual harassment "should immediately report the conduct to: 1. The  
18 Employee Relations Department; 2. The Vice President of Human Resources, the Legal  
19 department, or your particular Divisional Vice President; 3. Any other member of  
20 management with whom [the employee] feel[s] comfortable."

21           30. RESPONDENTS' harassment policy set out that supervisors who observe or  
22 become aware of harassment must immediately report such harassment "to the Employee  
23 Relations department and take appropriate steps to stop the offending behavior."

24           31. During all times relevant to this Complaint, RESPONDENTS maintained a  
25 personal relationships policy. This policy discouraged "romantic or intimate relationships  
26 involving a direct or indirect supervisory relationship between employees regardless of  
27 whether the relationship is voluntary and/or welcomed by both parties."

28 . . .



1 32. RESPONDENTS' personal relationships policy also set out "Department  
2 managers are responsible for conducting themselves in a professional manner and strictly  
3 maintaining professional relationships with their employees at all times."

4 33. During all times relevant to this Complaint, RESPONDENTS maintained a  
5 policy setting out how the Employee Relations Department (ER) should investigate alleged  
6 workplace conduct violations. Specifically:

- 7 1. Obtain verbal and written statements from all parties  
8 involved, including the complainant and accused. 2. Take  
9 photographs/video of any injury or damage (*if applicable*). 3.  
10 Preserve all evidence, and secure the evidence in a locked  
11 location. Document all evidence obtained. 4. Determine if there  
is a potential for risk occurrence. If there is a potential, take all  
measures appropriate to protect employees. 5. Complete an  
investigation report and provide all relevant and necessary  
information, including findings.

12 34. RESPONDENTS' investigations policy also set out that the ER should make and  
13 document findings as "violation found," "no violation found," or "inconclusive  
14 investigation."

15 **COUNT ONE**  
16 **VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION**  
17 **REGULATIONS 5.010 and/or 5.011**

18 35. Complainant BOARD realleges and incorporates by reference as though set forth  
19 in full herein paragraphs 1 through 34 above.

20 36. In 2005, Employee 1, employed in the WYNN Salon, alleged to various  
21 individuals at the WYNN that she had been raped by Mr. Wynn and that she became  
22 pregnant as a result.

23 37. WYNN Salon management followed company policies and procedures by  
24 reporting Employee 1's allegations to WYNN Human Resources.

25 38. The following individuals learned about Employee 1's allegations at or around  
26 the time the allegations were made: Marc Schorr, former WYNN President and RESORTS  
27 Chief Operating Officer; Doreen Whennen, former WYNN Vice President of Hotel  
28 Operations; and Arte Nathan, former WYNN Senior Vice President and Chief Human  
Resources Officer.

1           39. Mr. Schorr, Ms. Whennen, and Mr. Nathan all failed to initiate an investigation  
2 into Employee 1's allegations of sexual misconduct in violation of RESPONDENTS' policies  
3 and procedures.

4           40. Mr. Wynn reached a private, confidential settlement with Employee 1 in which  
5 she and her husband were paid \$7.5 million through a separate legal entity funded  
6 personally by Mr. Wynn (2005 Settlement).

7           41. In January 2012, at the latest, Kimmarie Sinatra, former General Counsel,  
8 Secretary, and Senior Vice President for RESORTS, learned of the 2005 Settlement. By  
9 July 2017, at the latest, Ms. Sinatra learned that Employee 1 had alleged that Mr. Wynn  
10 raped her.

11           42. RESORTS did not conduct a timely investigation into Employee 1's allegations  
12 or into Mr. Wynn's admitted sexual relationship with a subordinate.

13           43. At least four (4) former executives of RESORTS and WYNN, failed to initiate  
14 and/or conduct an investigation after obtaining knowledge of allegations of sexual  
15 misconduct against Mr. Wynn as required by RESPONDENTS' policies and procedures.

