



1 NGC 20-09

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5 **STATE OF NEVADA**

6 **BEFORE THE NEVADA GAMING COMMISSION**

7 NEVADA GAMING CONTROL BOARD,

8 Complainant,

9 vs.

10 MEI-GSR HOLDINGS, LLC, dba
11 GRAND SIERRA RESORT AND CASINO,

12 Respondent.

COMPLAINT

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, and EDWARD L. MAGAW, Senior Deputy Attorney General, hereby files this
16 Complaint before the Nevada Gaming Commission (NGC or Commission) for disciplinary
17 action against MEI-GSR HOLDINGS, LLC, dba GRAND SIERRA RESORT AND CASINO
18 (GSR), Respondent herein, pursuant to Nevada Revised Statute (NRS) 463.310(2), and
19 alleges as follows:

20 **JURISDICTION**

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

25 2. Respondent, GSR, located at 2500 East 2nd Street, Reno, Nevada 89595,
26 currently holds a nonrestricted gaming license, and, as such, is charged with the
27 responsibility of complying with all of the provisions of the Nevada Gaming Control Act
28 and the regulations of the Commission.

1 INTRODUCTION

2 3. On March 12, 2020, Nevada Governor Steve Sisolak declared an emergency due
3 to the COVID-19 pandemic declared by the World Health Organization. COVID-19 is a
4 highly contagious respiratory illness spread through the close proximity of persons and has
5 been spreading through the world, including the State of Nevada. In an effort to contain
6 the COVID-19 pandemic, and in an effort to save lives, protect property, and protect the
7 health and safety of the public, Governor Sisolak has imposed certain restrictions on
8 individuals and businesses as further described herein.

9 4. The BOARD was tasked by the Nevada Legislature with ensuring that all
10 establishments wherein gaming is conducted, and wherein gaming devices are operated,
11 be licensed, controlled, and assisted to protect the public health, safety, morals, good order,
12 and general welfare of the inhabitants of the State of Nevada, and is therefore making
13 every effort to ensure compliance by Nevada Gaming licensees, like the GSR, with any
14 applicable Declaration of Emergency Directives issued by Governor Sisolak.

15 5. In Section 13 of Governor Sisolak’s Declaration of Emergency Directive
16 (Emergency Directive) 016, the BOARD was directed to promulgate guidance for a phased
17 and incremental resumption of gaming operations. The BOARD fulfilled this requirement
18 by issuing Health and Safety Policies for Resumption of Gaming Operations for both
19 restricted and nonrestricted gaming licensees.

20 6. Emergency Directive 021 set the requirements for the State of Nevada’s Phase
21 Two of the Nevada United: Roadmap to Recovery plan (Phase Two Recovery Plan). In
22 Section 10 of that Emergency Directive, gatherings of groups of people were limited to 50
23 or less individuals. Further, in Section 20 of that Emergency Directive, all non-retail,
24 indoor venues were required to implement measures to ensure that all social distancing
25 requirements are satisfied. The phrase “social distancing” was defined to include, without
26 limitation, maintaining at least six feet physical distancing from other individuals. Lastly,
27 Section 35 of that Emergency Directive, provided the BOARD with explicit authority to
28 enforce the provisions contained therein as necessary.

1 7. Emergency Directive 024 set the requirements of the State of Nevada's
2 mandatory face covering policy. Section 5 of that Emergency Directive imposed the
3 requirement that individuals not exempted under the Emergency Directive or by the
4 Nevada Health Response must "cover their nose and mouth with a mask or face covering
5 when in a public space, whether publicly owned or privately owned where the public has
6 access by right or invitation, express or implied, whether by payment of money or not."
7 Further, Section 6 of that Emergency Directive imposed the requirement that businesses
8 operating under the Phase Two Recovery Plan must "ensure that all patrons, customers,
9 patients, or clients utilize face coverings, subject to the guidelines that shall be
10 promulgated pursuant to this [Emergency] Directive, including prohibiting persons
11 without face coverings from entering the premises." The term "face covering" is defined as
12 a covering that fully covers a person's nose and mouth. Lastly, Section 10 of that Emergency
13 Directive provided the BOARD with authority to enforce the provisions contained therein.

14 8. In addition to the above, the BOARD's Health and Safety Policies for
15 Resumption of Gaming Operations – Nonrestricted Licensees (BOARD's Health and Safety
16 Policies) provides in relevant part that: (1) Licensees are required to ensure that all patrons
17 properly utilize face coverings; (2) Licensee's must comply with any and all health and
18 safety guidelines and directives issues by federal, state, and local governing authorities
19 with respect to the operation of hotels, restaurants, retail businesses, and pools, including,
20 but not limited to social distancing guidelines; and (3) For any areas where patrons queue,
21 the licensee should have appropriate signage requiring social distancing.

