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February 4, 2002

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL
COUNSEL

FEB 4 3 10 PM '02

By Hand

Roy Q. Lockett, Esq.
Office of General Counsel
Federal Election Commission
999 E St., N.W.
Washington, DC 20463

Re: Harrah's Entertainment, Inc.; Marina Associates;
Showboat Atlantic City, Inc. - MUR 5020

Dear Mr. Lockett:

I write in response to the Reason to Believe Findings ("RTBs") issued by the Federal Election Commission concerning Harrah's Entertainment, Inc., Marina Associates, and Showboat Atlantic City, Inc., all clients of this firm. This submission is joined by Herbert Wolfe and David Jonas, who also received RTBs in this matter and have served as executives of the New Jersey casinos involved. Although the RTBs carry the dates of October 2001, they were not received in this office until early January. As you and I have discussed, the delay in delivery likely was the result of the disruption of local postal service following the anthrax situation. You and I agreed that, in light of the delay in delivery, our response would be due on February 4.

The enclosed response, along with copies of declarations from Herbert Wolfe and David Jonas and the affidavit of Jill Reith, details the fundraising that was done for the election fund for State Sen. William Gormley's campaign for the Republican nomination for U.S. Senate in March 2000. The fundraising was not intended to be a corporate activity, but

Roy Q. Luckett, Esq.

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February 4, 2002

rather was an individual undertaking by the persons involved. In addition, those contacted for possible contributions were solely from the company's "restricted class." Based on our investigation, we do not believe there was any material violation of the Federal Election Campaign Act or its associated regulations.

All of the Harrah's-related entities that have received RTBs would request that the Commission at this time enter into negotiations for conciliation of this matter pursuant to a written agreement as authorized in 11 C.F.R. § 111.18(d). As alternative relief, Messrs. Wolfe and Jonas join in this request for conciliation.

Please contact me at your convenience on any follow-up matters, and to proceed with the conciliation effort.

Very truly yours,

David O. Stewart
David O. Stewart *by ANB*

Cc (w/ encl.): Dennis Gallagher, Esq.
Jack Gorny, Esq. (counsel to Herbert Wolfe)
John Miles, Esq. (counsel to David Jonas)
A.N. Bailey

**IN AND BEFORE THE
FEDERAL ELECTION COMMISSION**

IN RE MATTER UNDER REVIEW 5020

RESPONDENTS:

Harrah's Entertainment, Inc.
Marina Associates
Showboat Atlantic City, Inc.
David Jonas
Herbert Wolfe

This response -- submitted on behalf of Harrah's Entertainment, Inc., Marina Associates, Showboat Atlantic City, Inc., David Jonas, and Herbert Wolfe -- addresses the "Factual and Legal Analysis" provided by the Commission staff. As explained in Respondents' July 20, 2001 letters to the Commission, neither Mr. Wolfe nor Mr. Jonas intended to undertake a corporate fundraising effort for the Gormley for Senate Primary Election Fund, and do not believe they did so. Even if their fundraising could be characterized as corporate, however, (1) their solicitations were clearly within the exception for communications to the restricted class, see 2 U.S.C. § 441b(b)(2)(A); 11 C.F.R. § 114.2(f)(4)(ii), and (2) any use of corporate resources was, at most, *de minimis*. Copies of declarations of Messrs. Wolfe and Jonas and the affidavit of Jill Reith of Harrah's Entertainment are attached to this response. The declarations of Messrs. Wolfe and Jonas set forth the circumstances of their fundraising.

All parties to this response hereby request pre-probable cause conciliation of this matter, pursuant to 11 C.F.R. § 111.18(d).

The Fundraising Was Not A Corporate Effort

As asserted in our responses to the initial complaint, and as reaffirmed in the attached copies of the Wolfe and Jonas declarations, the fundraising at issue here was not intended to be a corporate effort. State Sen. Gormley is a long-time representative of the Atlantic City area who is well-known to, and well-regarded by, many residents. Wolfe Decl., ¶ 2, Attachment A. Moreover, Mr. Jonas states in his declaration that he consulted with corporate counsel at the beginning of his fundraising efforts to ensure they would violate no law. Jonas Decl., ¶ 3, Attachment B. He was advised by counsel that his intended course would not violate the law.

The Commission asserts that three factors appear to demonstrate a corporate fundraising effort for the Gormley campaign:

[I]t appears that the corporation established: (1) the time period for collecting the contributions (the last two weeks of March 2000); (2) where the contributors would submit their checks (each manager's office suite); and (3) when the Gormley representative would pick up contribution checks (possibly March 29, 2000).

