

03 - 0353



STATE OF MINNESOTA  
DEPARTMENT OF PUBLIC SAFETY  
ALCOHOL & GAMBLING  
ENFORCEMENT DIVISION  
LOTTERY SECURITY ANNUAL  
REPORT FOR 2003



Case No.03-171

## Synopsis

The Alcohol and Gambling Enforcement Division conducted an annual security audit for the Minnesota State Lottery. SA Ralph Shingledecker conducted the audit between June 3 and June 19 of 2003.

## Summary

Between June 3 and June 19, 2003, SA Shingledecker of the Minnesota Alcohol & Gambling Enforcement Division conducted a review of the six regional lottery offices and the lottery headquarters in Roseville, Minnesota. This review centered on the security of these facilities and the adherence of the employees to the security directives issued by the Minnesota State Lottery, security division.

SA Shingledecker reviewed the physical security at each site including work area security, facility evacuation, visitor control and overall operational security. The warehouse area and its security and detection systems at each location were also reviewed. SA Shingledecker conducted the inspections reviewing the area surrounding each office to ascertain the physical security of the building and the sight obstructions of each office's exterior.

The Minnesota State Lottery headquarters office at Roseville, Mn is protected by state of the art entry detection systems. The headquarters office is also protected by on site security officers. The Eagan regional office is monitored by closed circuit television system cameras that are monitored by Security officers at the Roseville location. All regional offices have now had a backup system installed to give added assurance that if an unauthorized entry occurs, the alarm will activate at the proper location. The Eagan office continues to maintain the computer backup system for the entire state lottery.

During the facility review at the regional office located in Owatonna, Mn, SA Shingledecker was informed that the panic alarm has not been checked since July 2, 2002. While talking with the employees it was learned that this is a concern for them because if the alarm is needed, they are not sure that the police would be notified. It is the belief of the employees that the practice of checking the alarms has been suspended because of budget issues. This issue needs to be addressed by Minnesota Lottery Security.

The Marshall regional office fire extinguishers are in need of recertification by a licensed fire service company that will do a complete inspection of all extinguishers at the facility. This issue was addressed in the

security audit of 2002 and still has not been done. The entry door leading from the office to the warehouse needs to have the locking mechanism changed. Currently, warehouse employees have to enter a code into a key pad locking device before the door can be opened from the warehouse. This could be a potential safety hazard for any employee in the warehouse at the time of a fire or other catastrophic occurrence. This issue was also addressed in the 2002 security audit and has also been ignored by the Manager of the Marshall Lottery office.

The Minnesota State Lottery Security investigation division has done an excellent job of keeping the regional offices updated in the latest security measures. The Lottery Security Staff strives to maintain the prevention and detection of unauthorized personnel during working hours as well as hours when the offices are not occupied. Panic alarms have in the past been checked frequently but are not being checked regularly now due to budget constraints. If Lottery Security Investigators do not regularly check the alarms, the manager or his/her designee should perform the monthly or quarterly alarm tests.

## Recommendations

The Minnesota Lottery Security needs to address issues with regard to employee safety with regard to the panic alarms and the frequency in which they are tested. Also there are still two out-state facilities that have a locking mechanism on the warehouse door making it impossible to exit that door from the warehouse area without knowing the combination's Shingledecker consulted Minnesota Fire Marshall Jerry Rosendahl and learned that this practice could be a violation of the Minnesota Fire Code. The Minnesota Lottery provides a secure environment for employees with regard to external security risks but could possibly implement some standard procedures with regard to fire safety within the office area.

All of the offices of the Lottery now have new defibrillators installed on the premises, but very few of the employees appear to be trained. The two hour video that is supplied with the defibrillator does not seem to be enough to make the employees comfortable with the operation of the equipment. This practice comes with some liability issues. A recommendation would be to either have the Regional Managers contact their local fire department and request hands on training with the equipment or seek out some other type of hands on training.

---

---

## Conclusions

The Minnesota Lottery continues to maintain a high level of security and in many cases has improved the security environment through introduction of new equipment. New safes have been installed in all regional facilities since the 2002 security audit. The Minnesota State Lottery has a long standing practice to ensure the safety of its employees and the security of the facilities. With a few additions to the current practices this will again be the case.

As noted during previous inspections, employee's at all regional offices were found to be in compliance with lottery security guidelines. Without exception, regional office staff interviewed by SA Shingledecker demonstrated a high degree of security and safety consciousness.

