



# SLOTS GAME PROTECTION

International Association of Certified Surveillance Professionals

# SLOTS PROTECTION

While most slot cheating has disappeared due to advanced technology slot machines and their operation remain vulnerable to internal and external attack.

# SLOTS PROTECTION

No matter what technology is developed, there will always be someone who will try, and probably succeed, in figuring out a way to get around it.





“NOW THAT WE HAVE TITO  
MACHINES, THE THREATS ARE GONE”

We all know this is an untrue statement ..... but where are the vulnerabilities?



# CASE HISTORY: CHEATING DEVICE

- What are the tells/behavior to incident?
- What would be indicators in the slot numbers?
- How would you detect this during a patrol?

# \$17 MILLION TAKEN FROM LAS VEGAS

- How would you catch this?
- Are there any tells?
- What would you see on patrol?

# HIGH-TECH SCAM

Injecting Chips with false information

Tells:

- New/unknown player
- Blockers/Distractors blocking camera angles
- Substantial jackpot over \$30,000 - usually a progressive
- Must open machine

# DENNIS NIKRASCH

VINCE BEISER/ PUBLISHED: MAY 03, 1999

**Dennis Nikrasch** (September 12, 1941 – 2010) was a Vegas slot cheater and a former locksmith who was responsible for spearheading the biggest casino theft in Las Vegas history, by grabbing \$16,000,000 from rigging slot machines over a 22-year period. His career began in Chicago, Illinois as a locksmith. He then found out that he could break into any lock he wished, due to his extensive knowledge of the tools, and became associated with members from a key Chicago crime family until his arrest in 1961. When he was released in 1970, he realized that he could make even bigger profits by manipulating slot machines in Las Vegas. From 1976 until 1983, he obtained \$10 million from this method. He was then found in 1986 and sentenced to five years in prison. He was released in 1991, but didn't return to Vegas headlines until 1996, when he returned, this time with a new approach in response to the higher levels of security. He actually managed to keep his cheating secret until November 1998, when one of his accomplices revealed information about his cheating machines. He was arrested and sentenced to 7.5 years in prison, being released in 2004. He died in 2010 from unknown causes.

[https://en.wikipedia.org/wiki/Dennis\\_Nikrasch](https://en.wikipedia.org/wiki/Dennis_Nikrasch)

# DISTRACT & GRAB (TITO BANDITO)

- Wherever there is money, there are people trying to steal it. Distract and Grab scams include:
  - Purse (and other belongings) theft
  - Cashing and stealing the credits on a machine
  - Major theft from casino patrons

# DISTRACT & GRAB

- Tells:
  - Lone individuals moving around casino floor, not playing, and checking out the players
  - Small groups entering together, then splitting up and re-forming as a group.
  - Individuals walking about with coins in hand, looking at players
  - JDLR

# DISTRACT & GRAB

- Tells:
  - Sloppy appearance
  - Don't fit customer profile
  - Watching players, not looking at machines
  - Avoiding security and other employees
  - Approach slot players and engage in conversation or toss coins on the floor
  - JDLR

# INTERNAL THEFT

Slots Department





# INTERNAL THEFT

- With the newer, high-tech safeguards, it nearly requires the collusion and conspiracy of an inside person, an employee of the casino, in order to successfully perpetrate a scam.

# COMMON EMPLOYEE SCAMS

- Manual Vouchers
- Point Adjustments
- Unredeemed TITO's
- Free Play Theft
- Coupon/Voucher Theft/Fraud

# FALSE JACKPOTS

- By creating and paying a jackpot that does not in fact exist, the Slots employee hopes to “lose” the money and paper trail amongst legitimate payoffs.

# FLORIDA FEDS INDICT MICCOSUKEE CASINO SCAMMERS WHO STOLE \$5.3M

PETER AMSEL / PUBLISHED: AUGUST 08, 2019

A Florida tribal casino was scammed out of \$5.3m by a group of former staffers who tampered with video slots to generate bogus credit vouchers.

On Wednesday, the US Attorney's Office for the Southern District of Florida announced a 63-count indictment charging eight Miami-Dade County residents with computer fraud, embezzlement, money laundering and making false statements to law enforcement.

The feds say the scam, which began way back in January 2011 and concluded in May 2015, involved four employees of the Miccosukee Resort & Gaming facility on the western outskirts of Miami. The four, along with four non-employees, cooked up a scheme to defraud the casino by tampering with its electronic gaming machines (EGM).

