NGC 25-03

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NEVADA GAMING COMMISSION
CARSON CITY, NEVADA

STATE OF NEVADA

BEFORE THE NEVADA GAMING COMMISSION

NEVADA GAMING CONTROL BOARD, Complainant, vs. CAESARS ENTERTAINMENT, INC. (PTC), And DESERT PALACE, LLC, dba CAESARS PALACE, Respondents.	**COMPLAINT**

The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD (BOARD), Complainant herein, by and through its counsel, AARON D. FORD, Attorney General, and MICHAEL P. SOMPS, Senior Deputy Attorney General, hereby files this Complaint before the Nevada Gaming Commission (Commission) for disciplinary action against RESPONDENTS, CAESARS ENTERTAINMENT, INC. (PTC) (CAESARS), and DESERT PALACE, LLC, dba CAESARS PALACE (CAESARS PALACE), pursuant to Nevada Revised Statute (NRS) 463.310(2), and alleges as follows:

JURISDICTION

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

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2. CAESARS is registered by the Commission as a publicly traded corporation and holds several licenses and/or findings of suitability issued by the Commission in relation to its direct and/or indirect ownership of nonrestricted gaming licenses in Nevada, including the following:

a. DESERT PALACE, LLC, dba CAESARS PALACE;

b. CIRCUS AND ELDORADO JOINT VENTURE, LLC, dba SILVER LEGACY RESORT CASINO, dba ELDORADO HOTEL & CASINO, and dba CIRCUS CIRCUS RENO;

c. TROPICANA LAUGHLIN, LLC, dba TROPICANA LAUGHLIN HOTEL & CASINO;

d. HARRAH'S LAS VEGAS, LLC, dba HARRAH'S CASINO HOTEL LAS VEGAS;

e. PHWLV, LLC, dba PLANET HOLLYWOOD RESORT & CASINO;

f. 3535 LV NEWCO, LLC, dba THE LINQ HOTEL AND CASINO;

g. PARBALL NEWCO, LLC, dba HORSESHOE LAS VEGAS;

h. CORNER INVESTMENT COMPANY, LLC, dba THE CROMWELL;

i. HARVEYS TAHOE MANAGEMENT COMPANY, LLC, dba HARVEYS RESORT HOTEL/CASINO, and dba HARRAH'S CASINO HOTEL LAKE TAHOE;

j. FLAMINGO LAS VEGAS OPERATING COMPANY, LLC, dba FLAMINGO LAS VEGAS;

k. HARRAH'S LAUGHLIN, LLC, dba HARRAH'S CASINO HOTEL LAUGHLIN; and

l. PARIS LAS VEGAS OPERATING COMPANY, LLC, dba PARIS LAS VEGAS.

3. CAESARS PALACE, located at 3570 South Las Vegas Boulevard, Las Vegas, Nevada, holds a nonrestricted license issued by the Commission and is licensed to operate gaming in Nevada.

RELEVANT LAW

4. The Nevada Legislature set forth the importance of the gaming industry to the State of Nevada and its responsibility to the State's inhabitants in NRS 463.0129. The

Legislature specifically set out that the continued growth and success of gaming is dependent on public confidence and trust and that such "[p]ublic confidence and trust can only be maintained by strict regulation of all persons, locations, practices, associations and activities related to the operation of licensed gaming establishments . . . ." *See* NRS 463.0129.

5. To ensure proper oversight and control over the gaming industry, the Nevada Legislature has granted the Commission "full and absolute power and authority to . . . limit, condition, restrict, revoke, or suspend any license . . . or fine any person licensed . . . for any cause deemed reasonable by the Commission." *See* NRS 463.1405(4).

6. The BOARD is statutorily charged with determining whether a violation of the Nevada Gaming Control Act has occurred. *See* NRS 463.310(1). If the BOARD is satisfied that discipline is warranted, it shall initiate disciplinary action by filing a complaint with the Commission. *See* NRS 463.310(2).

7. The BOARD is authorized to observe the conduct of licensees to ensure that gaming operations are not being operated in an unsuitable manner or by an unqualified or unsuitable person. *See* NRS 463.1405(1) and Commission Regulation 5.040.