---

---

Special Agent Ralph Shingledecker  
Mn. Alcohol & Gambling Enforcement Division  
July 8, 2003

PS-GE110-01

TYPE OF REPORT

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

_____ INITIAL REPORT	
_____ INVESTIGATION REPORT	ALCOHOL & GAMBLING ENFORCEMENT DIVISION
_____ CRIMINAL INFORMATION	
_____ CASE CLOSURE	REPORT OF INVESTIGATION
_____ OTHER:	

CASE NUMBER	MN. OFFENSE CODE	DATE AND TIME OF ACTIVITY
03-171	9140	06/19/2003 1045hrs.

COUNTY OF OCCURRENCE	SUBMITTED BY
Crow Wing	S/A Shingledecker

OFFENSE CATEGORY  
 Lottery Security Audit

=====

REPORTED BY:  
 Doug Wills  
 Security Director  
 MN. State Lottery

SUBJECT:  
 Mn. State Lottery Regional Brainerd  
 523 South 6<sup>th</sup>  
 Brainerd, Mn 56401

PERSONNEL ASSIGNED:  
 S/A Ralph Shingledecker

SYNOPSIS:  
 At the request of the Minnesota State Lottery, an audit of the lottery Regional Office facilities security systems and procedures was conducted.

- DETAILS:
- a.) On 06-19-2003 a review of the Brainerd Regional office of the Mn. State Lottery was conducted by SA Shingledecker with the assistance of Gloria Vandebroke, manager of the Brainerd facility.
  - b.) The office's facility security and procedures was reviewed. The warehouse was also checked and meets all standards for security and employee safety. After reviewing the area SA Shingledecker also felt there is a need for a lit exit sign in the hallway exit, however a reflective sign has been posted on the hallway entry door.
  - c.) The other questionable security issue is the fact that other public agencies are allowed to hold meetings in the meeting area of the Brainerd facility. This only becomes an issue when meeting participants need to use the rest room because the rest room is not directly accessible from the meeting room. Anyone using the meeting room has to walk through common area of the facility to use the rest room. This issue was addressed in the 2002 security audit and could still be a security issue.
  - d.) The new safe has been installed and is used daily to deposit cash on hand at the end of the business day.
  - e.) The new defibrillator has been mounted on the wall and all employees have viewed the training tape for the use of the equipment.

f.) SA Shingledecker checked the fire extinguishers and found them to be current.

e.) Security around the outer perimeter of the building is excellent with no obstructions to sight noted.

STATUS: Closed

TYPE OF REPORT

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

INITIAL REPORT

INVESTIGATION REPORT ALCOHOL & GAMBLING ENFORCEMENT DIVISION

CRIMINAL INFORMATION

CASE CLOSURE

REPORT OF INVESTIGATION

OTHER:

CASE NUMBER	MN. OFFENSE CODE	DATE AND TIME OF ACTIVITY
03-171	9140	06/5/2003 1330 hrs.

COUNTY OF OCCURRENCE	SUBMITTED BY
Steele	S/A Shingledecker

OFFENSE CATEGORY  
Lottery Security Audit

=====

REPORTED BY:  
Doug Wills  
Security Director  
Mn. State Lottery

SUBJECT:  
Mn. State Lottery Regional Office  
1836 South Cedar St.  
Owatonna, Mn. 55060

PERSONNEL ASSIGNED:  
S/A Ralph Shingledecker

SYNOPSIS:  
At the request of the Mn. State Lottery, an audit of the Lottery Regional Office facilities security systems and procedures was conducted.

DETAILS:  
a.) On 6-5-2003 a review of the Owatonna Regional office of the Mn. State Lottery was conducted by SA Shingledecker with the assistance of CSAS Julie Starkson, Linda Mueller and Jacklyn Rosendahl. All employees were very helpful in making this audit a success.

b.) The facility and all procedures were reviewed. The alarm system was formerly tested each month but since the budget cuts were put in place, lottery security investigators do not visit each regional office monthly and therefore the alarms are not tested. Linda Mueller assisted in the testing of the panic alarm while SA Shingledecker was present. The panic alarm was set off after notifying the Owatonna Police Department. After twelve minutes, the alarm company had not called the lottery office as per the instructions given to lottery employees. Ms Mueller called the Owatonna Police Department and learned that the alarm company had notified them. Investigator Jerylo was called and was notified of the situation.

c.) A motion detector was installed in the mechanical room which was mentioned in the report in 2002.

c.) A portable defibrillator has been installed in the office area. As of this date it is unknown who has been trained on the use of the equipment. The staff that was interviewed has not been trained on the use of the equipment.

d.) The security of the exterior of the building is good with no sight obstructions noted.