Federal Election Commission, "Factual and Legal Analysis" re Harrah's Entertainment, Inc., MUR 5020, p. 4. The facts of this situation, however, do not support any inference of a uniform corporate fundraising effort.

First, not all contributions were delivered to the general managers' office suites. Some were mailed directly to the campaign. Wolfe Decl., ¶ 6; Jonas Decl., ¶ 5. In addition, those contributions left by donors in certain office suites were picked up by campaign personnel; they were not transmitted by the company. Wolfe Decl., ¶ 6; Jonas Decl., ¶ 5. Any corporate facilitation of the fundraising was inadvertent and minor, and therefore should not be deemed a legal violation.

Indeed, both Mr. Wolfe and Mr. Jonas note that their intent was not to conduct any fundraising on behalf of the company, Wolfe Decl., ¶ 2; Jonas Decl., ¶ 3, and that any decision by their colleagues to support Sen. Gormley's campaign was purely voluntary, Wolfe Decl., ¶ 3; Jonas Decl., ¶ 3. Contributors were not rewarded, nor was there any negative consequence for those who declined to contribute. Wolfe Decl., ¶ 5; Jonas Decl., ¶ 6. Some of those contacted chose not to contribute. Jonas Decl., ¶ 4. At the time of our initial responses in this matter, Messrs. Wolfe and Jonas filed conduit reports for their fundraising efforts.

Wolfe and Jonas Solicited Only Members of the Restricted Class

Even if the activities at issue could be viewed as involving corporate facilitation, they would be permissible because the individuals approached by Messrs. Wolfe and Jonas belonged to the "restricted class" of each entity. Of the donors to Sen. Gormley's Fund who were employed by Harrah's and Showboat, the Commission has questioned the "restricted class" status of only thirteen. "Factual and Legal Analysis," *supra*, at 5-6. A consideration of those individuals' responsibilities, as well as the controlling legal standards, demonstrates that the individuals in question were all in the restricted class.

As defined in 11 C.F.R. § 114.1(a)(2)(i), the restricted class includes a corporation's stockholders, its executive or administrative personnel, and their families. The Federal Election Campaign Act ("FECA" or "the Act") defines executive or administrative personnel as employees who are paid on a salary basis and who have policymaking, managerial, professional, or supervisory responsibility. See 2 U.S.C. § 441b(b)(7).

In permitting political communications to the restricted class, Congress intended to give corporations the same privileges as unions, which are free to solicit their members. See H.R. Rep. No. 94-917, at 7 (1976) (unions may solicit only their "members," and "corporations must confine their activities to a roughly comparable group"). The restricted class therefore

includes individuals who are like "members" of the corporation, i.e., the employees "who run the corporation's business," see H.R. Conf. Rep. No. 94-1057, at 62 (1976). Thus, a corporation may make political communications to "plant, division, and section managers," a grouping that includes the managers contacted by Messrs. Wolfe and Jonas. See *id*; see also 11 C.F.R. § 100.8(b)(4)(iii)(A)(1).

Moreover, the restricted class does not exclude all individuals who may have some responsibility for oversight of hourly employees, as implied by the Commission's analyses. Congress intended to exclude only "foremen" and "strawbosses" who directly supervise hourly employees. See H.R. Conf. Rep. No. 94-1057, at 62 (1976) (emphasis added). The duties of the managers who were contacted about contributing to Sen. Gormley's Fund extended well beyond the tasks performed by such lower level supervisors.

Further guidance on this issue may be drawn from the Fair Labor Standards Act (FLSA) and related regulations, which also address whether individuals have policymaking, managerial, professional, or supervisory responsibilities. See 11 C.F.R. § 100.8(b)(4)(iii)(D) (FLSA criteria provide guidance on definition of restricted class under FECA). Under the FLSA, an employee's executive status is determined by several factors, including (1) supervision over a department or subdivision

thereof, (2) direction of employees, (3) the authority to hire or fire (or having particular weight in such decisions), (4) the regular exercise of discretionary powers, (5) the percentage of time spent in managerial or supervisory activities, and (6) the amount of the employee's salary. See 29 C.F.R. § 541.1. The definition of administrative class is even more extensive, encompassing individuals who perform work related to general business operations and those who directly assist another executive or administrative employee. See 29 C.F.R. § 541.2.

