

Activities Related to Casino Gaming Oversight

Fiscal Year 2005

January 1, 2006

Amount of Money Received and Expended

For fiscal year 2004-2005, a projected budget of \$3,513,000 was allocated. At the end of the fiscal year, \$2,975,419 had been spent to cover Michigan State Police (MSP) operational expenses and the salary and wages for 32 FTE's.

Nature and Structure of MSP Gaming Section

The Michigan State Police Gaming Section's primary focus is on criminal enforcement related activities for all three Detroit casinos. Gaming Section personnel also assist the Michigan Gaming Control Board (MGCB) with regulatory matters and large-scale projects as requested. Since many criminal investigations entail regulatory matters, Section personnel routinely coordinate their efforts with the MGCB. The MSP Gaming Section continues to provide assistance, as necessary, in the form of LEIN (Law Enforcement Information Network) warrant and criminal history checks, and other inquiries through the courts and other law enforcement agencies for the MGCB in conducting applicant background investigations. The Michigan Public Safety Communication System continues to be the primary mode of communication between the casinos and MSP personnel.

The breakdown of staffing is as follows:

Full Staffing

1 Inspector
2 Secretary 9
1 D/F/Lt. 15
3 D/Lt. 14
7 D/Sgt. 12
18 D/Spl. 11

32 Total Employees

Summary of Casino Enforcement Activities

Operating from the Cadillac Place Building at 3062 W. Grand Boulevard, Suite L-700, in the City of Detroit, Gaming Section personnel work from this central location and rotate their patrols between the three casinos.

During fiscal year 2005, the Gaming Section affected 359 arrests at the MGM Grand, MotorCity, and Greektown casinos. These included felony arrests for embezzlement, cheating at gaming, fraudulent activities, larceny, dealer/patron collusion, and conspiracy. Misdemeanor arrests included charges of underage gambling, minor in possession of alcohol, and trespass by disassociated persons. Additionally, numerous fugitive arrests were made satisfying 90 fugitive warrants. Gaming Section personnel continue to work with the FBI's Organized Crime Unit to ensure organized crime does not infiltrate Detroit casinos through suppliers and vendors.

Gaming Section detectives conducted one fugitive sweep during this reporting period. The sweep netted 5 felony arrests, 1 misdemeanor arrest, and satisfied 6 warrants held by the Gaming Section. As a side bar, and during the sweep, one of the Gaming Section's undercover cars was involved in a crash with a stolen vehicle which resulted in the apprehension of a 15 year old juvenile.

In addition, counterfeit money continues to surface at Detroit based casinos. MSP Gaming Section responded to 205 complaints of patrons in possession of counterfeit money seizing \$13,633 in counterfeit currency. Additionally, the three casinos identified another \$4,182 in counterfeit currency within their cash cages. The total amount of counterfeit currency turned over to the U.S. Secret Service during FY05 was \$17,815. Those individuals found to be in possession of the counterfeit money maintain they received the money from stores, banks, and other casinos during legitimate business transactions. Investigators continue to track occurrences via an in-house database to identify patterns and people.

A program offered by the MGCB allows problem gamblers to “disassociate” themselves from the Detroit casinos and their affiliates. The Disassociated Persons List (DPL) currently consists of 1,219 individuals. Disassociated persons are excluded from frequenting the casinos for life. Violating the exclusion is a misdemeanor offense and subjects the disassociated person to forfeiture of all gambling proceeds in their possession, if any. During the fiscal year, MSP Gaming Section conducted 106 investigations of disassociated persons. Gambling proceeds in the amount of \$34,206.50 were seized, forfeited, and turned over to the Michigan Department of Community Health, Compulsive Gambling Prevention Fund.

In all, the Gaming Section conducted 900 criminal complaint investigations during the reporting period, most of which were fraudulent activity investigations and counterfeit currency. With regard to fraudulent activity, most of it relates to the cashing of counterfeit, forged, and/or stolen checks. Gaming Section managers continually work with casino management to increase and strengthen their check cashing procedures in an effort to reduce this criminal activity within the casinos.