**STATUS:** Closed

TYPE OF REPORT

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

\_\_\_\_\_ INITIAL REPORT

\_\_\_\_\_ INVESTIGATION REPORT ALCOHOL & GAMBLING ENFORCEMENT DIVISION

\_\_\_\_\_ CRIMINAL INFORMATION

\_\_\_\_\_ CASE CLOSURE

REPORT OF INVESTIGATION

\_\_\_\_\_ OTHER: \_\_\_\_\_

CASE NUMBER

MN. OFFENSE CODE

DATE AND TIME OF ACTIVITY

03-171

9140

06/04/2003

1030 hrs.

COUNTY OF OCCURRENCE

SUBMITTED BY

Lyon

S/A Shingledecker

OFFENSE CATEGORY

Lottary Security Audit

=====

REPORTED BY:

Doug Wills  
Security Director  
Mn. State Lottery

SUBJECT:

Mn. State Lottery Marshall Regional Office  
750 West College Drive  
Marshall, Mn. 56258

PERSONNEL ASSIGNED:

S/A Ralph Shingledecker

SYNOPSIS:

At the request of the Mn. State Lottery, an audit of the lottery Regional Office facilities security systems and procedures was conducted.

DETAILS:

A. On 06-04-2003 a review of the Mn. Lottery Marshall Regional Office was conducted.

B. The security and procedures for the office area were reviewed. The warehouse facility adjoining the office was also reviewed.

C. SA Shingledecker checked the Fire extiquishers in the office and found that none of the units have been checked by it was learned that the extinguishers have not been checked by an outside extinguisher service since 1992.This information was provided in the 2002 yearly report and has obviously been ignored. According to the National Fire Protection Association which sets out the standards for fire protection, the extinguishers are supposed to be checked annually by an extinguisher service. This is a safety issue for employees as well a Fire and Rescue Personnel.Bladholm Construction Co., the owner of the facility should be contacted to address the issue. .

D) The door leading from the warehouse to the office area is equipped with a lock that appears to be installed on the wrong side. The lock is opened by using a combination and in order to exit the warehouse, you first have to enter the proper combination. This could be a serious safety hazard for anyone who has to work in the warehouse area. This problem was pointed out in the 2002 yearly audit, but has not been corrected.

E. The motion detector located on the North side of the warehouse is partially obstructed by a stack of shelves containing various boxes.

F) The alarm system was checked within the last 60 days and worked properly.

G.) The exterior of the building was inspected for possible security issues but none were found.

**STATUS:** Closed



TYPE OF REPORT

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

_____ INITIAL REPORT	
_____ INVESTIGATION REPORT	ALCOHOL & GAMBLING ENFORCEMENT DIVISION
_____ CRIMINAL INFORMATION	
_____ CASE CLOSURE	REPORT OF INVESTIGATION
_____ OTHER:	

CASE NUMBER	MN. OFFENSE CODE	DATE AND TIME OF ACTIVITY
03-171	9140	06/19/2003 1530 hrs.

COUNTY OF OCCURRENCE	SUBMITTED BY
Becker	S/A Shingledecker

OFFENSE CATEGORY  
 Lottery Security Audit

=====

REPORTED BY:  
 Doug Wills  
 Security Director  
 Mn. State Lottery

SUBJECT:  
 Mn. State Lottery Regional Office Detroit Lakes  
 1111 Highway 10 East  
 Detroit Lakes, Mn. 56501

PERSONNEL ASSIGNED:  
 S/A Ralph Shingledecker

SYNOPSIS:  
 At the request of the Mn. State Lottery, an audit of the Detroit Lakes Regional Office facility security system and procedures was conducted.

DETAILS:  
 a.) On 06-19-2003 a review of the Detroit Lakes Regional office of the Mn. State Lottery was conducted.

b.) The facilities security and procedures were reviewed. The warehouse facility adjoining the office was also reviewed. CSAS Robin Raftevoid accompanied SA Shingledecker through the facility. This facility has a doorway between the warehouse and the office area that requires a key on both sides which has the potential to be a safety hazard for employees. Manager Jerry Ouren was not available for the security audit.

c.) The new safe has been installed and is used daily. Also the new Defibrilator has been installed and both employees are trained on its use, according to CSAS Raftevoid.

d.) Security around the outer perimeter of the building is good with minor obstructions to sight noted. The shrubery around the building is getting tall enough that it could become a sight obstruction for Law Enforcement Personnel. According to CSAS Ratevoid, the shrubbery is trimmed back by the building maintenance company in the fall of the year.