Applying these factors, all of the individuals contacted by Messrs. Wolfe and Jonas belonged to the restricted class. The managers and directors who contributed to the Gormley fund all were paid on a salaried basis and with one exception, supervised other employees. Each of them had primary responsibility over a particular department or area of the corporation's business. They all had discretionary authority, such as the power to hire, fire, or promote employees under their supervision.

This point is readily illustrated by referring to New Jersey casino law, which requires "casino key employee licenses" for all employees who are "empowered to make discretionary decisions which regulate casino or simulcasting facility operations," or hotel and food service operations. N.J.S.A. § 5:12-9, Attachment C. Of the thirteen employees that the Commission suggests were not in the restricted class, nine

actually held "casino key employee" licenses in New Jersey at the relevant time. Jill Reith Aff., ¶ 3, Attachment D.

In addition, five of the 13 employees whose restricted class status has been questioned by the Commission were Harrah's stockholders during the relevant period. Reith Aff., ¶ 2.

Under the Act, such stockholders are indisputably members of the restricted class. See 11 C.F.R. § 100.8(b)(4)(ii).

Accordingly, based on their job responsibilities, public licenses, and stock ownership, all of the thirteen employees whose status was questioned by the Commission's "Legal and Factual Analysis" were properly members of the restricted class (See Reith Aff., ¶¶ 2-3):

- William Ambrosio (Games Shift Manager, Harrah's Marina) - Mr. Ambrosio supervised assistant games shift managers who were all salaried employees. He was responsible for the overall operations of table games -- including blackjack, roulette, and craps -- as well as the allocation of resources within the department. He was expected to improve operations through continuous assessment of departmental policies and procedures and to recommend policy changes as needed. Mr. Ambrosio had discretion in awarding commendations to superior employees and had the power to hire, fire, and promote those directly and indirectly under his supervision. He held stock in the company and held a New Jersey casino key employee license.
- Michael Booker (Slot Shift Manager, Harrah's Marina) - Mr. Booker directly supervised the conduct of the slot machine gaming operation, which included directing the Keno Shift Supervisor, two Slot Services Supervisors, and a Slot Report Clerk, all of whom were salaried employees. He assisted in the development of strategies, operating plans, capital plans, and marketing plans. Mr. Booker had the authority to hire or terminate all keno personnel

directly or indirectly under his supervision. He held stock in the company and held a New Jersey casino key employee license.

- Christine Boxer (Slot Shift Manager, Harrah's Marina) - Ms. Boxer's responsibilities for slot machine gaming operations were comparable to those of Mr. Booker. She directly supervised a Keno Shift Supervisor, two Slot Services Supervisors, and a Slot Report Clerk. She, too, had the power to hire or terminate keno personnel directly and indirectly under her supervision. Ms. Boxer held a New Jersey casino key employee license.
- Anthony Ciallella (Games Shift Manager, Harrah's Marina) - Mr. Ciallella's responsibilities for table games operations were the same as those of William Ambrosio. He also owned stock in the company and held a New Jersey casino key employee license.
- Glen Cunningham - (Games Shift Manager, Harrah's Marina) - Mr. Cunningham's responsibilities for table games operations were the same as those of William Ambrosio. Mr. Cunningham owned stock in the company and held a New Jersey casino key employee license.
- Kimberly Grahsler - (Volume Restaurant Manager, Harrah's Marina) - Ms. Grahsler supervised the Volume Restaurant Supervisor and Assistant Restaurant Chef. She was responsible for the departmental budget of the Fantasea Reef Buffet restaurant and allocation of its resources, as well as the design of menus and daily food preparation. Ms. Grahsler had the authority to reward, hire, and terminate individuals directly and indirectly under her supervision.
- Mark Kashuda - (Slot Shift Manager, Harrah's Marina) - Mr. Kashuda's job description was the same as Michael Booker's. He supervised only salaried employees. He held a New Jersey casino key employee license.
- Paul Merrick - (Stage Manager, Harrah's Marina) - As manager of all lounge, Special Events and restaurant entertainers, Mr. Merrick directly supervised three entertainment supervisors, an Electronic Communications Specialist, and all personnel with responsibility over lighting and sound. He coordinated all stage production

requirements with outside companies and performers and made recommendations on all personnel matters within the Entertainment Department.

