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Department of Law and Public Safety
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STATE OF NEW JERSEY
DIVISION OF GAMING ENFORCEMENT
File No.: A-01-21-080
Docket No.: 21-0615-VC

STATE OF NEW JERSEY, DEPARTMENT	:	
OF LAW AND PUBLIC SAFETY,	:	
DIVISION OF GAMING ENFORCEMENT,	:	
	:	
Complainant	:	Civil Action
	:	
v.	:	COMPLAINT
	:	
CROWN NJ GAMING, INC. d/b/a	:	
DRAFTKINGS INC.,	:	
	:	
Respondent.	:	

Complainant, State of New Jersey, Department of Law and Public Safety, Division of Gaming Enforcement ("Division"), located at 140 East Front Street, P.O. Box 047, Trenton, New Jersey 08625-0047, says:

1. Respondent, Crown NJ Gaming, Inc. d/b/a DraftKings Inc. ("DraftKings") is a casino service industry enterprise license applicant and holds a transactional waiver to conduct business in New Jersey.

2. DraftKings has operated the retail sportsbook at DGMB Casino, LLC d/b/a Resorts Casino Hotel ("Resorts") since it opened in 2018. DraftKings is also an authorized online sports wagering platform operating under the sports wagering license of Resorts.

3. Resorts holds, and at all times relevant hereto, held, a valid casino license and sports wagering license.

4. Eric Stevens ("Stevens"), a resident of Florida, was a customer of the DraftKings online sports wagering platform.

5. John Avello ("Avello") is employed by DraftKings as Director of Race and Sports Operations. He has been a DraftKings employee since 2018.

6. Prior to his employment by DraftKings, Avello was the Executive Director of Race and Sports Operations at Wynn Resorts' retail casino, The Wynn, located in Las Vegas, Nevada. Avello was employed at The Wynn from 2005 through 2018.

7. Stevens was a premium customer of the sports book at The Wynn, making numerous large wagers. In his capacity as Executive Director of the sports book, Avello became familiar with Stevens.

8. Stevens would at times use a friend, Larry Porter ("Porter") to travel from Florida, where both Stevens and Porter were residents, to Las Vegas to place bets on Stevens' behalf at The Wynn retail sports book.

9. Avello would at times meet Porter to facilitate Porter's placing of sports wagers on Stevens behalf.

10. When Avello became employed by DraftKings, he advised Stevens that he could place wagers with DraftKings New Jersey online sports wagering platform so long as he were physically located in New Jersey.

11. Stevens created an online account with DraftKings. It was not uncommon for Stevens to make wagers of \$50,000 or more on individual events. Stevens was assigned a VIP host, Victor Ronca ("Ronca"). Ronca was responsible, among other duties, for providing Stevens, as a premium player, gifts and other incentives for the business Stevens was providing to DraftKings. Ronca arranged for these complimentary gifts to be delivered to Stevens' home in Florida. Accordingly, DraftKings was familiar with Stevens being a resident of Florida.

12. Stevens had knee surgeries on both knees and was unable to travel. Stevens opened his real money sports wagering account with DraftKings in September 2019. It was arranged that Porter, with the knowledge of both Stevens and DraftKings, would access Stevens' account when Porter was physically present in New Jersey and place wagers on Stevens' behalf starting in 2019.

13. Porter had a temporary job assignment in Atlantic County, New Jersey and was therefore physically located in New Jersey during the relevant time period.

14. DraftKings became aware in 2019 that Stevens' account was being accessed by a "proxy" located in New Jersey while Stevens was physically in Florida because a geolocation velocity check showed the account being accessed from Florida and then from New Jersey within minutes, with travel between the two locations not being possible in the time period. DraftKings issued Stevens a written warning in October 2019 about proxy wagering. However, DraftKings, through Ronca, also verbally informed

Stevens and Porter that Porter could continue to access Stevens' account and make sports wagers on Stevens' behalf so long as Porter's access was at least two hours after any access to the account by Stevens.

15. As a premium customer, Stevens was provided with access to the DraftKings "suite" at Super Bowl LIV in Miami, Florida in February 2020. While Stevens was present in Miami as a guest of DraftKings, he actively wagered on the Super Bowl game in progress through Porter in the presence of, and with knowledge of, DraftKings' personnel.

16. When DraftKings commenced operations in Pennsylvania, they were able to offer Stevens a special premium on his wagers in that state in connection with special introductory offers. Ronca informed Stevens that DraftKings had recently commenced operations in Pennsylvania and that if the Pennsylvania site were used, DraftKings could offer a premium bonus to Stevens. Porter was therefore instructed by Stevens, with the knowledge of DraftKings, to drive to Pennsylvania from New Jersey and make large wagers in that state to qualify for the special offer.

17. In October 2020, DraftKings suspended Stevens' account for proxy wagering. The account currently has just over [REDACTED]. The account is frozen and is not accessible by Stevens.

18. *N.J.A.C. 13:69N-1.10* states "No licensee shall knowingly accept a wager from a person on behalf of any other person. No licensee shall knowingly allow a person to make a wager utilizing the account of another person."

WHEREFORE, Complainant demands the following relief:

A. Judgment that DraftKings violated *N.J.A.C. 13:69N-1.10*;

B. Judgment imposing an appropriate civil penalty pursuant to *N.J.S.A. 5:12-129a(5)*;

C. Judgment ordering DraftKings to close permanently the Stevens account for proxy wagering and return the funds from the account to Stevens;

D. Judgment requiring DraftKings to submit internal controls with detailed training procedures to ensure the detection and prevention of patrons attempting to wager by proxy;

E. Judgment requiring DraftKings to prepare an accounting of the profit made from losing wagers by patron Stevens; and

F. Judgment imposing such other relief as may be deemed just and appropriate under the circumstances.

Respectfully submitted,

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DATED: December 09, 2021