22 9. This Complaint addresses instances where GSR violated NRS 463.170(8),
23 and/or NGC Regulations 5.011(1)(a), (h), and/or (k) by not complying with Emergency
24 Directives 021, 024, and/or the BOARD's Health and Safety Policies.

25 10. The incidents addressed herein include the following:

26 a. On June 19, 2020, an agent of the BOARD observed two patrons gambling
27 at separate table games not wearing face coverings as required. In addition, GSR employees
28 present made no attempt to make the patrons put on the required face coverings.

1 where gaming is conducted and where gambling devices are
2 operated do not unduly impact the quality of life enjoyed by
3 residents of the surrounding neighborhoods

4 (c) Public confidence and trust can only be maintained by
5 strict regulation of all persons, locations, practices, associations
6 and activities related to the operation of licensed gaming
7 establishments

8 (d) All establishments where gaming is conducted and where
9 gaming devices are operated . . . must therefore be licensed,
10 controlled and assisted to protect the public health, safety,
11 morals, good order and general welfare of the inhabitants of the
12 State, to foster the stability and success of gaming and to
13 preserve the competitive economy and policies of free
14 competition of the State of Nevada.

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

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

20 14. The BOARD is authorized to observe the conduct of licensees in order to ensure
21 that gaming operations are not being operated in an unsuitable manner or by an
22 unqualified or unsuitable person. NRS 463.1405(1) and Nev. Gaming Comm'n Reg. 5.040.

23 15. When determining the qualifications of a person to receive a license, to be found
24 suitable, or to receive any approval under NRS Chapter 463, the Commission shall give
25 due consideration to the proper protection of the health, safety, morals, good order, and
26 general welfare of the inhabitants and declared policy of the State of Nevada. NRS
27 463.170(1).

28 16. A person must not receive a license unless the Commission is satisfied that the
applicant is a (1) "person of good character, honesty and integrity;" (2) "whose prior
activities, . . . reputation, habits and associations do not pose a threat to the public interest
of this State or to the effective regulation and control of gaming . . . or create or enhance
the dangers of unsuitable . . . or illegal practices, methods;" and (3) is in "all other respects
qualified to be licensed . . . consistently with the declared policy of the State." NRS
463.170(2).

. . .

1 17. A license to operate a gaming establishment shall not be granted by the
2 Commission unless the applicant has proven that he or she has, among other things,
3 “adequate business probity, competence and experience, in gaming or generally.” *Id.*

4 18. Each licensee bears the continuing obligation to continue to meet such
5 standards and qualifications, and failure to do so constitutes grounds for disciplinary
6 action. NRS 463.170(8) and Nev. Gaming Comm’n Reg. 5.040.

7 19. The burden of proving a licensee’s qualifications to continue to hold a license
8 rests at all times on the licensee. Nev. Gaming Comm’n Reg. 5.040.

9 20. Nevada Gaming Commission Regulation 5.010(1) states that it is “the policy of
10 the Commission and the Board to require that all establishments wherein gaming is
11 conducted in this state be operated in a manner suitable to protect the public health, safety,
12 morals, good order and general welfare of the inhabitants of the State of Nevada.”

13 21. Nevada Gaming Commission Regulation 5.010(2) states that responsibility “for
14 the employment and maintenance of suitable methods of operation rests with the licensee,
15 and willful or persistent use or toleration of methods of operation deemed unsuitable will
16 constitute grounds for license revocation or other disciplinary action.”

17 22. Nevada Gaming Commission Regulation 5.011 states, in relevant part, as
18 follows:

19 1. The Board and the Commission deem any activity on the
20 part of a licensee, registrant, or person found suitable by the
21 Commission, or an agent or employee thereof, that is inimical to
22 the public health, safety, morals, good order, or general welfare
23 of the people of the State of Nevada, or that would reflect or tend
24 to reflect discredit upon the State of Nevada or the gaming
25 industry, to be an unsuitable method of operation and shall be
26 grounds for disciplinary action by the Board and the Commission
27 in accordance with the Nevada Gaming Control Act and the
28 regulations of the Commission. The following acts or omissions,
without limitation, may be determined to be unsuitable methods
of operation:

(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.

.....

1 (h) Failure to comply with or make provisions for compliance
2 with all federal, state, or local laws and regulations and with all
3 conditions and limitations approved by the Commission relating
4 to the operation of a licensed gaming establishment or other
5 gaming business

6

7 (k) Failure to conduct gaming operations in accordance with
8 proper standards of custom, decorum, and decency, or permit a
9 type of conduct in a gaming establishment that reflects or tends
10 to reflect on the repute of the State of Nevada and act as a
11 detriment to the gaming industry.