8. A person approved by the Commission has an ongoing obligation to meet the standards required to obtain such approval including, without limitation, to be a person of good character, honesty and integrity and to refrain from activities and associations which may impact the interests of Nevada, the regulation of gaming, or the reputation of gaming in Nevada. Further, failure to continue to meet such applicable standards and qualifications constitutes grounds for discipline. *See* NRS 463.170.

9. NRS 463.641 provides the following:

> If any corporation, partnership, limited partnership, limited-liability company or other business organization holding a license is owned or controlled by a publicly traded corporation subject to the provisions of this chapter, or that publicly traded 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:

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1. Revoke, limit, condition or suspend the license of the licensee; or

2. Fine the persons involved, the licensee or the publicly traded corporation,

➥ in accordance with the laws of this state and the regulations of the Commission.

NRS 463.641.

10. Commission Regulation 5.011(1) provides in relevant part the following:

> The Board and the Commission deem any activity on the part of a licensee, registrant, or person found suitable by the Commission, or an agent or employee thereof, that is inimical to the public health, safety, morals, good order, or 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 Commission. The following acts or omissions, without limitation, may be determined to be unsuitable methods of operation:
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> . . . .
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> (a) 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.
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> . . . .
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> (k) Failure to conduct gaming operations in accordance with proper standards of custom, decorum, and decency, or permit a type of conduct in a gaming establishment that reflects or tends to reflect on the repute of the State of Nevada and act as a detriment to the gaming industry.
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> . . . .

Nev. Gaming Comm'n Reg. 5.011(1)(a) and (k).

11. Commission Regulation 3.080 provides as follows:

> The Commission may deny, revoke, suspend, limit, condition, or restrict any registration or finding of suitability or application therefor upon the same grounds as it may take such action with respect to licenses, licensees and licensing; without exclusion of any other grounds. The Commission may take such action on the 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.

12. Commission Regulation 5.030 provides as follows:

> Violation of any provision of the Nevada Gaming Control Act or of these regulations by a licensee, the licensee's agent or employee shall be deemed contrary to the public health, safety, morals, good order, and general welfare of the inhabitants of the State of Nevada and grounds for suspension or revocation of a 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 informed of the content of all such regulations, and ignorance thereof will not excuse violations.

Nev. Gaming Comm'n Reg. 5.030.

BACKGROUND ALLEGATIONS

I. Background – Federal Law

13. Prior to July 1, 2007, the Commission and the BOARD regulated cash transaction prohibitions, reporting, and record keeping for nonrestricted licensees pursuant to Commission Regulation 6A. Regulation 6A was adopted pursuant to an exemption from the U.S. Secretary of the Treasury, allowing such exemption if the laws of a state for a class of transactions were substantially similar to those imposed under federal law concerning records and reports on monetary instrument transactions.

14. In the early 2000s, several years of discussion took place, both internally and with the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN), regarding the elimination of the exemption. As a result of these discussions, the BOARD and Commission, with input from the industry, decided that maintaining Regulation 6A in a manner sufficient to keep the exemption in effect was becoming an increasing and unnecessary burden.

15. Based on the increasing burdens, the Commission and the BOARD decided to relinquish the exemption and allow the U.S. Department of the Treasury to exclusively regulate cash transactions, suspicious activity reporting, and anti-money laundering (AML) programs.

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16. Thus, on September 21, 2006, the Commission repealed Regulation 6A, effective June 30, 2007, and reverted control of the regulation of cash transactions, suspicious activity reporting, and AML programs concerning nonrestricted licensees to the U.S. Department of the Treasury.

17. The U.S. Bank Secrecy Act (BSA) authorizes the U.S. Department of the Treasury to impose reporting and other requirements on financial institutions, including casinos, to help detect and prevent money laundering.

18. In furtherance of the BSA, 31 C.F.R. § 1021.210 requires casinos to develop and implement a written AML compliance program reasonably designed to assure and monitor compliance with the requirements of 31 U.S.C. Chapter 53, subchapter II and specified regulations.

