

CALIFORNIA GAMBLING CONTROL COMMISSION
SPECIFIC LANGUAGE OF PROPOSED REGULATIONS
INCIDENT REPORTING
CGCC-GCA-2021-0X-R

Title 4. Business Regulations.
Division 18. California Gambling Control Commission.

CHAPTER 3. CONDITIONS OF OPERATION FOR TPPPS BUSINESSES

ARTICLE 1. SECURITY AND USE OF PLAYER’S BANKS

§ 12282. Incident Reports.

(a) TPPPS business licensees must submit an “Incident Report Form,” CGCC-CH7-0X (New XX/21), as referred to in paragraph (3) of subsection (a) of Section 12395 within five business days of obtaining evidence that a reasonably suspected incident, as identified in paragraph (3) of subsection (a) of Section 12395, occurred within any space owned, managed, controlled, or rented by the TPPPS business licensee and involves a TPPPS category licensee, non-licensed employee, or a subcontractor or independent contractor hired by the TPPPS business licensee. This does not include any space for which a cardroom business licensee must file an incident report pursuant to paragraph (3) of subsection (a) of Section 12395, or any subcontractor or independent contractor whose duties are not directly related to the underlying business purpose or required administrative processes of the TPPPS business licensee.

- - -

OPTION 1A (Part 1) – GPAC Recommendation

Do not include the following provision.

DRAFT

OPTION 1B (Part 1) – Staff Recommendation

(b) The TPPPS business licensee must submit an “Incident Report Form,” CGCC-CH7-0X (New XX/21) within five business days of any approval with conditions, denial, suspension, or revocation of a license, permit, or authorization to work in a gambling establishment by any city, county, or city and county regarding any associated TPPPS endorsee licensee or TPPPS employee type licensee. An incident report does not need to be filed for a denial unless that denial is pursuant to Business and Profession Code section 19912 or a reason that is substantially similar to either subdivision (a) or (b) of Business and Professions Code section 19857.

Note: Authority cited: Sections 19840, 19841 and 19984, Business and Professions Code. Reference: Section 19826, 19841, 19920 and 19984, Business and Professions Code.

CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS

ARTICLE 3. MINIMUM INTERNAL CONTROL STANDARDS (MICS) FOR CARDROOM BUSINESS LICENSEES

§ 12395. Security.

(a) The policies and procedures for all Tiers must meet or exceed the following standards for security:

(1) Unless otherwise allowed by statute or regulation:

OPTION 2A – GPAC Recommendation

(A) Access to ~~restricted~~ non-public areas of the gambling establishment which have access to the gambling establishment’s currency or unsecured gambling equipment other than gaming tables, including but not limited to cages, count rooms, vaults, and security offices ~~and surveillance rooms~~, must be limited to authorized ~~personnel~~ cardroom category licensees, holders of a local work permit, or employees of a registered manufacturer or distributor only in the performance of their duties or other person(s) under the supervision of an authorized cardroom category licensee or holder of a local

Additions in blue underline; deletions in ~~red-strikeout~~

DRAFT

Revision Date: 7/28/2021

Page 2 of 11

DRAFT

1 work permit ~~and must be closely controlled.~~ For the purposes of this paragraph,
2 unsecured gambling equipment means any gambling equipment in a non-public area that
3 is not stored in a locked receptacle, drawer, or compartment which is under camera.

4 (B) Access to any room used for the media storage for the surveillance system,
5 pursuant to Section 12396, must be limited to authorized cardroom category licensees
6 and holders of a local work permit only in the performance of their duties, or other
7 person(s) either under the supervision of an authorized cardroom category licensee or
8 holder of a local work permit, or monitored or reviewed by a cardroom category licensee
9 or holder of a local work permit using the surveillance system.

10 11 **OPTION 2B – Staff Recommendation**

12 (A) Access to ~~restricted non-public~~ areas of the gambling establishment which have
13 access to the gambling establishment’s currency or unsecured gambling equipment other
14 than gaming tables, including but not limited to cages, count rooms, vaults, and security
15 offices ~~and surveillance rooms,~~ must be limited to authorized ~~personnel~~ cardroom
16 category licensees, holders of a local work permit, or employees of a registered
17 manufacturer or distributor only in the performance of their duties or other person(s) who
18 are escorted and monitored by an authorized cardroom owner type licensee or key
19 employee licensee ~~and must be closely controlled.~~ For the purposes of this paragraph,
20 unsecured gambling equipment means any gambling equipment in a non-public area that
21 is not stored in a locked receptacle, drawer, or compartment which is under camera.

