

AMENDED IN SENATE JUNE 11, 2002

AMENDED IN ASSEMBLY APRIL 25, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2965**

---

---

**Introduced by Assembly Member Wiggins**

February 25, 2002

---

---

An act to add Sections 337t, 337u, 337v, 337w, 337x, 337y, and 337z to the Penal Code, relating to gaming.

LEGISLATIVE COUNSEL'S DIGEST

AB 2965, as amended, Wiggins. Gaming: cheating.

Existing law makes unlawful the use of any game, device, sleight of hand, pretension to fortune tell, trick, or other means whatever, by use of cards or other implements or instruments, or while betting on sides or hands of any play or game, to fraudulently obtain from another person money or property of any description property of like value. Existing law defines the term “fraudulently obtain” for these purposes to include cheating by gaining an unfair advantage for any player in any game through a technique or device not sanctioned by the rules of the game.

This bill would make unlawful various acts of cheating in the playing of gambling games.

The bill would define the term “cheat” for these purposes.

The bill also would make it unlawful to use at a gambling establishment, or to possess with the intent to use, any device to assist in projecting the outcome of the gambling game, keeping track of the cards played, analyzing the probability of the occurrence of an event

relating to the game, or analyzing the strategy for playing or betting to be used in the game, except as permitted by the California Gambling Control Commission *or a tribal gaming agency*.

The bill also would make it unlawful for any person to use counterfeit chips, counterfeit debit instruments, or other counterfeit wagering instruments in a gambling game, associated equipment or a cashless wagering system. The bill would also make it unlawful for any person, to possess any paraphernalia for manufacturing slugs, as defined.

The bill would make it unlawful to manufacture, sell, or distribute cards, chips, dice, game, or any device which is intended to be used to cheat and would make it a felony to mark, alter, or otherwise modify any associated equipment or gaming device in a manner that either affects the result of a wager by determining win or loss or alters the normal criteria of random selection, which affects the operation of a gambling game or which determines the outcome of a gambling game. The bill would prescribe terms of imprisonment and fines for violations of these prohibitions.

~~The bill would provide that its prohibitions may not be enforced within the territorial jurisdiction of an Indian tribe, unless the tribe has expressly consented to that enforcement in a compact that is in effect and authorized under the Constitution and the federal Indian Gaming Regulatory Act.~~

Because the bill would define various new crimes, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 337t is added to the Penal Code, to read:
- 2 ~~337t. (a) As used in Sections 337u, 337w, 337x, 337y, and~~
- 3 ~~337aa, the word “cheat” means to alter the elements of chance,~~
- 4 ~~method of selection, or criteria which determine any of the~~
- 5 ~~following:~~



1 ~~(1) The result of a gambling game.~~

2 ~~(2) The amount or frequency of payment in a gambling game.~~

3 ~~(3) The value of a wagering instrument.~~

4 ~~(4) The value of a wagering credit.~~

5 ~~(b) The provisions of this section may not be enforced within~~  
6 ~~the territorial jurisdiction of an Indian tribe, unless the tribe has~~  
7 ~~expressly consented to that enforcement in a compact that is in~~  
8 ~~effect and authorized under subdivision (f) of Section 19 of Article~~  
9 ~~IV of the Constitution and the federal Indian Gaming Regulatory~~  
10 ~~Act.~~

11 *337t. The following definitions govern the construction of this*  
12 *section and Sections 337u, 337w, 337x, and 337y:*

13 *(a) "Associated equipment" means any equipment or*  
14 *mechanical, electromechanical, or electronic contrivance,*  
15 *component or machine used remotely or directly in connection*  
16 *with gaming, any game, race book, or sports pool that would not*  
17 *otherwise be classified as a gaming device, including dice, playing*  
18 *cards, links which connect to progressive slot machines, equipment*  
19 *which affects the proper reporting of gross revenue, computerized*  
20 *systems of betting at a race book or sports pool, computerized*  
21 *systems for monitoring slot machines and devices for weighing or*  
22 *counting money.*