19. As part of satisfying a casino's obligations under the BSA and as part of a reasonable AML compliance plan, casinos must know their customers and inquire about source of funds (SOF) as appropriate to a risk-based approach.

20. Although the federal government has exclusive jurisdiction over Nevada casinos to enforce federal requirements pertaining to cash transactions, suspicious activity reporting, and AML programs, the Commission and the BOARD remain concerned with these issues despite the repeal of former Regulation 6A. The Commission and the BOARD remain concerned because nonrestricted gaming licensees are expected and relied upon to comply with their obligations under federal law, to self-regulate, and implement sufficient and appropriate policies, controls, and procedures to ensure proper oversight of their operations and to ensure they are not used to facilitate money laundering or other criminal activity.

II. Background – BOARD Investigation

21. The BOARD initiated an investigation into CAESARS in relation to Mathew Bowyer (Bowyer) who was a patron of CAESARS and its subsidiary properties, including CAESARS PALACE, until approximately 2024. Bowyer plead guilty in federal court on

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August 9, 2024, to operating an unlawful gambling business, money laundering, and subscribing to a false tax return.

22. During its investigation, the BOARD reviewed extensive amounts of documents including policies, procedures and other records. The BOARD further conducted numerous interviews and investigative hearings of executives, casino hosts, employees and other individuals.

23. As more fully alleged herein, the BOARD's investigation revealed that there were instances of failures of control within CAESARS and CAESARS PALACE where information of suspicious or illegal activity in relation to Bowyer was disregarded.

24. As more fully alleged herein, the BOARD's investigation further revealed that CAESARS and CAESARS PALACE failed to fulfill their obligations as the holders of privileged Nevada gaming approvals and caused damage to the reputation of the State of Nevada and Nevada's gaming industry.

25. On or about September 8, 2015, FinCEN announced a settlement with Desert Palace, Inc., dba Caesars Palace, where Caesars Palace agreed to pay an $8 million civil penalty for its violations of the BSA.

26. On or about September 17, 2015, the Commission approved a Stipulation for Settlement resolving a complaint filed by the BOARD against Caesars Entertainment Corporation (PTC), Caesars Entertainment Operating Company (PTC), and Desert Palace, Inc., dba Caesars Palace (NGC 15-04) where they agreed to pay a fine in the amount of $1,500,000 in relation to allegations of violations of the BSA's anti-money laundering program and suspicious activity reporting requirements.

A. BOARD Investigation – CAESARS' AML Program

27. At all times relevant herein, CAESARS adopted and had in place an Anti-Money Laundering Policy and Program (AML Program).

28. CAESARS' AML Program applied to "Caesars, its directors, officers, and employees, including the officers and employees of its casino affiliates in the United States

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and their U.S. and foreign marketing offices and to employees and officers of the U.S. casinos managed by Caesars."

29. CAESARS' AML Program provided, in part, that "[t]he [Caesars Board of Directors], acting through Senior Management, has the ultimate responsibility for compliance with BSA/AML requirements and the implementation of this Policy and Program."

30. CAESARS' AML Program further provided, in part, the following:

> The responsibility for compliance with and the successful execution of this Policy and Program rests with Senior Management at the corporate level and at each casino property. Senior Management will set the tone from the top about the importance of BSA/AML compliance and direct strict compliance with this Policy and the casino's related procedures.

31. CAESARS' AML Program further provided, in part, that "[i]t is the responsibility of every employee to comply with this Policy and to protect Caesars from being used to facilitate money laundering, terrorist financing, and other crimes."

32. CAESARS' AML Program designated a Senior Vice President as the CAESARS' Corporate AML Officer with responsibility for compliance with the AML Program and coordination of the AML Program company wide. Among the duties assigned to CAESARS' AML Officer, they included "[d]etermining whether to bar patrons because they pose a significant money laundering risk and developing guidelines related to the type of activity that will lead to a patron ban based on suspicious activity."

