



State of New Jersey

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Governor

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Division of Gaming Enforcement
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June 29, 2018

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Thomas Pohlman, Exec. Vice President & General Manager, Golden Nugget
Matthew Harkness, President & General Manager, Hard Rock
Frank Leone, Chief Executive Officer, Ocean Walk
Mark Giannantonio, President & Chief Executive Officer, Resorts
Anthony Rodio, President & Chief Executive Officer, Tropicana

RE: State of New Jersey Shutdown–Casino Procedures

Casino Licensee Chief Executive Officer:

If an Appropriations Act for fiscal year 2019 is not enacted by June 30, 2018, the State will cease all non-essential operations until such act is signed into law. At that time, the Governor is empowered to invoke his authority under the Disaster Control Act, *N.J.S.A. App.A:9-30 et seq.* to declare a state of emergency. Employees of the Casino Control Commission (Commission) and the Division of Gaming Enforcement (Division) have not been deemed to be essential. This letter lays out your responsibilities should a shutdown occur.

Under current law, casino licensees "may continue to conduct casino and simulcast operations for a period not to exceed seven days" in the event of a state of emergency, even if "employees of the [C]ommission and the [D]ivision are unable to perform their functions." *N.J.S.A. 5:12-211*. In that regard, please be advised that sports wagering is a casino operation as an approved game. But state law places careful limits on that exception: while casinos can stay open without regulators present, certain internal controls must be in place so that private individuals complete the primary responsibilities that the regulator would otherwise fulfill.



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Licensees that wish to conduct casino, including sports wagering, and simulcast operations during the state of emergency must create, maintain, and file with the Division internal controls prior to the state of emergency, which has been done by each operating casino and which shall become effective only during the state of emergency, that contain, without limitation:

- a. Procedures for the casino licensee and its employees to report any violation of a statute or regulation to the licensee's chief legal officer and audit committee executive, who shall report any such violations to the Governor immediately and to the Commission and Division when the state of emergency ends.
- b. Procedures for the casino licensee to engage a certified public accountant to perform the following functions during the state of emergency:
 1. Act in the capacity of the Division whenever the presence of an employee of the Division is normally required to perform an activity;
 2. Perform any other functions in accordance with instructions issued by the Division prior to the state of emergency; and
 3. Maintain a written record of all activity performed.
- c. Procedures for the surveillance department of the casino licensee to record any activity that involves the participation of the certified public accountant and to provide the recordings to the Division when the state of emergency ends.
- d. Procedures for providing any evidence of tampering or cheating that occurs during the state of emergency to the certified public accountant, who shall preserve such evidence for the Division.
- e. Procedures to ensure that a designee of the casino licensee's chief legal officer is available at all times to receive any complaint from the public relating to the conduct of casino operations. Any such complaint shall be forwarded to the chief legal officer, who shall promptly file it with the Division when the state of emergency ends.
- f. Procedures for withholding the payment of slot machine jackpots greater than \$75,000 during the state of emergency, which shall be posted in the casino advising patrons of the temporary jackpot payout procedures. Such procedures shall include, without limitation, issuance of a written receipt to the winning patron and withholding payment of the jackpot until the state of

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emergency ends and the Division has had the opportunity to inspect the slot machine on which the jackpot was won.

- g. Procedures for staffing both the surveillance and casino security departments with at least one additional officer at all times during the state of emergency.

As stated, all casino licensees have incorporated such emergency plans into their internal control procedures as mandated by *N.J.S.A. 5:12-99*. Furthermore, to continue operations during a state of emergency, licensees must also comply with all relevant provisions of the New Jersey Constitution and all relevant State statutes and regulations and must maintain detailed records of that compliance. See *N.J.S.A. 5:12-211*. Licensees that violate these provisions are subject to enhanced penalties. *Id.*

To conduct casino, including sports wagering, or simulcast operations in case of a budget shutdown, please ensure that the requisite internal controls are in place with any amendments or updates to be completed by no later than Saturday, June 30, 2018 at 10:00 a.m. Moreover, a conference call will be scheduled with you for Friday, June 29, 2018 at 12:00 noon to answer any questions and address any concerns.

Your anticipated cooperation in this matter is appreciated.

Sincerely,



David Rebuck
Director

c: Pacifico Agnellini
Nicholas Casiello
Frank Chesky
Joseph Corbo
Lynne Hughes
Lloyd Levenson
Nicholas Moles
Paul O'Gara
Loretta Pickus
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