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STATE OF NEVADA

5

BEFORE THE NEVADA GAMING COMMISSION

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NEVADA GAMING CONTROL BOARD,

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Complainant,

COMPLAINT

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vs.

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STEPHEN ALAN WYNN,

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In his capacity as having been found suitable
as Chief Executive Officer, Chairman of the
Board, and shareholder and controlling
shareholder of Wynn Resorts, Ltd.;

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Respondent.

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The State of Nevada, on relation of its Nevada Gaming Control Board (Gaming Control Board), by and through its counsel, files this Complaint before the Nevada Gaming Commission (Gaming Commission) for disciplinary action against Respondent Stephen Alan Wynn (Mr. Wynn), pursuant to Nevada Revised Statute (NRS) 463.310(2), and alleges as follows:

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INTRODUCTION

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1. The Gaming Commission should revoke Mr. Wynn's Findings of Suitability.

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Mr. Wynn has repeatedly violated Nevada's gaming statutes and regulations, bringing discredit upon the State of Nevada and its gaming industry. He is unsuitable to be associated with a gaming enterprise or the gaming industry as a whole.

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2. From its initial licensure in 2005, Wynn Resorts, Ltd. (Wynn Resorts and/or

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Wynn Company) was led by Mr. Wynn, who was—until his recent resignation—its Chairman, Chief Executive Officer (CEO), and controlling shareholder. During this time,

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multiple women in employment positions that were subordinate to Mr. Wynn reported that Mr. Wynn subjected them to unwanted sexual advances. Mr. Wynn never reported these

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1 allegations to the appropriate individuals or departments, but instead, concealed at least
2 some of them through nondisclosure agreements and various other means. When some of
3 Mr. Wynn's alleged misconduct became public in 2018, it resulted in negative reporting
4 that was widely disseminated in media outlets around the world. This negative reporting
5 and the underlying conduct harmed Nevada's reputation and its gaming industry. It
6 damaged the public's confidence and trust in an industry that is vitally important to the
7 economy of the State of Nevada and the general welfare of its inhabitants.

8 3. As the Wynn Company admitted in its 2019 Settlement with the Gaming
9 Control Board, (1) it did not enforce its policies and procedures with regard to Mr. Wynn
10 following the reporting procedures for sexual harassment and related matters; (2) its past
11 failures to enforce its policies and procedures have led to multiple instances where sexual
12 harassment allegations concerning Mr. Wynn were not investigated; and (3) its past
13 failures to enforce its policies and procedures have led to multiple instances where
14 allegations of sexual harassment by Mr. Wynn were not appropriately addressed by the
15 Wynn Company.

16 4. Given the Wynn Company's failure to properly monitor and investigate Mr.
17 Wynn's conduct, the Gaming Control Board was obligated to undertake its own
18 investigation into Mr. Wynn's conduct. That investigation revealed numerous potential
19 instances of unwelcome sexual conduct by Mr. Wynn. Multiple female employees stated
20 they experienced unwelcome sexual conduct by Mr. Wynn, including exposing himself,
21 inappropriate comments and touching, coerced sex, and requests for oral and vaginal sex
22 acts. Investigators identified individuals who asserted they witnessed Mr. Wynn engage
23 in a series of encounters with subordinate female employees. These subordinate employees
24 were vulnerable to Mr. Wynn's conduct due to their financial dependence on continued
25 employment at resorts controlled and managed by him.

26 5. As part of its investigation, the Gaming Control Board noticed Mr. Wynn to
27 appear and testify at an Investigative Hearing to address these and other allegations made
28 against him. That notice informed Mr. Wynn that his failure to appear and testify fully

1 *shall constitute grounds for the revocation* of his Findings of Suitability. Mr. Wynn,
2 however, refused to—and did not—attend that hearing.

3 6. In his capacity as a (if not the) key executive of a major casino, Mr. Wynn’s
4 conduct was inimical to the public health, safety, morals, good order, and general welfare
5 of the people of the State of Nevada. He failed to exercise discretion and sound judgment
6 to prevent incidents, which negatively reflected on the repute of the State of Nevada and
7 acted as a detriment to the development of the gaming industry. In short, he brought
8 discredit upon the State of Nevada and its gaming industry. And when the Board sought
9 his testimony in response to these issues, Mr. Wynn failed to appear—despite knowing that
10 doing so constituted grounds for the revocation of his Findings of Suitability.

11 7. At a minimum, Mr. Wynn’s Findings of Suitability should be revoked.

12 **JURISDICTION**

13 8. The Gaming Control Board is an administrative agency of the State of Nevada
14 duly organized and existing under and by virtue of Chapter 463 of the NRS. It is charged
15 with the administration and enforcement of the gaming laws of this state as set forth in
16 Title 41 of the NRS and the Regulations of the Gaming Commission.

17 9. Mr. Wynn was previously found suitable by the Gaming Commission as, and
18 was at all times relevant to this Complaint, CEO, Chairman, shareholder, and controlling
19 shareholder of Wynn Resorts, which is registered as a publicly traded company by the
20 Gaming Commission and, through wholly owned intermediaries and holding companies, is
21 the owner of Wynn Las Vegas, LLC (Wynn LV), which holds a nonrestricted gaming license.
22 Although Mr. Wynn resigned as CEO and Chairman of Wynn Resorts and redeemed his
23 shares in Wynn Resorts, the Gaming Control Board placed an administrative hold on Mr.
24 Wynn’s Findings of Suitability and retains jurisdiction over him for purposes that include
25 disciplinary proceedings.