23 *(b) "Cashless wagering system" means a method of wagering*  
24 *and accounting that is either of the following:*

25 *(1) A method in which the validity and value of a wagering*  
26 *instrument or wagering credits are determined, monitored, and*  
27 *retained by a computer that is operated and maintained by a*  
28 *licensee and that maintains a record of each transaction involving*  
29 *the wagering instrument or wagering credits, exclusive of the*  
30 *game or gaming device on which wagers are being made. The term*  
31 *includes computerized systems which facilitate electronic*  
32 *transfers of money directly to or from a game or gaming device.*

33 *(2) Used in a race book or sports pool in which the validity and*  
34 *value of a wagering instrument are determined, monitored, and*  
35 *retained on a computer that maintains a record of each transaction*  
36 *involving the wagering instrument and is operated and maintained*  
37 *by a licensee.*

38 *(c) "Cheat" means to alter the elements of chance, method of*  
39 *selection, or criteria, excluding those alterations to the game*  
40 *generally done by the casino to provide variety to games and that*



- 1 are known, or should be known, by the wagering players, which  
2 determine any of the following:
- 3 (1) The result of a gambling game.
  - 4 (2) The amount or frequency of payment in a gambling game.
  - 5 (3) The value of a wagering instrument.
  - 6 (4) The value of a wagering credit.
  - 7 (d) “Drop box” means the box that serves as a repository for  
8 cash, chips, tokens, or other wagering instruments.
  - 9 (e) “Gambling establishment” means any premises wherein or  
10 whereon any gaming is done.
  - 11 (f) “Gambling game device” means any equipment or  
12 mechanical, electromechanical, or electronic contrivance,  
13 component or machine used remotely or directly in connection  
14 with gaming or any game which affects the result of a wager by  
15 determining win or loss. The term includes any of the following:
    - 16 (1) A slot machine.
    - 17 (2) A collection of two or more of the following components:
      - 18 (A) An assembled electronic circuit which cannot be  
19 reasonably demonstrated to have any use other than in a slot  
20 machine.
      - 21 (B) A cabinet with electrical wiring and provisions for  
22 mounting a coin, token, or currency acceptor and provisions for  
23 mounting a dispenser of coins, tokens, or anything of value.
      - 24 (C) A storage medium containing the source language or  
25 executable code of a computer program that cannot be reasonably  
26 demonstrated to have any use other than in a slot machine.
      - 27 (D) An assembled video display unit.
      - 28 (E) An assembled mechanical or electromechanical display  
29 unit intended for use in gambling.
      - 30 (F) An assembled mechanical or electromechanical unit which  
31 cannot be demonstrated to have any use other than in a slot  
32 machine.
    - 33 (3) Any mechanical, electrical, or other device that may be  
34 connected to or used with a slot machine to alter the normal  
35 criteria of random selection or affect the outcome of a game.
    - 36 (4) A system for the accounting or management of any game in  
37 which the result of the wager is determined electronically by using  
38 any combination of hardware or software for computers.
    - 39 (5) Any combination of one of the components set forth in  
40 subparagraphs (A) to (F), inclusive, of paragraph (2) and any



1 *other component that the commission determines by regulation to*  
2 *be a machine used directly or remotely in connection with gaming*  
3 *or any game which affects the results of a wager by determining*  
4 *a win or loss.*

5 (g) *“Past-posting” means the positioning of a wager by an*  
6 *individual at a game after having knowledge of the result or*  
7 *outcome of that game.*

8 (h) *“Pinching wagers” means the removal, or attempted*  
9 *removal, by an individual, of chips, tokens, money, or any other*  
10 *wagering instrument wagered at a game or gaming device before*  
11 *the dealer seizes the wager.*

12 (i) *“Pressing” means the wager of an individuals winnings*  
13 *along with the original wager.*

