

ADVISORY NOTICE

APPROVED REGULATIONS REGARDING: SURVEILLANCE

(CGCC-GCA-2023-01-R)

On April 4, 2024, the Office of Administrative Law approved the California Gambling Control Commission's (Commission) regulations concerning Surveillance. The approved regulations were filed with the Secretary of State on April 4, 2024. The Commission requested a delayed effective date of 12 months from the date of filing with the Secretary of State to provide cardroom business licensees enough time to upgrade their existing surveillance systems in compliance with the regulatory changes. **As such, these regulations will become effective on April 4, 2025.**

Approved Regulations

This proposed action will make changes within the California Code of Regulations, Title 4, Division 18 as follows:

CHAPTER 7. CONDITIONS OF OPERATION FOR GAMBLING ESTABLISHMENTS

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

Amend Section 12396. Surveillance.

In general, this section requires cardroom business licensees to adopt specified minimum policies and procedures concerning surveillance. The requirements increase throughout this section based on the relative size (Tier) of the gambling establishment, which is determined by the number of tables the cardroom business licensee is authorized to operate. Existing Section 12380(d) defines the five different license Tiers as follows:

- Tier I licensee – a cardroom business licensee authorized to operate one to five tables.
- Tier II licensee – a cardroom business licensee authorized to operate six to ten tables.
- Tier III licensee – a cardroom business licensee authorized to operate eleven to thirty tables.
- Tier IV licensee – a cardroom business licensee authorized to operate thirty-one to sixty tables.
- Tier V licensee – a cardroom business licensee authorized to operate sixty-one or more tables.

Subsection (a) provides minimum surveillance system requirements applicable to cardroom business licensees in all Tiers.

Paragraph (1) requires all cardroom business licensees to install and maintain on site in the gambling establishment, a surveillance system with video recording and CCTV monitoring capabilities. The surveillance system is required to record the gambling establishment's critical

gambling operation areas and activities (as specified) as well as the interior of the entrances and exits with reasonable coverage and clarity. Additionally, the video recording equipment must meet specified parameters in displaying the current date and time of recorded events. Although remote, off-site access capabilities are allowed for the surveillance system, those capabilities may only be used for secondary support of any required on-site systems.

This paragraph is amended to add *card values, wagers, and game outcomes* to further specify what must be recorded with reasonable coverage and clarity by the surveillance system with respect to the gambling operation; applicable to all cardroom business license Tiers. Additionally, this paragraph is amended to specify that an overhead view of the card values, wagers, and game outcomes is acceptable for Tier I licensees, and to exempt specified demonstration and instructional tables when cash or prizes are not involved from the requirements of this paragraph.

Paragraph (2) requires all surveillance recordings to be made in real time mode, or at a speed sufficient to capture and record the actions of all individuals being observed. The provision provides an exemption that allows for gambling establishment entrances, exits, and parking areas to be recorded in time lapse mode at a minimum speed of 15 frames per second.

This paragraph is amended to remove the exemption that currently allows gambling establishment entrances, exits, and parking areas to be recorded in time lapse mode at a minimum of 15 frames per second.

Paragraph (4) requires surveillance system operation to be checked on a daily basis to ensure that the equipment is functioning properly. Reasonable efforts must be made to repair malfunctioning surveillance equipment within 72 hours of the discovery of a malfunction.

This paragraph is amended to add “or replace” after “repair” to clarify that the equipment may be replaced in lieu of being repaired.

Additionally, this paragraph is amended to add language that specifies if the surveillance system ceases to be able to record any area of the gambling establishment that is required to be recorded by this Article, the cardroom business licensee must take lawful steps to ensure the area is not used for any activity subject to the surveillance requirements until the surveillance system is able to record the area. Further, language has been added to provide an exemption for parking lots and to clarify the term “lawful” means in accordance with federal, state, and local requirements.

Paragraph (5) provides specific standards if the surveillance system utilizes a DVR system.

This paragraph is amended to require the surveillance system utilize a DVR, network video recorder (NVR), or equivalent system and to apply the existing DVR standards to NVR or equivalent systems.

Additionally, subparagraph (C) is amended to allow portable digital storage devices to be used in addition to digital video discs (DVDs) when reproducing or copying surveillance data stored on a media storage system.

Other non-substantive amendments have been made throughout this paragraph that are technical in nature.

