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Title 58. Recreation
Part VII. Gaming Control Board

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THE TEMPORARY REGULATIONS ADOPTED BY THE BOARD EXPIRED JULY 5, 2007.
THIS DOCUMENT CONTAINS THE CHAPTERS OF PERMANENT REGULATIONS AND AMENDMENTS THERE TO THAT HAVE COMPLETED REVIEW UNDER THE REGULATORY REVIEW ACT AS OF JANUARY 10, 2025
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Annex A

TITLE 58. RECREATION

PART VII. GAMING CONTROL BOARD

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§ 401a.1. Purpose.

The purpose of this part is to facilitate the implementation of the act.

§ 401a.2. Construction.

(a) This part shall be liberally construed to secure the just, speedy and efficient determination of every action, proceeding or issue presented to which it is applicable. The Board at any stage of an action, proceeding or issue presented may disregard an error or defect of procedure which does not affect the substantive rights of the participants.

(b) Subsection (a) supersedes 1 Pa. Code § 31.2 (relating to liberal construction).

§ 401a.3. Definitions.

The following words and terms, when used in this part, have the following meanings, unless the context clearly indicates otherwise:

Act--The Pennsylvania Race Horse Development and Gaming Act (4 Pa.C.S. §§ 1101--1904).

Affiliate, affiliate of or person affiliated with--A person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with a specified person.

Applicant--A person, who on his own behalf or on behalf of another, is applying for permission to engage in an act or activity which is regulated under the act or this part. In cases in which the applicant is a person other than an individual, the Board will determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

Application--A written request for permission to engage in an act or activity which is regulated under the act or this part.

Approved, approval or *approve*--The date that an application to the Board is granted regardless of the pendency of administrative or judicial appeals or other legal action challenging the decision of the Board.

Arrest--Detaining, holding, or taking into custody by police or other law enforcement authorities to answer for an alleged commission of an offense.

Associated equipment--Equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with gaming, including the following:

(i) Linking devices which connect to progressive slot machines or slot machines.

(ii) Replacement parts needed to conduct slot machine gaming.

(iii) Equipment which affects the proper reporting of gross revenue.

(iv) Computerized systems for controlling and monitoring slot machines, including, the central control computer and devices for weighing or counting money.

BIE or *Bureau*--The Bureau of Investigations and Enforcement of the Board.

Background investigation--A security, criminal, credit and suitability investigation of a person as provided for in the act. The investigation must include the status of taxes owed to the United States and to the Commonwealth and its political subdivisions.

Backside area--

(i) Those areas of the racetrack facility that are not generally accessible to the public and which include facilities commonly referred to as barns, track kitchens, recreation halls, backside employee quarters and training tracks, and roadways providing access thereto.

(ii) The term does not include those areas of the racetrack facility which are generally accessible to the public, including the various buildings commonly referred to as the grandstand or the racing surfaces, paddock enclosures and walking rings.

Board--The Pennsylvania Gaming Control Board.

Board web site – www.gamingcontrolboard.pa.gov.

Central control computer--A central site computer controlled by the Department and accessible by the Board to which all slot machines communicate for the purpose of auditing capacity, real-time information retrieval of the details of a financial event that occurs in the operation of a slot machine, including, coin in, coin out, ticket in, ticket out, jackpots, machine door openings and power failure, and remote machine activation and disabling of slot machines.

Certificate holder --A slot machine licensee that was awarded a certificate to operate table games.

Certified gaming service provider--A gaming service provider that holds a gaming provider certification.

Charge--An indictment, complaint, information, summons or other notice of an alleged commission of an offense.

Clerk--The Clerk to the Board's Office of Hearings and Appeals.

Collateral agreement--Any contract between a management company or its affiliates, intermediaries, subsidiaries or holding companies and a slot machine licensee or its affiliates, intermediaries, subsidiaries or holding companies that is related either directly or indirectly to a management contract or to any rights, duties or obligations created between a management company and a slot machine licensee.

Commission or *Commissions*--The State Horse Racing Commission or the State Harness Racing Commission, or both, as the context may require.

Compensation--A thing of value, money or a financial benefit conferred on or received by a person in return for services rendered, or to be rendered, whether by that person or another.

Complimentary--

(i) Any lodging, service or item, including a cash or non-cash gift which is provided directly or indirectly to an individual at no cost or at a reduced cost which is not generally available to the public.

(ii) The term includes lodging provided to an individual at a reduced price due to the anticipated or actual gaming activities of that individual. Group rates, including convention and government rates, shall be deemed generally available to the public.

(iii) The term includes points that are awarded to patrons of a licensed facility who are members of the licensed facility's player rewards program and credits for promotional slots play.

Conduct of gaming--The licensed placement and operation of games of chance under the act or this part and approved by the Board at a licensed facility.

Confidential information--Materials that are not generally available to the public.

Controlling interest--

(i) For a publicly traded domestic or foreign corporation, a controlling interest is an interest in a legal entity, applicant or licensee if a person's sole voting rights under state law or corporate articles or bylaws entitle the person to elect or appoint one or more of the members of the board of directors or other governing board or the ownership or beneficial holding of 5% or more of the securities of the publicly traded corporation, partnership, limited liability company or other form of publicly traded legal entity, unless this presumption of control or ability to elect is rebutted by clear and convincing evidence.

(ii) For a privately held domestic or foreign corporation, partnership, limited liability company or other form of privately held legal entity, a controlling interest is the holding of any securities in the legal entity, unless this presumption of control is rebutted by clear and convincing evidence.

(iii) A person who owns or beneficially holds less than 5% of the securities of a privately held domestic or foreign corporation, partnership, limited liability company or other form of privately held legal entity shall be deemed as having rebutted the presumption of control by clear and convincing evidence.

Conviction--

(i) A finding of guilt or a plea of guilty or nolo contendere, whether or not a judgment of sentence has been imposed as determined by the law of the jurisdiction in which the prosecution was held.

(ii) The term does not include a conviction that has been expunged or overturned or for which an individual has been pardoned or an order of Accelerated Rehabilitative Disposition has been entered.

Corporation--A publicly traded corporation.

Credential--A form of identification approved and issued by the Board.

Department--The Department of Revenue of the Commonwealth.

Ex parte communication--

(i) Any off-the-record communication engaged in or received by a member or presiding officer of the Board regarding the merits of or any fact in issue relating to a pending matter before the Board or presiding officer or which may reasonably be expected to come before the Board or presiding officer in a contested on-the-record proceeding.

(ii) The term does not include the following:

(A) Off-the-record communications by or between a member or presiding officer of the Board, the Department, the Pennsylvania State Police, the Attorney General or other law enforcement official prior to the beginning of the proceeding solely for the purpose of seeking clarification or correction to evidentiary materials intended for use in the proceedings.

(B) Communications between the Board or a member and the Office of Chief Counsel.

Federal tax identification number--The Social Security number of an individual or the Employer Identification Number of a business entity, fiduciary or other person.

Final order--One of the following:

(i) An action by the Board which approves, issues, renews, revokes, suspends, conditions, denies issuance or renewal of a license, permit, certification or registration.

(ii) An action by the Board which affects personal or property rights, privileges, immunities, duties, liabilities or obligations and disposes of all claims by or against parties before the Board.

(iii) An action by the Board which is designated by the Board as final.

Financial backer--An investor, mortgagee, bondholder, note holder or other source of equity or capital provided to an applicant or licensed entity.

Formal record--The pleadings in a matter or proceeding, a notice or Board order initiating the matter or proceeding, and if a hearing is held: the transcript of a hearing, exhibits received in evidence, offers of proof, motions, stipulations, subpoenas, proofs of service, determinations made by the Board thereon, and certifications to the Board.

Gaming area or *gaming floor*--Any portion of a licensed facility where slot machines have been installed for use or play.

Gaming employee—

(i) An employee of a slot machine licensee, including:

(A) Cashiers.

(B) Change personnel.

(C) Count room personnel.

(D) Slot attendants.

(E) Dealers of croupiers.

(F) Machine mechanics, computer machine technicians or table game device technicians.

(G) Security personnel.

(H) Surveillance personnel.

(I) Personnel with SLOTS Link security administrator access and responsibilities.

(J) Hosts or other individuals authorized to extend complimentary services, including employees performing functions similar to those performed by a gaming junket representative.

(K) Promotional play supervisors, credit supervisors, pit supervisors, cashier supervisors, shift supervisors, table game managers and assistant managers and other supervisors and managers, except for those specifically identified in this part as key employees.

(L) Boxpersons.

(M) Floorpersons.

(N) Personnel authorized to issue promotional play.

(O) Personnel authorized to issue credit.

(P) Directors of the following departments:

(I) Food and beverage.

(II) Facilities.

(III) Construction.

(ii) Employees of a licensed supplier, manufacturer, manufacturer designee or gaming related gaming service provider whose duties:

(A) Are directly involved with the repair, service or distribution of slot machines, table game devices or associated equipment sold or provided to a licensed facility within this Commonwealth.

(B) Require the employee's presence on the gaming floor or in a restricted area of a licensed facility.

(iii) Employees of a gaming service provider whose duties require:

(A) The employee's presence on the gaming floor or in a restricted area of a licensed facility.

(B) The employee to access the slot machines, table game devices or associated equipment in a manner that does not affect the play of the game.

(iv) Gaming junket representatives.

(v) Other employees or individuals who the Board determines, after a review of the work being performed, require permits for the protection of the integrity of gaming.

Gaming service provider--

(i) A person that provides goods or services to a slot machine licensee or applicant, but is not required to be licensed as a manufacturer, manufacturer designee, supplier, management company or gaming junket enterprise.

(ii) The term includes:

(A) Suppliers of alcoholic beverages (if not otherwise regulated by the Pennsylvania Liquor Control Board), food and nonalcoholic beverages.

(B) Refuse handlers.

(C) Vending machine providers and service personnel.

(D) Linen and uniform suppliers.

(E) Janitorial and maintenance companies, not relating to the repair of slot machines or associated equipment.

(F) Tenant businesses or franchises located within licensed facilities.

(G) Providers of transportation services.

(H) Companies, subcontractors and professionals involved in the construction of a facility for a slot machine licensee or applicant.

(I) Lessors of real property or goods.

(J) Other entities which the Board will determine based on detailed analyses by the Board of gaming service provider contracts.

Gaming service provider certification--A certification issued by the Board authorizing a gaming service provider to provide goods or services to a slot machine licensee or applicant.

Gaming service provider registration--A registration issued by the Board authorizing a gaming service provider to provide goods or services to a slot machine licensee or applicant.

Gross terminal revenue--The total of cash or cash equivalent wagers received by a slot machine minus the total of:

(i) Cash or cash equivalents paid out to patrons as a result of playing a slot machine which are paid to patrons either manually or paid out by the slot machine.

(ii) Cash paid to purchase annuities to fund prizes payable to patrons over a period of time as a result of playing a slot machine.

(iii) Any personal property distributed to a patron as the result of playing a slot machine. This does not include travel expenses, food, refreshments, lodging or services.

(iv) The term does not include counterfeit money or tokens, coins or currency of other countries which are received in slot machines (except to the extent that they are readily convertible to United States currency), cash taken in fraudulent acts perpetrated against a slot machine licensee for which the licensee is not reimbursed or cash received as entry fees for contests or tournaments in which the patrons compete for prizes.

Holding company--A person, other than an individual, which, directly or indirectly, owns, has the power or right to control or to vote 20% or more of the outstanding voting securities of a corporation or other form of business organization. A holding company indirectly has, holds or owns any such power, right or security if it does so through an interest in a subsidiary or successive subsidiaries.

IRS--The Internal Revenue Service of the United States.

Independent contractor--A person who performs professional, scientific, technical, advisory or consulting services to the Board for a fee, honorarium or similar compensation pursuant to a contract.

Institutional investor--A retirement fund administered by a public agency for the exclusive benefit of Federal, State or local public employees, investment company registered under the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1--80a-64), collective investment trust organized by banks under Part Nine of the Rules of the Comptroller of the Currency, closed end investment trust, chartered or licensed life insurance company or property and casualty insurance company, banking and other chartered or licensed lending institution, investment advisor registered under the Investment Advisors Act of 1940 (15 U.S.C.A. §§ 80b-1--80b-21), and other persons registered in any foreign jurisdiction and regulated pursuant to a statute of any foreign jurisdiction that the Board determines to be substantially similar to either or both of the aforementioned statutes.

Intermediary--A person, other than an individual, which is:

(i) A holding company with respect to a corporation or other form of business organization, which holds or applies for a license under the act or this part.

(ii) A subsidiary with respect to a holding company.

Issued, issuance or *issue*--The date when a determination by the Board approving an application becomes final, binding and nonappealable and is not subject to a pending legal challenge.

Key employee--An individual who is:

(i) Employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate slot machine or table game operations in this Commonwealth, including the general manager and assistant manager of the licensed facility, director of slot operations, director of table games operations, director of cage operations, director of credit operations, director of surveillance, director of marketing, director of management information systems, director of security, director of human resources, comptroller and any employee who is not otherwise designated as a gaming employee and who supervises the operations of these departments or to whom these department directors or department heads report.

(ii) Employed by a slot machine licensee, manufacturer licensee or supplier licensee whose duties affect or require contact with slot machines, slot monitoring systems, casino management systems, player tracking systems and wide-area progressive systems for use or play in this Commonwealth, whether or not the individual is assigned to gaming operations in this Commonwealth.

(iii) A sales representative seeking to sell slot machines, table game devices and associated equipment for use in this Commonwealth on behalf of a licensed manufacturer, manufacturer designee or supplier.

(iv) Employed in other positions which the Board will determine based on detailed analyses of the employee's duties or the job descriptions.

License fee--The amount of money required to be paid for the issuance or renewal of any type of license required by the act or as established by the Board.

Licensed entity--A slot machine licensee, manufacturer licensee, supplier licensee or other person licensed by the Board under this part.

Licensed entity representative--A person acting on behalf of or representing the interest of an applicant, licensee, permittee or registrant, including an attorney, agent or lobbyist regarding any matter which may reasonably be expected to come before the Board.

Licensed facility--

(i) The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines including the gaming floor, all restricted areas servicing slot operations, and food, beverage and retail outlets and other areas serving the gaming floor which are located either on or directly accessible from and adjacent to the gaming floor or the restricted areas servicing slot operations.

(ii) The term does not encompass areas or amenities exclusive to pari-mutuel activities, hotel activities including hotel rooms, catering or room service operations serving a hotel, convention, meeting and multipurpose facilities, retail facilities, food and beverage outlets and other amenities and activities not located on or adjacent to the gaming floor, or related to slot machine gaming operations.

Licensed gaming entity--A person that holds a slot machine license.

Licensed racetrack or *racetrack*--

(i) The physical facility and grounds where a person has obtained a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct live thoroughbred or harness race meetings respectively with pari-mutuel wagering.

(ii) The term "racetrack" or "its racetrack" means the physical land-based location at which live horse racing is conducted even if not owned by the person.

Licensed racing entity--A legal entity that has obtained a license to conduct live thoroughbred or harness horse race meetings respectively with pari-mutuel wagering from either the State Horse Racing Commission or the State Harness Racing Commission under the Race Horse Industry Reform Act.

Management company--A person or legal entity which, through a Board-approved management contract with a slot machine licensee, is responsible for the management of all or part of the operation of a licensed facility.

Management contract--A contract, subcontract or collateral agreement between a management company and a slot machine licensee if the contract provides for the management of all or part of a licensed facility.

Manufacturer--A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to slot machines or associated equipment for use or play of slot machines in this Commonwealth for gaming purposes.

Manufacturer designee--A person who is designated by a licensed manufacturer pursuant to an agreement to supply or repair the licensed manufacturer's slot machines or associated equipment.

Manufacturer designee license--A license issued by the Board authorizing a manufacturer designee to supply or repair slot machines or associated equipment of a licensed manufacturer for use in this Commonwealth for gaming purposes.

Manufacturer designee licensee--A manufacturer designee that obtains a manufacturer designee license.

Manufacturer license--A license issued by the Board authorizing a manufacturer to manufacture or produce slot machines or associated equipment for use in this Commonwealth for gaming purposes.

Manufacturer licensee--A person that holds a manufacturer license.

Manufacturer's serial number--The unique number permanently assigned to a slot machine by a manufacturer for identification and control purposes.

Member--An individual appointed to and sworn in as a member of the Board in accordance with section 1201(b) of the act (relating to Pennsylvania Gaming Control Board established).

Municipality--A city, borough, incorporated town or township.

Net terminal revenue--The net amount of the gross terminal revenue less the tax and assessments imposed by sections 1402, 1403, 1405 and 1407 of the act.

Nongaming employee--An employee of a slot machine licensee, manufacturer, manufacturer designee, supplier or gaming service provider who is not included within the definition of "principal," "key employee" or "gaming employee," and:

(i) Whose job duties require the employee to be:

(A) On the gaming floor but do not require the employee to touch or have contact with slot machines, table game devices or associated equipment other than exterior contact that does not affect the play of the game.

(B) In a restricted area and the employee:

(I) Is under the constant supervision of an employee of the slot machine licensee who is licensed or permitted and has appropriate access clearance to be in the restricted area.

(II) Is not required to touch or have contact with slot machines, table game devices or associated equipment other than exterior contact that does not affect the play of the game.

(ii) Who the Board determines, after a review of the work being performed, requires registration for the protection of the integrity of gaming.

Nonprimary location--A facility in which pari-mutuel wagering is conducted by a licensed racing entity other than the racetrack where live racing is conducted.

Occupation permit--A permit issued by the Board authorizing an individual to be employed or work as a gaming employee.

Offense--Felonies, crimes, high misdemeanors, misdemeanors, disorderly persons offenses, petty disorderly offenses, driving while intoxicated/impaired, motor vehicle offenses and violations of probation or any other court order.

On-the-record proceeding--A matter that comes before the Board or a presiding officer by way of application, complaint, petition, exception, appeal of staff decision, consent agreement or other motion relating to a licensing, disciplinary or other proceeding for which a formal record is maintained and upon which the Board bases its order and adjudication.

Pending matter or *contested on the record proceeding*--

(i) A matter including the discretionary issuance, approval, renewal, conditioning, revocation, suspension or denial of any license, permit, certification or registration or any petitions or motions that would require Board consideration.

(ii) The term does not include a policy or administrative matter.

Permit fee--The amount of money required to be paid for issuance or renewal of any type of permit required by the Board.

Permittee--A holder of a permit issued under this part.

Person--A natural person, corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, limited liability partnership, association or other form of legal business entity.

Presiding officer --

(i) A member of the Board, or other person designated by the Board to conduct a proceeding.

(ii) This definition supersedes 1 Pa. Code § 31.3 (relating to the definitions).

Principal--Includes the following:

(i) An officer.

(ii) Director.

(iii) Person who directly holds a beneficial interest in or ownership of the securities of an applicant or licensee.

(iv) Person who has a controlling interest in an applicant or licensee, or has the ability to elect a majority of the Board of directors of a licensee or to otherwise control a licensee.

(v) Lender or other licensed financial institution of an applicant or licensee, other than a bank or lending institution which makes a loan or holds a mortgage or lien acquired in the ordinary course of business.

(vi) Underwriter of an applicant or licensee.

(vii) Other persons or employees of an applicant, slot machine licensee, manufacturer licensee or supplier licensee deemed to be a principal by the Board.

Publicly traded corporation--A person other than an individual which:

(i) Has a class or series of securities registered under the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a--78nn) or on a foreign stock exchange determined by the Bureau of Licensing to have similar listing and reporting requirements to exchanges that are regulated under the Securities Exchange Act of 1934.

(ii) Is a registered management company under the Investment Company Act of 1940.

(iii) Is subject to the reporting obligations imposed by section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.A. § 78o(d)) by reason of having filed a registration statement which has become effective under the Securities Act of 1933 (15 U.S.C.A. §§ 77a--77aa).

Race Horse Industry Reform Act--4 P. S. §§ 325.101--325.402.

Registered gaming service provider--A gaming service provider that is registered with the Board.

Restricted area--An area where access is limited and is specifically designated by the Board as restricted, including:

(i) The cashiers' cage.

(ii) The soft count room.

(iii) The surveillance monitoring room.

(iv) The slot machine storage and repair rooms.

(v) The progressive controller room.

(vi) The central control computer room.

(vii) The information technology department.

(viii) Any additional area that the slot machine licensee designates as restricted in its Board-approved internal controls.

Revenue- or *tourism-enhanced location*--A location within this Commonwealth determined by the Board, which will maximize net revenue to the Commonwealth or enhance year-round recreational tourism within this Commonwealth, in comparison to other proposed facilities and is otherwise consistent with the act and its declared public policy purposes.

SEC--The Securities and Exchange Commission of the United States.

Secretary--Secretary to the Board.

Securities--As defined in the Pennsylvania Securities Act of 1972 (70 P. S. §§ 1-101--1-703).

Slot machine--

(i) A mechanical or electrical contrivance, terminal, machine or other device approved by the Board which, upon insertion of a coin, bill, token, gaming voucher, coupon or similar object therein or upon payment of any consideration, including the use of electronic payment system except a credit card or debit card, is available to play or operate, the play or operation of which, whether by reason of skill or application of the element of chance, or both, may deliver or entitle the person playing or operating the contrivance, terminal, machine or other device to receive cash, billets, tokens, gaming vouchers or electronic credits to be exchanged for cash or to receive merchandise or anything of value, whether the payoff is made automatically from the machine or manually. A slot machine:

(A) May utilize spinning reels or video displays, or both.

(B) May or may not dispense coins, vouchers or tokens to winning patrons.

(C) May use an electronic credit system for receiving wagers and making payouts.

(ii) The term includes associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

Slot machine license--A license issued by the Board authorizing a person to place and operate slot machines under the act.

Slot machine licensee--A person that holds a slot machine license.

SLOTS Link--An electronic application system developed by the Board.

Staff--An employee or an independent expert, including but not limited to, attorneys, accountants, investment bankers, architects, engineers, scientific and technical consultants and licensed financial brokers retained by the Board.

State gaming receipts--Revenues and receipts required by the act to be paid into the State Gaming Fund, the Pennsylvania Race Horse Development Fund and the Pennsylvania Gaming Economic Development and Tourism Fund, and all rights, existing on July 5, 2004, or coming into existence after July 5, 2004, to receive any of those revenues and receipts.

State Treasurer--The State Treasurer of the Commonwealth.

Statement of Investigation--An order of the Board in response to a petition for an order regarding inquiry and investigation of a purchase of an eligible applicant or licensee which specifies the particular criterion satisfied by the purchaser, provides for the continuing obligation of the purchaser to provide information to the Board, is applicable only as to the purchase of a specific eligible applicant or licensee, and provides an expiration date not to exceed 6 months from the date of issuance unless otherwise extended by the Board.

Subsidiary--A person other than an individual. The term includes:

(i) A corporation, any significant part of whose outstanding equity securities are owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company.

(ii) A significant interest in a person, other than an individual, which is owned, subject to a power or right of control, or held with power to vote, by a holding company or an intermediary company.

(iii) A person deemed to be a subsidiary by the Board.

Supplier--A person that sells, leases, offers or otherwise provides, distributes or services slot machines or associated equipment for use or play of slot machines in this Commonwealth at a licensed gaming facility.

Supplier license--A license issued by the Board authorizing a supplier to provide products or services related to slot machines or associated equipment to licensed gaming entities.

Supplier licensee--A person that holds a supplier license.

Trade secret--A private formula, pattern, device, cost study or compilation of information which is used in a business and which, if disclosed could negate an advantage over competitors who do not know or use it.

Underwriter--As defined in the Pennsylvania Securities Act of 1972.

§ 401a.4. Jurisdiction.

(a) The Board will have exclusive jurisdiction over all matters within the scope of its powers under the act.

(b) Nothing contained in this part shall be construed to limit the powers and duties of the Board as provided in the act.

§ 401a.5. Adjudicatory function of the Board; ex parte communications.

(a) The Board or a presiding officer acts in an adjudicatory capacity when considering any matter presented for a decision by the Board or presiding officer in relation to an on-the-record proceeding. To ensure the integrity and impartiality of the Board or presiding officer acting in an adjudicatory capacity, there will be no commingling of the adjudicatory functions of the Board or presiding officer and the investigatory or prosecutorial functions of the Bureau or Office of Enforcement Counsel.

(b) When acting in an adjudicatory capacity regarding the facts at issue or merits of a matter pending before the Board or presiding officer, or which may reasonably be expected to come before the Board or presiding officer in a contested on-the-record proceeding, a member or presiding officer of the Board or an attorney from the Office of Chief Counsel who is advising the Board on the matter may not engage in an ex parte communication with any person including the Bureau or the Office of Enforcement Counsel.

(c) An ex parte communication received or engaged in by a member or presiding officer of the Board will be recorded in a log which will be available for public inspection at the Board's office during normal business hours and will be posted on the Board's web site. The log must include:

(1) The name of the individual documenting the ex parte communication.

(2) The date and time of the ex parte communication.

(3) The names of all individuals involved in the ex parte communication.

(4) The subject discussed.

(d) In addition to documenting an ex parte communication in accordance with subsection (c), notification of the substance of the communication and an opportunity to respond will be provided to all parties to the hearing or other proceeding that is the subject of the ex parte communication.

(e) A member or presiding officer of the Board may be required to recuse himself if substantial reasonable doubt exists as to the individual's ability to act objectively, independently or impartially in a hearing or proceeding as follows:

(1) A member or presiding officer of the Board who engaged in or received an ex parte communication will recuse himself from any hearing or other proceeding related to the ex parte communication if the context and substance of the ex parte communication creates

substantial reasonable doubt as to the individual's ability to act objectively, independently or impartially.

(2) A member or presiding officer of the Board who engaged in or received an ex parte communication who elects not to recuse himself from a hearing or other proceeding will state his reasons for not recusing himself on the record prior to the commencement of the hearing or proceeding.

(3) A member or presiding officer of the Board who has identified any other reason which creates substantial reasonable doubt as to the individual's ability to act objectively, independently or impartially will recuse himself from any hearing or other proceeding related thereto.

(4) If a legislative appointee recuses himself from any hearing or other proceeding under this section, any qualified majority vote required under this part will consist of all of the remaining legislative appointees and at least two gubernatorial appointees.

(5) Failure of a presiding officer, for whom substantial reasonable doubt as to the individual's ability to act objectively, independently or impartially exists, to recuse himself from a hearing or other proceeding when required under paragraph (1) shall be grounds for appeal to the Board.

(6) Failure of a member, for whom substantial reasonable doubt as to the individual's ability to act objectively, independently or impartially exists, to recuse himself from a hearing or other proceeding when required shall be grounds for appeal to a court of competent jurisdiction if the Board action being appealed could not have occurred without the participation of the member.

(f) Nothing in this subsection will preclude a member of the Board from consulting with other members individually if the consultation complies with 65 Pa.C.S. §§ 701—716 (relating to Sunshine Act) or with employees or independent contractors whose functions are to assist the Board in carrying out its adjudicative functions.

CHAPTER 403a. BOARD OPERATIONS AND ORGANIZATION

Sec.

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§ 403a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Financial interest--

(i) An ownership, property, leasehold or other beneficial interest in an entity.

(ii) The term does not include an interest which is held or deemed to be held in any of the following:

(A) Securities that are held in a pension plan, profit-sharing plan, individual retirement account, tax sheltered annuity, a plan established pursuant to section 457 of the Internal Revenue Code of 1986 (26 U.S.C.A. § 457), or any successor provision, deferred compensation plan whether qualified or not qualified under the Internal Revenue Code of 1986, or any successor provision, or other retirement plan that:

(I) Is not self-directed by the individual.

(II) Is advised by an independent investment adviser who has sole authority to make investment decisions with respect to contributions made by the individual to these plans.

(B) A tuition account plan organized and operated under section 529 of the Internal Revenue Code of 1986 (26 U.S.C.A. § 529) that is not self-directed by the individual.

(C) A mutual fund where the interest owned by the mutual fund in a licensed entity does not constitute a controlling interest as defined in this part.

Ownership interest--Owning or holding or being deemed to hold, debt or equity securities or other ownership interest or profit interest.

§ 403a.2. Participation at meetings and voting.

(a) *Qualified majority vote*. An action by the Board, except as set forth in subsections (b) and (c), including the approval, issuance, denial or conditioning of a license or the making of an order or the ratification of a permissible act done or order made by one or more of the members of the Board will require a qualified majority vote consisting of at least one gubernatorial appointee and the four legislative appointees.

(b) *Majority vote*. An action by the Board to suspend, revoke, not renew, void or require forfeiture of a license, permit, certification or registration previously issued by the Board, to impose an administrative fine or penalty or to issue cease and desist will require a majority vote of all the Board members.

(c) *Participation*. A member may not participate in a hearing, proceeding or other matter in which the member, or the immediate family thereof, has a financial interest in the subject matter of the hearing or proceeding or other interest that could be substantially affected by the outcome of the hearing or proceeding, without first fully disclosing the nature of the interest to the Board and other persons participating in the hearing or proceeding. For purposes of the subsection, the term “immediate family” means spouse, parent, brother, sister or child.

(d) *Disqualifying interest*. If a Board member has a disqualifying interest in a voting matter, the member shall disclose the nature of the disqualifying interest, disqualify himself and abstain from voting in a proceeding in which his objectivity, impartiality, integrity or independence of judgment may be reasonably questioned, including instances where he knows that he possesses a substantial financial interest in the subject matter of the proceeding or an interest that could be substantially affected by the outcome of the proceeding. If it is a legislative appointee member that has disqualified himself, the qualified majority will consist of the remaining three legislative appointees and at least two gubernatorial appointees.

(e) *Member abstention*. When a member has disqualified himself, the member's abstention from voting will apply only to the singular voting matter that led to the disqualification and not apply to other matters under consideration by the Board for which the member is otherwise qualified.

§ 403a.3. Meetings.

(a) *Public sessions*. The proceedings of all public sessions will be conducted in accordance with 65 Pa.C.S. Chapter 7 (relating to the Sunshine Act).

(b) *Regularly scheduled meetings*. The Board will meet once a month, and on other dates as the Board determines.

(c) *Participation by means of telephone or video teleconference*. A Board member may participate in a meeting by means of telephone or video teleconference when it is impractical for the Board member to attend the meeting in person.

(d) *Record of proceedings*. The Board will keep a record of all proceedings held at public meetings of the Board. A verbatim transcript of those proceedings will be prepared by and will be the property of the Board. The verbatim transcript will be available for inspection at the Board's office during normal business hours.

§ 403a.4. Board office hours.

Board offices will be open from 8:30 a.m. to 5 p.m. on business days except Saturdays, Sundays, legal holidays and Commonwealth office closures declared by the Governor, unless otherwise directed by the Board.

§ 403a.5. Public communication.

Requests for information regarding the Board may be directed to:

Office of Communications
Pennsylvania Gaming Control Board
P. O. Box 69060
Harrisburg, PA 17106-9060

§ 403a.6. Delegation of powers.

(a) The Board may, consistent with the act and this part, delegate its authority to perform any of its functions to a Board member or member of the Board's staff.

(b) A delegation of Board authority will be effected by promulgation of a regulation or the adoption of an order or a resolution at a public meeting of the Board. The regulation, order or resolution will specify:

(1) The specific authority delegated.

(2) The Board member or Board staff members to whom the authority is delegated.

(3) Limitations or conditions imposed on the authority delegated.

(c) Delegations of authority made under this section will remain in effect indefinitely unless otherwise specified in the implementing regulation, order or resolution.

(d) A delegation of authority adopted by the Board may be modified or rescinded by the Board through promulgation of a regulation or the adoption of a subsequent order or resolution at a public meeting of the Board.

(e) Notwithstanding any other provision of this section, a matter that has been delegated to the Board staff may alternatively be presented to and determined by the Board on its own motion, at the discretion of the Chairperson or at the request of the Board staff.

§ 403a.7. Temporary emergency orders.

(a) Upon request of the Office of Enforcement Counsel in accordance with subsection (d), a temporary emergency order may be issued by the Executive Director of the Board or the Executive Director's designee. A temporary emergency order may be issued without a hearing and without advanced notice in accordance with this section.

(b) A temporary emergency order may be issued to do one of the following:

(1) Suspend a license, certification, permit or registration.

(2) Temporarily exclude a person from a licensed facility pending Board action on an underlying petition for exclusion.

(3) Direct that a person cease and desist engaging in specific conduct.

(c) A temporary emergency order may be issued if there is insufficient time to provide notice and hearing prior to suspension or exclusion; emergency suspension or exclusion is necessary to preserve the public health, welfare or safety, or the integrity of gaming in this Commonwealth; and the Executive Director has determined that one of the following has occurred:

(1) A person holding a license, certification, permit or registration issued by the Board has been charged with or convicted of a felony, a criminal gaming offense, or crime of dishonesty or false statement or other offense that would make the person ineligible or unsuitable to hold a license, permit, certification or registration.

(2) A person meets one or more of the criteria for exclusion or ejection under § 511a.3 (relating to criteria for exclusion or ejection).

(3) The action is necessary to prevent or cure a violation of any provision of the act, this part or other Federal or State laws or regulations.

(d) If the Office of Enforcement Counsel determines that circumstances exist which require that immediate action be taken against a person's license, certification, permit or registration, or to place a person on the exclusion list, the Office of Enforcement Counsel may submit a request for a temporary emergency order. The request will include:

(1) The circumstances upon which the request for a temporary emergency order was made.