16           44. The failures of RESPONDENTS, RESPONDENTS' former agents, and/or  
17 RESPONDENTS' former employees to initiate and/or conduct an investigation as described  
18 herein, in whole or in part, constitute violations of NRS 463.170(8) and/or Nevada Gaming  
19 Commission Regulations 5.010, 5.011(1) and/or 5.011(10).

20           45. Each separate occasion when RESPONDENTS, RESPONDENTS' former  
21 agents, and/or RESPONDENTS' former employees failed to initiate and/or conduct an  
22 investigation as described herein constitutes a separate violation of the Gaming Control  
23 Act and Regulations of the Commission, as herein specified, for purposes of NRS  
24 463.310(4)(d)(2).

25           46. The failure of RESPONDENTS to comply with NRS 463.170(8) and/or Nevada  
26 Gaming Commission Regulations 5.010, 5.011(1) and/or 5.011(10) is an unsuitable method  
27 of operation and is grounds for disciplinary action against RESPONDENTS.

28 . . .

1 See NRS 463.1405(4), NRS 463.170(8), NRS 463.641, and Nev. Gaming Comm'n Regs.  
2 3.080, 5.010(2), and 5.030.

3 **COUNT TWO**  
4 **VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION**  
5 **REGULATIONS 5.010 and/or 5.011**

6 47. Complainant BOARD realleges and incorporates by reference as though set forth  
7 in full herein paragraphs 1 through 46 above.

8 48. Employee 2, a cocktail server at WYNN, alleged that Mr. Wynn pressured her  
9 into a nonconsensual sexual relationship that lasted from 2005 through her departure from  
10 RESORTS in 2006. Mr. Wynn entered into a private settlement with Employee 2 and her  
11 parents in the amount of \$975,000 on December 6, 2006 (2006 Settlement).

12 49. Marc Schorr, former WYNN President and RESORTS Chief Operating Officer,  
13 Arte Nathan, former WYNN Senior Vice President and Chief Human Resources Officer,  
14 and Kevin Tourek, former WYNN General Counsel, knew about Employee 2's allegations  
15 of sexual misconduct against Mr. Wynn in 2006.

16 50. Mr. Schorr, Mr. Nathan, and Mr. Tourek all failed to initiate an ER investigation  
17 into Employee 2's allegations of sexual misconduct in violation of RESPONDENTS' policies  
18 and procedures.

19 51. At least three (3) former executives of RESORTS and WYNN, failed to initiate  
20 and/or conduct an investigation after obtaining knowledge of allegations of sexual  
21 misconduct against Mr. Wynn as required by RESPONDENTS' policies and procedures.

22 52. The failures of RESPONDENTS, RESPONDENTS' former agents, and/or  
23 RESPONDENTS' former employees to initiate and/or conduct an investigation as described  
24 herein, in whole or in part, constitute violations of NRS 463.170(8) and/or Nevada Gaming  
25 Commission Regulations 5.010, 5.011(1) and 5.011(10).

26 53. Each separate occasion when RESPONDENTS, RESPONDENTS' former  
27 agents, and/or RESPONDENTS' former employees failed to initiate and/or conduct an  
28 investigation as described herein constitutes a separate violation of the Gaming Control

...

1 Act and Regulations of the Commission, as herein specified, for purposes of NRS  
2 463.310(4)(d)(2).

3 54. The failure of RESPONDENTS to comply with NRS 463.170(8) and Nevada  
4 Gaming Commission Regulations 5.011, 5.011(1) and 5.011(10) is an unsuitable method of  
5 operation and is grounds for disciplinary action against RESPONDENTS. See NRS  
6 463.1405(4), NRS 463.170(8), NRS 463.641, and Nev. Gaming Comm'n Regs. 3.080,  
7 5.010(2), and 5.030.

8 **COUNT THREE**  
9 **VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION**  
10 **REGULATIONS 5.010 and/or 5.011**

11 55. Complainant BOARD realleges and incorporates by reference as though set forth  
12 in full herein paragraphs 1 through 54 above.

