

(H. B. 3092)
(Reconsidered)

(No. 11)

(Approved January 8, 2004)

AN ACT

To amend the third paragraph of Section 4; paragraphs (A) and (D) of Section 9; to add Sections 9a and 9b; and to add a new paragraph (A), amend and renumber paragraphs (A) and (B), respectively, as paragraphs (B) and (C) and to add a paragraph (D) to Section 14 of Act No. 221 of May 15, 1948, as amended, known as the “Games of Chance Act”, in order to typify fraudulent conduct inside casinos in Puerto Rico as a crime.

STATEMENT OF MOTIVES

Act No. 221 of May 15, 1948, as amended, known as the “Games of Chance Act”, has the purpose of ensuring clean unmanipulated games, to prevent the fraudulent alteration of legal gambling practices established in games of chance, authorized in hotel game rooms that comply with the requirements established by the Tourism Company for their operation. It also empowers the Commissioner of Financial Institutions to investigate the hotel owner or manager and to revoke the license if the casino concessionaire, or the hotel owner or manager do not comply with the requirements of this Act.

As representatives of the Executive Director of the Tourism Company, the inspectors of games of chance are responsible for ensuring compliance of the law and regulations on games of chance. However, practices have been

reported by casino supervisors, inspectors and employees indicating that casinos are being defrauded.

This Act typifies as a crime the conduct through which casinos are being constantly defrauded in Puerto Rico, such as the use of altered dice; false chips, mechanisms and devices used to remove coins from slot machines; and any type of mechanism designed to alter selection by chance in casino games and the result of games.

BE IT ENACTED BY THE LEGISLATURE OF PUERTO RICO:

Section 1.- The third paragraph of Section 4 of Act No. 221 of May 15, 1948, as amended, is amended to read as follows:

“Section 4.- Games of chance in licensed gambling rooms, authorized--License applications.-

...

The licensee of a gambling room is hereby empowered to forbid admittance to or remove from the casino premises and/or hotel of any person who in his/her judgment is a hindrance to the operation thereof, or who affects the well-being and peace of mind, or annoys the patrons or employees of the gambling rooms, provided, that the regulations which determine the admittance to the casinos shall not discriminate on the basis of race, color, religion or social condition.”

Section 2.- Paragraphs (A) and (D) of Section 9 of Act No. 221 of May 15, 1948, as amended, are amended to read as follows:

“Section 9.- Supervision of gambling rooms.- Penalties, cancellation of franchise and/or license.-

(A) The Commissioner of Financial Institutions may revoke or suspend any franchise or license granted under this Act to any

person who: (a) has obtained the franchise through fraud or deceit; (b) fails to meet the requirements of Section 3 of this Act, (c) fails to meet the requirements of the Puerto Rico Tourism Company pursuant to its powers under this Act; or due to a change of circumstances in accordance with the requirements established in Section 4 of this Act for the granting of franchises, except when previous authorization from the Commissioner is obtained; (d) fails to pay or evades payment of the license fee when due; (e) has tax debts on any account already assessed and to be collected by the internal revenue offices or violates any payment plan agreed upon with and by the Secretary of the Treasury while operating the hotel or establishment where the gambling room is located and while holding a license to operate said gambling room; (f) promotes the use of slot machines by allowing free gambling in said machines; (g) violates any of the provisions of this Act or the regulations prescribed to complement them; and (h) restricts, hides, denies or submits fraudulent or deceiving information to the Department of Games of Chance and/or the Office of the Commissioner of Financial Institutions, or both. The Office of the Commissioner of Financial Institutions may impose administrative fines on the concessionaire, and/or any of its employees in any of the cases previously referred to or in a sum of not less than two thousand (2,000) dollars and not more than twenty thousand (20,000) dollars for each violation. The amount of the fine shall be covered into the General Fund of the Commonwealth Treasury and if payment is not made within

thirty (30) days as of the notice of the fine to the concessionaire, the Commissioner of Financial Institutions may revoke or suspend any franchise, license or proceed with the collection of the fine, for which he/she may use the same procedures used for the collection of franchise fees.

(B)

(C)

(D) The regulations drafted by the Tourism Company to regulate all matters concerning the Games of Chance shall be approved pursuant to the procedure established in Section 14 of this Act. Any person violating any of the provisions of Section 2 of this Act or the regulations of the Tourism Company, except as otherwise provided therein, shall be sentenced upon conviction thereof, with a fine of not less than one hundred (100) dollars nor more than ten thousand (10,000) dollars, or of imprisonment for a term of not less than one (1) month nor more than six (6) months, or both penalties, at the discretion of the Court.”