- John Ranere - (Credit Manager, Harrah's Marina) - Mr. Ranere supervised Casino Credit Executives in the extension of credit to gaming patrons, a highly sensitive management responsibility. He was responsible for the overall operation of his department, which included recommending policy and program changes. Mr. Ranere had the authority to reward, hire, and terminate employees directly or indirectly under his supervision. He held a New Jersey casino key employee license.
- Charlie Sanderson - (Slot Performance Manager, Harrah's Marina) - Mr. Sanderson supervised a Slot Performance Supervisor and a Slot Computer Coordinator who were salaried employees. His responsibilities included selection of the machines for the casino floor, repair and maintenance of those machines, and ensuring accurate data collection and analysis. Mr. Sanderson owned stock in the company and held a New Jersey casino key employee license.
- Mark Starrett - (Player Services Manager, Harrah's Marina) - The Player Service Department operates the Harbour Club, a restaurant/club devoted to premiere customers. Mr. Starrett directly supervised the Player Services Supervisor, the Butler Supervisor, and all Limousine Operations. He participated in strategic planning and developed long range planning goals for the Player Services Department.
- Ross O'Hanley - (President's Associate, Harrah's Marina) - In March 2000, Mr. O'Hanley was a President's Associate. As a President's Associate, Mr. O'Hanley was in a transitional position, being prepared for a leadership position within the company by cycling through each major department in the casino. He reported directly to Mr. Jonas. The President's Associate position is a prestigious one and competition for it is brisk. Upon completion of the year-long program, Mr. O'Hanley served the company as a Staffing Manager and Total Rewards Manager. (Total Rewards is Harrah's customer loyalty program, which has enlisted over 20 million members nationwide.) In both positions Mr. O'Hanley exercised substantial discretion. As the Total

Rewards Manager, Mr. O'Hanley was responsible for developing and modifying the program to enhance customer satisfaction. He oversaw all Total Rewards promotions and was responsible for implementing them across departments. Similarly, as a Staffing Manager, he was responsible for selecting among recruits for managerial positions within the company.

- George Ashman - (Casino Manager, Showboat) - Mr. Ashman was a very senior manager, overseeing the casino at Atlantic City Showboat casino. He directly supervised the casino shift managers, who were salaried employees. Mr. Ashman assisted the Vice President of Gaming in the overall operation of the table games. He was responsible for developing policy and programs. He had the authority to reward, hire, and terminate employees directly and indirectly under his supervision and exercised discretion in issuing complimentary meals, lodging, and show tickets to customers. He also held a New Jersey casino key employee license.

Any Use of Corporate Resources Was Unintentional and De Minimis

Because the contributions in this case came from individual employees and not from the corporate treasury, they were not corporate contributions. See *FEC v. Friends of Jane Harman*, 59 F.Supp.2d 1046, 1054 (C.D. Cal. 1999) (where corporate employee merely collected checks from individuals, contributions were not corporate). Even if some small amount of corporate resource was unintentionally used in the fundraising effort, or even if one or two persons who were contacted might not be deemed part of the restricted class, any violation of the FECA in this case was not substantial and was inadvertent. See *id.* at 1059 (violations not "deliberate or serious," so no penalty warranted where corporate employee collected campaign contributions).

Messrs. Wolfe and Jonas each spent a very minor amount of time on the fundraising effort. They did not commit or consume material corporate resources, nor did they host a fundraiser or any such event. Messrs. Wolfe and Jonas merely informed colleagues that they were contributing to the Gormley Fund and invited them to do the same, but only if they wished to do so. Messrs. Wolfe and Jonas did not provide contributors with stamps or envelopes. Wolfe Decl., ¶ 3; Jonas Decl., ¶ 5. Those who mailed their contributions to the Gormley Fund were given only the address of the campaign committee.

In fact, the Commission points only to a single element as suggesting the use of corporate resources: that executive offices served as temporary depositories for certain contribution checks. This use was isolated and incidental and should come within the exception to the prohibition against the use of corporate resources. See 11 C.F.R. § 114.9(a).

In addition, this case did not involve any threat to company employees of detrimental job action or financial reprisal for not contributing. All contributions were voluntary. Wolfe Decl., ¶ 4; Jonas Decl., 4. Neither Wolfe nor Jonas directed reimbursements to contributors, and there is no evidence of any such reimbursements by their respective employers. Wolfe Decl., ¶ 5; Jonas Decl., ¶ 6. In fact,

several of the individuals who were approached did not support Sen. Gormley and declined to contribute. Jonas Decl., ¶ 4.

As noted above, any violations here were inadvertent. Mr. Jonas sought the advice and approval of in-house counsel prior to approaching his colleagues, while Mr. Wolfe followed procedures that he believed in good faith to be within the law.