13 56. In 2014, Employee 3, a former WYNN Las Vegas cocktail server and flight  
14 attendant, alleged that Mr. Wynn engaged in sexual misconduct against her in 2005.

15 57. Kevin Tourek, former WYNN General Counsel, and Maurice Wooden, former  
16 WYNN President, were aware of the allegations of sexual misconduct made against Mr.  
17 Wynn by Employee 3.

18 58. Mr. Tourek and Mr. Wooden both failed to initiate an ER investigation into  
19 Employee 3's allegations of sexual misconduct in violation of RESORTS policies and  
20 procedures.

21 59. At least two (2) former executives of WYNN, failed to initiate and/or conduct an  
22 investigation after obtaining knowledge of allegations of sexual misconduct against Mr.  
23 Wynn as required by RESPONDENTS' policies and procedures.

24 60. The failures of RESPONDENTS, RESPONDENTS' former agents, and/or  
25 RESPONDENTS' former employees to initiate and/or conduct an investigation as described  
26 herein, in whole or in part, constitute violations of NRS 463.170(8) and/or Nevada Gaming  
27 Commission Regulations 5.010, 5.011(1) and 5.011(10).

28 61. Each separate occasion when RESPONDENTS, RESPONDENTS' former  
agents, and/or RESPONDENTS' former employees failed to conduct and/or initiate an

1 investigation as described herein constitutes a separate violation of the Gaming Control  
2 Act and Regulations of the Commission, as herein specified, for purposes of NRS  
3 463.310(4)(d)(2).

4 62. The failure of RESPONDENTS to comply with NRS 463.170(8) and Nevada  
5 Gaming Commission Regulations 5.011, 5.011(1) and 5.011(10) is an unsuitable method of  
6 operation and is grounds for disciplinary action against RESPONDENTS. See NRS  
7 463.1405(4), NRS 463.170(8), NRS 463.641, and Nev. Gaming Comm'n Regs. 3.080,  
8 5.010(2), and 5.030.

9 **COUNT FOUR**  
10 **VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION**  
11 **REGULATIONS 5.010 and/or 5.011**

12 63. Complainant BOARD realleges and incorporates by reference as though set forth  
13 in full herein paragraphs 1 through 62 above.

14 64. Employee 4, Employee 5, and Employee 6, each of whom worked at WYNN's  
15 Encore Spa at all times relevant to this Complaint, made allegations that Mr. Wynn had  
16 engaged in sexual harassment during massages that were performed on him in 2014.

17 65. Employee 4, Employee 5, and Employee 6, reported some or all of the alleged  
18 sexual harassment by Mr. Wynn to RESPONDENTS' management, and those allegations  
19 were communicated among other members of RESPONDENTS' management, but no one  
20 in RESPONDENTS' management reported the allegations to ER, or otherwise ensured that  
21 the allegations had been reported thereto, as would have been required by  
22 RESPONDENTS' policies and procedures in effect at the time, so ER could conduct an  
23 investigation into the allegations.

24 66. Several individuals, including managers and executives of RESPONDENTS,  
25 became aware of some or all of the allegations of sexual harassment by Mr. Wynn made by  
26 Employee 4, Employee 5, and/or Employee 6 but did not report the allegations to ER, or  
27 otherwise ensure that the allegations had been reported thereto, as would have been  
28 required by RESPONDENTS' policies and procedures in effect at the time, so ER could  
conduct an investigation into the allegations.



1 Wynn's personal assistant. Ms. Sinatra, however, did not report the allegations to ER, or  
2 otherwise ensure that the allegations had been reported thereto, as would have been  
3 required by RESPONDENTS' policies and procedures in effect at the time, so ER could  
4 conduct an investigation into the allegations.