33. As part of CAESARS' AML Program, CAESARS implemented Know Your Customer Policies and Procedures (KYC Policy) that provided, in part, the following:

> The purpose of the KYC Policy is to ensure that Caesars conducts appropriate risk-based customer due diligence ("CDD") on its highest risk casino patrons and takes reasonable measures to assist in ensuring that its casino patrons have legal sources of funds to support their gaming activity and that they are not gaming with the proceeds of illegal activity or using Caesars casinos for illegal purposes.

34. CAESARS' KYC Policy further provided, in part, the following:

> The KYC team will conduct enhanced KYC reviews (referred to as "Enhanced Due Diligence" or "EDD") based on certain events that suggest a potential or significant risk of money laundering

> and standard KYC reviews (referred to as "Customer Due Diligence" or "CDD") based on transaction driven triggers and in certain other circumstances.

35. CAESARS' KYC Policy further provided, in part, that "[r]eceipt of material negative news from any source about a patron suggesting that the person may have an illegal source of funds" suggests a potential or significant risk of money laundering and a basis for conducting EDD.

36. CAESARS' KYC Policy further provided, in part, that

> In conducting EDD reviews, the KYC team will review and analyze the following, as applicable and appropriate, to assist in determining the patron's money laundering risk:
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> - Internal casino records about past play and payments to the casino.
> - Casino credit files.
> - Central Credit records.
> - Internet, press, and public records sources about the player and related parties.
> - Commercial database services that identify negative news and screen for [Politically Exposed Persons], such as WorldCheck, and other sources used in suitability reviews of independent agents and vendors, such as services that search court records.
> - The [Currency Transaction Report] and [Suspicious Activity Report] history of the patron.
> - Past criminal subpoenas or seizure warrants received on the patron and the information provided in response.
> - Information from casino Compliance.
> - Information from marketing hosts and marketing management who have had contacts with the patron, including international branches, and who may have additional information about the patron's background and source of funds.
> - Information from casino operations and cage personnel who have had dealings with the customer.
> - Information from casino surveillance personnel who have observed the patron.
> - Information from banks or other casinos obtained through a Section 314(b) request[1].
> - Information and documentation obtained from the patron directly or from an independent agent.

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[1] Section 314(b) permits financial institutions, upon providing notice to the United States Department of the Treasury, to share information with one another in order to identify and report to the federal government activities that may involve money laundering or terrorist activity.

37. CAESARS' KYC Policy further provided, in part, the following:

> Based on the review, the KYC team will make a determination whether there is sufficient information to reasonably conclude that the patron has a legal source of funds for casino play and that the level of the person's play is commensurate with what is reasonably known about the patron's source of funds or whether there is reputational or money laundering risk posed by the patron requiring referral to the AML Officer for review or other follow-up action, such as further monitoring the patron's activities.

38. CAESARS' KYC Policy further provided, in part, the following:

> If based on the KYC review, the KYC team determines that a customer poses significant money laundering risk, the KYC team will refer the matter to the AML Officer. The AML Officer may determine to bar the patron from further play at all Caesars casinos globally, to require additional information, including through a third-party investigative firm or from the patron, or to take other appropriate action.

39. The potential issues listed in CAESARS' KYC Policy that might be identified during a KYC review and indicate a significant money laundering risk include "[a] patron appears to be playing at a level that is not reasonably supported by what is known about the patron's sources of funds" and "[t]he KYC team cannot obtain reliable information about the patron's source of funds after exhausting all reasonable avenues to obtain the information."

40. CAESARS' KYC Policy further provided, in part, that "[n]othing in this Policy prohibits Caesars casinos from barring players, including based on BSA/AML concerns, through their existing compliance review and decision making processes."

41. As part of CAESARS' AML Program, CAESARS implemented a Suspicious Activity Reporting Standard Operating Procedure (SAR Policy) that provided, in part, the following:

> Caesars has an obligation to inquire about source of funds as appropriate under a risk-based approach. Having knowledge of a patron's source of wealth/funds can help determine and identify a patron's activity level. Patrons conducting large cash transactions without supporting documentation confirming their source of funds pose a risk to Caesars.

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B. BOARD Investigation – Mathew Bowyer

42. Bowyer was a patron of CAESARS and/or its subsidiary properties, including CAESARS PALACE, from sometime prior to 2017 until January 22, 2024, when Bowyer was banned by CAESARS.

