



State of New Jersey

Philip D. Murphy
Governor

Office of the Attorney General
Department of Law and Public Safety
Division of Gaming Enforcement
1300 Atlantic Avenue
Atlantic City, NJ 08401

Andrew Bruck
Acting Attorney General

Sheila Y. Oliver
Lt. Governor

David Rebuck
Director

August 27, 2021

Pacifico S. Agnellini, Esq.
650 New Road
Suite 2
Linwood, NJ 08221

Re: NOTICE OF VIOLATION; N.J.A.C. 13:69B-2.9

AGS failed to ensure that the Capital Gains game it provided to several New Jersey Platforms was functioning properly;
N.J.A.C. 13:69D-2.3

Dear Pat Agnellini:

The Division of Gaming Enforcement ("Division") recently completed an investigation regarding the "Capital Gains" online game provided to numerous New Jersey online platforms by AGS through SciGames Digital ("SciGames") for AGS' failure to properly configure Capital Gains, causing a patron side display error during the bonus round which resulted in numerous customer service complaints.

N.J.A.C. 13:69D-2.3 provides, in pertinent part, that a "casino licensee shall ensure all software utilized works as intended and functions properly in compliance with the Division's rules prior to installation..."

The Division's investigation revealed that on September 19, 2020, AGS' Vice President of Engineering, Antony Ellis submitted an Incident Report indicating that Golden Nugget Atlantic City ("GNAC") had disabled Capital Gains due to various patron complaints contesting the payout on the Money Charge feature in the bonus round. The following day, the Division received an Incident Report from GNAC's Internet Gaming Manager, Toni Cafone. Toni Cafone reported that between July 2020 and September 2020, GNAC had received at least fourteen customer service complaints



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regarding payout issues on AGS' game, Capital Gains. GNAC reported that due to the voluminous complaints, on September 18, 2020, it had removed Capital Gains from service. On September 21, 2020, after a review of the two Incident Reports and a list of all fourteen patron complaints, the Division advised AGS to remove Capital Games from all New Jersey Platforms.

On September 23, 2020, the Division conducted an interview of Toni Cafone and GNAC's Senior Internet Gaming Product Manager, Jeff Jirsa. The Division was advised that GNAC received its first customer service complaint on July 8, 2020. They advised that both GNAC and AGS investigated the complaint but were unable to replicate the error reported by the patron. GNAC also reported that AGS had not granted them full access to AGS' back office until September 2, 2020 and therefore, GNAC was initially unaware of the additional 13 customer service complaints regarding Capital Gains.

Cafone and Jirsa advised that the original eight patrons that filed complaints did not submit a screen shot of the payout error. However, the ninth customer, who had previously complained in July 2020, submitted a screen shot of the payout error when it was experienced again on September 2, 2020. After a review of the patron's second complaint and screen shot, AGS was able to identify and locate a "bug" in the bonus round. However, GNAC received five additional customer service complaints between September 2, 2020 and September 15, 2020.

On or about September 9, 2020, the Division discovered that a patron at Resortscasino.com had filed a similar complaint regarding Capital Gains. It was discovered that while she was playing Capital Gains in August 2020, her bonus round screen showed that her jackpot winnings was \$850.75, but her actual winnings were only \$125.75.

On October 5, 2020, the Division interviewed Antony Ellis of AGS. He advised that on or about September 21, 2020, he was able to identify and replicate the bonus round error. He explained that once the bonus round was triggered, the patron had the opportunity to win "Money Charge Symbols". At the end of the bonus round/free spins, the Money Charge Symbols are totaled and that is the amount paid to the patrons. Here, AGS discovered that the error/bug was only on the patron view, causing a display error. More specifically, the Money Charge Symbols from the last bonus round were not properly cleared on the patron view, causing the patron to believe that he/she won more money than he/she had actually won.

On September 24, 2020, AGS submitted a Release Note that was approved by the Division. The game was reactivated across all platforms. Unfortunately, on or about October 10, 2020, Ellis submitted a new Incident Report. Ellis advised that despite the Release Note, a new customer service complaint from a patron at Caesars Interactive Entertainment had been received complaining of the same pay out issue in the bonus

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round. She reported that her bonus round displayed showed that she had won a \$100,000 jackpot, but her actual winnings were only \$280.00.

On October 29, 2020, Ellis was interviewed again. He advised that after the most recent customer service complaint, it was discovered that the bug/error could occur at the beginning of the bonus round as well as at the end. He advised that the Money Charge Symbols from the prior bonus round were erroneously displayed in the final spin of the bonus round. When these were displayed to the patron, it caused them to believe that they had won a higher jackpot than they had actually won. Ellis also advised the Division that the Release Note that had been previously submitted to the Division and the Quality Assurance testing had only been conducted on the last spin of the bonus round, not the entire game. However, he confirmed that after a review of each patron's game log, they had all been paid the correct winnings. He further advised that AGS would be submitting an updated Release Note for the Division's review. This Release Note was not submitted to the Division until the spring of 2021. Once submitted it was reviewed and approved by the Division.

Based upon the incidents of noncompliance discussed above, AGS failed to comply with N.J.A.C. 13:69D-2.3(d). Therefore, pursuant to N.J.A.C. 13:69B-2.9, the Division is exercising its authority to impose a civil penalty of \$1,000 to address the above referenced episodes of noncompliance. If AGS agrees with the civil penalty determination, please sign this letter in the space provided below and return it to the undersigned within 30 days. Upon receipt of the signed letter an Order assessing the suggested civil penalty will be issued. However, if AGS disagrees with the determination please advise the undersigned so appropriate proceedings may be scheduled. See N.J.A.C. 13:69B-2.9(c-d).

Lastly, AGS is hereby advised that, continued noncompliance, no matter how de minimis, may result in more formal regulatory action.

Sincerely,



Jennifer K. Russo-Belles
Deputy Attorney General

cc: David L. Rebuck, Director
Louis S. Rogacki, Deputy Director
Afshien Lashkari, Deputy Chief