



SURVEILLANCE

Prepared by:
Anthony Wheeler, Senior Compliance Officer
Brian Moody, Senior Compliance Officer

02/01/2016



Training Topics

- **Identify** Surveillance MICS requirements for Class II and III gaming operations
- **Discuss** examples of § 543.21 MICS specific to the surveillance process and importance of having strong ICS.
- **Discuss** Surveillance reports for monitoring regulatory compliance and identifying potential threats to assets.
- **Review** Case studies and current crime trends that demonstrate how deficient internal controls contributed to the occurrence of irregularities.

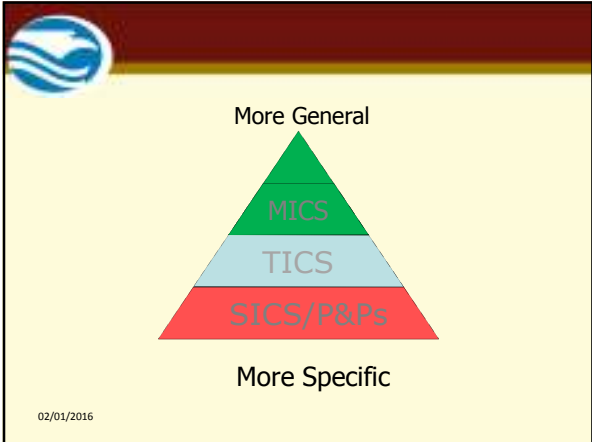
02/01/2016



What Surveillance requirements?

- NIGC Minimum Internal Control Standards "MICS"
- Tribal Internal Control Standards "TICS" § 543.3(b)
- System of Internal Control Standards "SICS" § 543.3(c)

02/01/2016



§ 543.21 Surveillance MICS

Key Definitions:

- Dedicated camera – A video camera that continuously records a specific activity.
- Sufficient clarity –The capacity of a surveillance system to record images at a minimum of 20 frames per second or equivalent recording speed and at a resolution sufficient to clearly identify the intended activity, person, object, or location.

02/01/2016

543.21 Surveillance MICS

Definitions cont:

- Surveillance Operation room - The secured area(s) where surveillance takes place and/or where active surveillance equipment is located.
- Surveillance system - A system of video cameras, monitors, recorders, video printers, switches, selectors, and other equipment used for surveillance.

02/01/2016



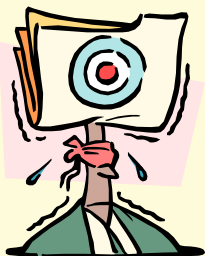
Compliance based upon tier 25 CFR § 543.3

- Surveillance requirements are determined for each gaming operation by tier:
 - Tier A - Gaming operations with annual gross gaming revenues of **more than \$3 million but not more than \$8 million.**
 - Tier B – Gaming operations with annual gross gaming revenues of **more than \$8 million but not more than \$15 million.**
 - Tier C –Gaming operations with annual gross gaming revenues of **more than \$15 million.**

02/01/2016



543.21 What are the minimum internal control standards for surveillance?



02/01/2016



§ 543.21 (a) *Supervision.*

- Supervision must be provided as needed for surveillance by an agent(s) with authority equal to or greater than those being supervised.

02/01/2016



§ 543.21 (b)(1) Surveillance equipment and control room(s).

- **Controls must be established and procedures implemented that include the following:**
 - For Tier A, the surveillance system must be maintained and operated from a secured location, such as a locked cabinet.
 - For Tiers B and C, the surveillance system must be maintained and operated from a staffed surveillance operation room(s).

02/01/2016



02/01/2016



Surveillance equipment control rooms cont: § 543.21 (b)(2)

The surveillance operation room(s) must be secured to prevent unauthorized entry.

- “Surveillance Operation Room” – The secured area(s) where surveillance takes place and/or where active surveillance equipment is located.
 - DVR Server rooms?
 - IDF rooms?

02/01/2016



§ 543.21(b)(3)

Access to the surveillance operation room(s) must be limited to surveillance agents and other authorized persons.

Who should be authorized?

- General Manager, CEO, VP of Gaming?
- Security, HR, Card/Table Games, Slots, other departmental Managers?
- TGRA personnel? State Regulatory? NIGC?
- Tribal officials?
- Tribal and other Law Enforcement?

02/01/2016



543.21(b)(4) Surveillance operation room(s) access logs must be maintained

- Authorized persons vs. Surveillance staff
- Access log should contain:
 - Date
 - Name
 - Department/Agency/Company
 - Time-in
 - Time-out
 - Reason for access
 - Signature

02/01/2016



543.21(b)(5)

Surveillance operation room equipment must have total override capability over all other satellite surveillance equipment.