For all of the foregoing reasons, the Commission should conclude that no legal violation is presented here.¹

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Showboat Atlantic City, Inc.

¹ The Commission's "Factual and Legal Analysis" suggests that there is reason to believe that by dint of Mr. Jonas' activities, Marina Associates as a partnership may have made an indirect corporate contribution. That suggestion is incorrect. The FEC's regulations provide that no portion of a partnership contribution may be made from the profits of a corporate partner. See 11 C.F.R. § 110.1(e). Here, the contributions to the Gormley Fund were donations by individuals, not payments from the corporate treasury. Moreover, because the efforts of Mr. Jonas were very limited, it would require a great stretch of the imagination to say that those efforts consumed corporate profits. There thus was no legal violation by Marina Associates.

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Attorneys for Herbert Wolfe

2015-03-24 09:40:40

ATTACHMENT A

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF:)
) MUR 5020
)

DECLARATION OF HERBERT WOLFE

1. My name is Herbert Wolfe. From 1994 until 2001, I managed Atlantic City Showboat, Inc., which operates a casino in Atlantic City, New Jersey.

2. In or about February 2000, State Sen. William Gormley called me and asked me to raise funds for his campaign for U.S. Senate. I have known Sen. Gormley for some time to be an able public official and representative of this community. I agreed to Sen. Gormley's request. I did not undertake this fundraising effort on behalf of Showboat, nor did I intend my efforts to constitute a corporate activity.

3. Shortly thereafter, I informed a number of my colleagues in Showboat's senior management that I intended to make a donation to the Gormley campaign. I invited them to do the same, but only on a voluntary basis and there was no expectation or obligation of any kind to make any contribution. I told interested persons that, if they wished to do so, they could leave donations in my office. I did not provide envelopes or postage stamps to my colleagues, but did provide them with the campaign committee's address.

4. I was careful to inform my colleagues that it was their decision whether or not to contribute. I did not personally collect any checks and never actually saw the contributions. I was not informed of who did or did not contribute or the amount of any contribution (unless an individual may have offered such information to me). My only knowledge of who contributed was through receipt of the Complaint in this matter.

5. I was not reimbursed or rewarded for my contribution by the corporation. Those who decided not to contribute were not penalized in any way, nor was there any reward or reimbursement for those who contributed.

6. I understand that a number of checks were delivered to my office, and that the Gormley committee collected those checks by messenger in the latter part of March 2000. I believe that some contributors sent their checks to the Gormley Committee through the mail. Because I made no record of any contributions, nor did I collect any contributions, I do not know how many were mailed and how many were left at my office.

7. My fundraising was done by word of mouth, and I estimate that I spent no more than ten minutes on the effort.

8. No representative of the corporation asked me to raise funds for Mr. Gormley.

I declare, under penalty of perjury, that the foregoing statements are true to the best of my knowledge, information and belief.

February ____, 2002


Herbert Wolfe

25.03.40.4490

ATTACHMENT B

BEFORE THE FEDERAL ELECTION COMMISSION

IN THE MATTER OF:

)
)
)
MUR 5020

DECLARATION OF DAVID JONAS

1. My name is David Jonas. I am the general manager of the Harrah's Atlantic City Casino and held this position in March, 2000.

2. In March 2000, in a conversation with Herb Wolfe, who was the manager of our sister casino, Showboat Atlantic City, Mr. Wolfe told me that he was asking colleagues to consider voluntarily contributing to the campaign of William Gormley, who was running for the New Jersey Republican nomination to be a candidate for the U.S. Senate. He asked whether I would be interested in asking my colleagues at Harrah's Atlantic City for contributions. I intended to support Mr. Gormley myself, and I believe I told Mr. Wolfe that I would encourage my colleagues at Harrah's Atlantic City Casino to contribute to Mr. Gormley's campaign committee if I obtained assurance that it would be appropriate for me to do so.

3. This effort was not part of my job at the casino, and I was not ordered to do it. I decided to do it on my own, and I did not intend my fundraising activities to be conducted on behalf of my employer, or to represent a corporate activity. Nevertheless, because I intended to solicit colleagues at work and because I was unfamiliar with fundraising law, I advised my superior of my plans. I also sought advice from Harrah's corporate counsel, and I was informed that my plans were appropriate and within the law.

