

5:12-55 et al

LEGISLATIVE HISTORY CHECKLIST

(Casino Control Commission - Members and families--conflicts of interest)

WJSA 5:12-55 et al.

LAYS OF 1980

CHAPTER 69

Bill No. S1069

Sponsor(s) Dwyer, Merlino and Parker

Date Introduced Feb. 21, 1980

Committee: Assembly

Senate State Govt., Federal & Interstate Relations & Veterans Affairs

Amended during passage Yes ~~xx~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly May 19, 1980

Senate May 19, 1980

Date of approval July 14, 1980

Following statements are attached if available:

| | | |
|-------------------------|----------------|----------------|
| Sponsor statement | Yes | xx |
| Committee Statement: | Assembly | Yes |
| | Senate | Yes |
| Fiscal Note | Yes | No |
| Veto message | Yes | No |
| Message on signing | Yes | xx |
| Following were printed: | | |
| Reports | xxx | No |
| Hearings | Yes | xxx |

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Hearing on similar bill:

- 974.90 New Jersey. Legislature. Assembly. State Government,
- G191 Federal and Interstate Relations and Veterans Affairs.
- 1980b Public hearing on A1081, held 3-3-80. Trenton, 1980.

9/17/73 ^{EL}

7-14-80

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SENATE, No. 1069**STATE OF NEW JERSEY**

INTRODUCED FEBRUARY 21, 1980

By Senators DWYER, MERLINO and PARKER

Referred to Committee on State Government, Federal and
Interstate Relations and Veterans AffairsAN ACT to amend and supplement the "Casino Control Act,"
approved June 2, 1977 (P. L. 1977, c. 110).

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 *1. Section 55 of P. L. 1977, c. 110 (C. 5:12-55) is amended to
2 read as follows:

3 55. Division of Gaming Enforcement. There is hereby estab-
4 lished in the Department of Law and Public Safety the Division of
5 Gaming Enforcement. The division shall be under the immediate
6 supervision of a director who shall also be sworn as an Assistant
7 Attorney General and who shall administer the work of the division
8 under the direction and supervision of the Attorney General. The
9 director shall be appointed by the Governor, with the advice and
10 consent of the Senate, and shall serve during the term of office of
11 the Governor, except that the first director shall be appointed for
12 a term of 2 years. The director may be removed from office by the
13 Attorney General for cause upon notice and opportunity to be heard.

14 *The director and any employee or agent of the division shall be*
15 *subject to the duty to appear and testify and to removal from his*
16 *office, position or employment in accordance with the provisions of*
17 *P. L. 1970, c. 72 (C. 2A:81-17.2a et seq.). The Attorney General*
18 *shall be responsible for the exercise of the duties and powers*
19 *assigned to the division.**

1 ***[1.]*** *2.* Section 59 of P. L. 1977, c. 110 (C. 5:12-59) is amended
2 to read as follows:

3 59. Employment Restrictions on Commissioners, Commission
4 Employees and Division Employees. a. The "New Jersey Conflicts
5 of Interest Law" (P. L. 1971, c. 182; C. 52:13D-12 et seq.) shall

**EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill
is not enacted and is intended to be omitted in the law.**

6 apply to members of the commission and to all employees of the
7 commission and the division, except as herein specifically provided.

8 ***[b.** A Code of Ethics governing the specific needs of the com-
9 mission and the division shall be promulgated by each and shall
10 include, among other provisions, that:]*

10A *b. *The commission shall, no later than January 1, 1981, promul-*
10B *gate a Code of Ethics that is modeled upon the Code of Judicial*
10C *Conduct of the American Bar Association, as amended and adopted*
10D *by the Supreme Court of New Jersey. This Code of Ethics shall*
10E *include, but not be limited to, provisions that address the pro-*
10F *priety of relationships and dealings between the commission and its*
10G *staff, and licensees and applicants for licensure under this act.*

10H c. *The division shall promulgate a Code of Ethics governing its*
10I *specific needs.*

10J d. *The Codes of Ethics promulgated by the commission and the*
10K *division shall not be in conflict with the laws of this State, except,*
10L *however, that said Codes of Ethics may be more restrictive than*
10M *any law of this State.*

10N e. *The Codes of Ethics promulgated by the commission and the*
10O *division shall be submitted to the Executive Commission on Ethical*
10P *Standards for approval. The Codes of Ethics shall include, but not*
10Q *be limited to provisions that:**

11 (1) No commission member or employee or division employee or
12 agent shall be permitted to gamble in any establishment licensed
13 by the commission except in the course of his duties.

