



# Native American Insider

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## Contact List



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## Workplace Violence

Perhaps workplace violence can't be totally eliminated, but there are things that can be done to minimize it. Awareness and preparation are key factors.

Evaluate the security of all work sites, establish a security plan for each location, and update the plan on a regular basis. The chance of violence is greater for certain jobs including jobs of contact with the public, working late or early hours, exchanging money, delivering goods or services, high stress jobs, high crime areas, and if working alone or in small numbers.

**Initiate safety measures.** Increase security with alarms, closed-circuit cameras or guards. Lock doors to limit public access. Increase visibility with lighted entrances and exits. Shield workers with windows, partitions, or high and wide counters. Alter cash handling policies or install drop safes. Arrange furniture so workers can't be trapped by an attacker. Remove potential weapons (e.g., scissors, staplers, and paperweights) from desktops.

**Hire responsibly.** No one should be hired without a pre-employment background and reference check that is appropriate for their position and work responsibilities. Those employees with fiduciary responsibilities should be held to a higher standard than employees who are not tasked with handling money, checks, high value inventory, sensitive or proprietary data, or other items of value. This rule also applies to those responsible for ensuring that appropriate financial controls are in place and being followed.

**Clearly communicate company policy about violence and reprisals.** Employee manuals should clearly explain what behavior is acceptable, what is not, and what will be done by whom, if violence occurs. It should contain written criteria for reporting incidents and repercussions if an incident occurs. Employer response should be predictable and consistent.

Create clear levels of authority and procedures for dealing with the risk of and response to violence in advance. If a threat of violence is identified, potential victims or targets should be alerted along with others who may be affected, such as a supervisor or front office personnel.

**Train workers to recognize early signs of potential violence.** The most commonly mentioned warning signs include a history of violent behavior; an obsession with weapons; carrying a concealed weapon; verbal threats of harm; being paranoid; being a loner; obsessive involvement with the job; holding a grudge; workplace physical actions; unusual comments; or expressing extreme desperation over recent family, financial, or personal problems. Employees should take all threats seriously and report any bizarre or suspicious behavior.

Give workers training in nonviolent response techniques and conflict resolution, to reduce the risk of volatile situations leading to physical violence.

Workplace violence takes a toll on both employers and employees. It affects not only those assaulted, but also those who are witnesses. Workplace violence can negatively affect workplace morale, create exposure to civil litigation, criminal activity, and cause reputational damage to the business.

*For helpful advice on how to best deal with several workplace violence scenarios, look to page 4.*

*By Brent Escoubas, CSP, Vice President  
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# The California Heist

It was a cool October night at a small casino in Southern California. The casino had just closed for the day and an inventory of funds was underway. Deposit cash totaling \$521,897 was secured inside locked cabinets in the main bank room, which was secured by one locked door and equipped with five security cameras. The following is an example of why it is of the utmost importance for casinos to store their cash in a highly secured environment.

At approximately 3:00 AM two armed guards began their patrol of the premises assisted by the casino's "eye in the sky" system. As the surveillance agent and patrol guards diligently went about their nightly duties, four men made their way to the casino's rooftop. Access to the roof was gained by climbing up from the trash area, then entering an air conditioning access door. The men then dropped down a vent into the interior space above the casino ceiling. The suspects proceeded to the area above the main bank room and cut all five security camera leads and dropped down into the main bank room. Once inside the room, the suspects pried open the locked cabinets and removed over \$500,000 in cash. The suspects then swiftly exited the main bank room by placing a table under the ceiling access door.

The next morning, at approximately 8:00 AM, the cage supervisor discovered the loss. The authorities were promptly notified and the preliminary investigation began as the police confiscated the damaged cabinets and the table used to exit the cage area through the ceiling access panel. The investigation was turned over to the FBI with the county sheriff providing assistance. It was the belief of the cage supervisor that whoever entered the main bank room had intimate knowledge of the facility.