12

13 2. The Commission, in the exercise of its sound discretion,
14 may make its own determination as to whether or not a licensed
15 gaming establishment or other gaming business has failed to
16 comply with a law or regulation described in paragraph (h) of
17 subsection 1, but any such determination shall make use of
18 established precedents when interpreting the applicable statute.
19 Nothing in this section affects the right of a licensee to judicial
20 review.

21 Nev. Gaming Comm'n Reg. 5.011(1)(a), (h), and (k), and (2).

22 23. Nevada Revised Statute 414.070(4) and (7) provide, in relevant part, the
23 following:

24 The provisions of this section are operative only during the
25 existence of a state of emergency or declaration of disaster. The
26 existence of such an emergency or disaster may be proclaimed by
27 the Governor or by resolution of the Legislature if the Governor
28 in his or her proclamation, or the Legislature in its resolution,
finds that an attack upon the United States has occurred or is
anticipated in the immediate future, or that a natural,
technological or man-made emergency or disaster of major
proportions has actually occurred within this State, and that the
safety and welfare of the inhabitants of this State require an
invocation of the provisions of this section. Any such emergency
or disaster, whether proclaimed by the Governor or by the
Legislature, terminates upon the proclamation of the
termination thereof by the Governor, or the passage by the
Legislature of a resolution terminating the emergency or
disaster. During the period when a state of emergency or
declaration of disaster exists or continues, the Governor may
exercise the following additional powers:

4. To provide for and compel the evacuation of all or part
of the population from any stricken or threatened area or areas
within the State and to take such steps as are necessary for the
receipt and care of those persons.

. . . .

1 7. To perform and exercise such other functions, powers
2 and duties as are necessary to promote and secure the safety and
3 protection of the civilian population.

4 NRS 414.070(4) and (7).

5 24. The Declaration of Emergency for COVID-19, issued by Governor Sisolak on
6 March 12, 2020, under the authority granted to him in Chapter 414 of NRS, states, in
7 relevant part:

8 I, Steve Sisolak, Governor of the State of Nevada,
9 pursuant to the authority vested in me by the Constitution and
10 laws of the State of Nevada, hereby declare an emergency and
11 direct all state agencies to supplement the efforts of all impacted
12 and threatened counties to save lives, protect property, and
13 protect the health and safety of persons in this state. Under my
14 authority, I will perform and exercise such other functions,
15 powers, and duties as are necessary to promote and secure the
16 safety and protection of the civilian population.

17 Gov. Decl. of Emerg. (March 12, 2020).

18 25. Section 7 of Emergency Directive 021 defined the phrase “social distancing” to
19 include, without limitation, maintaining at least six feet of physical distancing from other
20 individuals. Gov. Decl. of Emerg., Dir. 21, Sec. 7 (May 28, 2020).

21 26. Section 10 of Emergency Directive 021 provides as follows:

22 Section 1 of [Emergency] Directive 007 is hereby further
23 amended to provide that effective 12:01 am on May 29, 2020, the
24 Nevada general public shall not gather in groups of more than
25 fifty in any indoor or outdoor area subject to the limitations of
26 this section, whether publicly owned or privately owned where
27 the public has access by right or invitation, express or implied,
28 whether by payment of money or not. Section 3 of [Emergency]
Directive 007 shall remain in force.

Nev. Gov. Decl. of Emerg., Dir. 021, Sec. 10 (May 28, 2020).

29 27. Section 35, of Emergency Directive 021 provides as follows:

30 [Emergency] Directive 002 and Section 021 of
31 [Emergency] Directive 018 are hereby terminated. The Nevada
32 Gaming Control Board shall promulgate requirements for the
33 phased and incremental resumption of gaming operations, with
34 openings commencing no sooner than 12:01 am June 4, 2020.
35 Failure of a gaming licensee to comply with any such
36 requirements shall be considered injurious to the public health,
37 safety, morals, good order and general welfare of the inhabitants
38 of the State, and constitute a failure to comply with this

1 [Emergency] Directive. The Nevada Gaming Control Board is
2 hereby authorized to enforce this [Emergency] Directive as
3 necessary, including, but without limitation, pursuing
disciplinary action to limit, condition, suspend, and/or revoke a
license, and/or impose a monetary fine against a licensee in
accordance with the Gaming Control Act.

4 Nev. Gov. Decl. of Emerg., Dir. 021, Sec. 35 (May 28, 2020).

5 28. Section 4 of Emergency Directive 024 defines "face covering" as a covering that
6 fully covers a person's nose and mouth. Nev. Gov. Decl. of Emerg., Dir. 024, Sec. 4 (June
7 25, 2020).

8 29. Section 5 of Emergency Directive 024 provides as follows:

9 Individuals not exempted by this [Emergency] Directive or
10 guidance issued by the Nevada Health Response shall be
11 required to cover their nose and mouth with a mask or face
12 covering when in a public space, whether publicly owned or
privately owned where the public has access by right or
invitation, express or implied, whether by payment of money or
not.