The machines were rigged by connecting a wire to a device inside that was responsible for recognizing coins, while the other end of the wire was connected to a different part of the EGM that caused the machine to record bogus coin-in total.

Once the machines were sufficiently loaded, the four indicted individuals posing as gamblers would direct the machine to issue a credit voucher for the 'deposited' amount. These vouchers would then be redeemed either at one of the casino's ATMs or via the casino cashier.

After the credit voucher had been issued, the shady casino staffers – Michel Aleu, Lester Lavin, Yohander Jorin Melhen and Leonardo Betancourt – would force a 'hard reset' of the EGM that would erase any sign of the bogus deposit.

The feds, who got assistance from both the FBI and the local Miccosukee police, say the scammers used their ill-gotten games to buy houses, investment properties, vehicles and to fund their kids' college educations. The feds are seeking the forfeiture of all these assets (and perhaps forcing the kids to transfer to the University of Phoenix).

The Miccosukee scam was far more extensive than the one that plagued the Mohegan Sun Pocono a few years ago. That scam involved the casino's VP of player development using customers' rewards club ID and PIN numbers to print up bogus reward cards loaded with over \$400k in free slot play over a one-year period.

<https://calvinayre.com/2019/08/08/casino/feds-indict-miccosukee-casino-scammers/>

# CASINO FREE PLAY SCHEME BRINGS FEDERAL INDICTMENTS

JAMES HALPIN / PUBLISHED: APRIL 19, 2016

PLAINS TWP. — The former vice president of player development at Mohegan Sun Pocono and a gambler prosecutors alleged helped a scheme to defraud the casino were indicted by a federal grand jury Tuesday, according to the U.S. Attorney's Office.

The executive, Robert Joseph Pellegrini, 50, of 503 Robins Way, Fairview Twp., and gambler, Mark Joseph Heltzel, 51, of 21 Rice Court, Dallas, were hit with a 21-count indictment alleging they conspired to commit money laundering, access device fraud and aggravated identity theft.

Their alleged accomplice, cocktail waitress Rochelle Poszeluznyj, 38, of 239 Schuyler Ave., Kingston, was not indicted Tuesday but is still facing 175 mostly felony charges in state court.

The indictment filed Tuesday, which does not name Poszeluznyj, alleges Pellegrini and Heltzel directed the waitress to gather information from players with "Soar" or "Ascent" level player's cards, which are granted to bigger spenders and would allow for them to add significant amounts of free play to the cards.

The waitress stole player's card numbers and the associated PINs from players buying drinks and cigarettes and gave them to Heltzel, her boyfriend, who in turn gave them to Pellegrini, the indictment alleges. Eventually, the waitress began passing notes and texting Pellegrini directly with the numbers, the indictment alleges.

Pellegrini took the numbers and made duplicate club cards that he loaded with free play credits, prosecutors allege. He then gave the cards to Heltzel, who took them to the casino floor and gambled with the free credits, prosecutors say.

In the "overwhelming majority" of instances, Heltzel used the cards at the poker slot machines, which are known in the industry to pay out more often than other slots, the indictment says.

When Heltzel cashed out, he often did so in the names of the customers whose account information he was using, prosecutors said. His winnings included three jackpots of \$2,000, which require identification prior to the payout.

Between May 2014 and April 2015, the scheme used about 160 player's cards loaded with \$478,350 in free slot play that brought the conspirators \$422,147 in illegal winnings, prosecutors allege.

The indictment alleges that amount was split between Pellegrini and Heltzel.

Each is charged with one count of conspiracy to commit money laundering, 10 counts of aggravated identity theft and 10 counts of access device fraud. The defendants are scheduled to appear in court for an arraignment Wednesday morning.

The men, who are facing dozens of charges in state court related to the scheme, have been free on bail since state police first arrested them in January.

They were slated to appear earlier Tuesday alongside Poszeluznyj, but their hearings were continued until next week.

According to federal prosecutors, they face maximum penalties of 20 years in prison and a \$500,000 fine. The U.S. Attorney's Office is also seeking forfeiture of the proceeds from their scheme, prosecutors said.

Poszeluznyj waived her right to the hearing, allowing identity theft charges to move forward to trial. She remains free on unsecured bail pending trial, with a formal arraignment set for 9 a.m. July 7.