43. The BOARD's investigation revealed that CAESARS and/or its subsidiary properties, including CAESARS PALACE, had identified, as early as April 2017 and on multiple subsequent occasions until he was banned by CAESARS, suspicions regarding Bowyer's activities, including that there was a lack of information regarding his source of funds and/or that his source of funds failed to justify his level of play. Specifically, CAESARS and/or its subsidiary properties, including CAESARS PALACE, did not adequately determine the source of funds (SOF) in relation to the following:

a. In April 2017, Bowyer made a $500,000 front money deposit at CAESARS PALACE comprised of a $250,000 cashier's check, $245,000 cash, and $5000 in airfare.

b. In May 2017, Bowyer made a $250,000 cash front money deposit at CAESARS PALACE.

c. In August 2017, Bowyer made a $500,000 front money deposit at CAESARS PALACE comprised of a $385,000 Bellagio Hotel & Casino check, and $115,000 cash.

d. In August 2017, Bowyer made a $189,000 cash front money deposit at CAESARS PALACE.

e. In September 2017, Bowyer made $480,000 cash front money deposit at CAESARS PALACE.

f. In September 2017, Bowyer made a $830,000 cash front money deposit at CAESARS PALACE.

g. In November 2017, Bowyer made a $500,000 cash front money deposit at CAESARS PALACE.

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h. In August and September 2019, Bowyer made three front money deposits with cashier's checks totaling $685,000 at Harrah's Resort Southern California.

i. In July 2021, Bowyer attempted a $500,000 front money deposit with a cashier's check at Harrah's/Harveys Lake Tahoe.

44. As part of its KYC Policy, CAESARS performed KYC reviews of Bowyer, in the form of either customer due diligence (CDD) or enhanced due diligence (EDD), several times from 2017 to 2024. Multiple CAESARS' CDDs and/or EDDs revealed a lack of information regarding Bowyer's SOF and/or that his SOF did not support his level of play.

45. Among the KYC reviews done on Bowyer:

a. CAESARS noted in August 2017 that "source of funds/employment could not be determined for BOWYER."

b. CAESARS noted in June 2019 that CAESARS received an anonymous call wherein the caller stated that Bowyer was a "bookie." Further, CAESARS noted that Bowyer was elevated to "HIGH risk" and noted an inability to confirm Bowyer's SOF. The review also indicates that Bowyer was "elevated" to CAESARS' AML Officer due to "lack of occupation/source of wealth" and "over $2 million in actual loss in the last 12 months." Subsequently, on July 10, 2019, CAESARS suspended Bowyer's account pending further investigation. Bowyer then submitted his 2018 tax return showing his adjusted gross income, but CAESARS did not lift the suspension on Bowyer's account. Bowyer next provided a win/loss statement from the Cosmopolitan of Las Vegas reflecting $2,976,880 in winnings in 2018 and CAESARS lifted the suspension on July 26, 2019.

c. CAESARS noted in November 2020 that Bowyer is a "HIGH risk based on undetermined/unverifiable income/sof."

d. CAESARS again noted in May 2021 that Bowyer is a "high risk" due, in part to "undetermined current income level" and a "314b request."

CAESARS further noted that Bowyer "was reviewed in 11/2020 with a determination of unknown level of income for his business Pick Enterprises, LLC. This remains after further investigation."

e. CAESARS noted in August 2021 that Bowyer's employment and SOF could not be determined to support his level of gaming. Further, CAESARS noted that Bowyer's account was suspended on July 28, 2021 "until proof of funds is received as previous review shows the patron may be a 'bookie.'" Bowyer subsequently provided tax returns for 2019 and 2020 resulting in CAESARS, in September 2021, lifting the suspension previously placed on Bowyer's account. While Bowyer had lost an additional approximate $2,000,000 to CAESARS since his July 10, 2019 account suspension and despite Bowyer's 2019 and 2020 tax returns reflecting reduced amounts of income as compared to the information reflected in Bowyer's 2018 tax returns, CAESARS lifted the suspension on Bowyer's account.

f. CAESARS noted in October 2022 limited or "no revenue found" for three businesses owned by Bowyer.

