



## **EXECUTIVE SUMMARY**

### **DEPARTMENT OF LAW AND PUBLIC SAFETY DIVISION OF GAMING ENFORCEMENT July 1, 2018 to June 30, 2021**

We found the division was in compliance with applicable regulations, statutes, policies, and procedures. In making this determination, we identified weaknesses in the division's procedures for monitoring and preventing backlogs of license applications and renewals. We also identified weaknesses in the monitoring of transactional waivers and dormant accounts, as well as with gambling addiction reports. Furthermore, we made observations concerning gambling addiction treatment funding and unclaimed dormant internet accounts.

### **AUDIT HIGHLIGHTS**

- The division needs to improve procedures to monitor and track backlogs. The division does not maintain the status of each investigation in a database or other computerized system for casino service industry enterprise license applications. Additionally, there are no written guidelines indicating when casino key employee license investigations should be completed.
- The division needs to strengthen controls over transactional waivers. According to division management, there is no tracking system or database for transactional waivers.
- Casinos are required to attempt to contact a dormant account holder by mail, phone, and computer before closing the account. The division does not perform investigations or reviews to monitor whether casinos are contacting patrons in accordance with the statute prior to closing an account and withdrawing funds.
- The division entered into two agreements with a vendor to provide gambling addiction and sports gaming studies. The vendor did not submit quarterly expenditure reports or the annual reports in accordance with the statute and written agreement. Additionally, the division did not ensure the data received from the casinos was complete.
- New Jersey statute and administrative code requires casino licensees with an internet gaming permit and sports wagering licensees to pay the division certain fees to be deposited into the state's general fund and used for gambling addiction treatment. From fiscal years 2019 through 2021, the division collected \$8.35 million in these fees, with only \$4 million being disbursed to treat those with compulsive gambling addiction.
- The statutes governing the casinos and online gaming are not consistent with the Uniform Unclaimed Property Act.

### **AUDITEE RESPONSE**

The department generally concurs with our findings and recommendations.

For the complete audit report or to print this Executive Summary, click on the attached files.