The first order of business was to question the surveillance agent who was on duty the night of the robbery. It is the responsibility of the surveillance agent to monitor all security cameras throughout the casino area and log any discrepancies. A review of recorded video following the discovery of the loss, revealed that all five cameras stopped sending signals, one after the other, at approximately 3:12 AM. A multi-colored alert was then shown on surveillance room monitors indicating "Signal Lost" at that time.

However, the surveillance agent made no entry into his log regarding the lost signals and did not notify security or his supervisor about the event. Upon further investigation, it was discovered that the surveillance agent had given his two week notice to end his employment two days prior to the robbery.

This scenario proves how important it is to have adequate security measures in place and secure cash properly. The cage supervisor's suspicion might indeed be true, but unless there is a slip-up by the perpetrators, it is unlikely they will ever be caught.

Criminals are not to be underestimated and when proper security protocols are not followed, casinos in particular are left vulnerable. If normal casino procedures had been followed, the surveillance agent would have been removed from his post upon request for resignation. Instead, the surveillance agent was on duty and over \$500,000 in cash was stolen. Unfortunately, this was not the only shortcoming in their security. First, the casino should have secured its cash in an appropriately rated UL safe instead of locked cabinets. Secondly, the main bank room should have had a separate alarm system consisting of motion detectors and door sensors. Finally, the roof should have been secured to prevent access from intruders. These controls could have helped mitigate this loss.

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*The above narrative is fictional; however, it is based on situations that have been reported.*



## We All Practice Due Diligence (And May Not Even Know It)

The term “due diligence” is used extensively in many legal articles and complex business transactions. It sounds complicated but in reality, due diligence is simply the process of “doing your homework” before you make a major commitment, either on a business or personal level. For example, prior to purchasing that new car, what do virtually all of us do these days prior to paying a visit to a car dealer? Of course, we check the internet for the target best price, the dealer cost, and any low interest financing deals so we can be prepared to counter the first three or four “sweet deals” offered by the car salesman. Although we may not really think about what this process involves, we are doing our “due diligence” prior to buying the car to get the best deal possible.

Due diligence can be as simple as just asking the proper questions and making sure that a situation isn’t “too good to be true.” Probably each of us has, at one time or another, been sold a “lemon” or defective article only to be told the old adage, “let the buyer beware.”<sup>1</sup> The term “due diligence” first came into use after enactment of the Securities Act of 1933. It was included in this act as a defense against holding broker-dealers liable for non-disclosure of certain information to investors that was not discovered through an investigation.<sup>2</sup> The term has now been applied to a large number of mostly business and corporate finance related transactions. Typically, in this type of environment, a due diligence investigation would be conducted by a company seeking to acquire another company. In this setting, a due diligence review would likely include audits by licensed professionals in the following areas: Compatibility of business operations; financial operations; legal and regulatory affairs; marketing operations; production facilities; management personnel; information systems operations and security; and financial reconciliation.<sup>3</sup>

Although due diligence reviews are most often conducted in complex business transactions, this does not mean that we, as individuals, should not practice our own form of due diligence in our financial and personal affairs. Remember Bernie Madoff and his once upon a time overjoyed investors. Bernie was making returns for his investors in the range of seven to ten percent per year when average investment returns were running in the three to five percent range. This “too good to be true” fairy tale ended abruptly on March 12, 2008 when Mr. Madoff pled guilty to running a massive Ponzi scheme that cost his investors more than \$50 billion in losses.<sup>4</sup> Many of the investors were wealthy individuals;

however, far more of the losses were incurred by corporate investment advisors and mutual funds who failed to conduct a proper due diligence investigation of Mr. Madoff’s operations.

This failure to conduct such a review was made even more unforgiving since there were a number of “red flags” that should have alerted individual and certainly institutional investors that there were potential serious problems with Mr. Madoff. For example, the investors allowed Mr. Madoff to provide trade confirmations three to five days after trades were made rather than daily as promised; they allowed Madoff to use weighted averages rather than individual trade prices on trade tickets for securities claimed to have been bought or sold; they did not investigate whether the small auditing firm used by Madoff had the ability to audit a \$65 billion fund; and they knew that Madoff’s relatives held senior positions in the firm.

