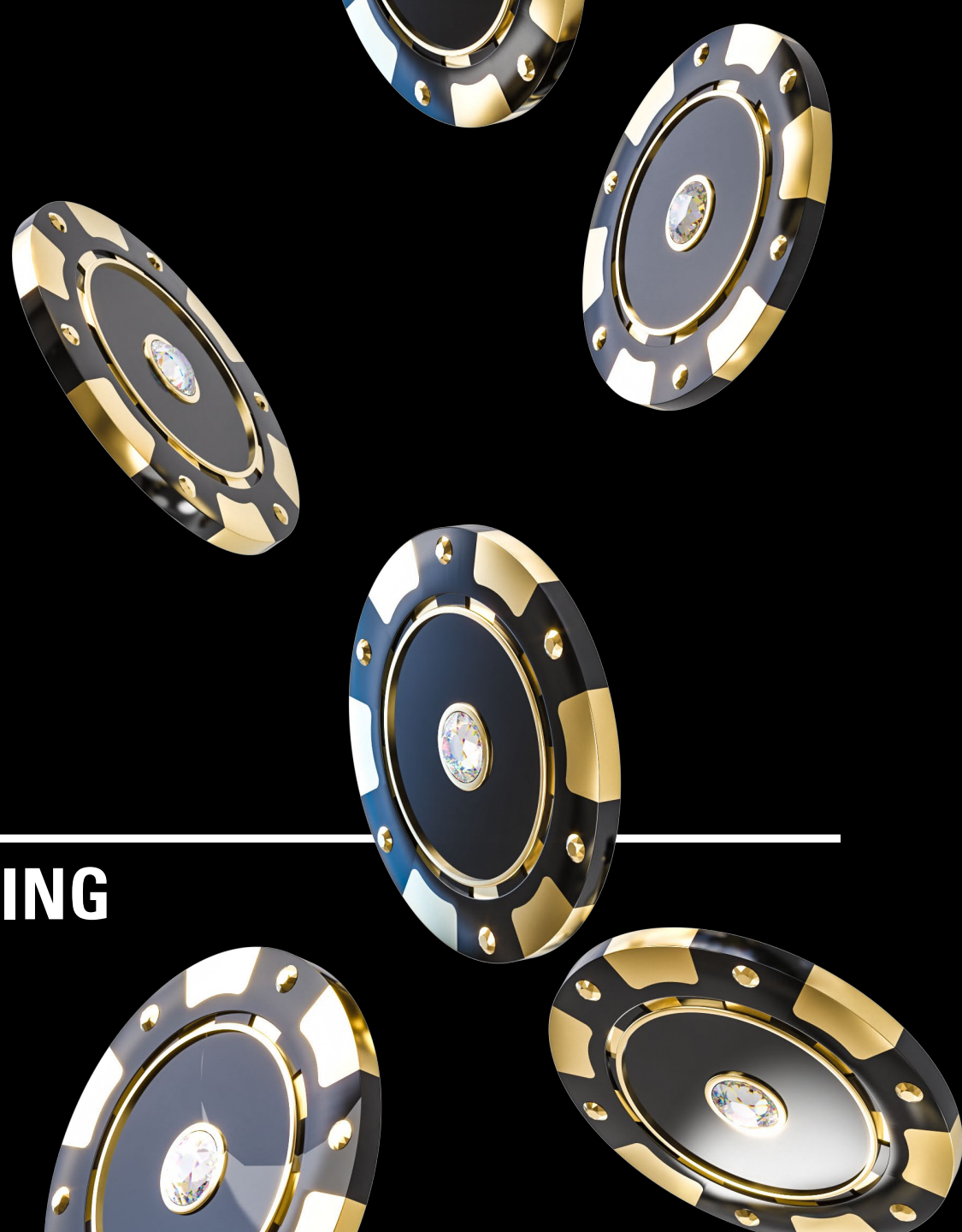




FGCC

flgaming.gov

**L. CARL HEROLD, DIRECTOR OF GAMING
ENFORCEMENT**



THE FLORIDA GAMING CONTROL COMMISSION

FGCC

Division of Pari-
Mutuel Wagering

Goals - Regulation of lawful gaming, pari-mutuel wagering, cardrooms, slot machine facilities, oversight of gaming compacts, and other forms of gambling.

Division of Law
Enforcement

Goals - Enforcement of gambling statutes, seizure of gambling contraband, reduction of illegal gaming.