14 (j) *“Tribal Gaming Agency” means the person, agency, board,*  
15 *committee, commission, or council designated under tribal law,*  
16 *including, but not limited to, an intertribal gaming regulatory*  
17 *agency approved to fulfill those functions by the National Indian*  
18 *Gaming Commission, as primarily responsible for carrying out the*  
19 *regulatory responsibilities of the tribe under the Indian Gaming*  
20 *and Regulatory Act (25 U.S.C. Sec. 2701) and a tribal gaming*  
21 *ordinance.*

22 (k) *“Wagering credit” means a representative of value, other*  
23 *than a chip, token, or wagering instrument, that is used for*  
24 *wagering at a game or gaming device and is obtained by the*  
25 *payment of cash or a cash equivalent, the use of a wagering*  
26 *instrument or the electronic transfer of money.*

27 (l) *“Wagering instrument” means a representative of value,*  
28 *other than a chip or token, that is issued by a licensee and approved*  
29 *by the California Gambling Control Commission or a tribal*  
30 *gaming agency, for use in a cashless wagering system.*

31 SEC. 2. Section 337u is added to the Penal Code, to read:

32 337u. ~~(a)~~ It is unlawful for any person to commit any of the  
33 following acts:

34 ~~(1)~~

35 (a) To alter or misrepresent the outcome of a gambling game  
36 or other event on which wagers lawfully have been made after the  
37 outcome is made sure, but before it is revealed to the players.

38 ~~(2)~~

39 (b) To place, increase, or decrease a wager or to determine the  
40 course of play after acquiring knowledge, not available to all



1 players, of the outcome of the gambling game or any event that  
2 affects the outcome of the gambling game or which is the subject  
3 of the wager or to aid anyone in acquiring that knowledge for the  
4 purpose of placing, increasing, or decreasing a wager or  
5 determining the course of play contingent upon that event or  
6 outcome.

7 ~~(3)~~

8 (c) To claim, collect, or take, or attempt to claim, collect, or  
9 take, money or anything of value in or from a gambling game, with  
10 intent to defraud, without having made a wager contingent on the  
11 game, or to claim, collect, or take an amount greater than the  
12 amount actually won.

13 ~~(4)~~

14 (d) Knowingly to entice or induce another to go to any place  
15 where a gambling game is being conducted or operated in violation  
16 of this section, or Section 337v, 337w, 337x, or 337y, with the  
17 intent that the other person play or participate in that gambling  
18 game.

19 ~~(5)~~

20 (e) To place or increase a wager after acquiring knowledge of  
21 the outcome of the gambling game or other event which is the  
22 subject of the wager, including past-posting and pressing wagers.

23 ~~(6)~~

24 (f) To reduce the amount wagered or cancel the wager after  
25 acquiring knowledge of the outcome of the gambling game or  
26 other event which is the subject of the bet, including pinching  
27 wagers.

28 ~~(7)~~

29 (g) To manipulate, with the intent to cheat, any component of  
30 a gambling game device in a manner contrary to the designed and  
31 normal operational purpose for the component, including, but not  
32 limited to, varying the pull of the handle of a slot machine, with  
33 knowledge that the manipulation affects the outcome of the  
34 gambling game or with knowledge of any event that affects the  
35 outcome of the gambling game.

36 ~~(b) The prohibitions of this section may not be enforced within~~  
37 ~~the territorial jurisdiction of an Indian tribe, unless the tribe has~~  
38 ~~expressly consented to that enforcement in a compact that is in~~  
39 ~~effect and authorized under subdivision (f) of Section 19 of Article~~



1 ~~IV of the Constitution and the federal Indian Gaming Regulatory~~  
2 ~~Act.~~

3 SEC. 3. Section 337v is added to the Penal Code, to read:

4 337v. ~~(a)~~ It is unlawful for any person at a gambling  
5 establishment to use, or to possess with the intent to use, any device  
6 to assist in any of the following:

7 ~~(1)~~

8 (a) In projecting the outcome of the gambling game.

9 ~~(2)~~

10 (b) In keeping track of the cards played.