4. All of my colleagues at the casino that I contacted about the Gormley campaign were senior managers or in management-related positions, and I only suggested that they consider making a donation to the Gormley campaign. At no time did I advise my colleagues that they were in any way expected to contribute, or required to contribute. In fact, some of them told me up front that they did not support Gormley and did not wish to contribute to his campaign. Although a number of my colleagues decided to contribute, others did not.

5. My colleagues were encouraged to give to the Gormley for Senate committee, but were not provided with items such as stamps or envelopes. They were told that they could leave donations at my office, which many did, although some may have mailed checks directly to the Gormley committee. I did not collect the contributions from them, but only allowed them to leave them at my office for later pick-up by the Gormley committee. At the end of March, 2000, a representative from the Gormley for Senate committee came to the casino and collected those contributions.

6. I was not reimbursed by Harrah's for my donation to the Gormley committee, and no one that I solicited for contributions was reimbursed for his or her contribution. No one was rewarded for contributing, and no one was penalized for not contributing.

I declare, under penalty of perjury, that the foregoing statements are true to the best of my knowledge, information, and belief.

Executed: January 31, 2002



David Jonas

2025-04-23

ATTACHMENT C

NEW JERSEY STATUTES ANNOTATED
TITLE 5. AMUSEMENTS, PUBLIC EXHIBITIONS AND MEETINGS
CHAPTER 12. CASINO CONTROL ACT
ARTICLE 1. INTRODUCTION AND GENERAL PROVISIONS

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Current through L 2001, c 276

5:12-9 "Casino key employee"

"Casino Key Employee"--Any natural person employed in the operation of a licensed casino or a simulcasting facility in a supervisory capacity or empowered to make discretionary decisions which regulate casino or simulcasting facility operations, including, without limitation, pit bosses; shift bosses, credit executives; casino cashier supervisors, casino or simulcasting facility managers and assistant managers; and managers or supervisors of casino security employees, or any other natural person empowered to make discretionary decisions which regulate the management of an approved hotel, including, without limitation, hotel managers; entertainment directors, and food and beverage directors; or any other employee so designated by the Casino Control Commission for reasons consistent with the policies of this act

CREDIT(S)

1996 Main Volume

L.1977, c. 110, § 9, eff. June 2, 1977. Amended by L.1987, c 355, § 1, eff Jan 4, 1988; L 1992, c. 19, § 24, eff June 12, 1992

ASSEMBLY INDEPENDENT AND REGIONAL AUTHORITIES COMMITTEE STATEMENT

1996 Main Volume

Assembly, No. 3568--L 1987, c 355

The Assembly Independent and Regional Authorities Committee reports favorably Assembly Bill No 3568 with committee amendments

As amended, this bill amends various sections of the "Casino Control Act," P.L 1977, c. 110 (C. 5.12-1 et seq.) concerning licensure and other casino-gaming related requirements The bill

(1) amends section 9 of the act to include within the definition of "casino key employee" persons with discretionary decision-making powers over management of an approved hotel (section 9 currently includes persons in supervisory or managerial positions involved in regulation of casino operations),

(2) amends section 12 of the act to expand the definition of casino service industry to include enterprises which regularly provide goods or services to casino applicants as well as licensees and to specifically include construction companies within the definition (at present, this section refers only to licensees),

(3) amends section 45 of the act to remove recently enacted language in the definition of "slot machine" referring to receipt of a token to be exchanged for merchandise in order to assure the integrity and fairness of slot machine payoffs involving merchandise,

(4) amends section 82 of the act to extend to holding companies, intermediary companies and subsidiaries of

casino licensees and to casino license applicants and licensees which are non-corporate entities certain requirements which presently apply only to corporate entities and partnerships;

(5) amends section 93 of the act to prohibit persons disqualified by the commission from serving as officers or agents of labor unions representing or seeking to represent casino employees and to clarify enforcement powers of the commission to compel compliance with this section;

(6) amends section 100 of the act to allow exhibit and maintenance of gaming equipment for non-gaming purposes in non-casino areas of casino- hotels (currently, gaming equipment must be maintained on the casino floor or in a secure area designated for the equipment);

(7) amends section 100 of the act to eliminate current space requirements for blackjack, craps and roulette tables and to permit minibaccarat tables to be considered on satisfaction of the space requirement, which is retained, for baccarat tables (at present, this section requires a mandatory mix of various casino table games depending upon square footage of casino space),

(8) amends section 104 of the act to require casino applicants in addition to licensees to maintain records of written and unwritten agreements and to permit discretionary review of those agreements by the commission (presently, the commission is required to review all business agreements entered into by casino licensees); and