Investigative Highlights

- Gaming Section Detectives received information that an under-aged patron was present at the MotorCity Casino where she was attempting to cash a check. Investigation revealed that the patron was in fact attempting to cash a stolen check. The suspect also had possession of the military identification card and driver's license of the legitimate check holder. The stolen identification reflected the suspect as being under 21--too young to be in the Detroit casinos. Additionally, the suspect was found to be in possession of three pieces of identification, also not her own, which included personal checks belonging to two other individuals, several stolen credit cards and the personal information (Name, Date of Birth, Social Security Number, etc.) of approximately 10 other people. The suspect pled guilty to two felony counts and was sentenced to two years probation and 60 hours of community service.
- MotorCity Casino notified Gaming Section detectives that three suspected craps cheaters had just left the casino. This identification was based on recent intelligence reports from Missouri and Louisiana regarding a group of nationally known craps cheaters. The individuals were located a short time later at Greektown Casino where surveillance was established. It was noted that the ringleader, who had not yet played, was already in possession of a large amount of Greektown cheques (casino chips). The casino checked their table losses and found that they had lost approximately \$11,000 at craps earlier in the morning. While surveillance was doing a tape review of the morning's play, the subjects became suspicious and left the property. Gaming detectives followed the group to the MotorCity Casino where the group split up. One subject went to an address on Eight-Mile and Lasher, in the City of Detroit. The ringleader and his partner continued on to MGM Grand Casino and began playing craps. The ringleader made three attempts at cheating by placing late bets. He was successful on one occurrence cheating the casino out of approximately \$2,500. In the meantime, Greektown Casino was contacted and they advised their tape review of the group's earlier play revealed that the ring leader also placed a late bet at their casino on at least one occasion for \$2,100 with further tape review to follow. As a result, both subjects were taken into custody as they attempted to leave MGM Casino and were interviewed. It is believed the sophistication of the cheating technique, which places the blame on the casino dealer for booking the late bets, prevented warrants from being authorized by the Attorney General's Office.
- Detectives from the Gaming Section investigated a fraudulent check complaint at the MotorCity Casino in which a female subject had attempted to cash a \$1,200 check. During the interview of the suspect, detectives were not only able to obtain a full confession but also received information identifying the source of the checks. Detectives from the Gaming Section began surveillance of the subject believed to be the source of the checks and developed enough information to obtain a search warrant of a residence in the City of Detroit. During the search, computer equipment and several fraudulent checks were recovered in addition to fraudulent vehicle registration plate decals, fraudulent vehicle insurance certificates and discarded counterfeit money. The subject arrested has been linked as the source of fraudulent checks in at least eight other cases. Investigation continues by the Gaming Section, Secret Service, and Detroit Metro Identity Theft Task Force.
- Gaming Section detectives were assigned to investigate a subject who was attempting to buy in at one of the table games at MGM Grand Casino with four suspected counterfeit \$100 bills. The detectives escorted the patron off the gaming floor and determined the bills were in fact counterfeit.

A further search of the suspect yielded an additional forty-four counterfeit \$100 bills hidden in the suspect's shoe.

The "money" seized is high quality counterfeit containing both watermark and security thread. However, the security thread on these bills did not fluoresce. During an interview of the suspect, he claimed to have broken into a car and stole an envelope of money from the glove box. Detectives met with Secret Service agents and obtained the suspect's consent to search his residence. Because no additional counterfeit currency or equipment to produce counterfeit currency was located, the Secret Service declined to continue the investigation. Prosecution is being sought at the state level.

- MotorCity Casino contacted Gaming Section detectives regarding a suspected blackjack cheater on their property. Detectives responded and observed the suspect from the surveillance room. The suspect was using a small black device similar in size to a key fob to count cards. The subject would input card information into the device, which was concealed in his shirt and programmed to vibrate when a clear advantage is in the player's favor. When that occurred, the suspect would begin to bet large sums of money. Prior to officers arriving at the blackjack table, the subject removed the device from his shirt and threw it under the table. The device was seized and the subject arrested. Confiscated from the subject was \$575 in gaming cheques and \$2,463 in U.S. currency. The suspect was charged with the felony Cheating at Gaming and pled to an attempt and was sentenced to four months in jail.
- The Director of Casino Operations at MotorCity Casino reported that they had received an anonymous telephone call indicating there was a dealer/patron collusion scheme taking place on the craps tables. The tipster initially identified two MotorCity Casino craps dealers and two patrons involved in the cheating.

Detectives from the Gaming Section initiated surveillance on the suspect craps dealers while they worked the table. A rated patron was observed being paid on improper bets during the surveillance. A check of the patrons name revealed that the patron and the suspect employees had previously been reported as being involved in cheating but the case was never substantiated. Mobile surveillance was established that evening on the patron and employees as they departed MotorCity Casino. Detectives observed the employees and patron meet at one of the employee's homes for a brief time and depart. This information was consistent with the tipster's report that the dealer and patrons meet after the employees get off shift and split the illegally gained winnings.