22 (B) Access to any room used for the media storage for the surveillance system,
23 pursuant to Section 12396, must be limited to authorized cardroom category licensees
24 and holders of a local work permit only in the performance of their duties, or other
25 person(s) who are escorted and monitored by an authorized cardroom owner type licensee
26 or key employee licensee.

27 - - -

DRAFT

1 (C) This paragraph does not limit a proposition player contract’s inclusion of a
2 provision consistent with paragraph (13) of subsection (b) of Section 12270.

3
4 (2) ...

5 (3) Cardroom business licensees must ~~file an incident report with the Bureau's~~
6 ~~Criminal Intelligence Unit~~ submit an “Incident Report Form,” CGCC-CH7-0X (New
7 XX/21), which is attached in Appendix A to this Chapter within five business days of
8 obtaining evidence that a reasonably suspected incident~~either of the following~~ occurred
9 within the gambling establishment or in any adjacent space owned, managed, controlled,
10 rented, or utilized by the cardroom business licensee. This includes, but is not limited to
11 parking lots, restrooms, restaurants, or hotels. The reasonably suspected incidents that
12 must be reported are any of the following:

13 (A) ~~Any cardroom owner type licensee or key employee licensee contacting a local~~
14 ~~law enforcement agency, pursuant to the provisions of the licensee's security plan,~~
15 ~~regarding any reasonably suspected violation~~ A violation of the Act, this division,
16 Division 3 of Title 11 of the California Code of Regulations, any statute set forth in
17 sections 330 through 337z of the Penal Code, and any misdemeanor involving a violation
18 of a gambling ordinance of the applicable city, county, or city and county that pertains to
19 gambling;

20 (B) A violation of Section 1916-3(b) of the Civil Code (loan-sharking), or any
21 successor provision;

22 (C) Any act of or involving distributing, as defined in Section 11012 of the Health
23 and Safety Code, of a controlled substance, as defined in Section 11007 of the Health and
24 Safety Code, or any successor provision;~~chapter 1 (commencing with section 11000) of~~
25 ~~division 10 of the Health and Safety Code (illegal possession or distribution of controlled~~
26 ~~substances), section 4022 of the Business & Professions Code (illegal possession or~~
27 ~~distribution of dangerous drugs);~~

DRAFT

1 (D) Any incident involving a property loss valued at an amount consistent with the
2 dollar amount provided in subdivision (a) of Penal Code section 487, or any successor
3 provision;

4 (E) Any incident involving the death of a person;

5 (F) Any incident involving the on-site presence of police in response to a physical
6 injury of a person;

7 (G) Any theft of \$500 or more in chips;

8 (H) Any discovery of \$500 or more in counterfeit currency and/or chips in a 24 hour
9 period or cumulatively linked to a specific individual or group of individuals;

10 (I) Any incident identified in subparagraphs (D), (G) or (H), regardless of the dollar
11 amounts, if reasonably suspected of a cardroom category licensee, local work permittee,
12 or TPPPS category licensee;

13 (J) Any incident which involves the immediate evacuation of the gambling
14 establishment, such as Penal Code Section 148.1 (false bomb threat), or any successor
15 provision; or,

16 ~~(K) or any violation of the following~~ Any incident that could be a reasonably
17 suspected violation any of the following Penal Code sections: 148.10 (resisting a peace
18 officer resulting in death or serious bodily injury to peace officer), 186.10 (money
19 laundering), 211 (robbery), 220 (assault with intent to commit mayhem, rape, sodomy,
20 oral copulation or other specified offense), 236.1 (human trafficking), 243.4 (sexual
21 battery), 245 (assault with deadly weapon or force likely to produce great bodily injury),
22 261 (rape), 266h (pimping and pimping a minor), 266i (pandering and pandering a
23 minor), 286 (criminal sodomy), 287 (criminal oral copulation), 288 (lewd and lascivious
24 acts on a child), 289 (forcible acts of sexual penetration), 347 (poisoning food or drink),
25 422 (criminal threats), 459 (burglary), 470 (forgery, signatures or seals), 470b (display or
26 possession of forged driver's license or identification card), 476 (forgery, fictitious or
27 altered bills, notes or checks fraud), 487 (grand theft), 488 (petty theft), 503
28 ~~(embezzlement), 518 (extortion), 641.3 (commercial bribery), 648 (counterfeit currency),~~