- Satellite equipment?
 - Security monitoring stations
 - GM viewing station.
 - Card and Table Games Management view monitor.
 - TGRA viewing station.



02/01/2016



§ 543.21 (b)(6) (i) Power loss to the surveillance system:

- For Tier A, in the event of power loss to the surveillance system, alternative security procedures, such as additional supervisory or security agents, must be implemented immediately.

02/01/2016



§ 543.21 (b) (6) (ii) Power loss to the surveillance system:

For Tier B and C, In the event of power loss to the surveillance system, an auxiliary or backup power source must be available and capable of providing immediate restoration of power to the surveillance system to ensure that surveillance agents can observe all areas covered by dedicated cameras.

- “Auxiliary or Backup Power Source”
 - UPS system
 - Backup generator
 - Alternate utility supplier



02/01/2016



In the event of a power loss...§543.3(b)(6)(ii) (continued)


- “Available and capable”
 - Surveillance should document how often generator is exercised and the transfer switch is tested.
- If only UPS's are used, how long will they maintain power? How long does it take for table games and cash areas to be secured? How long does it take to safely shut down all the DVR's?
- P&P's in place for close down of cash areas.

02/01/2016



- The Bellagio was closed and completely powered down for nearly 4 days as workers repaired systems damaged by an "unknown" electrical trauma Easter Sunday 2004.
- the resort moved some 1500 guests to other properties and sent most of their 8,000 employees home.
- analysts estimate costing at least \$1 million per day in lost revenues. \$1 mil x 4 days = \$4 million dollars
- a design flaw in the development of the \$1.6 billion resort was determined to be responsible for the problem with the backup power system.

02/01/2016




§ 543.21(b)(7)

The surveillance system must record an accurate date and time stamp on recorded events. The displayed date and time must not significantly obstruct the recorded view.

- Not significantly obstruct the recorded view.
- Which TDG is being used? DVR system, Matrix/Switch, TDG unit.
- Synchronization of surveillance system with other ancillary systems.
 - Slot management - Check verification – Point-of-sale - Access control - Accounting - Player tracking

02/01/2016



§ 543.21(b)(8)

All surveillance agents must be trained in the use of the equipment, games, and house rules.

- Use of equipment: Basic surveillance principles and system training by vendors.
- Knowledge of the games: Game rules and play, practice tables, slot machine familiarity, scams and cheats, employee duties, and players.
- House rules: P&P's, SICS, Compact requirements, TICS, and NIGC MICS.

02/01/2016



§ 543.21(b)(9)

Each camera required by the standards in this section must be installed in a manner that will prevent it from being readily obstructed, tampered with, or disabled.

- “Readily obstructed, tampered with or disabled...”
 - Height of installation.
 - Type of camera installed: mini-dome camera, enclosed camera,...
 - Wiring in conduit or wire tied.
 - DVR system permissions that prevent camera recordings from being disabled or erased.

02/01/2016



Ex-surveillance workers sentenced in casino theft

Tulsa World: Local, State Briefs:

➤Two former surveillance workers were sentenced to prison for stealing nearly \$74,000 from the northeastern Oklahoma casino where they had worked...

➤Both men had pleaded guilty in federal court in Tulsa. They admitted stealing money twice...

➤The pair tampered with surveillance equipment to conceal their crime...

➤One said he was a lookout while the other crawled through the ceiling into the casino's vault and took bags of money.

02/01/2016





§ 543.21(b)(10)

The surveillance system must:

- (i) Have the capability to display all camera views on a monitor;
- (ii) Include sufficient numbers of recording devices to record the views of all cameras required by this section;
- (iii) Record all camera views; and
- (iv) For Tier B and C only, include sufficient numbers of monitors to simultaneously display gaming and count room activities.

02/01/2016





543.21(b)(10) cont:

- Sufficient numbers of monitors and recorders?
 - How many monitors can one observer watch at one time?
 - FPS/IPS and retention.



02/01/2016



Individual monitor rack wall setup





Monitor rack type setup with spot monitors at workstation



02/01/2016



LCD/Plasma Screen type setup with individual work stations



02/01/2016



Video Projection (front) type setup



02/01/2016



§ 543.21 (b)(11)

A periodic inspection of the surveillance systems must be conducted. When a malfunction of the surveillance system is discovered, the malfunction and necessary repairs must be documented and repairs initiated within seventy-two (72) hours.

