

PENNSYLVANIA STATE POLICE TESTIMONY

HOUSE GAMING OVERSIGHT COMMITTEE

MAY 1, 2017



PRESENTED BY

MAJOR GEORGE L. BIVENS

DIRECTOR, BUREAU OF GAMING ENFORCEMENT

PENNSYLVANIA STATE POLICE

Good morning Chairman Petri and members of the Committee. I am Major George L. Bivens, Director of the Pennsylvania State Police, Bureau of Gaming Enforcement. With me today is Lieutenant Kevin Conrad, Eastern Section Commander within the Bureau of Gaming Enforcement. Thank you for the opportunity to testify this morning.

I'd like to begin by providing a brief overview of the Pennsylvania State Police Bureau of Gaming Enforcement. Since the first casinos opened in 2006, the Pennsylvania State Police (PSP) has been providing law enforcement services at each of the casino locations across the Commonwealth. While working with state authorities to ensure compliance with licensing and Title 4 requirements by the casinos and their employees, the Bureau has been safeguarding the patrons who visit those sites by enforcing laws related to a multitude of criminal acts and helping to keep the gaming environment free of unwanted criminal activity. The primary duties of the Bureau of Gaming Enforcement (BGE) are to provide on-site law enforcement at Pennsylvania casinos, and to assist the Pennsylvania Gaming Control Board (PGCB) and the Pennsylvania Horse Racing Commission (PHRC) in the licensing process by fingerprinting, photographing and/or conducting criminal history background checks on gaming and racing applicants, vendors and licensees. During calendar year 2016, PSP fingerprinted 11,162 applicants as part of this background process and processed the resulting records for use by the PGCB and PHRC. Fingerprinting and response to possible criminal acts or security concerns are conducted by on-site staff at each of the gaming facilities. BGE staffing levels provide for 11 members per site at 12 facilities (132 members), plus eight members at BGE Headquarters, for a total of 140 enlisted members. There are also four civilian positions at BGE Headquarters to accommodate clerical and analytical needs of the Bureau. Funding for the BGE budget is ultimately provided by casinos via Gaming Act requirements. Staffing levels do not allow for complete 24/7 coverage

of the casinos. Currently at each site, approximately five 8-hour shifts per week do not have dedicated BGE staffing. When there are calls for police service, and no dedicated BGE members are on duty, patrol troopers from the respective stations are diverted to casinos from county patrol zones. These responses are not reimbursed by the casinos.

Troopers assigned to casinos encounter a wide range of criminal violations. In 2016, they handled 1,063 acts of forgery. Fictitious/counterfeit money is passed daily in the casinos, and violations range from unsuspecting people in possession of a single bill to well-organized groups or individuals producing sophisticated bills. Troopers work closely with the U.S. Secret Service identifying the individuals responsible, assisting the casinos with deterring these acts, and investigating when a loss occurs. Troopers also handled 994 thefts in 2016. Many of those thefts involved the taking of vouchers or credits from another patron or removing items such as purses or cell phones from the area where a casino patron was gambling. Our success rate is very high in identifying the suspect, recovering the stolen money or items, and prosecuting as appropriate. We have worked hard over the past year to put policies in place which distinguish the difference between the mistaken playing-over of someone's credits on a machine and the criminal intent present during an actual theft. Our office commanders have worked with casino management to increase signage and other deterrents to those who might not otherwise engage in theft. Troopers also handled a significant number of alcohol- or drug-related offenses which frequently involved fights between patrons or assaults on patrons.

A more recent development is the dramatically increased use of fraudulent identifications. All of the casinos have experienced a significant uptick in the number of fraudulent identifications being presented by underage individuals attempting to gain access to the gaming floor. These are very good quality and functional identifications. We are working

closely with the U.S. Department of Homeland Security to investigate and shut down those point of purchase sites, while taking enforcement action against the underage individuals. We have worked with casino security to increase the use of technology and training to better identify these fraudulent IDs. Additionally, troopers have uncovered criminal organizations utilizing these fraudulent identifications and stolen identities to obtain credit in the casinos and leave with the cash. To date, we have documented approximately \$400,000 in losses primarily to the check-cashing businesses associated with the casinos in western Pennsylvania; and other investigations are currently in preliminary stages. Federal prosecutions are underway in these matters as well.

