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**FISCAL IMPACT STATEMENT**

**LS 6974**  
**BILL NUMBER:** HB 1217

**NOTE PREPARED:** Jan 10, 2004  
**BILL AMENDED:**

**SUBJECT:** State Police and Riverboat Enforcement.

**FIRST AUTHOR:** Rep. Duncan  
**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** X GENERAL  
DEDICATED  
FEDERAL

**IMPACT:** State

**Summary of Legislation:** The bill establishes the Gaming Enforcement Division within the State Police Department.

**Effective Date:** July 1, 2004.

**Explanation of State Expenditures:** This bill establishes a statutory Gaming Enforcement Division within the State Police Department to enforce compliance with the Indiana Gaming Commission's (IGC) laws and regulations. Currently, the Department performs most of the duties proposed by the bill via its Gaming Enforcement Division created through the agency's own organizational structure (see *Background Information*).

The bill provides for IGC to pay operating and other expenses incurred by the Division. IGC would not experience an increase in administrative expenses, however, because it currently obtains investigative and enforcement services necessary for riverboat operations through an interagency agreement with the State Police. The money for this reimbursement is obtained by IGC from the riverboat owners and, for license-related investigations, from the licensees themselves. Under the bill, these costs would continue to be reimbursed by the riverboats.

*Training* - In addition to police personnel, the bill specifically requires IGC to employ auditors who are accounting professionals. It appears that currently certain functions performed by gaming enforcement personnel in the Background Investigative Unit possibly involve audit and financial work. However, any additional audit personnel IGC may have to employ under the bill would (as with other police personnel) be reimbursed by the riverboats.

The bill requires that all of the Division personnel receive specialized training related to: gaming operations; gaming devices and equipment; detecting cheating and fraud; and money laundering techniques. Police personnel who serve the Division would also be required to receive training in conducting background investigations and riverboat surveillance. The Indiana Gaming Commission and Law Enforcement Training Board are required by the bill to assist the Department in developing the specialized training. The bill also allows the Law Enforcement Academy to be used for the training, which is to be conducted upon the Board's terms and conditions. Additional costs may ensue for areas of specialized training not already offered to Division personnel, however, those costs would also be reimbursed by IGC.

*Personnel* - The bill also requires the Division's police personnel to be permanently assigned to, and primarily responsible for, carrying out the duties of the Division. The Department could save minimal administrative time and cost in the reappointment of its officers when needed, given this provision. Also, the Department could experience difficulty in filling nonvoluntary riverboat positions in the Riverboat Investigative Unit described below in the background section.

The specific effects of this portion of the bill are currently indeterminable and would depend upon various factors, such as the number of state troopers who do not wish to voluntarily serve on Indiana's riverboats and the Department's success at attracting state troopers to serve on Indiana's riverboats.

*Background Information* - The Gaming Enforcement Division currently falls under the purview of the Bureau of Criminal Investigation within the State Police. Approximately 108 personnel are assigned to the Gaming Enforcement Division. (The Gaming Enforcement Division primarily consists of noncivilian personnel who hold the rank of "Trooper".) The Gaming Enforcement Division is comprised of two units: (1) the Background Investigative Unit (BIU); and (2) the Riverboat Investigative Unit (RIU).

*Background Investigative Unit:* The BIU is responsible for conducting background investigations of the owners, key management personnel, and employees of the riverboat license holders and applicants, as well as riverboat supplier license holders and applicants. In addition, the BIU assists the RIU in long-term detailed gaming investigations. The BIU consists of approximately 10 to 15 personnel of whom most are enforcement officers.

*Riverboat Investigative Unit:* The RIU is responsible for serving as the enforcement arm of the Indiana Gaming Commission on Indiana's ten riverboats. RIU personnel investigate violations of state law and Indiana Gaming Commission rules. The State Police assigns nine enforcement personnel to each riverboat, totaling approximately 90 enforcement personnel in all. The RIU is comprised of a North and South Division.

The State Police currently utilizes a one-year rotation system to fill vacancies within the RIU. (The BIU is permanently staffed.) It fills approximately 85% through a competitive hiring process and approximately 15% through a lottery system. The State Police report that when personnel are transferred to RIU from the Bureau of Field Operations (highway patrol), new recruits are used to fill those vacancies.

*Bureau of Field Operations:* The Bureau of Field Operations is comprised of three divisions: (1) the North Field Operations; (2) the Central Field Operations; and (3) the South Field Operations. Enforcement personnel of these three divisions total approximately 1,000.

There are approximately 2,000 authorized enforcement and civilian positions for the State Police in total.

**Explanation of State Revenues:** The Indiana Gaming Commission currently provides reimbursement to the

State Police for services provided.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** State Police; Law Enforcement Training Board.

**Local Agencies Affected:**

**Information Sources:** Steve Hillman, State Police, (317) 232-8204; State Personnel Table (December 2003).

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