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1 **BACKGROUND**

2 **A. Complaints about Mr. Wynn that the Wynn Company Failed to Investigate**

3 10. Mr. Wynn subjected his subordinate employees to unwelcome sexual
4 advances, according to multiple complaints made against him.

5 11. Mr. Wynn hid those complaints from his Board of Directors and other key
6 executives by using his personal funds to settle privately the complaints and requiring the
7 complaining women to sign nondisclosure agreements.

8 12. Many of the allegations against Mr. Wynn came to light on January 26, 2018,
9 when the *Wall Street Journal* published an article titled “Dozens of People Recount Pattern
10 of Sexual Misconduct by Las Vegas Mogul Steve Wynn” (WSJ Article).

11 13. The WSJ Article described allegations taking place in 2005 regarding Mr.
12 Wynn and a manicurist who worked for Wynn LV. The WSJ Article explained that Mr.
13 Wynn forced the manicurist to have sex with him and that the manicurist’s supervisor
14 learned of the allegations and “filed a detailed report to the casino’s human-resources
15 department recounting the episode.” The WSJ Article stated, “according to people familiar
16 with the matter,” Mr. Wynn paid a \$7.5 million settlement to the manicurist based on the
17 allegations.

18 14. The WSJ Article stated Mr. Wynn’s behavior went beyond the manicurist
19 incident: “dozens of people The Wall Street Journal interviewed who have worked at Mr.
20 Wynn’s casinos told of behavior that cumulatively would amount to a decades-long pattern
21 of sexual misconduct by Mr. Wynn.”

22 15. The WSJ Article went on to describe further sexual incidents alleged against
23 Mr. Wynn. It also stated how employees were aware of Mr. Wynn’s power in Las Vegas
24 and worried about how that power could influence their ability to work elsewhere.

25 **B. Wynn Company Policies**

26 16. Mr. Wynn, at all times relevant to this Complaint, was found suitable as the
27 controlling shareholder of Wynn Resorts, found suitable as a shareholder of Wynn Resorts,
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1 found suitable as the Chairman of the Board of Wynn Resorts, and found suitable as the
2 CEO of Wynn Resorts.

3 17. During all times relevant to this Complaint, the Wynn Company maintained
4 a policy concerning harassment and discrimination (Harassment Policy). The Harassment
5 Policy was “to prohibit any conduct, whether intentional or unintentional which results in
6 the harassment or discrimination of employees”

7 18. The Harassment Policy defined sexual harassment as “any unwelcomed
8 sexual advances, request for sexual favors, or other conduct of a sexual nature either verbal
9 or physical”

10 19. The Harassment Policy stated that:

11 [A]ll employees, from the highest management to the part-time
12 staff, are responsible for following this policy and aiding in its
13 enforcement. Additionally, all employees are responsible for
14 maintaining a professional work environment by treating
everyone... with respect and by being aware of their own behavior
toward others in the work place.

15 20. The Harassment Policy set out that an employee who experiences or witnesses
16 sexual harassment “should immediately report the conduct to: 1. The Employee Relations
17 Department; 2. The Vice President of Human Resources, the Legal department, or your
18 particular Divisional Vice President; 3. Any other member of management with whom [the
19 employee] feel[s] comfortable.”

20 21. The Harassment Policy required that supervisors who observe or become
21 aware of harassment “**must immediately** report” such harassment “to the Employee
22 Relations department and take appropriate steps to stop the offending behavior.”
23 (Emphasis in original).

24 22. During all times relevant to this Complaint, the Wynn Company maintained
25 an investigations policy concerning alleged workplace conduct violations (Investigations
26 Policy). The Investigations Policy stated that the company “will promptly initiate an
27 appropriate investigation into all possible violations of law and Wynn policy and
28 procedures.” The Investigations Policy established that Human Resources (HR) or the

1 Employee Relations (ER) department will have primary responsibility for investigating
2 complaints relating to employee misconduct and set forth the steps to be taken for an
3 investigation. Specifically, an investigation should consist of the following:

- 4 1. Obtain verbal and written statements from all parties
5 involved, including the complainant and accused.
- 6 2. Take photographs/video of any injury or damage (*if*
7 *applicable*).
- 8 3. Preserve all evidence, and secure the evidence in a locked
9 location. Document all evidence obtained.
- 10 4. Determine if there is a potential for risk occurrence. If there
11 is a potential, take all measures appropriate to protect
12 employees.
- 13 5. Complete an investigation report and provide all relevant
14 and necessary information, including findings.

15 23. The Investigations Policy also set out that, based on the investigation, ER
16 and/or HR “should determine whether the allegation(s) were substantiated,
17 unsubstantiated or inconclusive.” Further the determinations are “violation found,” “no
18 violation found,” or “inconclusive investigation.”

19 24. During all times relevant to this Complaint, the Wynn Company maintained
20 a Personal Relationships policy. This policy discouraged “romantic or intimate
21 relationships involving a direct or indirect supervisory relationship between employees
22 regardless of whether the relationship is voluntary and/or welcomed by both parties.”

