EXECUTIVE SUMMARY

CASINO CONTROL COMMISSION
DEPARTMENT OF LAW AND PUBLIC SAFETY
DIVISION OF GAMING ENFORCEMENT

Our audit found the financial transactions included in our testing were related to the agencies’ programs; however, certain transactions were not always reasonable or properly recorded in the accounting systems. We also found that coordination between the CCC and the DGE to promote operational efficiencies as required by statute could be improved, although certain operational change recommendations contained in this report would require legislation. In addition, we found opportunities to streamline functions of the CCC and the DGE, the improper use of state vehicles, an underutilized leased building, the improper accounting of legal fees, and indirect cost underpayments.

AUDIT HIGHLIGHTS

- Comparable and underutilized functions, inefficient processes, and a decrease in work due to recent casino closings, warrant a reevaluation of the CCC and the DGE responsibilities and use of Casino Control Fund resources. We noted inefficiencies and opportunities for streamlining which include casino employee license and registration, audit, and fingerprinting functions. Four of the twelve Atlantic City casinos closed in 2014 and if the Casino Control Fund budget, which is 85 percent payroll related, is not reduced, the remaining eight casinos will continue to be billed at an increased amount.

- The DGE maintains a fleet of 109 state vehicles and has failed to establish adequate controls to monitor vehicle use and evaluate agency need. We estimated 77 percent of vehicle usage was for commutation purposes. If vehicles were properly maintained overnight at the office locations, DGE would save approximately $300,000 in annual fuel and maintenance costs. Additionally, based on our estimate of business use, the DGE could relinquish at least 50 vehicles and save $926,000 in the next vehicle replenishment cycle.

- A 63,700 square foot building, primarily occupied and leased by the CCC, is underutilized. There is potential for an additional 69 employees, at minimum, to utilize this space. If the building was efficiently utilized, the DGE could vacate at least one of the four floors at their main Atlantic City location and relocate employees for a minimum net annual savings to the Casino Control Fund of $180,000.

AUDITEE RESPONSE

The Casino Control Commission and the Division of Gaming Enforcement concur with our findings and recommendations.

For the complete audit report, click here.