FGCC MISSION STATEMENT

THE FLORIDA GAMING CONTROL COMMISSION'S
DIVISION OF GAMING ENFORCEMENT IS
COMMITTED TO:

- Educating the public about legal gaming activities in the state;
 - Shining a light on the many forms of illegal gaming and its negative impact on the citizens of the state; and
 - Protecting the public from the harmful effects of illegal gaming by zealously enforcing Florida's gaming laws through both its own efforts and through collaborations with state and local law enforcement and governmental agencies.
-

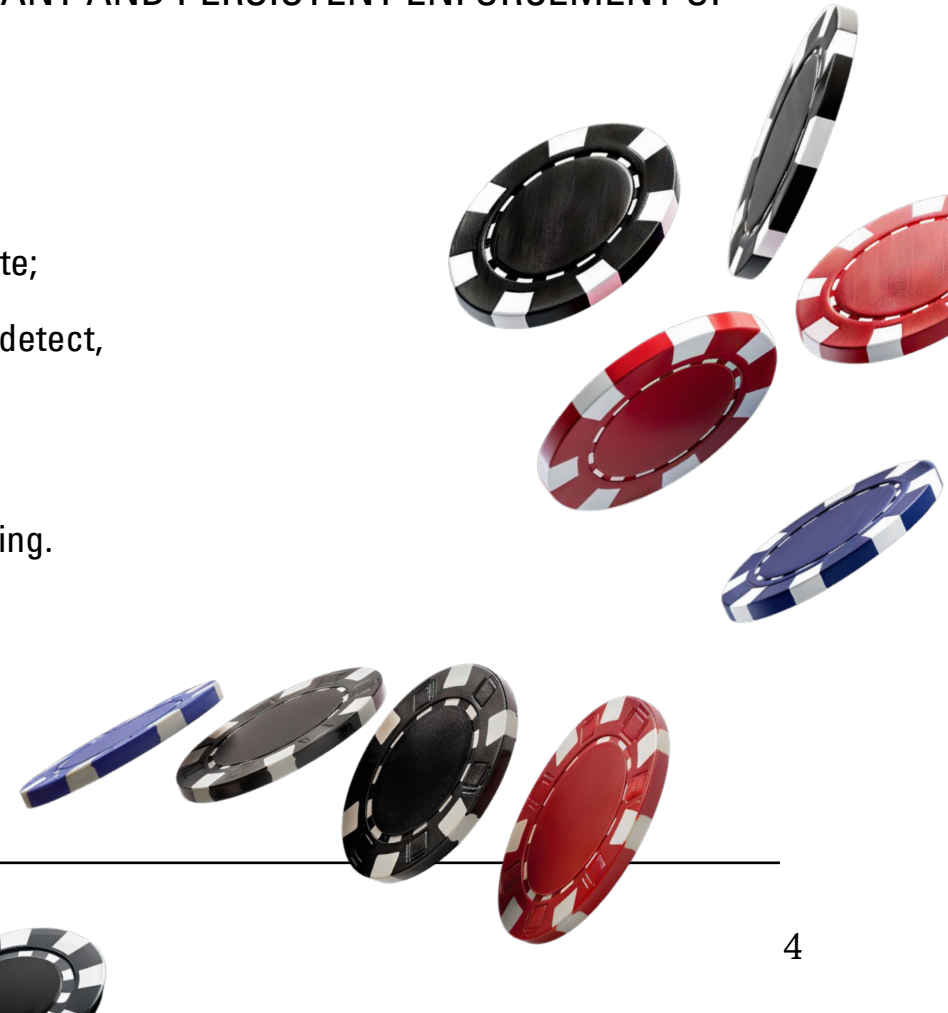


FGCC GOALS

THE DIVISION OF GAMING ENFORCEMENT UNDERSTANDS THE BENEFITS AND IMPORTANCE OF LEGAL GAMING ACTIVITIES FOR THE STATE. THE DIVISION WILL COMBAT ILLEGAL GAMING ACTIVITIES THROUGH VIGILANT AND PERSISTENT ENFORCEMENT OF FLORIDA'S GAMING LAWS.

The division and its sworn law enforcement officers will:

- Specialize in the detection, interception, and eradication of illegal gaming activities in this state;
- Cooperate with and support other state and local law enforcement partners in their efforts to detect, investigate, and reduce illegal gaming across the state;
- Seize all contraband related to illegal gaming activities; and
- Assist and inform fellow Floridians in their desire to distinguish between legal and illegal gaming.