5 73. Stacie Michaels, former WYNN General Counsel, was made aware of Employee  
6 7's allegations of multiple instances of sexual harassment by Mr. Wynn related to LV Jet  
7 flight attendants through the above-referenced written correspondence, which was  
8 forwarded to Ms. Michaels by Mr. Wynn's personal assistant. Ms. Michaels, however, did  
9 not report the allegations to ER, or otherwise ensure that the allegations had been reported  
10 thereto, as would have been required by RESPONDENTS' policies and procedures in effect  
11 at the time, so ER could conduct an investigation into the allegations.

12 74. The failure of RESPONDENTS, RESPONDENTS' former agents, and/or  
13 RESPONDENTS' former employees to report and/or investigate each instance of sexual  
14 harassment of Mr. Wynn alleged by Employee 7 in her written correspondence dated  
15 October 27, 2016 referenced above, in whole or in part, constitutes a violation of NRS  
16 463.170(8) and/or Nevada Gaming Commission Regulations 5.010, 5.011(1), and/or  
17 5.011(10).

18 75. Each occasion where RESPONDENTS, RESPONDENTS' former agents, and/or  
19 RESPONDENTS' former employees failed to report an allegation of sexual harassment by  
20 Mr. Wynn made by Employee 7 in her written correspondence dated October 27, 2016  
21 referenced above to ER, and/or failed to initiate and/or conduct an investigation into each  
22 allegation, constitutes a separate violation of the Gaming Control Act and the regulations  
23 adopted thereunder, as herein specified, for purposes of NRS 463.310(4)(d)(2).

24 76. The failure of RESPONDENTS to comply with NRS 463.170(8) and/or Nevada  
25 Gaming Commission Regulations 5.010, 5.011, 5.011(1), and/or 5.011(10) constitutes an  
26 unsuitable method of operation and provides grounds for disciplinary action against  
27 RESPONDENTS. See NRS 463.1405(4), NRS 463.170(8), NRS 463.341, and Nev. Gaming  
28 Comm'n Regs. 3.080, 5.010(2), and 5.030.

1 COUNT SIX  
2 VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION  
3 REGULATIONS 5.010 and/or 5.011

4 77. Complainant BOARD realleges and incorporates by reference as though set forth  
5 in full herein paragraphs 1 through 76 above.

6 78. Multiple allegations were made by various individuals that Employee 8 had  
7 facilitated sexual relationships between cocktail servers at WYNN and Mr. Wynn and/or  
8 guests of WYNN.

9 79. Arte Nathan, during his tenure as WYNN Senior Vice President and Chief  
10 Human Resources Officer, was aware of rumors that Employee 8 was facilitating the sexual  
11 relationships referred to above. Mr. Nathan, however, did not investigate the rumors, or  
12 otherwise ensure that the rumors had been reported thereto, as would have been required  
13 by RESPONDENTS' policies and procedures in effect at the time, so ER could conduct an  
14 investigation into the rumors.

15 80. The failure of RESPONDENTS, RESPONDENTS' former agents, and/or  
16 RESPONDENTS' former employees to report and/or investigate the allegations and/or  
17 rumors that Employee 8 was facilitating the sexual relationships referred to above, in  
18 whole or in part, constitutes a violation of NRS 463.170(8) and/or Nevada Gaming  
19 Commission Regulations 5.010, 5.011(1), and/or 5.011(10).

20 81. Each occasion where RESPONDENTS, RESPONDENTS' former agents, and/or  
21 RESPONDENTS' former employees failed to report an allegation and/or rumor regarding  
22 the misconduct of Employee 8 referred to above, to ER, and/or failed to initiate and/or  
23 conduct an investigation into each allegation and/or rumor, constitutes a separate violation  
24 of the Gaming Control Act and the regulations adopted thereunder, as herein specified, for  
25 purposes of NRS 463.310(4)(d)(2).

26 82. The failure of RESPONDENTS to comply with NRS 463.170(8) and/or Nevada  
27 Gaming Commission Regulations 5.010, 5.011, 5.011(1), and/or 5.011(10) constitutes an  
28 unsuitable method of operation and provides grounds for disciplinary action against

...