(2) The legal grounds upon which the temporary emergency order is being requested.

(3) The specific relief sought.

(e) By the close of the next business day following its issuance, a temporary emergency order, together with the request required under subsection (d), will be filed with the Clerk.

(f) A temporary emergency order will specify that the person subject to the temporary emergency order may request an informal hearing before the Executive Director or a designee which will occur within 3 business days of filing the request for a hearing with the Clerk.

(g) The Bureau will serve the request and the issued order upon the person named in the temporary emergency order. Service required by this subsection will be made as expeditiously as possible following the issuance of the order and the request. Service will be made in the manner prescribed by § 491a.5 (relating to service).

(h) If a person files a request for an informal hearing, the hearing will be held before the Executive Director or a designee within 3 business days at a location determined in accordance with § 491a.8(e) (relating to hearings generally).

(i) At the conclusion of the informal hearing, the Executive Director or a designee will render a decision within 3 business days as to whether the temporary emergency order will continue, be modified or dissolved. Service of the decision will be made in accordance with § 491a.5.

(j) Unless the Executive Director or a designee dissolves the temporary emergency order, the Executive Director, in consultation with the Office of Chief Counsel, will refer the matter for a formal hearing before either:

(1) The Board to determine the validity of the suspension in accordance with subsection (m).

(2) The Office of Hearings and Appeals which will thereafter prepare a report and recommendation for the Board's consideration in accordance with subsection (p).

(k) If the person named in the temporary emergency order does not file a request for an informal hearing within 10 business days of the issuance of the temporary emergency order, the matter will be referred in accordance with subsection (j).

(l) Until the temporary emergency order is presented to the Board for consideration or the Office of Hearings and Appeals has issued its report and recommendation, the Executive Director or a designee may dissolve or modify a temporary emergency order previously issued.

(m) If the hearing is conducted by the Board, the Board may take one of the following actions upon conclusion of oral arguments and evidentiary presentations:

(1) If the Board finds that the facts and circumstances presented are sufficient to support the issuance of the emergency order, and that dissolution of the emergency order would pose a threat to the public health, safety or welfare, or the public's interest in the effective

regulation of gaming demands the action, it may issue an order ratifying or modifying the order of suspension. The Board order may thereafter be appealed under § 494a.11 (relating to appeals).

(2) If the Board finds that there is insufficient cause to continue the emergency order, it may issue an order dissolving the emergency order and the privileges of the person named in the order will be reinstated.

(3) If the Board finds that further hearing is necessary, it may schedule a hearing or refer the matter to the Office of Hearings and Appeals for additional presentation of evidence and testimony of witnesses. In either case, the order of suspension will remain in effect, with or without modification as the Board deems appropriate.

(n) Board orders ratifying or dissolving temporary emergency orders will not have effect upon the power and duty of the Office of Enforcement Counsel to initiate, in its sole discretion, proceedings for violations of the act or this part or upon the outcome of any proceeding so initiated.

(o) Copies of the Board's final order will be served on the person named in the order in accordance with § 491a.5.

(p) If at any point the Board or Executive Director refers the matter to the Office of Hearings and Appeals, the formal hearing will be subject to the following requirements:

(1) The hearing before a presiding officer will occur no more than 15 business days after the Board or Executive Director refers the matter to the Office of Hearings and Appeals, unless a delay is requested by the person named in the temporary emergency order.

(2) Within 10 business days following the conclusion of the hearing, the presiding officer will forward a report and recommendation for action on the temporary emergency order to the Board. A copy of the report and recommendation will be served on the person named in the temporary emergency order in accordance with § 491a.5.

(3) Upon receipt of a report and recommendation from the Office of Hearings and Appeals, the matter will be placed on an upcoming Board meeting agenda for final consideration.

§ 403a.8. Licensed entity representative meetings.

(a) If a Board member conducts a meeting with a licensed entity representative under section 1201.1(c)(7) of the act (relating to code of conduct), the Board member will record the following in the log:

(1) The names of individuals with whom the Board member met.

(2) The date and time of the meeting.

(b) The Board member will include a memorandum of the content of the discussion in the log.

(c) The log will be available for public inspection.

CHAPTER 405a. BUREAU OF INVESTIGATIONS AND ENFORCEMENT

Sec.

405a.1. General duties and powers.
405a.2. Information.
405a.3. Office of Enforcement Counsel.
405a.4. Conduct.
405a.5. Investigatory subpoena.
405a.6. Enforcement action.

§ 405a.1. General duties and powers.

(a) Except for administrative purposes, the Bureau is a distinct entity, independent of the Board, the Office of Chief Counsel and the Office of Hearings and Appeals.

(b) The Bureau has the powers and duties set forth in section 1517 of the act (relating to enforcement) including:

(1) The investigation and review of applicants seeking a license, permit, certification or registration.

(2) The investigation of licensees, permittees, registrants, certified gaming service providers and other persons for potential violations of the act, including potential violations referred to the Bureau by the Board or other persons.

(3) The monitoring of slot machine operations to ensure compliance with the act, this part and the integrity of gaming, including internal controls, exclusion list enforcement, underage gaming and drinking, individual complaints, information systems, integrity and security issues.

(4) The inspection and examination of all premises where slot machine operations are conducted, gaming devices or equipment are manufactured, sold, distributed or serviced or where records of these activities are prepared or maintained as provided in section 1517(e) of the act. Inspections may include the review and reproduction of any document or record.

(5) The conduct of audits of slot machine operations as necessary to ensure compliance with the act and this part. An audit may include, but is not limited to, reviews, examinations and inspections of:

(i) Accounting, administrative and financial records and procedures utilized by the licensed entity.

(ii) Internal control procedures and management control procedures.

(iii) Security and surveillance departments.

(iv) Corrective action taken by the licensee to resolve reported deficiencies.

(v) Reports issued by an independent certified public accountant or independently registered public accounting firm pertaining to the adequacy of the licensee's system of internal controls over financial reporting.

(vi) The licensee's responses, if any, to the reports noted in paragraph (v).

(vii) Other matters required by the Board or the Bureau.

(6) The referral of possible criminal violations under the act to the Pennsylvania State Police.

(7) Be a criminal justice agency under 18 Pa.C.S. Chapter 91 (relating to criminal history record information).

(c) The Bureau will determine the scope of a background investigation, which may not be directed or limited by the Executive Director or Chief Counsel of the Board.

§ 405a.2. Information.

(a) An applicant for or holder of a license, permit, certification or registration shall provide all information, data and documents requested by the Bureau under section 1517(a) of the act (relating to enforcement). The Bureau may also request the execution of a release which would enable the Bureau and the Board to receive information pursuant to a request for information under the Freedom of Information Act (5 U.S.C. § 552).

(b) The Director of the Bureau, the Chief Enforcement Counsel, and their designees, will have the power and authority to administer oaths and affirmations for the purpose of obtaining voluntary sworn statements with regard to any matter or thing which may properly fall within the jurisdiction of the Board. Any person so designated will have the power and authority to obtain by subpoena the sworn statement of a person deemed to have information relevant to an investigation that the Board is authorized to conduct. Designation pursuant to this section will be made in writing, filed with the Clerk, and remain in effect until revoked.

(c) A State or local law enforcement agency, including the Pennsylvania State Police and the Office of Attorney General, the Department or other executive agency may provide information, data and documents requested by the Bureau relating to an applicant for or holder of a license, permit, certification or registration.

(d) The Bureau may, upon request, provide pertinent information relating to an applicant for or holder of a license, permit, certification or registration to law enforcement agencies, including the Federal Bureau of Investigation or other domestic or foreign agencies or jurisdictions.

(e) Information under this section may be provided or received by electronic distribution.

§ 405a.3. Office of Enforcement Counsel.

(a) The Office of Enforcement Counsel within the Bureau has the following powers and duties:

(1) Advise the Bureau on all matters, including the granting of licenses, permits, certifications or registrations, the conduct of background investigations, audits and inspections and the investigation of potential violations of the act or this part.

(2) Make recommendations and objections relating to the issuance of licenses, permits, certifications and registrations.

(3) Initiate, in its sole discretion, proceedings for violations of the act or this part by filing a complaint or other pleading with the Board seeking civil fines or penalties, the imposition of conditions on a license, permit, certification or registration, or the suspension or revocation of a license, permit, certification or registration.

(4) Act as the prosecutor in enforcement actions under the act.

(5) Seek a settlement that may include fines, penalties or other actions subject to approval by the Board.

(6) Appear at administrative hearings and other proceedings before the Board.

(7) Petition the Board for the appointment of a trustee under section 1332 of the act (relating to appointment of trustee).

(8) Review all information discovered during an investigation relating to an applicant's suitability and eligibility for a license, permit, certification or registration and, in accordance with law, independently determine the content and scope of that information to be included in the final background investigation report.

(9) Prepare a final background investigation report for inclusion in the applicant's suitability report to the Board relating to an applicant's suitability and eligibility for a license, permit, certification or registration.

(b) The Chief Enforcement Counsel will report to the Executive Director of the Board on administrative matters.

(c) The Chief Enforcement Counsel may be removed by the Board only for good cause shown.

§ 405a.4. Conduct.

(a) As provided in section 1202.1(c.1) of the act (relating to code of conduct), an attorney representing the Bureau or Office of Enforcement Counsel, or an employee involved in the hearing process, may not engage in an ex parte communication with a member or presiding officer of the Board, the Chief Counsel or an attorney from the Office of Chief Counsel who is advising the Board in relation to that matter.

(b) A member or presiding officer of the Board, the Chief Counsel or an attorney from the Office of Chief Counsel who advises the Board may not direct, restrict or influence any employee of the Board or Bureau with respect to the conduct and scope of an enforcement proceeding or hearing with which the employee is involved.

(c) If it becomes necessary for the Chief Counsel or an attorney from the Office of Chief Counsel or a Board member to become involved on behalf of the Board in any enforcement proceeding, the Chief Counsel or the attorney from the Office of Chief Counsel or the Board member involved shall be prohibited from participating in the adjudication of that matter.

(d) The Bureau may not disclose any portion of a background investigation report to a member of the Board, the Chief Counsel or an attorney from the Office of Chief Counsel who is advising the Board, prior to the Office of Enforcement Counsel's submission to the Board of the final background investigation report relating to an applicant's suitability and eligibility for a license, permit, certification or registration.

§ 405a.5. Investigatory subpoena.

(a) The Chief Enforcement Counsel is authorized to require the attendance and testimony of witnesses and the production of books, accounts, papers, records, documents, files, computer files and photographs in original or electronic format necessary for all action within the authority of the Bureau under the act or this part.

(b) The Chief Enforcement Counsel or his representative may issue subpoenas.

(c) In case of disobedience of any subpoena or the contumacy of any witness appearing before the Chief Enforcement Counsel or a representative, the Chief Enforcement Counsel or a representative may invoke the aid of Commonwealth Court or any court of record of this Commonwealth to require the person subpoenaed to obey the subpoena or to give evidence or to produce books, accounts, papers, records, documents, files, computer files and photographs in original or electronic format relative to the matter in question.

(d) The issuance of a subpoena under this section will not be required to secure the cooperation of a person who is an applicant for, or the holder of, a license, permit, certification or registration issued by the Board, or to secure the voluntary cooperation of any person.

§ 405a.6. Enforcement action.

(a) Upon a determination by the Office of Enforcement Counsel that sufficient facts exist to support enforcement action against a person holding a license, permit, certification or registration issued by the Board, the Office of Enforcement Counsel will initiate a complaint in

accordance with § 493a.2 (relating to complaints), including a proposed order for an enforcement action and serve the complaint in accordance with § 491a.5 (relating to service).

(b) The complaint for an enforcement action will include a statement of the facts, the statute, regulation or statement of conditions that the person is being charged with violating and the remedy sought. The proposed order will be accompanied by a certificate of service demonstrating the date of service.

(c) Within 30 days from the date of service of complaint for an enforcement action, the person may file an answer in accordance with § 493a.5 (relating to answers to complaints, petitions, motions and other filings requiring a response) and serve a copy of the answer to the Office of Enforcement Counsel. Failure to file an answer within 30 days will be deemed:

(1) A waiver by the person of any right to an administrative hearing before the Board or the Office of Hearings and Appeals.

(2) An admission by the person of all matters and facts alleged in the proposed order for enforcement action.

(3) Consent by the person to the entry of a final order by the Board disposing of the enforcement matter.

(d) Upon the person's failure to file an answer within the prescribed 30 days, the Office of Enforcement Counsel will file with the Clerk a Request for Default Judgment and will then present the proposed enforcement order to the Board. The Board may, by order, adopt the proposed enforcement order.

(e) The Clerk will serve a copy of the Board's final order upon the person in accordance with § 491a.5 (relating to service).

CHAPTER 407a. PUBLIC ACCESS TO BOARD FILES

Sec.

407a.1. Case files.
407a.2. Minutes of public meeting and annual report.
407a.3. Confidential information.

§ 407a.1. Case files.

(a) The Clerk will maintain a file for all formal records.

(b) Access to formal records will be governed by the following:

(1) Nonconfidential information in formal records will be available for inspection during normal Board business hours.

(2) A request for access to information will be addressed in accordance with the Right-to-Know Law (65 P. S. §§ 67.101—67.3104).

(c) The Board or its designee may issue protective orders sua sponte or by request of a party or may establish standards governing the protection of proprietary or confidential information for a given proceeding. All parties to a proceeding shall mark documents in accordance with the directives of the Board or its designee and in accordance with § 493a.10a (relating to motions to protect confidential information).

§ 407a.2. Minutes of public meeting and annual report.

Minutes of the public meeting and annual reports will be available for public inspection upon request to the Secretary during normal Board business hours. Copies will be provided upon request and payment of the cost for copying as the Board may establish through a schedule published in the *Pennsylvania Bulletin*.

§ 407a.3. Confidential information.

(a) Confidential information may include background investigation information, including information provided under section 1310(a) of the act (relating to slot machine license application character requirements), submitted in connection with an application required for the issuance of any license, permit, certification or registration under this part, discovery procedures, or cross-examination or that is provided as a courtesy to a party in a formal proceeding received by the Board or the Department as well as records obtained or developed by the Board or the Department as part of an investigation related to an applicant for or holder of a license, permit, certification or registration containing any of the following:

(1) Personal information, including home addresses, telephone numbers, Social Security numbers, educational records, memberships, medical records, tax returns and

declarations, actual or proposed compensation, financial account records, credit-worthiness or financial condition relating to an applicant, licensee or permittee or the immediate family thereof.

(2) Documents and information relating to proprietary information, trade secrets, patents or exclusive licenses, architectural and engineering plans and information relating to competitive marketing materials and strategies which may include customer-identifying information or customer prospects for services subject to competition.

(3) Security information including risk prevention plans, detection and countermeasures, emergency management plans, security and surveillance plans, equipment and usage protocols and theft and fraud prevention plans and countermeasures.

(4) Information with respect to which there is a reasonable possibility that public release or inspection of the information would constitute an unwarranted invasion into personal privacy as determined by the Board.

(5) Records or information that is designated confidential by statute or the Board.

(6) Records of an applicant or licensee not required to be filed with the SEC by issuers that either have securities registered under section 12 of the Securities Exchange Act of 1934 (15 U.S.C.A. § 781) or are required to file reports under section 15(d) of that act (15 U.S.C.A. § 78o(d)).

(7) Records considered nonpublic matters or information by the SEC as provided by 17 CFR 200.80 (relating to commission records information).

(8) Information obtained about an applicant for or holder of a license, permit, certification or registration as a result of a release executed by the individual at the request of the Bureau or the Board.

(b) Confidential information may be released by the Board under the following circumstances:

(1) To State or Federal law enforcement agencies or entities upon approval of the Attorney General or pursuant to a lawful order issued by court of competent jurisdiction.

(2) To the public, in whole or in part, if one of the following occurs:

(i) Upon written request from the applicant or holder of a license, permit, certification or registration, to the extent that the information does not contain otherwise confidential information about another person.

(ii) If the information subsequently becomes a part of the public domain by an action by the applicant or holder of a license, permit, certification or registration.

(3) To a person with the written consent of the applicant or holder of a license, permit, certification or registration.

Subpart B. LICENSING, PERMITTING, CERTIFICATION AND REGISTRATION

CHAPTER 421a. GENERAL PROVISIONS

Sec.

421a.1. General requirements.
421a.2. Disqualification criteria.
421a.3. Investigations; supplementary information.
421a.4. Presuitability determination.
421a.5. Undue concentration of economic opportunities and control.
421a.6. (Reserved).

§ 421a.1. General requirements.

(a) A license, permit, certification, registration or authorization issued by the Board is a revocable privilege. No person holding a license, permit, certification, registration or authorization is deemed to have any property rights related to the license, permit, certification, registration or authorization.

(b) By filing an application with the Board, an applicant consents to an investigation, to the extent deemed appropriate by the Bureau, of the applicant's general suitability, financial suitability, character, integrity and ability to engage in, or be associated with, gaming activity in this Commonwealth.

(c) By filing an application for a license, permit, certification, registration or authorization from the Board, an applicant agrees to:

(1) Abide by the provisions of the act and this part.

(2) Waive liability as to the Board, its members, its employees, the Pennsylvania State Police, the Commonwealth and its instrumentalities for damages resulting from disclosure or publication in any manner, other than a willfully unlawful disclosure or publication of material or information acquired during an investigation of the applicant.

(3) Execute all releases requested by Board staff, including releases whereby the applicant consents to the release of information that may be requested by the individual under section 1 of the Freedom of Information Act (5 U.S.C.A. § 552).

(d) An applicant for or holder of a license, permit, certification, registration or authorization may not give, or offer to give, compensation or reward or a percentage or share of the money or property played or received through gaming to a public official or public employee in consideration for or in exchange for obtaining a license, permit, certification registration or authorization issued pursuant to this part.

(e) An applicant for or holder of a license, permit, certification, registration or authorization shall have a continuing duty to inform the Bureau of:

(1) An action which the applicant for or holder of a license, permit, certification, registration or authorization believes would constitute a violation of the act or the Board's regulations. A person who so informs the Bureau may not be discriminated against by an applicant for or holder of a license, permit, certification, registration or authorization for supplying the information.

(2) A change in circumstances that may render the applicant for or holder of a license, permit, certification, registration or authorization ineligible, unqualified or unsuitable to hold a license, permit, certification, registration or authorization under the act and this part including an arrest, charge, indictment or conviction for:

(i) An offense involving moral turpitude.

(ii) An offense under 18 Pa.C.S. (relating to Crimes Code).

(iii) An offense under 75 Pa.C.S. (relating to Vehicle Code) which is punishable by 1 year or more.

(iv) An offense under section 13(a) of The Controlled Substance, Drug, Device and Cosmetic Act (35 P. S. § 780-113(a)), regarding prohibited acts and penalties.

(v) A felony offense.

(vi) A comparable offense in other states or foreign jurisdictions.

(f) An applicant for or holder of a license, permit, certification, registration or authorization shall have a continuing duty to inform the Bureau of Licensing of changes in the information supplied to the Bureau of Licensing in or in conjunction with the original or renewal application.

(g) An applicant for or holder of a license, permit, certification, registration or authorization shall have a continuing duty to promptly provide information requested by Board staff relating to its application and cooperate with Board staff in investigations, hearings, and enforcement and disciplinary actions.

(h) An applicant shall at all times have the burden of proof. It shall be the applicant's affirmative responsibility to establish the facts supporting its suitability under the act and this part by clear and convincing evidence, including why a license, permit, certification, registration or authorization should be issued or renewed by the Board.

(i) A person holding a license, permit, certification, registration or authorization issued by the Board shall have a continuing duty to maintain suitability and eligibility in accordance with the act and this part.

§ 421a.2. Disqualification criteria.

(a) An application for issuance or renewal of a license, permit, certification, registration or authorization may be denied, or a license, permit, certification, registration or authorization may be suspended or revoked if:

(1) The applicant has failed to prove to the satisfaction of the Board that the applicant or any of the persons required to be qualified are in fact qualified in accordance with the act and with this part.

(2) The applicant for or holder of a license, permit, certification, registration or authorization has violated the act or this part.

(3) The applicant for or holder of a license, permit, certification, registration or authorization is disqualified under the criteria in the act.

(4) The applicant for or holder of a license, permit, certification, registration or authorization has misrepresented, falsified or omitted a fact in the application for licensure or renewal.

(5) The applicant for or holder of a license, permit, certification, registration or authorization has failed to comply with Federal, state or local laws or regulations.

(6) The applicant for or holder of a license, permit, certification, registration or authorization is not current or is in arrears on a financial obligation owed to the Commonwealth or a subdivision thereof, including court-ordered child support payments.

(b) An individual will be disqualified from obtaining or holding:

(1) A principal or key employee license if the individual has been convicted of a:

(i) Felony offense in any jurisdiction.

(ii) Misdemeanor gambling offense in any jurisdiction, unless 15 years have elapsed from the date of conviction for the offense.

(2) A permit if the individual has been convicted of a felony or misdemeanor gambling offense in any jurisdiction unless 15 years have elapsed from the date of conviction for the offense.

(c) When considering an application for registration from an individual who has been convicted of a felony or misdemeanor gaming offense in any jurisdiction, a permit from an individual who has been convicted of a felony or misdemeanor gaming offense in any jurisdiction when 15 years have elapsed from the date of the conviction for the offense, or a license from an individual who has been convicted of a misdemeanor gaming offense in any jurisdiction when 15 years have elapsed from the date of the conviction for the offense, the Board will consider:

(1) The nature and duties of the applicant's position with the licensed entity.

(2) The nature and seriousness of the offense or conduct.

(3) The circumstances under which the offense or conduct occurred.

(4) The age of the applicant when the offense or conduct was committed.

(5) Whether the offense or conduct was an isolated or a repeated incident.

(6) Evidence of rehabilitation, including good conduct in the community, counseling or psychiatric treatment received and the recommendation of persons who have substantial contact with the applicant.

(d) For purposes of this section, a felony offense is any of the following:

(1) An offense punishable under the laws of the Commonwealth by imprisonment for more than 5 years.

(2) An offense which, under the laws of another jurisdiction, is either:

(i) Classified as a felony.

(ii) Punishable by imprisonment for more than 5 years.

(3) An offense under the laws of another jurisdiction which, if committed in this Commonwealth, would be subject to imprisonment for more than 5 years.

(e) An individual may not be employed in this Commonwealth by an applicant for or holder of a license, certification, registration or authorization under this part in any capacity unless the individual is a citizen of the United States or can demonstrate that he holds a current and valid work authorization and is not restricted from working in the capacity for which employment is sought or held.

(f) A denial of an application or nonrenewal, suspension or revocation of a license, permit, certification, registration or authorization may be made for a sufficient cause consistent with the act, this part and the public interest.

§ 421a.3. Investigations; supplementary information.

(a) The Bureau may make an inquiry or investigation concerning an applicant for or holder of a license, permit, certification, registration or authorization or any affiliate, intermediary, subsidiary or holding company of the applicant for or holder of a license, permit, certification, registration or authorization as it may deem appropriate either at the time of the initial application or at any time thereafter.

(b) It is the continuing duty of an applicant and a holder of a license, permit, certification, registration or authorization to provide full cooperation to the Bureau in the conduct of an inquiry or investigation and to provide supplementary information requested by the Bureau.

(c) An applicant for an initial or renewal license, permit, registration, certification or authorization will be required to reimburse the Board for additional costs, based on the actual expenses incurred, in conducting the background investigation.

§ 421a.4. Presuitability determination.

(a) Upon request from an eligible applicant for or holder of a license and upon receipt of an application and appropriate fees, the Bureau will make an inquiry or investigation of a potential purchaser of an applicant for or holder of a license as if the purchaser were an eligible applicant.

(b) The eligible applicant for or holder of a license making the request shall reimburse the costs associated with the inquiry or investigation.

(c) This inquiry or investigation does not replace the application process required under the act and this part which is a requirement for licensure.

§ 421a.5. Undue concentration of economic opportunities and control.

(a) In accordance with section 1102(5) of the act (relating to legislative intent), a slot machine license, management company license or principal license may not be issued to or held by a person if the Board determines that the issuance or holding will result in the undue concentration of economic opportunities and control of the licensed gaming facilities in this Commonwealth by that person.

(b) For purposes of this section, "undue concentration of economic opportunities and control of the licensed gaming facilities" means that a person:

(1) Would have actual or potential domination of the gaming market in this Commonwealth contrary to the legislative intent.

(2) Could substantially impede or suppress competition among licensees.

(3) Could adversely impact the economic stability of the gaming industry in this Commonwealth.

(c) In determining whether the issuance or holding of a license by a person will result in undue concentration of economic opportunities and control of the licensed gaming facilities in this Commonwealth, the Board will consider the following criteria:

(1) The percentage share of the market presently controlled by the person in each of the following categories:

(i) Total number of slot machine licenses available under section 1307 of the act (relating to number of slot machine licenses).

(ii) Total gaming floor square footage.

(iii) Number of slot machines and table games.

(iv) Gross terminal and table game revenue.

(v) Net terminal and table game revenue.

(vi) Number of persons employed by the licensee.

(2) The estimated increase in the market share in the categories in paragraph (1) if the person is issued or permitted to hold the license.

(3) The relative position of other persons who hold licenses, as evidenced by the market share of each person in the categories in paragraph (1).

(4) The current and projected financial condition of the industry.

(5) Current market conditions, including level of competition, consumer demand, market concentration, any consolidation trends in the industry and other relevant characteristics of the market.

(6) Whether the gaming facilities held or to be held by the person have separate organizational structures or other independent obligations.

(7) The potential impact of licensure on the projected future growth and development of the gaming industry in this Commonwealth and the growth and development of the host communities.

(8) The barriers to entry into the gaming industry, including the licensure requirements of the act, and whether the issuance or holding of a license by the person will operate as a barrier to new companies and individuals desiring to enter the market.

(9) Whether the issuance or holding of the license by the person will adversely impact consumer interests, or whether the issuance or holding is likely to result in enhancing the quality and customer appeal of products and services offered by slot machine licensees to maintain or increase their respective market shares.

(10) Whether a restriction on the issuance or holding of an additional license by the person is necessary to encourage and preserve competition and to prevent undue concentration of economic opportunities and control of the licensed gaming facilities.

(11) Other evidence related to concentration of economic opportunities and control of the licensed gaming facilities in this Commonwealth.

§ 421a.6. (Reserved).

CHAPTER 423a. APPLICATIONS; STATEMENT OF CONDITIONS; WAGERING RESTRICTIONS

Sec.

423a.1. General requirements.
423a.2. Preliminary submission review.
423a.3. Application processing.
423a.4. Deficient and abandoned applications.
423a.5. Application withdrawal and surrender.
423a.6. License, permit, registration and certification issuance and statement of conditions.
423a.6a. Restriction on wagering after issuance of a license, permit, registration or certification.
423a.7. Restriction on application after denial, withdrawal or surrender with prejudice, or revocation.

§ 423a.1. General requirements.

(a) For the purposes of this section, a reference to an applicant includes the applicant's affiliates, intermediaries, subsidiaries and holding companies.

(b) An application shall be submitted on forms or in an electronic format supplied or approved by the Board, contain the information and documents required by the Board and include the applicable fees.

(c) Upon request of the Board or Board staff, the applicant shall further supplement information provided in the application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request, or if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period as set forth in the request, the Board may deny the application.

(d) The application, and amendments thereto, and other specific documents designated by the Board shall be sworn to or affirmed by the applicant before a notary public. If there is any change in the information provided to the Board or Board staff, the applicant shall promptly file a written amendment.

(e) The Board will deny the application of an applicant who refuses to submit to a background investigation or provide requested information as required under the act.

(f) An applicant that submits a document to the Board which is in a language other than English shall also submit an English translation of the non-English language document. At its discretion, the Board may accept an English summary of a document instead of a complete translation of the document. The summary or translation must include the signature, printed name, address and telephone number of the translator and a verification by the translator of the truth and accuracy of the summary or translation.

(g) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 423a.2. Preliminary submission review.

(a) Upon receipt of an application submission, the Bureau of Licensing will review the submission to ensure that it contains:

(1) The applicable application fee.

(2) The applicable application forms and additional information and accompanying documentation required by the act or the Board's regulations governing the specific type of application.

(3) Completed authorization forms for release of information from governmental agencies and other entities required for the specific type of application.

(4) For slot machine license applications only, a bond or letter of credit as required by section 1313(c) of the act (relating to slot machine license application financial fitness requirements).

(b) If an application submission fails to include one or more of the items in subsection (a)(1)—(3), the applicant will be notified and given an opportunity to cure the deficiency.

§ 423a.3. Application processing.

(a) Upon a determination that an application is required and the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

(1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.

(2) Promptly conduct an investigation of the applicant and on any matter relating to the application.

(3) Request the Pennsylvania State Police to provide a criminal history background investigation report, determine employee eligibility consistent with § 435a.1 (relating to general provisions), conduct fingerprinting, photograph the applicant and perform other related duties in accordance with the act.

(4) Request the Department to promptly conduct a tax clearance review.

(5) Request the Department of Labor and Industry to perform an Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review.

(6) Request any agencies, entities or persons to conduct investigations or evaluations or to provide information to the Board as deemed necessary by the Board.

(b) The Board will keep and maintain a record of all applicants under this part together with a record of all actions taken with respect to applicants.

(c) An application submitted under this part and information obtained by Board staff relating to the application will be part of the evidentiary record. The Board's decision to approve, issue or deny a license, permit, registration or certification will be based solely on the evidentiary record before the Board.

§ 423a.4. Deficient and abandoned applications.

(a) If an application is found to be deficient, Board staff will notify the applicant of the deficiencies in the application and permit the applicant to cure the deficiencies within a time period prescribed by Board staff.

(b) Failure to provide the information necessary to cure the deficiencies required under subsection (a) may result in the denial of the application or in the application being declared abandoned. The Bureau of Licensing may close and declare abandoned an incomplete or deficient application which is not recommended for denial.

(c) An applicant whose application is denied will be subject to the restrictions on filing a new application in § 423a.7 (relating to restriction on application after denial, withdrawal or surrender with prejudice, or revocation). An applicant whose application has been declared abandoned may file a new application at any time.

(d) When an application is denied or declared abandoned under subsection (b), the applicant will be given written notice of this action.

§ 423a.5. Application withdrawal and surrender.

(a) A request for withdrawal of an application may be made at any time prior to the Board taking action on the application in accordance with the following requirements:

(1) A request for withdrawal of an entity applying for a license, certification or registration, or an individual applying for a principal license or a qualifier of an entity applying for a license or certification shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(2) A request for withdrawal of an individual applying for a key employee license, a permit or registration shall be made on a form supplied by the Bureau of Licensing. If Board staff objects to the request for withdrawal, the person filing the form will be notified and may be required to file a petition for withdrawal with the Board in accordance with § 493a.4.

(b) The petition or form must set forth the reasons for the withdrawal.

(c) When rendering a decision on a petition for withdrawal, the Board may set the conditions of withdrawal and may deny or grant the request with or without prejudice.

(d) A request to surrender a license, permit, certification or registration may be made in accordance with the following requirements:

(1) An entity holding a license, certification or registration, an individual holding a principal license or a qualifier of an entity holding a license or certification that is requesting to surrender shall file a petition with the Board in accordance with § 493a.4.

(2) An individual holding a key employee license, permit or registration who is requesting to surrender the license, permit or registration shall file the request on a form supplied by the Bureau of Licensing. If Board staff objects to the request to surrender, the person filing the form will be notified and may be required to file a petition to surrender with the Board in accordance with § 493a.4.

(e) The petition or form must set forth the reasons for the surrender.

(f) When rendering a decision on a petition to surrender, the Board may grant the request with or without prejudice.

(g) Unless the Board otherwise directs, fees or other payments relating to the application, license, permit, registration or certification will not be refundable by reason of the withdrawal or surrender. Additionally, fees and costs owed to the Board shall be paid prior to granting a withdrawal or surrender.

§ 423a.6. License, permit, registration and certification issuance and statement of conditions.

(a) *Issuance criteria.* In addition to the criteria contained in the act, the Board will not issue or renew a license, permit, certification or registration unless the Board finds that the following criteria have been established by the applicant:

(1) The applicant has paid all applicable fees.

(2) The applicant has fulfilled each condition set by the Board or contained in the act, including the execution of a statement of conditions.

(3) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a license, permit, certification, registration or other authorization.

(b) *Statement of conditions.*

(1) For the purposes of this subsection, "executive officer" means the individual holding the highest ranking management position within the entity and who is authorized to legally bind the entity. If the entity elects to designate another competent individual with a direct reporting relationship to its executive officer to execute the statement of conditions required in this section and otherwise legally bind the entity, the entity shall adopt a resolution identifying and authorizing the individual to act on behalf of both the entity and its executive officer. A copy of the resolution shall be provided to the Bureau of Licensing and attached to the Statement of Conditions.

(2) If the Board approves an entity's application for or renewal of a license the executive officer of the entity, or other competent individual designated by the entity in accordance with paragraph (1), shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision contained in the Statement of Conditions by both the entity and the executive officer. The executive officer shall ensure that the entity fully complies with each provision contained in the statement of conditions.

(3) At the time of application for registration or certification, the executive officer, or other competent individual designated by the applicant in accordance with paragraph (1), of a gaming service provider or gaming related gaming service provider shall execute a Statement of Conditions in the manner and form required by the Board. The execution of the Statement of Conditions constitutes the acceptance of each provision in the Statement of Conditions by both the entity and the executive officer. The executive officer shall ensure that the entity fully complies with each provision in the Statement of Conditions.