46. CAESARS categorized Bowyer as "high risk" continually from June 2019 until Bowyer was finally banned in January 2024.

47. In addition to the lack of information regarding Bowyer's source of funds, CAESARS was 1) aware of Bowyer's bankruptcy from 2011; and 2) had documentation from May 2017 reflecting that two other Las Vegas casinos had banned Bowyer.

48. CAESARS only made the decision to ban Bowyer in January 2024 following news reports that Bowyer's home was raided by the Federal Bureau of Investigation (FBI) and allegations that Bowyer was an illegal bookmaker.

49. Media outlets reported extensively on Bowyer, including his activities in Las Vegas casinos, his operation of an illegal bookmaking business, and his money laundering activities.

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50. From 2017 to 2024, Bowyer wagered and lost millions of dollars at CAESARS subsidiary properties, including CAESARS PALACE, over the course of more than 100 separate days.

51. From 2017 to 2024, RESPONDENTS failed to substantiate Bowyer's source of funds and/or that his source of funds was consistent with his level of play.

COUNT ONE
FAILURE TO ESTABLISH BOWYER'S SOURCE OF FUNDS

VIOLATION OF NRS 463.170 and/or COMMISSION REGULATIONS 5.011(1), 5.011(1)(a), and/or 5.011(1)(k)

52. The BOARD realleges and incorporates the above paragraphs by reference as though set forth in full herein.

53. As part of its AML Program, CAESARS' KYC Policy provided, in part, the following:

> The purpose of the KYC Policy is to ensure that Caesars conducts appropriate risk-based customer due diligence ("CDD") on its highest risk casino patrons and takes reasonable measures to assist in ensuring that its casino patrons have legal sources of funds to support their gaming activity and that they are not gaming with the proceeds of illegal activity or using Caesars casinos for illegal purposes.

54. As part of its AML Program, CAESARS' SAR Policy provided, in part, the following:

> Caesars has an obligation to inquire about source of funds as appropriate under a risk-based approach. Having knowledge of a patron's source of wealth/funds can help determine and identify a patron's activity level. Patrons conducting large cash transactions without supporting documentation confirming their source of funds pose a risk to Caesars.

55. Bowyer was a patron of RESPONDENTS and wagered and lost millions of dollars at CAESARS' subsidiary properties, including CAESARS PALACE.

56. Over a period of approximately seven years, from 2017 to 2024, when CAESARS finally banned Bowyer, RESPONDENTS failed to conduct adequate due diligence to substantiate Bowyer's source of funds and/or that his source of funds was consistent with his level of play.

57. RESPONDENTS' failure to conduct adequate due diligence to substantiate Bowyer's source of funds and/or that his source of funds was consistent with his level of play over the course of approximately seven years violated and/or undermined CAESARS' AML Program resulting in RESPONDENTS failing to prevent the possible laundering of money derived from an illegal bookmaking business.

58. The conduct, as described herein, is in violation of NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k).

59. RESPONDENTS' failure to comply with NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k) is grounds for disciplinary action against RESPONDENTS. *See* NRS 463.1405(4), NRS 463.170(8), NRS 463.615, NRS 463.641, and Commission Regs. 5.010(2) and 5.030.

COUNT TWO
FAILURE TO BAN BOWYER

VIOLATION OF NRS 463.170 and/or COMMISSION REGULATIONS 5.011(1), 5.011(1)(a), and/or 5.011(1)(k)

60. The BOARD realleges and incorporates the above paragraphs by reference as though set forth in full herein.

61. Pursuant to CAESARS' AML Program, CAESARS' AML Officer was responsible for "[d]etermining whether to bar patrons because they pose a significant money laundering risk . . ."

62. As part of its AML Program, CAESARS' KYC Policy provided, in part, that a significant money laundering risk includes "[a] patron appears to be playing at a level that is not reasonably supported by what is known about the patron's sources of funds" and "[t]he KYC team cannot obtain reliable information about the patron's source of funds after exhausting all reasonable avenues to obtain the information."