<https://www.citizensvoice.com/news/casino-free-play-scheme-brings-federal-indictments-1.2032325>

# FREE PLAY

- What would you see?
- What would we find looking at machine or player history?

# SLOT TECHS

- What would you expect to see on the casino floor?
- What indicator would you find in slots paperwork?

# FORMER MGM SLOT TECH INDICTED ON ALLEGED \$22G THEFT FROM CASINO

ALEXI COHAN/ PUBLISHED: JULY 30, 2019

A former slot machine technician at MGM Springfield was indicted in connection with stealing \$22,000 from the casino by withdrawing money from the cashier to perform tests on slot machines and then keeping the cash, Attorney General Maura Healey announced Tuesday.

Salvador Montalvo Jr., 54, of West Springfield allegedly withdrew cash from the casino cashier to perform tests on slot machines and failed to return the money to MGM.

Montalvo was indicted on charges of larceny of property over \$1,200 and making false entries in corporate books.

The charges came from joint investigation by Healey's Gaming Enforcement Division and the Massachusetts State Police Gaming Enforcement Unit at MGM Springfield.

The investigation began in January after MGM Springfield conducted an audit on its slot department.

Authorities say that between August 2018 and January 2019, Montalvo withdrew \$23,940 from the casino cashier to perform tests on various slot machines.

Montalvo allegedly returned only about \$2,000 to the casino and pocketed the remaining \$22,000, the majority of which he is believed to have deposited into his personal checking account.

Montalvo is also alleged to have forged his supervisors' signatures on the forms he needed to withdraw the funds from the casino cashier.

According to the Attorney General's office, all of the charges are allegations and Montalvo is innocent until proven guilty.

MGM Springfield fully cooperated with the investigation.

Montalvo will be arraigned on the charges in Hampden Superior Court at a later date.

<https://www.bostonherald.com/2019/07/30/former-mgm-slot-tech-indicted-on-alleged-22k-theft-from-casino/>



# ORLEANS

- What suspicious activity would you expect to see?
- What do the techs have to do make this scam work?
- What would the slot numbers tell us?
- Is there a daily report you can check?

# THIEVES INSIDE THE MACHINE

LIZ BENSTON/ PUBLISHED: DECEMBER 06, 2007

High-tech thieves have discovered a new way to rip off slot machines - stealing more than \$1 million from the Orleans before management shut down their computer-assisted heist.

Gaming regulators say the crime - one of the largest in years - shows a vulnerability in casino security that could lead to new surveillance standards.

The theft began in September 2006 and allegedly involved three slot workers who, over several months, manipulated software that prints slot machine payout tickets. They allegedly worked with two accomplices who posed as customers and cashed the tickets.

One defendant, slot technician Seferino Romero, pleaded guilty last month and will be sentenced in Clark County District Court on Jan. 24. Felony theft carries a maximum 10-year prison term. His attorney, Jeffrey Segal, said his client didn't mastermind the heist and has agreed to pay restitution of \$100,000.

"I think that his actions subsequent to the conduct indicate that this is a person of good character who got caught up in something and realizes it was a mistake," Segal said.

The Orleans incident shows that other casinos are similarly vulnerable to inside jobs by casino workers, security experts say. Employee theft - sometimes as simple as pocketing cash or chips - is a recurring problem in the cash-rich industry, which can corrupt the most trusted employees. Most crimes are not publicized by casinos and regulators are reluctant to discuss them for fear of tipping thieves to new techniques.

Boyd Gaming Corp., which owns the Orleans, declined to discuss the particulars of this case, which is still in progress.

"It could compromise the investigation" and assist other cheats, spokesman Rob Stillwell said.

Four other defendants are awaiting arraignment next year on felony theft charges.

The Gaming Control Board's enforcement chief says the Orleans incident was a new one to him, although it had a familiar ring to security experts.

In this case, Orleans workers printed winning tickets on test machines in a back room, using software allowing the machines to mimic machines on the slot floor that had been turned off, investigators told the Sun. The tickets were for relatively small amounts - a few hundred dollars each - to escape the notice of casino bosses.

Stealing from cashless machines is a new challenge for thieves.

Casinos have turned from coin slot machines to ticket machines because they are easily played and maintained and had been considered more secure than old-generation coin slots, which skilled thieves could quickly compromise using mechanical tools such as magnets and metal wands.