(4) An individual who has applied for the issuance or renewal of a license, permit, certification, registration or authorization shall execute a statement of conditions in the manner and form required by the Board. The execution of the Statement of Conditions constitutes the acceptance of each provision contained in the statement of conditions.

(5) Failure to fully comply with any provision contained in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against the individual or entity to whom the license, permit, certification, registration or authorization was issued.

§ 423a.6a. Restriction on wagering after issuance of a license, permit, registration or certification.

(a) An individual who holds a license, permit or registration and is currently employed by or is a principal of a slot machine licensee may not wager at any slot machine or table game in the licensed facility in which the licensee, permittee or registrant is currently employed or associated. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed in a position that requires a license, permit or registration before the individual may wager at the licensed facility.

(b) An employee of a slot machine licensee who is not required to obtain a license, permit or registration may not wager in the licensed facility in which the employee is currently employed.

(c) An individual who holds a license, permit or registration and is currently employed by a manufacturer, manufacturer designee, supplier or gaming related gaming service provider may not wager at a slot machine or table game in the licensed facility in which the individual is servicing or installing table games, table game devices, slot machines or associated equipment while the individual is at the licensed facility in the performance of the individual's job duties.

(d) An individual who is a qualifier of a gaming junket enterprise or an individual who is employed as a gaming junket representative may not wager at a slot machine or table game in the licensed facility in which the gaming junket enterprise has an ongoing contractual agreement.

§ 423a.7. Restriction on application after denial, withdrawal or surrender with prejudice, or revocation.

(a) A person whose application has been denied or withdrawn with prejudice, or whose license, permit, registration or certification has been revoked or surrendered with prejudice may not apply for a license, permit, certification or registration for 5 years from the date that the application was denied or withdrawn with prejudice, or the license, permit, certification or registration was revoked or surrendered with prejudice.

(b) The 5-year restriction in subsection (a) will not apply:

(1) To applicants for a slot machine license if the denial was for reasons other than unsuitability.

(2) If the denial or revocation was based on pending charges for a disqualifying offense under section 1213 or 1518 of the act (relating to license or permit prohibition; and prohibited acts; penalties), 18 Pa.C.S. (relating to Crimes Code) or the criminal laws of any other jurisdiction and the pending charges did not result in conviction of the disqualifying offense.

(c) Two years from the date that the application was denied or withdrawn with prejudice, or the license, permit, certification or registration was revoked or surrendered with prejudice, a person may file a petition for permission to apply for a license, permit, certification or registration before the expiration of the 5-year period.

(d) A petition filed under subsection (c) shall be filed in accordance with § 493a.4 (relating to petitions generally).

(e) Petitions filed under subsection (c) must contain:

(1) An explanation of how the conditions that were the basis for denial, withdrawal or surrender with prejudice, or revocation have been corrected or no longer exist.

(2) Supporting materials that demonstrate that the person meets the requirements for a license, permit, certification or registration.

(3) If the denial, withdrawal or surrender with prejudice, or revocation was the result of a conviction, the petition must include evidence of rehabilitation, such as:

(i) The nature and seriousness of the offense or conduct.

(ii) The circumstances under which the offense or conduct occurred.

(iii) The date of the offense or conduct.

(iv) The age of the applicant when the offense or conduct was committed.

(v) Whether the offense or conduct was an isolated or repeated incident.

(vi) Social conditions which may have contributed to the offense or conduct.

(vii) Evidence of rehabilitation, including good conduct in prison or in the community, counseling or psychiatric treatment received, acquisition of additional academic or vocational schooling, successful participation in correctional work-release programs, or the recommendation of persons who have or have had the applicant under their supervision.

(viii) Evidence that all obligations for restitution, fines and penalties have been met.

CHAPTER 425a. LICENSED ENTITY REPRESENTATIVES

Sec.

425a.1. Registration.

§ 425a.1. Registration.

(a) A licensed entity representative shall file a completed Licensed Entity Representation Registration Form with the Bureau of Licensing, which includes the individual's name, employer or firm, address, telephone number and the licensed entity being represented.

(b) A licensed entity representative shall update its registration information on an ongoing basis.

(c) The Board will maintain a list of licensed entity representatives. The registration list will be available for public inspection at the offices of the Board and on the Board's web site.

CHAPTER 427a. MANUFACTURERS

Sec.

427a.1. Manufacturer general requirements.
427a.2. Manufacturer license applications and standards.
427a.3. Manufacturer license term and renewal.
427a.4. Alternative manufacturer licensing standards.
427a.5. Responsibilities of a manufacturer.
427a.6. Change of control of a manufacturer licensee.

§ 427a.1. Manufacturer general requirements.

(a) A manufacturer seeking to manufacture slot machines, table game devices and associated equipment for use in this Commonwealth shall apply to the Board for a manufacturer license.

(b) In accordance with section 1317.1 of the act (relating to manufacturer licenses), an applicant for or the holder of a manufacturer license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or supplier license.

§ 427a.2. Manufacturer license applications and standards.

(a) An applicant for a manufacturer license shall submit:

(1) An original and one copy of the Manufacturer Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under § 435a.2 (relating to key employee license) and principal under Chapter 433a (relating to principal licenses) as specified by the Manufacturer Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the applicant nor any of its affiliates, intermediaries, subsidiaries or holding companies is an applicant for or holder of a slot machine license, and that the applicant has neither applied for nor holds a supplier license.

(6) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of section 1513 of the act (relating to political influence) and a copy the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a manufacturer license shall:

(1) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) Demonstrate that the applicant has the ability to manufacture, build, rebuild, repair, fabricate, assemble, produce, program, design or otherwise make modifications to slot machines, table game devices or associated equipment which meet one or more of the following criteria:

(i) Are specifically designed for use in the operation of a slot machine or table game device.

(ii) Are needed to conduct an authorized game.

(iii) Have the capacity to affect the outcome of the play of a game.

(iv) Have the capacity to affect the calculation, storage, collection or control of gross terminal revenue.

(c) In determining whether an applicant is suitable to be licensed as a manufacturer under this section, the Board will consider the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals of the applicant are eligible and suitable under the standards of section 1317.1 of the act (relating to manufacturer licenses).

(3) The integrity of all financial backers.

(4) The suitability of the applicant and the principals of the applicant based on the satisfactory results of:

(i) The background investigation of the principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 427a.3. Manufacturer license term and renewal.

(a) The initial manufacturer license will be valid for 1 year from the date of approval of the license by the Board. Renewals of a manufacturer license will be valid for 3 years from the date of the approval of the renewal of the license by the Board.

(b) A Manufacturer License Renewal Application Form and renewal fee shall be filed at least 2 months prior to the expiration of the current license.

(c) A manufacturer license for which a completed renewal application and fee has been received by the Board will continue in effect for an additional 6 month period or until acted upon by the Board, whichever occurs first.

§ 427a.4. Alternative manufacturer licensing standards.

(a) If an applicant for a manufacturer license holds a similar license in another jurisdiction in the United States, the applicant may submit with its application required under § 427a.2(a) (relating to manufacturer license applications and standards) a request for the Board to adopt an abbreviated licensing process under section 1319 of the act (relating to alternative manufacturer licensing standards).

(b) The Board may use the abbreviated process if:

(1) The Board determines, after investigation, that the licensing standards in the jurisdiction in which the applicant is licensed are similarly comprehensive, thorough and provide equal, if not greater, safeguards as provided in the act and that granting the request is in the public interest.

(2) The applicant has provided a copy of its most recent application or renewal for the similar license in the other jurisdiction and a copy of the license or the order issued by the other jurisdiction granting the license.

(3) The applicant has no administrative or enforcement actions pending in another jurisdiction or the applicant has adequately disclosed and explained the action to the satisfaction of the Board.

(4) There are no pending or ongoing investigations of the applicant in another jurisdiction which may render the applicant unsuitable or the applicant has adequately disclosed and explained the investigation to the satisfaction of the Board.

(c) This section may not be construed to waive fees associated with obtaining a license through the application process in this Commonwealth.

§ 427a.5. Responsibilities of a manufacturer.

(a) A holder of a manufacturer license shall have a continuing duty to:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded manufacturers, provide notification of all SEC filings or if the manufacturer is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(b) An employee of a licensed manufacturer who is a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a permit under § 435a.3 (relating to occupation permit) or registration under § 435a.5 (relating to nongaming employee registration).

§ 427a.6. Change of control of a manufacturer licensee.

(a) For purposes of this section, a change of control of a manufacturer licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a manufacturer licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the manufacturer licensee.

(3) Any other interest in a manufacturer licensee which allows the acquirer to control the manufacturer licensee.

(b) A manufacturer licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the manufacturer licensee.

(c) Prior to acquiring a controlling interest in a manufacturer licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under Chapter 433a (relating to principal licenses) and key employees as required under § 435a.2 (relating to key employee license).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee and that the acquirer has neither applied for nor holds a supplier license.

(d) A person or group of persons seeking to acquire a controlling interest in a manufacturer licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (b).

(e) A person or group of persons may not acquire a controlling interest in a manufacturer licensee until the petition required under subsection (b) has been approved. A person or group of persons seeking to acquire a controlling interest in a manufacturer licensee and the manufacturer licensee may enter into an agreement of sale that is contingent on Board approval of the petition.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a manufacturer licensee when the following conditions are met:

(1) The acquirer is an existing licensed manufacturer.

(2) The existing licensed manufacturer has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 429a. MANUFACTURER DESIGNEES

Sec.

429a.1. Manufacturer designee general requirements.
429a.2. Manufacturer designee license applications and standards.
429a.3. Additional manufacturer designee licenses.
429a.4. Manufacturer designee license term and renewal.
429a.5. Responsibilities of a manufacturer designee.
429a.6. Manufacturer designee as agent.
429a.7. Manufacturer designee agreements.
429a.8. Change of control of a manufacturer designee licensee.

§ 429a.1. Manufacturer designee general requirements.

(a) A manufacturer designee seeking to supply or repair slot machines, table game devices and associated equipment for use in this Commonwealth shall apply to the Board for a manufacturer designee license.

(b) In accordance with section 1317.1 of the act (relating to manufacturer licenses), an applicant for or the holder of a manufacturer designee license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or supplier license.

(c) A licensed manufacturer designee may supply or repair slot machines, table game devices or associated equipment manufactured by a manufacturer with whom the manufacturer designee has an agreement or has executed a contract authorizing the manufacturer designee to do so.

§ 429a.2. Manufacturer designee license applications and standards.

(a) An applicant for a manufacturer designee license shall submit:

(1) An original and one copy of the Manufacturer Designee Application and Disclosure Information Form unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under § 435a.2 (relating to key employee license) and principal under Chapter 433a (relating to principal licenses) as specified by the Manufacturer Designee Application and Disclosure Information Form.

(5) An affirmation that neither the applicant nor any of its affiliates, intermediaries, subsidiaries or holding companies is an applicant for or a holder of a slot machine or supplier license.

(6) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of section 1513 of the act (relating to political influence) and a copy of the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a manufacturer designee license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) In determining whether an applicant will be licensed as a manufacturer designee under this section, the Board will consider the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals of the applicant are individually eligible and suitable under the standards in section 1317.1 of the act (relating to manufacturer licenses).

(3) The integrity of all financial backers.

(4) The suitability of the applicant and all principals of the applicant based on the satisfactory results of:

(i) A background investigation of all principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 429a.3. Additional manufacturer designee licenses.

(a) A licensed manufacturer designee whose license is in good standing may submit for an additional manufacturer designation for a different licensed manufacturer by submitting:

(1) An original and one copy of the Additional Manufacturer Designee Application and Disclosure Information Form unless otherwise directed by the Board.

(2) The nonrefundable designation fee posted on the Board's web site.

(b) A manufacturer designee that has requested an additional manufacturer designation shall also comply with § 429a.2(b) (relating to manufacturer designee license applications and standards).

§ 429a.4. Manufacturer designee license term and renewal.

(a) The initial manufacturer designee license will be valid for 1 year from the date of approval of the license by the Board. Renewals of a manufacturer designee license will be valid for 3 years from the date of the approval of the renewal of the license by the Board.

(b) A renewal application and renewal fee shall be filed at least 2 months prior to the expiration of the current license.

(c) A manufacturer designee license for which a completed renewal application and fee has been received by the Board will continue in effect for an additional 6-month period or until acted upon by the Board, whichever occurs first.

§ 429a.5. Responsibilities of a manufacturer designee.

(a) A holder of a manufacturer designee license shall have a continuing duty to:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded manufacturer designees, provide notification of all SEC filings or if the manufacturer designee is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(b) An employee of a licensed manufacturer designee who is a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a permit under § 435a.3 (relating to occupation permit) or registration under § 435a.5 (relating to nongaming employee registration).

§ 429a.6. Manufacturer designee as agent.

(a) Notwithstanding any provision to the contrary in a contract between a licensed manufacturer and a licensed manufacturer designee, the licensed manufacturer designee shall be an agent of the licensed manufacturer for the purposes of imposing liability for any act or omission of the licensed manufacturer designee in violation of the act or this part.

(b) Notwithstanding any provision to the contrary in a contract between a licensed manufacturer and a licensed manufacturer designee, the licensed manufacturer may be jointly

and severally liable for any act or omission by the licensed manufacturer designee in violation of the act or this part, regardless of actual knowledge by the licensed manufacturer of the act or omission.

§ 429a.7. Manufacturer designee agreements.

(a) Agreements, and any amendments thereto, between a licensed manufacturer and a licensed manufacturer designee shall be submitted to the Bureau of Licensing for review.

(b) Amendments to agreements between a licensed manufacturer and a licensed manufacturer designee shall be submitted to the Bureau of Licensing for review at least 30 days prior to the effective date of the proposed amendment.

(c) An agreement between a licensed manufacturer and a licensed manufacturer designee submitted for Bureau of Licensing review must enumerate with specificity the responsibilities of the licensed manufacturer and the licensed manufacturer designee.

(d) Agreements must contain a provision that describes with particularity any terms related to compensation of the licensed manufacturer or the licensed manufacturer designee.

§ 429a.8. Change of control of a manufacturer designee licensee.

(a) For purposes of this section, a change of control of a manufacturer designee licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a manufacturer designee licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the manufacturer designee licensee.

(3) Any other interest in a manufacturer designee licensee which allows the acquirer to control the manufacturer designee licensee.

(b) A manufacturer designee licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the manufacturer designee licensee.

(c) Prior to acquiring a controlling interest in a manufacturer designee licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under Chapter 433a (relating to principal licenses) and key employees as required under § 435a.2 (relating to key employee license).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee and that the acquirer has neither applied for nor holds a supplier license.

(d) A person or group of persons seeking to acquire a controlling interest in a manufacturer designee licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (b).

(e) A person or group of persons may not acquire a controlling interest in a manufacturer designee licensee until the petition, required under subsection (b), has been approved. A person or group of persons seeking to acquire a controlling interest in a manufacturer designee licensee and the manufacturer designee licensee may enter into a sales agreement that is contingent on Board approval of the petition.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a manufacturer designee licensee when the following conditions are met:

(1) The acquirer is an existing licensed manufacturer designee.

(2) The existing licensed manufacturer designee has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 431a. SUPPLIER LICENSES

Sec.

431a.1. Supplier general requirements.
431a.2. Supplier license applications and standards.
431a.3. Supplier license term and renewal.
431a.4. Responsibilities of a supplier.
431a.5. Supplier log books.
431a.6. Change of control of a supplier licensee.

§ 431a.1. Supplier general requirements.

(a) A supplier seeking to sell, lease, offer or otherwise provide, distribute or service slot machines, table game devices or associated equipment to a slot machine licensee within this Commonwealth shall apply to the Board for a supplier license.

(b) In accordance with sections 1317 and 1317.1 of the act (relating to supplier licenses; and manufacturer licenses), an applicant for or the holder of a supplier license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies, may not apply for or hold a slot machine license or a manufacturer license.

§ 431a.2. Supplier license applications and standards.

(a) An applicant for a supplier license shall submit:

(1) An original and one copy of the Supplier Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under § 435a.2 (relating to key employee license) and principal under Chapter 433a (relating to principal licenses) as specified by the Supplier Application and Disclosure Information Form and other persons as determined by the Board

(5) An affirmation that neither the applicant nor any of its affiliates, subsidiaries, intermediaries and holding companies is an applicant for or holder of a slot machine license.

(6) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of section 1513 of the act (relating to political influence) and a copy the safeguards and policies.

(b) In addition to the materials required under subsection (a), an applicant for a supplier license shall:

(1) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) Demonstrate that the applicant has or will establish a principal place of business in this Commonwealth.

(c) In determining whether an applicant is suitable to be licensed as a supplier under this section, the Board will consider the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals of the applicant are eligible and suitable under the standards of section 1317 of the act (relating to supplier licenses).

(3) The integrity of financial backers.

(4) The suitability of the applicant and principals of the applicant based on the satisfactory results of:

(i) A background investigation of principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 431a.3. Supplier license term and renewal.

(a) The initial supplier license will be valid for 1 year from the date of approval of the license by the Board. Renewals of a supplier license will be valid for 3 years from the date of the approval of the renewal of the license by the Board.

(b) A Supplier License Renewal Application Form and renewal fee shall be filed at least 2 months prior to the expiration of the current license.

(c) A supplier license for which a completed renewal application and fee has been received by the Board will continue in effect for an additional 6-month period or until acted upon by the Board, whichever occurs first.

§ 431a.4. Responsibilities of a supplier.

(a) Within 1 year of the Board's issuance of a supplier license, the supplier shall establish and maintain a principal place of business in this Commonwealth. The principal place of business must be:

(1) Owned or leased by the supplier. If leased, the term of the lease must be at least as long as the term of the supplier's license.

(2) Where the supplier maintains all agreements, contracts and records, or copies thereof, pertaining to the supplier's business conducted in this Commonwealth.

(3) Large enough to accommodate all of the materials required under paragraph (2), the employees assigned to this office and the equipment required to carry out the employees' assigned duties.

(4) Equipped with a telephone.

(5) Staffed by at least one person during normal business hours.

(6) Open for inspection by Board personnel during normal business hours.

(b) A supplier shall submit to the Bureau of Licensing for review any agreements with a licensed manufacturer or with a slot machine licensee. The review may include, but not be limited to, financing arrangements, inventory requirements, warehouse requirements, warehouse space, technical competency, compensative agreements and other terms or conditions to ensure the financial independence of the licensed supplier from any licensed manufacturer or licensed gaming entity.

(c) A holder of a supplier license shall have a continuing duty to:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded suppliers, provide notification of all SEC filings or, if the supplier is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(d) An employee of a licensed supplier who is a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a permit under § 435a.3 (relating to occupation permit) or registration under § 435a.5 (relating to nongaming employee registration).

§ 431a.5. Supplier log books.

(a) A supplier licensee shall maintain a log book to register the individuals who enter the supplier licensee's principal place of business and each physical facility utilized by the supplier licensee to house inventory, replacement parts, supplies, transportation or delivery equipment.

(b) The supplier licensee shall record or cause to be recorded in the log book the following:

(1) The date, entrance time and departure time of each individual.

(2) The name of each individual entering the place of business or physical facility and who they represent.

(3) The signature of each individual.

(4) The purpose for the visit.

(5) For individuals who are not employees of the supplier, the individual's Board license, permit, certification or registration number, if applicable.

(c) Licensed, permitted or registered employees of a supplier are not required to register in the log book.

(d) Each log book required by this section shall be maintained at the entrance of the location to which it pertains and shall be made readily accessible for examination and inspection upon the demand of any agent, employee or representative of the Board, the Department of Revenue or the Pennsylvania State Police.

§ 431a.6. Change of control of a supplier licensee.

(a) For purposes of this section, a change of control of a supplier licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a supplier licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the supplier licensee.

(3) Any other interest in a supplier licensee which allows the acquirer to control the supplier licensee.

(b) A supplier licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the supplier licensee.

(c) Prior to acquiring a controlling interest in a supplier licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under Chapter 433a (relating to principal licenses) and key employees as required under § 435a.2 (relating to key employee license).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee and that the acquirer has neither applied for nor holds a manufacturer license.

(d) A person or group of persons seeking to acquire a controlling interest in a supplier licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (b).

(e) A person or group of persons may not acquire a controlling interest in a supplier licensee until the petition, required under subsection (b), has been approved. A person or group of persons seeking to acquire a controlling interest in a supplier licensee and the supplier licensee may enter into a sales agreement that is contingent on Board approval of the petition.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a supplier licensee when the following conditions are met:

(1) The acquirer is an existing licensed supplier.

(2) The existing licensed supplier has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 433a. PRINCIPAL LICENSES

Sec.

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§ 433a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Applicant--A person that has submitted an application to the Board for a slot machine license, manufacturer license, manufacturer designee license, supplier license or management company license.

Director--A director of a corporation, member of an audit committee or any person performing similar functions with respect to an entity, whether incorporated or unincorporated.

Entity--A person, other than an individual.

Indirect ownership interest--An ownership interest in an entity that has a direct ownership interest in an applicant or licensee, or a direct ownership interest in an entity that has an ownership interest in an applicant or licensee through one or more intervening entities.

Individual--A natural person.

Lending institution--A person who has been issued a license to lend money by a state or Federal agency or a person who satisfies the definition of "qualified institutional buyer" under 17 CFR 230.144a (relating to private resales of securities to institutions).

Licensee--A person who has been issued a slot machine license, manufacturer license, manufacturer designee license, supplier license or management company license.

Officer--A president, chief executive officer, chief operating officer, secretary, treasurer, principal legal officer, principal compliance officer, principal financial officer, principal accounting officer, chief engineer or technical officer of a manufacturer, senior surveillance and audit executives of a principal affiliate of a slot machine licensee and any person routinely

performing corresponding functions with respect to an entity whether incorporated or unincorporated.

Principal affiliate--An intermediary or holding company of an applicant or licensee.

Principal entity--An entity that meets the definition of "principal" in section 1103 of the act (relating to definitions) or is otherwise required to be licensed as a principal and is not an intermediary or holding company of an applicant or licensee.

Private investment fund--An entity that meets the definition of "investment company" under section 3(a)(1) of the Investment Company Act of 1940 (15 U.S.C. § 80a-3(a)(1)), but is otherwise exempt from the definition of "investment company" under section 3(c)(7) of the Investment Company Act of 1940.

Registered investment adviser--An investment adviser registered with the SEC under the Investment Advisers Act of 1940 (15 U.S.C.A. §§ 80b-1--80b-21).

Registered investment company--An investment company registered with the SEC under the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1--80a-64).

Voting security--A security or other interest which entitles the owner to vote for the election of:

(i) A director of a corporation.

(ii) A person performing functions similar to a director with respect to an organization, whether incorporated or unincorporated.

§ 433a.2. Officers and directors of licensees.

(a) Each officer and director of a licensee shall be licensed as a principal.

(b) Each officer and director of a principal affiliate shall be licensed as a principal.

(c) Each officer and director of a subsidiary of a slot machine licensee shall be licensed as a principal.

(d) Notwithstanding subsection (a) or (b), an outside director of a publicly traded corporation, who is neither a member of the audit committee nor chairperson of the board of directors of the publicity traded corporation shall not be required to be licensed as a principal unless the Board determines that the licensure of the individual is necessary to protect the integrity of gaming in this Commonwealth.

(e) Except as provided in subsection (f), an officer or director required to be licensed under this section shall submit a completed Multi-Jurisdictional Personal History Disclosure Form and the Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form within 30 days of performing any duties or exercising any powers as an officer or director

unless the officer or director files a written request for an extension with the Bureau of Licensing and the extension is granted prior to the expiration of the 30-day filing deadline.

(f) An officer or director of a privately held slot machine licensee, privately held licensed management company or privately held principal affiliate of a slot machine licensee or licensed management company may not perform any duties or exercise any powers of an officer or director prior to being granted temporary authorization from the Bureau of Licensing. The Bureau of Licensing may grant temporary authorization to a new officer or director of a privately held entity if the individual has submitted a completed Multi-Jurisdictional Personal History Disclosure Form, a completed Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form, and fingerprints in a manner prescribed by the Bureau of Investigations and Enforcement.

§ 433a.3. Interests in licensees held by individuals.

(a) An individual shall apply for and obtain a principal license from the Board prior to possessing any of the following:

(1) A direct ownership interest in a slot machine or management company licensee.

(2) A 1% or greater indirect ownership interest in a slot machine or management company licensee. An ownership interest that is held indirectly by an individual through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right to receive a payment from a slot machine or management company licensee based or contingent upon a licensee's earnings, profits or receipts from the slot machines, table games and associated equipment for use or play in this Commonwealth.

(4) A right or ability to control or influence the management or policies of a slot machine or management company licensee.

(5) A general partnership interest in a limited partnership that is a slot machine or management company licensee.

(6) A general partnership interest in a limited partnership that is a principal affiliate of a slot machine or management company licensee.

(b) An individual shall notify the Board and submit a completed application in accordance with § 433a.8 (relating to principal applications) prior to possessing any of the following:

(1) A direct ownership interest of 1% or more in a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(2) A 1% or greater indirect ownership interest in a licensed manufacturer, licensed supplier or licensed manufacturer designee. An ownership interest that is held indirectly by an individual through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right or ability to control or influence the management or policies of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(4) A general partnership interest in a limited partnership that is a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(5) A general partnership interest in a limited partnership that is a principal affiliate of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(c) An individual who has acquired an interest or right set forth in subsection (b)(1)—(5) prior to being licensed, and whose application is denied or withdrawn, shall divest his interest or right within a period of time established by the Office of Enforcement Counsel.

(d) An individual seeking to acquire a direct or indirect ownership interest of 20% or greater in a licensed manufacturer, licensed supplier or licensed manufacturer designee shall comply with the requirements in § 427a.6, § 429a.8 or § 431a.6 (relating to change of control of a manufacturer licensee; change of control of a manufacturer designee licensee; and change of control of a supplier licensee).

(e) Notwithstanding subsections (a) and (b), an individual whose indirect ownership interest in a licensee consists of less than 5% of the voting securities of a publicly traded corporation will not be required to be licensed as a principal.

(f) Notwithstanding subsections (a) and (b), an individual who indirectly owns less than 5% of the voting securities of a publicly traded corporation through one or more privately held entities will not be required to be licensed as a principal.

(g) Notwithstanding subsections (a) and (b), an individual who indirectly owns less than 5% of the voting securities of a publicly traded corporation through a private investment fund that has been exempted from licensure under § 433a.4(g) (relating to interests in licensees held by entities) will not be required to be licensed as a principal.

(h) Notwithstanding any provision in this section, the Board may require any individual who has any financial interest in a licensee to be licensed as a principal.

§ 433a.4. Interests in licensees held by entities.

(a) An entity shall apply for and obtain a principal license prior to possessing any of the following:

(1) A direct ownership interest in a slot machine or management company licensee.

(2) A 1% or greater indirect ownership interest in a slot machine or management company licensee. An ownership interest that is held indirectly by an entity through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right to receive a payment from a slot machine or management company licensee based or contingent upon the earnings, profits or receipts from the slot machines, table games and associated equipment for use or play in this Commonwealth.

(4) A right or ability to control or influence the management or policies of a slot machine or management company licensee.

(5) A general partnership interest in a limited partnership that is a slot machine or management company licensee.

(6) A general partnership interest in a limited partnership that is a principal affiliate of a slot machine or management company licensee.

(b) An entity shall notify the Board and submit a completed application in accordance with § 433a.8 (relating to principal applications) prior to possessing any of the following:

(1) A direct ownership interest of 1% or more in a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(2) A 1% or greater indirect ownership interest in a licensed manufacturer, licensed supplier or licensed manufacturer designee. An ownership interest that is held indirectly by an entity through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right or ability to control or influence the management or policies of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(4) A general partnership interest in a limited partnership that is a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(5) A general partnership interest in a limited partnership that is a principal affiliate of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(c) An entity that has acquired an interest or right set forth in subsection (b)(1)—(5) prior to being licensed, and whose application is denied or withdrawn, shall divest its interest or right within a period of time established by the Office of Enforcement Counsel.

(d) An entity seeking to acquire a direct or indirect ownership interest of 20% or greater in a licensed manufacturer, licensed supplier or licensed manufacturer designee shall comply with the requirements in § 427a.6, § 429a.8 or § 431a.6 (relating to change of control of a manufacturer licensee; change of control of a manufacturer designee licensee; and change of control of a supplier licensee).

(e) Notwithstanding subsections (a) and (b), an entity whose indirect ownership interest in a licensee consists of less than 5% of the voting securities of a publicly traded corporation will not be required to be licensed as a principal.

(f) Notwithstanding subsections (a) and (b), an entity that indirectly owns less than 5% of the voting securities of a publicly traded corporation through one or more privately held entities will not be required to be licensed as a principal.

(g) Notwithstanding subsections (a) and (b), a private investment fund and its related management entities will not be required to be licensed as a principal if the following apply:

(1) The private investment fund has no voting rights in the licensee and does not possess any other right or ability to control or to influence the licensee.

(2) At least 20% of the investors in the private investment fund are "institutional investors" as defined in § 401a.3 (relating to definitions).

(3) Each individual who has an indirect ownership or beneficial interest of 5% or greater in the licensee through the private investment fund applies for and obtains a principal license.

(4) Each individual who has the ability to control or influence the management of the private investment fund applies for and obtains a principal license.

(5) The private investment fund agrees to provide the Board with information the Board deems necessary to evaluate the integrity of the private investment fund and its investors, and its compliance with this section. Information provided to the Board will be confidential.

(6) Each individual required to be licensed as a principal in paragraph (4) shall as part of his principal license application sign a notarized statement affirming, at a minimum, the following:

(i) The private investment fund's investment in the applicant or licensee will not violate applicable United States, Commonwealth or international laws and regulations, including anti-money laundering regulations or conventions, the Internal Revenue Code of 1986 (26 U.S.C.A.), the Employee Retirement Income Security Act of 1974 (Pub. L. No. 93-406, 88 Stat. 829), the Securities Act of 1933 (15 U.S.C.A. §§ 77a—77aa), the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a—78pp), the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1—80a-64) and the Investment Advisers Act of 1940 (15 U.S.C.A. §§ 80b-1—80b-18c).

(ii) To his best knowledge, no investor in the private investment fund:

(A) Holds an interest in the private investment fund in contravention of any applicable United States, Commonwealth or international laws and regulations, including anti-money laundering regulations or conventions, the Internal Revenue Code of 1986, the Employee Retirement Income Security Act of 1974, the Securities Act of

1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940 and the Investment Advisers Act of 1940.

(B) Is directly or indirectly affiliated with a prohibited country, territory, individual or entity on the List of Specially Designated Nationals and Blocked Persons maintained by the United States Treasury Department's Office of Foreign Asset Control.

(C) Is currently charged with or is under indictment for any felony or gambling offense in any jurisdiction.

(D) Has been convicted of a felony when 15 years have not elapsed from the date of expiration of the sentence for the offense.

(h) The Board may require a subsidiary of a licensee to be licensed as a principal.

(i) Notwithstanding any provision to the contrary in this section, the Board may require any entity that has any financial interest in a licensee to be licensed as a principal.

§ 433a.5. Institutional investors.

(a) An institutional investor may file an Institutional Investor Notice of Ownership Form and Passive Investor Affirmation with the Bureau of Licensing instead of applying for principal licensure required under this chapter, if:

(1) The institutional investor owns or beneficially owns more than 5% but less than 20% of the outstanding voting securities of a publicly traded corporation that is a principal affiliate of a manufacturer, manufacturer designee, supplier licensee or applicant and has filed and remains eligible to file a statement of beneficial ownership on Schedule 13G with the SEC as a result of the institutional investor's ownership interest in the publicly traded corporation.

(2) The institutional investor owns or beneficially owns more than 5% but less than 10% of the outstanding voting securities of a publicly traded corporation that is a principal affiliate of a slot machine or management company licensee and has filed and remains eligible to file a statement of beneficial ownership on Schedule 13G with the SEC as a result of the institutional investor's ownership interest in the publicly traded corporation. In addition to filing an Institutional Investor Notice of Ownership Form and Passive Affirmation, if an institutional investor seeks to own 10% or more but less than 20% of the outstanding voting securities of a publicly traded corporation that is a principal affiliate of a slot machine or management company licensee:

(i) The institutional investor seeking to acquire the interest shall promptly provide information requested by the Bureau relating to the institutional investor, its operations and sources of funds. The information provided to the Bureau will be deemed confidential when submitted.

(ii) Within 5 days of receipt of all requested information, the Bureau will issue a written response relating to the proposed acquisition. If the Bureau does not cite an

objection, the transaction may thereafter be consummated. If the Bureau objects to the acquisition, the institutional investor shall file a petition with the Board in accordance with § 493a.4 (relating to petitions generally) for approval prior to acquiring the interest.

(b) If an institutional investor's purpose for holding an interest in a publicly traded corporation that is a principal affiliate of a slot machine, management company, manufacturer, manufacturer designee or supplier licensee changes from that of a passive investor, whereby the institutional investor files a Schedule 13D with the SEC indicating that its ownership interest is no longer passive, the institutional investor shall notify the Bureau of Licensing, in writing, within 2 days of filing the Schedule 13D with the SEC. The institutional investor shall then apply for licensure as a principal, in accordance with this chapter, within 30 days of filing the Schedule 13D with the SEC.