- Spare cameras, surveillance system parts, and DVR components kept on hand?
- Is surveillance technician immediately available?



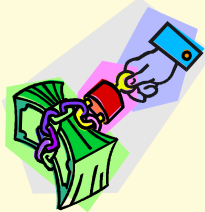
02/01/2016



§ 543.21 (b)(11)(i)

If a dedicated camera malfunctions, alternative security procedures, such as additional supervisory or security agents, must be implemented immediately.

- Use of PTZ's to provide alternative coverage.
- Are Gaming and Security personnel available and prepared to respond?



02/01/2016



543.21 (b)(11)(ii)

The TGRA must be notified of any surveillance system and/or camera(s) that have malfunctioned for more than twenty-four (24) hours and the alternative security measures being implemented.



02/01/2016



§ 543.21(c)

Additional surveillance requirements. With regard to the following functions, controls must also include:

- (1) Surveillance of the progressive prize meters for Class II gaming systems at the following thresholds:
 - (i) Wide area progressives with a reset amount of \$1 million; and
 - (ii) In-house progressives with a reset amount of \$250,000.

02/01/2016



§ 543.21(c)(2)(i) Manual Bingo

For manual draws, the surveillance system must monitor the bingo ball drawing device or mechanical random number generator, which must be recorded during the course of the draw by a dedicated camera to identify the numbers or other designations drawn; and



02/01/2016

§ 543.21(c) (2) (ii) Manual Bingo:

The surveillance system must monitor and record the activities of the bingo game, including drawing, and entering the balls, numbers or other designations drawn.



02/01/2016

- Does bingo game board coverage include all games played? Bonanza, U-Pic-Em games, etc...
- Are all callers' stations covered by camera?



§ 543.21(c)(3)(i) Card games:

Except for card game tournaments, a dedicated camera(s) with sufficient clarity must be used to provide:

- (A) An overview of the activities on each card table surface, including card faces and cash and/or cash equivalents;
- (B) An overview of card game activities, including patrons and dealers; and



02/01/2016



543.21(c) (3) (i) Card games Cont:

- (C) An unobstructed view of all posted progressive pool amounts.
- (ii) For card game tournaments, a dedicated camera(s) must be used to provide an overview of tournament activities, and any area where cash or cash equivalents are exchanged.



02/01/2016



§ 543.21(c) (4) Cage and vault:

- (i) The surveillance system must monitor and record a general overview of activities occurring in each cage and vault area with sufficient clarity to identify individuals within the cage and patrons and staff members at the counter areas and to confirm the amount of each cash transaction;
- (ii) Each cashier station must be equipped with one (1) dedicated overhead camera covering the transaction area; and



02/01/2016



543.21(c) (4) Cage and vault:

- (iii) The cage or vault area in which exchange and transfer transactions occur must be monitored and recorded by a dedicated camera or motion activated dedicated camera that provides coverage with sufficient clarity to identify the chip values and the amounts on the exchange and transfer documentation. Controls provided by a computerized exchange and transfer system constitute an adequate alternative to viewing the amounts on the exchange and transfer documentation.

02/01/2016



§ 543.21(c)(5) Count rooms:

- (i) The surveillance system must monitor and record with sufficient clarity a general overview of all areas where cash or cash equivalents may be stored or counted; and
- (ii) The surveillance system must provide coverage of count equipment with sufficient clarity to view any attempted manipulation of the recorded data.



02/01/2016



Kiosks § 543.21(c)(6)

Must monitor and record a general overview of activities occurring at each kiosk with sufficient clarity to identify the activity and the individuals performing it, including maintenance, drops or fills, and redemption of wagering vouchers or credits.

02/01/2016



Does the surveillance system provide for the following

- Old MICS: "Monitoring and recording of soft count room, including all doors to the soft count room, all drop boxes, safes, and counting surfaces, and all count team personnel? §542.43(u)(3)(iv)"
Removed in 543
- Continuous monitoring of the counting surface area by a dedicated camera during the soft count?
§542.43(u)(3)(vi)
Removed in 543
- Monitoring and recording of all areas where currency is sorted, stacked, counted, verified or stored during the soft count process? §542.43(u)(3)(v)

02/01/2016



§ 543.21(d) Reporting requirements.

- (d) *Reporting requirements.* TGRA-approved procedures must be implemented for reporting suspected crimes and suspicious activity.

02/01/2016



§ 543.21 (e) Recording retention.

