



Security

Racing vs. Gaming

THE SYMPOSIUM ON RACING AND GAMING

December 8, 2005

Karlyn A. Dalsing, Iowa Racing and Gaming Commission (IRGC)

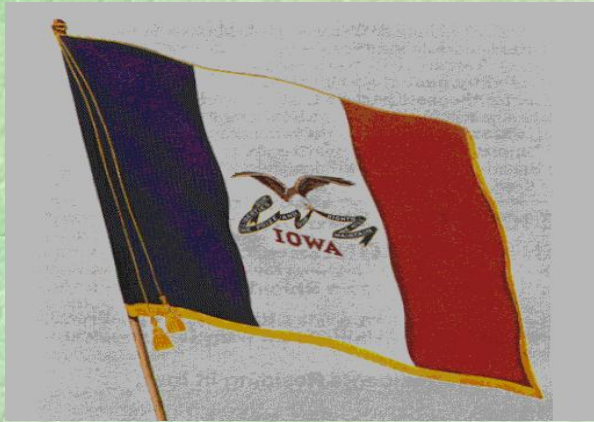




Today's Presentation...

- Brief History of Racing and Gaming in Iowa
- Uniform Security Standards
- Racing Security Issues
- Gaming Security Issues





State of Iowa Legislation

1983 - Pari-Mutuel Wagering Act (Created Iowa Racing Commission)

1989 - Riverboat Gambling Act (Iowa Racing and Gaming Commission)

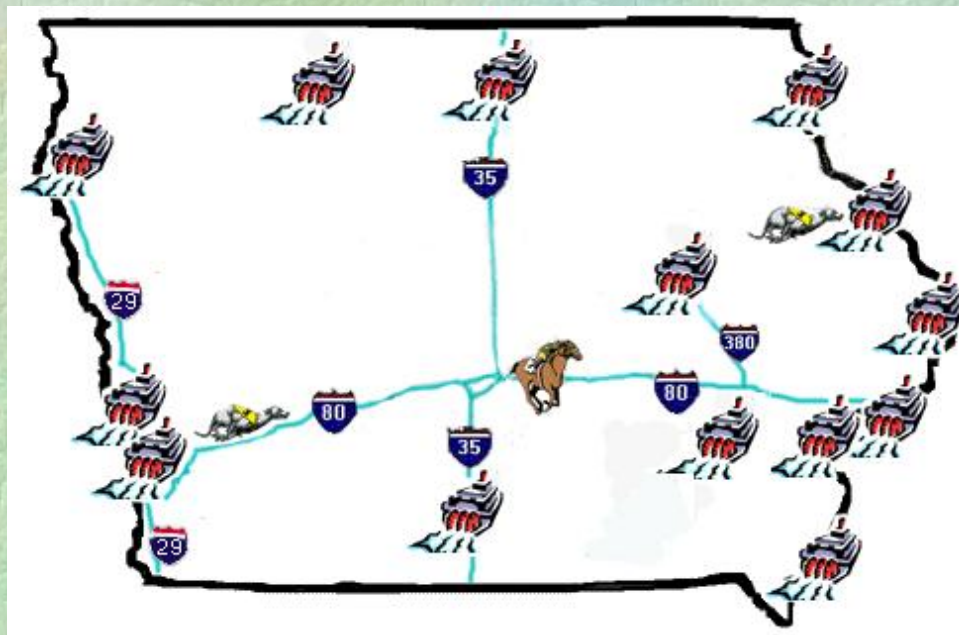
1994 - Slot machines (games of chance only) allowed at racetrack enclosures

2004 – Table Games (electronic games of skill as well) allowed at Racetracks



IRGC

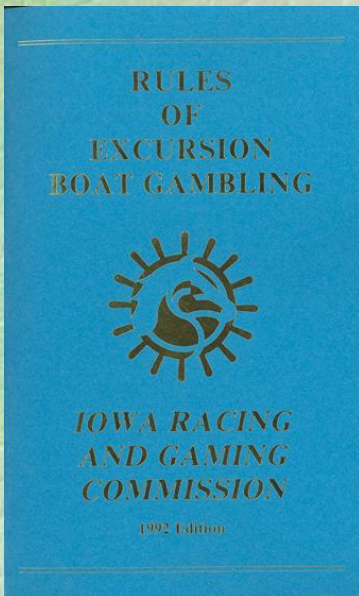
Charged with the regulation of riverboats, as well as pari-mutuel wagering and gaming at racetracks.