(c) Notwithstanding the requirements in subsections (a) and (b), if the institutional investor has an ownership interest in a publicly traded corporation, which is a principal affiliate of a licensee, that is listed on a foreign exchange in which a Schedule 13G is not filed, the institutional investor shall file a copy of the corresponding passive investor form filed with the securities regulator that has jurisdiction over the foreign publicly traded corporation.

(d) The institutional investor shall file the Institutional Investor Notice of Ownership Form with the Bureau of Licensing within 30 days of the institutional investor filing its Schedule 13G with the SEC or the corresponding passive investor form with the securities regulator that has jurisdiction over the foreign publicly traded corporation.

§ 433a.6. Lenders and underwriters.

(a) Each lender and underwriter of a slot machine, management company, manufacturer, manufacturer designee or supplier licensee shall be licensed as a principal.

(b) Notwithstanding subsection (a), a lender that is a bank or lending institution which makes a loan to a slot machine, management company, manufacturer, manufacturer designee or supplier licensee in the ordinary course of business will not be required to be licensed as a principal. The Board may require a bank or lending institution to provide information or other assurances to verify its eligibility for this exemption.

(c) A lender to a principal affiliate of a slot machine licensee or to a management company that is obtaining financing for the construction or operation of a slot machine licensee shall be required to be licensed as a principal unless the following apply:

(1) The lender is in the business of providing debt or equity capital to individuals or entities.

(2) The loan to the principal affiliate or management company of a slot machine licensee is in the ordinary course of the lender's business.

(3) The lender does not have the ability to control or otherwise influence the affairs of the principal affiliate or management company of a slot machine licensee or the slot machine licensee.

(d) A lender that is required to be licensed as a principal in accordance with subsection (c) may lend to a principal affiliate or to a management company of a slot machine licensee prior to licensure if the lender has filed a completed application in accordance with § 433a.8 (relating to principal applications) and has received lender authorization from the Bureau of Licensing.

(e) A person that acquires a debt instrument issued by a licensed supplier, manufacturer, manufacturer designee, management company, slot machine licensee or principal affiliate of a slot machine licensee in a secondary market will not be required to be licensed as a principal if:

(1) The person does not have any right or ability to control or influence the affairs of the licensee.

(2) The person's acquisition of the debt instrument is in the ordinary course of business and is not part of a plan or scheme to avoid the requirements of this section.

(f) Notwithstanding any provision to the contrary in this section, the Board may require the licensure of any person that holds a debt instrument issued by a licensee or any principal affiliate or subsidiary of a licensee if Board staff has reason to believe that the suitability of the person may be at issue.

§ 433a.7. Trusts.

(a) A trust or similar business entity shall apply for and obtain a principal license prior to possessing any of the following:

(1) A direct ownership interest in a slot machine or management company licensee.

(2) A 1% or greater indirect ownership interest in a slot machine or management company licensee. An ownership interest that is held indirectly by an individual through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right to receive a payment from a slot machine licensee based or contingent upon a licensee's earnings, profits or receipts from the slot machines, table games and associated equipment for use or play in this Commonwealth.

(4) A right or ability to control or influence the management or policies of a slot machine or management company licensee.

(5) A general partnership interest in a limited partnership that is a slot machine or management company licensee.

(6) A general partnership interest in a limited partnership that is a principal affiliate of a slot machine or management company licensee.

(b) A trust or similar business entity shall submit a completed application in accordance with § 433a.8 (relating to principal applications) prior to possessing any of the following:

(1) A direct ownership interest of 1% or more in a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(2) A 1% or greater indirect ownership interest in a licensed manufacturer, licensed supplier or licensed manufacturer designee. An ownership interest that is held indirectly by an individual through one or more intervening entities will be determined by successive multiplication of the ownership percentages for each link in the vertical chain.

(3) A right or ability to control or influence the management or policies of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(4) A general partnership interest in a limited partnership that is a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(5) A general partnership interest in a limited partnership that is a principal affiliate of a licensed manufacturer, licensed supplier or licensed manufacturer designee.

(c) If a trust is required to be licensed as a principal in accordance with this section, each trustee, grantor and beneficiary, including a minor child beneficiary, of the trust shall also be licensed as a principal.

(d) Notwithstanding subsections (a) and (b), a trust whose ownership interest in a licensee consists of less than 5% of the voting securities of a publicly traded company will not be required to be licensed as a principal.

(e) Notwithstanding any provision to the contrary in this section, the Board may require any trust that has any financial interest in a licensee to be licensed as a principal.

§ 433a.8. Principal applications.

(a) An individual required to be licensed as a principal, unless otherwise directed by the Board, shall file:

(1) An original and one copy of a completed Multi-Jurisdictional Personal History Disclosure Form.

(2) An original and one copy of a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(3) The nonrefundable application fee posted on the Board's web site.

(b) A principal entity required to be licensed as a principal shall file a completed Principal Entity Form and submit the applicable application fee posted on the Board's web site.

(c) A principal affiliate shall apply for a principal license as if the principal affiliate were applying for the slot machine license, manufacturer license, manufacturer designee license, supplier license or management company license.

(d) In addition to the materials required under subsection (a) or (b), an applicant for a principal license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

§ 433a.9. Principal license term and renewal.

(a) A principal license or renewal will be valid for 3 years from the date on which the license or renewal is approved by the Board.

(b) Notwithstanding subsection (a), a principal of a manufacturer or supplier which is eligible for its initial license shall be subject to an initial annual renewal for each slot machine or table game license held by the manufacturer or supplier. Principal renewals thereafter will be valid for 3 years from the date of the approval of the renewal of the license by the Board.

(c) A renewal application and renewal fee shall be filed at least 2 months prior to the expiration of the current license.

(d) A principal license for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the holder of the principal license that the Board has approved or denied the license.

CHAPTER 435a. KEY, GAMING AND NONGAMING EMPLOYEES; BOARD-ISSUED CREDENTIALS

Sec.

435a.1. General provisions.
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435a.9. (Reserved).
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435a.10. Loss, theft or destruction of credentials.

§ 435a.1. General provisions.

(a) An individual seeking a key employee license, occupation permit or nongaming employee registration shall apply to the Board as required by this chapter.

(b) In addition to the materials required under §§ 435a.2, 435a.3 and 435a.5 (relating to key employee license; occupation permit; and nongaming employee registration), an applicant shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) The holder of a key employee license, occupation permit or nongaming employee registration shall provide an updated photograph at the request of Board staff.

(d) An applicant for an occupation permit or nongaming employee registration shall be at least 18 years of age.

(e) Slot machine licensees, manufacturers, manufacturer designees, suppliers, gaming service providers and gaming related gaming service providers that hire an individual who holds a key employee license, permit or registration issued by the Board shall contact the Bureau of Licensing to confirm that the individual's key employee license, permit or registration is in good standing prior to allowing the individual to work in the licensed facility.

§ 435a.2. Key employee license.

(a) An individual may not perform duties associated with a position that requires a key employee license prior to receiving a temporary or permanent credential unless otherwise authorized by the Board. An applicant for a key employee license shall submit:

(1) An original and one copy of a completed Multi-Jurisdictional Personal History Disclosure Form.

(2) An original and one copy of a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(3) The nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required under subsection (a), an applicant for a key employee license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) After reviewing the application and the results of the applicant's background investigation, the Board may issue a key employee license if the individual has proven that he is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(d) A key employee license issued will be valid for employment with any licensed entity.

§ 435a.3. Occupation permit.

(a) An applicant for a gaming employee occupation permit shall submit:

(1) An original and one copy of the Gaming Employee Application and Disclosure Information Form or an electronic application using the SLOTS Link system. When an application for an occupation permit is filed using SLOTS Link, any additional documents required, including releases, shall be submitted to the Board:

(i) Within 5 days of the submission of the SLOTS Link application by an applicant for or holder of a slot machine license.

(ii) Within 10 days of the submission of the SLOTS Link application by an applicant for or holder of a manufacturer, manufacturer designee, or supplier license or a gaming related gaming service provider certification or gaming service provider registration, certification or authorization.

(2) The nonrefundable application fee posted on the Board's web site.

(3) Verification of an offer of employment from a licensed entity.

(b) In addition to the materials required under subsection (a), an applicant for a gaming employee occupation permit shall comply with the general application requirements in Chapters

421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) After reviewing the application and the results of the applicant's background investigation, the Board may issue a gaming employee occupation permit if the individual has proven that the individual is a person of good character, honesty and integrity and is eligible and suitable to hold an occupation permit.

(d) An individual who wishes to receive a gaming employee occupation permit under this chapter may authorize an applicant for or holder of a slot machine, management company, manufacturer, manufacturer designee or supplier license or gaming related gaming service provider certification or gaming service provider registration, certification or authorization to file an application on the individual's behalf.

(e) A gaming employee occupation permit issued under this section will be valid for employment with any licensed entity, any certified gaming related gaming service provider or any registered or certified gaming service provider.

§ 435a.4. Key employee license and occupation permit term and renewal.

(a) A key employee license or occupation permit issued under this chapter shall be valid for 3 years from the date of Board approval.

(b) A renewal application shall be submitted to the Board at least 60 days prior to the expiration of a key employee license or occupation permit.

(c) A key employee license or occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the holder of the key employee license or occupation permit that the Board has approved or denied the key employee license or occupation permit.

§ 435a.5. Nongaming employee registration.

(a) An applicant for a nongaming employee registration shall submit:

(1) An original and one copy of the Nongaming Employee Registration Form or an electronic application using the SLOTS Link system. When an application for a nongaming employee registration is filed using SLOTS Link, any additional documents required, including releases, shall be submitted to the Board:

(i) Within 5 days of the submission of the SLOTS Link application by an applicant for or holder of a slot machine license.

(ii) Within 10 days of the submission of the SLOTS Link application by an applicant for or holder of a manufacturer, manufacturer designee, or supplier license or an applicant for or holder of a gaming service provider registration or certification.

(2) The nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required under subsection (a), an applicant for a nongaming employee registration shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) After review of the application, the Board may register the individual if the individual has proven that he is eligible and suitable to be registered under this section.

(d) An individual who wishes to receive a nongaming employee registration under this chapter may authorize an applicant for or holder of a slot machine, manufacturer, manufacturer designee or supplier license or a gaming service provider registration or certification to file an application on the individual's behalf.

(e) A registration issued under this section is valid for employment with any slot machine, manufacturer, manufacturer designee or supplier licensee or registered, certified or authorized gaming service provider.

(f) A registration issued under this section will be valid for 4 years from the date of Board approval.

(g) A renewal application shall be submitted to the Board at least 60 days prior to the expiration of a registration credential.

(h) A registration for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the holder of the registration that the Board has approved or denied the renewal registration.

§ 435a.6. Board credentials.

(a) The following individuals shall obtain a Board credential:

(1) A principal whose duties are required to be performed at a licensed facility in excess of 12 days in a 12-month period.

(2) Key employees.

(3) Gaming employees.

(4) Nongaming employee registrants.

(5) State employees whose duties require the employee's presence at a licensed facility more frequently than once a month.

(b) The credential will contain the following information:

(1) The name, date of birth, sex, height, weight, hair color and eye color of the licensee, permittee or registrant.

(2) A photograph of the face of the individual to whom the credential has been issued which meets the standards of the Commonwealth Photograph Imaging Network.

(3) The inscription “Pennsylvania Gaming Control Board.”

(4) The seal of the Commonwealth.

(5) A license, permit or registration number.

(6) The type of license, permit or registration.

(7) An expiration date.

(8) The signature of the employee.

(9) Other security features as determined by the Board.

(c) A State employee required to obtain a Board credential shall carry the Board credential on his person at all times while engaged in the performance of his duties on the premises of a licensed facility.

(d) An individual who is not a State employee, who is required to obtain a Board credential and whose duties:

(1) Do not require the individual to be on the gaming floor or in a restricted area, shall carry the Board credential on his person at all times while engaged in the performance of his duties on the premises of a licensed facility.

(2) Require the individual to be on the gaming floor or in a restricted area, shall display the Board credential on his person at all times while engaged in the performance of his duties on the premises of a licensed facility. A food and beverage employee of a slot machine licensee who is required to obtain a Board credential and whose duties require the individual to be on the gaming floor may carry, instead of display, the employee's Board credential if:

(i) The employee displays the access badge required under § 465a.12 (relating to access badges and temporary access credentials).

(ii) The access badge displays a unique identification number that has been assigned to that employee and which can be read by the slot machine licensee's surveillance system.

(e) Slot machine and management company licensees are prohibited from allowing a principal who is required to obtain a credential, a key employee, gaming employee or nongaming

employee registrant to perform his duties on the premises of a licensed facility unless the employee is in possession of a Board-issued credential.

(f) An employee whose license, permit or registration has been suspended or revoked by the Board shall surrender the Board credential to Board staff.

§ 435a.7. Emergency credentials.

(a) A principal, key employee, gaming employee or nongaming employee of the slot machine licensee, manufacturer, manufacturer designee, supplier, gaming service provider, gaming related service provider or gaming junket enterprise who does not have the credential issued to him on his person, or whose credential has been stolen, lost or destroyed, may obtain an emergency credential from the Board to enable the employee to perform the employee's duties at the licensed facility.

(b) An employee seeking an emergency credential shall present himself to a casino compliance representative at the Board office at the licensed facility. Prior to issuing the emergency credential, the casino compliance representative will verify:

(1) The identity of the individual requesting the emergency credential.

(2) That the employee holds a valid license, permit or registration.

(3) That fewer than 12 emergency credentials have been issued to the employee in the past 12 months.

(c) The following provisions apply to emergency credentials:

(1) They will be valid for a time period not to exceed 72 hours.

(2) They shall be returned to the Board office at the licensed facility.

§ 435a.8. Temporary credentials.

(a) A temporary credential may be issued by the Board to a principal, key employee or gaming employee.

(b) A temporary credential issued to a principal, key employee or gaming employee is valid for up to 270 days from the date of its issuance.

(c) The Board may extend the expiration date of a temporary credential issued to a principal, key employee or gaming employee if the Board determines additional time is needed to complete an investigation for licensure.

(d) A temporary credential may be issued by the Bureau of Licensing to a nongaming employee if:

(1) The applicant has submitted all of the application materials required under § 435a.5 (relating to nongaming employee registration).

(2) The applicant has been fingerprinted and photographed by the Pennsylvania State Police.

(e) A temporary credential issued to a nongaming employee will be valid for 30 days.

(f) Board staff may impose conditions on the holders of temporary credentials.

§ 435a.9. (Reserved).

§ 435a.9a. Gaming service provider employee temporary access credentials.

(a) The Board's casino compliance representatives at a licensed facility may issue a Gaming Service Provider Employee Temporary Access Credential to an employee of a registered or certified gaming service provider that is a construction company that is completing work on the gaming floor or in a restricted area under the registered or certified gaming service provider's original contract, change orders or punch lists, or to complete periodic repairs or warranty work if:

(1) The employee's duties of employment do not require the employee to touch or have contact with a slot machine, table game device or associated equipment other than exterior contact that does not affect the play of the game.

(2) The employee signs in with the security department of the licensed facility and will be escorted and under the constant supervision of an employee of the slot machine licensee who is authorized to have access to the area where the work is being performed.

(3) The gaming service provider employee and the employee of the slot machine licensee who will escort and supervise both sign in with the Board's casino compliance representatives.

(b) To receive a Gaming Service Provider Employee Temporary Access Credential, the employee of the registered or certified gaming service provider that is a construction company shall surrender his driver's license or other photo identification.

(c) A Gaming Service Provider Employee Temporary Access Credential will not be issued to an employee of a registered or certified gaming service provider that is a construction company for more than 12 days in a 12-month period. The time period may be extended for good cause as determined by the Bureau of Licensing.

(d) As provided in § 437a.10(c) (relating to emergency gaming service provider), an employee of an emergency gaming service provider shall obtain a temporary access credential in accordance with subsections (a) and (b) to enable the employee to perform emergency services at the licensed facility.

§ 435a.10. Loss, theft or destruction of credentials.

(a) As soon as possible, but no later than 24 hours following the loss, theft or destruction of a Board credential, emergency credential or temporary credential, the person to whom the credential was issued shall notify the Board's casino compliance representatives at the licensed facility.

(b) The slot machine licensee, on behalf of an employee whose Board-issued credential was lost, stolen or destroyed, may request a replacement Board credential by submitting a Request for Duplicate PGCB Credential Form and the fee established by the Board to the Bureau of Licensing.

CHAPTER 436a. HORSEMEN'S ORGANIZATIONS

Sec.

436a.1. Definitions.
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436a.3. Permitting of representatives and fiduciaries.
436a.4. Responsibilities of horsemen's organizations, representatives and fiduciaries.
436a.5. Fiduciaries.
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§ 436a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Fiduciary--A person who is entrusted by a horsemen's organization or its members to hold or manage funds received for horsemen under section 1406 of the act (relating to distributions from Pennsylvania Race Horse Development Fund) or who exercises control or discretionary authority over selection or management of a health or pension benefit plan, disposition of its assets or distribution of its funds.

Health benefits--A plan, fund or program which is maintained by a horsemen's organization and provides healthcare benefits to horsemen, their families and employees and others designated by the rules and eligibility requirements of the organization consistent with the act.

Horsemen--A thoroughbred or standardbred horse owner or trainer who enters and runs a horse at a licensed racing entity in the current or prior calendar year and meets the membership requirements of a horsemen's organization to participate in the receipt of benefits there from.

Horsemen's organization--A trade association which represents the majority of horsemen at a licensed racetrack and which exists for the purpose, in whole or in part, of negotiating a horsemen's contract and resolving grievances, disputes or other matters with management of a licensed racing entity.

Pension benefits--Any plan, fund or program which is maintained by a horsemen's organization and provides retirement income to horsemen, their families and employees, and any others designated by the rules and eligibility requirements of the organization consistent with the act.

Representative--

(i) A president, vice president, secretary, treasurer, director, governing body member or any individual routinely performing corresponding functions authorized to act on behalf of the horsemen's organization.

(ii) An individual, not otherwise specified in subparagraph (i), who is authorized to act on behalf of a horsemen's organization or members thereof in matters regarding horsemen's agreements with a licensed racing entity or who promotes, facilitates or otherwise influences the relations between a horsemen's organization and a licensed racing entity.

§ 436a.2. Horsemen's organization notification.

(a) A horsemen's organization or affiliate representing horsemen shall file a completed Horsemen's Organization Notification Form and supporting documentation with the Bureau of Licensing within 90 days of selection as a horsemen's organization or affiliate representing horsemen.

(b) A horsemen's organization or affiliate representing horsemen shall file an updated version of the Horsemen's Organization Notification Form and supporting documentation with the Bureau of Licensing within 30 days of a change in the information contained therein.

(c) Horsemen's organization notifications will be valid for 4 years from the date on which the notification is filed with the Bureau of Licensing.

(d) Renewals shall be filed no later than 60 days prior to the expiration of the current notification period.

§ 436a.3. Permitting of representatives and fiduciaries.

(a) Every representative or fiduciary shall be permitted in accordance with this section.

(b) Every representative or fiduciary shall file a completed Horsemen's Permit Application Form with the permit fee posted on the Board's web site (www.pgcb.pa.gov).

(c) Applicants and permittees under this section shall be subject to the general application requirements of Chapters 421a and 423a (relating to general provisions; and applications).

(d) Permits issued under this section will be valid for 3 years from the date on which the permit is approved by the Board.

(e) Renewals will be valid for 3 years and shall be filed at least 60 days prior to the expiration of the current permit.

(f) A permit for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the permittee that the Board has approved or denied the renewal of the permit.

(g) If a representative or fiduciary is denied a permit required by this section, that representative or fiduciary shall be precluded from engaging in any activity involving gaming funds allocated to, received by or distributed from the horsemen's organization.

(h) A person who is a third-party provider of a health or pension benefit plan to a horsemen's organization shall be exempt from the requirements of this section.

§ 436a.4. Responsibilities of horsemen's organizations, representatives and fiduciaries.

(a) Horsemen's organizations representatives and fiduciaries shall ensure that the funds allocated to the horsemen and horsemen's organizations are used for the benefit of all horsemen of this Commonwealth.

(b) Funds allocated to horsemen's organizations for benevolent programs must be kept separate and apart from funds acquired from other sources and may not be used for the personal benefit of any representative or fiduciary of a horsemen's organization except to the extent that the representative or fiduciary is a participant in the benevolent programs on the same basis as other eligible program participants.

(c) Horsemen's organizations shall ensure that the funds allocated for thoroughbred jockeys and standard-bred drivers are paid in accordance with section 1406(a) of the act (relating to distributions from Pennsylvania Race Horse Development Fund) and that the distribution of these proceeds is reflected in the annual audit required under section 1406(e) of the act and Article XVII-O of The Fiscal Code (72 P.S. § 1701-O).

(d) Horsemen's organizations shall maintain adequate records of receipts and distributions of the funds allocated to them under the act.

(e) Horsemen's organizations shall file with the Board:

(1) A quarterly report, due by the 20th day of the month following the end of each calendar quarter, which shall account for:

(i) The amounts received from the Pennsylvania Race Horse Development Fund through the Category 1 licensee conducting live racing into the account established by and for the benefit of the horsemen under section 1406(a) of the act.

(ii) The amounts distributed for purse supplements from the account established by and for the benefit of the horsemen under section 1406(a) of the act.

(iii) The amounts received for health and pension benefits under section 1406(a) of the act.

(2) Two copies of the audited financial statements of the horsemen's organization and its affiliates, which comply with the requirements of section 1406(e) of the act and Article XVII-O of The Fiscal Code. Audited financial statements shall be filed within 90 days after the

end of the organization’s fiscal year and reflect funds received from the Pennsylvania Race Horse Development Fund which are used or intended to be used for purse supplements and health and pension benefits under section 1406(a) of the act. These filings will be available for public inspection during the normal operating hours of the Board at its Harrisburg office.

§ 436a.5. Fiduciaries.

Fiduciaries shall:

(1) Ensure that the funds received for the benefit of the horsemen are distributed pursuant to the act.

(2) Manage all health and pension benefit plans for the exclusive benefit of participants and beneficiaries.

(3) Carry out their duties in a prudent manner and refrain from conflict-of-interest transactions.

(4) Comply with limitations on certain plans' investments in particular securities and properties.

(5) Fund benefits in accordance with applicable law and plan rules.

(6) Provide documents to the Board as may be requested in the conduct of investigations or to ensure compliance with the act and this chapter.

§ 436a.6. Health and pension benefit plans.

(a) Contracts for health and pension benefit plans established for the benefit of members of a horsemen's organization shall be submitted to the Board at least 30 days prior to the proposed effective date of the contract. Contracts are not effective until approved by the Board.

(b) Administrative and overhead costs incurred by the horsemen's organization for the administration of health and pension benefit plans must be reasonable. Administrative costs that do not exceed 15% of the statutory allocation are considered reasonable.

CHAPTER 437a. GAMING SERVICE PROVIDER CERTIFICATION AND REGISTRATION

Sec.

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§ 437a.1. General gaming service provider requirements.

(a) Except as provided in § 437a.10 (relating to emergency gaming service provider), a gaming service provider or person seeking to conduct business with a slot machine applicant or licensee shall apply to the Board for registration if:

(1) The total dollar amount of the goods or services to be provided to a single slot machine applicant or licensee or to multiple slot machine applicants or licensees will be or is anticipated to be equal to or greater than $100,000 but less than or equal to $500,000 within a consecutive 12-month period.

(2) The employees of the gaming service provider or person seeking to conduct business with a slot machine applicant or licensee will be working either:

(i) In a restricted area of the licensed facility.

(ii) On the gaming floor unless all of the following conditions are met:

(A) The employees will be on the gaming floor for less than 24 hours within a 72-hour period no more than once in any consecutive 3-month period.

(B) The employees sign-in with the security department at the licensed facility and the Board's casino compliance representatives prior to entering the gaming floor.

(C) The gaming service provider has received written approval from the Bureau of Licensing for the gaming service provider's employees to be on the gaming floor.

(b) Except as provided in § 437a.10, a gaming service provider or person seeking to conduct business with a slot machine applicant or licensee shall apply to the Board for certification if the total dollar amount of the goods or services to be provided to a single slot machine applicant or licensee or to multiple slot machine applicants or licensees will be or is anticipated to be greater than $500,000 within a consecutive 12-month period.

(c) A person that provides goods or services indirectly to a slot machine applicant or licensee through an intermediary, holding company or affiliate of the slot machine applicant or licensee shall be required to be registered or certified if the cost of the goods or services provided to the slot machine applicant or licensee exceeds the monetary thresholds in subsections (a) and (b).

(d) The following persons are exempt from the gaming service provider registration and certification requirements of this chapter:

(1) Public utilities which provide one or more of the following services to a slot machine applicant or licensee:

(i) Water.

(ii) Sewerage.

(iii) Electricity.

(iv) Natural gas.

(2) Insurance companies providing insurance to a slot machine applicant or licensee and its employees.

(3) Employee benefit and retirement plans including incorporated 401K plans and employee stock purchase programs.

(4) National, state or local professional associations that receive funds from the slot machine applicant or licensee for the cost of enrollment, activities and membership.

(5) State, Federal and municipal operated agencies.

(6) Manufacturers and suppliers of liquor, wine and beer regulated by the Liquor Control Board.

(7) State and Federally chartered banks or savings and loan associations where funds are deposited by slot machine licensees, notwithstanding those sources or transactions provided to a slot machine licensee which require Board approval.

(8) Providers of professional services including accountants, attorneys, engineers and architects, when acting in their respective professional capacities.

(9) Telecommunication service providers.

(10) Shipping services.

(11) Persons that engage in efforts to influence legislative action or administrative action on behalf of a principal for economic consideration.

(12) Schools regulated by the Department of Education.

(13) Professional entertainers, sports figures and other celebrities engaged by a slot machine licensee to appear at a slot machine licensee-sponsored special entertainment or promotional event.

(14) Newspapers, television stations, radio stations and providers of simulcast services that contract with slot machine applicants or licensees.

(15) Professional sports teams of Major League Baseball, the National Hockey League, the National Football League and the National Basketball Association.

(16) Any person not otherwise exempt under this subsection that is licensed by a Federal or state agency if the agency's licensing requirements are determined by the Bureau of Licensing to be substantially similar to those of the Board.

(e) The Board may request information or assurances from any person listed in subsection (d) to determine the validity of the person's exempt status.

(f) Subsection (d) does not relieve a slot machine applicant or licensee of reporting obligations required under §§ 441a.12 and 441a.14 (relating to maintaining agreements; filing of agreements; and master purchasing and disbursement report).

(g) Notwithstanding subsections (a) and (b), a publicly traded corporation or subsidiary thereof will not be required to be registered or certified as a gaming service provider if the publicly traded corporation or subsidiary thereof submits a completed Publicly Traded Gaming Service Provider Form to the Bureau of Licensing accompanied by the filing fee posted on the Board's web site and is authorized. A publicly traded corporation or subsidiary thereof that is authorized to provide goods and services under this subsection shall be required to:

(1) Comply with § 437a.7 (relating to registered, certified and authorized gaming service provider responsibilities).

(2) Immediately notify the Bureau of Licensing if the publicly traded corporation or subsidiary thereof ceases to meet the definition of a publicly traded corporation.

(h) A slot machine applicant or licensee shall complete and submit to the Bureau of Licensing a Notification of Material Gaming Service Provider Form prior to compensating a gaming service provider $15,000 or more within a consecutive 12-month period. A slot machine applicant or licensee will not be required to submit a Notification of Material Gaming Service Provider Form to the Bureau of Licensing if either of the following apply to the gaming service provider to be compensated:

(1) The gaming service provider is exempt under subsection (d).

(2) The gaming service provider is listed on the Board's authorized gaming service provider list.

(i) A gaming service provider of a slot machine applicant or licensee whose compensation does not exceed the monetary thresholds contained in this section or who is otherwise not required to be registered or certified under subsection (d) or (g) may be required to be registered or certified if the Board determines that registration or certification is necessary to protect the integrity of gaming.

§ 437a.2. Gaming service provider registration applications.

(a) A gaming service provider seeking registration shall do one of the following:

(1) If the gaming service provider has or will be entering into an agreement to provide goods or services to a specific slot machine applicant or licensee, the gaming service provider shall complete an original and one copy of a Gaming Service Provider Registration Form—Sponsored. The original copy and the fee toward the cost of the investigation of the applicant posted on the Board's web site shall be submitted to the Bureau of Licensing by the slot machine applicant or licensee for whom the gaming service provider will provide goods or services unless otherwise directed by the Bureau of Licensing.

(2) If a gaming service provider does not have an agreement to provide goods or services to a specific slot machine applicant or licensee but is seeking to conduct business with slot machine applicants or licensees, the gaming service provider shall complete an original and one copy of a Gaming Service Provider Registration Form—Unsponsored. The original, copy and the fee toward the cost of the investigation of the applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the gaming service provider unless otherwise directed by the Bureau of Licensing.

(b) In addition to the materials required under subsection (a), an applicant for a gaming service provider registration shall:

(1) Submit the nonrefundable application fee posted on the Board's web site.

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(3) Submit fingerprints of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the registered gaming service provider applicant. For purposes of this subparagraph, "officer" means a president, chief executive officer, a chief financial officer and a chief operating officer, and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(ii) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the registered gaming service provider applicant.

(iii) Each salesperson of a registered gaming service provider applicant who solicits business from, or has regular contact with, any representatives of a slot machine applicant or licensee or any employee of a registered gaming service provider applicant who will be engaging in that conduct.

(c) A person who holds any direct or indirect ownership or beneficial interest in a registered gaming service provider or applicant for gaming service provider registration, or has the right to any profits or distributions directly or indirectly, from the registered gaming service provider or applicant for gaming service provider registration may be required to submit fingerprints if the Bureau determines that the submission of fingerprints of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(d) Each of the individuals required to submit fingerprints under subsection (b)(3) must be found qualified by the Board. An individual who is found qualified and is also a gaming or nongaming employee as defined in § 401a.3 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with § 435a.3 (relating to occupation permit) or a nongaming employee registration in accordance with § 435a.5 (relating to nongaming employee registration).

(e) An applicant for a gaming service provider registration shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(f) A gaming service provider registration will not be issued until all fees and costs have been paid.

§ 437a.3. Gaming service provider certification applications.

(a) A gaming service provider seeking certification shall complete and the slot machine applicant or licensee for whom the gaming service provider will provide goods or services shall submit:

(1) An original and one copy of a Gaming Service Provider Certification Application and Disclosure Information Form unless otherwise directed.

(2) The nonrefundable application fee posted on the Board's web site.

(3) Applications and release authorizations for each individual required to be qualified under § 437a.4 (relating to qualification of individuals and entities).

(b) In addition to the requirements of subsection (a), an applicant for a gaming service provider certification shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) An applicant for a gaming service provider certification shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(d) A gaming service provider certification will not be issued until all fees and costs have been paid.

§ 437a.3a. Single transaction waiver.

(a) A gaming service provider required to be registered or certified under this chapter may request that the Board waive its obligation to be registered or certified by filing a Single Transactional Waiver Form. To be eligible to receive a waiver, the gaming service provider shall demonstrate that it is proposing to engage in a single transaction and satisfies the following requirements:

(1) The gaming service provider's required performance under the contract with the slot machine licensee does not require the gaming service provider's employees to be on the gaming floor or in a restricted area.

(2) The gaming service provider has not filed a Single Transactional Waiver Form within 2 years of the current waiver request.

(3) The gaming service provider will not have a continuing business relationship with the slot machine licensee or have a continuing onsite presence at the licensed facility.

(b) The Board may, in response to misrepresentations or a change in circumstances, revoke a waiver granted under this section and require the recipient of the waiver to comply with the gaming service provider registration or certification requirements of this chapter.

(c) A gaming service provider that has requested a waiver under this section may not provide goods or services to a slot machine applicant or licensee prior to Board approval of the gaming service provider's waiver request.

§ 437a.4. Qualification of individuals and entities.

(a) The following individuals shall be required to submit a Pennsylvania Personal History Disclosure Form and be found qualified by the Board:

(1) Each officer and director of a certified gaming service provider or applicant for gaming service provider certification. For the purposes of this paragraph, “officer” means a

president, chief executive officer, a chief financial officer and a chief operating officer and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the certified gaming service provider or applicant for gaming service provider certification. A certified gaming service provider or applicant for gaming service provider certification shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(3) Each salesperson of a certified gaming service provider or applicant for gaming service provider certification who solicits business from, or has regular contact with, any representatives of a slot machine applicant or licensee or any employee of a certified gaming service provider or applicant for gaming service provider certification who will be engaging in that conduct.

(b) Each entity that directly owns 20% or more of the voting securities of a certified gaming service provider or person applying for gaming service provider certification shall file a Gaming Service Provider Certification Form—Private Holding Company with the Bureau of Licensing and be found qualified by the Board.

(c) The following persons may be required to submit a Gaming Service Provider Certification Form—Private Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Bureau of Licensing determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth:

(1) An intermediary or holding company of a certified gaming service provider or applicant for gaming service provider certification not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a certified gaming service provider or applicant for gaming service provider certification.

(3) An employee of a certified gaming service provider or applicant for gaming service provider certification.

(4) A person who holds any direct or indirect ownership or beneficial interest in a certified gaming service provider or applicant for gaming service provider certification, or has the right to any profits or distribution, directly or indirectly, from the certified gaming service provider or applicant for gaming service provider certification.

(5) A trustee of a trust that is required to be found qualified under this section.

