

ADVISORY NOTICE

APPROVED REGULATIONS REGARDING:
MINIMUM INTERNAL CONTROL STANDARDS FOR GAMBLING ESTABLISHMENTS:
EMERGENCY PREPAREDNESS, SECURITY AND SURVEILLANCE

(CGCC-GCA-2009-06-R)

On April 6, 2010, the Office of Administrative Law approved regulations that implement the second phase of minimum internal control standards (MICS) for gambling establishments. These regulations were filed with the Secretary of State on April 6, 2010, and will become effective May 6, 2010, with delayed compliance dates for some provisions of December 1, 2011 and June 1, 2013, as specified.

This regulatory action adds provisions to Chapter 7 of Division 18 of Title 4 of the California Code of Regulations that require licensees to develop and implement policies and procedures related to emergency preparedness, security and surveillance. These regulations provide minimum standards that are intended to protect public health and safety, and maintain security controls over the gambling premises.¹ These regulations establish a baseline for cardroom operation, by requiring that licensees establish and implement written policies and procedures that meet or exceed the prescribed Minimum Internal Control Standards (MICS), as they relate to the established size category of the individual licensee. Establishing a baseline standard helps to ensure consistency and uniformity.

This regulatory action makes the following changes in Article 2 of Chapter 7 of Division 18 of Title 4 of the California Code of Regulations:

1. Section 12370 has been amended to simply require cardrooms to comply with the emergency planning regulations of the State Fire Marshal (Title 24 CCR, Part 9, Ch. 4 and Title 19, Section 3.09). These amendments also require cardrooms to submit copies of their *fire safety and evacuation plan* to the Commission upon initial application for a license, biennially upon license renewal, and when specified changes are made to their plan. Consistent with the existing language of Section 12370, submitted fire safety and evacuation plans must show evidence of approval from a local authority or the State Fire Marshal. Also consistent with existing language, failing to establish, implement and follow an appropriate plan would constitute an unsuitable method of operation by a cardroom.

The Fire Marshal's regulations can be found at various state depository libraries and on the Web site of the International Code Council. The Commission has provided links to these sources on its own Web site.² Many city, county or fire district jurisdictions throughout the state have assumed the Fire Marshal's role with respect to facility inspections and approval

¹ Business and Professions Code, sections 19920 and 19924.

² [state depository libraries](#) and <http://publicecodes.citation.com/st/ca/st/> and <http://weblinks.westlaw.com/toc/default.aspx?Abbr=ca%2Dadc&Action=ExpandTree&AP=CAT19D1CH1AAKAR3&ItemKey=CAT19D1CH1AAKAR3&RP=%2Ftoc%2Fdefault%2Ewl&Service=TOC&RS=WEBL10.04&VR=2.0&SPa=CCR-1000&pbcc=4BF3FCBE&fragment#CAT19D1CH1AAKAR3>.

April 20, 2010

of fire safety and evacuation plans. As a result, cardrooms need only contact their local fire department for these services.

2. Section 12372 has been added to Article 2, which requires all cardrooms to adopt a *security and surveillance plan* no later than December 1, 2011. The plans must address, in general, monitoring and control systems that restrict access to sensitive areas; security and video surveillance procedures; lighting in and around the cardroom; procedures for protecting patrons and property; designation of security staff; uniformed security guards; and regular training of security and surveillance personnel. The specific elements of a plan are determined by a cardroom's relative size or tier. Five specific cardroom tiers are established in existing regulation.³

All tiers are required to submit copies of their security and surveillance plan to the Commission upon initial license application, biennially upon license renewal, and whenever specified revisions are made to their plan. Cardrooms are required to annually review the elements of the plan with those employees who have duties under the plan. If local authorities provide reviews of these plans, the cardroom is required to provide the results of the review. The Bureau is also required to review the cardroom's plan and identify any deficiencies.

Failing to establish and implement a security and surveillance plan would constitute an unsuitable method of operation and subject a cardroom to possible civil penalties for violations of Section 12372.

