



1 NGC 17-09

2 STATE OF NEVADA

3 BEFORE THE NEVADA GAMING COMMISSION

4 NEVADA GAMING CONTROL BOARD,)

5 Complainant,)

6 vs.)

7 NORTHUMBERLAND LMG)
8 CORPORATION, dba SKYLINE CASINO,))

9 Respondent.)

10 COMPLAINT

11)
12 The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD
13 (BOARD), Complainant herein, by and through its counsel, ADAM PAUL LAXALT,
14 Attorney General, by JOHN S. MICHELA, Senior Deputy Attorney General, hereby files
15 this Complaint for disciplinary action against NORTHUMBERLAND LMG
16 CORPORATION, dba SKYLINE CASINO (RESPONDENT), pursuant to Nevada Revised
17 Statute (NRS) 463.310(2) and alleges as follows:

18 JURISDICTION

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

23 2. RESPONDENT, located at 1741 North Boulder Highway, Henderson, Nevada,
24 is organized under the laws of Nevada and holds a nonrestricted gaming license.

25 RELEVANT LAW

26 3. The Nevada Legislature has declared under NRS 463.0129(1) that:

- 27 (a) The gaming industry is vitally important to the
28 economy of the State and the general welfare of the
inhabitants.(b) The continued growth and success of gaming is

1 dependent upon public confidence and trust that licensed
2 gaming and the manufacture, sale and distribution of gaming
3 devices and associated equipment are conducted honestly and
4 competitively, that establishments which hold restricted and
5 nonrestricted licenses where gaming is conducted and where
6 gambling devices are operated do not unduly impact the quality
7 of life enjoyed by residents of the surrounding neighborhoods,
8 that the rights of the creditors of licensees are protected and
9 that gaming is free from criminal and corruptive elements.

(c) Public 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, the manufacture, sale or distribution of gaming
devices and associated equipment and the operation of inter-
casino linked systems.

10 NRS 463.0129(1)(a), (b) and (c).

11 4. The Nevada Gaming Commission has full and absolute power and authority to
12 limit, condition, restrict, revoke or suspend any license, or fine any person licensed, for
13 any cause deemed reasonable. *See* NRS 463.1405(4).

14 5. The Nevada Gaming Commission may also place "such conditions as it may
15 deem necessary in the public interest upon any registration, finding of suitability or
16 approval for which application has been made." NRS 463.220(3).

17 6. The BOARD is authorized to observe the conduct of licensees in order to ensure
18 that the gaming operations are not being conducted in an unsuitable manner. *See* NRS
19 463.1405(1).

20 7. This continuing obligation is repeated in Nevada Gaming Commission
21 Regulation 5.040, which provides as follows:

A gaming license is a revocable privilege, and no holder
thereof shall be deemed to have acquired any vested rights
therein or thereunder. The burden of proving his qualifications
to hold any license rests at all times on the licensee. The board
is charged by law with the duty of observing the conduct of all
licensees to the end that licenses shall not be held by
unqualified or disqualified persons or unsuitable persons or
persons whose operations are conducted in an unsuitable
manner.

22 Nev. Gaming Comm'n Reg. 5.040.

23 8. Nevada Gaming Commission Regulation 5.010 provides as follows:

1 1. It is the policy of the commission and the board to
2 require that all establishments wherein gaming is conducted in
3 this state be operated in a manner suitable to protect the public
4 health, safety, morals, good order and general welfare of the
5 inhabitants of the State of Nevada.

6 2. Responsibility for the employment and maintenance of
7 suitable methods of operation rests with the licensee, and willful
8 or persistent use or toleration of methods of operation deemed
9 unsuitable will constitute grounds for license revocation or other
10 disciplinary action.