(d) The Bureau of Licensing may issue a temporary credential to an individual who is required to be qualified by the Board under this section if:

(1) The individual's presence in the licensed facility is needed.

(2) The company with which the individual is associated is on the authorized gaming service provider list.

(e) Upon request, the Bureau of Licensing will issue a credential to an individual who has been found qualified under this section if the gaming service provider has been certified.

§ 437a.5. Construction subcontractors.

(a) Instead of filing for registration or certification, a construction subcontractor that is otherwise required to be certified or registered may elect to file an On-site Subordinate Pre-Opening Construction Notification Form with the Bureau of Licensing if:

(1) The subcontractor is not providing goods or services through an agreement with a slot machine applicant or licensee.

(2) The subcontractor is not a first-tier subcontractor providing goods or services to the general contractor that has entered into a contract with a slot machine applicant or licensee for the construction of a licensed facility.

(b) The On-site Subordinate Gaming Service Provider Notification Form will be valid for the construction of only one licensed facility, and will expire upon completion of the contract.

(c) A subcontractor that elects to file an On-site Subordinate Gaming Service Provider Notification Form as outlined in subsection (a) shall be prohibited from:

(1) Employing any person to work in a restricted area of a licensed facility or on the gaming floor after onsite Board staff designates the area as a gaming floor.

(2) Providing, directly or indirectly, goods or service to any other slot machine applicant or licensee other than the slot machine applicant or licensee identified in the On-site Subordinate Gaming Service Provider Notification Form.

§ 437a.6. Registration and certification term and renewal.

(a) Gaming service provider certifications, registrations and renewals issued under this chapter will be valid for 4 years from the date of Board approval.

(b) Publicly traded gaming service provider authorizations approved under § 437a.1(g) (relating to general gaming service provider requirements) will be valid for 4 years from the date of authorization.

(c) Registered, certified and authorized publicly traded gaming service providers shall submit to the Board a completed renewal application or form and renewal fee at least 60 days prior to the expiration of a certification, registration or authorization.

(d) A certification or registration for which a completed renewal application and fee has been received by the Bureau of Licensing will continue to be in effect until the Board sends written notification to the holder of the certification or registration that the Board has approved or denied the certification or registration.

(e) A publicly traded gaming service provider authorization for which a completed renewal form and fee has been received by the Bureau of Licensing will continue in effect unless the Bureau of Licensing sends written notification to the publicly traded gaming service provider that the authorization has been rescinded.

§ 437a.7. Registered, certified and authorized gaming service provider responsibilities.

(a) A holder of a gaming service provider certification, registration or authorization shall have a continuing duty to comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(b) An employee of a gaming service provider shall be required to obtain an occupation permit under § 435a.3 (relating to occupation permit) if:

(1) The employee is the onsite supervisor of other gaming employees, as defined in § 401a.3 (relating to definitions), of the gaming service provider.

(2) The employee is a gaming employee as defined in § 401a.3.

(c) An employee of a gaming service provider who is not required to obtain an occupation permit under subsection (b) shall be required to obtain a nongaming employee registration under § 435a.5 (relating to nongaming employee registration) if:

(1) The employee is the onsite supervisor of:

(i) Other nongaming employees as defined in § 401a.3.

(ii) Employees of the gaming service provider who are involved in the construction of the licensed facility.

(2) The employee is a nongaming employee as defined in § 401a.3.

(d) Employees of a gaming service provider who are not required to obtain an occupation permit or a nongaming employee registration under subsection (b) or (c) may be required to obtain an occupation permit or nongaming employee registration if the Board determines, after a review of the work being performed, that obtaining a permit or registration is necessary for the protection of the integrity of gaming.

(e) Workers employed by a gaming service provider that is a construction company, who are completing work on the gaming floor or in a restricted area under their original contract,

change orders, punch lists, periodic repairs or warranty work, will not be required to comply with the requirements in subsection (b) or (c) if the conditions in § 435a.9a(a) and (b) (relating to gaming service provider employee temporary access credentials) are met.

(f) A certified, registered or authorized gaming service provider operating within a licensed facility that cashes personal checks shall comply with § 465a.20 (relating to personal check cashing).

§ 437a.8. Authorized gaming service providers list; prohibited gaming service providers.

(a) The Board will maintain a list of authorized gaming service providers and a list of prohibited gaming service providers. The authorized list will contain the names of persons who:

(1) Have been registered or certified.

(2) Are eligible to file and have filed a completed publicly traded gaming service provider form under § 437a.1(g) (relating to general gaming service provider requirements).

(3) Have been authorized to conduct business with a slot machine licensee or applicant under § 437a.9 (relating to permission to conduct business prior to certification or registration).

(b) Except as permitted under § 437a.1(a)(2), (d) and (g) and § 437a.10 (relating to emergency gaming service provider), a slot machine licensee or applicant may not purchase goods or services from a gaming service provider, when the employees of the gaming service provider will be working on the gaming floor or in a restricted area or compensate a gaming service provider $100,000 or more within a consecutive 12-month period, unless the gaming service provider is on the authorized gaming service provider list. A slot machine licensee or applicant or any affiliate, intermediary, subsidiary or holding company thereof acting on behalf of the slot machine licensee or applicant may not enter into an agreement or continue to do business with a gaming service provider on the prohibited gaming service providers list.

(c) The Board may place a person on the prohibited gaming service providers list if:

(1) The gaming service provider has failed to comply with this chapter.

(2) The gaming service provider has failed to cooperate with Board staff in its review and investigation of the gaming service provider's application.

(3) The gaming service provider's application for certification or registration has been denied or withdrawn with prejudice, or the gaming service provider has had its gaming service provider certification or registration suspended, revoked, or surrendered with prejudice.

(4) The gaming service provider has failed to provide information to a slot machine applicant or licensee that is necessary for the slot machine applicant or licensee to comply with this chapter.

(d) A person seeking to be removed from the list of prohibited gaming service providers shall file a petition for removal in accordance with § 493a.4 (relating to petitions generally) and shall be responsible for all costs associated with the person's petition for removal from the list of prohibited gaming service providers. The petition must state the specific grounds believed by the petitioner to constitute good cause for removal from the prohibited gaming service providers list and how the gaming service provider has cured any deficiencies that led to the gaming service provider being placed on the prohibited gaming service providers list.

(e) The Board may impose a monetary penalty or other appropriate sanction in connection with the removal of a person from the list of prohibited gaming service providers, or attach any reasonable condition to the removal of a person from the list of prohibited gaming service providers.

§ 437a.9. Permission to conduct business prior to certification or registration.

(a) Notwithstanding § 437a.1 (relating to general gaming service provider requirements), the Bureau of Licensing may authorize an applicant for a gaming service provider certification or registration to conduct business with a slot machine applicant or licensee prior to the certification or registration of the gaming service provider applicant if the following criteria are met:

(1) A completed Gaming Service Provider Registration Form—Unsponsored has been filed by the gaming service provider, a completed Gaming Service Provider Registration Form—Sponsored has been filed by the slot machine applicant or licensee or a completed Gaming Service Provider Certification Application and Disclosure Information Form has been filed by the slot machine applicant or licensee in accordance with § 437a.2 or § 437a.3 (relating to gaming service provider registration applications; and gaming service provider certification applications).

(2) The slot machine applicant or licensee certifies that it has performed due diligence on the gaming service provider.

(3) The applicant for gaming service provider registration or certification agrees, in writing, that the grant of permission to conduct business prior to registration or certification does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the authorization granted pursuant to this section, with or without prior notice to the applicant, if the Bureau of Licensing is informed that the suitability of the applicant may be at issue or the applicant fails to cooperate in the application or investigatory process.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for certification or registration, the Bureau of Licensing may rescind the permission granted to the applicant for certification or registration to conduct business with a slot machine applicant or licensee under subsection (a). If the permission is rescinded, the applicant for certification or registration shall cease conducting business with the slot machine applicant or licensee by the date specified in the notice of the rescission by the Bureau of Licensing under subsection (c).

(c) The Bureau of Licensing will notify the applicant for certification or registration and the slot machine applicant or licensee by registered mail that permission for the applicant for certification or registration to conduct business with the slot machine applicant or licensee under subsection (a) has been rescinded and that the slot machine applicant or licensee shall cease conducting business with the applicant for certification or registration by the date specified in the notice.

§ 437a.10. Emergency gaming service provider.

(a) A slot machine licensee may utilize a gaming service provider that is not registered, certified or authorized to conduct business in accordance with § 437a.8 (relating to authorized gaming service providers list; prohibited gaming service providers) when a threat to public health, welfare or safety of the building or its occupants exists or circumstances outside the control of the slot machine licensee create an urgency of need which does not permit the delay involved in using the formal method of gaming service provider certification or registration. A slot machine licensee may not use a gaming service provider on the prohibited list.

(b) When using a gaming service provider that is not registered, certified or authorized to conduct business to respond to an emergency, the slot machine licensee shall:

(1) Immediately notify the onsite casino compliance representatives in the licensed facility of the emergency and the gaming service provider that was selected to provide emergency services.

(2) File a Gaming Service Provider Emergency Notification Form with the Bureau of Licensing within 72 hours after commencement of the gaming service provider's services and a written explanation of the basis for the procurement of the emergency gaming service provider.

(c) An employee of the emergency gaming service provider who is providing emergency services in the licensed facility shall obtain a temporary access credential in accordance with § 435a.9a(d) (relating to gaming service provider employee temporary access credentials) prior to performing any work.

(d) If the slot machine licensee continues to utilize the gaming service provider after the emergency circumstances have passed or if the Bureau of Licensing determines that the circumstances did not necessitate the use of an emergency gaming service provider that was not registered, certified or on the authorized list, the slot machine license and gaming service provider shall comply with the requirements in this chapter.

§ 437a.11. Slot machine applicants' and licensees' duty to investigate.

(a) An applicant for or holder of a slot machine license shall investigate the background and qualifications of the applicants for gaming service provider registration or certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) An applicant for or holder of a slot machine license shall have an affirmative duty to avoid agreements or relationships with persons applying for gaming service provider registration or certification whose background or associations are injurious to the public health, safety, morals, good order and general welfare of the people of this Commonwealth, or who threaten the integrity of gaming in this Commonwealth.

(c) An applicant for or holder of a slot machine license shall have a duty to inform the Board of an action by an applicant for or holder of a gaming service provider registration or certification or a gaming service provider that is eligible to file and has filed a completed publicly traded gaming service provider form under § 437a.1(g) (relating to general gaming service provider requirements), which the applicant for or holder of a slot machine license believes would constitute a violation of the act or this part.

CHAPTER 438a. LABOR ORGANIZATIONS

Sec.

438a.1. Definitions.
438a.2. Labor organization notification.
438a.3. Registration of labor organization officers, agents and management employees.

§ 438a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Labor organization--An organization, union, agency, employee representation committee, group, association or plan in which employees who are required to obtain a license, permit or registration from the Board participate which exists for the purpose, in whole or in part, of dealing with a slot machine licensee or licensed management company concerning grievances, labor disputes, wages, rates of pay, hours, or other terms or conditions of employment, including any conference, general committee, joint or systems board or international labor organization.

Labor organization agent--A person, compensated or not, who is authorized to represent a labor organization in an employment matter relating to employees who are employed by a slot machine licensee or licensed management company, or who undertakes on behalf of the labor organization to promote, facilitate or otherwise influence the relations between the labor organization and a slot machine licensee or licensed management company.

Labor organization officer--An officer or person authorized to perform the functions of an officer who exercises authority, discretion or influence with regard to matters relating to employees who are employed at a licensed facility.

Labor organization management employee--An employee of a labor organization who serves in a management, supervisory or policy making position, who exercises authority, discretion or influence with regard to matters relating to employees who are employed at a licensed facility.

§ 438a.2. Labor organization notification.

(a) Each labor organization shall file a completed Labor Organization Notification Form with the Bureau of Licensing.

(b) Labor organizations shall file an updated version of the Labor Organization Notification Form with the Bureau of Licensing within 30 days of a change in the information contained on the form.

§ 438a.3. Registration of labor organization officers, agents and management employees.

(a) Every labor organization officer, agent and management employee shall be registered in accordance with this section.

(b) Every labor organization officer, agent and management employee shall file an original and one copy of a completed Labor Organization Registration Application Form with the registration fee posted on the Board's web site (pgcb.state.pa.us).

(c) Applicants and registrants under this section shall be subject to the general application requirements of Chapters 421a and 423a (relating to general provisions; and applications).

(d) Registrations issued under this section will be valid for as long as the individual holds the position which required the individual to seek registration.

CHAPTER 439a. JUNKET ENTERPRISES

Sec.

439a.1. Definitions.
439a.2. Gaming junket enterprise general requirements; participation in a gaming junket.
439a.3. Gaming junket enterprise license applications.
439a.4. (Reserved).
439a.4a. Individual and entity applications.
439a.5. Gaming junket representative general requirements.
439a.6. (Reserved).
439a.6a. Gaming junket enterprise license and occupation permit term and renewal.
439a.6b. Conditional licenses.
439a.7. (Reserved).
439a.8. (Reserved).
439a.9. (Reserved).
439a.10. Monthly gaming junket reports.
439a.11. Purchase of patron lists.
439a.12. Gaming junket enterprise and representative prohibitions.

§ 439a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Gaming junket—A gaming arrangement made by a gaming junket enterprise or a gaming junket representative for an individual who:

(i) Is selected or approved for participation in the arrangement based on the individual's ability to satisfy specific financial qualifications and the likelihood that the individual will participate in playing slot machines or table games and patronize a licensed facility for the purpose of gaming.

(ii) Receives complimentary services or gifts from a slot machine licensee for participation in the arrangement including the costs of transportation, food, lodging or entertainment.

Gaming junket enterprise--A person, other than a slot machine licensee, that employs or otherwise engages the services of a gaming junket representative to arrange gaming junkets to a licensed facility, regardless of whether the activities or the person or the gaming junket representative occur within this Commonwealth.

Gaming junket representative—An individual, other than an employee of a slot machine licensee, who arranges and negotiates the terms of a gaming junket or selects individuals to participate in a gaming junket to a licensed facility, regardless of whether the activities of the individual occur within this Commonwealth.

§ 439a.2. Gaming junket enterprise general requirements; participation in a gaming junket.

(a) A gaming junket enterprise seeking to conduct business with a slot machine licensee shall file a Gaming Junket Enterprise License Application and Disclosure Information Form with the Board.

(b) Prior to organizing a gaming junket to a licensed facility or receiving compensation from any person as a result of the conduct of a gaming junket, the gaming junket enterprise shall be licensed by the Board. A slot machine licensee may not engage the services of any gaming junket enterprise which has not been licensed. An agreement between a slot machine licensee and a gaming junket enterprise must contain a provision stating that the gaming junket enterprise shall obtain a Gaming Junket Enterprise License prior to organizing a gaming junket to a licensed facility or receiving compensation from any person as a result of the conduct of a gaming junket.

(c) A gaming junket enterprise may not employ or otherwise engage the services of a gaming junket representative except in accordance with § 439a.5 (relating to gaming junket representative general requirements).

(d) An individual may be selected or approved to participate in a gaming junket on the basis of one or more of the following:

(1) The ability to satisfy a financial qualification related to the individual's ability or willingness to gamble, which shall be deemed to occur whenever an individual, as an element of the arrangement is required to perform one or more of the following:

(i) Establish a customer deposit with a slot machine licensee.

(ii) Demonstrate to a slot machine licensee the availability of a specified amount of cash or cash equivalent.

(iii) Gamble to a predetermined level at the licensed facility.

(iv) Comply with any similar obligation.

(2) The individual's propensity to gamble, which shall be deemed to occur when an individual has been selected or approved on the basis of one or more of the following:

(i) The previous satisfaction of a financial qualification in accordance with the provisions of paragraph (1).

(ii) An evaluation that the individual has a tendency to participate in gambling activities as the result of:

(A) An inquiry concerning the individual's tendency to gamble.

(B) Use of other means of determining that the individual has a tendency to participate in gambling activities.

(e) A rebuttable presumption that an individual has been selected or approved for participation in a gaming junket based on the individual's propensity to gamble shall be created when the individual is provided, as part of the arrangement, one or more of the following:

(1) Complimentary accommodations.

(2) Complimentary food, entertainment or transportation which has a value of $200 or more.

§ 439a.3. Gaming junket enterprise license applications.

(a) An applicant for a gaming junket enterprise license shall submit to the Bureau of Licensing an original, one paper copy and one compact disc containing the Gaming Junket Enterprise License Application and Disclosure Information Form and additional applications as required under §439a.4a (relating to individual and entity applications).

(b) In addition to the materials required under subsection (a), an applicant for a gaming junket enterprise license shall:

(1) Submit the nonrefundable application fee posted on the Board's web site (pgcb.state.pa.us).

(2) Promptly provide information requested by the Board and cooperate with the Board in investigations, hearings, enforcement and disciplinary actions.

(3) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications).

(c) An applicant for a gaming junket enterprise license shall be required to reimburse the Board for any additional costs, based on the actual expenses incurred by the Board, in conducting the background investigation.

(d) Prior to engaging the services of a gaming junket enterprise, the slot machine licensee shall submit to the Bureau of Licensing a Verification and Due Diligence Form certifying that the slot machine licensee has entered into an agreement or contract with, and has investigated the background and qualifications of, the gaming junket enterprise. The agreement or contract must contain a provision stating that the gaming junket enterprise shall obtain a license prior to organizing a gaming junket to a licensed facility or receiving compensation from any person as a result of the conduct of a gaming junket.

§ 439a.4. (Reserved).

§ 439a.4a. Individual and entity applications.

(a) The following individuals shall be required to submit a Pennsylvania Personal History Disclosure Information Form—Gaming Junket Enterprise and be found qualified by the Board:

(1) Each officer and director of a gaming junket enterprise applicant or licensee. The term "officer" means a president, chief executive officer, chief financial officer, chief operating officer and any individual routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the gaming junket enterprise. An applicant for a gaming junket enterprise license shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(b) Each entity or trust that directly owns 20% or more of the voting securities of a gaming junket enterprise applicant or licensee shall be required to submit a Gaming Junket Enterprise Form—Private Holding Company and be found qualified by the Board.

(c) A gaming junket representative is required to submit an electronic application, using the SLOTS Link system, and be found suitable to hold an occupation permit. An individual who wishes to receive an occupation permit under this chapter may provide the gaming junket enterprise with written authorization to file an application on the individual's behalf. When an application for an occupation permit is filed using SLOTS Link, the additional documents required, including releases, shall be submitted to the Board within 10 days of the submission of the SLOTS Link application by an applicant for or a holder of a gaming junket enterprise license.

(d) The following persons may be required to submit a Gaming Junket Enterprise Form—Private Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Board determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth:

(1) An intermediary or holding company of a gaming junket enterprise applicant or licensee not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a gaming junket enterprise applicant or licensee.

(3) An employee of a gaming junket enterprise applicant or licensee who is not otherwise required to be qualified or permitted.

(4) A person that holds any direct or indirect ownership or beneficial interest in a gaming junket enterprise applicant or licensee, or has the right to any profits or distributions, directly or indirectly, from the gaming junket enterprise applicant or licensee.

(5) A trustee of a trust that is required to be found qualified under this section.

(e) Individuals who are required to submit applications in accordance with subsections (a), (c) and (d) shall submit fingerprints to the Board in a manner prescribed by the Bureau of Investigations and Enforcement.

(f) An applicant for an occupation permit and individuals, entities or trusts that are required to be found qualified shall be required to reimburse the Board for additional costs, based on the actual expenses incurred by the Board, in conducting the background investigation.

§ 439a.5. Gaming junket representative general requirements.

(a) An individual may not act as a gaming junket representative in connection with a gaming junket to a licensed facility unless the individual has obtained an occupation permit under § 435a.3 (relating to occupation permit) and is employed by a gaming junket enterprise that is licensed by the Board.

(b) A gaming junket representative may be employed by only one gaming junket enterprise at a time.

(c) An individual who is employed by a slot machine licensee and holds a valid occupation permit may act as a gaming junket representative. Board staff will evaluate all of the following indicia of employment to determine if an individual is a bona fide employee of a slot machine licensee versus an employee of a gaming junket enterprise:

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

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

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

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

(d) An individual may not be considered an employee of a slot machine licensee but shall be considered an employee of a gaming junket enterprise if one of the following conditions is met:

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

(2) 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.

(3) The individual receive compensation for services through the junket enterprise.

(4) The individual exhibits other indicia of genuine employment with a gaming junket enterprise, including Federal and State taxation withholdings.

§ 439a.6. (Reserved).

§ 439a.6a. Gaming junket enterprise license and occupation permit term and renewal.

(a) A gaming junket enterprise license and gaming junket representative occupation permit issued under this chapter will be valid for 3 years from the date of Board approval.

(b) A renewal application shall be submitted to the Board at least 60 days prior to the expiration of the license or occupation permit.

(c) A license or occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the holder of the gaming junket enterprise license or occupation permit that the Board has approved or denied the license or occupation permit.

(d) The gaming junket enterprise license and the gaming junket representative occupation permit are nontransferable.

§ 439a.6b. Conditional licenses.

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

(1) Submit completed gaming junket enterprise applications, including the nonrefundable application fees, 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.

(b) 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.

(c) If the conditional license is rescinded, 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) The slot machine licensee shall cease conducting business with the gaming junket enterprise by the date specified in the notice.

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

(e) 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.

(f) The slot machine licensee has an affirmative duty to avoid agreements or relationships with persons 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 threaten the integrity of gaming in this Commonwealth.

(g) 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 this part.

§ 439a.7. (Reserved).

§ 439a.8. (Reserved).

§ 439a.9. (Reserved).

§ 439a.10. Monthly gaming junket reports.

(a) Each slot machine licensee shall, on or before the last day of the month, file with the Bureau of Casino Compliance and the Bureau of Investigations and Enforcement a monthly gaming junket report for the preceding month. The monthly gaming junket report must contain all of the following:

(1) The name of the gaming junket enterprise.

(2) The name and gaming identification number of each individual who performed the services of a gaming junket representative.

(3) Patron name.

(4) Patron address.

(5) Patron account number.

(6) Date of association with the gaming junket enterprise or gaming junket representative.

(7) Date of the trip.

(8) Table games theoretical win.

(9) Table games actual win.

(10) Slot machine theoretical win.

(11) Slot machine actual win.

(12) The actual amount of complimentary goods or services provided to each junket participant.

(13) Patron's outstanding markers.

(14) Table game percentage rate paid.

(15) Slot machine percentage rate paid.

(16) Commission accrued per patron.

(17) Commission paid per patron.

(18) Total amount of commission paid to each gaming junket enterprise or representative.

(19) Other information as requested by Board staff.

(b) Copies of the monthly gaming junket reports shall be maintained on the premises of the licensed facility for a minimum of 5 years and shall be made available to Board staff upon request.

(c) If there is no junket activity in the preceding month, the slot machine licensee shall notify the Bureau of Investigations and Enforcement and the Bureau of Casino Compliance, in accordance with subsection (a), that junket activity has not occurred during the previous month.

(d) In addition to the monthly gaming junket report, the licensee shall submit a list of all employees who conduct business on behalf of the slot machine licensee with a gaming junket representative or gaming junket enterprise on a full-time, part-time or temporary basis.

(e) An employee of the slot machine licensee shall certify the list of employees and the monthly gaming junket report submitted in accordance with subsections (a) and (d).

§ 439a.11. Purchase of patron lists.

(a) Each slot machine licensee, gaming junket representative and gaming junket enterprise shall prepare and maintain a report with respect to each list of names of gaming junket patrons or potential gaming junket patrons purchased from or for which compensation was provided to any source whatsoever.

(b) The report required by subsection (a) must include:

(1) The name and address of the person or enterprise selling the list.

(2) The purchase price paid for the list or any other terms of compensation related to the transaction.

(3) The date of purchase of the list.

(4) The zip codes of all participants or potential participants.

(c) The report required by subsection (a) shall be filed with the Bureau of Gaming Operations, no later than 7 days after the receipt of the list by the purchaser.

§ 439a.12. Gaming junket enterprise and representative prohibitions.

(a) Gaming junket representatives and qualifiers of a gaming junket enterprise shall comply with the wagering restrictions in § 435a.1 (relating to general provisions).

(b) A gaming junket enterprise or gaming junket representative may not:

(1) Engage in efforts to collect on any check provided by a gaming junket participant that has been returned by a financial institution.

(2) Exercise approval authority over the authorization or issuance of credit under section 13A27 of the act (relating to other financial transactions).

(3) Receive or retain a fee from an individual for the privilege of participating in a gaming junket.

(4) Pay for any service, including transportation, or other thing of value provided to a participant participating in a gaming junket except as authorized by this part.

CHAPTER 440a. MANAGEMENT COMPANIES

Sec.

440a.1. General requirements.
440a.2. Applications.
440a.3. Management company license term and renewal.
440a.4. Management company responsibilities.
440a.5. Management contracts.
440a.6. Change in ownership control of a management company licensee.

§ 440a.1. General requirements.

(a) A management company shall obtain a management company license from the Board prior to the commencement of gaming operations. If a slot machine licensee has already started gaming operations, a management company may not provide services to the slot machine licensee prior to obtaining a license from the Board.

(b) An applicant for or holder of a management company license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a manufacturer or supplier license.

§ 440a.2. Applications.

(a) An applicant for a management company license shall file:

(1) A completed application and disclosure form.

(2) The nonrefundable application fee posted on the Board's web site.

(b) In addition to the application required under subsection (a), an applicant for a management company license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

§ 440a.3. Management company license term and renewal.

(a) A management company license or renewal will be valid for 3 years from the date on which the initial license is issued or the renewal is approved by the Board. The management company license will not be issued or renewed until all fees and costs have been paid.

(b) A renewal application shall be submitted to the Bureau of Licensing at least 60 days prior to the expiration of a management company license.

(c) A management company license for which a completed renewal application and fee has been received by the Bureau of Licensing will continue in effect until the Board sends written notification to the holder of the management company license that the Board has approved or denied the management company license.

(d) A management company license issued by the Board is nontransferable.

§ 440a.4. Management company responsibilities.

(a) Notwithstanding any provision to the contrary in a management contract, a management company will be deemed to be an agent of the slot machine licensee for purposes of imposing liability for any act or omission of the management company in violation of the act or this part.

(b) Notwithstanding any provision to the contrary in a management contract, a management company may be jointly and severally liable for any act or omission by the slot machine licensee in violation of the act or this part regardless of actual knowledge by the management company of the act or omission.

§ 440a.5. Management contracts.

(a) A management contract between a slot machine applicant or licensee and management company licensee will not become effective until the Board has approved the management contract.

(b) A management company licensee shall submit any amendment to a management contract 30 days prior to the effective date of the proposed amendment. The amendment will not become effective until a petition is submitted and the Board has approved the amendment.

(c) A management contract or amendment will not be approved by the Board unless the management company proves by clear and convincing evidence that the approval of the contract would not create an undue concentration of economic opportunities and control of licensed gaming facilities in this Commonwealth.

(d) A management company that requests Board approval of a management contract shall disclose its financial interests in the slot machine applicant or licensee and, if applicable, any exercisable option that may constitute a change in ownership or control of a slot machine licensee as described in § 441a.17 (relating to change in ownership or control of slot machine licensee and multiple slot machine license prohibition).

(e) A management contract, submitted to the Board for approval, must contain the following:

(1) A provision that provides the grounds and mechanisms for modifying or terminating the contract.

(2) A provision that states that the contract will not be effective unless it is approved by the Board.

(3) A provision that describes with particularity the method of compensating and reimbursing the management company.

(4) Provisions that contain a mechanism to resolve patron disputes and disputes between the slot machine licensee and the management company.

(5) A provision that indicates whether and to what extent contract assignments and subcontracting are permissible.

(6) A provision that specifies the duration of the management contract. A management contract may not contain a provision that provides for the automatic renewal of the management contract.

(f) A management contract submitted for approval must specify the terms and conditions of the management contract and the responsibilities of the slot machine applicant or licensee and management company. At a minimum, the terms should address whether, and to what extent, the management company is involved in the following:

(1) Operation of the following departments:

(i) Information technology.

(ii) Internal audit.

(iii) Slot accounting.

(iv) Slot management.

(v) Security.

(vi) Surveillance.

(vii) Table games.

(2) Design, construction, improvement and maintenance of the licensed facility.

(3) Sources of operating capital and financing for the development of the licensed facility.

(4) Payment of the slot machine license fee and the table games operation certificate fee, if applicable.

(5) Purchase or lease of slot machines, table games, table game devices or associated equipment.

(6) Design, implementation and amendment of the system of internal controls required under section 1322 of the act (relating to slot machine accounting controls and audits) and this part including the financial reporting requirements.

(7) Hiring, terminating, training and promoting of employees and the employment practices attendant thereto.

(8) The payment of local, State and Federal taxes and slot machine license deposit required under the act and this part and any penalties imposed by the Board for violations thereof.

(9) Advertising, player incentive or marketing programs.

(10) Compliance with section 1325(b)(1) of the act (relating to license or permit issuance).

(11) Obtaining and maintaining insurance coverage, including coverage of public liability and property loss or damage.

(12) Procurement of gaming service providers and gaming junket enterprises.

(13) Selection of the licensed facility's independent auditor.

(g) Notwithstanding subsections (a)—(f), a slot machine licensee and licensed management company may not contract for the delegation of any benefits, duties or obligations specifically granted to or imposed upon the slot machine licensee by the act.

§ 440a.6. Change in ownership or control of a management company licensee.

(a) A management company licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form prior to or immediately upon becoming aware of a proposed or contemplated change in ownership or control of the management company licensee by a person or group of persons acting in concert which involves any of the following:

(1) More than 5% of a management company licensee's securities or other ownership interests.

(2) More than 5% of the securities or other ownership interests of a corporation or other form of business entity that owns, directly or indirectly, at least 20% of the voting or other securities or other ownership interest of the management company licensee.

(3) Any other interest in a management company licensee which allows the acquirer to control the management company license.

(b) A transaction in subsection (a) may not be consummated without:

(1) Obtaining the prior approval of the Board.

(2) Each principal involved in the transaction obtaining a license in accordance with Chapter 433a (relating to principal licenses).

(c) A request for approval required under subsection (b)(1) shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(d) Notwithstanding the requirement in subsection (b)(2), the Board may approve a transaction under subsection (a) prior to the licensure of the person or group of persons acting in concert if all of the following apply:

(1) The person or group of persons acting in concert are proposing to acquire 20% or less of the voting securities of a publicly traded holding company of a management company licensee.

(2) The person or group of persons acting in concert affirm that the person or group of persons will not control or influence the affairs of or benefit from the management company or slot machine licensee prior to being licensed as principals in accordance with Chapter 433a.

(3) The person or group of persons have filed applications with the Board for licensure as principals in accordance with Chapter 433a.

(4) The approval of the transaction is expressly conditioned upon the person or group of persons being licensed as principals in accordance with Chapter 433a.

(e) The Board will not approve a transaction under subsection (a) which involves a change in control unless the person or group of persons acting in concert demonstrates by clear and convincing evidence that the slot machine licensee's gaming facility will remain or become a financially successful, suitable and efficient business operation.

(f) The following transactions are not be subject to subsections (a)—(c):

(1) A transaction through which an underwriter will possess a security for less than 90 days.

(2) A transaction through which an institutional investor acquires less than 20% of the securities of a management company licensee's holding company, provided that the securities were acquired for investment purposes only and the institutional investor complies with § 433a.5 (relating to institutional investors).

Subpart C. SLOT MACHINE LICENSING

CHAPTER 441a. SLOT MACHINE LICENSES

Sec.

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§ 441a.1. Definitions.

For purposes of this subpart, the following words and terms have the following meanings, unless the context clearly indicates otherwise:

Amenities—Ancillary activities, services or facilities in which a registered guest or the transient public, in return for non-de minimis consideration, may participate at a resort hotel, including, but not limited to:

(i) Sports and recreational activities and facilities such as a golf course, golf driving range, tennis court or swimming pool.

(ii) Health spa.

(iii) Convention, meeting and banquet facilities.

(iv) Entertainment facilities.

(v) Restaurant facilities.

Applicant—A person who applies to the Board to receive a slot machine license as defined in this section.

Developer—A person engaged by a slot machine applicant or licensee to construct a proposed licensed facility or to otherwise make land or buildings suitable for use as a licensed facility.

Guest rooms under common ownership—A room or group of rooms, including timeshare units, that are owned by a well-established resort hotel and that are available for rental.

Initial plan of development—The slot machine licensee's financing, construction schedule, comprehensive design plan and projected expenditure for the licensed facility as described by the licensee in its application and presented at the licensee's initial suitability hearing before the Board.

Licensing hearing—A hearing before the Board in which an applicant for a slot machine license will have an opportunity to present to the Board:

(i) Evidence concerning its eligibility for a license.

(ii) Evidence concerning its suitability for a license.

(iii) Evidence of how its proposed facility and operation addresses the criteria identified in section 1325(c) of the act (relating to license or permit issuance).

(iv) For applicants seeking licensure under section 1304 of the act (relating to Category 2 slot machine license), evidence which sets forth a comparison between the applicant and other applicants within the same category of licensure on the standards and criteria in the act.

Modified plan of development—An alteration to a slot machine licensee's initial plan of development.

Non-de minimis consideration—A payment of fair market value of at least $10 per patron paid to the resort hotel for use of one or more amenities.

Organization—Legal business entities that are under common ownership or control, including, but not limited to, affiliates, subsidiaries, intermediaries and holding companies.