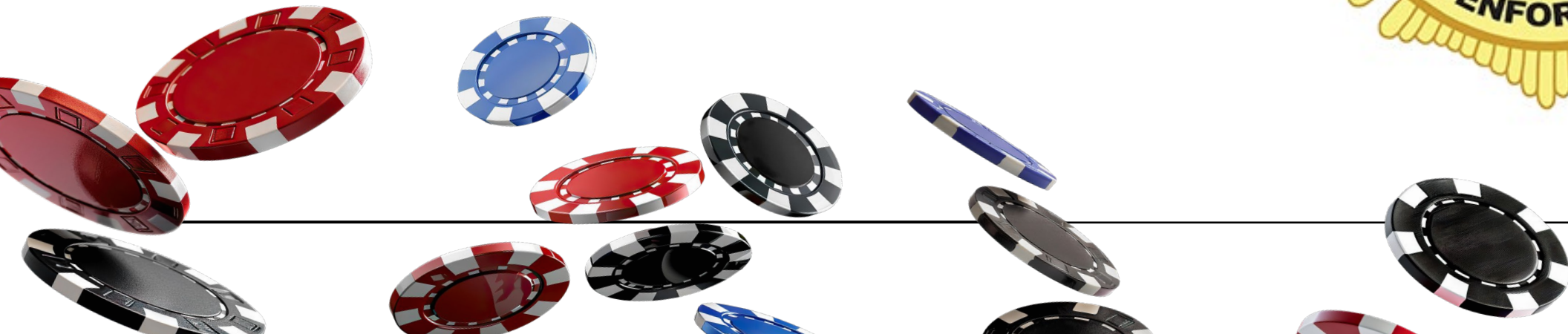


GAMBLING IN FLORIDA

What is legal? What is not?

FLORIDA GAMBLING

- Gambling is illegal in Florida outside of the licensed and regulated locations and tribal property.
- Relevant Statutes are:
 - Gambling – F.S. Chapter 849
 - Slot machines – F.S. Chapter 551
 - Pari-mutuel wagering – F.S. Chapter 550
 - Indian reservations and affairs – F.S. Chapter 285



GAMBLING

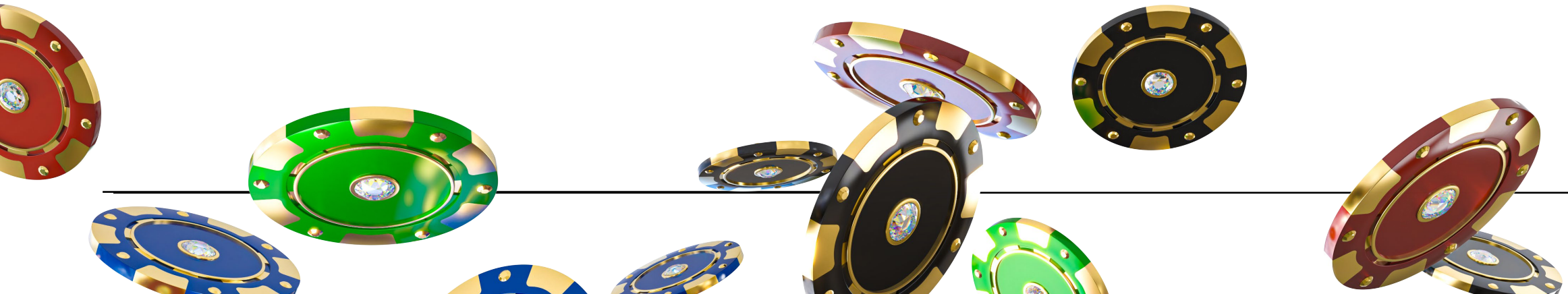
Florida jury instructions describe the elements of gambling as:

- A person played or engaged in a game of chance,
- The person risked money or property on the outcome of the game,
- The person expected to gain or lose money or property as a result of the game.

Therefore, Slot machines are illegal anywhere outside licensed and regulated properties.

THEN WHAT TYPE OF GAMBLING IS LEGAL?

- Pari-mutuel wagering on live and intertrack horse and jai-alai activities at licensed racetracks and jai-alai frontons.
- Casino gambling, including slots and table games, on certain Indian tribal lands.
- The Florida lottery games.
- Poker and dominoes are played for money, but only in licensed cardrooms
- Slot machine gaming at one of the eight licensed pari-mutuel facilities located in Miami-Dade or Broward counties.
- Bingo, sweepstakes, and drawings for chance, if they comply with state law.



CAN I PLAY PRIVATE OR RECREATIONAL POKER OR DOMINO GAMES?