11 Nev. Gaming Comm'n Reg. 5.010.

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

14 The board and the commission deem any activity on the
15 part of any licensee, his agents or employees, that is inimical to
16 the public health, safety, morals, good order and general welfare
17 of the people of the State of Nevada, or that would reflect or
18 tend to reflect discredit upon the State of Nevada or the gaming
19 industry, to be an unsuitable method of operation and shall be
20 grounds for disciplinary action by the board and the commission
21 in accordance with the Nevada Gaming Control Act and the
22 regulations of the board and the commission. Without limiting
23 the generality of the foregoing, the following acts or omissions
24 may be determined to be unsuitable methods of operation:

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

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29 8. Failure to comply with or make provision for
30 compliance with all federal, state and local laws and regulations
31 and with all commission approved conditions and limitations
32 pertaining to the operations of a licensed establishment
33 including, without limiting the generality of the foregoing,
34 payment of all license fees, withholding any payroll taxes, liquor
35 and entertainment taxes and antitrust and monopoly statutes.

.....

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

41 Nev. Gaming Comm'n Reg. 5.011 (1), (8), and (10).

1 10. NRS 463.335 provides, in relevant part:

2 2. A person may not be employed as a gaming employee
3 unless the person is temporarily registered or registered as a
4 gaming employee pursuant to this section. An applicant for
5 registration or renewal of registration as a gaming employee
6 must file an application for registration or renewal of
7 registration with the Board. Whenever a registered gaming
8 employee, whose registration has not expired, has not been
9 objected to by the Board, or has not been suspended or revoked
10 becomes employed as a gaming employee at another or
11 additional gaming establishment, the registered gaming
12 employee must file a change of employment notice within 10
13 calendar days with the Board. The application for registration
14 and change of employment notice must be filed through the
15 licensee for whom the applicant will commence or continue
16 working as a gaming employee, unless otherwise filed with the
17 Board as prescribed by regulation of the Commission.

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19 7. Except as otherwise prescribed by regulation of the
20 Commission, an applicant for registration or renewal of
21 registration as a gaming employee is deemed temporarily
22 registered as a gaming employee as of the date a complete
23 application for registration or renewal of registration is
24 submitted to the licensee for which the applicant will commence
25 or continue working as a gaming employee. Unless objected to
26 by the Board or suspended or revoked, the initial registration of
27 an applicant as a gaming employee expires 5 years after the
28 date employment commences with the applicable licensee. Any
subsequent renewal of registration as a gaming employee,
unless objected to by the Board or suspended or revoked, expires
5 years after the expiration date of the most recent registration
or renewal of registration of the gaming employee.

19 NRS 463.335 (2) and (7).

20 11. Nevada Gaming Commission Regulation 5.100 provides as follows:

21 As used in Regulations 5.100 to 5.109, inclusive:

22 1. "Applicant" means a person who has submitted an
23 application for registration or renewal of registration as a
24 gaming employee and, unless otherwise indicated, also means a
25 person who has filed a change of employment notice.

26 2. "Application for registration" means an application
27 package, in electronic or paper form, containing all the
28 components of a complete application for registration or
renewal of registration as a gaming employee consisting of:

(a) The online or paper form for application;

(b) Two sets of fingerprints of the applicant or, if
applicable, proof that the applicant's fingerprints were
submitted electronically or by another means to the Central
Repository for Nevada Records of Criminal History;

1 (c) The fee or a voucher guaranteeing payment of the fee
for processing the application for registration; and

2 (d) The statement prescribed in subsections 1 and 2 of
NRS 463.3351.

3 Unless otherwise indicated, an "application for
registration" also means the change of employment notice
prescribed by the board, in electronic or paper form.

4 3. "Form for application" means the application form
prescribed by the board for registration or renewal of
5 registration as a gaming employee and, unless otherwise
indicated, also means the change of employment notice form
6 prescribed by the board, in electronic or paper form.

7 Nev. Gaming Comm'n Reg. 5.100.

8 12. Nevada Gaming Commission Regulation 5.101 provides:

9 No person shall be employed as a gaming employee
unless such person is temporarily registered or registered as a
10 gaming employee in accordance with NRS 463.335 and these
regulations.