Patron of amenities—An individual who is a registered attendee of a convention, meeting or banquet event or a participant in a sport or recreational event or any other social, cultural or business event held at a resort hotel or who participates in one or more of the amenities provided to registered guests of the resort hotel.

Slot machine license—A Category 1 slot machine license under section 1302 of the act (relating to Category 1 slot machine license), a Conditional Category 1 slot machine license under section 1315 of the act (relating to conditional Category 1 licenses), a Category 2 slot machine license under section 1304 of the act (relating to Category 2 slot machine license) and a Category 3 slot machine license under section 1305 of the act (relating to Category 3 slot machine license).

Well-established resort hotel—A resort hotel having at least 275 guest rooms under common ownership at the time of application for a Category 3 slot machine license and having substantial year-round recreational guest amenities.

§ 441a.2. Slot machine application deadlines.

The Board will initiate the formal procedure for the acceptance, consideration and final resolution of applications for slot machine licenses by setting a filing period for filing of Category 1, 2 or 3 slot machine license applications. The filing period set by the Board will be posted on the Board's web site.

§ 441a.3. Slot machine license application.

(a) An applicant for a slot machine license shall submit an application which includes the following:

(1) An original and one copy of the Category 1, Category 2, or Category 3 Application and Disclosure Information Form.

(2) The nonrefundable application fee posted on the Board's web site.

(3) An application for each principal under Chapter 433a (relating to principal licenses).

(4) Fingerprints for each principal.

(5) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity), which shall be signed by the chief executive officer of the applicant or authorized designee.

(6) If a temporary land-based facility is to be licensed, a plan for how the licensee will transition to a permanent facility, including a date for completion of the permanent facility.

A permanent facility shall be the facility proposed by the applicant, which is designated, identified and made part of the evidentiary record by the applicant at the applicant's licensing hearing. Modifications to the approved permanent facility following the applicant's licensing hearing require approval of the Board in accordance with § 441a.20a (relating to changes to a slot machine licensee's initial or modified plan of development).

(7) A sworn or affirmed statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of section 1513 of the act (relating to political influence).

(8) A statement demonstrating compliance with the geographical requirements of section 1302, 1304 or 1305 of the act (relating to Category 1 slot machine license; Category 2 slot machine license; and Category 3 slot machine license).

(b) Failure to provide the information required in subsection (a) may result in the application being deemed incomplete.

(c) In addition to the materials required under subsection (a), an applicant for a slot machine license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(d) A copy of the local impact report required as part of the application shall be provided to the political subdivisions in which the licensed facility will be located at the same time as the filing of the application for a slot machine license. The applicant shall file a proof of service with the Bureau of Licensing within 5 business days after filing the application for a slot machine license.

§ 441a.4. Alternative Category 1 licensing standards.

(a) If an applicant for a Category 1 license, or its affiliate, intermediary, subsidiary or holding company holds a similar license in another jurisdiction in the United States or Canada, the applicant may submit a written request with its application required under § 441a.3 (relating to slot machine license application) for the Board to adopt an abbreviated licensing process under section 1314(b) of the act (relating to alternative Category 1 licensing standards).

(b) The Board may use the abbreviated process if:

(1) The Board determines, after investigation, that the licensing standards in the other jurisdiction in which the applicant or its affiliate, intermediary, subsidiary or holding company is licensed is similarly comprehensive and thorough and provides safeguards that are equal to or greater than those provided in the act and granting the request would be in the public interest.

(2) A completed application for a Category 1 license has been filed with the Bureau of Licensing which includes the name and address of the regulatory agency in the other jurisdiction.

(3) The Bureau of Licensing has received a copy of the completed application, renewal applications and accompanying documents filed in the other jurisdiction.

(4) The applicant has provided current, updated information to the Bureau of Licensing and the Bureau regarding the license in the other jurisdiction and information relating to its financial viability and suitability and good character.

(5) The applicant has no administrative or enforcement actions pending in other jurisdictions that could render the applicant ineligible or unsuitable for licensure or the applicant has disclosed and explained these actions to the satisfaction of the Board.

(6) There are no pending or ongoing investigations of possible violations by the applicant in other jurisdictions that could render the applicant ineligible or unsuitable for licensure or the applicant has disclosed and explained these investigations to the satisfaction of the Board.

(c) The abbreviated process does not waive fees associated with obtaining a Category 1 license.

(d) The Board may determine to use an abbreviated process requiring only that information determined by the Board to be necessary to consider the issuance of the license, including the financial viability of the applicant.

(e) Following the issuance of a Category 1 license under this section, the Bureau will initiate a complete review of the information submitted under this subpart. If the applicant does not meet the requirements of the act or this part, the Board may revoke, suspend or condition the license until the applicant meets the requirements of the act.

§ 441a.5. License fee payment bond or letter of credit requirements.

(a) An application for a slot machine license shall at all times throughout the period in which the application is on file with the Board include original payment bonds or original irrevocable letters of credit, or some combination thereof, that include draw instructions guaranteeing the applicant's payment of the slot machine license fee required by sections 1209(a) and 1305(d) of the act (relating to slot machine license fee; and Category 3 slot machine license) if the license is approved and issued.

(1) Payment bonds or irrevocable letters of credit shall be submitted to the Bureau of Licensing for review before an application may be accepted for filing. The review of the payment bond or irrevocable letter of credit will include an assessment of both the proposed terms and the surety or financial institution that will issue the payment bond or irrevocable letter of credit. An application will be deemed incomplete if at any time during the period the application is on file with the Board payment bonds or letters of credit in the amounts required in paragraph (2) are not in full force and effect.

(2) Payment bonds or irrevocable letters of credit must aggregate to the following amounts:

(i) $50,000,000 for each application for a Category 1 or Category 2 license.

(ii) $5,000,000 for each application for a Category 3 license.

(b) Unless otherwise permitted by the Board, a payment bond provided under this section must be issued by a surety company that is both licensed by the Insurance Department and assigned a credit rating within the three highest categories, without regard to numerics or other modifiers, by Moody's or Standard & Poor's, or upon the discontinuance of Moody's or Standard & Poor's, by another Nationally-recognized rating service. Proof that the surety is licensed by the Insurance Department and has been assigned the required credit rating must accompany any payment bond submitted under this section.

(c) Unless otherwise required by the Board, a letter of credit must be issued by a bank, trust company, National banking association or corporation which is both subject to regulation by the Federal Reserve System under the Bank Holding Company Act of 1956 (12 U.S.C.A. §§ 1841—1852) and assigned a credit rating within the three highest rating categories, without regard to numerics or other modifiers, by Moody's or Standard & Poor's, or upon the discontinuance of Moody's or Standard & Poor's, by another Nationally-recognized rating service. Proof that the bank, trust company, National banking association or corporation is subject to regulation by the Federal Reserve System under the Bank Holding Company Act of 1956 and that the issuer has been assigned the required credit rating must accompany any letter of credit submitted under this section.

(d) The payment bond or irrevocable letter of credit provided under this section must state that it is payable to the “Commonwealth of Pennsylvania” as the obligee.

(e) The payment bond or irrevocable letter of credit provided under this section must provide that if the slot machine license has been approved by the Board and the license fee has not been paid in full within 5 business days following the deadline for payment set by the Board or Board staff, the Commonwealth will have the right to request immediate payment under the payment bond or irrevocable letter of credit for payment of the slot machine license fee.

(f) The payment bond or irrevocable letter of credit provided under this section must state that it will expire upon the earlier to occur of the following:

(1) A specified expiry date or any automatically extended expiry date.

(2) Receipt by the issuer of the Board's signed statement that:

(i) The application has been denied.

(ii) The slot machine license has been issued and 10 business days have elapsed following the issuance of the license.

(iii) The license fee has been paid.

(iv) The applicant has been permitted by the Board to withdraw its application under § 423a.5 (relating to application withdrawal and surrender).

(g) An expiry date applicable to a payment bond or letter of credit provided under this section must be at least 12 months from the date of issuance of the payment bond or letter or credit. Any provision automatically renewing or extending a payment bond or letter of credit must do so at intervals of at least 3 months. Notice provisions to the Board in a payment bond or letter of credit applicable to an election by an issuer not to renew or extend a then current expiry date must provide that the Board will receive at least 60 days written notice, by registered mail or overnight courier service, of an election not to renew or extend.

(h) This section does not preclude a slot machine license applicant from substituting or replacing a payment bond or letter of credit during the period the application is on file with the Board provided the replacement payment bond or letter of credit is reviewed by the Bureau of Licensing.

§ 441a.6. Public input.

(a) Prior to granting a slot machine license, the Board will conduct at least one public input hearing.

(b) Public input hearings relating to an application for a slot machine license shall be held in the municipality where the licensed facility will be located. The public input hearings will be organized in cooperation with the municipality.

(c) The Board will develop and post the procedures that will be used to conduct public input hearings on the Board's web site.

(d) The Board will make public a list of all witnesses scheduled to testify at a public input hearing at least 7 days prior to the hearing. The list of witnesses will be updated at least 3 days prior to the hearing. Additional witnesses will be posted on the Board's web site as they are added to the witness list.

§ 441a.7. Licensing hearings for slot machine licenses.

(a) A schedule of licensing hearings for all slot machine license applicants will be posted on the Board's web site.

(b) The Board may schedule prehearing conferences under § 491a.9 (relating to prehearing and other conferences) to address issues related to licensing hearings.

(c) The Board will allot each applicant a specified time for its presentation. The length of the presentations, which shall be the same for each applicant within each category, will be established by the Board.

(d) At a licensing hearing, an applicant shall appear before the Board and at all times have the burden to establish and demonstrate, by clear and convincing evidence, its eligibility

and suitability for licensure and to address the criteria identified in section 1325(c) of the act (relating to license or permit issuance).

(e) For the purposes of this section, an applicant's demonstration of eligibility must include a showing of compliance with:

(1) Section 1302, 1303, 1304 or 1305 of the act, as applicable.

(2) The application requirements in § 441a.3 (relating to slot machine license application).

(3) The license fee payment bond or letter of credit requirements in § 441a.5 (relating to license fee payment bond or letter of credit requirements).

(4) The diversity requirements in Chapter 481a (relating to diversity) and section 1325(b) of the act.

(f) For the purposes of this section, an applicant's demonstration of suitability must include a showing of:

(1) Good character, honesty and integrity in compliance with section 1310 of the act (relating to slot machine license application character requirements).

(2) Financial fitness in compliance with section 1313 of the act (relating to slot machine license application financial fitness requirements).

(3) Operational viability, including:

(i) The quality of the proposed licensed facility, and temporary land-based facility, if applicable, including the number of slot machines and table games proposed and the ability of the proposed licensed facility to comply with statutory, regulatory and technical standards applicable to the design of the proposed licensed facility and the conduct of slot machine and table game operations therein.

(ii) The projected date of the start of operations of the proposed licensed facility and any accessory uses such as hotel, convention, retail and restaurant space proposed in conjunction therewith. Applicants shall provide the Board with a time line on the deliverability of proposed temporary land-based or phased permanent licensed facilities and the accessory uses proposed in conjunction therewith.

(iii) The ability of the applicant's proposed licensed facility to generate and sustain an acceptable level of growth of revenue.

(g) For the purposes of this section, an applicant's demonstration of how it addresses the criteria identified in section 1325(c) of the act must include:

(1) The location and quality of the proposed facility, including, but not limited to, road and transit access, parking and the facility's proximity to its anticipated market service area.

(2) The potential for new job creation and economic development which are expected to result from granting a license to an applicant.

(3) The applicant's good faith plan to recruit, train and enhance diversity in all employment classifications in the facility.

(4) The applicant's good faith plan for enhancing the representation of diverse groups in the operation of its facility through the ownership and operation of business enterprises associated with or utilized by its facility or through the provision of goods or services utilized by its facility and through the participation in the ownership of the applicant.

(5) The applicant's good faith effort to assure that all persons are accorded equality of opportunity in employment and contracting by it and any contractors, subcontractors, assignees, lessees, agents, gaming service providers and suppliers the applicant may employ directly or indirectly.

(6) The potential for enhancing tourism which is expected to result from granting a license to the applicant.

(7) The history and success of the applicant in developing tourism facilities ancillary to gaming development in other locations if applicable to the applicant.

(8) The degree to which the applicant presents a plan for the project which will likely lead to the creation of quality, living-wage jobs and full-time permanent jobs for residents of this Commonwealth generally and for residents of the host political subdivision in particular.

(9) The record of the applicant and its developer in meeting commitments to local agencies, community-based organizations and employees in other locations.

(10) The degree to which potential adverse effects which might result from the project, including costs of meeting the increased demand for public health care and treatment of problem gamblers and their families, child care, public transportation, affordable housing and social services, will be mitigated.

(11) The record of the applicant and its developer regarding compliance with:

(i) Federal, State and local discrimination, wage and hour, disability and occupational and environmental health and safety laws.

(ii) State and local labor relations and employment laws.

(12) The record of the applicant in dealing with its employees and their representatives at other locations.

(13) The applicant's business probity, experience and ability.

(14) Areas of deficiency in the applicant's application previously identified by the Bureau or the Bureau of Licensing that have not been resolved.

(h) The applicant's demonstration of how it addresses section 1325(c) of the act and subsection (g) may include information relating to its affiliates, intermediaries, subsidiaries or holding companies.

(i) No later than 30 days before the first scheduled licensing hearing in the category of license for which the applicant has filed an application, the applicant shall file with the Board a memorandum identifying all evidence it intends to use in support of its presentation before the Board. At the same time, Category 1 and Category 3 applicants shall serve the memorandum on the other applicants in the same category. At the same time, Category 2 applicants shall serve the memorandum on all other applicants whose proposed facility meets the same location criteria as the applicant's proposed facility as specified in subsection (n)(1)(i)—(iii). The memorandum must include the following:

(1) The name of the applicant and docket number of the applicant's application to which the evidence will relate.

(2) Identification of each standard and criterion in subsections (d)—(f) to which the evidence will relate.

(3) As to each criterion identified, whether the evidence will be presented through oral testimony or the proffer of documents, or both. If any portion of the evidence will be presented through oral testimony, the notice must include the name, address and telephone number of each testifying witness, the identified criteria about which the witness will testify and a detailed summary of the witness' testimony. If any portion of the evidence will be presented through the proffer of documents, including reports and exhibits, the memorandum must include a copy of each document to be proffered and the name, address and telephone number of the persons who prepared the document.

(4) If any person identified in paragraph (3) will testify as an expert, the person's qualifications, including the person's education, experience and training, and a listing of the other jurisdictions where the person has been qualified as an expert witness within the last 5 years, shall be attached to the notice. A copy of the results or reports of any tests, experiments, examinations, studies or documents prepared or conducted by the expert or about which the expert will testify or which will be relied upon by the expert to render an opinion shall be attached to the notice.

(5) Documents required under paragraphs (3) and (4) that have already been submitted to the Board and made part of the public record may be referenced instead of being included with the memorandum identifying all evidence an applicant intends to use in support of its presentation before the Board.

(j) The Board will serve on all applicants within that category any expert reports developed for and requested by the Board that pertain to the applicants.

(k) Applicants, at the time of filing, shall provide the Board with an electronic version, in a format prescribed by the Board, of the reports and exhibits provided in paper form.

(l) If an applicant designates any submitted report or exhibit as confidential under § 401a.3 (relating to definitions) or section 1206(f) of the act (relating to Board minutes and records), the applicant shall:

(1) Clearly and conspicuously indicate that the report or exhibit is confidential in both the paper and electronic format and provide these exhibits separately from the nonconfidential exhibits.

(2) Request that the confidential information be presented to the Board in an executive session in accordance with 65 Pa.C.S. § 708(a)(5) (relating to executive sessions) and provide an explanation of the need for the designation of confidentiality and presentation during an executive session or authorize the release of the report or exhibit in compliance with section 1206(f)(5) of the act.

(m) Applicants are prohibited from relying upon or introducing new evidence, including witnesses' testimony, reports or exhibits, not identified under subsection (i) or (n), except in the following circumstances:

(1) Applicants may update or supplement evidence, including witnesses' testimony, reports or exhibits to respond to requests from the Board or Board staff.

(2) Applicants may update or supplement evidence, including witnesses' testimony, reports or exhibits to respond to issues raised subsequent to the filing of the memorandum required by subsection (i) at a prehearing conference if the issues could not have been reasonably anticipated by the applicant.

(n) For Category 2 and Category 3 applicants only, in addition to the applicant's presentation of evidence to the Board relative to its eligibility and suitability for a license, an applicant may, during its licensing hearing, present evidence which sets forth a comparison between the applicant and other applicants within the same category with respect to the standards and criteria in subsections (e)—(h).

(1) Comparisons must be limited to:

(i) For applicants seeking to locate a licensed facility in a city of the first class, other applicants for a licensed facility in a city of the first class.

(ii) For applicants seeking to locate a licensed facility in a city of the second class, other applicants for a licensed facility in a city of the second class.

(iii) For applicants seeking to locate a licensed facility in a revenue-enhanced or tourism-enhanced location, other applicants for a licensed facility in a revenue-enhanced or tourism-enhanced location.

(iv) For applicants seeking to locate a licensed facility in a well-established resort hotel, other applicants for a licensed facility in a well-established resort hotel.

(2) If an applicant desires to present comparative evidence under this subsection, the applicant shall, no later than 20 days prior to the commencement of the first scheduled licensing hearing in the category of license for which the applicant has filed an application, file with the Board Clerk a separate written notice evidencing the intent identifying each other applicant about whom the applicant desires to present evidence. A copy of the notice shall be served on the applicants about whom the evidence will be presented and on the Chief Enforcement Counsel. The notice must include:

(i) The name of the applicant and docket number of the applicant's application to which the evidence will relate.

(ii) Identification of the standards and criteria in subsections (e)—(h) to which the evidence will relate.

(iii) As to each criterion identified, a copy of any document or evidence that will be used to support the comparison to be presented in compliance with subsection (i).

(3) An applicant served with notice under paragraph (2) may present, during its licensing hearing, comparative evidence concerning it and the applicant from who notice was received with respect to the standards and criteria in subsections (e)—(h). The applicant so served shall have 10 days following services to file a reply notice with the Board which contains the information required by paragraph (2). A complete copy of the reply notice shall be served on the applicant who initially served notice under paragraph (2) and on the Chief Enforcement Counsel.

(4) If the applicant plans to present evidence to the Board concerning another applicant in an executive session, the applicant shall provide notice to the other applicant and provide any report or exhibit relied upon to the other applicant. The other applicant may be represented in the executive session.

(o) At the discretion of the Board, an applicant's presentation may include:

(1) Oral presentation.

(2) Documentary evidence submissions, including reports, photographs, audiovisual presentations, exhibits or testimony of witnesses.

(p) The Board, its designee and Chief Enforcement Counsel may:

(1) Examine or question the applicant and witnesses called by the applicant or the Board regarding their testimony and any aspect of the applicant's application and relevant background.

(2) Recall the applicant and other witnesses called by the applicant or the Board during the licensing hearing for further questioning.

(q) A person who testifies at the licensing hearing shall be sworn and testify under oath.

(r) Information obtained by the Bureau during an applicant's background investigation based upon public record or upon information otherwise in the public domain will be heard by the Board during the licensing hearing. Information submitted by an applicant under section 1310(a) of the act or obtained by the Board or Bureau as part of a background investigation from any source not in the public domain is considered confidential. The Board may not require an applicant to waive any confidentiality provided for in section 1206(f) of the act as a condition for the approval of a slot machine license or any other action of the Board. The Board may request that an applicant respond to inquiries related to confidential information during a licensing hearing to promote transparency in the regulation of gaming in this Commonwealth. An applicant who does not waive the right to confidentiality shall:

(1) Invoke the protection afforded the applicant under 4 Pa.C.S. § 1206(f) and have the matter heard in executive session.

(2) Provide the reason on the record explaining the basis for the invocation of confidentiality under § 407a.3(a) (relating to confidential information).

(s) At its discretion, the Board may terminate, recess, reconvene and continue the licensing hearing.

(t) An applicant may raise an objection to the conduct of the hearing, procedure, process or rulings of the Board as it relates to its own hearing or to the hearing of a competitive applicant as follows:

(1) An objection may be raised orally by stating the objection during the hearing of an applicant and the objection shall be stenographically recorded upon the record. The Board may request written briefing of the basis of the objection prior to issuing a ruling.

(2) An objection relating to the hearing of an applicant or to a hearing of a competitive applicant may be raised by means of written objection filed with the Clerk no later than 2 business days after the action or event giving rise to the objection. A written objection must clearly and concisely set forth the factual basis for the objection and be accompanied by a legal brief addressing the legal basis supporting the objection.

(3) If an applicant objects to an action or event in the hearing of another applicant, the caption of the objection must include the docket numbers of both proceedings conspicuously displayed and shall be served upon counsel for the other applicant by electronic means.

(4) In the event an objection is filed to the hearing of another applicant, counsel for that applicant may file a responsive brief within 2 business days of electronic service.

(5) An objection not raised as provided in paragraphs (1)—(3) will be deemed waived.

(u) Each Category 1 and Category 3 applicant may file a brief up to 25 pages in length within 10 days of the completion of the hearing with respect to all applications within its category. Each Category 2 applicant may file a brief up to 25 pages in length within 10 days of the completion of the hearing with respect to all applications that meet the same location criteria as the applicant as specified in subsection (n)(1)(i)—(iii). At the prehearing conferences, applicants in any category may waive the opportunity to file briefs.

(v) At the conclusion of the presentation of all testimony and evidence, the Board will cause the record to be transcribed. The transcript and evidence shall become part of the evidentiary record for the Board's consideration. For good cause shown, the Board may seal portions of the record.

(w) Following submission of the applicants' briefs, all applicants will have an opportunity to make final remarks in the form of oral argument before the Board in a manner and time prescribed by the Board. At the prehearing conferences, applicants in any category may waive the opportunity for oral argument.

(x) Upon the conclusion of the licensing hearings and upon review of the evidentiary record in its entirety, the Board will consider, approve, condition or deny the slot machine license applications. A final order, accompanied by the Board's written decision, will be served on the applicants for slot machine licenses.

(y) An applicant may appeal the denial of a slot machine license to the Pennsylvania Supreme Court as provided in the act.

(z) This subsection pertains exclusively to intervention in a licensing hearing for a slot machine license under this section and is not applicable to other hearings before the Board. The right to intervene in a hearing under this section is within the sole discretion of the Board.

(1) A person wishing to intervene in a licensing hearing for a slot machine license shall file a petition in accordance with this subsection.

(2) A person may file a petition to intervene under this subsection if the person has an interest in the proceeding which is substantial, direct and immediate and if the interest is not adequately represented in a licensing hearing.

(3) Petitions to intervene in a licensing hearing may be filed no later than 45 days prior to the commencement of the first scheduled licensing hearing, in the category of license for which the applicant, in whose hearing the petitioner seeks to intervene, has filed an application unless, in extraordinary circumstances for good cause shown, the Board authorizes a late filing. At the same time the petitioner files its petition with the Board, a complete copy of the petition to

intervene shall be served on the Chief Enforcement Counsel and the applicant in whose licensing hearing the petitioner seeks to intervene.

(4) Petitions to intervene must set out clearly and concisely the facts demonstrating the nature of the alleged right or interest of the petitioner, the grounds of the proposed intervention, the position of the petitioner in the proceeding and a copy of the written statement to be offered under paragraph (6). The petitioner shall fully and completely advise the applicant and the Board of the specific issues of fact or law to be raised or controverted and cite provisions or other authority relied on.

(5) The applicant may file an answer to a petition to intervene, and in default thereof, will be deemed to have waived any objection to the granting of the petition. If made, answers shall be filed within 10 days after the date the petition is filed with the Board, unless for cause the Board prescribes a different time. A complete copy of the answer to the petition to intervene shall be served on the Chief Enforcement Counsel and the petitioner who seeks to intervene.

(6) Except when the Board determines that it is necessary to develop a comprehensive evidentiary record, the participation of a person granted the right to intervene in a licensing hearing will be limited to the presentation of evidence through the submission of written statements attested to under oath. The written statements shall be part of the evidentiary record.

(aa) This section supersedes any conflicting provisions of Subpart H (relating to practice and procedure) and 1 Pa. Code Part II (relating to General Rules of Administrative Practice and Procedure).

§ 441a.8. Divestiture.

(a) If the Board determines that a slot machine license application cannot be approved because the applicant, its principal or other person who holds a direct or indirect interest in the applicant or in an affiliate, intermediary, subsidiary or holding company of the applicant, does not meet a character or other eligibility criteria required under section 1310 of the act (relating to slot machine license application character requirements), or has an ownership or financial interest that is prohibited under by section 1330 of the act (relating to multiple slot machine license prohibition), the Board may grant the person up to 120 days following the determination to completely divest his interest in the applicant or its affiliate, intermediary, subsidiary or holding company.

(b) The person shall notify the Board of his intention to divest within 30 days of notice from the Board of the opportunity to divest. The Board may extend this time period at its discretion.

(c) Failure to divest within 120 days, or within the time period prescribed by the Board, constitutes a per se disqualification of the applicant to receive a slot machine license.

(d) The terms of divestiture will be approved by the Board.

(e) The Board will not approve a divestiture if the compensation received for the divested interest exceeds the value of the interest.

(f) Following divestiture, the Board will reconsider the applicant's suitability for licensure in an expedited procedure.

§ 441a.9. Approval of a slot machine license.

(a) An applicant for a slot machine license shall prove by clear and convincing evidence:

(1) The financial stability and integrity of the applicant and its affiliates, intermediaries, subsidiaries and holding companies in accordance with section 1313 of the act (relating to slot machine license application financial fitness requirements).

(2) The good character, honesty and integrity of the applicant and its affiliates, intermediaries, subsidiaries, holding companies and principals in accordance with section 1310 of the act (relating to slot machine license application character requirements).

(b) For Category 1 slot machine applications, the State Horse Racing Commission or the State Harness Racing Commission may submit information if it believes the information will assist the Board in making a determination relating to the operational, financial or character fitness of the applicant.

(c) The Board may issue a slot machine license under this chapter if it determines that the applicant:

(1) Has demonstrated that the applicant will establish and is likely to maintain a financially successful, viable and efficient business operation and will likely be able to maintain a steady level of growth of revenue to the Commonwealth.

(2) Is of good character, honesty and integrity.

§ 441a.10. Notification of anticipated or actual changes in principals or key employees.

Each slot machine applicant or licensee shall notify the Bureau of Licensing, in writing, as soon as it becomes aware, of the proposed appointment, appointment, proposed nomination, nomination, election, hiring, promotion, intended resignation, resignation, removal, firing, incapacitation or death of any person required to be licensed as a principal or key employee under Chapter 433a and § 435a.2 (relating to principal licenses; and key employee license). The notice must be addressed to the Bureau of Licensing.

§ 441a.11. Notification of new financial sources.

Each slot machine applicant or licensee shall notify the Board, in writing, as soon as it becomes aware that it intends to enter into a transaction which may result in any new financial

backers. The notice shall be sent to the Bureau of Licensing and the Bureau of Corporate Compliance and Internal Controls.

§ 441a.11a. Duty to maintain financial suitability.

A slot machine licensee and its intermediaries, subsidiaries and holding companies shall, at all times, remain financially suitable. In determining whether a licensee is financially suitable, the Board will consider the following factors:

(1) The ability to develop and maintain the proposed or licensed project.

(2) The ability to obtain financing and meet its financial obligations.

(3) The ability to maintain a steady level of growth of revenue.

(4) The historical financial suitability and financial wherewithal of the slot machine licensee, its intermediaries, subsidiaries and holding companies.

§ 441a.12. Maintaining agreements; filing of agreements.

(a) *Maintaining agreements.* Each approved slot machine licensee shall maintain the following:

(1) A copy of every executed agreement with licensed manufacturers, manufacturer designees, suppliers, tenant businesses or franchises located within the licensed facility, and persons required to file a notification or be registered or certified with the Board in accordance with § 437a.1(a), (b) or (h) (relating to general gaming service provider requirements) or Chapter 613a (relating to gaming related gaming service providers). Agreements relating to slot machines, table games, table game devices and associated equipment must be in writing.

(2) Records associated with an oral agreement with licensed manufacturers, manufacturer designees, suppliers, tenant businesses or franchises located within the licensed facility and persons required to file a notification or other request for authorization with the Board in accordance with § 437a.1(a), (b), (g) or (h) or Chapter 613a.

(3) A copy of all executed land and real estate agreements relating to racing or gaming operations.

(4) A copy of all amendments to agreements listed in paragraphs (1) - (3).

(b) *Filing agreements.* Each approved slot machine licensee shall file with the Board:

(1) Agreements with manufacturers, suppliers, manufacturer designees or gaming related gaming service providers relating to slot machines, table games, table game devices and associated equipment.

(2) Corporate overhead assessment agreements, shared service agreements, centralized service agreements or an agreement under which an affiliate, intermediary, subsidiary or holding company of an approved slot machine licensee provides goods or services to the approved slot machine licensee.

(3) Agreements that provide for the management of all or part of the gaming operations of a licensed facility.

(4) Agreements under which a person's right to receive payment is based or contingent upon a licensee's earnings, profits or receipts from the slot machines, table games or associated equipment.

(5) Amendments to agreements described in paragraphs (1) - (4).

(c) *Content of filings.* In addition to the agreements in subsection (b)(1) - (4), the Board may require an approved slot machine licensee to submit a copy of a written agreement or documents reflecting or relating to any oral agreement. Documentation of an oral agreement submitted to the Board must include the following:

(1) A description of the goods or services to be provided and the person that will provide the goods or services to the approved slot machine licensee.

(2) The name and business address of the parties to the agreement.

(3) The duration of the agreement or the expected date or dates of performance.

(4) The financial terms of the agreement.

(d) *Changes or amendments to filed agreements*. Slot machine applicants and licensees shall file all changes or amendments to the terms of the agreements subject to subsection (c).

(e) *Additional agreements*. Notwithstanding the requirements of subsections (c) and (d), slot machine applicants or licensees may be required to submit a copy of any other written agreement, change or amendment or a precise written description of any other oral agreement, change or amendment as requested by the Board.

(f) *Oral agreements*. A written description submitted under this section must provide, at a minimum, the following:

(1) The nature of the goods or services to be provided to or by the slot machine licensee or applicant.

(2) The full name and business address of the nonslot machine licensee or applicant party to the agreement.

(3) The duration of the agreement, or if provided in the agreement, the specific date or dates of performance.

(4) The financial terms of the agreement.

(5) A description of the goods or services provided, including the expected duration and compensation.

§ 441a.13. Board approval of agreements.

(a) An approved slot machine licensee shall receive Board approval prior to executing, relying upon or taking an action under the following:

(1) Corporate overhead assessment agreements, shared service agreements, centralized service agreements or an agreement under which an affiliate, intermediary, subsidiary or holding company of an approved slot machine licensee provides goods or services to the approved slot machine licensee.

(2) Agreements that provide for the management of all or part of the gaming operations of a licensed facility.

(3) Agreements under which a person's right to receive payment is based or contingent upon a licensee's earnings, profits or receipts from the slot machines, table games or associated equipment.

(4) Amendments to agreements described in paragraphs (1) - (3).

(b) If the Board finds that an agreement is not in the public interest or is inimical to the interest of gaming in this Commonwealth, the Board may deny approval, require the termination of the agreement, the divestiture of any person associated with the agreement, or may pursue any remedy or combination of remedies provided for in the act or this part. If the agreement or association is not promptly terminated in accordance with the Board's order, the Board may pursue any remedy or combination of remedies provided for in the act or this part.

(c) An agreement maintained or filed under § 441a.12 (relating to maintaining agreements; filing of agreements) or this section must include a provision for its termination without liability on the part of the slot machine licensee, or any party to the agreement or any related agreement, if the Board orders the termination of the agreement in accordance with subsection (b).

(d) Each agreement maintained or filed under § 441a.12 or this section must include a provision requiring that the person who has contracted with the slot machine licensee comply with the act and this part, including obtaining required licenses, permits, certifications and registrations.

§ 441a.14. Master purchasing and disbursement report.

(a) Each approved slot machine licensee shall generate a monthly Master Purchasing and Disbursement Report for expenditures. The report shall be submitted to the Bureau of Licensing

no later than the 22nd calendar day of the following month and include the following information:

(1) A register listing alphabetically by payee expenditures paid by the approved slot machine licensee, including transfers of funds or credits to payees, and the following information next to the name of each payee:

(i) The description code as set forth by the Bureau of Licensing.

(ii) The amount of the individual disbursement or credit.

(iii) The date of the individual disbursement or credit.

(iv) The subtotal of disbursements or credits by payee.

(2) A register listing alphabetically by payee expenditures paid by any affiliate, intermediary, subsidiary, holding company, management company or agent of the approved slot machine licensee for goods or services that benefit the approved slot machine licensee, including transfers of funds or credits to payees, and the following information next to the name of each payee:

(i) The description code as set forth by the Bureau of Licensing.

(ii) The amount of the individual disbursement or credit.

(iii) The date of the individual disbursement or credit.

(iv) The subtotal of disbursements or credits by payee.

(b) The reports shall be transmitted to the Bureau of Licensing by means of electronic data transmission in a format prescribed by the Board.

§ 441a.15. Slot machine license issuance bond requirement.

(a) Upon the issuance of a slot machine license, a slot machine licensee shall post an original payment bond in the amount of $1,000,000.