Additional dates were set up for a sting operation to catch the employees cheating with using the undercover officer from Ontario Provincial Police. Detectives from the Gaming Section took four employees off the game for questioning. Confessions were obtained and additional employees and patrons were identified as participants in the scam.

The Michigan Attorney Generals Office has indicated that they will be charging seven MotorCity Casino dealers and two patrons with cheating, conspiracy to cheat, continuing criminal enterprise and embezzlement. The loss to the casino is estimated to be between \$150,000 and \$200,000 dollars. The case is still open pending arrest warrant authorization.

The Michigan Department of State Police and the Michigan Gaming Control Board, in conjunction with the City of Detroit Fire Department, are responsible for emergency management training at the casinos and are required to annually train licensed casino security and surveillance personnel in critical incident management. The training is designed to prepare casino surveillance and security personnel in the proper procedures to follow in the event of a fire, robbery attempt, bomb threat, WMD (Weapons of Mass Destruction) incident, medical emergency, or other major emergency. Each of the three casinos successfully participated in a modified table top exercise.

Positions and Classifications of Employees Currently Assigned--(32 FTE's)

- 1 Inspector, State Administrative Manager 16
- 1 Detective First Lieutenant, State Police Detective First Lieutenant 15
- 3 Detective Lieutenant, State Police Detective Lieutenant 14
- 7 Detective Sergeant, State Police Detective Sergeant 12
- 18 Detective Specialist, State Police Detective Specialist – Trooper 11
- 2 Management Assistant, Secretary 9

Number of Full Time and Part Time Employees and Aggregate Number of FTE's

The current staffing cap is for 32 full time employees. Two detective lieutenant, two detective sergeant, and five detective specialist positions are vacant.

During the reporting period, one detective lieutenant was promoted to a position outside of the section, one detective lieutenant transferred out of the section, one detective sergeant retired from the Department and two detective specialists transferred out of the section. Additionally, at the close of the fiscal year, one detective sergeant and one detective specialist are on extended medical leave, one detective sergeant and one detective specialist continue on military activation in Louisiana and Mississippi in the wake of Hurricane Katrina, and one detective specialist is in a limited duty status.

Number of Enlisted and Civilian Positions

Of the 32 positions currently assigned, 30 are enlisted and 2 are civilian.

Duties and Responsibilities of Assigned Employees

Inspector - State Administrative Manager 16 (Commander) – This officer serves as the Special Investigation Division (SID) Sector I Commander and as Gaming Commander. The role of this position is to provide leadership, direction, administration, and supervision to Region II SID personnel and all of its investigative initiatives operating in the City of Detroit.

This position provides primary command responsibilities for the Gaming Section and shares responsibilities with the Attorney General and the MGCB for the licensing, regulation, and enforcement of legalized gaming in the State of Michigan.

This officer also maintains liaison with federal, state, and local authorities to maintain cooperative team efforts and establish professional gaming standards, as well as to help enhance the quality of life in the Metro Detroit area. This officer supervises, administers, and provides leadership for State Police resources and personnel committed to the licensing, regulation, and enforcement of gaming and criminal enforcement initiatives in Detroit.

D/F/Lt. 15 – State Police Detective First Lieutenant 15 (Section Commander) – This position is responsible to command the Gaming Section, which is charged to assist the MGCB in regulating and enforcing Michigan law at three Detroit-based casinos. This officer is also responsible to the sector commander for the coordination and provision of State Police services and resources necessary for the licensing, regulation, and enforcement of legalized gaming in the State of Michigan. These duties are performed at the direction of the sector commander, when he/she is available, and may assume the position of command when the sector commander is not available. The officer may be contacted for duty any hour of the day. This officer is also responsible to supervise detective lieutenants, detective sergeants, detective specialists, and secretaries assigned to the section.

D/Lt. 14 - State Police Detective Lieutenant 14 (Casino Team Leader) – This officer is responsible for the coordination and provision of State Police activities, services, and resources necessary for the regulation and enforcement of legalized gaming in the State of Michigan. This position also serves as a casino team leader at a licensed casino operation, providing assistance, as necessary, to the MGCB to ensure effective regulatory and enforcement measures are in place. These duties are performed at the direction of the section commander when he/she is available, and assumes the position of command when the section commander is not available. The employee may be contacted for duty at any hour of the day.