14 (2) No commission member or employee or division employee or
15 agent shall solicit or accept employment from any person licensed
16 by or registered with the commission or from any applicant for a
17 period of 4 years after termination of service with the commission,
18 or division, unless subject to section 60 of this act.

19 (3) *No commission member or employee or any division ***[em-***
20 *ployee]* *employee* or agent shall act in his official capacity in*
21 *any matter wherein he or ***[any member of his family]* *his spouse,***
22 *child, parent or sibling* has a direct or indirect personal financial*
23 *interest that might reasonably be expected to impair his objectivity*
23A *or independence of judgment.*

23B *(4) *No commission employee or any division employee or agent*
23C *shall act in his official capacity in a matter concerning an applicant*
23D *for licensure or a licensee who is the employer of a spouse, child,*
23E *parent or sibling of said commission or division employee or agent*
23F *when the fact of the employment of such spouse, child, parent or*
23G *sibling might reasonably be expected to impair the objectivity and*
23H *independence of judgment of said commission employee or division*
23I *employee or agent.*

23J (5) *No spouse, child, parent or sibling of a commission member*
 23K *shall be employed in any capacity by an applicant for a casino*
 23L *license or a casino licensee nor by any holding, intermediary or*
 23M *subsidiary company thereof.**

24 *~~[(4)]~~* **(6)* No commission member shall meet with any per-*
 25 *son*, except for any other member of the commission or employee*
 26 *of the commission,* or discuss with him any issues involving any*
 27 *pending or proposed application or any matter whatsoever which*
 28 *may reasonably be expected to come before the commission, or any*
 29 *member thereof, for determination unless the meeting or discussion*
 30 *takes place on the business premises of the commission, provided,*
 31 *however, that commission members may meet to consider matters*
 32 *requiring the physical inspection of equipment or premises at the*
 33 *location of the equipment or premises. All meetings or discussions*
 34 *subject to this paragraph shall be noted in a log maintained for this*
 35 *purpose and available for inspection pursuant to the provisions of*
 35A *P. L. 1963, c. 73 (C. 47:1A-1 et seq.).*

36 *~~[c.]~~* **f.* No commission member or employee or division em-*
 37 *ployee or agent shall have any interest, direct or indirect, in any*
 38 *applicant or in any person licensed by or registered with the com-*
 39 *mission during his term of office or employment.*

40 **[d.** *No commission member shall be employed in any capacity by*
 41 *any person licensed by or registered with the commission.]*

42 **[e.]** *d. Each commission member and employee of the commis-*
 43 *mission, including legal counsel, and each employee and agent*
 44 *of the division shall devote his entire time and attention to his*
 45 *duties and shall not pursue any other business or occupation or*
 46 *other gainful employment; provided, however, that secretarial and*
 47 *clerical personnel may engage in such other gainful employment*
 48 *as shall not interfere with their duties to the commission or division,*
 49 *unless otherwise directed[; and further provided, that the com-*
 50 *mission may employ hearing examiners on a part-time basis].*

51 **[f.]** *~~[e.]~~* **h.* No member of the commission, employee of the*
 52 *commission, or employee or agent of the division shall:*

53 (1) *Use his official authority or influence for the purpose of*
 54 *interfering with or affecting the result of an election or a nomina-*
 55 *tion for office;*

56 (2) *Directly or indirectly coerce, attempt to coerce, command or*
 57 *advise any person to pay, lend or contribute anything of value to*
 58 *a party, committee, organization, agency or person for political*
 59 *purposes; or*

60 (3) *Take any active part in political campaigns or the manage-*
 61 *ment thereof; provided, however, that nothing herein shall pro-*
 62 *hibit a person from voting as he chooses or from expressing his*
 63 *personal opinions on political subjects and candidates.*

64 **[g.] * [f.] * i.** For the purpose of applying the provisions of the
 65 "New Jersey Conflicts of Interest Law," any consultant or other
 66 person under contract for services to the commission shall be
 67 deemed to be a special State employee. Such person and any
 68 corporation, firm or partnership in which he has an interest or by
 69 which he is employed shall not represent any person or party other
 70 than the commission before the commission.