23 25. The Wynn Company’s Personal Relationships policy also set out that
24 “Department managers are responsible for conducting themselves in a professional manner
25 and strictly maintaining professional relationships with their employees at all times.”

26 **C. Gaming Control Board Investigation**

27 **i. Scope of the Investigation**

28 26. Immediately upon learning of the allegations raised against Mr. Wynn in the
WSJ Article, the Gaming Control Board launched a thorough and extensive investigation,
which utilized a variety of methods to gather information including telephonic and in-
person interviews, formal investigative hearings, and document review.

1 27. Gaming Control Board Staff contacted former and current employees, many
2 of whom consented to telephonic or in-person recorded interviews. Some, however, declined
3 to comment or did not respond.

4 28. Gaming Control Board Staff also contacted current and former executives and
5 board members of the Wynn Company.

6 29. Gaming Control Board Staff also reviewed transcripts and exhibits of sworn
7 testimony associated with the Wynn Company from depositions that were taken in the
8 litigation between Wynn Resorts and Kazuo Okada, Aruze USA, Inc. and Universal
9 Entertainment Corporation (Nevada 8th JD, Case #A-12-656710-B).

10 30. Gaming Control Board Staff also reviewed three lawsuits filed in the District
11 Court of Clark County, Nevada detailing allegations of unwelcome sexual conduct by Mr.
12 Wynn involving the Wynn Company employees, demand letters directly related to these
13 lawsuits, additional demand letters, EEOC complaints, and a police report detailing other
14 alleged incidents of unwelcome sexual conduct by Mr. Wynn.

15 31. Gaming Control Board Staff also reviewed voluntary statements submitted
16 through the Gaming Control Board website. Investigators pursued submissions relevant
17 to the scope of the investigation. Investigators also conducted telephonic interviews with
18 those individuals who responded to Gaming Control Board inquiries.

19 32. Gaming Control Board Staff also reviewed company policies and procedures
20 relating to harassment, workplace hostility, and discrimination.

21 33. Gaming Control Board Staff also reviewed confidential settlement
22 agreements between specific employees, Mr. Wynn, and the Wynn Company.

23 34. Gaming Control Board Staff also reviewed nearly 300 worldwide news
24 articles.

25 35. Gaming Control Board Staff also received regular updates from Wynn Resorts'
26 internal investigation into the allegations of unwelcome sexual conduct by Mr. Wynn and
27 the company's response to them.

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1 **ii. Findings from the Investigation**

2 36. Through its seven-month investigation, the Gaming Control Board found
3 evidence of sexual conduct by Mr. Wynn involving subordinate female employees, which
4 Mr. Wynn conducted in disregard of the Wynn Company policy and procedure.

5 37. The evidence from the investigation demonstrates a pattern of Mr. Wynn
6 recklessly engaging in sexual conduct with subordinate employees, which even if it was
7 consensual as maintained by Mr. Wynn, is oblivious to the significant power imbalance
8 between the CEO of a major gaming company and subordinate employees dependent upon
9 Mr. Wynn's approval for continued employment.

10 38. Mr. Wynn was in position of power as CEO and the largest shareholder.

11 39. When asked during interviews why they did not just say "no" to Mr. Wynn's
12 sexual demands or find another job, female employees identified financial dependency on
13 their current jobs and fear of firing, blackballing, or other reprisals by Mr. Wynn.

14 40. Although Mr. Wynn has indicated elsewhere that all sexual conduct at issue
15 was consensual, Mr. Wynn thwarted any investigation of such conduct between himself
16 and a subordinate employee through his personal use of non-disclosure agreements.

17 41. For example, the Gaming Control Board tried to contact women who sent
18 demand letters detailing unwelcome sexual conduct as part of their investigations.

19 42. The Gaming Control Board, however, was informed that the women had
20 settled with Mr. Wynn. At that point, the women would not agree to an interview due to
21 confidentiality clauses in their settlement agreements with Mr. Wynn.

22 43. The Gaming Control Board also noticed Mr. Wynn to appear and testify at an
23 Investigative Hearing regarding these and other allegations.

24 44. That notice informed Mr. Wynn that his failure to appear constituted grounds
25 for the revocation of his Findings of Suitability.

26 45. Mr. Wynn, however, failed to comply with that notice and did not attend the
27 scheduled hearing.

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1 **D. Wynn Company Settlement with Gaming Control Board**

2 46. On or about January 25, 2019, the Gaming Control Board filed a Complaint
3 (Wynn Company Complaint), Case No. NGC 18-15, against the Wynn Company arising
4 out of the Gaming Control Board investigation.

5 47. On or about February 26, 2019, the Gaming Commission accepted a
6 Stipulation for Settlement and Order (2019 Settlement Stipulation) entered into between
7 the Gaming Control Board and the Wynn Company resolving the Wynn Company
8 Complaint.

9 48. The Gaming Commission imposed a \$20,000,000 fine against the Wynn
10 Company.

11 49. In the 2019 Settlement Stipulation, the Wynn Company admitted to nearly
12 all of the allegations in the Wynn Company Complaint, including that:

13 a. Mr. Wynn, while Chairman of the Board of Directors and Chief
14 Executive Officer of Wynn Resorts, engaged in intimate and sexual conduct with
15 employees.