Paragraph (7) establishes retention requirements for surveillance recordings.

This paragraph is amended with non-substantive changes concerning the minimum timeframe recordings must be retained (unless otherwise requested by the Bureau), which increased on June 1, 2013, from 7 to 14 days.

Paragraph (8) authorizes Bureau staff, with approval of the chief, to demand immediate access to the surveillance room and any area of the gambling establishment in which surveillance equipment is installed or maintained or where surveillance video recordings are stored, at any time during the gambling establishment's actual hours of operation. Additionally, paragraph (8) requires cardroom business licensees or their authorized representatives to provide such access to Bureau staff. Furthermore, this paragraph authorizes the Bureau to take custody of and remove from the gambling establishment original video recordings or copies of digital recordings that are required to be made and maintained pursuant to the Act or regulations, limits disclosure of surveillance video recordings by the Bureau, and provides a process for Bureau staff to make copies of surveillance recordings taken into Bureau custody upon reasonable request.

This paragraph is amended to divide the paragraph into two subparagraphs (A and B). A non-substantive change to capitalize the word "chief" in subparagraph (A) has been made for consistency with the term as defined in Chapter 1.

Further, two clauses have been added to subparagraph (B). Clause 1. requires digital copies to be a clear representation of the original. Clause 2. requires the cardroom business licensee to provide the Bureau with any software that may be necessary to view the digital copies or provide the digital copies in a format that is acceptable to the Bureau.

Subsection (b) provides surveillance standards for cardroom business licensees in Tiers II through V in addition to the requirements of subsection (a).

Paragraph (1) requires the surveillance system to, at a minimum, record both the interior and exterior of the gambling establishment entrances and exits.

This paragraph is amended to require the surveillance system of a Tier II through V cardroom business licensee have dedicated cameras for monitoring and recording the gambling establishment entrances and exits with sufficient clarity to afford reasonable opportunity to identify persons entering and exiting. The existing requirement, which specifies the "interior and exterior" of the entrances and exits must be recorded, is modified to meet the intended performance goal of the regulation concerning video clarity while ensuring compliance is achievable.

Paragraph (2) requires the surveillance system to have a sufficient number of cameras dedicated to gambling tables for viewing and recording patrons, dealers, wagers, cards, and game outcomes at each table.

This paragraph is amended to replace the term “cards” with “card values,” which aligns with the changes made in Section 12396(a)(1).

Subsection (c) requires, in addition to the requirements of subsections (a) and (b), the surveillance system for a Tier III through V cardroom business licensee to include coverage and recording of all adjoining patron parking areas owned, operated, or otherwise controlled by the cardroom business licensee.

This subsection is amended to be more specific by requiring the coverage and recording to be done with sufficient clarity to provide opportunity to obtain a description of the vehicles, including, to the extent feasible, the license plates of vehicles entering and exiting the parking areas.

Subsection (d) provides, in addition to the requirements of subsections (a), (b), and (c), the policies and procedures of a Tier IV cardroom business licensee must require, during all hours of operation, a cardroom owner type licensee or key employee licensee who has the ability to access live and previous surveillance video recordings, to be on duty at the gambling establishment.

This subsection is repealed consistent with the amendment to former subsection (e), relabeled as subsection (d), which makes the surveillance requirements previously reserved only for Tier V cardroom business licensees additionally applicable to Tier IV cardroom business licensees.

Subsection (d), formerly subsection (e), provides surveillance requirements specific to Tier V cardroom business licensees in addition to the requirements of subsections (a), (b), (c), and (d).

Paragraph (1) requires Tier V cardroom business licensees to establish a surveillance unit separate and apart from the security department with dedicated staff that have no other gambling-related duties.

Paragraph (2) requires Tier V cardroom business licensees to establish and maintain a separate surveillance room with controlled access through a secured door or doors, which is under constant recorded video surveillance, and with no entrance or exit door readily observable or accessible from the gambling operation area.

Paragraph (3) provides that routine access and entry to the surveillance room must be limited to on-duty surveillance unit employees assigned to monitor gambling operations. However, access may be granted to other cardroom employee type licensees for the purpose of performing their duties, and other persons may be granted limited access for educational, investigative or maintenance purposes, if accompanied at all times by a surveillance unit employee.