11 ~~(3)~~

12 (c) In analyzing the probability of the occurrence of an event  
13 relating to the gambling game.

14 ~~(4)~~

15 (d) In analyzing the strategy for playing or wagering to be used  
16 in the gambling game, except as permitted by the California  
17 ~~Gambling Control Commission.~~

18 ~~(b) The prohibitions of this section may not be enforced within~~  
19 ~~the territorial jurisdiction of an Indian tribe, unless the tribe has~~  
20 ~~expressly consented to that enforcement in a compact that is in~~  
21 ~~effect and authorized under subdivision (f) of Section 19 of Article~~  
22 ~~IV of the Constitution and the federal Indian Gaming Regulatory~~  
23 ~~Act. *Gambling Control Commission or a tribal gaming agency.*~~

24 SEC. 4. Section 337w is added to the Penal Code, to read:

25 337w. (a) It is unlawful for any person to use counterfeit  
26 chips, counterfeit debit instruments, or other counterfeit wagering  
27 instruments in a gambling game, the equipment associated with a  
28 gambling game, or a cashless wagering system.

29 (b) It is unlawful for any person, in playing or using any  
30 gambling game, the equipment associated with a gambling game,  
31 or a cashless wagering system designed to be played with, receive,  
32 or be operated by chips, tokens, wagering credits or other wagering  
33 instruments approved by the California Gambling Control  
34 Commission *or a tribal gaming agency*, or by lawful coin of the  
35 United States of America to either:

36 (1) Knowingly use chips, tokens, wagering credits, or other  
37 wagering instruments not approved by *the California Gambling*  
38 *Control Commission or a tribal gaming agency*, or lawful coin,  
39 legal tender of the United States of America, or use coin or tokens  
40 not of the same denomination as the coin or tokens intended to be



1 used in that gambling game, associated equipment, or cashless  
2 wagering system.

3 (2) Use any device or means to violate this section or Section  
4 ~~337t~~, 337u, 337v, 337x, or 337y.

5 (c) It is unlawful for any person, not a duly authorized  
6 employee of a gambling establishment acting in furtherance of his  
7 or her employment within that establishment, to possess any  
8 device intended to be used to violate this section or Section ~~337t~~,  
9 337u, 337v, 337x, or 337y.

10 (d) It is unlawful for any person, not a duly authorized  
11 employee of a gambling establishment acting in furtherance of his  
12 or her employment within that establishment, to possess any key  
13 or device known to have been designed for the purpose of, and  
14 suitable for, opening, entering, or affecting the operation of any  
15 gambling game, cashless wagering system, or dropbox, or for  
16 removing money or other contents from the game, system, or box.

17 (e) It is unlawful for any person to possess any paraphernalia  
18 for manufacturing slugs. As used in this subdivision,  
19 “paraphernalia for manufacturing slugs” means the equipment,  
20 products, and materials that are intended for use or designed for  
21 use in manufacturing, producing, fabricating, preparing, testing,  
22 analyzing, packaging, storing, or concealing a counterfeit  
23 facsimile of the chips, tokens, debit instruments, or other wagering  
24 instruments approved by the California Gambling Control  
25 Commission *or a tribal gaming agency*, or a lawful coin of the  
26 United States, the use of which is unlawful pursuant to subdivision  
27 (b). The term “paraphernalia for manufacturing slugs” includes,  
28 but is not limited to, any of the following:

29 (1) Lead or lead alloys.

30 (2) Molds, forms, or similar equipment capable of producing  
31 a likeness of a gaming token or lawful coin of the United States.

32 (3) Melting pots or other receptacles.

33 (4) Torches.

34 (5) Tongs, trimming tools, or other similar equipment.

35 (6) Equipment which can be reasonably demonstrated to  
36 manufacture facsimiles of debit instruments or wagering  
37 instruments approved by the California Gaming Control  
38 ~~Commission~~.