House Bill 1010 would dramatically change the way administrative and enforcement actions occur within the casino properties. Many additional responsibilities would also be added to the State Police while reducing or eliminating PSP's presence in these facilities. Some of the issues which will need to be resolved as PSP formulates a plan to vacate the casino enforcement offices and considers other options for providing required services include:

1. PSP currently conducts fingerprinting for approximately 11,000-12,000 applicants of various Gaming licenses per year. Will the State Police be expected to continue providing this service? If so, will the applicants be required to travel to a regional office or some other location? It is my opinion that the State Police is not in a position to absorb this function at their station locations. Additionally, the volume of applicants to be fingerprinted for background checks will likely increase significantly with licensed liquor establishments, truck stops and various other suppliers and operators. Regardless of where the applicants are fingerprinted, there is a need for a dedicated staff to process those fingerprints and

the responses they generate so the information can be provided to the appropriate licensing authority.

2. Title 4 violations are unique and are not something most law enforcement officers, including PSP, are trained in. Currently, only the State Police are empowered to enforce Title 4. House Bill 1010 appears to anticipate some level of PSP involvement as it exempts personnel assigned to BGE from the overall Department complement. Many of the casinos are located within municipalities which have local police departments. Will legislation be enacted to allow all law enforcement in the Commonwealth to enforce violations of Title 4, or will the State Police be expected to respond into those municipalities to handle these incidents? Either way, response delays can be anticipated due to responding officers not being on site. It should be noted that casino security personnel have limited authority to detain individuals for suspected criminal activity.
3. There are significant criminal investigations currently underway, and criminal activity will most certainly be detected in the future. Many of those investigations involve more than one casino and law enforcement jurisdiction, and are only detected because of the specific knowledge of gaming practices, as well as the on-site observation of these activities. Detection of these crimes will almost certainly suffer with no on-site investigators. Is it anticipated that there will be funding for a regional off-site State Police office to handle these investigations, or will they be carried out using the investigative resources from the nearby PSP station or by the respective local police department with jurisdiction for that casino?

4. Given the need to inspect and/or audit the facilities and records at each of the liquor and truck stop establishments which become licensed for gaming terminals, there are additional responsibilities which will fall to the State Police. These responsibilities will certainly require additional personnel either from a dedicated group of State Police enlisted, funded and maintained outside of the department complement, or from existing personnel counted within the department complement. The number of personnel would ultimately be determined by the requirements placed on the Department.
5. The return of approximately 140 enlisted members to the State Police complement will require an additional allocation to the department budget of nearly \$30 million, or would have to be offset by cancelling cadet classes and other budgeted expenditures, as the salaries and related costs of those members are not currently contained within the PSP budget.

In summary, the Pennsylvania State Police would ultimately work with the legislature to implement the expanded gaming activity of HB 1010 is passed, we would need the resources to ensure we can do so effectively. We have serious concerns that while this proposed legislation would appear to add troopers to our currently stressed complement, it potentially will have other unanticipated consequences. Absent additional funding, the gain to the PSP complement would be very short-lived. Additionally, there are currently 39 members of the BGE complement eligible to retire. Many would exercise that option and negate the immediate gain to the field. Also, without the funding for the returning BGE members, no new cadets would be trained, and our current efforts to keep a steady flow through our training academy would come to a halt. Regardless, time and resources spent addressing future gaming issues would mean that funding

for this activity would be shifted to taxpayers, as opposed to being reimbursed by the casinos/gaming industry using those services. This would likely negatively impact the services we provide to the citizens of the commonwealth by diverting resources and personnel from within the PSP complement to functions currently performed outside of the complement.

Lastly, I wanted to take a moment and correct the record on the number of video gaming terminals in Pennsylvania. PSP at our last hearing on video gaming terminals indicated that there were upwards of 15,000 illegal gaming machines. There have been references that PSP has cited a different number and I thought it was important to take a moment to correct the record.

Thank you again for the opportunity to discuss these issues, and I would be happy to answer any questions you may have at this time.