13 Nev. Gov. Decl. of Emerg., Dir. 024, Sec. 5 (June 25, 2020).

14 30. Section 6 of Emergency Directive 024 provides as follows:

15 Business [operating] during Phase Two of the Nevada
16 Untied: Roadmap to Recovery plan shall ensure that all patrons,
17 customers, patients, or clients utilize face coverings, subject to
18 the guidelines that shall be promulgated pursuant to this
[Emergency] Directive, included prohibiting persons without
face coverings from entering the premises.

19 Nev. Gov. Decl. of Emerg., Dir. 024, Sec. 5 (June 25, 2020).

20 31. Section 10 of Emergency Directive 024 provides as follows:

21 Pursuant to NRS 414.060(3)(f), I hereby authorize all
22 local, city, and county governments, and state agencies to enforce
23 this [Emergency] Directive and regulations promulgated
24 thereunder, including but not limited to, suspending licenses,
25 revoking licenses, or issuing penalties for violating business,
26 professional, liquor, tobacco, or gaming licenses issued by the
local jurisdiction for actions that jeopardize the health, safety, or
welfare of the public; conduct which may be injuriously affect the
public health, safety, or welfare; conduct that may be
detrimental to the public peace, health, or morals; or any other
applicable ordinance or requirement for such a license.

27 Nev. Gov. Decl. of Emerg., Dir. 024, Sec. 10 (June 25, 2020).

28 ...

1 32. The BOARD's Health and Safety Policies, as updated on June 25, 2020, provide,
2 in relevant part, the following:

3 Use of Face Coverings by Patrons and Guests:

4 Pursuant to Governor Sisolak's Emergency Directive 024,
5 licensees shall ensure that all patrons and guests properly utilize
6 face coverings, subject to the guidelines in the [Emergency]
7 Directive. This Policy fully incorporates Emergency Directive
8 024, including, without limitation, all of its requirements,
9 conditions, limitations, and exceptions. Licensee should have
10 dedicated signage throughout the establishment notifying
11 patrons that face coverings are required. Pursuant to the
12 authority granted to the Board in section 35 of Emergency
13 Directive 021 and section 10 of Emergency Directive 024, the
14 Board will strictly enforce Emergency Directive 024.

15

16 Social Distancing Guidelines:

17 The Board expects all licensees to comply with any and all
18 health and safety guidelines and directives issued by federal,
19 state, and local governing authorities with respect to the
20 operation of hotels, restaurants, retail establishments, and
21 pools.

22 Guest Queuing. Any area where patrons queue should
23 have appropriate signage requiring social distancing in
24 accordance with federal, state, and local health authority
25 requirements.

26 Proc. for Reopening after Temp. Closure, pp. 4-5 (as updated June 25, 2020).

27 33. Nevada Gaming Commission Regulation 5.030 provides as follows:

28 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.

29 Nev. Gaming Comm'n Reg. 5.030.

30 . . .

1 34. Nevada Revised Statute 463.310 states in relevant part as follows:

2 1. The Board shall make appropriate investigations:

3 (a) To determine whether there has been any violation of this
chapter or chapter 462, 464, 465 or 466 of NRS or any regulations
adopted thereunder.

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

6

7 2. If, after any investigation the Board is satisfied that:

8 (a) A license, registration, finding of suitability, preliminary
finding of suitability, pari-mutuel license or prior approval by the
9 Commission of any transaction for which the approval was
required or permitted under the provisions of this chapter or
10 chapter 462, 464 or 466 of NRS should be limited, conditioned,
suspended or revoked; or

11 (b) A person or entity which is licensed, registered, found
suitable pursuant to this chapter or chapter 464 of NRS or which
12 previously obtained approval for any act or transaction for which
Commission approval was required or permitted under the
13 provisions of this chapter or chapter 464 of NRS should be fined,
the Board shall initiate a hearing before the Commission by
14 filing a complaint with the Commission in accordance with NRS
463.312 and transmit therewith a summary of evidence in its
15 possession bearing on the matter and the transcript of testimony
at any investigative hearing conducted by or on behalf of the
16 Board.

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

18 35. In response to a Complaint brought by the BOARD, NRS 463.310(4) provides
19 in relevant part that the Commission may:

20 (a) Limit, condition, suspend or revoke the license of any
licensed gaming establishment or the individual license of any
21 licensee without affecting the license of the establishment;

22

23 (d) Fine each person or entity or both, which is licensed,
24 registered, found suitable . . . pursuant to this chapter or chapter
464 of NRS . . . :

25

26 (2) . . . not more than \$100,000 for each separate violation
of the provisions of this chapter or chapter 464 or 465 of NRS or
27 of the regulations of the Commission which is the subject of an
initial complaint and not more than \$250,000 for each separate
28 violation of the provisions of this chapter or chapter 464 or 465

1 of NRS or of the regulations of the Commission which is the
subject of any subsequent complaint.