STATUS: Closed

TYPE OF REPORT

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

- \_\_\_\_\_ INITIAL REPORT
- \_\_\_\_\_ INVESTIGATION REPORT ALCOHOL & GAMBLING ENFORCEMENT DIVISION
- \_\_\_\_\_ CRIMINAL INFORMATION
- \_\_\_\_\_ CASE CLOSURE REPORT OF INVESTIGATION
- \_\_\_\_\_ OTHER: \_\_\_\_\_

<b>CASE NUMBER</b>	<b>MN. OFFENSE CODE</b>	<b>DATE AND TIME OF ACTIVITY</b>
03-171	9140	06/03/2003 1330 hrs.

<b>COUNTY OF OCCURRENCE</b>	<b>SUBMITTED BY</b>
Dakota	S/A Shingledecker

**OFFENSE CATEGORY**  
 Lottery Security Audit

=====

**REPORTED BY:**

Doug Wills  
 Security Director  
 Mn. State Lottery

**SUBJECT:**

Mn. State Lottery Regional Office  
 1060 Lone Oak Road  
 Eagan, Mn. 55121

**PERSONNEL ASSIGNED:**

S/A Ralph Shingledecker

**SYNOPSIS:**

At the request of the Mn. State Lottery, an audit of the lottery Regional Office facilities security systems and procedures was conducted.

**DETAILS:**

- a.) On 06-03-2003 a review of the Eagan Regional office of the Mn. State Lottery was conducted.
- b.) Facility security and procedures were reviewed with Steve Abado, Manager of the Eagan Lottery Facility. Mr. Abado reported that as a result of a burglary at the facility in 2002 there have been additional security measures initiated. A new safe has been installed and appears to be very secure. All locks have been changed and new key security put in place.
- c.) The fire exits are all clearly marked. A new lighted exit sign with battery operated lighting has been installed at the entrance to the warehouse for the safety of employees in the warehouse area.
- d.) A new Defibrillator has been installed in the Eagan facility. Two management staff have been trained on the use of the Defibrillator. A suggestion would be to train more employees in the use of the equipment.
- e.) The fire extinguishers were found to be expired in 2002. Mr Abado will contact the building management company to have the extinguishers updated.

e.) Security around the outer perimeter of the building is adequate with the exception of a key box located on the outside of the building which allows unknown persons to enter the mechanical room which houses a significant amount of wiring related to the alarm system. All other aspects of the inspection were found to be correct.

**STATUS:** Closed

PS-GE110-01

TYPE OF REPORT

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

\_\_\_\_\_  
INITIAL REPORT  
\_\_\_\_\_  
INVESTIGATION REPORT  
\_\_\_\_\_  
CRIMINAL INFORMATION  
\_\_\_\_\_  
CASE CLOSURE  
\_\_\_\_\_  
OTHER:

ALCOHOL & GAMBLING ENFORCEMENT DIVISION  
REPORT OF INVESTIGATION

CASE NUMBER MN. OFFENSE CODE      DATE AND TIME OF ACTIVITY  
03-171                              9140                              06/03/2003 1000 hrs.

COUNTY OF OCCURRENCE                              SUBMITTED BY  
Ramsey    S/A Shingledecker

OFFENSE CATEGORY  
Lottery Security Audit

=====

REPORTED BY:

Doug Wills  
Security Director  
MN. State Lottery

SUBJECT:

MN. State Lottery Headquarters  
2645 Long Lake Rd  
Roseville, Mn.55113

PERSONNEL ASSIGNED:

S/A Ralph Shingledecker

SYNOPSIS:

At the request of the MN. State Lottery, an audit of the lottery Headquarters facilities security systems and procedures was conducted.

DETAILS:

a.) On 06-03-2003 a review of the MN Lottery Headquarters was conducted by SA Shingledecker. A new alarm system was installed and appears to be functioning properly. The alarm is tested frequently by lottery investigators. A back-up alarm system has been installed in all regional offices to enhance the existing alarm system.

b.) The Headquarters facility security and procedures was reviewed. The warehouse facility adjoining the office was also reviewed. Upon viewing Headquarters it is apparent that safety and security are important to the Management of the Minnesota Lottery.

c.) SA Shingledecker spoke with Investigator Jerylo with regard to the lab and the hazardous materials and various safety features in place in case of an incident in the lab. The laboratory is used to examine random samples of new games as well as checking suspect tickets for forgery and other related crimes.

d.) Security around the outer perimeter of the building is excellent with no obstructions to sight noted. All other aspects of the inspection were found to be correct.

