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NOTICE TO LICENSEES

Notice # 2023-52

Issuing Division: Enforcement

DATE: July 7, 2023

TO: All Gaming Licensees

FROM: Kirk D. Hendrick, Chairman

Kristi S. Torgerson, Enforcement Division Chief

SUBJECT: Casino Cage Scam

The Nevada Gaming Control Board (NGCB) is disseminating this notice to all licensees to warn of a fraudulent scam occurring in Nevada and across the country. The scam targets casino cage employees, and the largest known incident netted \$1.17 million. Criminal subjects use social engineering tactics to pose as casino executives. The subjects direct cage employees to withdraw cash from the casino cage and take the funds offsite for emergency payments on behalf of the casino. The imposters often pose as high-level executives and will contact a cage employee via a PBX call. The initial call is frequently followed up with a text message to the employee's cell phone, purportedly sent by a second manager to confirm the fraudulent instructions.

The cage scam is sophisticated and has been surprisingly effective in defrauding casinos. Subjects gain intelligence on high-level casino owners, employees, managers, and others connected to the casino's money operations. The fraudsters then contact cage employees using a variety of scenarios to manipulate personnel based on a fear of negative consequences for casino employees and/or operations. Whenever an employee hesitates or

resists prompt action, subjects state there is extreme urgency for the offsite payment. Additionally, inferences are made that an employee bonus will be paid for the inconvenience of the unorthodox assignment.

The NGCB highly encourages all casino licensees to review all casino and cage security protocols that authorize the removal of cage funds from the licensed premises.

This particular scam continues to evolve, and investigators have noted a shift in tactics to target gaming pits and other areas of the casino. Therefore, education on the trending fraud is recommended for all cage cashiers, supervisors, managers, surveillance, security, and gaming pit personnel.

Finally, licensees should be aware that advanced forms of technology, such as artificial intelligence, may increase the effectiveness of this type of fraudulent activity. Consequently, heightened security protocols must be developed now to safeguard all employee information and casino assets.

If you suspect any fraudulent attempts at a licensed property, please immediately contact the property's security department, local law enforcement authorities, and the NGCB Enforcement Division at (702) 383-7500.

If you have additional questions, please contact Enforcement Division Special Agent Michael Noworyta at analyst@gcb.nv.gov.