- Penny-ante games include poker, pinochle, bridge, rummy, canasta, hearts, dominoes, and mah-jongg, and may be played outside a cardroom, only if the winnings of any player in a single game do not exceed \$10 in value.
- However, the following restrictions apply, (i) players are at least 18 years of age; (ii) no one makes a profit from the running of the game, and (iii) the winnings of any player in a single hand, round, or game do not exceed \$10, (iv) an entry or admission fee is not charged, and (v) the game must be conducted in a dwelling.



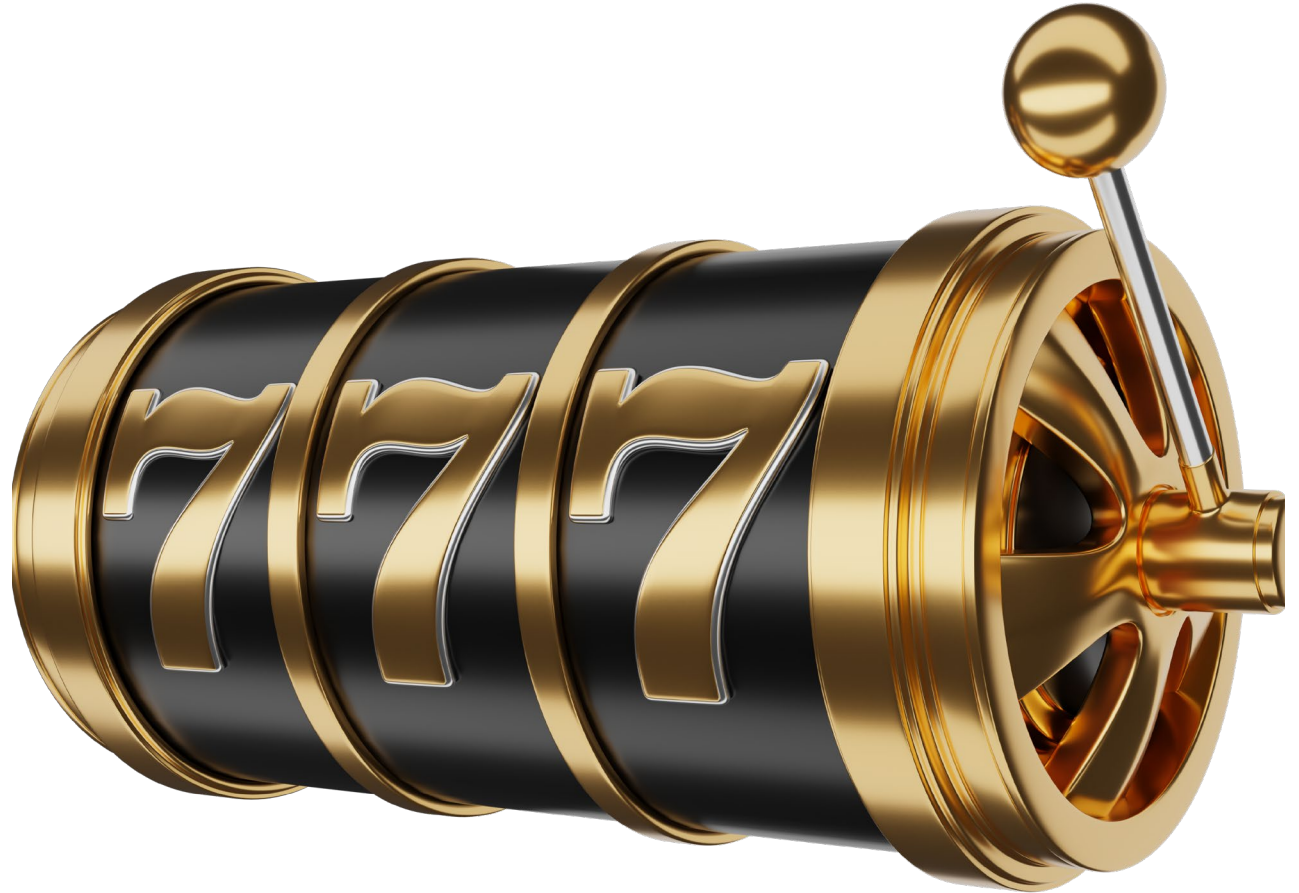
SLOT MACHINES

What is a Slot Machine?