1 RESPONDENTS. See NRS 463.1405(4), NRS 463.170(8), NRS 463.341, and Nev. Gaming  
2 Comm'n Regs. 3.080, 5.010(2), and 5.030.

3 **COUNT SEVEN**  
4 **VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION**  
5 **REGULATIONS 5.010 and/or 5.011**

6 83. Complainant BOARD realleges and incorporates by reference as though set forth  
7 in full herein paragraphs 1 through 87 above.

8 84. In 2007, Kevin Tourek, former WYNN General Counsel, received an e-mail  
9 alleging a former executive "loves sleeping with cocktail servers."

10 85. Mr. Tourek did not report this allegation to ER or initiate and/or conduct an  
11 investigation after receiving the e-mail alleging the former executive's conduct with  
12 cocktail servers.

13 86. The failures of RESPONDENTS, RESPONDENTS' former agents, and/or  
14 RESPONDENTS' former employees to comply with RESPONDENTS' policies and  
15 procedures and failing to initiate and/or conduct an investigation as described herein, in  
16 whole or in part, constitute violations of NRS 463.170(8) and/or Nevada Gaming  
17 Commission Regulations 5.010, 5.011(1) and/or 5.011(10).

18 87. Each separate occasion when RESPONDENTS, RESPONDENTS' former  
19 agents, and/or RESPONDENTS' former employees failed to comply with RESPONDENTS'  
20 policies and procedures and failed to initiate and/or conduct an investigation as described  
21 herein constitutes a separate violation of the Gaming Control Act and Regulations of the  
22 Commission, as herein specified, for purposes of NRS 463.310(4)(d)(2).

23 88. The failure of RESPONDENTS to comply with NRS 463.170(8) and/or Nevada  
24 Gaming Commission Regulations 5.010 and/or 5.011 is an unsuitable method of operation  
25 and is grounds for disciplinary action against RESPONDENTS. See NRS 463.1405(4), NRS  
26 463.170(8), NRS 463.641, and Nev. Gaming Comm'n Regs. 3.080, 5.010(2), and 5.030.

27 ...  
28 ...

1 **COUNT EIGHT**  
2 **VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION**  
3 **REGULATIONS 5.010 and/or 5.011**

4 89. Complainant BOARD realleges and incorporates by reference as though set forth  
5 in full herein paragraphs 1 through 88 above.

6 90. RESPONDENTS' policies and procedures requiring employee attendance at  
7 annual compliance training were not applied to Mr. Wynn.

8 91. RESPONDENTS' policies and procedures pertaining to WYNN spas were not  
9 applied to Mr. Wynn.

10 92. RESPONDENTS' policies and procedures pertaining to conflicts of interest  
11 were not followed for several settlements, including, but not limited to, the 2005  
12 Settlement, and the 2006 Settlement.

13 93. The ability of former WYNN executives to operate outside of Company policies  
14 and procedures, contributed to the internal control breakdowns that occurred in relation to  
15 allegations of misconduct as described in this Complaint.

16 94. RESPONDENTS' failure to ensure compliance with RESPONDENTS' policies  
17 and procedures, as described herein, in whole or in part, constitutes a violation of NRS  
18 463.170(8) and/or Nevada Gaming Commission Regulations 5.010, 5.011(1) and/or  
19 5.011(10).

20 95. Each separate occasion when RESPONDENTS, RESPONDENTS' former  
21 agents, and/or RESPONDENTS' former employees failed to ensure compliance with  
22 RESPONDENTS' policies and procedures, as described herein, constitutes a separate  
23 violation of the Gaming Control Act and Regulations of the Commission, as herein  
24 specified, for purposes of NRS 463.310(4)(d)(2).