Paragraph (4) provides the minimum requirements for the active monitoring of the gambling operations from the surveillance room by a surveillance employee. Additionally, language has been added to this paragraph to provide an exception for Tier IV cardroom business licensees concerning the requirement for at least one surveillance employee to be present in the

surveillance room and actively monitoring the gambling operations during all hours of operation, as specified. This exception allows Tier IV cardroom business licensees to utilize a contingency plan previously approved by the Bureau to use a cardroom employee type licensee to fulfill the requirements of this paragraph when a surveillance employee is unavailable due to unforeseen exigencies. Subparagraphs (A) and (B) provide procedural, timeline, and content requirements for submitting a written request along with the contingency plan to the Bureau for review and approval.

Paragraph (5) requires the surveillance of the count room to include CCTV monitoring and video recording.

Paragraph (6) requires Tier V cardroom business licensees to maintain a surveillance activity log of all surveillance room activity that occurs during a surveillance period or shift. Entries in the surveillance activity log must be made by on-duty surveillance personnel and include the following:

- (A) The date and time of commencement of the surveillance period or shift;
- (B) The printed name(s) of the person(s) conducting the surveillance;
- (C) The date and time of termination of the surveillance period or shift;
- (D) A summary of the results of the surveillance, including a notation of the time of recording of any event, activity, occurrence, process or procedure that was monitored during the surveillance period or shift, whether the recording or monitoring was required or not;
- (E) A notation of the time of the discovery or occurrence of any equipment or camera malfunctions during the surveillance period or shift;
- (F) A notation of the time of the correction or repair of any equipment or camera malfunctions occurring during the surveillance period or shift, if corrected or repaired during that period or shift;
- (G) A notation of the time of the correction or repair of any equipment or camera malfunctions discovered and noted in a previous surveillance period or shift, if corrected or repaired during the current period or shift;
- (H) A notation of the time of occurrence of any medical emergency event or law enforcement event, including any incident number generated by the responding entity, if available;
- (I) A notation of the time(s) of drop box collection occurring during the surveillance period or shift;
- (J) A notation of the time of drop count procedure(s) occurring during the surveillance period or shift; and,
- (K) A notation of the times of patron disputes occurring during the surveillance period or shift that required the intervention of the security department, if any.

Paragraph (7) requires Tier V cardroom business licensees to have a dedicated camera at each gambling table that records in real time mode or at a speed sufficient to capture and record the actions of all individuals being observed. These gambling table cameras must provide clear surveillance coverage of all controlled gambling at all hours of operation. Additionally, one Pan/Tilt/Zoom camera must be installed for every ten or fewer authorized tables present in any gambling operations area of the gambling establishment, and a reasonable attempt must be made

to pan the faces of patrons and dealers for identification at least once per work shift of surveillance unit employees.

This subsection has been relabeled as subsection (d) to conform to the proposed repeal of existing subsection (d), which is a nonsubstantive change. Additionally, this subsection is amended to make minimum surveillance standards required for the policies and procedures of Tier V cardroom business licensees (discussed above) additionally applicable to Tier IV cardroom business licensees.

Paragraph (4) of this subsection is amended to establish an exception for Tier IV cardroom business licensees concerning the requirement for at least one surveillance employee to be present in the surveillance room and actively monitoring the gambling operations during all hours of operation, as specified. This exception allows Tier IV cardroom business licensees to utilize a contingency plan previously approved by the Bureau to use a cardroom employee type licensee to fulfill the requirements of this paragraph when a surveillance employee is unavailable due to unforeseen exigencies. Additionally, subparagraphs (A), (B), and (C) have been added to provide a process for a Tier IV cardroom business licensee to submit a written request for the Bureau's review and approval of its contingency plan and provide automatic approval of the plan if not disapproved by the Bureau in writing within 30 calendar days of the Bureau's receipt of the request. Further, the cardroom business licensee is required to notify the Bureau in writing within five calendar days after utilizing the contingency plan option.

Other nonsubstantive changes have been made throughout this subsection.

Regulation Text

A copy of the recently approved regulations is attached. That document is also available on the Commission's Web site under "Recently Adopted, Amended, and Repealed Regulations" at <http://www.cgcc.ca.gov/>.

Questions, Concerns, Suggestions

For any questions, concerns, or suggestions regarding the adoption of this regulation, please contact lawsandregs@cgcc.ca.gov.