

California Gambling Control Commission

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**MINUTES OF AUGUST 11, 2009
REGULATION HEARING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Dean Shelton called the meeting to order at 10:02 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Dean Shelton and Commissioners Stephanie Shimazu, and Alexandra Vuksich present.

3. 45-Day Public Comment Period Hearing and Consideration of Final Adoption of Regulations Establishing Minimum Internal Control Standards (MICS) for Gambling Establishments. (Amend Title 4, California Code of Regulations, Section 12370; Adopt Title 4, California Code of Regulations, Sections 12372, 12395, and 12396.)

- Fire Safety & Evacuation Plan (§ 12370)
- Security & Surveillance Plan (§ 12372)
- Security (§ 12395)
- Surveillance (§ 12396)

The Commission heard public comments from Joy Harn representing the Bicycle Club, Mark Kelegian representing the Crystal Casino, Kermit Schayltz representing the Lucky Derby, Allan Titus representing Artichoke Joe's.

Also commenting from the Bureau of Gambling Control were Marty Horan, Deputy Chief, and Aaron Wong, Supervising Special Agent; and from the Indian and Gambling Law Section of the Department of Justice, Deputy Attorney General Neal Houston.

A complete transcript of the proceeding is incorporated into these minutes as Attachment A.

As a result of written and oral public comments received prior to and at this hearing, and as a result of staff recommendations made at the hearing, the following changes to the proposed regulation text (dated June 11, 2009) were developed:

Section 12370(a), page 1, line 20:

The title of section 12370 was changed to read: "*Emergency Planning and Preparedness*", which is consistent with the title of the Fire Marshal's regulations.

Section 12372(a) & (b):

These sections were amended to allow eighteen months for cardrooms to develop and implement their security and surveillance plans. Sections 12372(c)(3) and 12395(f) were also amended to conform to the eighteen month implementation schedule already set by Section 12396(e).

Section 12372(a)(1), page 5, line 3:

To remain more consistent with other MICS, this section was amended to read: "...close monitoring and control of all *controlled games and gaming activity*".

Section 12372(c)(1), page 5, line 26:

This section was amended to read: "...each security and surveillance plan shall be consistent with, *identify and comply with all* state and local requirements."

Section 12395(a)(2), page 7, line 21:

This section was amended to limit lighting requirements only to those parking areas that are *owned, operated or otherwise controlled* by the licensee, deleting the "leased, rented" language.

Section 12395 (a)(3)(A) & (B) on page 7, line 25:

The words "*other serious criminal offences, including but not limited to*" were deleted from this section. However, the list of reportable offenses in the Penal Code was retained as written.

Section 12395(b)(4), page 10, line 4:

This section was amended to require security only in those parking areas that are *owned, operated or otherwise controlled* by the licensee, deleting the "leased, rented" language. This section was also amended by adding the word *contract* when referring to security officers who do not need a work permit when their duties are exclusively outside of the cardroom. This change would apply the work permit exemption only to *contract* security guards.

Section 12395(c)(1), page 10, line 18:

- Amend Section 12395(c)(1) to require a backup generator that is sufficient, during a power outage, to provide for the operation of lighting systems, information systems, and surveillance and recording systems for a time necessary to protect the safety and security of patrons and employees, patrons'

property, and the licensee's assets and property while gambling operations are terminated and patrons exit the premises.

- Add new Section 12395(c)(2) to require any cardroom that elects to continue gambling operations during a power outage to install and maintain a backup generator that is sufficient to provide for the full and continued operation of all lighting systems, all information systems, and all surveillance and recording systems.
- Delete Section 12396(e)(2), which would apply Sections 12395(c)(1 & 2) to both Tiers IV and V cardrooms. Both Tiers will have the same backup generator requirements.

Section 12395(d), page 10, line 21:

This section was amended to require *two* security officers to be on duty during all hours of operation. The cardroom exterior and parking areas would continue to be patrolled only on a *periodic* basis in Tier IV, unlike Tier V, where one of the two security officers must continuously patrol outside the cardroom, including the parking areas.

Section 12396(a)(1), page 11, line 13:

This section was amended so that *gambling equipment storage areas, except for furniture storage areas*, must be monitored and recorded by video surveillance.

Section 12396(a)(3), page 11, line 29:

This section was amended to read: "All recording and monitoring equipment shall be located in a secure room or area of the gambling establishment so that access *is* controlled".

Section 12396(a)(4), page 12, line 2:

This section was amended to require *daily* checks of surveillance systems.

Section 12396(a)(7), page 12, line 19:

This section was amended to require that surveillance recordings for all cardrooms be retained for 7 days, until the first day of the first full month, 36 months following the effective date of the regulation, at which time the retention period will increase to 14 days.

Section 12396(a)(8), page 12, line 25:

Following further research and analysis of the public comments concerning this regulation and Business and Professions Code section 19827, Commission and Bureau legal staff were requested to draft alternative language which would be included in the next 15-day change for these proposed regulations.

Section 12396(b)(2), on page 13, line 17:

This section was amended to *not* require cameras at demonstration *or instructional tables, when cash or prizes are not being wagered, won or lost*. Dedicated cameras would continue to be required at all tournament tables.

Section 12396(b)(3) was added to these proposed regulations which would require Tiers II - V cardrooms to have a surveillance system that includes *audio* recordings of the vault and count room.

Section 12396(c), page 13, line 21:

This section was amended to require surveillance cameras only in those parking areas that are *owned, operated or otherwise controlled* by the licensee, deleting the “leased, rented” language.

Section 12396, page 13, line 27:

A separate subsection was added to this section which would require Tier IV cardrooms to have a manager on duty that could observe/play-back surveillance video. No full time surveillance unit would be required for Tier IV cardrooms..

Section 12396(d)(7), page 15, line 16:

This section was amended to require that Tier V cardrooms make a reasonable attempt to pan the faces of patrons and dealers at least once per work shift, rather than once per hour. The requirement that Tier V cardrooms have at least one PTZ camera for every ten tables would remain.

Rich Mundy, Research Program Specialist I, indicated that staff recommended the Commission approve the previously discussed modifications to the proposed text of these regulations for a 15-day change comment period.

Chairman Shelton moved approval of staff’s recommendation; the motion was seconded by Commissioner Shimazu and unanimously carried in a vote by roll call with Chairman Shelton and Commissioners Shimazu and Vuksich voting yes.

Adjournment

Chairman Shelton adjourned the meeting at 1:05 p.m.