**Statement from Karen Wells, Director of the Investigations and Enforcement Bureau at the Massachusetts Gaming Commission**

As the Commission is aware, on Friday January 26th the Wall Street Journal published an article detailing profoundly disturbing allegations of sexual misconduct by Steve Wynn. Given the incredibly serious nature of the allegations, the IEB immediately began a regulatory review of the subject matter and that investigation is ongoing.

By statute, the licensee and all qualifiers must demonstrate suitability by clear and convincing evidence. That obligation is ongoing and the Commission has the power to review any suitability finding at any time. The allegations here clearly warrant an intense review not only of Mr. Wynn’s suitability, but also of other individual qualifiers and the entity qualifier Wynn Resorts.

To be clear for the record, the licensee in Massachusetts is Wynn, MA LLC, a subsidiary of Wynn Resorts, a publicly traded company. As part of the suitability determination, other individual qualifiers, including Steve Wynn, and the entity qualifier, Wynn Resorts, also went through the suitability process and were found suitable as qualifiers. Notably, the qualifiers are not individually licensed the way we license casino employees. Each qualifier’s suitability is a component of the overall suitability of the licensee. Therefore, any potential Commission finding regarding Steve Wynn’s, or any other qualifier’s suitability, will potentially impact the suitability finding of Wynn MA, LLC.

The Commission has broad authority over the license itself and any appropriate license conditions according to M.G.L. Chapter 23K. General Counsel Blue is expected to touch on this further during her presentation.

I have spoken with investigators regarding the 2013 suitability investigation to determine whether or not evidence of the concerning conduct was identified back in 2013 (or at any time subsequent to that), particularly the $7.5M settlement agreement referenced in the Wall Street Journal article. Both the lead investigator for the consultant law firm of Michael and Carroll as well as the state police detective assigned to the investigation confirmed that the allegations and the settlement agreement were not identified at the time, and notably were not disclosed by any of the Wynn qualifiers prior to the public release of the allegations on Friday.

I corroborated that information with counsel for Wynn Resorts who confirmed that there was in-fact a settlement and that it was not disclosed to investigators upon advice of counsel. She also confirmed that the settlement itself was not part of any court action or litigation and that no lawsuit was filed at any time. There were no court documents filed that could have been identified in the course of the investigation. This was a private agreement and steps were taken to keep it from the public domain.

The circumstances around this $7.5M settlement and the decision not to disclose it to investigators remain a critical element of this review.

The scope and methodology of the investigation were identified in pages 5 through 10 of the 2013 suitability report, which was posted on-line at the time and remains posted on the Commission’s website. Gaming suitability investigations are historically focused on financial stability, financial integrity and corporate responsibility on an entity level, as well as the professional good character, integrity, honesty and reputation of individual qualifiers. That component of the individual qualifier review traditionally includes an analysis of that individual’s criminal history, whether there exists any ties to criminal associates, organized crime, or corruption, as well as an evaluation of personal financial stability and integrity.

That being said, the Commission has the authority to consider any information brought to its attention as it pertains to the honesty, integrity, good character or reputation of any of the licensee’s qualifiers and we need to be flexible in opening up any sort of inquiry that warrants attention.

The IEB investigatory plan going forward, mindful that our role is not to conduct a criminal investigation into sexual assault, is to continue on a regulatory review of this matter which will consist of 4 components.

1. A review of the suitability of individual qualifiers, including Steve Wynn and other qualifiers potentially involved in this matter.
2. A review of any corporate action, or lack thereof, contemporaneous with the alleged misconduct. (The questions – who knew what, when, and what if anything did he or she do about it?)
3. Monitoring and reporting back to the Commission on the corporate response to the information that is clearly now in the public domain. (We will be looking at how the company, from the board on down, handles the allegations)
4. A review of how the current situation potentially impacts the financial stability of the company.