16 b. Mr. Wynn failed to comply with the Wynn Company's policies that he
17 maintain a professional work environment and/or failed to comply with the spirit of Wynn
18 Resorts' policies that discouraged intimate relationships between himself and employees.

19 c. Mr. Wynn's conduct is inappropriate and unsuitable given his position
20 as head of the Wynn Company and given the inherent disparity in power between himself
21 and non-management employees.

22 d. The Wynn Company did not enforce its policies and procedures with
23 regard to Mr. Wynn following the reporting procedures for sexual harassment and related
24 matters.

25 e. The Wynn Company's past failures to enforce its policies and
26 procedures have led to multiple instances where sexual harassment allegations concerning
27 Mr. Wynn were not investigated.

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1 f. The Wynn Company's past failures to enforce its policies and
2 procedures have led to multiple instances where allegations of sexual harassment by Mr.
3 Wynn were not appropriately addressed by the Wynn Company.

4 g. The Wynn Company's past failures to appropriately address allegations
5 of sexual harassment by Mr. Wynn resulted in negative articles published in widely
6 disseminated media publications, including, but not limited to, the Wall Street Journal.

7 h. Through these actions and failures, the Wynn Company violated
8 NRS 463.170(8) and/or Nevada Gaming Commission Regulations 5.010 and/or 5.011.

9 50. Mr. Wynn, as the former Chairman of the Board of Directors and Chief
10 Executive Officer of Wynn Resorts, is ultimately responsible for the failures alleged in the
11 Wynn Company Complaint.

12 **E. Massachusetts Gaming Commission Report and Proceedings**

13 51. The Investigations and Enforcement Bureau (IEB) of the Massachusetts
14 Gaming Commission (MGC) also conducted investigation into the ongoing suitability of
15 Wynn MA, LLC, and its qualifiers after the January 26, 2018, WSJ article regarding the
16 allegations of sexual harassment against Mr. Wynn.

17 52. The report prepared by the IEB contained a written statement provided by
18 Mr. Wynn to the special committee set up by the Wynn Company.

19 53. In the written statement, Mr. Wynn admits to having "multiple consensual
20 relationships during his tenure at Wynn Resorts" (IEB report dated 3/15/2019, pp.
21 162-63.) Mr. Wynn further admits that while employed by the Wynn Company he was
22 aware that the Wynn Company had a "code of conduct and related policies," but states that
23 he was not familiar with the details of those policies. (*Id.*)

24 54. In addition, during his testimony before the MGC, Matthew Maddox, the CEO
25 of Wynn Company, testified as to the conduct of Mr. Wynn "that there were many victims
26 [of Mr. Wynn], and those victims felt powerless...." (Adjudicatory Hearing Transcript Dated
27 April 2, 2019, 28:6-7).

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1 55. In its Decision and Order, the MGC stated that it was “troubled by the
2 systemic failures and pervasive culture of non-disclosure presented in the IEB report and
3 adjudicatory hearing.” (MGC Decision and Order, p. 49.) The MGC found that the
4 “corporate culture of the founder-led organization led to disparate treatment of [Mr. Wynn]
5 in ways that left the most vulnerable at grave risk.” (*Id.*)

6 56. The MGC fined Wynn Resorts \$35 million and an additional fine of \$500
7 thousand against Matthew Maddox, the then CEO of Wynn Resorts.

8 RELEVANT LAW

9 57. Because “[t]he gaming industry is vitally important to the economy of the
10 State and the general welfare of the inhabitants, . . . [p]ublic confidence and trust can only
11 be maintained by strict regulation of all persons, locations, practices, associations and
12 activities related to the operation of licensed gaming establishments” NRS
13 463.0129(1)(a)-(c).

14 58. For that reason, the legislature has granted the Gaming Commission “full and
15 absolute power and authority to limit, condition, restrict, revoke or suspend any . . . finding
16 of suitability . . . or fine any person . . . found suitable . . . for any cause deemed reasonable
17 by the Commission.” NRS 463.1405.

18 59. A finding of suitability—just like a license—may be denied, revoked,
19 suspended, limited, conditioned, or restricted “upon the same grounds as [the Commission]
20 may take such action with respect to licenses, licensees and licensing. . . .” Nev. Gaming
21 Comm’n Reg. 3.080.

22 60. Further, each licensee or person found suitable bears the continuing
23 obligation to continue to meet the standards and qualifications that were required to obtain
24 the license or finding of suitability. NRS 463.170 and Nev. Gaming Comm’n Reg. 5.040.

25 61. To support the Gaming Commission’s disciplinary decisions, the Gaming
26 Control Board is authorized to observe the conduct of licensees and persons found suitable
27 in order to ensure that the gaming operations or registered holding company are not being
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1 operated in an unsuitable manner or by an unqualified or unsuitable person.
2 NRS 463.1405(1) and Nev. Gaming Comm'n Reg. 5.040.

3 62. In support of that authority to observe, both the Gaming Control Board and
4 the Gaming Commission have "full power and authority to issue subpoenas and compel the
5 attendance of witnesses at any place within this state. . . ." NRS 463.140(5).

6 63. A person must not receive—or maintain—a license or finding of suitability
7 unless the Commission is satisfied that the applicant is a (1) "person of good character,
8 honesty and integrity;" (2) "whose prior activities, . . . reputation, habits and associations
9 do not pose a threat to the public interest of this State;" and (3) is in "all other respects
10 qualified to be licensed or found suitable consistently with the declared policy of the State."
11 NRS 463.170(2).