D/Sgt. 12 - State Police Detective Sergeant 12 (Investigative Follow-up Sgt.) – This officer serves as an investigative resource to the Gaming Section and conducts follow-up investigations into casino-related major crimes, public corruption, organized crime, and other casino-related criminal acts. Additionally, this officer provides investigative assistance and direction to detective specialists as they pursue criminal investigations, and provides assistance to the MGCB, as directed, to ensure effective regulatory and enforcement measures are in place. This officer also gathers and disseminates intelligence and enforcement information to regulatory and law enforcement counterparts in other gaming jurisdictions. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Lead Investigator/Intelligence Coordinator) – This officer serves as a primary lead investigator responsible for recommending investigative responses to criminal activity occurring in Detroit casinos by utilizing intelligence from federal, state, and local law enforcement agencies, in addition to confidential sources. Also, this officer serves as a link to the State Police Intelligence Unit in East Lansing and a resource to the Joint Terrorism Task Force, Detroit Metro Identity Fraud Task Force, and others. Additionally, this officer provides functional supervision to MGCB personnel responsible for conducting LEIN, CCH (Computerized Criminal History), DETECTS (Detroit Electronic Computer and Teleprocessing System), and intelligence checks used to determine suitability and eligibility of occupational, vendor, and supplier licenses. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Sgt. 12 – State Police Detective Sergeant 12 (Enforcement Supervisor) – This officer provides supervision to Gaming detective specialists assigned to the section. Upon MGCB requests to help ensure proper compliance with the Michigan Gaming Control Board and Revenue Act, the Administrative Rules, and Casino Internal Controls, this officer assigns regulatory inspections and other related projects and tasks to detective specialists. This individual also supervises investigations into criminal activity at the casinos and assists detective specialists in completing their assignments, duties, and investigations. These duties are performed at the direction of the section commander, and the employee may be contacted for duty at any hour of the day.

D/Spl. 11 – State Police Detective Specialist Trooper 11 (Enforcement Patrol/Investigator) – The primary role of this position is to patrol for criminal violators, respond to criminal activity, initiate investigations into casino-related crimes, and provide for public safety. This officer also conducts regulatory inspections and other related tasks, as directed by superiors, when requests are received from the MGCB. These duties are performed at the direction of enforcement supervisors, and the employee may be contacted for duty at any hour of the day.

Management Assistant - Secretary 9 – This person serves as a management assistant to either the Sector II Commander or Gaming Section Commander. This person coordinates office activities and performs secretarial assignments for management staff in support of ongoing operations that surround Region II - SID enforcement activities in the City of Detroit, which include the licensing, regulation, and enforcement of legalized gaming. This person also tracks budgetary expenses and processes financial transactions.

Immediate Past Position of the Enlisted Employees Assigned

<u>Employee</u>	<u>Current Position</u>	<u>Immediate Past Position</u>
Insp.	Sector I Commander	D/F/Lt. – ISB, Region II - SID, Sector II Investigative Support Section
D/F/Lt.	Section Commander	D/Sgt. – ISB, Field Detective Division Metro South Post
D/Lt.	Casino Team Leader	(Vacant)
D/Lt.	Casino Team Leader	Sgt. – USB, 2 nd District Metro South Post
D/Lt.	Casino Team Leader	(Vacant)
D/Sgt.	Intelligence Officer	(Vacant)
D/Sgt.	Follow-up Sergeant	(Vacant)
D/Sgt.	Enforcement Supervisor	D/Sgt. – ISB, Region II - SID, Sector I Gaming Section, Follow-up Sergeant
D/Sgt.	Enforcement Supervisor	Sgt. – USB, 2 nd District Detroit Post

D/Sgt.	Enforcement Supervisor	D/Sgt. – ISB, Region II - SID, Sector I VCIS – DEA Group 6
D/Sgt.	Enforcement Supervisor	D/Sgt. – ISB, Region II - SID, Sector II COMET
D/Sgt.	Enforcement Supervisor	Sgt. – USB, 2 nd District Metro North Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. Road Patrol USB – 2 nd District, Richmond Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Spl. – ISB, Region II - SID, Sector I VCIS – DEA Group 6
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Detroit Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Spl. ISB, Region II - SID, Sector II ISS, MINT Team
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Metro South Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Detroit Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 3 rd District, Bay City Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Tpr. – FSB, Region II - SID, Sector II COMET
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Richmond Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	D/Spl. – ISB, Region II - SID, Sector II DRANO
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. – Road Patrol USB – 2 nd District, Detroit Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	Tpr. Road Patrol USB – 2 nd District, Monroe Post
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	(Vacant)
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	(Vacant)
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	(Vacant)
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	(Vacant)
D/Spl.	Enforcement Patrol/Investigator MGM/MotorCity/Greektown Casinos	(Vacant)