

**CHAPTER 439b. GAMING JUNKET REPRESENTATIVES
-STATEMENT OF POLICY**

§ 439b.1. Gaming junket representatives.

(a) This section clarifies the act as it relates to an individual who is employed by a slot machine licensee and performs the same functions as a junket representative. Section 1604(c) of the act (relating to gaming junket representatives) states that an individual who is employed by a slot machine licensee and holds a valid occupation permit may act as a junket representative, even if the individual is not a resident of this Commonwealth.

(1) Board staff will evaluate the following indicia of employment to determine if an individual is a bona fide employee of a slot machine licensee:

(i) The individual receives a W-2 Form, wage and tax statement, from the slot machine licensee.

(ii) The slot machine licensee has the right to control or direct what work shall be done and how it shall be performed.

(iii) The individual is reimbursed by the slot machine licensee for business expenses incurred on behalf of the licensee.

(iv) The individual participates in or receives benefits from the licensee such as insurance, pension plan, vacation pay or sick pay.

(2) The individual will not be considered an employee of the slot machine licensee if one of the following conditions is met:

(i) The individual receives an IRS Form 1099, miscellaneous income form, from the slot machine licensee.

(ii) The individual is licensed or otherwise credentialed in another gaming jurisdiction as a junket enterprise/organizer or provides the same or similar services to gaming facilities in other markets.

(b) If the individual is not a bona fide employee of a slot machine licensee under subsection (a), the individual must be permitted as a junket representative and the junket enterprise must be licensed in accordance with the act and Chapter 439a (relating to junket enterprises).

(c) The Board may grant an applicant for a gaming junket enterprise license a conditional license to conduct business in this Commonwealth. To be eligible to obtain a conditional gaming junket enterprise license, the applicant shall:

(1) Submit a completed gaming junket enterprise license and gaming junket representative permit application, including the nonrefundable application fee as posted on the Board's web site, and pass a preliminary review.

(2) Submit agreements entered into between the slot machine licensee and the gaming junket enterprise or representative.

(3) Be licensed or credentialed, in good standing, to arrange or negotiate the terms of a gaming junket in a jurisdiction in the United States or Canada that the Board has determined has licensing standards that are as comprehensive and thorough and provide similar adequate safeguards as those required under the act.

(4) Pass a preliminary review of the applicant's criminal history.

(5) Agree, in writing, that the grant of permission to conduct business with a conditional license does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the conditional licensure granted to the applicant, with or without prior notice to the applicant, if the Bureau of Licensing is notified that the suitability of the applicant is at issue or the applicant fails to cooperate in the application process.

(d) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant that has received a conditional gaming junket enterprise license, the Bureau of Licensing may rescind the conditional license. If the conditional license is rescinded, the gaming junket enterprise shall cease conducting business by the date specified in the notice of the rescission sent to the conditional licensee.

(e) When the Bureau of Licensing rescinds a conditional license, the Bureau of Licensing will notify the holder of the conditional license and the slot machine licensee by registered mail that:

(1) Permission for the conditional licensee to conduct business has been rescinded.

(2) Slot machine licensees shall cease conducting business with the gaming junket enterprise by the date specified in the notice.

(f) Pending a hearing on the Notice of Recommendation for Denial, the conditional licensee may not seek or conduct new business in this Commonwealth.

(g) The slot machine licensee shall investigate the background and qualifications of the applicant for a gaming junket enterprise license with whom the slot machine licensee intends to have a relationship or enter into a contractual agreement.

(h) The slot machine licensee has an affirmative duty to avoid agreements or relationships with a person applying for a gaming junket enterprise license whose background or

association is injurious to the public health, safety, morals, good order and general welfare of the people of this Commonwealth or who threatens the integrity of gaming in this Commonwealth.

(i) The slot machine licensee has a duty to inform Board staff of an action by an applicant for or holder of a gaming junket enterprise license which the slot machine licensee believes would constitute a violation of the act or the Board's regulations.