71 **[g. A member of the commission shall be terminated upon the*
 72 *employment in any capacity of a spouse, sibling, sibling of a spouse,*
 73 *spouse of a sibling, parent, child or spouse of a child of the com-*
 74 *mission member by any entity which is a holder of, or applicant*
 75 *for, a casino license, or any holding or intermediary company with*
 76 *respect thereto, but the Executive Commission on Ethical Stand-*
 77 *ards may waive the provisions of this subsection for good cause*
 78 *shown and issue advisory opinions with respect to possible viola-*
 79 *tions of this subsection. The commission shall publish a list on a*
 80 *quarterly basis of all such entities. The Attorney General shall*
 81 *institute any proceeding necessary to effect the termination of the*
 82 *position of any such member of the commission. Any such member*
 83 *shall be entitled to a pre-termination hearing before the commis-*
 84 *sion.]**

1 *3. Section 99 of P. L. 1977, c. 110 (C. 5:12-99) is amended to
 2 read as follows:

3 99. Internal Controls. a. Each casino licensee shall submit to the
 4 commission a description of its system of internal procedures and
 5 administrative and accounting controls. Such submission shall be
 6 made at least 90 days before gaming operations are to commence
 7 or before changes in previously submitted control plans are to
 8 become effective, unless otherwise directed by the commission.
 9 Each such submission shall contain both narrative and diagram-
 10 matic representations of the internal control system to be utilized
 11 by the casino, including, but not limited to:

12 (1) Accounting controls, including the standardization of forms
 13 and definition of terms to be utilized in the gaming operations;

14 (2) Procedures, forms, and, where appropriate, formulas cov-
 15 ering the calculation of hold percentages, revenue drop, expense
 16 and overhead schedules, complimentary services, junkets, cash
 17 equivalent transactions, salary structure and personnel practices;

18 (3) Job descriptions and the system of personnel and chain-of-
 19 command, establishing a diversity of responsibility among em-
 20 ployees engaged in casino operations and identifying primary and
 21 secondary supervisory positions for areas of responsibility, which
 22 areas shall not be so extensive as to be impractical for an individual
 23 to monitor;

24 (4) Procedures within the cashier's cage for the receipt, storage
 25 and disbursal of chips, cash, and other cash equivalents used in
 26 gaming; the cashing of checks; the redemption of chips and other
 27 cash equivalents used in gaming; the pay-off of jackpots; and the
 28 recording of transactions pertaining to gaming operations;

29 (5) Procedures for the collection and security of moneys at the
 30 gaming tables;

31 (6) Procedures for the transfer and recordation of chips be-
 32 tween the gaming tables and the cashier's cage;

33 (7) Procedures for the transfer of moneys from the gaming
 34 tables to the counting process;

35 (8) Procedures and security for the counting and recordation
 36 of revenue;

37 (9) Procedures for the security, storage and recordation of chips
 38 and other cash equivalents utilized in the gaming operation;

39 (10) Procedures for the transfer of moneys or chips from and
 40 to the slot machines;

41 (11) Procedures and standards for the opening and security of
 42 slot machines;

43 (12) Procedures for the payment and recordation of slot ma-
 44 chine jackpots;

45 (13) Procedures for the cashing and recordation of checks ex-
 46 changed by casino patrons;

47 (14) Procedures governing the utilization of the private security
 48 force within the casino;

49 (15) Procedures and security standards for the handling and
 50 storage of gaming apparatus including cards, dice, machines,
 51 wheels and all other gaming equipment; **[and]**

52 (16) Procedures and rules governing the conduct of particular
 53 games and the responsibility of casino personnel in respect there-
 54 to**[.]**; *and*

55 *(17) Procedures for separately recording all transactions pur-*
 56 *suant to section 101 of this act involving the Governor, any State*
 57 *officer or employee, or any special State officer or employee, any*
 58 *member of the Judiciary, any member of the Legislature, or any*
 59 *officer of a municipality or county in which casino gaming is au-*
 60 *thorized, and for the quarterly filing with the Attorney General of a*
 61 *list reporting all such transactions.*

62 b. The commission shall review each submission required by
 63 subsection a. hereof, and shall determine whether it conforms to
 64 the requirements of this act and to the regulations promulgated
 65 thereunder and whether the system submitted provides adequate

66 and effective controls for the operations of the particular casino
67 submitting it. If the commission finds any insufficiencies, it shall
68 specify same in writing to the casino licensee, who shall make
69 appropriate alterations. When the commission determines a sub-
70 mission to be adequate in all respects, it shall notify the casino
71 licensee of same. No casino licensee shall commence gaming opera-
72 tions, or alter in fact its internal controls, unless and until such
73 system of controls is approved by the commission.