IN FLORIDA, FOR A DEVICE OR MACHINE TO BE A SLOT MACHINE, IT MUST:

- Be activated by the insertion of something of value, which causes the machine or device to directly or indirectly operate or be operated, and
- The user, through skill or by element of chance, or any outcome unpredictable by the user,
- May receive something of value or something that can be exchanged for something of value
- (See Florida statute 849.16 for full definition)





ARE SLOT MACHINES LEGAL IN FLORIDA?

SLOT MACHINES ARE ONLY LEGAL IN:

- The eight (8) licensed slot machine rooms in Broward (4) and Miami-Dade (4) counties, and
- On tribal property within the state of Florida.

Under Florida statute 849.231, all other slot machines (or slot machine components) are illegal to own or possess (with certain exceptions).

HOW DO I KNOW IF A DEVICE OR MACHINE IS AN ILLEGAL SLOT MACHINE?

- Does the device/machine take something of value to operate, and
- Does it offer the chance to win something of value?
- Does it operate by a method unknown to the player, and
- Is the device/machine located on property not licensed to operate a slot machine?



WHY CARE ABOUT ILLEGAL SLOT MACHINES?

- Illegal slot machines are unregulated.
- No internal-control procedures, such as accounting controls for anti-money laundering identification.
- Do not adhere to responsible-gaming practices, including the prevention of both underage gambling and restricting gambling by adults on a state's exclusion list.
- Untaxed revenue (denying communities and governments owed income).
- In short, illegal slot machines pose risks to public safety, undermine legitimate businesses.



WHY CARE ABOUT ILLEGAL SLOT MACHINES?

(CONTINUED)

- Owned/operated by persons who have not been screened (potential bad actors),
- Illegal slot machines diminish the value of legitimate licensed facilities and divert taxable income,
- Attract criminal conduct such as shootings, robbery, theft, prostitution, etc.

Security guard wounded when gunman opens fire inside Lake County internet café, deputies say

Victim airlifted to hospital after Dona Vista shooting



A security guard was shot and wounded Wednesday evening during an attempted robbery at an internet café in the Dona Vista area of Lake County, according to sheriff's officials.

LAKE COUNTY, Fla. – A security guard was shot and wounded Wednesday evening during an attempted robbery at an internet café in the Dona Vista area of Lake County, according to sheriff's officials.

The shooting happened around 6:30 p.m. at an internet gaming establishment at 37415 State Road 19,



WHAT SHOULD I DO WHEN I ENCOUNTER A SLOT MACHINE?

- Slot machines are contraband. (F.S. 849.19 says, there is no right of property to the machine or anything of value within.)
- Upon an arrest for an illegal slot machine, law enforcement shall seize the device/machine and all contents as evidence (F.S. 849.17)
- Every vehicle or vessel used in the furtherance of the slot machine business shall be subject to seizure (F.S. 849.36(1))
- It is the duty of every le officer who finds a vessel, vehicle, or paraphernalia being used in gambling to seize and take possession of it. (F.S. 849.36(5))

HOW CAN INVESTIGATORS HELP BUILD A CASE INVOLVING ILLEGAL SLOT MACHINES?

- Owners of arcades/adult gaming businesses usually own multiple connected businesses.
 - How are payments accepted from players, and how are winnings paid out?
 - Conduct a thorough review of financial records.
 - Look for signs of money laundering, structuring, and other efforts to hide financials.
 - Business and property owners attempt to hide their involvement through multiple levels/layers of businesses.
-





WHO IS SUBJECT TO ARREST?

- Players engaged in gambling or slots (F.S. 849.08)
 - Employees of the business (F.S. 849.02)
 - Managers and owners of the business (F.S. 849.01)
 - Person or agent who rented the space to the business (F.S. 849.03)
 - Any person who manufactures, sells, transports, offers for sale, purchases, owns, or has in their possession any equipment used for gambling or gambling paraphernalia (F.S. 849.231(1))
-