11 Nev. Gaming Comm'n Reg. 5.101.

12 13. Nevada Gaming Commission Regulation 5.105 provides, in relevant part, as
13 follows:

14 1. A nonrestricted licensee shall not knowingly employ
any person as a gaming employee unless such person is
temporarily registered or registered as a gaming employee. A
15 licensee shall check, and may rely on, the system of records
maintained by the board to verify the temporary registration,
16 registration or eligibility of a person seeking employment as a
gaming employee with such licensee.

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18 11. On or before the fifteenth (15th) day of each month,
19 each licensee shall submit a written report to the board
containing the name, social security number, position held, and
20 date of hire of each gaming employee hired during the previous
month.

21 12. On or before the fifteenth (15th) day of the ensuing
22 month after a calendar quarter, each licensee shall enter a
termination date for all gaming employees terminated or
23 separated from service within the preceding quarter into the
board's online gaming employee registration system or submit a
24 written report to the board containing the name, social security
number, position held, and date of termination or separation of
25 all gaming employees terminated or separated from service
within the preceding quarter. With regard to persons required to
26 register pursuant to section 5.320, such entry or written report
shall include a truthful statement of the reason(s) for each
27 termination and resignation and any additional information
28

1 regarding the termination or resignation requested by the
2 chairman.

3 Nev. Gaming Comm'n Reg. 5.105 (1), (11), and (12).

4 14. Nevada Gaming Commission Regulation 5.030 provides as follows:

5 ***Violation of any provision of the Nevada Gaming***
6 ***Control Act or of these regulations by a licensee***, his agent
7 or employee ***shall be deemed*** contrary to the public health,
8 safety, morals, good order and general welfare of the inhabitants
9 of the State of Nevada and ***grounds for suspension or***
10 ***revocation of a license***. Acceptance of a state gaming license
11 or renewal thereof by a licensee constitutes an agreement on the
12 part of the licensee to be bound by all of the regulations of the
13 commission as the same now are or may hereafter be amended
14 or promulgated. ***It is the responsibility of the licensee to***
15 ***keep himself informed of the content of all such***
16 ***regulations, and ignorance thereof will not excuse***
17 ***violations.***

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

19 BACKGROUND

20 15. The BOARD contacted RESPONDENT through e-mail on October 17, 2017;
21 May 29, 2017; November 20, 2016; and August 16, 2016. These e-mails indicated certain
22 gaming employee hire reports were missing. On October 17, 2017, the Program Manager
23 for the BOARD's Employee Registration unit directly contacted RESPONDENT's General
24 Manager by telephone concerning the missing hire reports.

25 COUNT ONE

26 VIOLATION OF NEVADA REVISED STATUTE 463.335 AND 27 NEVADA GAMING COMMISSION REGULATIONS 5.011, 5.101, AND/OR 5.105

28 16. Complainant BOARD realleges and incorporates by reference as though set
forth in full herein paragraphs 1 through 16 above.

17. RESPONDENT employed a security guard named David Phillips from prior to
August 11, 2016, through at least October 27, 2017.

18. Mr. Phillips' gaming employee registration expired on August 11, 2016.

19. Mr. Phillips' gaming employee registration was renewed on October 28, 2017.

20. Mr. Phillips worked for RESPONDENT during this approximately 14-month
period with an expired gaming employee registration.

1 21. RESPONDENT's actions as set out above are a violation of Nevada Revised
2 Statute 463.335 and Nevada Gaming Commission Regulations 5.011, 5.101, and/or 5.105.
3 This constitutes an unsuitable method of operation, and, as such, is grounds for
4 disciplinary action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

5 **COUNT TWO**

6 **NEVADA GAMING COMMISSION REGULATIONS 5.011 AND/OR 5.105**

7 22. Complainant BOARD realleges and incorporates by reference as though set
8 forth in full herein paragraphs 1 through 22 above.