25 96. The failure of RESPONDENTS to comply with NRS 463.170(8) and/or Nevada  
26 Gaming Commission Regulations 5.010, 5.011(1) and/or 5.011(10) is an unsuitable method  
27 of operation and is grounds for disciplinary action against RESPONDENTS. See NRS  
28 463.1405(4), NRS 463.170(8), NRS 463.641, and Nev. Gaming Comm'n Regs. 3.080,  
5.010(2), and 5.030.

1 **COUNT NINE**  
2 **VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION**  
3 **REGULATIONS 5.010 and/or 5.011**

4 97. Complainant BOARD realleges and incorporates by reference as though set  
5 forth in full herein paragraphs 1 through 96 above.

6 98. At all times relevant to this Complaint, RESPONDENTS maintained a policy  
7 on personal relationships between employees that “discourage[d] romantic or intimate  
8 relationships involving a direct or indirect supervisory relationship between employees  
9 regardless of whether the relationship is voluntary and/or welcomed by both parties.”

10 99. At all times relevant to this Complaint, RESPONDENTS maintained a policy  
11 for harassment and discrimination that stated that “all employees are responsible for  
12 maintaining a professional work environment by treating everyone . . . with respect and by  
13 being aware of their own behavior toward others in the work place.”

14 100. Mr. Wynn, while Chairman of the Board of Directors and Chief Executive  
15 Officer of RESORTS, engaged in intimate and sexual conduct with WYNN employees.

16 101. Mr. Wynn failed to comply with RESPONDENTS’ policies that he maintain a  
17 professional work environment and/or failed to comply with the spirit of RESPONDENTS’  
18 policies that discouraged intimate relationships between himself and employees.

19 102. Regardless of whether the conduct of Mr. Wynn, as described herein, expressly  
20 violated any of RESPONDENTS’ policies, such conduct is inappropriate and unsuitable  
21 given the position of Mr. Wynn as head of RESORTS and WYNN and given the inherent  
22 disparity in power between himself and non-management employees.

23 103. RESPONDENTS are ultimately responsible for the actions of their agents and  
24 employees. *See Nev. Gaming Comm’n Reg. 5.030.*

25 104. RESPONDENTS failed to ensure that Mr. Wynn conducted himself in  
26 accordance with RESPONDENTS’ policies and procedures and/or failed to ensure that Mr.  
27 Wynn conducted himself in an appropriate and suitable manner.

28 105. RESPONDENTS’ failures, as described herein, resulted in negative reporting  
in widely disseminated media outlets, including, but not limited to, the Wall Street Journal.

1 106. RESPONDENTS' failures, as described herein, in whole or in part, constitute  
2 violations of NRS 463.170(8) and/or Nevada Gaming Commission Regulations 5.010,  
3 5.011(1) and/or 5.011(10).

4 107. The failure of RESPONDENTS to comply with NRS 463.170(8) and Nevada  
5 Gaming Commission Regulations 5.011, 5.011(1) and/or 5.011(10) is an unsuitable method  
6 of operation and is grounds for disciplinary action against RESPONDENTS. See NRS  
7 463.1405(4), NRS 463.170(8), NRS 463.641, and Nev. Gaming Comm'n Regs. 3.080,  
8 5.010(2), and 5.030.

9 **COUNT TEN**  
10 **VIOLATION OF NRS 463.170 and/or NEVADA GAMING COMMISSION**  
11 **REGULATIONS 5.010 and/or 5.011**

12 108. Complainant BOARD realleges and incorporates by reference as though set  
13 forth in full herein paragraphs 1 through 107 above.

14 109. RESPONDENTS did not enforce their policies and procedures with regard to  
15 their executives and other high level employees following the reporting procedures for  
16 sexual harassment and related matters.

17 110. RESPONDENTS' past failures to enforce its policies and procedures have led  
18 to multiple instances, a number of which are set out in this Complaint, where sexual  
19 harassment allegations concerning RESPONDENTS' executives were not investigated.

