

**COMMENTS OF  
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GAMING ENFORCEMENT  
THIRTY-SIXTH LEGISLATURE OF THE VIRGIN ISLANDS  
COMMITTEE ON ECONOMIC DEVELOPMENT AND AGRICULTURE  
JULY 14, 2025**

Good afternoon, Honorable Hubert L. Frederick, Chairman of the Committee on Economic Development and Agriculture, members of that Committee, other Senators, legislative staff, and the viewing and listening audience.

I am R. Oliver David, an Assistant Attorney General, and the Director of the Division of Gaming Enforcement of the Virgin Islands Department of Justice. It is a pleasure to appear before you this afternoon at the request of the Committee Chairman, Honorable Hubert L. Frederick to provide testimony with regards to the role and operation of the Division of Gaming Enforcement and to discuss areas or issues which might be impeding the effective and efficient operation of the Division.

The Division of Gaming Enforcement was created pursuant to Act 6069 as a Division within the Department of Justice. The Division operates under the immediate supervision of a Director, who shall administer the work of the division under the direction and supervision of the Attorney General. However, the Division acts as the investigative and enforcement arm of the Casino Control Commission.

Title 32, Virgin Islands Code Section 428 delineates the general powers and duties of the Division. While I will not discuss in detail all the duties of the Division listed in Section 428, I would like to discuss the major functions of the Division.

The critical regulatory functions in any gaming regulatory organization are:

1. Licensing,
2. Accounting,
3. Machine testing, and
4. Enforcement.

The Casino Control Commission, through its inspectors, oversees the accounting function. The Division of Gaming Enforcement manages Licensing investigation, Machine testing, and Enforcement functions.

### **LICENSING INVESTIGATION**

Pursuant to Title 32, VIC, Section 428(b), the Division is required to conduct an investigation of each applicant before any license or certificate is issued by the Casino Control Commission. What the Division is tasked with doing is conduct a probity investigation of every license applicant and its qualifiers, where necessary, and submit an investigative report to the Casino Control Commission to enable the Commission to make a determination on the applicant's suitability for licensure.

This investigation involves, but is not limited to the following: A review of the application presented, obtaining and analyzing the applicant's criminal record; obtaining and analyzing the applicant's credit history; obtaining and analyzing documents relative to the applicant's education and employment history; analyze the applicant's income tax returns and financial statement; and conduct an interview with the applicant where necessary.

In addition to the license for the casino operator and its qualifiers, there are five (5) other categories of licensure, namely: Casino Key Employee (CKE), Casino Employee (CE), Casino Hotel Employee (CHE) Casino Servicing Entity Gaming Related and its qualifiers (CSE/GR) and Casino Servicing Entity Non-Gaming Related and its qualifiers (CSE/NGR) all of which require a due diligence investigation.

From November 2024 to the end of June 2025, the DGE opened approximately **One Hundred and Fifteen (115) new investigation files**. Presently the DGE has a backlog in excess of **Three Hundred and Ninety (390) investigation files open**.

### **MACHINE TESTING**

Another critical function of the Division is that of testing all the gaming machines and related gaming equipment before these machines are used in the

operation of gaming at the Casinos. All machines are tested pursuant to standards established by the Casino Control Commission, and industry standards, by BMM, and Gaming Laboratories International (GLI), the leading testing laboratories in the industry, to ensure that they are approved for use in St. Croix, prior to being shipped to a casino on St. Croix. Once these machines arrive at the casino, the Division conducts its own test to ensure that the result of the test of critical components of the machine is identical to the result of the test conducted by the testing labs. Once the Division is satisfied that the component has the requisite “signature” it is placed back in the machine by the Division’s staff and is sealed with tamper resistant tape prior to the Division approving the placement of the machine on the gaming floor for use in gaming.

In addition to testing and approving new machines prior to placement on the gaming floor, whenever a Casino has reason to open any gaming machine, that has already been approved for use and operating on the gaming floor, to make any material changes to the operation of the game, personnel from the Division has to be present. The Division’s gaming technician will then examine the machine to verify that the machine was not tampered with, provide the casino gaming technician with the necessary software which is kept by the Division before allowing the casino’s technician to make the necessary changes. When the changes are made, the

Division's staff reseals the machine before it is placed back in operation. From November 2024 through June 2025 the DGE received and assisted with **Forty-Four (44) requests** from the casinos.

The Division also conducts random checks to ensure that the logic board in the machines which contain the computer software which controls the operation of the games has not been tampered with.

## **ENFORCEMENT**

The third area of responsibility of the Division is that of enforcement. The area of enforcement can be subdivided into three broad categories. Namely: 1. Patron Dispute, 2. Violation of the Casino Laws or Rules and Regulations, and 3. Operational Enforcement.