(b) Unless otherwise required by the Board, the payment bond must comply with the following:

(1) The payment bond must be issued by a surety company that is both licensed by the Insurance Department and assigned a credit rating within the three highest categories, without regard to numerics or other modifiers, by Moody's or Standard & Poor's, or upon the discontinuance of Moody's or Standard & Poor's, by another Nationally recognized rating service. Proof that the surety is licensed by the Insurance Department and has been assigned the required credit rating must accompany any payment bond submitted under this section.

(2) A slot machine licensee shall submit its proposed payment bond to the Board prior to the issuance of a slot machine license.

(3) The payment bond must state that it is payable to the "Commonwealth of Pennsylvania" as the obligee for immediate payment of the slot machine licensee's financial obligations to the Commonwealth under the act and as security to guarantee that the slot machine licensee faithfully makes the payments, keeps its books and records, makes reports and conducts its operations in conformity with the act, this part and the rules and orders promulgated by the Board.

(4) A payment bond issued in accordance with this section will remain in full force and effect throughout the period of time that the slot machine license is in effect. If a bond is canceled and the slot machine licensee fails to file a new bond with the Bureau of Licensing in the required amount on or before the effective date of the cancellation, the slot machine licensee's license will be revoked or suspended.

(5) Any notice provision in a payment bond applicable to an election by a surety to cancel a then current payment bond must provide that the Board will receive at least 30 days written notice, by registered mail or overnight courier service, of the surety's election to cancel.

(c) The Board may demand that the slot machine licensee post a new payment bond upon the occurrence of any of the following:

(1) Liability on the existing payment bond is discharged or reduced by judgment rendered, payment made or similar occurrence.

(2) The Board determines that the surety is no longer satisfactory.

(3) The slot machine licensee requests the right to post a new payment bond.

(4) The Board receives notice that the payment bond will be cancelled.

§ 441a.16. Slot machine license term and renewal.

(a) The slot machine license will be valid for 3 years from the date on which the initial license is issued or the renewal is approved by the Board.

(b) A Category 1, Category 2 or Category 3 Slot Machine Renewal Application Form shall be submitted to the Board at least 60 days prior to the expiration of a slot machine license.

(c) A slot machine license for which a completed renewal application has been received by the Board will continue in effect until the Board sends written notification to the holder of the slot machine license that the Board has approved or denied the slot machine license renewal application.

§ 441a.17. Change in ownership or control of slot machine licensee and multiple slot machine license prohibition.

(a) A slot machine licensee shall notify the Bureau and the Bureau of Licensing by filing a Slot Machine Licensee's Notification of Proposed Transfer of Interest Form prior to or immediately upon becoming aware of any proposed or contemplated change in ownership of the slot machine licensee by a person or group of persons acting in concert which involves any of the following:

(1) More than 5% of a slot machine licensee's securities or other ownership interests.

(2) More than 5% of the securities or other ownership interests of a corporation or other form of business entity that owns, directly or indirectly, at least 20% of the voting or other securities or other ownership interest of the slot machine licensee.

(3) The sale of a slot machine licensee's assets, other than in the ordinary course of business.

(4) Other transactions or occurrences deemed by the Board to be relevant to license qualification.

(b) A transaction set forth in subsection (a) may not be consummated without:

(1) Obtaining the prior approval of the Board.

(2) Each principal involved in the transaction obtaining a license in accordance with Chapter 433a (relating to principal licenses).

(c) A request for approval required under subsection (b)(1) shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(d) Notwithstanding the requirement in subsection (b)(2), the Board may approve a transaction under subsection (a) prior to the licensure of the person or group of persons acting in concert if all of the following apply:

(1) The person or group of persons acting in concert are proposing to acquire 20% or less of the voting securities of a publicly traded holding company of a slot machine licensee.

(2) The person or group of persons acting in concert affirm that the person or group of persons will not control or influence the affairs of or benefit from the slot machine licensee prior to being licensed as principals in accordance with Chapter 433a.

(3) The person or group of persons have filed applications with the Board for licensure as principals in accordance with Chapter 433a.

(4) The approval of the transaction is expressly conditioned upon the person or group of persons being licensed as principals in accordance with Chapter 433a.

(e) The Board will not approve a transaction under subsection (a) which involves a change in control unless the person or group of persons:

(1) Acting in concert demonstrates by clear and convincing evidence that the slot machine licensee's gaming facility will remain or become a financially successful, suitable and efficient business operation.

(2) Acquiring the interest pay a new slot machine license fee as determined by the Board. The Board may condition its approval of the transaction on the payment of the fee.

(f) The following transactions are not be subject to subsections (a)—(c):

(1) A transaction through which an underwriter will possess a security for less than 90 days.

(2) A transaction through which an institutional investor acquires less than 20% of the securities of a slot machine licensee's holding company, provided that the securities were acquired for investment purposes only and the institutional investor complies with § 433a.5 (relating to institutional investors).

(g) In accordance with section 1330 of the act (relating to multiple slot machine license prohibition), a slot machine licensee, its affiliates, intermediaries, subsidiaries and holding companies may not possess an ownership or financial interest in any other slot machine licensee or in any other person eligible to apply for a Category 1 slot machine license or its affiliates, intermediaries, subsidiaries or holding companies that exceeds 33.3%.

(h) Nothing in subsection (g) prevents a slot machine licensee from possessing ownership or financial interests of 33.3% or less, in multiple slot machine licensees or in persons eligible to apply for a Category 1 slot machine license or its affiliates, intermediaries, subsidiaries or holding companies.

(i) If a slot machine licensee, its affiliates, intermediaries, subsidiaries or holding companies has an ownership or financial interest in another slot machine licensee that is in violation of subsection (g), the slot machine licensee will be required to divest that interest which is in excess of 33.3% in compliance with section 1330 of the act.

(j) Nothing in this section concerning ownership or financial interests applies to contractual interests including those in the nature of management contracts, options to purchase exercisable after a license has been issued or leases.

§ 441a.18. Employee status report.

(a) A slot machine licensee shall maintain a complete, accurate and current record of each employee that includes the information in subsection (b)(1).

(b) Each month each slot machine licensee shall generate a monthly employee status report of the slot machine licensee's and management company's employees. The report shall be

submitted to the Bureau of Licensing no later than the 15th calendar day of the following month. The report must include the following information:

(1) An alphabetical listing of the individuals currently employed by the slot machine licensee and the management company and the following information with respect to each employee listed:

(i) The name of the employee.

(ii) The address of record of the employee on file with the slot machine licensee.

(iii) The employee's license, permit or registration number and expiration date, if applicable.

(iv) The employee's title or position.

(v) Whether the employee is full-time or part-time.

(vi) The date of hire of the employee.

(vii) The access code, if any, assigned to the employee which designates the restricted areas that the employee is permitted to enter and remain in for the purposes of performing his normal duties.

(2) The total number of persons employed by the slot machine licensee and management company during the preceding month.

(3) An alphabetical listing of all employees who have discontinued or terminated employment with the slot machine licensee or management company during the preceding month and the following information with respect to each employee listed:

(i) The information listed in paragraph (1)(i)—(vii).

(ii) The date on which the employee discontinued or terminated employment with the slot machine licensee or management company.

(4) The total number of employees who have discontinued or terminated employment with the slot machine licensee and management company during the preceding month.

(5) The date on which the information provided in the report was compiled.

(c) The reports shall be transmitted to the Bureau of Licensing by means of electronic data transmission or in a form prescribed by the Bureau of Licensing.

(d) The Board may request interim employee status reports from a slot machine licensee or management company.

§ 441a.19. Notice of employee misconduct and offenses and employee resignations.

(a) A slot machine licensee or management company shall submit a weekly report to the Bureau of Licensing of the terminations of any employees.

(b) The weekly report must include the following information:

(1) The employee's name.

(2) The address of record of the employee on file with the slot machine licensee.

(3) The employee's license, permit or registration number.

(4) The employee's title or position.

(5) A summary of the incident or misconduct by the employee, including violations of this part or the act.

(6) The date of termination of the employee.

(7) The access code, if any, assigned to the employee, which designates the restricted areas that the employee was permitted to enter and remain in for the purposes of performing his normal duties.

(c) Notwithstanding subsection (a), a slot machine licensee shall, within 24 hours, notify the Bureau upon learning of the arrest, charging, indictment or conviction of any of its affiliates, intermediaries, subsidiaries, holding companies, principals, key employees, permittees or registrants for any of the following:

(1) An offense or violation under the act or this part.

(2) The willful and knowing violation or attempt to violate an order of the Board by an employee.

(3) An offense or violation of another applicable law which would otherwise disqualify the person from holding a license, permit or registration.

(4) An offense or violation of a criminal law or ordinance of the United States or the Commonwealth or a comparable offense or violation in other states or foreign jurisdictions.

(d) A slot machine licensee or management company shall notify the Bureau of Licensing within 5 days of the receipt of a resignation of any employee who holds a key employee license.

§ 441a.20. (Reserved).

§ 441a.20a. Changes to a slot machine licensee's initial or modified plan of development.

(a) A slot machine licensee shall obtain Board approval prior to implementing any change to the slot machine licensee's approved initial or modified plan of development as defined in § 441a.1 (relating to definitions).

(b) A request for approval of a change to a slot machine licensee's initial or modified plan of development shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(c) The licensee shall demonstrate that the contemplated change in the development plan is substantially similar to the currently approved plan of development or show good cause as to why a contemplated plan of development that is different from the licensee's currently approved plan should be approved.

§ 441a.21. Liability for management companies.

Notwithstanding any provision to the contrary in the management contract, each slot machine licensee may be jointly and severally liable for any act or omission by its management company in violation of the act or this part, regardless of actual knowledge by the slot machine licensee of the act or omission.

§ 441a.22. Category 1 slot machine licensees.

(a) A Category 1 license, including a Conditional Category 1 license, may be issued to any qualifying legal business entity within an organization, if a legal business entity within the organization has been approved or issued a license from either the State Horse Racing Commission or the State Harness Racing Commission to conduct thoroughbred or harness race meetings. If a Category 1 license is issued to a legal business entity within an organization, the requirements, duties and obligations imposed by this part or the act on the licensed racing entity or a licensed racetrack shall be deemed to be requirements imposed on any legal business entity within the organization that has been approved or issued a Category 1 license. If more than one licensed racing entity, on July 5, 2004, was conducting a racing meet at the same licensed racetrack where an organization has been issued a Category 1 slot machine license, section 1303 of the act (relating to additional category 1 slot machine license requirements) applies to each licensed racing entity at the licensed racetrack.

(b) If a Category 1 license is issued to a legal business entity in an organization, any legal business entity within the organization that has been approved or issued a Category 1 license shall be responsible for, in particular, but not limited to, complying with:

(1) Section 1404 of the act (relating to distributions from licensee's revenue receipts).

(2) Section 1405 of the act (relating to Pennsylvania Race Horse Development Fund).

(3) Distribution allocations received from the Pennsylvania Race Horse Development Fund under section 1406 of the act (relating to distributions from Pennsylvania Race Horse Development Fund).

(i) Funds designated for purses under section 1406(a)(1)(i) of the act shall be deposited into an account established by and for the benefit of the horsemen by the close of the next business day following the receipt of the funds from the Commonwealth.

(ii) Funds designated for health and pension benefits under section 1406(a)(1)(iii) of the act shall be deposited into an account established under the rules and regulations of the horsemen's organization by the close of the next business day following the receipt of the funds from the Commonwealth.

(c) A Category 1 slot machine licensee or management company shall file with the Board no later than the 20th day of the month following the end of each calendar quarter, the following reports:

(1) Quarterly Report of Funds Received from the Pennsylvania Racehorse Development Fund.

(2) Quarterly Report of Funds Distributed for Purses under section 4 Pa.C.S. § 1406(a)(1)(i) of the act.

(3) Quarterly Report of Funds Distributed for Health and Pension Benefits under section 1406(a)(1)(iii) of the act.

(4) Quarterly Report of Expenditures for Backside Improvements.

(d) A Category 1 slot machine licensee or management company shall file a report of planned future improvements to the licensed racetrack backside area with the Board no later than the 30 days following the end of each calendar year. The report must include:

(1) A list of the improvements to be undertaken over the next 3 years.

(2) The projected start date and completion date of each improvement.

(3) The estimated cost of each improvement.

(e) The Board may request interim versions of the reports in subsections (c) and (d) from a Category 1 slot machine licensee or management company.

§ 441a.23. Category 3 slot machine licensees.

(a) To qualify as a well-established resort hotel with substantial year-round recreational guest amenities, the resort hotel must offer at the resort hotel a complement of amenities characteristic of a well-established resort hotel, including but not limited to the following:

(1) Sports and recreational activities and facilities such as a golf course or golf driving range.

(2) Tennis courts

(3) Swimming pools or a water park.

(4) A health spa.

(5) Meeting and banquet facilities.

(6) Entertainment facilities.

(7) Restaurant facilities.

(8) Downhill or cross-country skiing facilities.

(9) Bowling lanes.

(10) Movie theaters.

(b) A Category 3 slot machine applicant shall submit, as part of its application and its internal controls required under Chapter 465 (relating to accounting and internal controls), a plan detailing how the applicant will monitor the gaming area to ensure compliance with Chapters 503a, 511a and 513a (relating to casino self-exclusion; persons required to be excluded; and underage gaming) and that only the following persons are permitted to enter the gaming area:

(1) Registered overnight guests.

(2) Patrons of one or more amenities.

(3) Authorized employees.

(4) Other persons authorized by the Board.

(c) Individuals holding a valid seasonal or year-round membership, which has been approved by the Board and entitles the individual to use one or more of the amenities at the well-established resort hotel holding the Category 3 slot machine license, may be allowed on the gaming floor at any time. The Board will base its approval of a membership on the duration of the membership, the amenity or amenities covered by the membership and whether the fee charged for the membership represents the fair market value for the use of the amenity or amenities.

(d) A patron of an amenity at a well-established resort hotel holding a Category 3 slot machine license may be permitted unlimited access to the gaming floor for one 24-hour period within 72 hours of the use of the amenity.

CHAPTER 443a. TRUSTEESHIP

Sec.

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§ 443a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Trustee--A fiduciary appointed by the Board for the purpose of preserving the viability of a licensed gaming entity, and the integrity of gaming in this Commonwealth.

Trusteeship action--An action brought before the Board for the appointment of a trustee.

§ 443a.2. Appointment of trustees.

(a) Upon the revocation or suspension of a slot machine license or a principal license of an individual who the Board has determined controls a slot machine licensee, the Board may appoint a trustee to assure compliance with the act, this part, and any conditions imposed upon the slot machine license under § 423a.6 (relating to license, permit, registration and certification issuance and statement of conditions).

(b) Upon the failure to renew a slot machine license or a principal license of an individual who the Board has determined controls a slot machine licensee, the Board may appoint a trustee who shall have all of the power and duties granted by the Board until the discontinuation of trusteeship as provided in § 443a.12 (relating to discontinuation of trusteeship).

(c) The Board will have the power to appoint and remove one or more trustees as necessary.

§ 443a.3. Qualifications of trustees.

(a) A trustee shall be required to file an application for and obtain a principal license.

(b) The Board may appoint a trustee and award the trustee a temporary principal credential under § 435a.8 (relating to temporary credentials) when necessary.

§ 443a.4. Bonding of trustees.

(a) Before assuming duties, a trustee shall execute and file a bond for the faithful performance of the trustee's duties.

(b) The bond required under subsection (a) must be payable to the Board with sureties and in the amount and form as required by Board order.

(c) The cost of the bond required under subsection (a) shall be paid by the former or suspended licensee.

§ 443a.5. Effect of the trusteeship on slot machine and principal licensees.

After the adoption of a trusteeship action, the former or suspended slot machine or principal licensee may not exercise any of its privileges, collect or receive any debts and pay out, sell, assign or transfer any of its property to anyone without prior approval of the Board.

§ 443a.6. Powers and duties of trustees.

(a) The Board's order appointing a trustee will set forth the powers, duties and responsibilities of the trustee. The trustee shall exercise only those powers and perform those duties expressly conferred on the trustee by the Board or this chapter.

(b) A trustee shall have the duty to conserve and preserve the assets of the slot machine licensee.

(c) Subject to the direct supervision of the Board, the written order of the Board described in subsection (a) may vest a trustee with the following powers:

(1) Maintaining and operating the licensed facility in a manner that complies with the act, this part, the slot machine licensee's statement of conditions and the Board's order appointing the trustee.

(2) Maintaining and operating the licensed facility consistent with the measures generally taken in the ordinary course of business including:

(i) Entering into contracts.

(ii) Borrowing money.

(iii) Pledging, mortgaging or otherwise encumbering the slot machine licensee's property; provided that power shall be subject to any provisions and restrictions in any existing credit documents.

(iv) Hiring, firing and disciplining employees.

(v) Settling or compromising with any debtor or creditor of the former or suspended licensee, including any taxing authority.

(3) Exercising the rights and obligations of the former or suspended licensee.

(4) Taking possession of all of the property of the former or suspended licensee, including its books, records and papers.

(5) Establishing accounts with financial institutions, which are not affiliated, owned or otherwise influenced by the former or suspended licensee, to carry out the business of the former or suspended licensee.

(6) Meeting with the former or suspended licensee.

(7) Meeting with principals and key employees at the licensed facility.

(8) Meeting with the independent audit committee, if there is one.

(9) Meeting with the Board's Executive Director and keeping the Board's Executive Director apprised of actions taken and the trustee's plans and goals for the future.

(10) Hiring legal counsel, accountants or other consultants or assistants, with approval of the Board, as necessary to carry out the trustee's duties and responsibilities.

(11) Reviewing outstanding agreements to which the former or suspended licensee is a party and advising the Board as to which, if any, of the agreements should be the subject of scrutiny, examination or investigation by the Board.

(12) Obtaining Board approval prior to any sale, change of ownership, change of control, financial status, restructuring, transfer of assets, execution of a contract or any other action taken outside of the ordinary course of business.

(13) Obtaining Board approval for any payments outside of those in the ordinary course of business.

§ 443a.7. Compensation of trustees and payment of costs associated with the trusteeship.

(a) The Board will establish the compensation of the trustee.

(b) The Board will review and approve reasonable costs and expenses of the trustee, the legal counsel, accountants, or other consultants or assistants hired by the trustee under § 443a.6(a)(10) (relating to powers and duties of trustees) and other persons the Board may appoint in connection with the trusteeship action.

(c) The costs in subsections (a) and (b) shall be paid by the former or suspended licensee.

§ 443a.8. Required reports of the trustees.

(a) A trustee shall file reports with regard to the administration of the trusteeship with the Board in the form and at intervals as the Board orders.

(b) The Board may direct that copies or portions of the trustee's reports be mailed to creditors or other parties in interest and make summaries of the reports available to the public and post them on the Board's web site www.pgcb.state.pa.us.

§ 443a.9. Review of actions of the trustees.

(a) A creditor or party in interest aggrieved by any alleged breach of a delegated power or duty of a trustee in the discharge of the trustee's duties may request a review of the trustee's action or inaction by filing a petition in accordance with § 493a.4 (relating to petitions generally).

(b) The petition must set forth in detail the pertinent facts and the reasons why the facts constitute the alleged breach.

(c) The Board will review any petition filed under this section and take whatever action, if any, it deems appropriate.

§ 443a.10. Disposition of net earnings during the period of trusteeship.

(a) During the period of trusteeship, net earnings, if any, shall be deposited in an escrow account maintained for that purpose.

(b) Distributions of net earnings during the period of trusteeship may not be made by the trustee without the prior approval of the Board.

(c) A suspended or former principal or slot machine licensee may request a distribution of all or a portion of the net earnings during the period of trusteeship by filing a petition in accordance with § 493a.4 (relating to petitions generally). The suspended or former principal or slot machine licensee shall have the burden of demonstrating good cause for the distribution of the net earnings requested.

§ 443a.11. Payments following a bulk sale.

Following the sale, assignment, conveyance or other disposition in bulk of all the property subject to a trusteeship and the payment of all obligations to the Commonwealth and political subdivisions and other funds set forth in the act, the Board will conduct a hearing to determine the distribution of the remaining assets.

§ 443a.12. Discontinuation of trusteeship.

(a) The Board may direct the discontinuation of a trusteeship when:

(1) The Board determines that the cause for which the trusteeship action was instituted no longer exists.

(2) The trustee has, with the prior approval of the Board, consummated the sale, assignment, conveyance or other disposition in bulk of all the property of the former principal or slot machine licensee relating to the slot machine license.

(b) Upon the discontinuation of the trusteeship and with the approval of the Board, the trustee shall take steps as may be necessary to affect an orderly transfer of the property of the former or suspended principal or slot machine licensee.

Subpart D. RECORDKEEPING

CHAPTER 451a. RECORDKEEPING REQUIREMENTS

Sec.

451a.1. Recordkeeping generally.

§ 451a.1. Recordkeeping generally.

(a) Manufacturer, gaming junket enterprise, and management company licensees and all registered and certified gaming service providers shall maintain adequate records of business operations which shall be made available to the Board upon request. These records include:

(1) Correspondence with the Board and other local, Commonwealth and Federal governmental agencies.

(2) Correspondence concerning gaming equipment with a manufacturer, supplier, management company or slot machine licensee.

(3) Copies of all promotional material and advertising.

(4) A personnel file on each current and former employee.

(5) Financial records of all transactions concerning slot machines and associated equipment with a manufacturer, supplier, management company or slot machine licensee.

(6) Copies of all tax returns, reports and other tax documents filed with a taxing entity of the Federal government, the Commonwealth or local taxing entity within this Commonwealth for 7 years or a longer period as prescribed by the taxing entity.

(7) Copies of all general accounting records.

(b) Except as provided in subsection (a)(6) regarding tax documents, the records listed in subsection (a) shall be maintained for at least 5 years.

(c) The record required to be maintained under subsection (a) shall be kept in a location secure from theft, loss or destruction.

Subpart E. SLOT MACHINE, TABLE GAME DEVICE AND ASSOCIATED EQUIPEMENT TESTING AND CONTROL; ACCOUNTING AND INTERNAL CONTROLS

CHAPTER 461a. SLOT MACHINE, TABLE GAME DEVICE, INTERACTIVE GAME, SPORTS WAGERING DEVICE, VIDEO GAME TERMINAL, AND ASSOCIATED EQUIPMENT TESTING AND CONTROL

Sec.

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461a.24. Waivers.
461a.25. Disputes.
461a.26. Testing and software installation on the live gaming floor.
461a.27. RAM clear.

§ 461a.1. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Asset number—A unique number assigned to a slot machine, fully automated electronic gaming table, electronic wagering terminal or piece of associated equipment by a slot machine licensee for the purpose of tracking the slot machine, fully automated electronic gaming table, electronic wagering terminal or piece of associated equipment while owned by the slot machine licensee.

Automated jackpot payout machine—The collective hardware, software, communications technology and other ancillary equipment used to facilitate the payment of a jackpot that is not totally and automatically paid directly from a slot machine, fully automated electronic gaming table or electronic wagering terminal.

Bill validator—An electronic device designed to interface with a slot machine, fully automated electronic gaming table or electronic wagering terminal for the purpose of accepting and validating any combination of United States currency, gaming vouchers, coupons or other instruments authorized by the Board for incrementing credits on a slot machine, fully automated electronic gaming table or electronic wagering terminal.

Bonus award—An award of cash or credits to a randomly selected player that is not generated by the slot machine.

Cash equivalents—Instruments with a value equal to United States currency or coin including value chips and plaques, Counter Checks, personal checks, certified checks, cashier's checks, travelers' checks, money orders, gaming vouchers or other representations of value that the Board deems a cash equivalent.

Cashless funds transfer system—The collective hardware, software, communications technology and other ancillary equipment used to facilitate the electronic transfer of cashable or noncashable credits to a patron at a slot machine.

Casino management system—The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, report and audit data with regard to activity at slot machines, fully automated electronic gaming tables or electronic wagering terminals, inclusive of slot machine level accounting transactions, player tracking and productivity analysis.

Common carrier—An entity that transports persons or goods, and offers its services to the general public.

Conversion—A change or alteration to a slot machine that does not affect the manner or mode of play or operation of the slot machine.

Count team—The group of employees of a slot machine licensee who are responsible for counting the contents of slot cash storage boxes and table game drop boxes.

Coupon—An instrument issued by a slot machine licensee under which cashable or noncashable slot machine credits are provided directly or indirectly to a patron with or without regard to the identity of the patron or the patron's level of gaming activity.

Coupon system—The collective hardware, software, communications technology and other ancillary equipment used to facilitate the issuance of coupons, the acceptance of a coupon by a slot machine or its redemption at an automated coupon redemption machine, cashiers' cage or other locations.

Currency cassette—A container that holds banknotes that are available for dispensing.

Double-up—An optional wager on a slot machine in which the player has a mathematically equal probability of winning or losing the wager.

Drop team—The group of employees of a slot machine licensee who are responsible for collecting and transporting slot cash storage boxes and table game drop boxes.

Educational institution—A facility that teaches and certifies students in slot machine design, operation, repair or servicing.

External bonusing system—The collective hardware, software, communications technology and other ancillary equipment used in conjunction with slot machines to deliver randomly selected player incentives (bonus awards) to active slot machine players and to effect the accurate metering of the bonus award event on the slot machine.

Fill—The distribution of gaming chips, coins and plaques to a gaming table to replenish the table inventory.

Finance department—The department that is responsible for the management of the financial and accounting activities relating to slot machines and table games being utilized in a licensed facility.

Gaming day—A period of time not to exceed 24 hours corresponding to the beginning and ending times of gaming activities for the purpose of accounting reports and determination of gross terminal and gross table game revenue.

Gaming voucher—An instrument that upon insertion into a bill validator entitles the patron inserting the gaming voucher to cashable or noncashable credits on a slot machine and cashable credits on an electronic gaming table corresponding to the value printed on the gaming voucher. A gaming voucher that contains noncashable credits may be used only for the purpose of slot machine gaming.

Gaming voucher system—The collective hardware, software, communications technology and other ancillary equipment used to facilitate the issuance of gaming vouchers and the redemption of gaming vouchers by slot machines, fully automated electronic gaming tables, electronic wagering terminals, automated gaming voucher redemption machines, the cashiers' cage or in other locations.

Hand pay—The payment of credits that are not totally and automatically paid directly from a slot machine, fully automated electronic gaming table or electronic wagering terminal.

Machine displayed payout percentage—The selectable payout percentage that is set by the slot machine licensee during the initial configuration or a subsequent reconfiguration of a slot machine and is displayed in the slot machine's service menu during normal operation.

Manufacturer's par sheet—A document supplied by the manufacturer that shows payable information including, but not limited to, theoretical payout percentage, winning combinations, awards and reel strips.

Merchandise jackpot—A slot machine jackpot in the form of:

(i) A cash payout and a payout of merchandise or a thing of value.

(ii) An option to choose between a cash payout and a payout of merchandise or a thing of value.

Minimum payout percentage—The lowest aggregate awards expected to be paid out over one cycle of the game divided by the total number of combinations in the cycle of the game.

Modification—A change or alteration in a slot machine, fully automated electronic gaming table, electronic wagering terminal or associated equipment that affects the manner or mode of play or operation of the slot machine or associated equipment.

(i) The term includes a change to control or graphics programs and to the theoretical hold percentage.

(ii) In the case of slot machines, the term does not include:

(A) A conversion.

(B) Replacement of one approved component with an identical component.

(iii) In the case of a wide area progressive system, the term includes a change in:

(A) A system name or theme.

(B) The odds to win the progressive payout.

(C) The reset amount.

(D) The rate at which a progressive award increases.

(E) The wager necessary to win the progressive payout.

Paytable—A selectable part of a slot machine program that contains slot machine characteristics including, but not limited to, the theoretical payout percentage, reel strips and awards.

Player rating—A score or ranking assigned to a player based on an evaluation of the amount and frequency of play by the person.

Player rating system—A computerized system by which a player is assigned a score or ranking based upon an evaluation of the amount and frequency of play by the person.

Player tracking system—The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, authorize, report and audit data with regard to player activity generally or on an individual basis at slot machines or table games.

Progressive awards—The award to be paid out when the event in the progressive game that triggered the award occurs.

Progressive controller—A program or computer system, other than an approved program that controls the operation of the slot machine, which controls, adjusts and displays the amount of the progressive jackpot.

Progressive payout—A slot machine payout that increases in a monetary amount based on the amounts wagered in a progressive system.

Progressive slot machine—A slot machine that offers a jackpot that may increase in value based upon the slot machine wagers placed.

Pseudo random number generator—Software or hardware, or both, that ensures the randomness of slot machine outcomes.

RAM—Random access memory.

RAM clear—A process initiated by a service technician that results in the zeroing out of any meter information, configuration information or data stored in the memory of a slot machine, fully automated electronic gaming table, electronic wagering terminal or associated equipment.

Randomness—The observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

Reel strips—Components of a slot machine which display symbols.

Related systems—Systems which interface with slot machines or slot monitoring systems.

Remote system access—Connectivity to casino systems from outside the slot machine licensee's network.

Reset amount—The award value that a progressive award will revert to after the progressive award is paid out.

Server supported slot system—One or more slot machines connected to a slot machine server and an associated computer network.

Skill—The application of intelligence and specific knowledge to achieve the best result when a slot machine offers a choice of options during game play.

Slot machine bill validator—A component, made up of software and hardware that accepts and reads instruments such as bills, vouchers and coupons, into gaming devices such as slot machines and automated gaming voucher and coupon redemption machines.

Slot machine server—A computer configured to receive, store, authenticate and download to slot machines, Board-approved slot machine game themes and other approved software.

Slot monitoring system—The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, authorize, report and audit data with regard to activity at slot machines, inclusive of slot machine meter readings, error conditions, slot machine security, accounting, player tracking and productivity analysis.

Slot operations department—The department that is responsible for all operations in any area of the licensed facility where slot machines are kept.

Slot system operator—The persons designated in a slot system agreement as being responsible for the operation and administration of a wide area progressive system.

Strategy choice—A particular play option on a slot machine that requires the use of skill to consistently achieve the best result.

Theme—A concept, subject matter and methodology of design of a slot machine.

Theoretical payout percentage—The aggregate awards expected to be paid out over one cycle of the game divided by the total number of combinations in the cycle of the game.

Trolley—A wheeled apparatus used for the secured transport of slot cash storage boxes and drop boxes.

Unredeemed gaming voucher—A gaming voucher that has not been presented to a slot machine licensee for redemption or a gaming voucher that has been found and returned to a slot machine licensee.

Wager—Placing at risk in a slot machine, fully automated electronic gaming table or electronic wagering terminal a coin, bill, ticket, gaming voucher, coupon or similar object or, upon payment of any consideration, including the use of cashless funds transfer systems and external bonusing systems.

Wide area progressive system—Progressive slot machines located at a licensed facility that are linked with progressive slot machines at another licensed facility.

§ 461a.2. Protocol requirements.

In accordance with section 1324 of the act (relating to protocol information), manufacturer licensees, manufacturer designee licensees and supplier licensees shall be required to enable all slot machines to communicate with the Department's central control computer for the purpose of transmitting auditing program information and activating and disabling slot machines.

§ 461a.3. Testing and approval of games and gaming devices, generally.

(a) In accordance with sections 1320, 13A41, 13B41 and 3701 of the act, slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment operated in this Commonwealth must be tested and approved in accordance with § 461a.4(g) (relating to submission for testing and approval) and Chapters 810a, 1112a and 1407a (relating to interactive gaming testing and controls; video gaming terminal, redemption terminal and associated equipment testing and certification; and sports wagering testing and controls).

(b) The general cost of establishment and operation of the Board's testing facility shall be paid by each manufacturer licensee and gaming related gaming service provider on a quarterly basis based upon each manufacturer's or gaming related gaming service provider's proportion of the total number of products reviewed.

(c) The Board will require payment of all costs for the testing and approval of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment submitted by manufacturers or gaming related gaming service providers or installed at a licensed facility or offered on an approved interactive gaming or interactive sports wagering web site or mobile application, or offered at a licensed truck stop establishment, based on the actual direct costs incurred by the Board.

(d) The Board will require a manufacturer licensee or gaming related gaming service provider seeking approval of a slot machine, table games, table game device, interactive game, sports wagering device, video gaming terminal or all associated equipment to pay all costs of transportation, inspection and testing.

(e) Testing of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment may also be conducted at registered private testing and certifications facilities in accordance with sections 1320(b.1), 13A41(b.1), 13B02(a)(2) and 3701(e) of the act and Chapter 469a (relating to private testing and certification facilities), and a report of the testing shall be provided to the Board for abbreviated certification and approval.

(f) The Bureau of Gaming Laboratory Operations shall review the report from the registered private testing and certification facility, and prior to installation or use of a slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal and all associated equipment at a licensed facility, on an authorized interactive gaming or sports wagering web site or mobile application, or at a licensed truck stop establishment shall report the findings to the Board's Executive Director for abbreviated certification and approval in accordance with § 461a.4.

§ 461a.4. Submission for testing and approval.

(a) A slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal or all associated equipment identified in subsection (c) (collectively referred to as “products” or “equipment, device or software”), or a modification thereto, may not be offered for sale, lease or distribution for ultimate use by a licensee in this Commonwealth unless a prototype identical in all mechanical, electrical, electronic and other respects has been tested by the Bureau of Gaming Laboratory Operations and approved by the Board's Executive Director.

