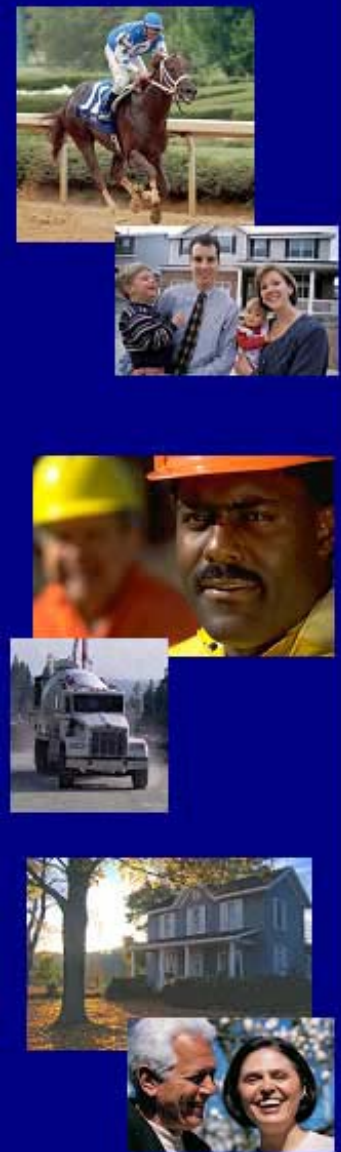




Pennsylvania State Police
Office of Gaming Enforcement
Implementation Plan



Lt. Colonel Ralph M. Periandi: Deputy Commissioner of Operations
Captain Ronald P. Petyak: Director, Office of Gaming Enforcement





Introduction

- Act 71 – Pennsylvania Race Horse Development and Gaming Act
- The Act mandates the Pennsylvania State Police to be tasked with some level of responsibility in:
 - Criminal Investigations & Enforcement.
 - Regulatory Enforcement.
 - Background Investigations.
- Pennsylvania presents its own unique problems with the geographical layout of the licensed facilities ultimately spread across the Commonwealth in which a variety of law enforcement agencies maintain jurisdiction.



Introduction

- The PSP conducted extensive research and worked hand-in-hand with the consultants, Spectrum Gaming Group and NFC Global.
- In-depth interaction with our counterparts involved in gaming investigations/enforcement across the country.



Background Investigations

- PSP will assume the primary role in conducting background investigations.
- Our plan incorporates components of both centralized and decentralized concepts.
 - Maximize utilization of resources.
 - Exercise sound fiscal management.



Background Investigations

- All applicants will be fingerprinted using a “LiveScan” device.
- Expedient means to retrieve identification and criminal history information.