20 111. RESPONDENTS' past failures to enforce its policies and procedures have led  
21 to multiple instances where allegations of sexual harassment by executives of  
22 RESPONDENTS were not appropriately addressed by RESPONDENTS.

23 112. RESPONDENTS' past failures to appropriately address allegations of sexual  
24 harassment by executives and high level employees of RESPONDENTS resulted in  
25 negative articles published in widely disseminated media publications, including, but not  
26 limited to, the Wall Street Journal.

27 113. Thus, the BOARD, in order to protect gaming in the State of Nevada; to protect  
28 the welfare of the gaming industry; to protect the welfare of the inhabitants of the State of  
Nevada, including gaming industry employees; and to attempt to mitigate the discredit

1 caused by RESPONDENTS to the State of Nevada and the gaming industry, has had to file  
2 this Complaint.

3 114. By itself and/or in conjunction with the actions contained in the other counts  
4 of this Complaint, the failures of RESPONDENTS to ensure RESPONDENTS' policies and  
5 procedures were followed by and enforced against RESPONDENTS' executives and high  
6 level employees reflect or tend to reflect poorly on the reputation of gaming in the State of  
7 Nevada and/or acts as a detriment to the development of the gaming industry and/or reflect  
8 or tend to reflect discredit upon the State of Nevada or the gaming industry.

9 115. The past failures of RESPONDENTS to follow and enforce RESPONDENTS'  
10 policies and procedures as described herein, in whole or in part, constitute violations of  
11 NRS 463.170(8) and/or Nevada Gaming Commission Regulations 5.010 and/or 5.011.

12 116. The past failures of RESPONDENTS to comply with NRS 463.170(8) and/or  
13 Nevada Gaming Commission Regulations 5.010 and/or 5.011 is an unsuitable method of  
14 operation and is grounds for disciplinary action against RESPONDENTS. See NRS  
15 463.1405(4), NRS 463.170(8), NRS 463.641, and Nev. Gaming Comm'n Regs. 3.080,  
16 5.010(2), and 5.030.

17 **PRAYER FOR RELIEF**

18 WHEREFORE, based upon the allegations contained herein which constitute  
19 reasonable cause for disciplinary action against RESPONDENTS, pursuant to NRS  
20 463.310 and Nevada Gaming Commission Regulations 5.010 and 5.030 the NEVADA  
21 GAMING CONTROL BOARD prays for the relief as follows:

22 1. That the Nevada Gaming Commission serve a copy of this Complaint on  
23 RESPONDENTS pursuant to NRS 463.312(2);

24 2. That the Nevada Gaming Commission fine RESPONDENTS a monetary sum  
25 pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the  
26 provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming  
27 Commission;


28 . . .

1 3. That the Nevada Gaming Commission take action against RESPONDENTS'  
2 license or licenses, registration or registrations, and finding of suitability or findings of  
3 suitability pursuant to the parameters defined in NRS 463.310(4); and

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

6 DATED this 25<sup>th</sup> day of January, 2019.

8 NEVADA GAMING CONTROL BOARD

9   
10 \_\_\_\_\_  
11 BECKY HARRIS, Chairwoman

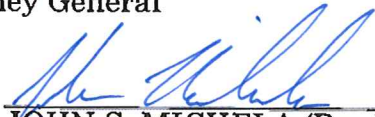
12   
13 \_\_\_\_\_  
14 SHAWN R. REID, Member

15   
16 \_\_\_\_\_  
17 TERRY JOHNSON, Member

16 Submitted by:

17 AARON D. FORD  
18 Attorney General

19 By:

  
20 \_\_\_\_\_  
21 JOHN S. MICHELA (Bar No. 8189)  
22 Senior Deputy Attorney General  
23 MICHAEL P. SOMPS (Bar No. 6507)  
24 Senior Deputy Attorney General  
25 EDWARD L. MAGAW (Bar No. 9111)  
26 Deputy Attorney General

27 Gaming Division  
28 Attorney General's Office