



*State of New Jersey*

Philip D. Murphy  
*Governor*

Office of the Attorney General  
Department of Law and Public Safety  
Division of Gaming Enforcement  
P.O. Box 047  
Trenton, NJ 08625-0047

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*Attorney General*

Sheila Y. Oliver  
*Lt. Governor*

David Rebeck  
*Director*

November 20, 2018

N. Lynne Hughes, Vice President & Chief Counsel  
Caesars Entertainment  
Boardwalk Regency Corporation  
D/B/A Caesars Atlantic City  
2100 Pacific Avenue  
Atlantic City, New Jersey 08401

**Re: NOTICE OF VIOLATION; N.J.A.C. 13:69B-2.9**  
**Sports Wager Offered on Prohibited Sports Event;**  
**N.J.A.C. 13:69N-1.1**

Dear Ms. Hughes:

The Division of Gaming Enforcement ("Division") recently completed a series of investigations regarding compliance by Caesars Entertainment ("Caesars") with the regulations of Sports Wagering.

N.J.A.C. 13:69N-1.1 provides, in pertinent part, that a "prohibited sports event" is any "single collegiate sports or athletic event that takes place in New Jersey or...in which any New Jersey college or university team participates, regardless of where the event takes place..."

Over the course of the investigation, the Division noted numerous instances of noncompliance. The initial incident occurred on September 10, 2018, but was discovered on September 14, 2018, [REDACTED] on SciGames' ("SG") [REDACTED] Report for September 10, 2018. The [REDACTED] Report indicated that a bet had been accepted in advance of the Rutgers Scarlet Knights versus Kansas Jayhawks College Football game.



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The Division initiated an investigation and interviewed Vicki Guveiyian, Caesars Interactive Entertainment's ("CIE") Director of Gaming Technology and Innovation on September 18, 2018. Ms. Guveiyian admitted that the Rutgers versus Jayhawks game was not only incorrectly created but was also made available online the afternoon of September 10, 2018. Within 16 minutes of being made available online, patron, [REDACTED] submitted a wager on the game. While CIE's Las Vegas Trading Team noticed the game had been incorrectly loaded and removed it from availability within an hour of its posting; CIE's New Jersey Trading Team did not. It was not until the Division notified CIE's New Jersey Trading Team on September 14, 2018, four days later, that CIE voided the bet. CIE notified [REDACTED] of the voided bet, refunded the wager amount and credited his account an additional \$10 as a "goodwill gesture."

Ms. Guveiyian further explained that CIE's Las Vegas Trading Team had failed to send out notifications when it discovered the illegal listing because it was unaware of New Jersey's compliance standards. On September 14, 2018, Jeff Davis, CIE's Manager of Hub Risk Operations, disseminated an internal memorandum to all CIE Hub Staff reiterating that it was illegal to offer New Jersey collegiate games for sports betting.

However, despite the above referenced incident and the internal memorandum, eight days later, CIE again offered wagering on a collegiate football game (Monmouth Hawks v. Princeton Tigers) on its SG OpenBet Platform. This game remained open for wagers for a period of 90 minutes before it was disabled. Unlike the previous incident, this time, Ms. Guveiyian notified the Division [REDACTED] that on September 22, 2018, the above mentioned collegiate football game had been loaded onto SG's OpenBet Platform. She further advised that it remained on the Platform for a period of 90 minutes before Bismarck Leon, Caesars Sports Hub Operation Manager in Las Vegas disabled the game. It was reported that no wagers were accepted.

The Division contacted, Jennifer Chapman, SG's Compliance Manager. She reported that on September 22, 2018, [REDACTED]

[REDACTED]



Based upon the incidents of noncompliance discussed above, it appears that Caesars has experienced and continues to experience noncompliance regarding sports wagering of prohibited sports events.

Therefore, pursuant to N.J.A.C. 13:69B-2.9, the Division is exercising its authority to impose a civil penalty of \$2,000 to address the above referenced episodes of noncompliance. Additionally, Caesars shall immediately ensure that **proper training and procedural controls are implemented** to prevent any further prohibited events from being displayed, especially those involving New Jersey college teams or any NCAA events played in New Jersey. If Caesars agrees with the civil penalty determination, please sign this letter in the space provided below and return it to the undersigned within 30 days. Upon receipt of the signed letter an Order assessing the suggested civil penalty will be issued. However, if Caesars disagrees with the determination please advise the undersigned so appropriate proceedings may be scheduled. See N.J.A.C. 13:69B-2.9(c-d).

Lastly, Caesar's is hereby advised that, continued non-compliance, no matter how de minimis, regarding permitted wagering on prohibited sports events may result in more formal regulatory action.

Sincerely,

A handwritten signature in black ink, appearing to read "JKRBelles", is written above the typed name.

Jennifer K. Russo-Belles  
Deputy Attorney General

JKRB

c: David L. Rebeck, Director  
Louis S. Rogacki, Deputy Director  
Don Errera, Chief