63. CAESARS' KYC Policy further provided, in part, that "[r]eceipt of material negative news from any source about a patron suggesting that the person may have an illegal source of funds" suggests a potential or significant risk of money laundering.

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64. CAESARS' KYC Policy further provided, in part, that "[n]othing in this Policy prohibits Caesars casinos from barring players, including based on BSA/AML concerns, through their existing compliance review and decision making processes."

65. Bowyer was a patron of RESPONDENTS and wagered and lost millions of dollars at CAESARS' subsidiary properties, including CAESARS PALACE, over the course of more than 100 separate days.

66. Over a period of approximately seven years, from 2017 to 2024, when CAESARS finally banned Bowyer, RESPONDENTS failed to substantiate Bowyer's source of funds and/or that his source of funds was consistent with his level of play.

67. RESPONDENTS recognized that Bowyer may be an illegal bookmaker.

68. Bowyer posed a significant money laundering risk to RESPONDENTS.

69. Although RESPONDENTS recognized that Bowyer may be an illegal bookmaker and although Bowyer posed a significant money laundering risk, RESPONDENTS did not permanently ban Bowyer over a period of approximately seven years.

70. RESPONDENTS' failure to timely ban Bowyer violated and/or undermined CAESARS' AML Program, resulting in RESPONDENTS' failure to prevent the possible laundering of money derived from an illegal bookmaking business.

71. The conduct, as described herein, is in violation of NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k).

72. Each day that Bowyer was allowed to play at CAESARS' subsidiary properties, including CAESARS PALACE, after receiving information in June 2019 that Bowyer may be an illegal bookmaker constitutes a separate violation of the Gaming Control Act and its regulations.

73. RESPONDENTS' failure to comply with NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k) is grounds for disciplinary action against RESPONDENTS. *See* NRS 463.1405(4), NRS 463.170(8), NRS 463.615, NRS 463.641, and Commission Regs. 5.010(2) and 5.030.

COUNT THREE
FAILURE TO CONDUCT ADEQUATE DUE DILIGENCE ON BOWYER AFTER RECEIPT OF MATERIAL NEGATIVE INFORMATION

VIOLATION OF NRS 463.170 and/or COMMISSION REGULATIONS 5.011(1), 5.011(1)(a), and/or 5.011(1)(k)

74. The BOARD realleges and incorporates the above paragraphs by reference as though set forth in full herein.

75. CAESARS' KYC Policy provided, in part, that "[r]eceipt of material negative news from any source about a patron suggesting that the person may have an illegal source of funds" suggests a potential or significant risk of money laundering and a basis for conducting EDD.

76. In approximately June 2019, CAESARS noted in reviews regarding Bowyer that CAESARS received an anonymous call wherein the caller stated that Bowyer was a "bookie."

77. In approximately August 2021, CAESARS noted again in reviews regarding Bowyer that he may be a "bookie."

78. Despite having information that Bowyer may be a "bookie," CAESARS failed to conduct adequate enhanced due diligence to determine whether Bowyer was engaged in illegal bookmaking.

79. CAESARS' failure to conduct adequate due diligence regarding Bowyer violated and/or undermined CAESARS' AML Program, resulting in CAESARS' failure to prevent the possible laundering of money derived from an illegal bookmaking business.

80. The conduct, as described herein, is in violation of NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k).

81. CAESARS' failure to comply with NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k) is grounds for disciplinary action against CAESARS. *See* NRS 463.1405(4), NRS 463.170(8), NRS 463.615, NRS 463.641, and Commission Regs. 5.010(2) and 5.030.

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COUNT FOUR
RELATED TO FAILURE TO ELEVATE BOWYER TO CAESARS' AML OFFICER

VIOLATION OF NRS 463.170(8) and/or COMMISSION REGULATIONS 5.011(1), 5.011(1)(a), and/or 5.011(1)(k)

82. The BOARD realleges and incorporates the above paragraphs by reference as though set forth in full herein.

83. As part of CAESARS' AML Program, CAESARS' KYC Policy provided, in part, the following:

> If based on the KYC review, the KYC team determines that a customer poses significant money laundering risk, the KYC team will refer the matter to the AML Officer. The AML Officer may determine to bar the patron from further play at all Caesars casinos globally, to require additional information, including through a third-party investigative firm or from the patron, or to take other appropriate action.