- (e) **Recording retention. Controls must be established and procedures implemented that include the following:**
 - (1) All recordings required by this section must be retained for a minimum of seven days; and
 - (2) Suspected crimes, suspicious activity, or detentions by security agents discovered within the initial retention period must be copied and retained for a time period, not less than one year.
 - How long does it take your organization to detect a theft or investigate a variance?


02/01/2016



§ 543.21 (f) Logs.

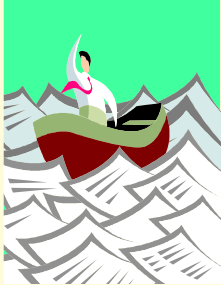
- (f) **Logs. Logs must be maintained and demonstrate the following:**
 - (1) Compliance with the storage, identification, and retention standards required in this section;
 - (2) Each malfunction and repair of the surveillance system as defined in this section; and
 - (3) Activities performed by surveillance agents as required by the controls in this section.


02/01/2016

 **Surveillance log**

- Do surveillance personnel maintain a surveillance log of all surveillance activities? §542.43(z)(1)
Removed in 543
- Is the log maintained securely within the surveillance department? §542.43(z)(2) **Removed in 543**


02/01/2016



 **Surveillance log**

- Does the surveillance log contain, at a minimum, the following information: **Removed in 543**
 - Date? §542.43(z)(3)(i)
 - Time Commenced and terminated? §542.43(z)(3)(ii)
 - Activity observed or performed? §542.43(z)(3)(iii)
 - The name or license credential number of each person who initiates, performs, or supervises the surveillance? §542.43(z)(3)(iv)
- Do surveillance personnel also record a summary of the results of the surveillance of any suspicious activity? §542.43(z)(4)
(Note: the summary may be maintained in a separate log.)

02/01/2016

 **Best Practices Surveillance Logs**

- **Many TICS for surveillance logs require the following information:**
 - Date?
 - Time Commenced and terminated?
 - Activity observed or performed?
 - The name or license credential number of each person who initiates, performs, or supervises the surveillance?
- Many also require surveillance personnel to record a summary of the results of the surveillance of any suspicious activity. (Note: the summary may be maintained in a separate log.)

02/01/2016



Best Practices Malfunction Logs

- **543.21(f) requires malfunctions and repairs to be logged. Many TICS require the log to specify:**
 - Time?
 - Date?
 - Nature of each malfunction?
 - Efforts expended to repair the malfunction?
 - Date of each effort?
 - Reasons for any delays in repairing the malfunction?
 - Date the malfunction is repaired?
 - Where applicable, alternative security measures taken?

02/01/2016



The information contained in this section of the training course is only a suggestion and is not specifically a requirement or regulation of the NIGC unless otherwise stated.

02/01/2016



§ 542.43(n) Class III Keno

- Does the surveillance system possess the capability to monitor the keno ball-drawing device or random number generator, which shall be recorded during the course of the draw by a dedicated camera with sufficient clarity to identify the balls drawn or numbers selected?
§542.43(n)(1)
- Does the surveillance system monitor and record general activities in each keno game area with sufficient clarity to identify the employees performing the different functions?
§542.43(n)(2)



02/01/2016



542.43(o) Class III Pari-mutuel

Does the surveillance system monitor and record general activities in the pari-mutuel area, to include the ticket writer and cashier areas, with sufficient clarity to identify the employees performing the different functions?



02/01/2016



542.43 (p) Class III Table Games



02/01/2016



Table Games cont:

If the gaming operation is offering four (4) or more table games, does the surveillance system provide the following:

- At a minimum, 1 PTZ camera per 2 tables or alternatively, 1 dedicated camera per table and 1 PTZ camera for 4 tables? §542.43(p)(1)
- Sufficient clarity to identify customers and dealers? §542.43(p)(1)(i)
- Sufficient coverage and clarity to simultaneously view the table bank and determine the configuration of wagers, card values, and game outcome? §542.43(p)(1)(ii)

02/01/2016



Table Games cont:

If the gaming operation is offering three (3) or fewer table games, then the following standards apply:

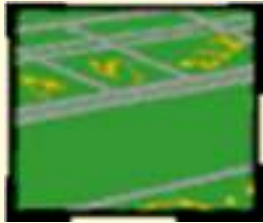
- Does the gaming operation comply with previous standards for 4 or more table games?
§542.43(p)(2)(i)
- Or, Does the surveillance system provide one (1) overhead camera for each table game?
§542.43(p)(2)(ii)

02/01/2016



Table Games cont:

Do all craps tables have two (2) dedicated cross view cameras covering both ends of the table? §542.43(p)(3)