12 64. The failure to continue to meet such standards and qualifications constitutes
13 grounds for disciplinary action, including revocation. NRS 463.170(8).

14 65. Gaming Commission Regulation 5.010(1) explains that "all establishments
15 wherein gaming is conducted in this state be operated in a manner suitable to protect the
16 public health, safety, morals, good order and general welfare of the inhabitants of the State
17 of Nevada." It goes on to say in subsection 2 that "willful or persistent use or toleration of
18 methods of operation deemed unsuitable will constitute grounds for license revocation or
19 other disciplinary action."

20 66. The Gaming Control Board for numerous reasons can bring discipline.

21 67. Most notably, Gaming Commission Regulation 5.011 explains that discipline
22 may be based on any activity (1) "that is inimical to the public health, safety, morals, good
23 order and general welfare of the people of the State of Nevada," or (2) "that would reflect
24 or tend to reflect discredit upon the State of Nevada or the gaming industry."

25 68. Regulation 5.011 goes on to provide a non-exhaustive list of grounds for
26 discipline, including:

- 27 1. Failure to exercise discretion and sound judgment to prevent
28 incidents which might reflect on the repute of the State of

1 Nevada and act as a detriment to the development of the
2 industry.

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

7 69. Additionally, all licensees and persons found suitable have a duty to cooperate
8 with investigations and provide testimony. Nev. Gaming Comm'n Reg. 5.070.

9 70. In that regard, any licensee or person found suitable is required to appear to
10 testify before the Gaming Control Board when summoned on any matter the Gaming
11 Control Board deems relevant. *Id.*

12 71. That hearing may be conducted by one or more members of the Gaming
13 Control Board or a hearing examiner appointed by the Gaming Control Board. NRS
14 463.110(4) and Nev. Gaming Comm'n Regs. 2.060(2) and 5.070.

15 72. Importantly, "[f]ailure to so appear and testify fully at the time and place
16 designated, unless excused, shall constitute grounds for the revocation or suspension of any
17 license held by the person summoned, his or her principal or employer." *Id.*

18 73. Finally, violation of any provision of the Nevada Gaming Control Act or its
19 regulations "shall be deemed contrary to the public health, safety, morals, good order and
20 general welfare of the inhabitants of the State of Nevada and grounds for suspension or
21 revocation of a license." Nev. Gaming Comm'n Reg. 5.030.

22 **COUNT ONE**
23 **VIOLATION OF NRS 463.170 and/or**
GAMING COMMISSION REGULATIONS 5.010 and/or 5.011

24 74. The Gaming Control Board realleges and incorporates the above paragraphs.

25 75. Nevada Revised Statute 463.170(2)(a) requires, inter alia, that Mr. Wynn be
26 a person of good character.

27 76. Nevada Revised Statute 463.170(2)(b) requires, inter alia, that Mr. Wynn's
28 activities, reputation, and habits do not pose a threat to the public interest of this State.

1 77. Mr. Wynn's conduct violated NRS 463.170(2)(a)-(b):

2 a. The Gaming Control Board's investigation found evidence of multiple
3 instances of sexual conduct by Mr. Wynn involving subordinate employees. By engaging
4 in this conduct, whether consensual or not, Mr. Wynn disregarded Wynn Company's
5 policies and procedures. The Gaming Control Board's investigative findings are consistent
6 with the Wynn Company's recitals in its settlement with the Nevada Gaming Commission,
7 the Massachusetts Gaming Commissions' investigation, and Mr. Wynn's statement to
8 investigators with the Massachusetts Gaming Commission.

9 b. Mr. Wynn's conduct was not consistent with good character and poses
10 a threat to the public interest of the State of Nevada, as is evident by Matthew Maddox's
11 testimony where he described subordinate employees whom Mr. Wynn had allegedly had
12 interaction of a sexual nature with as "victims."

13 c. Mr. Wynn's description of his sexual encounters with subordinate
14 employees as "consensual" in apparent ignorance that he held significant power and control
15 over them is inimical to the public interest of the State, which requires that subordinate
16 employees be free from unwelcome sexual conduct in the workplace.

17 d. Mr. Wynn serially disregarded his company's policies and procedures
18 regarding personal relationships with subordinate Wynn Company employees. By doing so,
19 Mr. Wynn exposed Wynn Company to potential legal liability and put the reputation of the
20 gaming industry and the State of Nevada at risk.

21 78. This behavior is unacceptable within the Nevada gaming industry, and serves
22 to disqualify Mr. Wynn from being suitable to hold the position of CEO, or any other
23 position under the jurisdiction of the Nevada Gaming Commission.

24 79. For these reasons, Mr. Wynn failed to comply with NRS 463.170(2)(a), which
25 requires that he be a person of good character. Mr. Wynn has also failed to comply with
26 NRS 463.170(2)(b), which requires that his prior activities, reputation, and habits do not
27 pose a threat to the public interest of this State.

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1 80. Mr. Wynn's conduct and/or his failure to follow the Wynn Company policies
2 and procedures further constitutes a violation of Gaming Commission Regulations 5.010,
3 5.011, 5.011(1), 5.011(8), and/or 5.011(10).

