

Compulsive gambler feels fleeced by casino, betrayed by regulators

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DALLAS—A Las Vegas casino preyed upon a compulsive gambler's addiction, and the state regulatory agency and courts that should have protected him instead supported the gaming industry, author John Nelson told the Texas chapter of [Stop Predatory Gambling](#).

Nelson wrote [License to Cheat](#), he said, to describe “how a predatory casino took advantage of my addiction to initiate an unlawful scheme to cheat me out of hundreds of thousands of dollars and how I was failed by the very regulation that was ostensibly put in place to protect casino patrons from dishonest casino operators.”



Yvette Monet with MGM Resorts' public affairs office takes issue with that characterization. “The description of the book inaccurately portrays the relationship between the gaming industry and the regulatory bodies,” she said. “MGM Resorts stands by the integrity of its operations and denies any and allegations of improper conduct on our company's part. Both the courts and the regulators have agreed with our position.”

Because Nelson had a history as a good casino customer—“meaning being a big loser,” he explained—the MGM Grand Hotel Casino in Las Vegas offered him tickets to the 2004 Super Bowl in Houston. However, one week before the game, the casino offered an alternative—\$10,000 to travel to Las

Vegas to watch the game on television in a luxury hotel where gambling opportunities were readily accessible.

“Of course, being a compulsive gambler, I opted for the \$10,000,” he said.

Based on past experience, Nelson said, he gave the casino written instructions he never should be issued credit. Instead, he customarily deposited a cashier’s check with the casino and wagered against the balance of that account.

“My ability to continue gambling ended when the money in my account was zeroed out,” he said.

Big winnings

During his Super Bowl trip, he won repeatedly until the amount of his deposits in the casino account exceeded \$1 million.

“I didn’t want to leave while I was winning, but I did not want to risk losing all I had accumulated in my wagering account,” he recalled. So, he instructed the casino to wire a portion of his winnings to his bank account in Houston—a system he had used successfully on two previous trips to Las Vegas.

“But on this trip, the MGM withheld sending the money it lost to my bank and instead waited and watched while I eventually lost everything in my account. ... The MGM withheld payment of the money it lost to give itself the opportunity to take advantage of my addiction,” he said, asserting the casino held up the wire transfer for two days.

“MGM saw me for what I was—a compulsive gambler,” he said.

Nelson complained to MGM management and received no satisfaction. So, he filed a complaint with the Nevada Gaming Control Board.

A May 27, 2004, letter from David Salas, supervisor of the board's enforcement division, said: "The facts and circumstances of the case could not substantiate your complaints or allegation. My decision, therefore, is the MGM Grand Hotel/Casino acted with efficiency when it initiated your wire transfer requests."

The Gaming Control Board insisted regulations did not mandate a specific time frame in which wire transfers must be completed but simply speaks to "completing the transfer by the most expeditious means available to the institution after it has met all of its record keeping and reporting requirements."

'No fraud' ruling

Based on the definition of fraud in Nevada's legal statutes, the board concluded there was "absolutely no indication of criminal activity on the part of the location."

Furthermore, the board insisted the investigation was not subject to review by a hearing examiner because the complaints "alleged unsuitable methods of operation ... not gaming matters as defined by the Nevada Revised Statutes" and were "determined to be unfounded."

Nelson asked the Nevada attorney general to review the complaint, but he supported the Gaming Control Board. So, Nelson filed a case in federal court in Houston, but the court determined it lacked jurisdiction and the matter needed to be decided in Nevada.

He subsequently filed a racketeering suit against MGM, but the district court judge—Brian Sandoval, former chairman of the Nevada Gaming Commission and now governor of Nevada—dismissed the case.

Nelson appealed, but the appellate court ruled the case lacked one of the required elements for racketeering—a pattern—without ruling on issues of

criminal activity or conspiracy. Nelson's lawyer failed to file for a rehearing before a three-judge panel within the prescribed window of opportunity, so he felt he had no further legal recourse.

Nevada's governor appoints members of the state's Gaming Control Board and its Gaming Commission. The current chair of the Gaming Control Board served as a senior deputy in the state's attorney general's office, providing legal representation for Nevada's Gaming Control Board, Gaming Commission and Commission on Sports.

'Climate that protects casinos'

The close relationship between the offices of the governor, the attorney general, state regulatory agencies and the gaming industry create a climate that protects casinos rather than their patrons, Nelson asserted.

"I hope by illustrating the depth of the corruption that exists between the state of Nevada and its licensed casinos that people will stop and consider whether gambling can ever be honestly and effectively regulated—which is the main argument casino operators use to motivate legislators to legalize gambling," he said.

"I don't think people in Texas want to see a bunch of casino operators take over the legislature and the courts, but that's what has happened in Nevada, and it can certainly happen in Texas if (casino) gambling is legalized here."