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GAMING CONTROL: Venetian to pay \$1 million

Casino admits 'serious violations' in rigging giveaway for high rollers

By ROD SMITH
GAMING WIRE

The Venetian agreed Wednesday to pay \$1 million in fines and investigation costs to settle a first-of-its-kind complaint that the resort had fixed promotional contests to favor specific Asian high rollers.

State Gaming Control Board Chairman Dennis Neilander said The Venetian admitted to "serious violations" in the case that "would tend to undermine the public's confidence (in the industry), which is the worst kind (of violations) you can have."

Neilander said when the violations came to light in early 2002, regulators discovered other casinos were about to initiate similar programs to rig contests, all of which have been stopped.

He said The Venetian has since initiated programs to ensure the violations of state gaming laws and regulations that took place between 1999 and 2002 are not repeated.

University of Nevada, Las Vegas professor and casino industry expert Bill Thompson said the two-year investigation and stiff fine should send a signal that the state is serious about keeping casino games honest.

"I don't know if it was fair, but it's appropriate if the message is that everything in a casino has to be conducted with the highest level of integrity," he said.

David Friedman, top aide to Sheldon Adelson, who owns The Venetian's parent company, Las Vegas Sands, said his company reported the incident to the control board as soon as it was discovered and launched an internal investigation.

He said the investigation uncovered four "rogue employees" involved in the scam, including two senior executives. All four of the employees were immediately suspended and later terminated without

severance.

The Venetian also reported an alleged credit scheme involving several Taiwanese patrons and employees of the company's Asian marketing department, Friedman said.

The first count, which kicked off the investigation and resulted in the 12-count complaint filed Wednesday morning, involved Venetian executives rigging a promotion to give a Mercedes-Benz to an Asian high roller.

Sources said casino executives were attempting to make the gambler happier after he lost \$5 million.

Thompson pointed out that rigging the car giveaway was unnecessary.

"We have ways of doing that. We could take him to a show or give him a car free, but you don't cheat your customers," he said.

The second and third counts involved two other rigged contests that gave away a \$20,000 chip and a \$10,000 chip. The fourth count claimed two property executives knew about the contest-rigging but failed to stop it.

The sixth and seventh counts involved failure to file cash transactions reports, the ninth was an accounting violation for failing to report dispersing promotional funds, the tenth involved inadequate procedures for voiding markers, and the last two concerned The Venetian's purchase of seven \$15,000 cases of wine from a Mexican patron, rather than a state-licensed wholesaler as required by regulations.


The fifth count, which The Venetian did not admit to, involved a scheme to give some gamblers more credit than they were entitled to and the eighth count, which The Venetian also did not admit to, involved a key employee who allegedly improperly placed sports bets in his own name but on behalf of a customer.

"These incidents were unfortunate and should never have occurred. However, The Venetian's response to each situation demonstrated that The Venetian's compliance programs are effective," Friedman said in a statement.

The Gaming Control Board unanimously agreed to the proposed settlement, which goes to the Nevada Gaming Commission for consideration at its March 18 meeting.

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