DRAFT

1 653.22 (loitering for prostitution), 653.23 (supervising or otherwise aiding a
2 prostitute/pimping), or 647(b) (prostitution) or any successor provisions.

3 ~~(B) Any cardroom owner type licensee or key employee licensee obtaining~~
4 ~~knowledge or notice of any reasonably suspected violation listed in subparagraph (A).~~

5
6 ---

7 OPTION 3A – GPAC Recommendation

8 **Do not include any annual report.**

9 10 OPTION 3B – Staff Recommendation

11 (4) On or before January 1 of each year, a cardroom business licensee must file a
12 report with the Bureau's Criminal Intelligence Unit that includes the number of
13 reasonably suspected theft or financial crimes during the prior twelve months that were
14 not previously reported pursuant to paragraph (3), did not have a police investigation or
15 report issued, and were within the gambling establishment or in any adjacent space, as
16 identified in paragraph (3). The report must provide the number of incidents delineated
17 by the following: Penal Code sections 459 (burglary), 484 (theft), 484e (theft of access
18 cards or account information), 484f (forgery of access cards or account information),
19 484g (fraudulent use of access cards or account information), 488 (petty theft), 503
20 (embezzlement), 530.5 (unauthorized use of personal identifying information of another
21 person), 532 (false pretenses), 648 (making, issuing, or circulating unauthorized money),
22 664 (attempts; refers to the attempt to commit other crimes), or any successor provisions.

23 ---

24
25 ~~(4) An incident report must include, when available and applicable, the following~~
26 ~~information:~~

27 ~~(A) The date and time of the incident or event.~~

28 ~~(B) The identity of each perpetrator or suspect, including the following:~~

29 ~~1. Full name.~~

DRAFT

- 1 ~~2. Address.~~
2 ~~3. Date of birth.~~
3 ~~4. Driver license or identification card number.~~
4 ~~(C) Law enforcement report number.~~
5 ~~(D) Detailed description of the event or suspected incident, including an~~
6 ~~identification of any witnesses and a description of any evidence.~~

7 (5)

8 (6) Within five business days of filing a Title 31 Suspicious Activity Report, the
9 cardroom business licensee must provide a copy of the Title 31 Suspicious Activity
10 Report to the Bureau. Upon request by the Bureau, the cardroom business licensee must
11 provide any transactions and documents upon which the Title 31 Suspicious Activity
12 Report was based.

13 (7) Within five business days of the forfeiture of any unredeemed jackpots or prizes
14 won pursuant to subparagraph (C) of paragraph (4) of subsection (a) of Section 12463 or
15 paragraph (5) of subsection (a) of Section 12464, the cardroom business licensee must
16 submit an “Incident Report Form,” CGCC-CH7-0X (New XX/21) to provide notification
17 to the Bureau of said forfeiture.

18 (8) The cardroom business licensee must submit an “Incident Report Form,” CGCC-
19 CH7-0X (New XX/21) within five business days of determining that any owner category
20 licensee or employee category licensee was arrested.

21
22 - - -

23 **OPTION 1A (Part 2) – GPAC Recommendation**

24 **Do not include the following provision.**

25

26 **OPTION 1B (Part 2) – Staff Recommendation**

27 (9) The cardroom business licensee must submit an “Incident Report Form,” CGCC-
28 CH7-0X (New XX/21) within five business days of any approval with conditions, denial,
29 suspension, or revocation of a license, permit, or authorization to work in a gambling

DRAFT

1 establishment by any city, county, or city and county regarding any associated cardroom
2 endorsee licensee or cardroom employee type licensee. An incident report does not need
3 to be filed for a denial unless that denial is pursuant to Business and Profession Code
4 section 19912 or a reason that is substantially similar to either subdivision (a) or (b) of
5 Business and Professions Code section 19857.

