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**STATE OF NEVADA**

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**BEFORE THE NEVADA GAMING COMMISSION**

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NEVADA GAMING CONTROL BOARD,

7

Complainant,

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vs.

**COMPLAINT**

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

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Respondent.

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The State of Nevada, on relation of its NEVADA GAMING CONTROL BOARD (BOARD), Complainant herein, by and through its counsel, AARON D. FORD, Attorney General, and MICHAEL P. SOMPS, Senior Deputy Attorney General, hereby files this Complaint before the Nevada Gaming Commission (Commission) for disciplinary action against Respondent, MEI-GSR HOLDINGS, LLC, dba GRAND SIERRA RESORT AND CASINO (GSR), pursuant to Nevada Revised Statute (NRS) 463.310(2), and alleges as follows:

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**JURISDICTION**

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

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2. Respondent, GSR, located at 2500 East 2<sup>nd</sup> Street, Reno, Nevada 89595, currently holds a nonrestricted gaming license and, as such, is charged with the responsibility of complying with all provisions of the Nevada Gaming Control Act and the Regulations of the Commission.

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1 RELEVANT LAW

2 3. The Nevada Legislature set forth the importance of the gaming industry to  
3 the State of Nevada and its responsibility to the State's inhabitants in NRS 463.0129. The  
4 Legislature specifically set out that the continued growth and success of gaming is  
5 dependent on public confidence and trust and that such public confidence and trust "can  
6 only be maintained by strict regulation of all persons, locations, practices, associations and  
7 activities related to the operation of licensed gaming establishments..." See NRS 463.0129.

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

12 5. The BOARD is statutorily charged with determining whether a violation of  
13 the Gaming Control Act has occurred. See NRS 463.310(1). If the BOARD is satisfied that  
14 discipline is warranted, it shall initiate disciplinary action by filing a complaint with the  
15 Commission. See NRS 463.310(2).

16 6. The BOARD is authorized to observe the conduct of licensees in order to  
17 ensure that gaming operations are not being operated in an unsuitable manner or by an  
18 unqualified or unsuitable person. See NRS 463.1405(1) and Commission Regulation 5.040.

19 7. A person approved by the Commission has an ongoing obligation to meet the  
20 standards required to obtain such approval including, without limitation, to be a person of  
21 good character, honesty and integrity and to refrain from activities and associations which  
22 may impact the interests of Nevada, the regulation of gaming, or the reputation of gaming  
23 in Nevada. See NRS 463.170.

24 8. NRS 463.140(2)(a) provides that the BOARD and its agents may "[I]nspect and  
25 examine all premises wherein gaming is conducted, or gambling devices or equipment are  
26 manufactured, sold or distributed."

27 9. Commission Regulation 5.011(1) provides in relevant part the following:

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1 The Board and the Commission deem any activity on the  
2 part of a licensee, registrant, or person found suitable by the  
3 Commission, or an agent or employee thereof, that is inimical to  
4 the public health, safety, morals, good order, or general welfare of  
5 the people of the State of Nevada, or that would reflect or tend to  
6 reflect discredit upon the State of Nevada or the gaming industry,  
7 to be an unsuitable method of operation and shall be grounds for  
8 disciplinary action by the Board and the Commission in  
9 accordance with the Nevada Gaming Control Act and the  
10 regulations of the Commission. The following acts or omissions,  
11 without limitation, may be determined to be unsuitable methods  
12 of operation:

13 (a) Failure to exercise discretion and sound judgment to  
14 prevent incidents which might reflect on the repute of the State  
15 of Nevada and act as a detriment to the development of the  
16 industry.

17 . . . .

18 (h) Failure to comply with or make provision for  
19 compliance with all federal, state, or local laws and regulations  
20 and with all conditions and limitations approved by the  
21 Commission relating to the operations of a licensed gaming  
22 establishment or other gaming business . . .

23 . . . .