Section 3.- Section 9a is hereby added to Act No. 221 of May 15, 1948, as amended, to read as follows:

“Section 9a.- Sanctions

(A) Any person who conducts or facilitates the following:

(1) the introduction in a gambling casino, or the use or attempt to use in the same, an electronic, electric or mechanic gambling device, designed or built, or programmed specifically to obtain an advantage not

- contemplated by the law and regulations in effect on games of chance, when playing any game in a casino;
- (2) through a hand trick or movement, or fraud, or a fraudulent scheme, with cards, chips, dice or devices, be it for himself or for another, wins or tries to win money or property, or reduce a losing bet, increase a winning bet or attempts to increase a winning bet in connection with gambling in a casino;
 - (3) through a hand trick or movement, or fraud, or a fraudulent scheme takes chips, money or tokens, credit in slot machines, or cards of the casino club belonging to a client or to the casino for him/herself;
 - (4) through a hand trick or movement, or fraud, or a fraudulent scheme takes for him/herself bills, or coins, or tokens, or any other document representing a value to bearer from a client of the casino or of the casino, removed from the bill acceptor of slot machines, or money boxes from the gambling tables, chip-holding trays of slot machines or gambling tables, hoppers from slot machines, or buckets from slot machines, or bill boxes of gambling tables, chips, coins or tokens, belonging to a client or to the casino;
 - (5) through a fraudulent scheme involving one or more persons tries to obtain, or obtains, an economic and/or personal benefit for him/herself or for another or for persons at gambling tables, slot machines or any other operating area of the casino;

- (6) when opening a slot machine for the purpose of filling a hopper or for any other purpose, such as fixing a malfunctioning machine, pours the coins outside the same or of any other area inside the machine, with the intention of personally benefiting or benefiting some other person or persons;
- (7) under threat or bribery, aggression, or intimidation, obtains or tries to obtain economic or personal benefit, from an employee of a casino or government who works in the casino;
- (8) any person who, under an agreement, threat or bribe, aggression, intimidation, obtains or tries to obtain economic or personal benefit by making an employee of the casino or of the Government of Puerto Rico violate the provisions of law or of the regulations germane to the games of chance laws;
- (9) intentionally uses false or altered, chips or bills, or any other document representing a value to the bearer, when gambling or in a slot machine; or intentionally substitutes and uses, or both, in any game of cards, roulette, dice or any other gambling equipment and related devices, including, without limitation, equipment that has previously been altered or manipulated;
- (10) uses or possesses within the hotel or casino premises, a device with the intent to defraud or deceive, or to alter chance as established by the law and regulations, or;

- (11) uses illegal currency, not from the United States, or uses a currency of a denomination different from the one used by the slot machine, except those approved by the casino, the Chance Games Division and the Commissioner of Financial Institutions; or
- (12) possesses or uses, within the premises of the hotel and its casino, any fraudulent device, including, but not limited to, tools, drills, coins or wire tied to a string, or wire, or electronic or magnetic devices to facilitate removal of money from a slot machine or from money boxes on tables, or their contents, except when an authorized casino employee, or an employee of the Games of Chance Division does so as part of his/her duties at the casino; or
- (13) negotiates, conducts, operates or displays, for gambling any game or device that has been in any way altered, marked, or put in such conditions or operated in such a way that the result deceives the public or tends to alter the normal chance of gambling; or
- (14) possesses marked cards, altered dice or altered machines or devices, knowing the conditions of the same;
- (15) possesses a device, equipment or material that he/she knows has been manufactured, distributed, sold or altered, or to cheat in casino gambling;
- (16) deliberately, or with another person, a casino employee includes false information on the Rating Cards with the

- purpose of defrauding the casino or of obtaining free offers or discounts for him/herself or for another person;
- (17) any person who intentionally alters, falsifies, hides or destroys official documents on the operation of the casino, with the intention of defrauding the casino or of hiding mismanagement;
 - (18) intentionally takes economic advantage or personal benefit for him/herself or for another, of the malfunctioning of an electronic device or slot machine;
 - 19) claims, picks up or takes or tries to claim, pick up or take money or any other thing of value, benefit or prize from or by means of a gambling table or slot machine with the intention of defrauding, without having placed the bet corresponding to said money or thing or value, benefit or prize;
 - (20) with the intention of defrauding, manipulates any component of gambling equipment so that it functions differently from the purpose of its normal operation and the component's design, knowing that such manipulation affects the result of the game;
 - (21) possesses in a gambling room with the intention of defrauding or obtaining a personal benefit, a device to calculate probabilities, project the game's result, keep tabs on cards played (to count cards), to analyze probabilities that an event related to the game will happen, or to analyze the play or betting strategy to be used in the game, except those devices authorized by the

Puerto Rico Tourism Company Games of Chance Division.