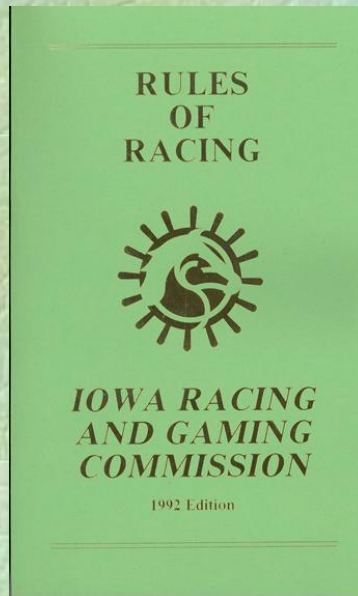


IRGC Rules

1989 - 1994



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1995





IRGC Rules

When slot machines were added to racetracks in 1995, IRGC already regulated casino gaming, as such, IRGC gaming security regulations were already in place.



IRGC Security Requirements

- **Similar:** Primary duties of both racing and gaming security officers:
 - Ensuring only those allowed access are granted to access (i.e. the “gatekeeper” function).
 - Observing licensee and patron conduct to protect the health, safety, and welfare of the citizens of Iowa, and to secure the facility and revenues.



IRGC Security Requirements

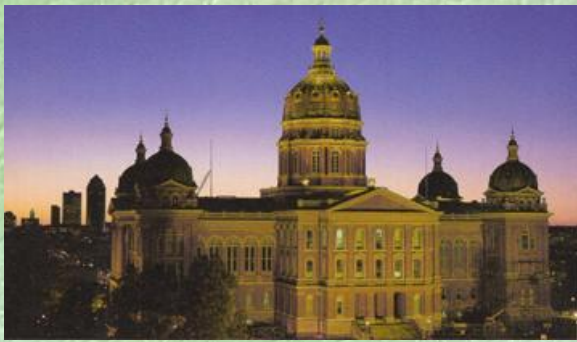
■ *Different: Game protection*

- Gaming security officers have an active participatory role in gaming revenue protection as verifiers of gaming transactions and escorts of gaming drop funds.
- Surveillance works with security in game protection; however, as two separate distinct departments to ensure segregation of duties and to maintain the accountability of security officers as well in their active roles. Surveillance acts as an extension of our regulatory presence.



IRGC Rules

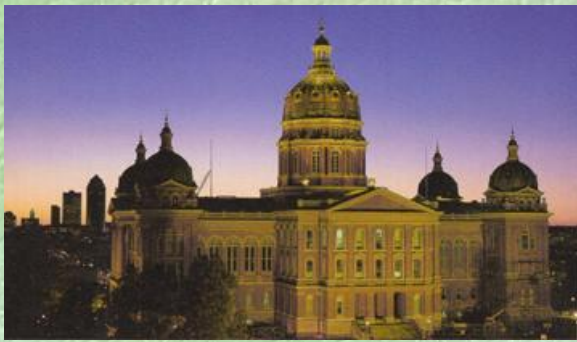
Since 1995, portions of racing and gaming security requirements have been merged into uniform standard security requirements (minors prohibited from wagering, exclusions, reporting standards, etc.) to eliminate any duplicative rules and to consistently and clearly outline security mandates at all licensed facilities. However, with this change, certain sections of security requirements, remain racing or gaming specific (where minors allowed, backside access, etc.).



Uniform Standards

■ **Employ Adequate Security**

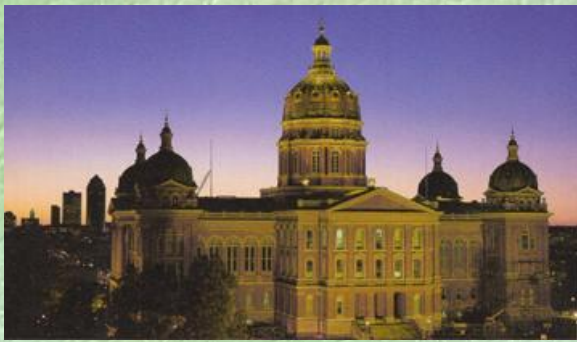
- To remove persons violating Iowa law, commission rules, or orders; any person deemed to be undesirable by racing and gaming commission officials; or any person engaging in a fraudulent practice.
- To secure restricted areas (including, but not limited to, cage areas, count room, barn area, kennel area, paddock, and racing animal testing area.)
- To control access and conduct of non-licensed persons in nonpublic areas of the racetrack enclosure.