1 4. Section 102 of P. L. 1977, c. 110 (C. 5:12-102) is amended to
2 read as follows:

3 102. Junkets and Complimentary Services. a. No junkets may
4 be organized or permitted except in accordance with the provisions
5 of this act. No person may act as a junket representative except
6 in accordance with this section. For purposes of this section, the
7 term "junket representative" shall mean any person who is re-
8 sponsible for or directly engaged in the creation, organization, or
9 operation of a junket, regardless of whether or not such junket is
10 engaged in or organized within the State of New Jersey.

11 b. A junket representative shall be licensed as a casino key em-
12 ployee in accordance with the provisions of this act; provided,
13 however, that said licensee need not be a resident of this State.
14 No casino licensee may employ or otherwise engage a junket rep-
15 resentative who is not so licensed.

16 c. A casino licensee shall be responsible for the conduct of any
17 junket representative associated with it and for the terms and
18 conditions of any junket engaged in on its premises, regardless of
19 the employment status of any junket representative associated
20 therewith.

21 d. Each casino licensee shall either:

22 (1) Submit to the commission, in accordance with its rules, a
23 report in advance of any junket which shall include the names of
24 the participants, the terms of the junket, the origin and dates of
25 the junket, and such other information as may be required by the
26 commission, including, without limitation, acknowledgments by the
27 participants that they understand the terms of the particular
28 junket; or

29 (2) Submit to the commission, in accordance with its rules,
30 proposals for junkets, which proposals may be approved by the
31 commission for continued use upon the condition that no material
32 aspect of any proposal will be changed except as to participants
33 and that quarterly reports regarding such junkets shall be sub-
34 mitted to the commission, including such information as it may
35 require.

36 e. A casino licensee shall be responsible for any violation or
 37 deviation from the terms of a junket. Notwithstanding any other
 38 provisions of this act, the commission may, after hearings in ac-
 39 cordance with this act, order restitution to junket participants,
 40 assess penalties for such violations or deviations, prohibit future
 41 junkets by the casino licensee or junket representatives, and order
 42 such further relief as it deems appropriate.

43 f. Each casino licensee shall maintain a regulated complimentary
 44 service account and shall submit a quarterly report to the commis-
 45 sion based upon such account and covering all complimentary
 46 services offered or engaged in by the licensee during the immedi-
 47 ately preceding quarter. Such reports shall include identification
 48 of the regulated complimentary services and their respective costs,
 49 the number of persons by category of service who received same,
 50 and such other information as the commission may require.

51 *g. (1) For the purpose of this subsection "person" means State*
 52 *officers or employees subject to disclosure by law or executive order;*
 53 *special State officers and employees; the Governor; any member*
 54 *of the Legislature or Judiciary; any member of the governing body,*
 55 *or the municipal attorney of a municipality wherein a casino is*
 56 *located; any member of or attorney for the planning board or zon-*
 57 *ing board of adjustment of a municipality wherein a casino is*
 58 *located, or any professional planner regularly employed by such*
 59 *planning board or zoning board of adjustment.*

60 *(2) No casino licensee shall provide directly or indirectly to any*
 61 *person as defined in this subsection, any complimentary service or*
 62 *discount which is other than such service or discount that is offered*
 63 *to the general public.**

1 ***[2.]*** *5.* (New section) a. No applicant or person or organiza-
 2 tion licensed by or registered with the commission shall employ or
 3 offer to employ any person who is prohibited from accepting em-
 4 ployment from a licensee or applicant or any holding or inter-
 5 mediary company under subsection b. of section 5 of P. L. 1971,
 6 c. 182 (C. 52:13D-16) or section 2 of P. L. . . . , c. . . . (now
 7 pending before the Legislature as Senate Bill No. 1068).