6 ---

8 ...

9 Note: Authority cited: Sections 19801(g), 19826(b), 19840, 19841, ~~19856(e)~~, 19857 and 19924,
10 Business and Professions Code. Reference: Sections 19841, ~~19856(e)~~, 19857, ~~19912~~, 19922 and
11 19924, Business and Professions Code.
12

30 ///

APPENDIX A

Incident Report Form

CGCC-CH7-0X (New XX/21)

Page 1 of 2

BUREAU USE ONLY
BGC ID# _____



MAIL COMPLETED FORM TO:
 BUREAU OF GAMBLING CONTROL
 ATTN: Criminal Intelligence Unit
 P.O. Box 168024
 Sacramento, CA 95816-8024
 (916) 830-1700

PLEASE READ THE FOLLOWING INFORMATION CAREFULLY BEFORE YOU COMPLETE THIS FORM

Complete this form to notify the Bureau of Gambling Control (Bureau) of an incident (as required in Title 4, CCR, Section 12395).

All information must be typed or printed legibly in blue or black ink. If additional space is needed, please note response on a separate sheet of paper and attach to the form.

SECTION 1: OWNER CATEGORY LICENSEE INFORMATION	
TYPE OF LICENSE	
<input type="checkbox"/> CARDROOM BUSINESS LICENSE	<input type="checkbox"/> TPPPS BUSINESS LICENSE
OWNER CATEGORY LICENSEE NAME	
BUSINESS ADDRESS (STREET, CITY, STATE, ZIP CODE)	

SECTION 2: REPORTER INFORMATION		
FULL NAME: LAST	FIRST	MIDDLE
PRIMARY TELEPHONE NUMBER	BUSINESS NUMBER	EMAIL ADDRESS
TITLE	LICENSING NUMBER	DATE COMPLETING FORM

SECTION 3: INCIDENT INFORMATION		
DATE OF INCIDENT	TIME OF INCIDENT	TYPE OF INCIDENT
DETAILED DESCRIPTION OF INCIDENT		

SECTION 4: SUSPECT INFORMATION					
Please provide all available information					
FULL NAME: LAST		FIRST		MIDDLE	
PRIMARY TELEPHONE NUMBER		BUSINESS NUMBER		EMAIL ADDRESS	
HEIGHT	WEIGHT		HAIR COLOR		EYE COLOR
DRIVER'S LICENSE/IDENTIFICATION CARD NUMBER			STATE	EXPIRATION DATE (MM/DD/YYYY)	
DATE OF BIRTH		RACE/ETHNICITY		GENDER	
DISTINGUISHING MARKS (SUCH AS VISIBLE SCARS OR TATTOOS – DESCRIBE MARK & LOCATION)					
MAKE AND MODEL OF VEHICLE NORMALLY DRIVEN			LICENSE PLATE		
WAS/IS THE SUSPECT AN EMPLOYEE OR INDEPENDENT CONTRACTOR OF THE CARDROOM BUSINESS LICENSEE OR TPPPS BUSINESS LICENSEE?					<input type="checkbox"/> Yes <input type="checkbox"/> No
IF YES TO THE PREVIOUS QUESTION, PRIOR TO THE SUBMITTAL OF THIS INCIDENT REPORT, WAS THE EMPLOYEE RELATIONSHIP TERMINATED, IN WHOLE OR IN PART, AS A RESULT OF THIS INCIDENT?					<input type="checkbox"/> Yes <input type="checkbox"/> No

SECTION 5: LAW ENFORCEMENT AGENCY INFORMATION		
Please provide all available information		
WAS A LAW ENFORCEMENT AGENCY NOTIFIED? <input type="checkbox"/> Yes <input type="checkbox"/> No	IF YES, PLEASE PROVIDE A CASE NUMBER	DATE REPORTED
AGENCY NAME		
EVIDENCE PROVIDED:		

SECTION 6: DECLARATION		
I declare under penalty of perjury under the laws of the State of California that the information in this form is true, accurate, and complete, and that this declaration is executed by me at _____.		
City and State		
PRINTED NAME	SIGNATURE	DATE (MM/DD/YYYY)

This form must be signed by the person identified in Section 2