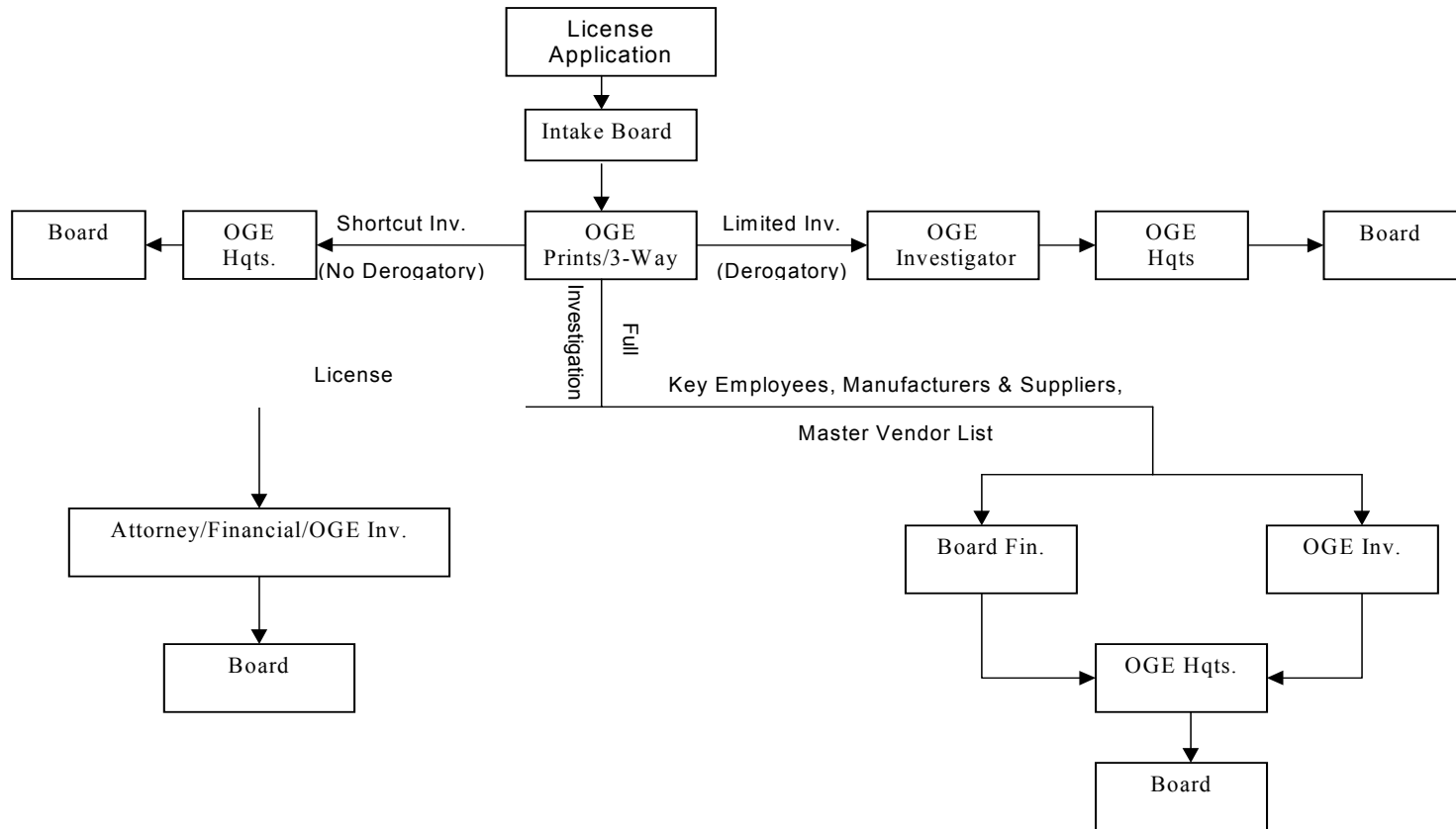


Background Investigations

- Concerns:
 - Expect a significant number of Background Investigations at the “start-up” of each facility.
 - Yearly average turn around 35-45%.
 - Act mandates yearly renewals.
- Bring PSP investigators on 4-6 months prior to opening.



License and Background Investigation Flow Chart





Background Investigations

- Suspension of a licensee from employment until the outcome of the trial when a licensee is arrested for certain offenses is common across the industry.
 - A number of states rely solely on the honesty of the licensee to report the arrest.



Background Investigations

- PSP could create an electronic licensee fingerprint database for this purpose.
- All PA law enforcement arrest fingerprint cards could be processed through this database.
- Provides an expedient arrest notification procedure for PGCB.



Background Investigations

- The level and intensity of background investigations ***will not*** be compromised.
 - Essential element in eliminating the infiltration of organized crime.
 - Ensures applicants are of good character and outstanding integrity.



Criminal Investigation and Enforcement

- PSP, OGE will thoroughly investigate all criminal activity within the licensed facility. Our definition of licensed facility includes:
 - Casino Floor.
 - Restaurants and bars inside/attached.
 - Back Office areas.
 - Executive Offices.



Criminal Investigation and Enforcement

- Licensed facility does not include:
 - Racetrack backside, hotels, unattached restaurants, parking lots, stables, or outside recreational areas.
- PSP, OGE actions in these areas, when a serious police matter occurs, will consist of:
 - Securing the scene.
 - Providing assistance until the primary law enforcement agency arrives, unless the incident affects the integrity of the gaming industry.
 - Memorandums of Understanding (MOU) will be developed.



Criminal Investigation and Enforcement

- PSP devoted numerous hours in researching other states methodology in law enforcement of casinos.
 - Connecticut, Delaware, Indiana, Louisiana, Missouri, Nevada, New Jersey, New Mexico, are some examples.