2 NRS 463.310(4)(a) and (d)(2).

3 **BACKGROUND**

4 **A. Declaration of Emergency, Directives, and Policies.**

5 36. On or about March 12, 2020, Steve Sisolak, Governor of the State of Nevada,
6 issued a Declaration of Emergency for COVID-19 to facilitate the State's response to the
7 COVID-19 pandemic declared by the World Health Organization.

8 37. On or about March 17, 2020, in furtherance of his Declaration of Emergency,
9 Governor Sisolak verbally mandated that all gaming machines, devices, table, games, and
10 any equipment related to gaming activity be shut down effective at midnight.

11 38. On or about March 18, 2020, Governor Sisolak issued Emergency Directive 002,
12 reaffirming his March 17, 2020 verbal order, wherein he ordered that "the Nevada general
13 public shall cease gathering at gaming establishments, and all gaming devices, machines,
14 tables, games, and any equipment related to gaming activity shall cease operations
15 effective March 17, 2020, at 11:59 p.m., for the duration that this Directive shall be in
16 effect."

17 39. On or about April 29, 2020, Governor Sisolak issued Emergency Directive 016,
18 wherein he ordered the following:

19 Section 13: Gaming operations, not including licensed
20 online gaming or mobile wagering operations, shall remain
21 closed until the Gaming Control Board determines that
22 operations may safely resume. The Gaming Control Board shall
promulgate guidance for a phased and incremental resumption
of gaming operations, as well as criteria regarding when
operations may resume.

23 Nev. Gov. Decl. of Emerg., Dir. 016, Sec. 13 (April 29, 2020).

24 40. On or about May 1, 2020, the BOARD issued Health and Safety Policies for
25 Reopening after Temporary Closure pursuant to section 13 of Governor Sisolak's
26 Emergency Directive 016 in order to effectuate a safe, measured, and incremental
27 resumption of gaming operations.

28 ...

1 41. On or about May 7, 2020, Governor Sisolak issued Emergency Directive 018 –
2 Phase One Reopening, wherein he ordered the following:

3 Section 9: All employers must take proactive measures to
4 ensure compliance with the social distancing and sanitation
5 guidelines. All employers shall require employees who interact
6 with the public to wear face coverings to the maximum extent
7 possible, and shall abide by all other guidelines promulgated by
8 the Nevada State Occupational Safety and Health
9 Administration (NV OSHA).

10 Section 21: Section 13 of [Emergency] Directive 016 is
11 hereby amended. Gaming operations, not including licensed
12 online gaming or mobile wagering operations, shall remain
13 closed through Phase One. The Gaming Control Board shall
14 promulgate guidance for a phased and incremental resumption
15 of gaming operations.”

16 Nev. Gov. Decl. of Emerg., Dir. 018, Sec. 9 and 21 (May 7, 2020).

17 42. On or about May 28, 2020, Governor Sisolak issued Emergency Directive 021 –
18 Phase Two Reopening Plan, wherein he ordered, in relevant part, the following:

19 Section 10: Section 1 of [Emergency] Directive 007 is
20 hereby further amended to provide that effective 12:01 am on
21 May 29, 2020, the Nevada general public shall not gather in
22 groups of more than fifty in any indoor or outdoor area subject to
23 the limitations of this section, whether publicly owned or
24 privately owned where the public has access by right or
25 invitation, express or implied, whether by payment of money or
26 not. Section 3 of [Emergency] Directive 007 shall remain in force.

27 Section 35: [Emergency] Directive 002 and Section 021 of
28 [Emergency] Directive 018 are hereby terminated. The Nevada
Gaming Control Board shall promulgate requirements for a
phased and incremental resumption of gaming operations, with
openings commencing no sooner than 12:01 am June 4, 2020.
Failure of a gaming licensee to comply with any such
requirements shall be considered injurious to the public health,
safety, morals, good order and general welfare of the inhabitants
of the State, and constitute a failure to comply with this
Directive. The Nevada Gaming Control Board is hereby
authorized to enforce this [Emergency] Directive as necessary,
including, but without limitation, pursuing disciplinary action to
limit, condition, suspend, and/or revoke a license, and/or impose
a monetary fine against a licensee in accordance with the
Gaming Control Act.

Nev. Gov. Decl. of Emerg., Dir. 021, Sec. 10 and 35 (May 28, 2020).

...