STATUS: Closed

TYPE OF REPORT

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

- \_\_\_\_\_ INITIAL REPORT
- \_\_\_\_\_ INVESTIGATION REPORT ALCOHOL & GAMBLING ENFORCEMENT DIVISION
- \_\_\_\_\_ CRIMINAL INFORMATION
- \_\_\_\_\_ CASE CLOSURE REPORT OF INVESTIGATION
- \_\_\_\_\_ OTHER: \_\_\_\_\_

CASE NUMBER	MN. OFFENSE CODE	DATE AND TIME OF ACTIVITY
03-171	9140	06/06/2003 1130 hrs.

COUNTY OF OCCURRENCE	SUBMITTED BY
St Louis	S/A Shingledecker

OFFENSE CATEGORY  
Lottery Security Audit

=====

REPORTED BY:

Doug Wills  
Security Director  
Mn. State Lottery

SUBJECT:

Mn. State Lottery Regional Office Virginia  
5463 17<sup>th</sup> Ave West  
Virginia, Mn 55792

PERSONNEL ASSIGNED:

S/A Ralph Shingledecker

SYNOPSIS:

At the request of the Mn. State Lottery, an audit of the Regional Office facilities security systems and procedures was conducted. Manager Greg Moir was present during the inspection .

DETAILS:

- a.) On 06-06-2003 a review of the Virginia Regional office of the Mn. State Lottery was conducted.
- b.) The office's facility security and procedures was reviewed. The alarm system was last checked by Jim Jerylo, security investigator for Minnesota State Lottery office and was reported to be in good working order. Due to budget shortages investigator Jerylo does not visit the outstate facilities as often and therefore the alarms are not checked. This has been the case in all out-state facilities that have been inspected. The recommendation of SA Shingledecker would be to train the managers or their staff to test the alarms to assure they are functioning. The warehouse facility adjoining the office was also reviewed.
- c.) The new defibrillator has been installed but will not be used until money for training has been provided in the budget for the Virginia facility. Greg Moir stated that he is just not comfortable with just a video as training for the equipment.
- d.) A new safe has been installed and has eliminated the need for large amounts of cash in the cash register area.

e.) No employees have resigned or been terminated since the last security audit.

f.) Security around the outer perimeter of the building is excellent with no obstructions to sight noted. All other aspects of the inspection were found to be correct.

**STATUS:** Closed

PS-GE110-01

TYPE OF REPORT

MINNESOTA DEPARTMENT OF PUBLIC SAFETY

\_\_\_\_ INITIAL REPORT  
\_\_\_\_ INVESTIGATION REPORT  
\_\_\_\_ CRIMINAL INFORMATION  
\_\_\_\_ CASE CLOSURE  
\_\_\_\_ OTHER:

ALCOHOL & GAMBLING ENFORCEMENT DIVISION

REPORT OF INVESTIGATION

CASE NUMBER MN. OFFENSE CODE      DATE AND TIME OF ACTIVITY  
02-186                              9140                              05/15/2002 1000 hrs.

COUNTY OF OCCURRENCE                              SUBMITTED BY  
Ramsey    S/A Shingledecker

OFFENSE CATEGORY  
Lottery Security Audit

=====

REPORTED BY:  
Doug Wills  
Security Director  
MN. State Lottery

SUBJECT:  
MN. State Lottery Headquarters  
2645 Long Lake Rd  
Roseville, Mn.55113

PERSONNEL ASSIGNED:  
S/A Ralph Shingledecker

SYNOPSIS:  
At the request of the MN. State Lottery, an audit of the lottery Headquarters facilities security systems and procedures was conducted.

DETAILS:  
a.) On 05-15-2002 a review of the MN Lottery Headquarters was conducted by SA Shingledecker and SA Ahart. Since this inspection took place there have been some extra security measures put in place. A back-up alarm system has been installed in all regional offices to enhance the existing alarm system.

b.) The Headquarters facility security and procedures was reviewed. The warehouse facility adjoining the office was also reviewed. Investigator Jim Jerylo provided a tour of the facility including measures being taken for the safety and security of the MN Lottery Headquarters. Upon viewing Headquarters it is apparent that safety and security are important to the Management of the Minnesota Lottery.

c.) The lab was inspected for hazardous chemicals or any other hazardous materials and was found to have numerous safety features in place in case of an incident in the lab. The laboratory is used to examine random samples of new games as well as checking suspect tickets for forgery and other related crimes.

d.) Security around the outer perimeter of the building is excellent with no obstructions to sight noted. All other aspects of the inspection were found to be correct.