Uniform Standards

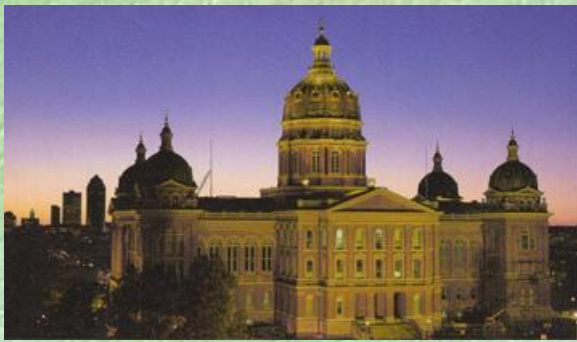
■ Security Incident Reports –

- Security must file an incident report within 72 hours detailing any incident in which an employee or patron is detected violating a provision of Iowa racing and gaming law, and commission rules.
- The licensee shall provide immediate notification to the commission and DCI representatives on duty or, if representatives are not on duty, provide notification on each office's messaging system if the incident involved employee theft, criminal activity, Iowa Code chapter 99D or 99F violations, or gaming receipts.



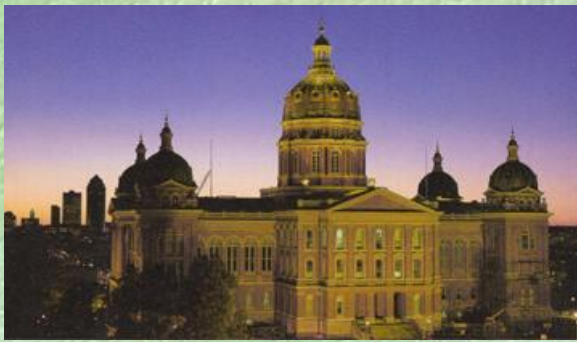
Uniform Standards

- **Ejection or exclusion** - A licensee may eject or exclude any person, licensed or unlicensed, from the premises or a part thereof of the licensee's facility, solely of the licensee's own volition and without any reason or excuse given, provided ejection or exclusion is not founded on constitutionally protected grounds such as race, creed, color, disability, or national origin. **Reports of all ejections or exclusions for any reason, other than voluntary exclusions, shall be made promptly to the commission representative and DCI and shall state the circumstances.**



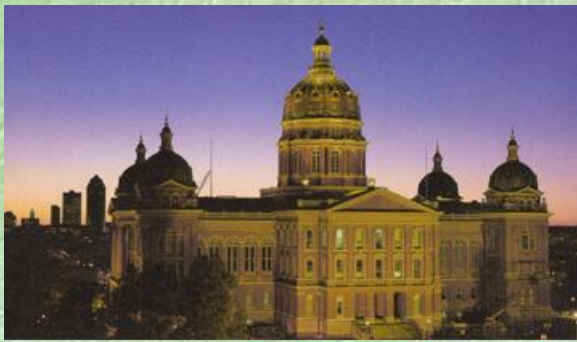
Uniform Standards

- The holder of a license to operate gambling games shall adopt and implement policies and procedures designed to: Identify problem gamblers and allow persons to be voluntarily excluded for life from all facilities. Each facility will disseminate information regarding the exclusion to all other facilities.



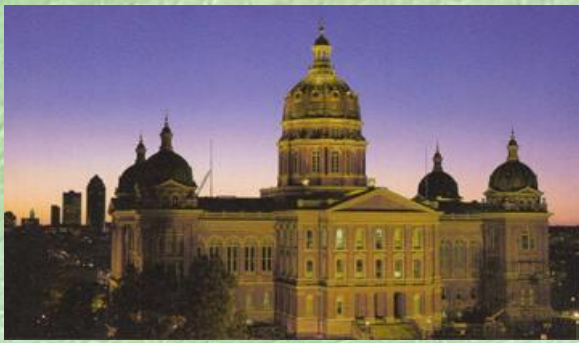
Uniform Standards

- The policies and procedures to identify problem gamblers shall include the following:
 - Training of key employees to identify and report suspected problem gamblers;
 - Procedures for recording and tracking identified problem gamblers;
 - Steps for removing problem gamblers from the casino; and
 - Procedures for preventing reentry of problem gamblers.