(9) amends section 131 of the act to clarify provisions concerning interstate transportation of gambling devices consistent with the original legislative intent (currently, this section provides for a Statewide exemption from the federal prohibition on interstate transportation of gambling devices whereas the intent was to exempt from the federal ban only certain gaming devices brought into the State authorized by the "Casino Control Act" and regulations adopted pursuant thereto)

The amendments adopted by the committee:

(1) clarify that the definition of casino service industry refers to enterprises which provide services concerning realty, construction, maintenance or business of a proposed or existing casino hotel or related facility;

(2) provide for a one-year transition period during which time those corporations with prior approval from the commission as to their bylaw provisions may adopt appropriate charter provisions to conform to the requirements of section 82 of the act,

(3) specify that records of agreements concerning realty, construction, maintenance or business of a proposed or existing casino hotel shall be maintained by each casino applicant or licensee regardless of whether the applicant or licensee is a party to the agreement;

(4) specify that persons involved in such agreements maintained by an applicant or licensee shall refer to owners, officers and directors involved in the agreement thereby allowing the commission to require termination of such an agreement if it disapproves of either the terms of the agreement or the qualifications of an owner, officer or director involved in the agreement;

(5) provide that such agreements shall be deemed to include a provision for termination without liability to the applicant or licensee if the commission requires termination and to provide that related agreements whose performance is dependent upon an agreement for which the commission requires termination, shall also be deemed to include a provision limiting liability of persons who are parties to the agreements

HISTORICAL AND STATUTORY NOTES

1996 Main Volume

1992 Legislation

L 1992, c 19, § 24, included as casino key employees, persons employed by a simulcasting facility.

Statement: Committee statement to Senate, No 653--L 1992, c 19, see § 5.12-191.

N. J. S. A. 5:12-9

NJ ST 5 12-9

END OF DOCUMENT

2002

ATTACHMENT D

**IN AND BEFORE THE
FEDERAL ELECTION COMMISSION**

IN RE MATTER UNDER REVIEW 5020

RESPONDENTS:

Harrah's Entertainment, Inc.
Marina Associates
Showboat Atlantic City, Inc.
David Jonas
Herbert Wolfe

AFFIDAVIT OF JILL REITH

I, Jill Reith, being duly sworn, state the following:

1. I serve as a Regulatory Compliance Specialist to Harrah's Entertainment, Inc.

2. On January 23, 2001, I reviewed certain records of Harrah's Entertainment, Inc. concerning the stock ownership of William Ambrosio, Michael Booker, Anthony Ciallella, Glen Cunningham, and Charlie Sanderson. My review confirmed that in March 2000 these employees had a vested interest in stock of Harrah's Entertainment, Inc., the ultimate parent company of HAC, Inc. They had a right to direct the vote of their shares and the right to receive dividends.

3. On January 23 through January 30, 2001, I also reviewed the job descriptions of the particular individuals

cited in the Commission's October 18, 2001 letter to Harrah's Entertainment, Inc. My review of those records, and other company employment records, confirmed that in March 2000, the following individuals had the employment responsibilities summarized below.

- William Ambrosio (Games Shift Manager, Harrah's Marina) - Mr. Ambrosio supervised an assistant games shift manager who was paid on a salary basis. He was responsible for the overall operations of table games -- including blackjack, roulette, and craps -- as well as the allocation of resources within the department. He was expected to improve operations through continuous assessment of departmental policies and procedures and to recommend policy changes as needed. Mr. Ambrosio had discretion in awarding commendations to superior employees and had the power to hire, fire, and promote those directly and indirectly under his supervision. He also held a New Jersey casino key employee license.
- Michael Booker (Slot Shift Manager, Harrah's Marina) - Mr. Booker directly supervised the conduct of the slot machine gaming operation, which included directing the Keno Shift Supervisor, two Slot Services Supervisors, and a Slot Report Clerk, all of whom were salaried employees. He assisted in the development of strategies, operating plans, capital plans, and marketing plans. Mr. Booker had the authority to hire or terminate all keno personnel directly or indirectly under his supervision. He also held a New Jersey casino key employee license.
- Christine Boxer (Slot Shift Manager, Harrah's Marina) - Ms. Boxer's responsibilities for slot machine gaming operations were comparable to those of Mr. Booker. She directly supervised a Keno Shift Supervisor, two Slot Services Supervisors, and a Slot Report Clerk. She, too, had the power to hire or terminate keno personnel directly and indirectly under her supervision. Ms. Boxer also held a New Jersey casino key employee license.