4 81. Each separate incident alleged against Mr. Wynn constitutes a separate
5 violation of the Gaming Control Act and its regulations.

6 82. Mr. Wynn's failure to comply with NRS 463.170(8) and/or Gaming
7 Commission Regulations 5.010, 5.011, 5.011(1), 5.011(8), and/or 5.011(10) constitutes
8 grounds for disciplinary action against Mr. Wynn under NRS 463.1405(4), 463.170(8), and
9 463.641, and Gaming Commissions Regulations 3.080, 5.010(2), and 5.030.

10 **COUNT TWO**
11 **VIOLATION OF NRS 463.170 and/or**
12 **GAMING COMMISSION REGULATIONS 5.010 and/or 5.011**

13 83. The Gaming Control Board realleges and incorporates the above paragraphs.

14 84. Mr. Wynn engaged in sexual conduct with one or more Wynn Company
15 employees while he served as Chairman of the Board and CEO of Wynn Resorts.

16 85. As the Wynn Company admitted in the 2019 Settlement Stipulation, in
17 engaging in such conduct, Mr. Wynn failed to comply with the Wynn Company policies that
18 he maintain a professional work environment and/or failed to comply with the spirit of the
19 Wynn Company policies that discouraged intimate relationships between himself and
20 employees.

21 86. As the Wynn Company further admitted in the 2019 Settlement Stipulation,
22 regardless of whether Mr. Wynn's conduct expressly violated any policies or laws, such
23 conduct is inappropriate and unsuitable given the position Mr. Wynn held as Chairman
24 and CEO, and given the inherent disparity in power between himself and employees with
25 whom he has had sexual relations.

26 87. Mr. Wynn's conduct and failures resulted in negative reporting in widely
27 disseminated media outlets.

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1 96. In 2005, an employee in the Wynn LV Salon (Manicurist¹), alleged to various
2 individuals at the Wynn LV that she had been sexually assaulted by Mr. Wynn and that
3 she became pregnant as a result.

4 97. When faced with the Manicurist's allegations, Mr. Wynn did not report the
5 allegations to the Wynn Company's human resources department. Instead, he elected to
6 address the allegations through a private, confidential settlement with the Manicurist in
7 which she and her husband were paid \$7.5 million through a separate legal entity funded
8 personally by Mr. Wynn (2005 Settlement).

9 98. The 2005 Settlement contained requirements that the Manicurist (1) retract
10 her allegation; (2) agree not to file any claim, charge, and/or complaint concerning the
11 allegation; and (3) agree to confidentiality and nondisclosure of both the existence of and
12 facts surrounding the 2005 Settlement.

13 99. Mr. Wynn ensured the secrecy of the 2005 Settlement through not only its
14 terms, but also by using a personal attorney and by creating a separate legal entity to serve
15 as the named party to the Settlement in place of Mr. Wynn.

16 100. Indeed, as the Wynn Company admitted in the 2019 Settlement Stipulation,
17 the Wynn Company did not conduct a timely investigation into the Manicurist's allegations
18 or into Mr. Wynn's admitted sexual relationship with a subordinate.

19 101. These allegations and/or Mr. Wynn's conduct to cover them up resulted in
20 negative reporting in widely disseminated media outlets and thus reflected and/or tended
21 to reflect discredit upon the State of Nevada and/or the gaming industry.

22 102. Mr. Wynn's conduct and/or his failure to follow the Wynn Company policies
23 and procedures as described above constitute a violation of NRS 463.170(8) and/or Gaming
24 Commission Regulations 5.010, 5.011, 5.011(1), 5.011(8), and/or 5.011(10).

25 103. Specifically, the conduct violates NRS 463.170(2)(a), which requires that an
26 applicant be a person of good character.

27
28 ¹ In order to protect the identities of the victims of and witnesses to unwelcome sexual
conduct by Mr. Wynn, the various employees are given descriptive pseudonyms based on
their jobs.

1 104. The conduct also violates NRS 463.170(2)(b), which requires that an
2 applicant's prior activities, reputation, and habits do not pose a threat to the public interest
3 of this State.

4 105. The conduct is an unsuitable method of operation under Gaming Commission
5 Regulation 5.011(1) because Mr. Wynn failed to exercise discretion and sound judgment to
6 prevent incidents, which might reflect on the repute of the State of Nevada and act as a
7 detriment to the development of the industry.

8 106. The conduct is also an unsuitable method of operation under Gaming
9 Commission Regulation 5.011(10) because Mr. Wynn (1) failed to conduct gaming
10 operations in accordance with proper standards of custom, decorum, and decency; and (2)
11 engaged in conduct in a gaming establishment which reflects or tends to reflect on the
12 repute of the State of Nevada and act as a detriment to the gaming industry.

13 107. Each separate incident alleged against Mr. Wynn constitutes a separate
14 violation of the Gaming Control Act and its regulations.

15 108. Mr. Wynn's failure to comply with NRS 463.170(8) and/or Gaming
16 Commission Regulations 5.010, 5.011, 5.011(1), 5.011(8), and/or 5.011(10) constitutes an
17 unsuitable method of operation and is grounds for disciplinary action against Mr. Wynn
18 under NRS 463.1405(4), 463.170(8), and 463.641, and Gaming Commissions Regulations
19 3.080, 5.010(2), and 5.030.