9 23. For the period of May 2016 through October 2016, RESPONDENT failed to
10 timely submit required gaming employee hire reports to the BOARD.

11 24. RESPONDENT submitted the required hire reports to the BOARD for May
12 2016 through October 2016 on November 21, 2016.

13 25. RESPONDENT submitted the required hire reports to the BOARD for
14 November 2016 through September 2017 on October 18, 2017. As of January 10, 2018,
15 RESPONDENT had not submitted the required hire reports to the BOARD for October
16 and November of 2017.

17 26. RESPONDENT's actions as set out above are a violation of Nevada Revised
18 Statute 463.335 and Nevada Gaming Commission Regulations 5.011 and/or 5.105. This
19 constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary
20 action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

21 **COUNT THREE**

22 **NEVADA GAMING COMMISSION REGULATIONS 5.011 AND/OR 5.105**

23 27. Complainant BOARD realleges and incorporates by reference as though set
24 forth in full herein paragraphs 1 through 27 above.

25 28. In comparing a list of current gaming employees of RESPONDENT on October
26 27, 2017, to BOARD records, the BOARD discovered 19 separated gaming employees not
27 timely recorded by RESPONDENT in the BOARD's online gaming employee registration
28 system.

1 29. RESPONDENT also failed to submit a timely written report concerning the
2 separated gaming employees.

3 30. Due to RESPONDENT's failure to provide required updates to BOARD
4 records, BOARD records reflected these 19 separated gaming employees of
5 RESPONDENT as current employees of RESPONDENT. The oldest termination date of
6 these separated employees was September of 2014.

7 31. RESPONDENT's actions as set out above are a violation of Nevada Revised
8 Statute 463.335 and Nevada Gaming Commission Regulations 5.011 and/or 5.105. This
9 constitutes an unsuitable method of operation, and, as such, is grounds for disciplinary
10 action. See Nev. Gaming Comm'n Regs. 5.010(2), 5.011 and 5.030.

11 **PRAYER FOR RELIEF**

12 WHEREFORE, based upon the allegations contained herein which constitute
13 reasonable cause for disciplinary action against RESPONDENT, pursuant to NRS
14 463.310 and Nevada Gaming Commission Regulations 5.010 and 5.030 the NEVADA
15 GAMING CONTROL BOARD prays for the relief as follows:

16 1. That the Nevada Gaming Commission serve a copy of this Complaint on
17 RESPONDENT pursuant to NRS 463.312(2);

18 2. That the Nevada Gaming Commission fine RESPONDENT a monetary sum
19 pursuant to the parameters defined at NRS 463.310(4) for each separate violation of the
20 provisions of the Nevada Gaming Control Act or the Regulations of the Nevada Gaming
21 Commission;

22 3. That the Nevada Gaming Commission take action against RESPONDENT's
23 license or licenses pursuant to the parameters defined in NRS 463.310(4); and
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1 4. For such other and further relief as the Nevada Gaming Commission may deem
2 just and proper.

3 DATED this 6th day of February, 2018.

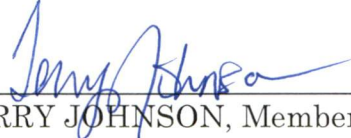
4 NEVADA GAMING CONTROL BOARD

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6 _____
7 BECKY HARRIS, Chairwoman

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10 SHAWN R. REID, Member

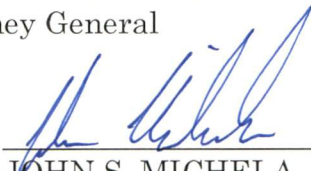
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12 _____
13 TERRY JOHNSON, Member

14 Submitted by:

15 ADAM PAUL LAXALT
16 Attorney General

17 By:



18 _____
19 JOHN S. MICHELA
20 Senior Deputy Attorney General
21 Gaming Division
22 Telephone: (775) 687-2126
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