These newer thefts typically involve casino employees with access to sensitive areas of a casino's nerve center.

And therein lies the problem - and the solution - for casinos.

The slot technicians involved in the Orleans theft had appropriate access to the slot testing room but probably shouldn't have been allowed to tinker with the slot system that communicates with the machines on the floor without some interaction with other departments or higher-ups, said Jerry Markling, chief of the Gaming Control Board's enforcement division.

The good news for casinos is that "these are no longer easy scams" and can mostly be defeated with "strong internal controls," Markling said.

Michael Crump, a Fresno-based slot security consultant, said the Orleans case is typical of an emerging scam that is foiling casinos nationwide.

Many casinos rely on manufacturers to create security clearances for casino employees to access their slot tracking software, said Crump, a former executive with Boyd Gaming in Las Vegas. But those casinos may lose track of what clearances those employees have, allowing them to exploit the system later on, he said. Typically, employees who steal have stumbled upon access they shouldn't have, he said. What's especially troubling for casinos is that some employees can cover their tracks by erasing transactions or signals that could red-flag auditors, he said.

# THIEVES INSIDE THE MACHINE - CONTINUED

LIZ BENSTON/ PUBLISHED: DECEMBER 06, 2007

The theft came to light during last month's Gaming Control Board meeting, when regulators discussed and approved a request by the South Point to put slot machines in a relatively remote part of its casino. Regulators worried about surveillance and the casino offered to post either a security guard or a slot technician at the machines.

At the meeting, board member Randy Sayre said ticket machines may not be as secure as industry executives would like to believe.

"It's not just a matter of, we have got the room, we have the people to watch it, let's put (slots) out there," he said. "Technology is moving forward on us and the bad guys are getting smarter."

Regulators are loath to discuss details of how slot machines can be exploited, but indicated that, in a general sense, surveillance of the slots is important.

Regulators generally require surveillance cameras on remote machines, though regulations specify dedicated cameras only for big jackpot machines. Some casinos don't train cameras on machines that have been shut down.

Cameras may not stop an actual theft but they can be used to watch employees who might be breaking some procedure by, say, not being on the floor when they should, Crump said.

Still, security clearances, rather than surveillance, are the real culprit in this case, he said.

Sayre says his concern isn't with the distance of any particular slot machine from the main casino floor but the possibility that with the spread of slot machines into remote areas, a casino's security staff could be spread too thin.

He says a standard policy for surveillance of remote machines would help casinos and regulators combat crooks.

Sayre wonders whether manning the machines with a gaming employee would be preferable to a guard, who is trained to spot underage gamblers but perhaps not as familiar with the technical aspects of the games and how they can be compromised by cheats.

Casinos lose an estimated 6 percent of revenue to internal theft, which is chalked up as a cost of doing business, Crump said.

Many thieves prefer to ply their trade at smaller casinos outside of Nevada with cruder security mechanisms, he said. But Las Vegas eventually attracts the most accomplished and polished criminals, who try their hand here "to prove they can get away with it."

The Orleans scam was hardly the perfect crime, Markling said.

"It was only a matter of time" before the thieves were caught because the casino's high-tech slot monitoring systems can detect deviations from the expected payout of any particular slot machine, he said.

<https://lasvegassun.com/news/2007/dec/06/thieves-inside-the-machine/>

A faint, stylized map of North America, including Alaska, Canada, and Mexico, is visible in the background. The map is rendered in a light gray tone against a darker gray background.

# SLOT ADVANTAGE PLAY

# “PROFESSIONAL” PLAYERS

- Also known as “slots advantage players”
- Frequenting banks with “predictable” jackpots, progressives
- This is not an illegal activity
- Their only disadvantage occurs when they discourage other guests from playing the machines

# “PROFESSIONAL” PLAYERS

- Techniques:
  - Occupy a whole bank of machines when they think the jackpot is likely to hit
  - Discourage non-team members from play
  - Operate from a common bankroll, split winnings
  - Use of “cash-back” comps whenever possible
  - Often several players using the same player club account to build comp points

# “PROFESSIONAL” PLAYERS

Tells:

- All machines of type in constant play
- Players are adept at putting coins or bills into acceptor, using credit buttons, playing machine
- Players appear to be locals and are familiar with the casino environment, policies & procedures

# “PROFESSIONAL” PLAYERS

## Detection Techniques:

- Investigate why specific types of machines are attracting professional players
- Monitor players to determine methods of play
- Obtain Slot statistics to determine machine profitability



