An Examination of Frequencies of Prosecuted Crimes in Selected Gaming Industry Establishments ( Casinos)

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Abstract

This paper examines the frequencies of prosecuted crimes in selected gaming industry establishments (casinos) to confirm or reject the expectation that prosecuted crimes are equally likely to occur in any casino in the geographical area included in the study. Differences discovered may be key issues of concern for forensic accountants and others and thus worthy of future research. Public records of the Circuit Clerk of Tunica County, Mississippi, were used to identify the frequency of prosecutions of felonies occurring in the ten casinos operating in that county over a four-year period from 2000 to 2003. Differences in observed and expected rates of prosecutions were tested for statistical significance using chi-square and two-tailed Z-tests with a five percent acceptable error rate. The study focused on five types of crime: attempted forgery, forgery, embezzlement, gaming, and miscellaneous crime. One statistical test, the chi-square test, detected statistically significant differences in rates of prosecution of three of the five crimes. The Z-test detected statistically significant differences in rates of prosecutions of four of the five types of crimes. Tables are included to assist in the possible explanations of the findings. The analysis of the data, conclusions drawn, and suggestions for future research should be of value to forensic accountants, internal auditors, members of management of casinos, law enforcement officials, and the staff and members of the Mississippi Gaming Commission. They could also serve as the foundation for a case study for use in appropriate academic courses in forensic accounting/auditing.

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