1 43. On or about June 25, 2020, Governor Sisolak issued Emergency Directive 024,
2 wherein he ordered, in relevant part, the following:

3 Section 4: For the purposes of this [Emergency] Directive,
4 “face coverings” is defined as covering that fully covers a person’s
5 nose and mouth, including without limitation, cloth face masks,
6 surgical masks, towels, scarves, and bandanas. This [Emergency]
7 Directive shall not be construed to require the public to wear
8 medical-grade masks, including masks rated N95, KN95, and
9 their equivalent or better.

10 Section 5: Individuals not exempted by this [Emergency]
11 Directive or guidance issued by the Nevada Health Response
12 shall be required to cover their nose and mouth with a mask or
13 face covering when in a public space, whether publicly owned or
14 privately owned where the public has access by right or
15 invitation, express or implied, whether by payment of money or
16 not.

17 Section 6: Businesses operating during Phase Two of the
18 Nevada United: Roadmap to Recovery plan shall ensure that all
19 patrons, customers, patients, or clients utilize face coverings,
20 subject to the guidelines that shall be promulgated pursuant to
21 this [Emergency] Directive, including prohibiting persons
22 without face coverings from entering the premises.

23

24 Section 10: Pursuant to NRS 414.060(3)(f), I hereby
25 authorize all local, city, and county governments, and state
26 agencies to enforce this [Emergency] Directive and regulations
27 promulgated thereunder, including but not limited to,
28 suspending licenses, revoking licenses, or issuing penalties for
violating business, professional, liquor, tobacco, or gaming
licenses issued by the local jurisdiction for actions that
jeopardize the health, safety, or welfare of the public; conduct
which may injuriously affect the public health, safety, or welfare;
conduct that may be detrimental to the public peace, health or
morals; or any other applicable ordinance or requirements for
such a license.

29 Nev. Gov. Decl. of Emerg., Dir. 024, Secs. 4-6, and 10 (June 25, 2020).

30 44. On or about June 25, 2020, the BOARD updated its Health and Safety Policies
31 for Reopening after Temporary Closure. The BOARD’s updated Health and Safety Policies
32 continue to impose operational requirements on licensees to mitigate and reduce the risk
33 of exposure to COVID-19 for all employees, patrons, and other guests, but added provisions
34 requiring all patrons and guests to use face coverings in accordance with Governor Sisolak’s
35 Emergency Directive 024. Proc. for Reopening after Temp. Closure, p. 4 (as updated June

1 25, 2020). The BOARD's updated Health and Safety Policies included the following relevant
2 provisions:

3 Use of Face Coverings by Patrons and Guests:

4 Pursuant to Governor Sisolak's Emergency Directive 024,
5 licensees shall ensure that all patrons and guests properly utilize
6 face coverings, subject to the guidelines in the [Emergency]
7 Directive. This Policy fully incorporates Emergency Directive
8 024, including, without limitation, all of its requirements,
9 conditions, limitations, and exceptions. Licensee should have
10 dedicated signage throughout the establishment notifying
11 patrons that face coverings are required. Pursuant to the
12 authority granted to the Board in section 35 of Emergency
13 Directive 021 and section 10 of Emergency Directive 024, the
14 Board will strictly enforce Emergency Directive 024.

15

16 Social Distancing Guidelines:

17 The Board expects all licensees to comply with any and all
18 health and safety guidelines and directives issued by federal,
19 state, and local governing authorities with respect to the
20 operation of hotels, restaurants, retail establishments, and
21 pools.

22 Guest Queuing. Any area where patrons queue should
23 have appropriate signage requiring social distancing in
24 accordance with federal, state, and local health authority
25 requirements.

26 Proc. for Reopening after Temp. Closure, pp. 4-5 (as updated June 25, 2020).

27 **B. Conduct Observed at GSR on June 19, 2020.**

28 45. On June 19, 2020, an agent of the BOARD conducted an observation of the
gaming operations at GSR. During that observation, the agent noted two patrons sitting
and gambling at separate table games not wearing the required face coverings. In addition,
the agent observed that the GSR employees present in the area made no attempt to require
the patrons to put on face coverings.

46. When the violations were reported to the Operations Manager for GSR, he
stated he would speak to the table games employees and reiterate the face covering
requirements.

. . .

1 47. In response to these violations, the BOARD sent a violation letter to GSR dated
2 June 29, 2020.

3 **C. Conduct Observed at GSR on July 2, 2020.**

4 48. On July 2, 2020, an agent of the BOARD conducted an observation of the
5 gaming operations at GSR. During that observation, the agent noted the following:

6 a. At least 43 patrons in and around the gaming areas of GSR were either
7 not wearing or improperly wearing a face covering, as required.

8 b. Three GSR employees were observed walking past patrons not wearing
9 face coverings without stopping to direct the patrons to put on a face covering.

10 49. When the violations were reported to the Casino Shift Manager on duty, he
11 immediately addressed the issue with the employees on duty and brought them into
12 compliance.