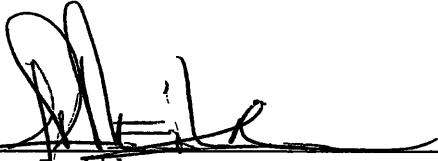
- Anthony Ciallella (Games Shift Manager, Harrah's Marina) - Mr. Ciallella's responsibilities for table games operations were the same as those of William Ambrosio. He also held a New Jersey key employee license.
- Glen Cunningham - (Games Shift Manager, Harrah's Marina) - Mr. Cunningham's responsibilities for table games operations were the same as those of William Ambrosio. Mr. Cunningham also held a New Jersey casino key employee license.
- Kimberly Grahsler - (Volume Restaurant Manager, Harrah's Marina) - Ms. Grahsler supervised a Volume Restaurant Supervisor and Assistant Restaurant Chef. She was responsible for the departmental budget of the Fantasea Reef Buffet restaurant and allocation of its resources, as well as the design of menus and daily food preparation. Ms. Grahsler had the authority to reward, hire, and terminate individuals directly and indirectly under her supervision.
- Mark Kashuda - (Slot Shift Manager, Harrah's Marina) - Mr. Kashuda's job description was the same as Michael Booker's. He supervised only salaried employees. He held a New Jersey casino key employee license.
- Paul Merrick - (Stage Manager, Harrah's Marina) - As manager of all lounge, Special Events, and restaurant entertainers, Mr. Merrick directly supervised three entertainment supervisors, an Electronic Communications Specialist, and all personnel with responsibility over lighting and sound. He coordinated all stage production requirements with outside companies and performers and made recommendations on all personnel matters within the Entertainment Department.
- John Ranere - (Credit Manager, Harrah's Marina) - Mr. Ranere supervised Casino Credit Executives in the extension of credit to gaming patrons, a highly sensitive management responsibility. He was responsible for the overall operation of his department, which included recommending policy and program changes. Mr. Ranere had the authority to reward, hire, and terminate employees directly or indirectly under his supervision. He held a New Jersey casino key employee license.

- Charlie Sanderson - (Slot Performance Manager, Harrah's Marina) - Mr. Sanderson supervised a Slot Performance Supervisor and a Slot Computer Coordinator who were salaried employees. His responsibilities included selection of the machines for the casino floor, repair and maintenance of those machines, and ensuring accurate data collection and analysis. Mr. Sanderson also held a New Jersey casino key employee license.
- Mark Starrett - (Player Services Manager, Harrah's Marina) - The Player Service Department operates the Harbour Club, a restaurant/club devoted to premiere customers. Mr. Starrett directly supervised the Player Services Supervisor, the Butler Supervisor, and all Limousine Operations. He participated in strategic planning and developed long range planning goals for the Player Services Department.
- Ross O'Hanley - (President's Associate, Harrah's Marina) - In March 2000, as a President's Associate, Mr. O'Hanley was in a transitional position, being prepared for a leadership position within the company by cycling through each major department in the casino. He reported directly to Mr. Jonas. The President's Associate position is a prestigious one and competition for it is brisk. Upon completion of the year-long program, Mr. O'Hanley served the company as a Staffing Manager and Total Rewards Manager. (Total Rewards is Harrah's customer loyalty program, which has enlisted over 20 million members nationwide.) In both positions Mr. O'Hanley exercised substantial discretion. As the Total Rewards Manager, Mr. O'Hanley was responsible for developing and modifying the program to enhance customer satisfaction. He oversaw all Total Rewards promotions and was responsible for implementing them across departments. Similarly, as a Staffing Manager, he was responsible for selecting among recruits for managerial positions within the company.
- George Ashman - (Casino Manager, Showboat) - Mr. Ashman was a very senior manager, overseeing the Atlantic City Showboat casino. He directly supervised the casino shift managers, who were salaried employees. Mr. Ashman assisted the Vice President of Gaming in the overall operation of the table games. He was responsible for developing policy and programs. He had the authority to reward, hire, and terminate employees directly and


indirectly under his supervision and exercised discretion in issuing complimentary meals, lodging, and show tickets to customers. He also held a New Jersey casino key employee license.

I declare under penalty of perjury that the foregoing is true and correct.

January 31, 2002
Las Vegas, Nevada


Jill P. Reith

Subscribed and sworn before me this 31 day of January.


Notary Public