Criminal Investigation and Enforcement

- A Law Enforcement presence is the ultimate means of establishing a psychological deterrent to criminals and maintaining integrity in the gaming industry.
- PSP, OGE will take a proactive stance in criminal investigations and enforcement. Some examples of proactive enforcement are:
 - Constant interaction with the licensed facilities daily functions.
 - Monitoring patrons for compliance with “Exclusion lists”.
 - Conducting periodic Vulnerability Assessments.



Criminal Investigation and Enforcement

- Incidents/investigations will originate from a number of different sources.
- Patron complaints will be criminal and non-criminal in nature.



Criminal Investigation and Enforcement

- PSP, OGE will maintain a *floor presence* to augment the enforcement component.
 - Creates an atmosphere of omnipresence.
 - Identify incidents and take immediate action.
 - Conduct non-intrusive random sweeps.
 - Proactively develop confidential informants.
 - Initial and final authority in incident determination.
 - Criminal/Regulatory/Enforcement.



Criminal Investigation and Enforcement

- PSP, OGE will have strategically placed Regional Intelligence Officers.
 - Housed off site at PSP Area Tactical Intelligence Offices.
 - Geographically located for maximum utilization of resources.
 - Ensure Intelligence Officer's identity is not compromised.



Criminal Investigation and Enforcement

- Undercover Intelligence Officers will be responsible for:
 - Covert surveillance.
 - Conducting undercover investigations.
- Intelligence Supervisor:
 - Housed at PSP Headquarters.
 - Responsible for timely dissemination of intelligence information.
 - Utilize the AIS Memex System.



Criminal Investigation and Enforcement

- Slot cheats are known to frequent “New” gaming locations due to the fact casino employees and casino security are new to the industry.



Criminal Investigation and Enforcement

- There are two critical areas where criminal elements and Organized Crime infiltrate the gaming industry:
 - Money laundering.
 - Structuring” of pay outs to avoid reporting of income at gaming facilities.



Criminal Investigation and Enforcement

- *Employee Theft* is one of the most prevalent crimes in casinos.
- Employees through their day-to-day operations are provided with ample opportunity to steal money.
- In Connecticut, an employee was caught placing \$97,000 in his socks. A subsequent investigation revealed other involved employees and the recovery of \$2 million in cash and assets.



Criminal Investigation and Enforcement

- Counterfeiting US Currency:
 - Prominent within casino industry.
 - Due to large amount of money transactions daily.
 - Casino provides excellent cover.
- Connecticut Counterfeit Investigations:
 - 1995, seizure of \$1.5 million.
 - December 2003, seizure \$100,000.



Criminal Investigation and Enforcement

- Criminal Investigation/Background members :
 - Investigate complex and long-term criminal investigations.
 - Not responsible for day-to-day enforcement functions.
 - Ensures quality and consistency.
 - Investigations will not reduce manpower from “enforcement” function.



Criminal Investigation and Enforcement

- Criminal Arrests:
 - Detainment area within the PSP, OGE office at the licensed facility.
 - Arrests of residents and non-residents.



Criminal Investigation and Enforcement

Criminal Investigation and Enforcement			
State	Gaming Locations	No. of Incidents	No. of Arrests
Connecticut	2 Casinos	1,229	530
Delaware **	3 Casinos	No Police Presence on site. No accurate arrest data available due to "GRID" system reporting.	
Indiana	11 Riverboats	958	500
Illinois	9 Riverboats	N/A	561
Louisiana	15 Riverboats/ 3 Racetracks	404	460
Missouri	11 Riverboats	688	1,164
New Jersey	13 Casinos	2,142	1,612
West Virginia **	4 Racetracks/ 1600 Bars/Clubs	No Police Presence on-site.	

** Casino decides whether to involve police for incidents.



Regulatory Enforcement

- Act 71 provides for a ***strict*** regulatory function.
 - PGCB will establish rules, regulations, policies, procedures, and internal controls for licensees to follow.
 - PSP has concurrent regulatory authority with the PGCB, Bureau of Enforcement and Investigations, and the Department of Revenue to enforce those regulations.



Office of Gaming Enforcement Closing Comments



Lt. Colonel Ralph M. Periandi
Deputy Commissioner of Operations