Any person who violates the provisions described in this Section, shall be guilty of a felony and upon conviction thereof, shall be sentenced with a fine of not less than five thousand and one (5,001) dollars, nor more than ten thousand (10,000) dollars, or imprisonment for a term of not less than six (6) months nor more than five (5) years, or both penalties, at the discretion of the Court.

- (B) Any person who obstructs the filing of a complaint for any of the crimes mentioned above, shall be guilty of a misdemeanor and upon conviction thereof, shall be sentenced with a fine of not less than one thousand (1,000) dollars nor more than five thousand (5,000) dollars, or imprisonment for a term of not less than one (1) month nor more than six (6) months, or both penalties, at the discretion of the Court.
- (C) Any person who incurs a conduct which constitutes the crimes described above, or is convicted of any other felony or misdemeanor involving moral depravity, shall have his/her license revoked and shall not be eligible for a game of chance license.

Section 4.- Section 9b is hereby added to Act No. 221 of May 15, 1948, as amended, to read as follows:

“Section 9b.- Violations.-

In cases in which a person violates any of the subsections of Section 9a of this Act, once the violation has occurred, the Games of Chance Inspector, or other officer authorized by the Tourism

Company, shall be immediately notified, so that he/she may notify the Puerto Rico Police for the pertinent action and, if necessary, the corresponding complaint shall be filed at the Puerto Rico Police. At the same time, the Inspector or any other authorized officer shall make a report of the incident to the Games of Chance Executive Director of the Tourism Company. Likewise, the Executive Director of the Tourism Company shall be notified by the Executive Director of the Games of Chance of the Tourism Company, who in turn, shall conduct an investigation and make a report of the incident which, after concluded, shall be remitted to the office of the Executive Director of the Puerto Rico Tourism Company for pertinent action.”

Section 5.- A new paragraph (A) is hereby added, paragraphs (A) and (B) are hereby amended and renumbered, as paragraphs (B) and (C) respectively, and a paragraph (D) is hereby added to Section 14 Act No. 221 of May 15, 1948, as amended, to read as follows:

“Section 14.- Regulations and interpretation.-

- (A) The Commissioner of Financial Institutions and the Executive Director of the Tourism Company shall, in accordance to their powers and faculties under this Act, and within their respective areas of jurisdiction, adopt, amend or revoke the regulations deemed necessary or convenient to implement the purposes of this Act.
- (B) The Tourism Company and the Commissioner of Financial Institutions shall use the procedure established in Act No. 170 of August 12, 1988, as amended, or any law of an analogous nature that succeeds it, and shall comply with their respective enabling acts.

- (C) The regulations thus approved shall be come effective once filed at the Department of State, pursuant to Act No. 170 of August 12, 1988, as amended, or any law of an analogous nature that succeeds it.
- (D) The interpretation and application of this Act shall be made in a way that the public interest prevails. Nothing that is provided in this Act shall be understood to limit the powers and faculties granted to the Commissioner of Financial Institutions pursuant to Act No. 4 of October 11, 1985, as amended, known as the “Office of the Commissioner of Financial Institutions Act”, and the powers of the Tourism Company pursuant to Act No. 10 of June 18, 1970, as amended, known as “Puerto Rico Tourism Company Act”.

Section 6.- Effectiveness

This Act shall take effect immediately after its approval.

CERTIFICATION

I hereby certify to the Secretary of State that the following Act No. 11 (H.B. 3092) (Reconsidered) of the 6th Session of the 14th Legislature of Puerto Rico:

AN ACT to amend the third paragraph of Section 4; paragraphs (A) and (D) of Section 9; to add Sections 9a and 9b; and to add a new paragraph (A), amend and renumber paragraphs (A) and (B), respectively, as paragraphs (B) and (C) and to add a paragraph (D) to Section 14 of Act No. 221 of May 15, 1948, as amended, known as the “Games of Chance Act”, in order to typify fraudulent conduct inside casinos in Puerto Rico as a crime,

has been translated from Spanish to English and that the English version is correct.

In San Juan, Puerto Rico, today 4th of April of 2005.

Luis E. Fusté-Lacourt
Director