8 b. An applicant or person or organization who violates the pro-
 9 visions of this section is subject to a penalty of not less than
 10 \$5,000.00 nor more than \$10,000.00 to be collected in a summary
 11 proceeding under the "penalty enforcement law" (N. J. S. 2A :58-1
 12 et seq.).

1 ***[3.]*** *6.* This act shall take effect immediately.

69 is employed shall not represent any person or party other than
70 the commission before the commission.

71 *g. A member of the commission shall be terminated upon the*
72 *employment in any capacity of a spouse, sibling, sibling of a spouse,*
73 *spouse of a sibling, parent, child or spouse of a child of the com-*
74 *mission member by any entity which is a holder of, or applicant*
75 *for, a casino license, or any holding or intermediary company with*
76 *respect thereto, but the Executive Commission on Ethical Stand-*
77 *ards may waive the provisions of this subsection for good cause*
78 *shown and issue advisory opinions with respect to possible viola-*
79 *tions of this subsection. The commission shall publish a list on a*
80 *quarterly basis of all such entities. The Attorney General shall*
81 *institute any proceeding necessary to effect the termination of the*
82 *position of any such member of the commission. Any such member*
83 *shall be entitled to a pre-termination hearing before the commission.*

1 2. (New section) a. No applicant or person or organization
2 licensed by or registered with the commission shall employ or
3 offer to employ any person who is prohibited from accepting em-
4 ployment from a licensee or applicant or any holding or inter-
5 mediary company under subsection b. of section 5 of P. L. 1971,
6 c. 182 (C. 52:13D-16) or section 2 of P. L., c. (now
7 pending before the Legislature as Senate Bill No. 1068).

8 b. An applicant or person or organization who violates the pro-
9 visions of this section is subject to a penalty of not less than
10 \$5,000.00 nor more than \$10,000.00 to be collected in a summary
11 proceeding under the "penalty enforcement law" (N. J. S. 2A :58-1
12 et seq.).

1 3. This act shall take effect immediately.

STATEMENT

This bill provides that members of the Casino Control Commis-
sion will be terminated upon the acceptance of employment by a
member of their immediate family with a casino applicant or
casino licensee.

It further provides that casino commission members may not
act on matters before the commission in which they or members
of their family have a financial interest.

It prohibits members from discussing casino commission busi-
ness outside premises of the commission.

It also forbids casino licensees from offering employment to
anyone restricted from working for them under the proposed ad-
ditions to the Conflicts of Interest Law (Senate Bill No. 1068).

51069(1980)

FROM THE OFFICE OF THE GOVERNOR

FOR IMMEDIATE RELEASE

FOR FURTHER INFORMATION

JULY 14, 1980

JOSEPH SANTANGELO

Governor Brendan Byrne, in a private ceremony in his office today signed S-1069, jointly sponsored by Senators Bernard J. Dwyer (D-Middlesex), Joseph P. Merlino (D-Mercer) and Barry T. Parker (R-Burlington).

S-1069 amends the Casino Control Act, imposing restrictions on the relationship between the Casino Control Commission members, Commission staff members, employees of the Division of Gaming Enforcement, the immediate families of these persons, and applicants for licensure under the act.

The bill also prohibits casino licensees from offering to employ any State official enumerated in S-1068, making a violator subject to a civil penalty between \$5,000 and \$10,000.

S-1069 directs the Commission to promulgate a Code of Ethics, which is to be modeled on the Code of Judicial Conduct, and will address the propriety of relationships and dealings between the Commission and its staff, and licensees and applicants for licensure. The Division of Gaming Enforcement will promulgate a similar code. Both codes will be subject to approval by the Executive Commission on Ethical Standards.

This bill specifically prohibits any Commission member or employee or division employee from action on any matter in which he or his immediate family members have a direct or indirect financial interest. Commission or Division employees are also prohibited from acting on any matter concerning the employer of his immediate family members. In addition, the bill prohibits any immediate family members of any Commission member from being employed by a casino licensee or applicant or its parent company. Finally, the bill prohibits any Commission member from meeting with any person other than Commission members or staff to discuss a license application, unless the discussion takes place at the Commission's office and is logged.

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