# SLOT CHEATING TELLS

<p><b><u>Counterfeit Bills Placed in Validator Units</u></b></p> <ul style="list-style-type: none"> <li>• Frequent input of cash, frequent cash out of credits</li> <li>• Minimal or brief play</li> <li>• Player or associate continuously cashes out</li> <li>• Unknown/new player</li> <li>• Rubber necking</li> <li>• Bills rejected often, suspect tries same bill repeatedly</li> <li>• Counterfeit and good money kept separate, bills into validator from one location and from cash out to another</li> </ul> <p><b><u>Counterfeit Bills</u></b></p> <ul style="list-style-type: none"> <li>• Maximum bills in, then cash out of credits</li> <li>• Minimal play</li> <li>• On and off play</li> <li>• Unknown/new players</li> <li>• Rubber necking</li> </ul> <p><b><u>Distract and Grab (Purse/TITO Theft)</u></b></p> <ul style="list-style-type: none"> <li>• Individuals who enter casino together, then split up and move about in different directions in slot area</li> <li>• Individual(s) roam slot areas without playing</li> <li>• Often carrying bills, wallet, purse, or TITO ticket to throw on floor</li> <li>• Individual approaches slot players and engages them in conversation or to toss an item on the floor</li> </ul> <p><b><u>Slot/Casino Employee Impersonator</u></b></p> <ul style="list-style-type: none"> <li>• Dresses as or similar to <u>other</u> casino employee</li> <li>• Roams slot areas without playing</li> <li>• Approaches players, obtains cash (pretending he/she will get their change for them) and immediately leaves the property</li> </ul>	<p><b><u>Injecting Slot Machine RAM with False Information</u></b></p> <ul style="list-style-type: none"> <li>• Unknown/new player</li> <li>• Blockers/distracters in use, blocking camera angles, usually must open machine to access RAM (random access memory)</li> <li>• Playing machine or linked machines for substantial jackpot (usually a progressive) for cash or high value prizes (cars, boats, etc)</li> </ul> <p><b><u>Manipulation of Machine or Malfunction</u></b></p> <ul style="list-style-type: none"> <li>• Rubber necking</li> <li>• Player attempting to disguise/camouflage, or cover up method of play or readouts of the machine</li> <li>• Payout does not match combination or display on machine or screen</li> <li>• Wins consistently and cashes out frequently</li> <li>• Machine in constant play by individuals using same method of play</li> <li>• Abnormal amount of fills</li> <li>• Unusual and consistent method of play</li> <li>• Expert input of coin or use of play/credit buttons</li> <li>• Items observed that could be used as tools such as: bobby pins, drink or cocktail straws, etc</li> </ul> <p><b><u>Professional/Advantage Players</u></b></p> <ul style="list-style-type: none"> <li>• All machines of type in constant play</li> <li>• Players are extremely adept playing machines</li> <li>• Players familiar with casino rules, procedures and operations</li> <li>• Players appear to be locals</li> </ul> <p><b><u>Theft from Slot Machine</u></b></p> <ul style="list-style-type: none"> <li>• <u>Floorperson</u> or slot technician enters machine for no apparent reason and/or a player not present</li> <li>• Hands to body without clearing hands after entering machine</li> <li>• Does not sign entry card and/or use card system</li> </ul>
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# SLOT CHEATING TELLS

## **Devices Used to Disrupt Coin Readers**

- Coin payout meter does not match coin paid out
- Payout does not match symbols on reels or on screen
- Player reaches into payout chute or other area of machine to place and retrieve device
- Hoppers found empty or near empty without players present
- Rubber necking
- Usually occurs on higher denomination machines
- Player may sit with legs up on each side of machine
- Unknown/new player

## **Drop Door Breaking/Entering - Theft of Bill Validator**

- Illegal drop door or drop door open signal/alarms at unusual time of day and/or without prior notification
- Suspicious individuals loitering about during drop or during quiet periods
- Unsecured and/or broken drop door or lock (internal/collusion)
- Drop crew leaves behind drop bucket or validator (internal/collusion)

## **False Jackpots**

- Required number of employees not present at jackpot
- Jackpot not locate at machine listed on slot system and/or paperwork
- Signatures of verifying employees not legible or identifiable
- Jackpot paperwork not signed at location of jackpot



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