This regulatory action also makes the following changes within Article 3 of Chapter 7 of Division 18 of Title 4 of the California Code of Regulations:

1. Section 12395 is added, which requires cardrooms to adopt specified security procedures that increase with the tier or relative size of the cardroom. All cardrooms are required to restrict access to sensitive areas and provide adequate lighting of all public areas, entrances, exits and those adjoining parking areas that are owned, operated or otherwise controlled by the licensee. Cardrooms are also required to file incident reports with the Bureau under specified circumstances, and to control keys to restricted areas.

Medium to large size cardrooms (Tiers III – V) are required to maintain a key control box and have uniformed security outside the cardroom at night. Any contract security guard that enters those areas of the gambling establishment where controlled games are conducted is required to hold a work permit.

The larger size cardrooms (Tiers IV & V) are required to have a backup generator system and at least two uniformed security guards during all hours of operation. During a power outage, the generator system must be capable of running lighting, information and surveillance systems for a time necessary to safely and securely terminate gambling operations and have patrons exit the premises. If a cardroom chooses to continue gambling operations during a power failure, the generator system must be capable of full and continued operation of all

³ California Code of Regulations, Title 4, Section 12380, subsection (d).

lighting, information, and surveillance systems. In Tier IV, one security guard must periodically patrol outside the cardroom, whereas in Tier V, one guard must continuously patrol outside.

2. Section 12396 is added, which requires cardrooms to adopt specified surveillance procedures that increase with the tier or relative size of the cardroom. All cardrooms are required to video record specified critical gambling operation activities and specified gambling equipment storage areas, have a camera dedicated to each gambling table, have video equipment that meets specified parameters, and display signs that alert patrons to video monitoring. All cardrooms are also required to have video equipment that is installed in a manner that prevents it from being intentionally obstructed or tampered with, and all recording and monitoring equipment must be located in a secure room or area of the cardroom where access is controlled. Beginning December 1, 2011, all cardrooms are required to maintain surveillance video recordings for seven days, until June 1, 2013, at which time the retention period will increase to 14 days. All cardrooms are required to allow the Bureau access to the surveillance video recordings. However, these regulations limit this access to only instances approved by the Bureau chief, only for the purposes of enforcing the Act or regulations adopted pursuant thereto, and only during the normal operational hours of the cardroom. This section also requires the Bureau to maintain the confidentiality of any seized video recordings unless disclosure is necessary to administer or enforce the Act or any regulations adopted pursuant thereto.

Tiers II through V cardrooms are required to video record cardroom entrances and exits and dedicate a surveillance camera to each gambling table. The surveillance systems in these cardrooms are also required to record both video and audio in the count room and vault.

Tiers III through V cardrooms would be required to video record adjoining parking areas that are owned, operated or otherwise controlled by the licensee.

Tier IV cardrooms are required to have an owner or key employee on duty who has the ability to access and play-back surveillance video.

Tier V cardrooms are required to establish a dedicated surveillance room, with dedicated surveillance staff, and adhere to specified video equipment and operating parameters. Tier V cardrooms must also have at least one pan/tilt/zoom (PTZ) camera for every ten tables, and make a reasonable attempt to pan the faces of patrons and dealers at least once per work shift.

3. Both Sections 12395 and 12396 include provisions that require licensees to establish and implement the applicable standards specified in those sections by December 1, 2011, except as otherwise specified.

A copy of the recently approved regulations is attached, or may be obtained from the Commission's Web site at:

http://www.cgcc.ca.gov/?pageID=gambling_control_act_regulations.

Information is also available at:

http://www.cgcc.ca.gov/?pageID=2009_proposed_gambling_control_act_regulations.

April 20, 2010

Questions, Concerns, Suggestions

Please contact the Bureau of Gambling Control at (916) 263-3408 regarding compliance and enforcement. You may contact the Commission by e-mail at lawsandregs@cgcc.ca.gov, should you have any questions, concerns, or suggestions about the rulemaking process.