13 50. In response to these violations, the BOARD sent a violation letter to GSR dated
14 July 20, 2020.

15 **D. Conduct Observed at GSR on July 31, 2020.**

16 51. On July 31, 2020, an agent of the BOARD conducted an observation of the
17 gaming operations at GSR. During that observation, the agent noted the following:

18 a. At least 34 patrons inside GSR were not wearing or improperly wearing
19 face coverings, as required.

20 b. Four of the patrons not wearing face coverings were observed interacting
21 with GSR employees, who did not direct the patrons to put on the required face coverings.

22 c. At least 50 patrons queuing for the hotel elevators were not conforming to
23 social distancing guidelines – on average the patrons were standing within two feet of one
24 another – and no GSR employees were present to attempt to get the patrons to comply with
25 those guidelines. In addition, there were no floor or other markings in the area to assist
26 patrons in social distancing.

27 d. A marketing promotion was being conducted by a GSR promotion host
28 who was not properly wearing a face covering while engaging with patrons and addressing

1 the gathered crowd. The patrons in the crowd of at least 22 were not observing proper social
2 distancing guidelines and there was no effort by GSR employees to correct the situation.

3 52. After the BOARD agent concluded his observations, he met with GSR's Vice
4 President of Operations (VP of Operations) to discuss his findings. During the discussion,
5 the agent informed the VP of Operations that there have already been two COVID-19
6 related violation cases involving GSR.

7 **COUNT I**
8 **VIOLATION OF NRS 463.170(8) AND/OR**
9 **NGC REGULATIONS 5.011(1)(a), (h), AND/OR (k)**

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

12 54. On June 19, 2020, an agent of the BOARD observed two patrons sitting and
13 gambling at two separate table games on the licensed gaming premises of GSR not wearing
14 face coverings as required. In addition, at no time did one of the GSR employees present
15 make any attempt to direct either of the patrons to put on the required face covering.

16 55. Each instance of noncompliance constituted a separate violation of Emergency
17 Directive 021 and/or the BOARD's Health and Safety Policies.

18 56. By failing to comply with and/or enforce compliance with the above cited
19 Emergency Directive and/or the BOARD's Health and Safety Policies, GSR:

20 a. Failed to continue to meet the applicable standards and qualifications
21 necessary to hold a gaming license in violation of NRS 463.170(8), specifically by acting in
22 a manner that put at risk the health, safety, morals, good order, and general welfare of the
23 inhabitants of the State of Nevada and that was not consistent with the declared policy of
24 this State;

25 b. Failed to exercise discretion and sound judgment to prevent an incident
26 or incidents that might reflect on the repute of the State of Nevada and/or might act as a
27 detriment to the industry in violation of NGC Regulation 5.011(1)(a);

28 c. Failed to comply, or make provisions for compliance with all state laws in
violation of NGC Regulation 5.011(1)(h); and/or

1 d. Failed to conduct its gaming operation in accordance with proper
2 standards of custom, decorum, and decency and/or permitted a type of conduct in its gaming
3 establishment that reflects or tends to reflect on the repute of the State of Nevada and acts
4 as a detriment to the gaming industry in violation of NGC Regulation 5.011(1)(k).

5 57. The failure of GSR to comply with NRS 463.170(8) and/or NGC Regulation
6 5.011(1)(a), (h), and/or (k) is an unsuitable method of operation and provides grounds for
7 disciplinary action against GSR. *See Nev. Gaming Comm'n Reg. 5.010(2) and 5.030.*

8 **COUNT II**
9 **VIOLATION OF NRS 463.170(8) AND/OR**
10 **NGC REGULATIONS 5.011(1)(a), (h), AND/OR (k)**

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

13 59. On July 2, 2020, an agent of the BOARD observed the following on the licensed
14 gaming premises of GSR:

15 a. At least 43 patrons were either not wearing face coverings or were not
16 properly wearing face coverings, as required; and

17 b. At least three GSR employees were observed walking past patrons who
18 were not wearing face coverings without stopping to direct the patrons to put on the
19 required face coverings.

20 60. Each instance of noncompliance constituted a separate violation of Emergency
21 Directive 021, Executive Directive 024, and/or the BOARD's Health and Safety Policies.

22 61. By failing to comply with and/or enforce compliance with one or more of the
23 above cited Emergency Directives and/or the BOARD's Health and Safety Policies, GSR:

24 a. Failed to continue to meet the applicable standards and qualifications
25 necessary to hold a gaming license in violation of NRS 463.170(8), specifically by acting in
26 a manner that put at risk the health, safety, morals, good order, and general welfare of the
27 inhabitants of the State of Nevada and that was not consistent with the declared policy of
28 this State;

...