39 ~~(f) The prohibitions of this section may not be enforced within~~  
40 ~~the territorial jurisdiction of an Indian tribe, unless the tribe has~~



1 expressly consented to that enforcement in a compact that is in  
2 effect and authorized under subdivision (f) of Section 19 of Article  
3 IV of the Constitution and the federal Indian Gaming Regulatory  
4 Act. *Commission or a tribal gaming agency.*

5 SEC. 5. Section 337x is added to the Penal Code, to read:

6 337x. ~~(a)~~—It is unlawful to cheat at any gambling game in a  
7 gambling establishment.

8 ~~(b)~~—The prohibitions of this section may not be enforced within  
9 the territorial jurisdiction of an Indian tribe, unless the tribe has  
10 expressly consented to that enforcement in a compact that is in  
11 effect and authorized under subdivision (f) of Section 19 of Article  
12 IV of the Constitution and the federal Indian Gaming Regulatory  
13 Act.

14 SEC. 6. Section 337y is added to the Penal Code, to read:

15 337y. ~~(a)~~—It is unlawful to do either of the following:

16 ~~(1)~~

17 (a) Manufacture, sell, or distribute any cards, chips, dice,  
18 game, or device which is intended to be used to violate Section  
19 ~~337t~~, 337u, 337v, 337w, or 337x.

20 ~~(2)~~

21 (b) Mark, alter, or otherwise modify any gambling game device  
22 or associated equipment in a manner that either:

23 ~~(A)~~

24 (1) Affects the result of a wager by determining win or loss.

25 ~~(B)~~

26 (2) Alters the normal criteria of random selection, which  
27 affects the operation of a gambling game or which determines the  
28 outcome of a game.

29 ~~(3)~~

30 (c) It is unlawful for any person to instruct another in cheating  
31 or in the use of any device for that purpose, with the knowledge or  
32 intent that the information or use conveyed may be employed to  
33 violate Section ~~337t~~, 337u, 337v, 337w, or 337x.

34 ~~(b)~~—The prohibitions of this section may not be enforced within  
35 the territorial jurisdiction of an Indian tribe, unless the tribe has  
36 expressly consented to that enforcement in a compact that is in  
37 effect and authorized under subdivision (f) of Section 19 of Article  
38 IV of the Constitution and the federal Indian Gaming Regulatory  
39 Act.

40 SEC. 7. Section 337z is added to the Penal Code, to read:



1 337z. (a) Any person who violates Section ~~337t~~, 337u, 337v,  
2 337w, 337x, or 337y is guilty of a felony and shall be punished as  
3 follows:

4 (1) For the first violation, by imprisonment in a county jail for  
5 a term not to exceed one year, or by a fine of not more than five  
6 thousand dollars (\$5,000), or by both that fine and imprisonment.

7 (2) For a second or subsequent violation of any of those  
8 sections, by imprisonment in a county jail for a term not to exceed  
9 one year or in the state prison, and may be further punished by a  
10 fine of not more than ten thousand dollars (\$10,000).

11 (b) A person who attempts, or a person who conspires with  
12 another person, to violate Section ~~337t~~ 337u, 337v, 337w, 337x,  
13 or 337y shall be punished in the same manner as the underlying  
14 crime.

15 ~~(c) The prohibitions of this section may not be enforced within  
16 the territorial jurisdiction of an Indian tribe, unless the tribe has  
17 expressly consented to that enforcement in a compact that is in  
18 effect and authorized under subdivision (f) of Section 19 of Article  
19 IV of the Constitution and the federal Indian Gaming Regulatory  
20 Act.~~

21 SEC. 8. No reimbursement is required by this act pursuant to  
22 Section 6 of Article XIII B of the California Constitution because  
23 the only costs that may be incurred by a local agency or school  
24 district will be incurred because this act creates a new crime or  
25 infraction, eliminates a crime or infraction, or changes the penalty  
26 for a crime or infraction, within the meaning of Section 17556 of  
27 the Government Code, or changes the definition of a crime within  
28 the meaning of Section 6 of Article XIII B of the California  
29 Constitution.