20 **COUNT FOUR**
21 **VIOLATION OF NRS 463.170 and/or**
GAMING COMMISSION REGULATIONS 5.010 and/or 5.011

22 109. The Gaming Control Board realleges and incorporates the above paragraphs.

23 110. In 2006, a cocktail server at Wynn LV (Cocktail Server) alleged that Mr. Wynn
24 sexually assaulted her.

25 111. When faced with the Cocktail Server's allegations, Mr. Wynn elected to
26 resolve the matter through private negotiations with the Cocktail Server and her parents,
27 which resulted in a \$975,000 settlement entered into on December 6, 2006 (2006
28 Settlement).

1 112. To assist in the resolution of the Cocktail Server's allegations, Mr. Wynn
2 involved a personal attorney who at some point instructed the Chief Human Resources
3 Officer for Wynn LV that HR and/or ER were not to investigate the matter.

4 113. The 2006 Settlement contained requirements that the Cocktail Server
5 (1) state only that "No claim was pursued because there was nothing to pursue" if asked
6 about her claims; (2) agree not to file any claim, charge, and/or complaint concerning the
7 allegations; and (3) agree to confidentiality and nondisclosure of both the existence of and
8 facts surrounding the 2006 Settlement.

9 114. Mr. Wynn ensured the secrecy of the 2006 Settlement through not only its
10 terms, but also by using a personal attorney.

11 115. Indeed, as the Wynn Company admitted in the 2019 Settlement Stipulation,
12 the Wynn Company failed to initiate an ER investigation into the Cocktail Server's
13 allegations of unwelcome sexual conduct in violation of the Wynn Company's policies and
14 procedures.

15 116. These allegations and/or Mr. Wynn's conduct to cover them up resulted in
16 negative reporting in widely disseminated media outlets and thus reflected and/or tended
17 to reflect discredit upon the State of Nevada and/or the gaming industry.

18 117. Mr. Wynn's conduct and/or his failure to follow the Wynn Company policies
19 and procedures as described above constitute a violation of NRS 463.170(8) and/or Gaming
20 Commission Regulations 5.010, 5.011, 5.011(1), 5.011(8), and/or 5.011(10).

21 118. Specifically, the conduct violates NRS 463.170(2)(a), which requires that an
22 applicant be a person of good character.

23 119. The conduct also violates NRS 463.170(2)(b), which requires that an
24 applicant's prior activities, reputation, and habits do not pose a threat to the public interest
25 of this State.

26 120. The conduct is an unsuitable method of operation under Gaming Commission
27 Regulation 5.011(1) because Mr. Wynn failed to exercise discretion and sound judgment to
28

1 prevent incidents, which might reflect on the repute of the State of Nevada and act as a
2 detriment to the development of the industry.

3 121. The conduct is also an unsuitable method of operation under Gaming
4 Commission Regulation 5.011(10) because Mr. Wynn (1) failed to conduct gaming
5 operations in accordance with proper standards of custom, decorum, and decency; and
6 (2) engaged in conduct in a gaming establishment which reflects or tends to reflect on the
7 repute of the State of Nevada and act as a detriment to the gaming industry.

8 122. Each separate incident alleged against Mr. Wynn constitutes a separate
9 violation of the Gaming Control Act and its regulations.

10 123. Mr. Wynn's failure to comply with NRS 463.170(8) and/or Gaming
11 Commission Regulations 5.010, 5.011, 5.011(1), 5.011(8), and/or 5.011(10) constitutes an
12 unsuitable method of operation and is grounds for disciplinary action against Mr. Wynn
13 under NRS 463.1405(4), 463.170(8), and 463.641, and Gaming Commissions Regulations
14 3.080, 5.010(2), and 5.030.

15 **COUNT FIVE**
16 **VIOLATION OF NRS 463.170 and/or**
GAMING COMMISSION REGULATIONS 5.010, 5.011, and/or 5.070

17 124. The Gaming Control Board realleges and incorporates the above paragraphs.

18 125. The Gaming Control Board has a duty to investigate and observe the conduct
19 of licensees and persons found suitable in order to ensure that gaming licenses and
20 Findings of Suitability are not held by unqualified or unsuitable persons or persons whose
21 operations are conducted in an unsuitable manner. NRS 463.1405(1) and Gaming
22 Commission Regulation 5.040.

23 126. The Gaming Control Board has a duty to investigate and observe the conduct
24 of licensees, persons found suitable, and other persons having a material involvement
25 directly or indirectly with a licensed gaming operation to ensure that unqualified or
26 unsuitable persons have no direct or indirect material involvement with a licensed gaming
27 operation. NRS 463.1405(1).

28

1 127. The Gaming Control Board has a statutory duty to make appropriate
2 investigations to determine whether there has been a violation of the Nevada Gaming
3 Control Act or any regulations adopted thereunder. NRS 463.310.

4 128. The Gaming Control Board had a duty to investigate the allegations of
5 unwelcome sexual conduct by Mr. Wynn as reported in the WSJ Article, including by
6 seeking testimony from Mr. Wynn through an Investigative Hearing.

7 129. Pursuant to NRS 463.140(5), the Gaming Control Board issued a written
8 Order to Appear requiring Mr. Wynn to appear at the Gaming Control Board's offices on
9 Friday, September 7, 2018 at 11:00 a.m., to provide testimony under oath.