1 b. Failed to exercise discretion and sound judgment to prevent an incident
2 or incidents that might reflect on the repute of the State of Nevada and/or might act as a
3 detriment to the industry in violation of NGC Regulation 5.011(1)(a);

4 c. Failed to comply, or make provisions for compliance with all state laws in
5 violation of NGC Regulation 5.011(1)(h); and/or

6 d. Failed to conduct its gaming operation in accordance with proper
7 standards of custom, decorum, and decency and/or permitted a type of conduct in its gaming
8 establishment that reflects or tends to reflect on the repute of the State of Nevada and acts
9 as a detriment to the gaming industry in violation of NGC Regulation 5.011(1)(k).

10 62. The failure of GSR to comply with NRS 463.170(8) and/or NGC Regulation
11 5.011(1)(a), (h), and/or (k) is an unsuitable method of operation and provides grounds for
12 disciplinary action against GSR. *See Nev. Gaming Comm'n Reg. 5.010(2) and 5.030.*

13 **COUNT III**
14 **VIOLATION OF NRS 463.170(8) AND/OR**
 NGC REGULATIONS 5.011(1)(a), (h), AND/OR (k)

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

17 64. On July 31, 2020, an agent of the BOARD observed the following on the licensed
18 gaming premises of GSR:

19 a. At least 34 patrons were either not wearing face coverings or were not
20 properly wearing face coverings, as required;

21 b. At least four of the patrons not wearing face coverings interacted with
22 GSR employees who did not direct the patrons put on the required face coverings;

23 c. At least 50 patrons that were queuing for the hotel elevator were not
24 following social distancing guidelines and no GSR employees were present to attempt to
25 get the patrons to comply with the guidelines. Further, there were no floor markings or
26 other signs in the area to assist patrons in complying with the guidelines.

27 d. A marketing promotion host engaged and addressed a group of patrons as
28 part of a GSR promotion without properly wearing a face covering. In addition, the patrons

1 in the crowd of at least 22 were not following social distancing guidelines and there was no
2 effort by GSR employees to correct the situation.

3 65. Each instance of noncompliance constituted a separate violation of Emergency
4 Directive 021, Executive Directive 024, and/or the BOARD's Health and Safety Policies.

5 66. By failing to comply with and/or enforce compliance with one or more of the
6 above cited Emergency Directives and/or the BOARD's Health and Safety Policies, GSR:

7 a. Failed to continue to meet the applicable standards and qualifications
8 necessary to hold a gaming license in violation of NRS 463.170(8), specifically by acting in
9 a manner that put at risk the health, safety, morals, good order, and general welfare of the
10 inhabitants of the State of Nevada and that was not consistent with the declared policy of
11 this State;

12 b. Failed to exercise discretion and sound judgment to prevent an incident
13 or incidents that might reflect on the repute of the State of Nevada and/or might act as a
14 detriment to the industry in violation of NGC Regulation 5.011(1)(a);

15 c. Failed to comply, or make provisions for compliance with all state laws in
16 violation of NGC Regulation 5.011(1)(h); and/or

17 d. Failed to conduct its gaming operation in accordance with proper
18 standards of custom, decorum, and decency and/or permitted a type of conduct in its gaming
19 establishment that reflects or tends to reflect on the repute of the State of Nevada and acts
20 as a detriment to the gaming industry in violation of NGC Regulation 5.011(1)(k).

21 67. The failure of GSR to comply with NRS 463.170(8) and/or NGC Regulation
22 5.011(1)(a), (h), and/or (k) is an unsuitable method of operation and provides grounds for
23 disciplinary action against GSR. *See Nev. Gaming Comm'n Reg. 5.010(2) and 5.030.*

24 **PRAYER FOR RELIEF**

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

28 ...

- 1 1. That the Commission serve a copy of this Complaint on GSR pursuant to
- 2 NRS 463.312(2);
- 3 2. That the Commission fine GSR a monetary sum pursuant to the parameters
- 4 defined at NRS 463.310(4) for each separate violation of the provisions of the Nevada
- 5 Gaming Control Act or the Regulations of the Commission;
- 6 3. That the Commission take action against GSR's licenses pursuant to the
- 7 parameters defined in NRS 463.310(4); and
- 8 4. For such other and further relief as the Commission may deem just and proper.

9 DATED this 7th day of August , 2020.


10 NEVADA GAMING CONTROL BOARD

11 
 12 _____
 13 SANDRA MORGAN, Chairwoman

14 
 15 _____
 16 TERRY JOHNSON, Member

17 
 18 _____
 19 PHILIP KATSAROS, Member

17 Submitted by:
 18 AARON D. FORD
 19 Attorney General

20 By: 
 21 _____
 22 EDWARD L. MAGAW (NV Bar No. 9111)
 23 Senior Deputy Attorney General
 24 Gaming Division
 25 Office of the Nevada Attorney General
 26 (702) 486-3420

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