24 (k) Failure to conduct gaming operations in accordance  
25 with proper standards of custom, decorum, and decency, or permit  
26 a type of conduct in a gaming establishment that reflects or tends  
27 to reflect on the repute of the State of Nevada and act as a  
28 detriment to the gaming industry.

. . . .

(o) Denying a member or agent of the Board or  
Commission, upon proper and lawful demand, access to,  
inspection, or disclosure of any portion or aspect of a gaming  
establishment or other gaming business as authorized by  
applicable statutes and regulations.

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

23 10. Commission Regulation 5.060 provides in relevant part the following:

24 . . . .

25 2. Each gaming licensee, licensed manufacturer, and  
26 licensed distributor or seller shall immediately make available for  
27 inspection by any Board or Commission member or agent all  
28 papers, books and records produced by any gaming business and  
all portions of the premises where gaming is conducted or where  
gambling devices or equipment are manufactured, sold or

1 distributed. Any Board or Commission member or agent shall be  
2 given immediate access to any portion of the premises of any  
3 gaming licensee, licensed manufacturer or licensed distributor or  
4 seller for the purpose of inspecting or examining any records or  
5 documents required to be kept by such licensee under the  
6 provisions of NRS chapter 463 or the regulations of the  
7 Commission, and any gaming device or equipment or the conduct  
8 of any gaming activity.

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10 3. Access to the areas and records which may be inspected  
11 or examined by Board members or agents shall be granted to any  
12 Board member or agent who displays a badge issued by the Board  
13 and an identification card signed by a Board member. Similar  
14 access shall be granted to any Commission member who displays  
15 an identification card signed by the governor.

16 Nev. Gaming Comm'n Reg. 5.060(2) and (3).

17 11. Commission Regulation 5.030 provides as follows:

18 Violation of any provision of the Nevada Gaming Control  
19 Act or of these regulations by a licensee, the licensee's agent or  
20 employee shall be deemed contrary to the public health, safety,  
21 morals, good order, and general welfare of the inhabitants of the  
22 State of Nevada and grounds for suspension or revocation of a  
23 license. Acceptance of a state gaming license or renewal thereof  
24 by a licensee constitutes an agreement on the part of the licensee  
25 to be bound by all of the regulations of the Commission as the  
26 same now are or may hereafter be amended or promulgated. It is  
27 the responsibility of the licensee to keep informed of the content  
28 of all such regulations, and ignorance thereof will not excuse  
violations.

Nev. Gaming Comm'n Reg. 5.030.

### **BACKGROUND ALLEGATIONS**

12. On or about February 8, 2021, the BOARD issued a violation letter to the GSR  
citing numerous violations of Commission Regulations, including Commission Regulations  
5.011 and 5.060 regarding restricting BOARD agent access to the GSR. Specifically, the  
BOARD stated in its violation letter that the following occurred on January 8, 2021:

The Grand Sierra Resort hired security officers who were not properly registered with the Private Investigators Licensing Board to supplement their security personnel. These security officers, with inadequate training and credentials, restricted the access to the property of a licensee to agents of the Board, even after the agents provided agency credentials.

1           13. On or about February 19, 2021, the GSR responded in writing to the BOARD's  
2 violation letter and represented the corrective measures taken by the GSR to ensure  
3 compliance. Those measures included counseling the GSR's security team to ensure  
4 gaming agents are permitted to enter the GSR without being wanded or walked through a  
5 metal detector. The GSR's February 19, 2021, correspondence also stated in regards to  
6 ESI, its hired security, that it:

7                   Has received specific instructions, both verbal and written at  
8 their pre-shift from GSR Security Management on how to  
9 correctly handle a law enforcement officer/agent who identifies  
10 and displays credentials from a local, state, or federal agency  
11 entering GSR property. It will be documented that there is zero  
tolerance for preventing or delaying entry once the officer/agent  
has provided the above information and the officer/agent does not  
have to be wanded. This information will be briefed on a  
continuous basis to ESI staff.

12           14. The GSR's February 19, 2021, correspondence concluded that the GSR "takes  
13 this matter seriously and the additional processes we have implemented will ensure our  
14 compliance."

