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Governor

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GAMING CONTROL BOARD

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TO: ALL NONRESTRICTED LICENSEES WHO MAINTAIN PERSONAL AND/OR FINANCIAL INFORMATION OF PATRONS IN A COMPUTERIZED DATABASE AND INTERESTED PERSONS

RE: FEDERAL AND STATE LAWS PERTAINING TO SECURITY MEASURES REQUIRED BY DATA COLLECTORS AND DISCLOSURE REQUIREMENTS SHOULD SAID INFORMATION BECOME BREACHED

The Gaming Control Board ("Board") is aware that certain licensees maintain vast databases containing personal and/or financial information of their patrons.

With respect to these databases, the Board has recently investigated numerous incidents where such databases have been compromised and the potential for identity information theft existed. Additionally, as technology advances and more and more information is stored in these databases, they will almost certainly become an even more inviting target for cyber-criminals who the Board and allied law enforcement have found are becoming increasingly aware of the value of said information and the relative ease with which it can be stolen. All of these things create a need for stronger safeguards and periodic reviews of existing policies in order to comply with existing laws aimed at ensuring the protection of such information from unauthorized access.

Nevada is one of at least 46 States that has enacted such laws. In Nevada, the following Nevada Revised Statutes, **NRS 603A.210 Security Measures; and NRS 603A.220 Disclosure of breach of security system data; methods of disclosure;** describe in detail the security measures required by state law as well as required notifications in cases where information is accessed by unauthorized persons.

Regulation 5.011 specifies a list of actions or omissions that may be determined to be unsuitable methods of operations, including subsection 8 which states:

Failure to comply with or make provision for compliance with all federal, state and local laws and regulations pertaining to the operations of a licensed establishment...


The Nevada Gaming Commission in the exercise of its sound discretion can make its own determination of whether or not the licensee has failed to comply with the aforementioned, but any such determination shall make use of the established precedents in interpreting the language of the applicable statutes. Nothing in this section shall be deemed to affect any right to judicial review.

The Board is obligated to make sure gaming is conducted consistent with the State's public policy and not in a way "...inimical to the public health, safety, good order and general welfare..." Additionally, the Board and Nevada Gaming Commission may consider certain acts or omissions, including a licensee's failure to comply with all federal, state and local laws, an unsuitable method of operation.

This Industry Letter is intended as a reminder for all affected licensees to conduct periodic reviews of security measures in place and ensure compliance with the security and breach disclosure provisions set forth in NRS Chapter 603A.

In conclusion, please review the above mentioned statutes and your current policies and procedures to ensure ongoing compliance with all applicable laws and regulations.

Sincerely,


Randall E. Sayre
Member

RES/MW

cc: Dennis K. Neilander, Chairman
Mark A. Lipparelli, Member
Records and Research Services