## **PATRON COMPLAINT**

Whenever a patron is dissatisfied with any issue regarding their experience at the Casino, the patron is urged to file a complaint with the Casino Control Commission. A copy of that Complaint is then transmitted to the Division by the Casino Control Commission requesting an investigation. The Division then conducts an investigation into the allegations and compiles a report with its recommendation which is then transmitted to the Commission for further action. However, in some instances, the Division may file a Complaint against the casino.

## VIOLATION OF THE CASINO LAWS AND RULES AND REGULATIONS

When the Casino Laws or the Casino Control Commission's Rules and Regulations are not adhered to, the Division is required to conduct an investigation and take the necessary action. These investigations can be initiated by the Casino Control Commission, the Division, or as a result of a notification by the casino licensee of an alleged improper conduct.

These investigations vary and could be because of cheating or stealing by employees or patrons. It could be the result of the action of the casino licensee through the action of its staff, or it could also be the action of the staff of the Casino Control Commission.

Based on the situation, the Division has the option of either proceeding criminally before the Superior Court of the Virgin Islands or administratively before the Casino Control Commission. Any matter that would be filed in the Superior Court, the Director of the Division collaborates with the Chief of the Criminal Division of the Department of Justice.

## OPERATIONAL ENFORCEMENT

The Casino operates pursuant to Virgin Islands gaming laws and Rules and Regulations established by the Commission. The Division is required to monitor the casinos to ensure that they operate in compliance with the various laws and rules and

regulations. The Division, with the assistant of Spectrum Gaming Group, an internationally recognized gaming consultancy company, occasionally conducts compliance audits to ensure that the casinos are adhering to all the gaming laws and rules and regulations. The most recent compliance audit was conducted in mid-2024.

As a result of these audits and through regular visits and observations, the Division has made recommendations to the Commission or directly to the Casino regarding areas of concern that need to be addressed by the Casino.

Additionally, the Division has filed complaints with the Commission against the Casino for violation of certain rules and regulations which in some instances resulted in the Commission assessing a fine against the Casino.

In addition to the Compliance Audit, the Division, with the assistance of Gaming Laboratories International (GLI), conducts machine audits whereby every piece of software used in operating the gaming machines are tested to ensure that they are approved and have not become obsolete since they were installed.

### INTERNET GAMING

Pursuant to Act No. 6419, internet gaming became legal in the Virgin Islands. Though we do not know when and in what form internet gaming will materialize, the Division will have a significant role to play. The Division is preparing for that role by keeping abreast of the latest developments in the industry to get a clear

understanding of what will be required of the Division to enable us to adequately plan when we have to get started.

## **CONCLUSION**

The Division of Gaming Enforcement is tasked with three major functions which are: Licensing Investigation, Machine Testing and Enforcement. While the Division has not been as efficient as I would have liked it to be due to our limited personnel, I have only two staff working with me at the Division, which prevents us from completing certain functions in a timely manner, the Division has nonetheless been effective.

The Division has ensured that the gaming machines are always operating pursuant to the standards established by the Casino Control Commission and the integrity of the machines are never compromised. The Division has investigated all patron complaints submitted to it by the Commission, sometimes not as quickly as I would like, and submit its findings to the Commission or take whatever action it deems necessary. The Division has ensured that all license applicants employed by or doing business with a casino in St. Croix, who are required to be licensed, are thoroughly investigated for the Commission to make an informed decision regarding that applicant's suitability for licensure. However, this has been a major problem.



Because of limited staff the Division cannot complete these investigations in a timely manner.

I have consistently made my case for Three (3) additional staff, an administrative assistant and two investigators. On Several occasions the Division and the Casino Control Commission, which is quite aware how critical adequate staffing of the Division is for the functioning of the Commission, have proposed reallocating the Casino Revenue Fund derived pursuant to Title 32, VIC, Section 517, so that at least 10% of the revenue collected will go towards the Division's staffing needs. We have proposed reducing the amount allocated to certain entities by one percent (1%) or two percent (2%) to achieve the ten percent (10%) needed for the Division of Gaming Enforcement. I am of the strong belief that while one or two percent deduction from a department, or Agency might not be a tremendous burden, the cumulative amount generated will be of tremendous help to the Division. After all, it is in part the work of the Division that ensures the proper operation at the casino that provides the revenue for the fund.

However, until such time that the Division receives additional staff, the Division will continue to prioritize its functions to address the most critical functions first, to ensure that the integrity of the games are never compromised, and the individuals and entities employed by or doing business with the Casino are persons

or entities whose participation in the industry would not be inimical to the interest of gaming in the Virgin Islands.

Mr. Chairman I thank you for the opportunity to explain to you, members of your Committee and all other Senators present or listening the functions of the Division of Gaming Enforcement and I am prepared to answer any questions that the members may have regarding the operation of the Division of Gaming Enforcement.