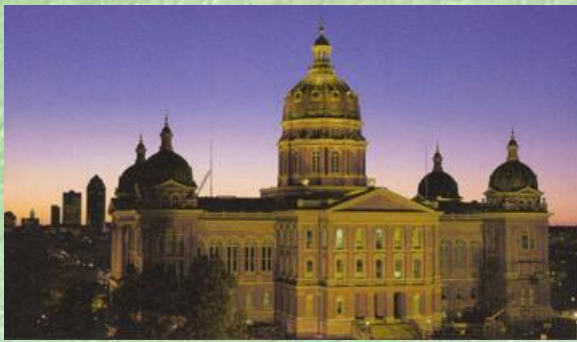
Uniform Standards

- Enforcing Exclusion Lists:
 - Facility Exclusions
 - Problem Gambling
 - Barred patrons
 - State Wide Lifetime Voluntary Exclusions
 - Security and surveillance review photos. Slot system and check cashing systems set up to identify excluded persons as well.



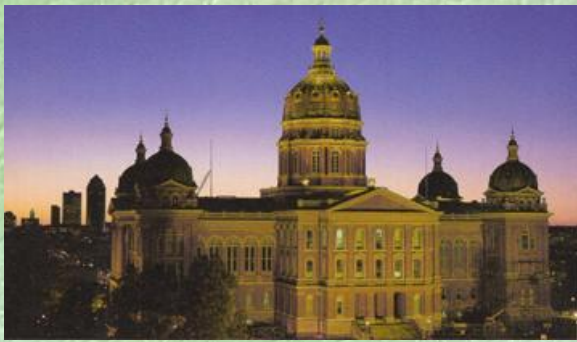
Uniform Standards

- **Surveillance (*Video recording*)** All licensees are required to conduct continuous surveillance with the capability of video recording all gambling activities under Iowa administrative rules 661-Chapter 141, promulgated by the department of public safety (Division of Criminal Investigation).



Uniform Standards

- Security's presence at the casino entrance, and continual monitoring of the wagering areas by both security and surveillance allows the facility to **monitor serious public policy issues**, such as:
 - Preventing **persons under the age of twenty-one years from making or attempting to make a wager** on an excursion gambling boat or in a racetrack enclosure **and preventing entrance** to the gaming floor of an excursion gambling boat or **in the wagering area, as defined in section 99D.2, or on the gaming floor of a racetrack enclosure.**



Uniform Standards

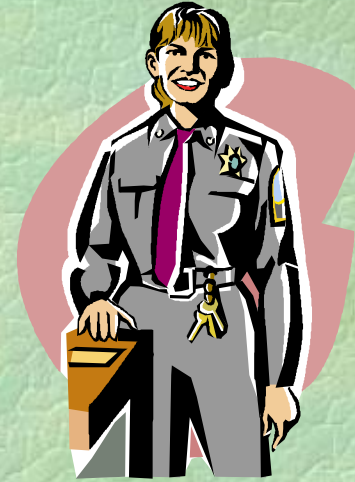
- Preventing persons who are **visibly intoxicated** from participating in a gaming activity.
 - Security and surveillance observe patrons entering the facility to prevent intoxicated patrons from entering the facility.
 - All employees responsible for monitoring patron alcohol use, and reporting any suspected visibly intoxicated patron to security.

Racing Security



- Underage gaming
- Controlling access to restricted areas
- Monitoring prohibited conduct
 - Race tampering
 - Wagering scams

Racing Security



- Iowa Code 99D.2 defines “Wagering area” as that portion of a racetrack in which a licensee may receive wagers of money from a person present in a licensed racing enclosure on a horse or dog in a race selected by the person making the wager as designated by the commission.

Racing Security



- *“Designated Wagering Area”* is a rectangular area within a minimum of five feet from the front and from either side of a stationary wagering window or self-service wagering device, not otherwise obstructed by a wall or other barrier. The facility shall either section off or clearly delineate the floor of the area and post a sign near the area, which is visible to patrons approaching the area, denotes the wagering area and specifies that the wagering area is not accessible to persons under the age of 21. The designation applies only when the wagering window or device is open to transact wagering.

“You are now entering a designated wagering area.”
(Simulcasting Section)



Another sign indicating “STOP” no persons under 21 allowed to wager.



