

State casino regulators put limits on gamblers' ATM access

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Several provisions recommended by state Attorney General Maura Healey to potentially protect gamblers from overspending when they patronize the state's casinos and slot parlor were adopted on Thursday by the state Gaming Commission.

In a March 27 letter to the commission, Healey called for "robust and meaningful regulations that minimize the negative impacts of casinos and maximize protections for consumers."

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Healey, a casino opponent during last fall's campaign for office, expressed concerns earlier this year about allowing automated teller machines in casinos. But the state Division of Banks later determined that state law allows them.

In the face of that decision, Healey wrote, "We urge the Commission to include provisions that will protect patrons from harmful practices," including prohibiting casino operators from installing ATMs that dispense credit card cash advances.

"Given the high fees and interest rates charged for credit card cash advances from ATMs, we urge the Commission to prohibit these types of transactions on all ATM machines," the letter says.

The proposal encountered no opposition from commission members. No representatives of the casino companies that are licensed to operate in Massachusetts asked to be heard on the topic.

Commission members acknowledged that patrons intent on finding a source of money for more gambling could duck outside a casino to find a nearby ATM for a cash advance. But that would at least require them to take "a little break" from the action, and possibly to allow them to reconsider wagering more money, commission member Enrique Zuniga said.

Zuniga said taking advantage of quick and easy credit "in the heat of the moment" presents one of the most risky situations for some gamblers.

Under draft regulation, ATMs can be located only in hallways at least 15 feet from rooms containing slot machines and table games. Patrons can use debit cards at those ATMs to draw cash from checking accounts.

Commission member Gayle Cameron said ATMs should be kept at an even greater distance from the gaming floor, but other commission members did not support her. The attorney general's letter contained no recommendation on ATM location outside the gaming floor.

Commission members also accepted Healey's recommendation that owners of ATMs be prohibited from selling data collected from their machines or using it for marketing purposes.

Healey's letter also expressed concern that credit may be too readily extended by casino operators to patrons.

The commission's deputy general counsel, Todd Grossman said draft regulations had been revised to require casino operators to evaluate whether a patron is creditworthy in "a commercially reasonable manner," including collecting extensive personal financial information. Commission members agreed to tweak that language to make such required checks explicit.

Healey's letter also asked the commission "begin developing strong anti-money-laundering regulations."

“Some criminal enterprises will surely see casinos as a way to clean their ill-gotten gains,” she wrote. “Regulations should deter would-be money launderers, and identify those engaged in other criminal enterprises, such as drug traffickers, human traffickers, loan sharks, and organized crime.”

Grossman said federal law already imposes strict regulation of financial transactions at casinos. He said the commission’s regulations are meant to augment the federal laws.

“We don’t have to tell them to follow federal law,” Grossman said of the casino operators.

Commission members agreed to adopt a provision requiring all reports on suspicion of money-laundering to be shared with the attorney general’s office as a regular matter of course.

Karen Wells, director of the commission’s Investigations and Enforcement Bureau, told commission members that all state enforcement personnel are scheduled to be trained in issues relating to money laundering and human trafficking, among other law enforcement concerns.

The state’s first gambling facility, a slot parlor in Plainville, is expected to open on June 24. Also planned are an \$800 million MGM casino in Springfield and a \$1.7 billion Wynn casino in Everett.

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