These are just a few of the approximately twenty red flags that were detailed in later court cases.<sup>5</sup> Why, you ask, would a professionally operated investment firm fail to conduct a proper due diligence of Mr. Madoff? The answer lies in the fact that those investors that went with Madoff chose faith over evidence. That’s what a con man is—a confidence man that engenders a relationship and then subsequently lures somebody into doing something that they shouldn’t do.

On a personal level it is important to conduct your “due diligence” whenever you are going to commit your hard earned money or time to an endeavor. Probably the most significant financial outlay any of us will make is the purchase of a home. Proper due diligence in this case is very important due to the long-term financial commitment involved. Typical due diligence areas of review in a home purchase might involve hiring a home inspector to ensure the house is constructed properly and does not have any significant maintenance issues that will be expensive to repair. In addition, you may want to check out the rating of the schools in the area which can impact resale values among other things. How about the property tax rate applicable to your new home? Sometimes this tax can be quite high and pose a significant financial burden. One of my friends actually performed “due diligence” on the neighbors on either side of a home he wanted to buy. He wanted to make sure they were “good folks.”

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# We All Practice Due Diligence (And May Not Even Know It)

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Another personal area to conduct due diligence involves a new job offer. Before you accept that job offer and move to a new location, you might want to check to see if the new company is financially stable. What about the new industry you will be working in? Does it have a favorable forecast for the future? And then what about any employee benefits that you may have or want to negotiate prior to being hired?

All of these areas involve a significant amount of due diligence on your part prior to accepting a new position at a new company.

In closing, make certain you do your own “due diligence” in situations where you are being called upon to trust someone else. Question everyone before you hand your hard earned money to someone to “invest”. Always follow up on references provided and go outside of the provided reference pool to make sure you are dealing with a legitimate entity. Make sure you check professional licenses and industry disciplinary actions. Lastly, apply what one of my old law professors called “the smell test.” If the “deal” initially smells bad to you, it probably is.

<sup>1</sup> IP Due Diligence—A Necessity, Not a Luxury by Ian Cockburn  
<sup>2</sup> Due Diligence—from Wikipedia.org  
<sup>3</sup> Due Diligence—From Wikipedia.org  
<sup>4</sup> The Post-Madoff Emergence of a Fiduciary Duty of Due Diligence by Scott A. Myers and James G. Martignon  
<sup>5</sup> Ibid

*By Andrew J. Carraway, Esquire  
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## Workplace Violence Scenarios

*Continued from page 1*

Situation	Characteristics	Action	Response	Good To Know
<b>Aggressive Customer Behavior</b>	Loud voice, sarcasm, foul language, slurred speech, demeaning, threatening	Stay calm, speak slowly; allow for venting; offer to get customer help from supervisor.	If action fails, get help.	Don't overreact, become defensive, or argue. Activate office response plan.
<b>Bomb Threat (telephonic)</b>	Do not interrupt caller as he/she leaves message	After message is delivered, note the following with as many details as possible: Time/date of call; time/date bomb to explode; location of bomb; describe bomb; why it was placed; group affiliation; phone voice—male, female, old, young, tone, etc.; background noise; caller's words; time call ended.	CONTACT SECURITY.	Listen for clues; stay calm; try to let a co-worker know. Activate office response plan.
<b>Telephone Threats</b>	May include loud, abusive language	Take notes of all details: Record time/date, who is being threatened, caller's exact words, description of voice, background noises, reason you think call was made, time call ended.	Signal a co-worker to notify police or Security.	Stay calm. Activate office response plan.
<b>Suspicious Mail Packages</b>	Odd markings, excessive postage, handwritten, incorrect titles, title but no name, misspelling, stains, discoloration, no return address, excessive weight, rigid envelope, lopsided or uneven envelope or package, objects sticking out of envelope or package, excessive tape, string, or other wrappings, visual distractions	Do not touch or move envelope or package.	Request Assistance.	Never touch or disturb a suspicious package or object. Activate office response plan.