10 130. That Order to Appear was hand delivered to Mr. Wynn's attorney during a
11 meeting with Gaming Control Board Staff on August 30, 2018.

12 131. The Order to Appear notified Mr. Wynn that pursuant to Gaming Commission
13 Regulation 5.070, his failure to appear and testify at the Investigative Hearing was grounds
14 for the revocation or suspension of any Findings of Suitability that he held.

15 132. During the August 30, 2018, meeting between Gaming Control Board Staff
16 and Mr. Wynn's counsel, Gaming Control Board staff emphasized that Mr. Wynn's
17 Findings of Suitability remained in effect.

18 133. Gaming Control Board Staff also informed Mr. Wynn's counsel in that meeting
19 that Mr. Wynn's submission of written answers to Gaming Control Board questions in lieu
20 of the Investigative Hearing was not an acceptable option, and the Investigative Hearing
21 would proceed as scheduled to obtain testimony from Mr. Wynn.

22 134. On Wednesday, September 5, 2018, counsel for Mr. Wynn sent a letter to the
23 Gaming Control Board claiming that Mr. Wynn was no longer a "bona-fide licensee" and
24 "remains willing to consider any and all written inquiries which will assist [the Gaming
25 Control Board] in [its] investigation. . ." The letter further stated that because Mr. Wynn
26 had retained counsel with the intent to pursue defamation litigation related to the claims
27 of Mr. Wynn's unwelcome sexual conduct, Mr. Wynn "cannot be reasonably expected to
28"

1 waive any of his privileges except at the appropriate time and in the appropriate judicial
2 forum.”

3 135. The September 5, 2018, letter did not request Mr. Wynn’s excusal from having
4 to appear and testify at the Investigative Hearing scheduled for September 7, 2018.

5 136. Mr. Wynn failed to appear and testify on September 7, 2018, for the Gaming
6 Control Board’s Investigative Hearing.

7 137. Mr. Wynn’s failure to attend and participate in the Investigative Hearing
8 hindered the Gaming Control Board’s ability to perform its duty to conduct the necessary
9 investigation into allegations concerning Mr. Wynn’s unwelcome sexual conduct.

10 138. By failing to appear and participate in the scheduled investigative hearing,
11 Mr. Wynn deprived the Gaming Control Board of material information and testimony
12 required to conduct a thorough and complete investigation into the serious allegations at
13 issue.

14 139. Through his conduct described herein, Mr. Wynn failed to maintain the
15 standards and qualifications of a finding of suitability. His conduct demonstrated that he
16 is not a person of good character, honesty, and/or integrity. His conduct further establishes
17 that he poses a threat to the public interest of the State of Nevada and that his holding of
18 the Findings of Suitability issued to him is no longer consistent with the declared policy of
19 the State of Nevada.

20 140. Mr. Wynn’s failure to appear and testify at the Gaming Control Board’s offices
21 on September 7, 2018, in accordance with the Gaming Control Board’s statutory and
22 regulatory duty to investigate a matter of this magnitude, or otherwise be excused from the
23 same, constitutes a violation Gaming Commission Regulation 5.070, which provides that
24 the failure to appear and testify at an investigative hearing shall constitute grounds for
25 the revocation or suspension of any license held by the person summoned.

26 141. Mr. Wynn’s failure to comply with Gaming Commission Regulation 5.070 is
27 an unsuitable method of operation. He should be disciplined under NRS 463.1405(4),
28 463.170(8), and 463.641, and Gaming Commissions Regulations 3.080, 5.010(2), and 5.030.

1 **PRAYER FOR RELIEF**

2 Pursuant to NRS 463.310 and Gaming Commission Regulations 5.010 and 5.030,
3 and based upon these allegations, which constitute reasonable cause for disciplinary action
4 against Mr. Wynn, the Gaming Control Board prays for the relief as follows:

5 1. That the Gaming Commission serve a copy of this Complaint on Mr. Wynn
6 pursuant to NRS 463.312(2);

7 2. That the Gaming Commission fine Mr. Wynn a monetary sum pursuant to the
8 parameters defined at NRS 463.310(4) for each separate violation of the provisions of the
9 Nevada Gaming Control Act or the Regulations of the Gaming Commission;

10 3. That the Gaming Commission revoke Mr. Wynn's Findings of Suitability
11 pursuant to the parameters defined in NRS 463.310(4); and

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

14 DATED this 14th day of October, 2019.

15 NEVADA GAMING CONTROL BOARD

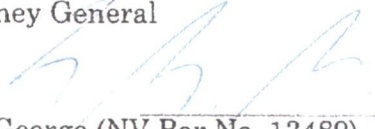
16 
17 SANDRA MORGAN, Chairwoman

18 
19 TERRY JOHNSON, Member

20 
21 PHILIP KATSAROS, Member

22 Submitted by:

23 AARON D. FORD
24 Attorney General

25 
26 Kyle George (NV Bar No. 13489)
27 First Assistant Attorney General
28 Steve Shevorski (NV Bar No. 8256)
Chief Litigation Counsel
Craig Newby (NV Bar No. 8591)
Deputy Solicitor General
Michael P. Soms (NV Bar No. 6507)
Senior Deputy Attorney General
Edward L. Magaw (NV Bar No. 9111)
Senior Deputy Attorney General