84. As part of its AML Program, CAESARS' KYC Policy provided, in part, that a significant money laundering risk includes "[a] patron appears to be playing at a level that is not reasonably supported by what is known about the patron's sources of funds" and "[t]he KYC team cannot obtain reliable information about the patron's source of funds after exhausting all reasonable avenues to obtain the information."

85. CAESARS conducted a KYC review on Bowyer in August 2017 and noted that "source of funds/employment could not be determined for BOWYER."

86. As part of CAESARS' August 2017 KYC review, CAESARS noted suspicions regarding Bowyer's source of funds related to at least three transactions.

87. The August 2017 KYC review did not result in CAESARS' KYC team referring Bowyer to CAESARS' AML Officer.

88. The failure of CAESARS' KYC team to refer Bowyer to CAESARS' AML Officer violated and/or undermined CAESARS' AML Program, resulting in CAESARS' failure to prevent the possible laundering of money derived from an illegal bookmaking business.

89. The conduct, as described herein, is in violation of NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k).

90. CAESARS' failure to comply with NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k) is grounds for disciplinary action against CAESARS. *See* NRS 463.1405(4), NRS 463.170(8), NRS 463.615, NRS 463.641, and Commission Regs. 5.010(2) and 5.030.

COUNT FIVE
RELATED TO FAILURE TO CONDUCT AN INVESTIGATION

VIOLATION OF NRS 463.170(8) and/or COMMISSION REGULATIONS 5.011(1), 5.011(1)(a), and/or 5.011(1)(k)

91. The BOARD realleges and incorporates the above paragraphs by reference as though set forth in full herein.

92. Bowyer was a patron of RESPONDENTS and wagered and lost millions of dollars at CAESARS' subsidiary properties, including CAESARS PALACE.

93. CAESARS banned Bowyer in January 2024 following news reports that Bowyer's home was raided by the FBI and allegations that Bowyer was an illegal bookmaker.

94. The United States Attorney's Office for the Central District of California (USAO) issued a press release on August 1, 2024, informing the public that Bowyer agreed to plead guilty to operating an illegal gambling business, money laundering, and subscribing to a false tax return.

95. Despite banning Bowyer in January 2024 based on news reports that Bowyer's home was raided by the FBI and allegations that Bowyer was an illegal bookmaker, and despite Bowyer pleading guilty to operating an illegal bookmaking business, money laundering, and subscribing to a false tax return, CAESARS subsequently failed to conduct an investigation to determine how and/or why Bowyer was allowed to patronize CAESARS and its subsidiary properties and wager millions of dollars over approximately seven years.

96. The conduct, as described herein, is in violation of NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k).

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97. CAESARS' failure to comply with NRS 463.170 and/or Commission Regulations 5.011(1), 5.011(1)(a), and/or 5.011(1)(k) is grounds for disciplinary action against CAESARS. *See* NRS 463.1405(4), NRS 463.170, NRS 463.615, NRS 463.641, and Commission Regs. 5.010(2) and 5.030.

PRAYER FOR RELIEF

WHEREFORE, based upon the allegations contained herein, which constitute reasonable cause for disciplinary action against RESPONDENTS, pursuant to NRS 463.310 and/or NGC Regulations 5.010, 5.011, and/or 5.030, the BOARD prays for relief as follows:

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

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

3. That the Commission take action against RESPONDENTS' license(s), registration(s), and/or finding(s) of suitability pursuant to the parameters defined in NRS 463.310(4); and

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

DATED this 10th day of November 2025.

NEVADA GAMING CONTROL BOARD

MIKE DREITZER, Chairman

HON. GEORGE ASSAD (RET.), Member

CHANDENI K. SENDALL, Member

Submitted by:

AARON D. FORD
Attorney General

By: ______________________
MICHAEL P. SOMPS
Senior Deputy Attorney General
Gaming Division
(775) 687-2124