

Does AI Monitoring Work in Casinos? – Part 1

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AI technology implementation in casinos is a relatively new phenomenon that has prioritized efficient data collection, curbing gambling addiction, and importantly combating fraud and cheating. This implementation promises more secure gameplay and better monitoring of players. AI recordkeeping and data analysis can detect players' specific patterns and habits, while also providing accurate predictions about behavior and preferences.^[1] In the security context however, AI is still largely a promising, but developing process. Facial recognition systems have been deployed in casinos worldwide in New Zealand, Japan, and China;^[2] South Australia alone has more than 230 establishments with such technology detecting banned players over 1,700 times after 50 million scanned faces.^[3]

Singapore's first casino, Genting's Resorts World Sentosa, aimed to bolster its security and fraud detection measures by hiring China's leading AI company SenseTime to incorporate facial and image recognition.^[4] However technical difficulties led to constant delays and hindered what could have been a game-changer for the industry. Ultimately, Genting's Resorts World Sentosa revealed the strengths and pitfalls of implementing AI technology leading to the question: Can AI monitoring actually work in casinos?

AI CCTV cameras reduce the margin for human error as they efficiently rely on reference images while simultaneously comparing them to the camera footage in a given area.^[5] These cameras can analyze the data from the footage without a need for human intervention, resulting in a much more impartial and calculated process.^[6] In the Genting project, SenseTime targeted patrons' fraudulent behavior and prohibited gambling practices by relying on straightforward CCTV technology that tracked patrons "every time [a patron] moved in front of a CCTV camera."^[7] SenseTime utilized both facial and gesture recognition to track the hands of both the dealers and patrons. This led to technical concerns regarding how many cameras were needed, how wide the lenses must be, etc. Prevalent technical problems also halted the project including the cameras' lower quality images especially in poorly lit areas. Further, staff uniforms caused confusion for the cameras in distinguishing staff from the myriad people frequenting the venue.^[8] Hence, how much zooming in and out may gesture recognition require for a precise analysis?

As learned from watching Genting's Resorts World Sentosa, gaming companies interested in implementing AI technology must understand the practical limitations to these technologies. These technologies do promise several benefits, including better monitoring of fraud and potentially even flagging gambling addiction habits early. Yet customer privacy, accuracy of information, and safety are ubiquitous concerns to consider. In the second part of our

two-part series, we will consider ubiquitous legal considerations of implementing AI in casinos including customer privacy, information accuracy, and data safety.

Winston's attorneys advise clients on the evolving legal frameworks and issues related to regulations in the U.S., Canada, and the EU General Data Protection Regulation (GDPR). We are knowledgeable in AI trends related to prior litigation, government enforcement actions, and companies' reputational risk. Our team also includes privacy and data security attorneys highly experienced in data collection, data use, and data breach issues.

About Winston's Videogame, Gaming & Esports Group

Recognizing that emerging industries require bespoke lawyering, David Enzminger formed and lead Winston's Videogame, Gaming & Esports Group to provide comprehensive legal solutions to companies in these industries. This multidisciplinary group includes more than 60 lawyers across 10 practices working seamlessly to assist companies in these industries in all areas, including managing IP portfolios, assisting esports companies to establish global sports leagues, selling franchises, and developing proactive legal solutions for issues that arise from league operations. We represent videogame publishers in antitrust matters and represent both rights owners and gaming companies in licensing issues for game content. In addition, our team helps electronic game clients prepare for all types of regulatory and public scrutiny issues, such as corporate governance, data privacy, and harassment/discrimination claims that are sure to come as the industry continues to grow in both size and influence. Our offices in New York, Silicon Valley, Los Angeles, and Shanghai provide gaming clients with a global platform for their complex and evolving legal needs.

¹ Can Artificial Intelligence Be Used in Casinos?, <https://sirugaming.com/can-artificial-intelligence-be-used-in-casinos/>, (last accessed December 23, 2021).

² Chinese casinos use AI, facial recognition to spot suckers, <https://futurism.com/the-byte/chinese-casinos-ai-facial-recognition>, (last accessed December 23, 2021).

³ South Australia Clamps Down On Problem Gambling With Facial Recognition Tech, <https://findbiometrics.com/south-australia-clamps-down-on-problem-gambling-with-facial-recognition-tech-052809/>, (last accessed December 23, 2021).

⁴ World's first 'AI casino' delayed by technical hitches, <https://www.ft.com/content/8bc5fe03-03b0-4429-807f-60de1ac0293f>, (last accessed December 8, 2021).

⁵ Why AI CCTV is the future of security and surveillance in public spaces, <https://www.securitymagazine.com/articles/96719-why-ai-cctv-is-the-future-of-security-and-surveillance-in-public-spaces>, (last accessed December 19, 2021).

⁶ Artificial Intelligence is Going to Supercharge Surveillance, <https://www.theverge.com/2018/1/23/16907238/artificial-intelligence-surveillance-cameras-security>, (last accessed December 19, 2021).

⁷ World's first 'AI casino' delayed by technical hitches, *supra* note 4.

⁸ World's first 'AI casino' delayed by technical hitches, *supra* note 4.

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