15           15. On or about December 19, 2023, a BOARD Enforcement Agent (Agent), while  
16 conducting observations at the GSR in the course of his job duties, attempted to access the  
17 GSR theatre, which was controlled by a security checkpoint with a metal detector and GSR  
18 security personnel.

19           16. The Agent attempted to go around the metal detector and was approached by a  
20 GSR Security Officer. The Agent identified himself as a BOARD Agent and produced his  
21 BOARD issued badge and credentials. However, instead of granting the Agent immediate  
22 access to the GSR theater, the GSR Security Officer assumed, without asking, that the  
23 Agent was off-duty and informed him that he must relinquish and check his weapons with  
24 GSR Security. The BOARD Agent subsequently spoke to two additional GSR Security  
25 Officers and a GSR Security Manager in an attempt to access the theatre. During those  
26 discussions, the BOARD Agent again produced his BOARD issued badge and credentials.  
27 However, the BOARD Agent was again denied access to the theatre by at least one of those  
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1 additional GSR representatives and informed by all of them that he must relinquish and  
2 check his weapons.

3 17. Approximately 2 hours later on December 19, 2023, the Agent returned to the  
4 GSR with two additional BOARD Enforcement Agents and a BOARD Enforcement Senior  
5 Agent. The Agents met with the GSR's Director of Security who explained that he had only  
6 been with the GSR for about a year and was not made aware of the GSR's February 19,  
7 2021, letter provided to the BOARD in response to the BOARD's February 8, 2021, violation  
8 letter.

9  
10 **COUNT ONE**  
**VIOLATION OF NRS 463.140(2) and/or COMMISSION REGULATIONS**  
**5.011(1), 5.011(1)(a), 5.011(1)(h), 5.011(1)(k), 5.011(1)(o), and/or 5.060**

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

14 19. On or about December 19, 2023, GSR employees and/or agents denied a BOARD  
15 Enforcement Agent access to a portion of the GSR after the BOARD Enforcement Agent  
16 identified himself as a BOARD agent and produced his BOARD Enforcement Agent badge  
17 and credentials to multiple GSR employees and/or agents. The BOARD Enforcement Agent  
18 was informed by multiple GSR employees, including supervisory staff, that he was required  
19 to relinquish and check his weapons.

20 20. The GSR's conduct, as described herein, occurred despite a February 8, 2021,  
21 violation letter issued by the BOARD to the GSR citing similar violations and the apparent  
22 corrective action, or lack thereof, taken by GSR as a result of the cited violations.

23 21. Following the February 8, 2021, violation letter issued by the BOARD to the  
24 GSR, the GSR failed to properly train and/or instruct its employees regarding how to  
25 interact with on-duty Board agents acting within the course of their job duties.

26 22. The GSR's conduct, as described herein, is in violation of NRS 463.140(2) and/or  
27 Commission Regulations 5.011(1), 5.011(1)(a), 5.011(1)(h), 5.011(1)(k), 5.011(1)(o), and/or  
28 5.060.




1           3.     That the Commission take action against RESPONDENT'S license pursuant  
2 to the parameters defined in NRS 463.310(4); and

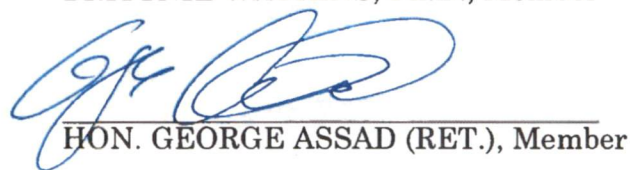
3           4.     For such other and further relief as the Commission may deem just and  
4 proper.

5                               October  
DATED this 3rd day of ~~September~~ 2024.

7   NEVADA GAMING CONTROL BOARD

8     
KIRK D. HENDRICK, Chairman

11     
BRITTNIE WATKINS, Ph.D., Member


13     
HON. GEORGE ASSAD (RET.), Member

16 Submitted by:

17 AARON D. FORD

18 Attorney General

19 By:

  
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