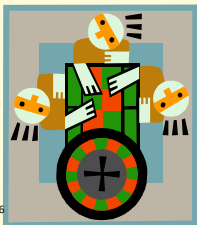


02/01/2016



Table Games cont:

Do all roulette games have one (1) overhead dedicated camera covering the roulette wheel and also have one (1) dedicated camera covering the play of the table? §542.43(p)(4)

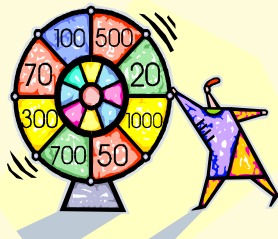


02/01/2016



Table Games cont:

Do all big wheel games have one (1) dedicated camera viewing the wheel? §542.43(p)(5)



02/01/2016



Progressive table games

Is each progressive table game with a potential progressive jackpot of \$25,000 or more monitored and recorded by dedicated camera(s) that provide coverage

- of:
- The table surface, sufficient that the card values and card suits can be clearly identified? §542.43(q)(1)(i)
 - An overall view of the entire table with sufficient clarity to identify customers and dealer? §542.43(q)(1)(ii)
 - A view of the progressive meter jackpot amount? (Note: If several tables are linked to the same progressive jackpot meter, only one meter need to be recorded.) §542.43(q)(1)(iii)

02/01/2016



Class III Gaming machines

542.43 (r)

Are all gaming machines offering a payout of more than \$250,000 monitored and recorded by dedicated camera(s) to provide coverage of:

(Note: Does not apply to In-house progressive machines with a base payout jackpot amount of less than \$100,000 or Wide-area progressive machines with a base jackpot amount less than \$1 million.)

02/01/2016



Class III Gaming machines cont:

Does camera coverage include:

All customers and employees at the gaming machine? §542.43(r)(1)(i)

The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine? §542.43(r)(1)(ii)

02/01/2016



Class III Gaming machines cont:

Are all In-house progressive gaming machines with a base jackpot amount of more than \$100,000 monitored and recorded by a dedicated camera(s) that provide coverage of the following:

- All customers and employees at the gaming machine? §542.43(r)(21)(i)
- The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine? §542.43(r)(2)(ii)



02/01/2016



Class III Gaming machines cont:

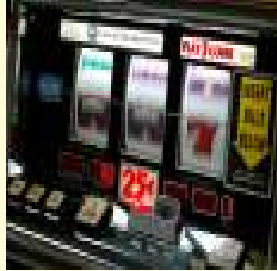
Are all Wide-area progressive gaming machines with a base jackpot amount of \$1 million or more monitored and recorded by dedicated camera(s) that provide coverage of the following:

02/01/2016



Class III Gaming machines cont:

- All customers and employees at the gaming machine?
§542.43(r)(3)(i)
- The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine?
§542.43(r)(3)(ii)



02/01/2016



Class III Gaming machines cont:

If the gaming machine is a multi-game machine, has the gaming operation developed and implemented alternative procedures to verify payouts?

- Indicators of compliance: Procedures should include the ability to verify game outcome from historical data originating within the gaming device or computerized game server, verification of game program e.g. Kobetron EPROM's, hard drives, etc. The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine? §542.43(r)(4)
- Has the gaming operation received approval for the alternative procedures to verify payouts? The face of the gaming machine, with sufficient clarity to identify the payout line(s) of the gaming machine? §542.43(r)(4)

02/01/2016



Class III Cage and Vault § 542.43 (u)

Does the surveillance system provide for the following:

- Monitoring and recording of the table games drop box storage rack or area by either a dedicated camera or a motion-activated camera? §542.43(u)(3)(ii)

02/01/2016



Class III Change booths

- Does the surveillance system monitor and record a general overview of the activities occurring in each gaming machine change booth? §542.43(v)



02/01/2016



Surveillance reports for monitoring regulatory compliance and identifying potential threats to assets.

02/01/2016



Regulatory Compliance

Daily / weekly / monthly reports to the TGRA.

- Review Audits
- Video reviews conducted
- Statistical information
- Internal Control Standard (MICS)(TICS) (SICS) violation reports
- Jackpots

02/01/2016



Current Crime Trends

Examples of Fraud, Theft, and Scams

- Card and Table Games
- Gaming Machines
- Cage, Vault, Soft Count
- Player Tracking and Promotions
- Food & Beverage

02/01/2016



Where to Get More Information

- More information related to the specific NIGC MICS for Surveillance can be obtained at www.nigc.gov.
- Access to federal laws applicable to Indian gaming facilities as also available on the website.

02/01/2016



Thank you!



02/01/2016