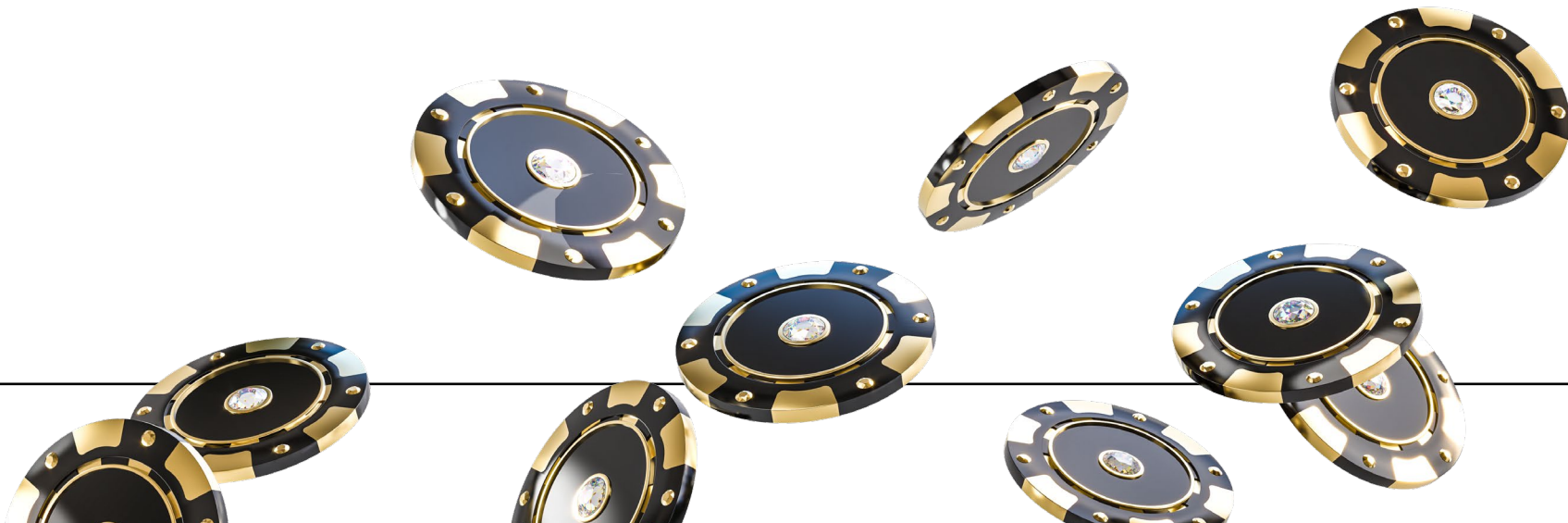
WHAT VIOLATIONS ARE FELONIES?

- Any proprietor, owner, or keeper of gambling devices who allows a minor or mentally incompetent person to gamble (F.S. 849.04)
- Any person who operates a cardroom without a valid license issued (F.S. 849.086(15)(a)1)
- Any person who operates, conducts, or advertises a lottery (F.S. 849.09(2)) or prints lottery tickets or advertisements (F.S. 849.10(4))
- Any person who bets on a game of skill (F.S. 849.14)
- Any person who has been twice convicted of F.S. 849.15-849.22, and is arrested again for the charge (F.S. 849.23)



WHAT SHOULD BE THE GOAL OF INVESTIGATION?

- Most of the violations of illegal gambling are misdemeanors, which carry only minor penalties.
- However, illegal gambling supports a whole ecosystem of illegal drug sales, money laundering, tax evasion, prostitution, and organized crime
- Investigators and analysts should look at the gambling statutes as the predicate for investigating felony charges.



SOME COMMON CLAIMS OF EXCEPTIONS REGARDING SLOT MACHINES

- **Part or all of the revenue goes to charity.** (No Florida statute provides an exception for slot machines based on where proceeds are directed.)
- **The organization is a charity or 501(c)3.** (No Florida statute provides an exception for slot machines based on charity or tax status.)
- **This is not a game of chance; it has a “skill” element.** (Florida statutes specifically state that games with a skill element fall within the definition of a slot machine.)
- **This isn’t a slot machine; it is a sweepstakes.** (There is a very limited avenue for lawful game promotions, including sweepstakes. Such promotions must follow strict statutory requirements, including registering with the Department of Agriculture and Consumer Services, when applicable. F.S. 849.094)
- **I have a license from the county/city to operate these games.** (The Florida Constitution states no county, or city may make something legal that the state has deemed illegal.)



HOW CAN THE GAMING COMMISSION AND LOCAL LAW ENFORCEMENT WORK TOGETHER?

- FGCC can provide information and references regarding violations of Florida statutes.
- FGCC can implement administrative actions against business owners and property owners.
- FGCC can coordinate the prosecution of multijurisdictional criminal activity and criminal organizations.
- FGCC can provide subject matter experts in gambling, gaming, and illegal devices/machines.
- Local law enforcement can provide relevant intelligence on illegal gambling operations.

FINAL NOTE ON PRESENTATION

This presentation is designed to highlight Florida law and includes feedback from various stakeholders, including law enforcement partners. Law enforcement officers and agencies should always seek their own counsel before interpreting or enforcing Florida's gaming laws.

