

Covert Cameras
The Basics of Internal Investigations

Global Gaming Expo
 Las Vegas Convention Center
 November 17, 2008

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Are internal investigations really necessary??

Let's take a look at some recent news articles.....



4KOBTV.com

Two casino employees implicated in \$1 million scam

Last Update: 10/24/2006 12:40:43 PM
 By: Reed Upton

Two employees of the Sandia Casino have been named in search warrants filed in district court in a scheme to steal winnings from the casino, and an investigation indicates they could have taken up to \$1 million.


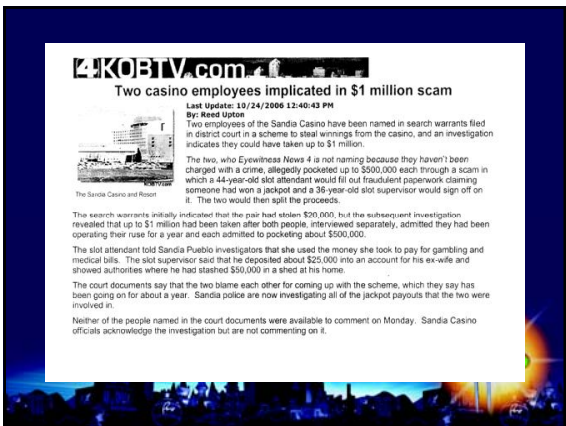
The two, who Eyewitness News 4 is not naming because they haven't been charged with a crime, allegedly pocketed up to \$200,000 each through a scam in which a 44-year-old slot attendant would fill out fraudulent paperwork claiming someone had won a jackpot and a 36-year-old slot supervisor would sign off on it. The two would then split the proceeds.

The search warrants initially indicated that the pair had stolen \$20,000, but the subsequent investigation revealed that up to \$1 million had been taken after both people, interviewed separately, admitted they had been operating their ruse for a year and each admitted to pocketing about \$500,000.

The slot attendant told Sandia Pueblo investigators that she used the money she took to pay for gambling and medical bills. The slot supervisor said that he deposited about \$25,000 into an account for his ex-wife and showed authorities where he had stashed \$50,000 in a shed at his home.

The court documents say that the two blame each other for coming up with the scheme, which they say has been going on for about a year. Sandia police are now investigating all of the jackpot payouts that the two were involved in.

Neither of the people named in the court documents were available to comment on Monday. Sandia Casino officials acknowledge the investigation but are not commenting on it.

Gulfstream employees are alleged to have exploited the promotion either by playing with large amounts of money on the cards or by their unauthorized selling. Cards used to test the machines also may have been involved in the scam, sources say.

Sources also indicate that a Gulfstream executive has been removed from his post while this investigation continues. Gulfstream spokesman Mike Mullaney was almost laughably coy about this. When I asked whether the executive in question had been fired, Mullaney said, "I haven't seen him around in a while."

Mullaney downplayed the investigation. But Gulfstream's filings to the state reveal that hundreds of thousands of dollars may have been involved in the alleged scam.

Gulfstream reported that it gave out a whopping \$1,051,000 in nonredeemable credits during July and August. In that same period, Mardi Gras Gaming, a larger casino that does about twice the slots business of Gulfstream, reported using only \$108,000 of the credits.

November 17, 2008 12:11pm

Ex-casino executive on \$5m scam charge

Melanie Pilling
October 22nd, 2008

A FORMER Jupiters Casino executive has been charged over his alleged involvement in a major food supply scam that allegedly fleeced the casino of more than \$5 million.


Police allege William Noel Partridge, 49, a former Conrad Jupiters purchasing officer, and four other men who worked as either casino employees or independent food suppliers, defrauded the casino of \$5,063,185 between June, 1993, and August, 2001.

It is alleged the scam involved the use of false food purchase orders and supplier invoices for 'phantom product' that was not delivered to the casino.

Court documents allege a casino storeman raised concerns with Jupiters Casino management in November, 2000, when a pallet of meat invoiced to the casino was not delivered. Computer records also allegedly showed a 'series of similar instances' had occurred and some employees had suspected fraud.

The answer is "Yes!!"


Internal Investigations are necessary now more than ever due to problems like the economy, mortgage crisis, gas prices, etc.



Costs of Internal Theft & Fraud

- Recent statistics released by the Association Of Certified Fraud Examiners (ACFE) project that roughly \$994 billion dollars will be lost to occupational fraud and abuse in 2008.


*2008 ACFE Report to the Nation



Costs of Internal Theft & Fraud (con't)

- The association of Certified Fraud Examiners state that the average organization about 7% of its total annual revenue to fraud and abuse committed by its own employees.

*2008 ACFE Report to the Nation



Overt versus Covert Investigations

- Overt (open) investigations are obvious investigations conducted in view of the general public. An example would be a company investigator interviewing potential theft suspects about an incident
- Covert (secrecy) investigations are secret or discrete investigations conducted without the general public's knowledge. An example would be a company investigator posing as a vendor to gather inside information about a potential incident



Covert Investigations

- Covert Investigations are absolutely necessary in detecting certain types of internal theft and fraud
- Utilization of the right covert Surveillance equipment is critical
- Each investigation will be different so a variety of equipment is recommended



Covert Technology

- Cameras
- Digital Video Recorders
- Maxview interfaces



Covert Cameras









Digital Video Recorders (DVRs)





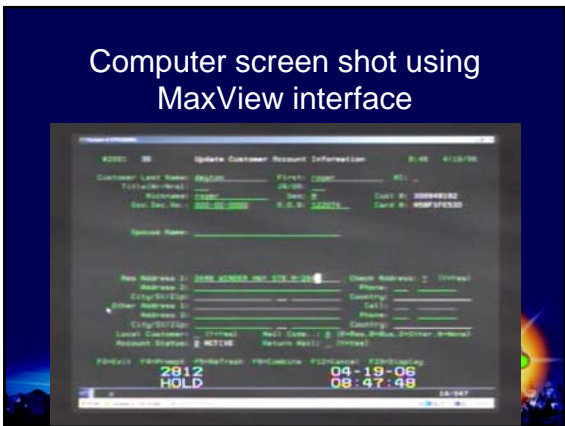








Computer screen shot using MaxView interface



Covert technology

- Like computers, covert cameras and DVR technology is evolving rapidly
- There are companies that will add a covert camera to essentially any type of regularly used equipment or appliance



Covert Camera Installation and Placement

- Proper installation and placement is critical to prevent compromising an investigation
- If at all possible, be sure no one is working at the time of installation
- Always inspect the camera install and placement when completed to insure it's undetectable (in both locations)



Covert Camera Installation and Placement (Con't)

- Verify recording quality. If recording quality is poor, transmission may be weak and may need adjustment
- Insure proper storage is available to allow optimal recording time and verify



Liability Awareness

- Never place covert cameras in occupied hotel rooms, bathrooms, or private offices
- Familiarize yourself with federal and state privacy laws



Additional Recommendations

- Utilize MaxViews on all computers used in sensitive areas (players club, table games)
- Add covert cameras to areas that don't have any camera coverage
- Conduct routine Audits of all areas using covert cameras
- In some cases, outside investigation services may need to be utilized (purchasing)



Covert Investigation Summary

- Proper utilization of covert technology will increase overall detections of internal theft and fraud at your establishment!!



This concludes the presentation on Covert Investigations

Questions???