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Minors Allowed

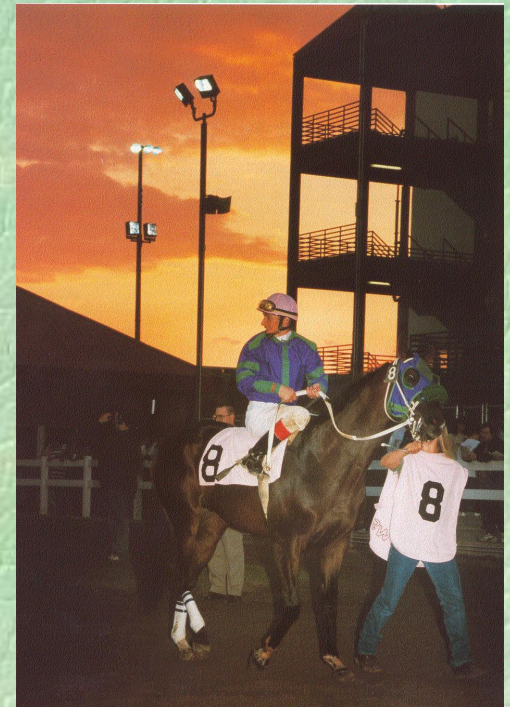
Minors Not
Allowed

Designated
Wagering Area



Racing Security

- Controlling access to the Stable Area and/or Kennel Compound
 - Fencing/Gate
 - Licensed Participants
 - Vendors (Facility Control)
 - Racing Animals Entry (Health Certificates)
 - Tampering
 - Guest passes. The licensee shall develop a policy to be approved by the stewards for the issuance of guest passes for entrance to the kennel or stable area. Guest pass is not an occupational license and the license holder sponsoring or escorting the guest shall be responsible for the conduct of the guest pass holder.



Racing Security



- Preventing Animal/Race Tampering
 - Drugging or numbing of the racing animal
- Purse Money has dramatically increased since 1995 while live handle has not at Iowa's three racetracks...

2004	Prairie Meadows	Bluffs Run	Dubuque
Purse	\$15M	\$9.2M	\$3.1M
Live Handle	\$6.8M	\$6.2M	\$2.5M

Racing Security

Suspicious Activity Alert

■ Patron Scams

Self bet terminal
currency stringing



Iowa Racing and Gaming Commission

Suspicious Activity Alert

CONFIDENTIAL INFORMATION*

Details of Incident: A group of individuals allegedly manipulated a pari-mutual self-betting terminal. This group may have performed a "currency stringing" technique to accumulate wagering credits. Vouchers for these wagering credits were most likely redeemed for cash.

Date of Incident: July 25, 2003

Time of Incident: Approximately 3:00 pm to 8:00 pm

Report Filed By: Corey Powell **Dated Filed:** August 8, 2003

Facility: Prairie Meadows Racetrack and Casino

Casino Area: Simulcast area

Description of Incident:

On the aforementioned date and time, four light skin males were observed acting in a suspicious manner around a pari-mutual self-betting terminal. Specifically, one individual stationed his body in a position that shielded his associate's activity at the terminal from surveillance coverage. Another possible associate was observed performing the same type of alleged "blocking" technique on another occurrence. A fourth associate may have acted as a "lookout" approximately 20 feet away. This "lookout" possibly signaled his associates at the terminal if other patrons or employees were entering a close proximity of the alleged scam. This "lookout" may have also been observing the direction of a non-stationary surveillance camera while the alleged scam took place. One possible signal used by the "lookout" involved the "fanning" of a racing program.

A \$6,100 shortage was later discovered at this self-betting terminal. At this time, it is theorized that the scam involved a "stringing" technique of \$100 bills. This is the predominant theory because all credits accumulated during the suspicious transactions were in \$100 increments. The group may have cashed out large pari-mutual vouchers from the self-betting terminal and redeemed the vouchers for cash at various betting windows throughout the casino. The allegedly manipulated self-betting terminal was a Versa II 1000 (model 10012L) with a bill acceptor module model 10020.

Distribution: Des Moines Office

Other Jurisdictions Yes No

Case Number: _____

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Gaming Security



- Game Protection (Slot Machines vs. Table Games)
- Preventing underage access to the casino floor
- Patron or Employee theft and cheating in the casino

Gaming Security



- Slot Revenue Protection
 - Computer system provides constant monitoring of all slot machines.
 - All machines must connect to the slot monitoring system prior to being placed into play on a casino floor. (Site based monitoring)
 - A security employee must accompany and observe the drop team.

