

Gambler's "I Am Compulsive" Defense Cannot Escape Casino Debt

May 8, 2019 | by Thomas F. Dorn, Jr

In Harrah's Atlantic City Operating Co. v. Dangelico (A-2158-17T3), Harrah's casino lent defendant gambler Massimo Dangelico \$160,000 against a \$200,000 line of credit. A debt collection lawsuit was filed when Harrah's was unable to collect the money from defendant. The trial court judge ruled in Harrah's favor and entered a judgment, including interest, of \$188,697.31 against defendant.

Defendant appealed the judgment by claiming an affirmative defense that Harrah's should not have extended him casino credit in the first place because he was a known compulsive gambler as he had defaulted on "casino markers" in other casinos and his name was in a central credit agency not to extend him credit because of his compulsion.

A defendant bears the burden to prove an affirmative defense. Defendant was unable to prove that his name was on a central credit agency and could not identify which credit agency it was. He also could not substantiate his claim about defaulting on other casino markers. The Appellate Division noted that under New Jersey Statute 5:12-101(j), defendant could have asked the Division of Gaming Enforcement to place him on a list of individuals ineligible for casino credit. This Statute states that casinos must deny credit privileges once they receive notice from the Division of Gaming Enforcement. Defendant chose not to place his name on that list.

Defendant also was unable to prove that Harrah's was aware that he was a compulsive gambler. However, even if Harrah's was aware of his compulsive behavior, there is no duty in New Jersey to deny him credit. Although the court recognized the financial ruin that can result from compulsive gambling and the effects on gambler's families, "Harrah's is in the business of operating casino gambling [and] defendant is its customer". The casino customer relationship is built on enabling gambling and not withholding it. The court also pointed out that other States have refused to impose a duty on casinos to restrict the activities of compulsive gamblers.

There are Dram Shop laws designed to prevent excessive drinking in bars or casinos but not compulsive gambling. The difference is most likely the potential effects on members of the public. Serving a bar patron too much alcohol could result in a drunk driver causing injury or death to the public. Compulsive gambling does not affect the public. It affects individuals and their families and dependents.