Gaming Security



- With the implementation of new technology in slot machines (i.e. Ticketing), security is gradually being removed from their active participatory role as verifiers, because slot accounting systems are tracking slot revenues (ticketed jackpots and no fills). In fact, security's role in slot gaming is becoming not much different than a racing security officer's duties with regard to a pari-mutuel wagering system.

Gaming Security



- Table Game Revenue Protection
 - For table games, all containers removed from the gaming tables must be transported by a security employee and a table game supervisor.
 - Table games require active security and surveillance participation to ensure game and revenue protection.

Gaming Security



- Controlling access to the gaming floor is a greater challenge for racetrack security departments as minors are allowed access to the racetrack, as long as they are accompanied by an adult; however, minors are not allowed to make or attempt to make a wager in a racetrack enclosure and shall not be allowed on the gaming floor of a racetrack enclosure.
- Security stationed at every casino entrance to identify underage persons; all casino employees also responsible for identifying possible underage patrons and reporting them to security for follow-up.



You are now entering the designated gaming floor area.

No one under 21 years of age permitted beyond this point.

Violators shall be subject to prosecution under Iowa Code Section 805.8C, subsection 4, and subject to a fine of \$500.



Clearly notifies and warns underage patrons not to enter the gaming floor

12.1.2005

Gaming Security



- Prevent Employee/Patron Theft and Cheating by:
 - Observing conduct
 - Responding to patron complaints/tips
 - Working with surveillance

[Play Video](#)

Gaming Security

Individual broke into slot machine drop doors and reserve fill compartments on the casino floor and stole reserve bags from the slot machines.



Iowa Racing and Gaming Commission

Suspicious Activity Alert

CONFIDENTIAL INFORMATION*

Details of Incidents: Individual broke into slot machine drop doors and reserve fill compartments on the casino floor and stole reserve bags from the slot machines.

Dates of Incidents: July 21, 2003, July 27, 2003, August 1, 2003, and August 2, 2003

Report Filed By: Miss Zaragoza, Gaming Representative **Dated Filed:** August 4, 2003

Facility: Bluffs Run Casino & Harrah's Casino Hotel, Council Bluffs, IA

Casino Area: Slot Floor

Description of Incident: On July 21, 2003, a slot floor person noticed a drop door and a reserve door open at D-22, 3 & 6, which had been forced open. Upon further examination, it was determined that four (4) bags containing four hundred (400) \$1 dollar tokens had been removed from the #6 reserve cabinet. A surveillance tape review showed a white male with a long ponytail and mustache at that slot machine location earlier in the day. The videotape showed the suspect removing something from his pocket, and bending down by the machine for a short period. The suspect was then observed placing an unknown item up his shirt. The suspect left the area with six coin caps. The suspect cashed out \$3,379.00, and left the casino. Another patron observed the suspect bent down by the drop door, but the patron did not report the suspect's activities to anyone, and it was unclear to the facility whether the other patron was an accomplice. The incident was discovered when a slot floor person was walking by and noticed wooden shards littered about the floor near the base of the cabinets.

On July 27, 2003, the slot department was investigating an empty reserve on slot machine A-4-11. This machine had a broken reserve door, which was discovered on July 19, 2003. Originally, it was thought that the drop team had probably broken the door, however, the facility now believes this cabinet may have been tampered with by the above suspect as well, but due to the timing of the discovery, the facility could not do a surveillance tape review, as the tapes were already placed back into rotation.

On August 1, 2003, a slot floor person reported damage to reserve cabinets at G-8. A surveillance tape review was completed and the tape revealed two suspects, a white male and a white female (Suspects #2 and #3 below), in the area of the cabinets, however, the tape was not conclusive as to whether the suspects were trying to break into the cabinets. Security questioned the suspects, and the suspects said they knew about the break in of the slot machines that had occurred on July 21, 2003. However, when questioned further the suspects did not admit to breaking into the machines.

On August 2, 2003, a w/m matching the description of the individual at Bluffs Run Casino on July 21, 2003 (Suspect #1), attempted to pry open a drop door with a



Other noteworthy points...

- With increased admissions and revenues, facilities have implemented more staff training. Resulting in a skilled security officer that is qualified to address complicated security issues which may arise.
- Additionally, surveillance systems have provided increased monitoring to better protect the facility, revenues, the public, and racing participants from prohibited conduct.



Security Racing and Gaming

December 8, 2005

Karlyn A. Dalsing, Iowa Racing and Gaming Commission (IRGC)