(b) When an applicant for, or holder of, a license develops software or a system that is functionally equivalent to any of the slot systems or table game systems enumerated in subsection (c), interactive game systems, sports wagering systems or video gaming terminal systems, that software or system shall be subject to the testing and approval process of this subpart to the same extent as if the software or system were developed by an applicant for, or holder of, a manufacturer license. Any reference in this subpart to the responsibilities of a manufacturer applies to an applicant for, or holder of, a license developing software or systems subject to testing and approval under this subpart.

(c) For the purposes of this section, slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment that shall be submitted for testing and approval include:

(1) Slot machines, including bill validators and printers.

(2) Slot monitoring systems, to the extent the systems interface with slot machines and related systems.

(3) Casino management systems, to the extent the systems interface with slot machines and related systems.

(4) Player tracking systems, to the extent the systems interface with slot machines and related systems.

(5) Progressive systems, including wide area progressive systems.

(6) Gaming voucher systems.

(7) External bonusing systems.

(8) Cashless funds transfer systems.

(9) Machines performing gaming voucher, coupon or jackpot payout transactions.

(10) Coupon systems, to the extent the systems interface with slot machines and related systems.

(11) Other related systems.

(12) Table game devices including:

(i) Electronic gaming tables as described in § 605a.4 (relating to electronic gaming tables).

(ii) Fully automated electronic gaming tables as described in § 605a.5 (relating to fully automated electronic gaming tables and electronic wagering terminals).

(iii) Progressive table game systems as described in § 605a.7 (relating to progressive table games).

(iv) Automated card shuffling devices as described in § 603a.17 (relating to dealing shoes; automated card shuffling devices).

(v) Electronic dealing shoes as described in § 603a.17.

(vi) Electronic wagering systems as described in § 605a.2 (relating to electronic wagering systems).

(vii) Electronic wagering terminals as described in § 605a.5.

(viii) Hybrid gaming tables as described in § 605a.9 (relating to hybrid gaming tables).

(13) Interactive games and interactive gaming platforms and systems.

(14) Sports wagering terminals and ticket redemption terminals.

(15) Video gaming terminals, including bill validators and ticket printers.

(16) Video gaming voucher redemption terminals.

(17) Video gaming terminal tracking and reporting systems.

(d) Slot machine prototypes, table game prototypes, table game device prototypes, interactive game and platform prototypes, sports wagering device prototypes, video gaming terminal prototypes, and all associated equipment prototypes, and modifications thereto, which

are subject to testing and approval under this section will be evaluated by the Bureau of Gaming Laboratory Operations for overall operational integrity and compliance with the act, this subpart and technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site. In addition, with regard to any slot machine, fully automated electronic gaming table, electronic wagering terminal or modification thereto, the Bureau of Gaming Laboratory Operations will test for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines, fully automated electronic gaming tables and electronic wagering terminals.

(e) The Bureau of Gaming Laboratory Operations may prescribe a standard product submission checklist, together with supplemental product specific submission checklists for completion by an applicant for, or holder of, a manufacturer license, to facilitate the examination and analysis of a prototype or modification.

(f) The Board may require the chief engineer of the applicant for, or holder of, a manufacturer license or the engineer in charge of the division of the manufacturer responsible for producing the product submitted to attest that the product was properly and completely tested by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations.

(g) When an applicant for, or holder of, a manufacturer license to manufacture slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or a gaming related gaming service provider seeks Board approval of a slot machine prototype, table game prototype, table game device prototype, as described in subsection (c)(12), interactive game and platform prototypes, sports wagering device prototype, video gaming terminal prototype, associated equipment prototype, or any modification thereto, the manufacturer or gaming related gaming service provider shall submit to the Bureau of Gaming Laboratory Operations the following:

(1) A prototype of the equipment, device or software accompanied by a written request for testing and approval. The manufacturer shall transport the equipment, device or software at its own expense and deliver it to the Bureau of Gaming Laboratory Operations in accordance with instructions provided.

(2) Certifications required under subsection (f) providing assurances from the manufacturer that the product was properly and completely tested and emulated by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations and that the product, device or software complies with the act, this subpart and technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site, including applicable requirements related to the central control computer.

(3) An executed copy of a current product submission checklist, and any product specific supplemental submission checklists applicable to the submitted equipment, device or software.

(4) A complete, comprehensive and technically accurate description of the equipment, device or software, accompanied by applicable diagrams, schematics and specifications, together with documentation with regard to the manner in which the product was tested and emulated by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations.

(5) Any hardware, software and other equipment, inclusive of technical support and maintenance applicable thereto, required by the Bureau of Gaming Laboratory Operations to conduct the testing and approval process contemplated by the act, this subpart and technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(6) In the case of a slot machine prototype or table game device prototype, the following additional information:

(i) A copy of all executable software, including data and graphics information, on electronically readable, unalterable media.

(ii) A copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a slot machine or electronic gaming table, on electronically readable, unalterable media.

(iii) A copy of all graphical images displayed on the slot machine or table game device, including reel strips, rules, instructions and paytables.

(iv) A mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy.

(v) Hardware block diagrams of the major subsystems.

(vi) A complete set of schematics for all subsystems.

(vii) A wiring harness connection diagram.

(viii) A technical and an operator manual.

(ix) A description of security methodologies incorporated into the design of the slot machine table game device, including, when applicable, encryption methodology for all alterable media, auto-authentication of software and recovery capability of the slot machine or table game device for power interruption.

(x) For meters required by this subpart or technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site, a cross reference of product meters to the required meters, if necessary.

(xi) A description of tower light functions indicating the corresponding condition.

(xii) A description of error conditions and the corresponding action required by the operator.

(xiii) A description of the use and function of available dip switch settings or configurable options.

(xiv) A description of the pseudo random number generator or generators used to determine game outcome, including a detailed explanation of operational methodology, and a description of the manner by which the pseudo random number generator and random number selection process is impervious to outside influences, interference from electro-magnetic, electrostatic and radio frequencies, and influence from ancillary equipment by means of data communications. Test results in support of representations shall be submitted. For the purposes of this section, "game outcome" means the results of a wager.

(xv) Specialized hardware, software or testing equipment, inclusive of technical support and maintenance, needed to complete the evaluation, which may include an emulator for a specified microprocessor, PCs, extender cables for CPU boards, target reel strips and door defeats. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(xvi) A compiler, or reasonable access to a compiler, for the purpose of building applicable code modules.

(xvii) Program storage media including EPROMs, EEPROMs and any type of alterable media for slot machine or table game device software.

(xviii) Technical specifications for any microprocessor or microcontroller.

(xix) A complete, comprehensive and technically accurate description of the manner in which the slot machine or fully automated electronic gaming table was tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines or fully automated electronic gaming tables.

(xx) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the slot machine or table game device.

(7) In the case of a modification to a slot machine or table game device prototype, including a change in theme, the following additional information:

(i) A complete, comprehensive and technically accurate description of the proposed modification to the slot machine or table game device prototype, accompanied by applicable diagrams, schematics and specifications.

(ii) When a change in theme is involved, a copy of the graphical images displayed on the slot machine or table game device including reel strips, rules, instructions and paytables.

(iii) When a change in the manner in which the theoretical payout percentage is achieved is involved, a mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy.

(iv) A complete, comprehensive and technically accurate description of the manner in which the slot machine or fully automated electronic gaming table was tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines or fully automated electronic gaming tables.

(v) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the modification of the slot machine or table game device.

(8) In the case of a slot monitoring system, casino management system, player tracking system, wide area progressive system, gaming voucher system, external bonusing system, cashless funds transfer system, automated gaming voucher, coupon redemption or jackpot payout machine, coupon system, table game device or any other equipment or system required to be tested and approved under subsection (c):

(i) A technical and an operator manual.

(ii) A description of security methodologies incorporated into the design of the system to include, when applicable, password protection, encryption methodology and its application, auto-authentication, network redundancy, back-up and recovery procedures.

(iii) A complete schematic or network diagram of the system's major components accompanied by a description of each component's functionality and a software object report. The description must disclose the functions performed by each component.

(iv) A description of the data flow, in narrative and in schematic form, including specifics with regard to data cabling and, when appropriate, communications methodology for multisite applications.

(v) A list of computer operating systems and third party software incorporated into the system together with a description of their interoperability.

(vi) System software and hardware installation procedures.

(vii) A list of available system reports.

(viii) When applicable, features for each system which may include patron and employee card functions, promotions, reconciliation procedures and patron services.

(ix) A description of the interoperability testing including test results for each submitted system's connection to, as applicable, slot machines, voucher, coupon redemption and jackpot payout machines, computerized systems for counting money, vouchers and coupons. This list must identify the tested products by manufacturer, model and software identification and version number.

(x) A narrative describing the method used to authenticate software.

(xi) All source code.

(xii) A complete, comprehensive and accurate description, accompanied by applicable diagrams, schematics and specifications, of the creation of a voucher and the redemption options available.

(xiii) A complete, comprehensive and technically accurate description, accompanied by applicable diagrams, schematics and specifications, of the creation of a coupon and the redemption options available.

(xiv) Any specialized hardware, software or other equipment, inclusive of technical support and maintenance applicable thereto, required by the Bureau of Gaming Laboratory Operations to conduct the testing and approval process contemplated by the act, this subpart and technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(xv) Additional documentation requested by the Board related to the equipment or system being tested.

(9) In the case of a modification to any of the systems identified in paragraph (8), the following additional information:

(i) A complete, comprehensive and technically accurate description of the proposed modification to the system, accompanied by applicable diagrams, schematics and specifications.

(ii) A brief narrative disclosing the purpose for the modification.

(iii) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the modification.

(10) In the case of gaming related services, as described in § 613a.1 (relating to definitions; general requirements), which are submitted by an applicant for or holder of a manufacturer license or gaming related gaming service provider certification:

(i) A mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of the strategy.

(ii) A detailed description of the gaming related service including the rules of play and wagering that would be used for the new table game or feature.

(iii) The true odds, the payout odds and the house advantage for each wager.

(iv) A sketch or picture of the game layout, if any.

(v) Sketches or pictures of the equipment used to play the game.

(11) In the case of slot machines, table games, table games devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or modifications thereto that have been tested by a registered private testing and certification facility, the manufacturer or gaming related gaming service provider shall direct the facility to provide to the Bureau of Gaming Laboratory Operations for review a detailed report from the registered private testing and certification facility regarding the scope of the testing and the results of the testing performed on the slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal, and all associated equipment or modification made thereto, in addition to all other items required in the specific submission checklist to be provided by the manufacturer or gaming related gaming service provider.

(h) At the conclusion of testing of a prototype or modification by the Bureau of Gaming Laboratory Operations, but prior to a decision to approve a prototype or modification, the Board's Executive Director may require a trial period of scope and duration as he deems appropriate to assess the operation of the prototype or modification in a live gaming environment. The conduct of the trial period shall be subject to compliance by the licensed manufacturer, licensed manufacturer designee, applicable licensed suppliers, gaming related gaming service provider and the slot machine licensee with specific terms and conditions as may be required by the Board's Executive Director, which may include development and implementation of product specific accounting and internal controls, periodic data reporting to the Board's Executive Director and compliance with technical standards on trial periods or the prototype or modification adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site. The Board's Executive Director may authorize the receipt of compensation by a licensed manufacturer, licensed manufacturer designee, licensed supplier or gaming related gaming service provider during the trial period. The Board's Executive Director may order termination of the trial period if it determines that the licensed manufacturer, licensed manufacturer designee, applicable licensed suppliers, gaming related gaming service provider or the slot machine licensee conducting the trial period has not complied with the terms and

conditions required by the Board's Executive Director or that the product is not performing as expected.

(i) At the conclusion of testing of a prototype or modification or after review of the report provided by the registered private testing and certification facility, the Bureau of Gaming Laboratory Operations will report to the Board's Executive Director the results of its testing and the results from the private testing and certification facility, if applicable. Upon receipt of the Bureau of Gaming Laboratory Operations' report, the Board's Executive Director will either:

(1) Approve, approve with conditions or reject the submitted prototype or modification.

(2) Require additional testing or a trial period under subsection (h).

(j) The Board's Executive Director approval of a prototype or modification does not constitute a guarantee of the prototype's or modification's safety.

(k) A licensee is prohibited from installing in its licensed facility or otherwise offering for play equipment, device or software, or modification thereto, that is required to be tested unless the equipment, device or software has been approved by the Board's Executive Director. A licensee may not modify, alter or tamper with an approved slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal or any associated equipment. Equipment, devices, or software installed in a licensed facility or otherwise offered for play in contravention of this requirement will be subject to seizure by the Board.

(l) Notwithstanding subsection (k), the Board's Executive Director may authorize installation of a modification to a slot machine prototype, table game prototype, table game device prototype, interactive game or platform prototype, sports wagering device prototype, video gaming terminal prototype or any associated equipment prototype on an emergency basis to prevent cheating or malfunction, upon the written request of a licensed manufacturer. The request must expressly detail the name and employer of any persons to be involved in the installation of the modification and the manner in which it is to be effected. Within 15 days of receipt of any authorization to install an emergency modification, the manufacturer shall submit the modification for full testing and approval in accordance with this subpart.

(m) A licensee shall immediately notify the Bureau of Gaming Laboratory Operations and the casino compliance representatives at the licensed facility, the Bureau of Gaming Operations for interactive gaming, the Office of Sports Wagering Operations, or the Bureau of Casino Compliance for video gaming of any known or suspected defect or malfunction in any slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal or any associated equipment installed in its licensed facility or on its interactive gaming web site or mobile application. The licensee shall comply with instructions issued by the Bureau of Gaming Laboratory Operations with regard to the continued operation of the slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal or any associated equipment.

(n) Concurrent with the initial receipt of slot machines, a slot machine licensee shall file a slot machine master list as required by § 463a.5 (relating to slot machine, electronic wagering terminal and fully automated electronic gaming table master lists).

(o) The testing of equipment, devices or software under this subpart may require the dismantling of the product and testing that may result in damage to, or destruction of, one or more systems or components. Once submitted for testing, equipment, devices or software will not be returned to the manufacturer.

(p) The Executive Director shall approve, approve with conditions, reject the submitted prototype or modification or require additional testing or a trial period under subsection (h) within 30 days of the complete submission of a slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal and all associated equipment by a manufacturer or gaming related gaming service provider that has been submitted to the Board for abbreviated certification with a testing report from a registered private testing and certification facility. The following apply:

(i) A submission will not be considered complete if it does not contain all necessary documentation as required by subsection (g)(11).

(ii) If after the submission is made the Bureau of Gaming Laboratory Operations determines that a submission is incomplete, the manufacturer or gaming related gaming service provider will be given written notice of the deficiencies in the submission.

(iii) In the instance of an incomplete submission, the 30-day review for abbreviated certification will only begin when the manufacturer or gaming related gaming service provider provides the supplemental information to the Bureau of Gaming Laboratory Operations.

(q) If the Executive Director fails to approve, approve with conditions, reject the submitted prototype or modification or require additional testing or a trial period under subsection (h) within 30 days of the completed submission a slot machine, table game device, interactive game, sports wagering device, video gaming terminal and all associated equipment submitted to the Board for abbreviated certification, the abbreviated certification shall be deemed conditionally approved until the Executive Director renders a decision under subsection (i).

(r) If a manufacturer or gaming related gaming service provider has provided a complete submission to the Bureau of Gaming Laboratory Operations for abbreviated certification but the review of the submission cannot feasibly be completed within 30 days, the manufacturer or gaming related gaming service provider will receive written notice tolling the review of the submission until a time as a review of the submission can be completed.

(s) If during the 30-day review period in subsection (p), the Bureau of Gaming Laboratory Operations preliminarily determines that a complete submission of a slot machine, table game, interactive game, sports wagering device, video gaming terminal and all associated equipment contains an issue or insufficiency likely to negatively affect the integrity of gaming operations, the Bureau of Gaming Laboratory Operations, by written notice to the manufacturer or gaming related gaming service provider, will do all of the following:

(i) Specify the nature of the insufficiency.

(ii) Direct that the 30-day review period in subsection (p) be tolled and that any slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal or any associated equipment not be implemented until approved under subsection (q).

§ 461a.5. Slot machine conversions.

A slot machine licensee shall:

(1) Maintain complete and accurate records of all conversions.

(2) Give prior notice of a slot machine conversion to the Bureau of Gaming Laboratory Operations in writing.

(3) Notice the Department in accordance with § 463a.4 (relating to notice and connection to the central control computer system).

§ 461a.6. Revocations and additional conditions.

The Board may revoke the approval of or impose additional conditions on a slot machine prototype, associated equipment prototype, or modification thereto, if the equipment, device or software meets either of the following criteria:

(1) The equipment, device or software is not in compliance with the act, this subpart or technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(2) The slot machine, or modification thereto, is not compatible with, or compliant with the central control computer and protocol specifications approved by the Department or is unable to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of slot machines.

§ 461a.7. Slot machine minimum design standards.

(a) A slot machine may not be set to pay out less than the theoretical payout percentage, which may not be less than 85%, calculated using the lowest possible wager that could be played for any single play, or equal or exceed 100%, calculated using the highest eligible wager available. The theoretical payout percentage for the total value of slot machine wagers will be calculated using the following:

(1) The defined set of all symbols that will be displayed using spinning reels or video displays, or both.

(2) The finite set of all possible combinations which shall be known as the cycle of the game. All possible combinations in a slot machine cycle shall be independent of each other and of all possible combinations from cycles in other slot machines.

(3) The value of each winning combination that corresponds with the set from paragraph (2) which, whether by reason of skill or application of the element of chance or both, may deliver or entitle the person or persons playing the slot machine to a jackpot.

(4) A payout of merchandise or anything of value provided a cash equivalent award for the merchandise is offered. The value of the cash equivalent will contribute to the calculation of the theoretical payout percentage.

(5) A payout in the form of an annuity will contribute to the calculation of the theoretical payout percentage by dividing the initial or reset amount of the jackpot payout by the number of years over which the jackpot will be paid.

(6) The odds of any winning combination may not exceed 50 million to 1.

(b) The calculation of the theoretical payout percentage will not include:

(1) The amount of any progressive jackpot in excess of the initial or reset amount.

(2) A cash or noncash complimentary issued under § 465.8 (relating to complimentary services or items).

(c) A play offered by a slot machine may not have a theoretical payout percentage which is less than, when calculated to one hundredth of a percentage point, the theoretical payout percentage for any other play offered by that slot machine which is activated by a slot machine wager in a lesser amount than the slot machine wager required for that play. Notwithstanding the foregoing, the theoretical payout percentage of one or more particular plays may be less than the theoretical payout percentage of one or more plays which require a lesser wager provided that:

(1) The aggregate total of the decreases in the theoretical payout percentage for plays offered by the slot machine is not more than 1/2 of 1%.

(2) The theoretical payout percentage for every play offered by the slot machine is equal to or greater than the theoretical payout percentage for the play that requires the lowest possible wager that will activate the slot machine.

(d) The selection from the set of all possible combinations of symbols shall be made applying a pseudo random number generator. At a minimum, a pseudo random number generator must adhere to the following criteria:

(1) The random selection process must meet a 95% confidence interval.

(2) A random number generator must pass a standard chi-squared test for goodness of fit.

(3) Each possible slot machine combination which produces winning or losing slot machine outcomes must be available for random selection at the initiation of each play.

(4) A slot machine payout percentage that may be affected by reason of skill must meet the theoretical payout requirements of this subpart when evaluated by the Board using a method of play that will provide the greatest return to the player.

(5) Once a random selection process has occurred, the slot machine must:

(i) Display an accurate representation of the randomly selected outcome.

(ii) Not make a secondary decision which affects the result shown to the person playing the slot machine.

(e) A slot machine is prohibited from automatically altering any function of the slot machine based on internal computation of the hold percentage.

(f) The available winning combinations and applicable rules of play for a slot machine shall be available at all times the slot machine is idle to the patron playing the slot machine. The award schedule of available winning combinations may not include possible aggregate awards achievable from free plays. A slot machine that includes a strategy choice must provide mathematically sufficient information for a patron to use optimal skill. Information regarding a strategy choice need not be made available for any strategy decisions whenever the patron is not required, in addition to the initial wager, to make an additional wager and, when as a result of playing a strategy choice, the patron cannot lose any credits earned thus far during that game play.

(g) Slot machines approved for use in a licensed facility must be equipped with the following meters that comply with the technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site:

(1) *Coin in*. A meter that accumulates the total value of all wagers, whether the wager results from the insertion of currency, gaming vouchers, coupons, downloaded credits, credits won or any other means. This meter must:

(i) Not include subsequent wagers of intermediate winnings accumulated during game play sequence such as those acquired from “double up” games.

(ii) For multigame and multidenomination/multigame slot machines, monitor the information necessary, on a per paytable basis, to calculate a weighted average actual payout percentage.

(2) *Coin out*. A meter that accumulates the total value of all amounts directly paid by the slot machine as a result of winning wagers, whether the payout is made directly from the printer by issuance of a gaming voucher, directly to a credit meter or by any other means. This meter may not record amounts awarded as the result of an external bonusing system or a progressive payout.

(3) *Attendant paid jackpots*. A meter that accumulates the total value of credits paid by an attendant resulting from a single winning alignment or combination, the amount of

which is not capable of being paid by the slot machine itself. This meter may not record amounts awarded as the result of an external bonusing system or a progressive payout. This meter is to record only amounts specifically listed in the manufacturer's par sheet.

(4) *Attendant paid cancelled credits*. A meter that accumulates the total value of all amounts paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the slot machine.

(5) *Bill in*. A meter that accumulates the total value of currency accepted. The slot machine must also have a specific meter for each denomination of currency accepted that records the number of bills accepted for each denomination.

(6) *Voucher in--cashable/value*. A meter that accumulates the total value of cashable gaming vouchers accepted by the slot machine.

(7) *Voucher in--cashable/count*. A meter that accumulates the total number of cashable gaming vouchers accepted by a slot machine.

(8) *Voucher out--cashable/value*. A meter that accumulates the total value of cashable gaming vouchers issued by the slot machine.

(9) *Voucher out--cashable/count*. A meter that records the total number of cashable gaming vouchers issued by a slot machine.

(10) *Voucher out--noncashable/value*. A meter that accumulates the total value of noncashable gaming vouchers issued by the slot machine.

(11) *Voucher out--noncashable/count*. A meter that records the total number of noncashable gaming vouchers issued by the slot machine.

(12) *Cashable electronic in*. A meter that accumulates the total value of cashable credits electronically transferred to the slot machine by means of an external connection between the slot machine and a cashless funds transfer system.

(13) *Noncashable electronic in*. A meter that accumulates the total value of noncashable credits electronically transferred to the slot machine by means of an external connection between the slot machine and a cashless funds transfer system.

(14) *Coupon in--cashable/value*. A meter that accumulates the total value of cashable coupons accepted by the slot machine.

(15) *Coupon in--cashable/count*. A meter that accumulates the total number of cashable coupons accepted by the slot machine.

(16) *Coupon in--noncashable/value*. A meter that accumulates the total value of noncashable coupons accepted by the slot machine.

(17) *Coupon in--noncashable/count*. A meter that accumulates the total number of noncashable coupons accepted by the slot machine.

(18) *Slot machine paid external bonus payout*. A meter that accumulates the total value of additional amounts awarded as a result of an external bonusing system and paid by the slot machine.

(19) *Attendant paid external bonus payout*. A meter that accumulates the total value of additional amounts awarded as a result of an external bonusing system and paid by a slot attendant.

(20) *Slot machine paid progressive payout*. A meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the slot machine. This meter may not record awards paid as a result of an external bonusing system.

(21) *Attendant paid progressive payout*. A meter that accumulates the total value of credits paid by a slot attendant as a result of progressive awards that are not capable of being paid by the slot machine. This meter may not include awards paid as a result of an external bonusing system.

(22) *Additional requirements*. Other meters required by technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(h) A slot machine that does not meter one or more of the events required to be metered under subsection (g) may be approved when a slot machine licensee's system of internal controls establishes that the meter is not required to capture all critical transactions occurring on the slot machine.

(i) The meters required under subsection (g) must continuously and automatically increment in units equal to the denomination of the slot machine or, in the case of a slot machine configured for multidenomination play, must display the required information in dollars and cents.

(j) A slot machine approved for use in a licensed facility must be equipped with the following noncumulative meters:

(1) *Credits wagered*. A meter, visible from the front exterior of a slot machine, known as a credit wagered meter that advises the patron of the total value of amounts wagered in a particular game or round of slot play.

(2) *Win meter*. A meter, visible from the front exterior of the slot machine, known as a win meter that advises the patron of the total value of amounts won in the immediately concluded game or round of slot play.

(3) *Credits paid*. A meter, visible from the front exterior of the slot machine, known as a credits paid meter that advises the patron of the total value of the last:

(i) Cash out initiated by the patron.

(ii) Attendant paid jackpot.

(iii) Attendant paid cancelled credit.

(4) *Credit meter*. A meter, visible from the front exterior of the slot machine and specifically labeled as a credit meter, which advises the patron as to the number of credits or monetary value available for wagering on the slot machine. The credit meter need not distinguish between cashable credits and noncashable credits.

(k) A slot machine must have a meter which stores the number of games played, in the manner and for a duration specified in this subpart or in technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site, since the following events:

(1) Power reset.

(2) Door close.

(3) Game initialization (random access memory (RAM) clear).

(l) A slot machine must be equipped with a device, mechanism or method for retaining the total value of all meters required under subsection (g) for 72 hours subsequent to a power loss.

(m) The required meters on a slot machine must be accessible and legible without access to the interior of the slot machine.

(n) A slot machine must be equipped with a tower light capable of effectively communicating the status of the slot machine in accordance with technical standards on tower lights and error conditions under § 461b.2 (relating to slot machine tower lights and error conditions).

(o) A slot machine must be equipped with a device, mechanism or method for detecting, displaying and communicating to a slot monitoring system error conditions. The error conditions detected, displayed and communicated by a slot machine, and the method to be utilized to clear the message with regard to the error condition, must be in accordance with technical standards on tower lights and error conditions under § 461b.2.

(p) A slot machine must, in accordance with section 1324 of the act (relating to protocol information), comply with the comprehensive protocol specifications necessary to enable the slot machine to communicate with the Department's central control computer as that protocol is amended or supplemented, for the purpose of transmitting auditing program information, real time information retrieval and slot machine activation and disabling.

(q) A slot machine must lock up and preclude further play whenever a jackpot occurs that is not able to be paid completely by the slot machine and requires a hand pay. When the jackpot occurs, the slot machine can offer a predetermined number of double-up wagers before the slot machine locks up.

(r) Printers incorporated into a slot machine must be:

(1) Designed to allow the slot machine to detect and report a low paper level, paper out, presentation error, printer failure and paper jams.

(2) Mounted inside a lockable compartment within the slot machine.

(s) Seating made available by a slot machine licensee for use during slot play may be fixed and stationary or nonfixed. When fixed and stationary seating is used, it must be installed in a manner that effectively precludes its ready removal by a patron but permits controlled removal, for example for American With Disabilities Act of 1990 (ADA) (42 U.S.C.A. §§ 12101--12213) purposes, by slot operations department personnel. When nonfixed seating is used, the slot machine licensee shall:

(1) Maintain a minimum aisle width of 48 inches, measured from the seat back to seat back when the nonfixed seating is vacant and is touching or is as close as possible to the slot machine at which the nonfixed seating is being used.

(2) Provide to the Bureau of Gaming Operations copies of a certification obtained from the local building code or fire safety officials or a certification from an architect registered in this Commonwealth that the use of the nonfixed seating complies with all applicable building and fire safety code requirements.

(t) Unless a slot machine licensee's slot monitoring system is configured to automatically record all of the information required by this subsection, the slot machine licensee shall be required to physically house in each slot machine the following entry authorization logs:

(1) A machine entry authorization log that documents each time a slot machine or any device connected thereto which may affect the operation of the slot machine is opened. The log must contain, at a minimum, the date, time, purpose for opening the slot machine or device and the signature and license or permit number of the person opening and entering the slot machine or device. Each log must have recorded thereon a sequence number and the manufacturer's serial number or the asset number corresponding to the slot machine in which it is housed.

(2) A progressive entry authorization log that documents each time a progressive controller not housed within the cabinet of the slot machine is opened. The log must contain, at a minimum, the date, time, purpose for accessing the progressive controller and the signature and license or permit number of the person accessing the progressive controller. Each log must be maintained in the progressive controller unit and have recorded thereon a sequence number and the manufacturer's serial number of the progressive controller.

(u) A slot machine must be equipped with a lock controlling access to the card cage door securing the microprocessor, the key to which must be different from any other key securing access to the slot machine's components including its belly door or main door, bill validator or slot cash storage box. Access to the key securing the microprocessor shall be limited to a supervisor in the slot operations department and that department shall establish a sign out and sign in procedure with regard to this key.

(v) A slot machine must be equipped with a mechanism for detecting and communicating to a slot monitoring system any activity with regard to access to the card cage door securing its microprocessor.

(w) A slot machine that does not require a full-time attendant for operation must be equipped with a service button designed to allow the player of a slot machine to request assistance. The service button must:

(1) Be visible to and within easy reach of the player of the slot machine.

(2) Communicate directly or through the slot machine to the slot machine's tower light which will provide a signal that is in compliance with the technical standards on slot machine tower lights under § 461b.2 (relating to slot machine tower lights and error conditions).

(x) A slot machine approved for use in a licensed facility must be configured to wager credits available for play in the following order:

(1) Noncashable credits.

(2) Cashable credits.

(y) A slot machine on the gaming floor must have a label on the top of the slot machine and on the front of the slot machine near the bill validator that displays the asset number and the gaming floor plan location number of the slot machine. The labels must have white lettering on a black background or other color combination approved by the Bureau of Gaming Operations may not be easily removed and must be easily visible to the surveillance department. The label on the top of the slot machine must be at least 1.5 inches by 5.5 inches and the label on the front of the slot machine must be a least 1 inch by 2.5 inches or other sizes approved by the Bureau of Gaming Operations.

§ 461a.8. Gaming vouchers.

(a) A slot machine licensee may utilize gaming vouchers and a gaming voucher system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) The design specifications for a gaming voucher, the voucher verification methodologies utilized and any limitation on the value of a gaming voucher must be in compliance with technical standards on gaming vouchers under § 461b.3 (relating to gaming vouchers).

(c) The design specifications for a gaming voucher system must be in compliance with technical standards on gaming voucher systems under § 461b.3.

(d) Prior to issuing a gaming voucher, a slot machine licensee shall establish a system of internal controls for the issuance and redemption of gaming vouchers. The internal controls shall be submitted and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols) and address:

(1) Procedures for assigning an asset number and identifying other redemption locations in the system, and enabling and disabling voucher capabilities for slot machines, fully automated electronic gaming tables, electronic wagering terminals and redemption locations.

(2) Procedures for issuance, modification and termination of a unique system account for each user in accordance with technical standards under § 461b.3.

(3) Procedures used to configure and maintain user passwords in accordance with technical standards under § 461b.3.

(4) Procedures for restricting special rights and privileges, such as administrator and override capabilities, in accordance with technical standards under § 461b.3.

(5) The duties and responsibilities of the information technology, internal audit, slot operations and finance departments, respectively, and the level of access for each position with regard to the gaming voucher system.

(6) A description of physical controls on all critical hardware such as locks and surveillance, including the location and security protocols applicable to each piece of equipment.

(7) Procedures for the backup and timely recovery of critical data in accordance with technical standards under § 461b.3.

(8) Logs used to document and maintain the details of Board-approved hardware and software modifications upon implementation.

(9) Procedures for the payment of the value of unredeemed gaming vouchers, which individually or in the aggregate equal $25 or more, to a patron whose identity can be determined by the slot machine licensee using the slot machine licensee's player tracking system.

(10) Procedures for the retention, tracking and payment of the value of unredeemed gaming vouchers to the State Treasurer as required by Article XIII.1 of The Fiscal Code (72 P. S. §§ 1301.1—1301.28a) regarding the disposition of abandoned and unclaimed property.

(e) The system of internal controls required to be submitted and approved by the Board under subsection (d) must also include the procedures to be applied in the following instances:

(1) The slot machine licensee chooses to pay a patron the value of a gaming voucher notwithstanding the fact that the gaming voucher system is inoperable rendering it unable to determine the validity of the gaming voucher at the time of payment.

(2) The slot machine licensee chooses to pay a patron the value of a gaming voucher notwithstanding the fact that the gaming voucher system failed to verify and electronically cancel the gaming voucher when it was scanned.

(f) At the end of each gaming day, the gaming voucher system must generate reports and the reports must be provided to the finance department, either directly by the system or through the information technology department. The report, at a minimum, must contain the following information:

(1) A report of all gaming vouchers that have been issued which includes the asset number and the serial number of the slot machine, and the value, date and time of issuance of each gaming voucher.

(2) A report of all gaming vouchers that have been redeemed and cancelled by redemption location, including the asset number of the slot machine or location if other than a slot machine, the serial number, the value, date and time of redemption for each voucher, the total value of all gaming vouchers redeemed at slot machines, and the total value of all gaming vouchers redeemed at locations other than slot machines.

(3) The unredeemed liability for gaming vouchers.

(4) The readings on gaming voucher related slot machine meters and a comparison of the readings to the number and value of issued and redeemed gaming vouchers, as applicable.

(5) Exception reports and audit logs.

(g) A slot machine licensee shall immediately report to the Board evidence that a gaming voucher has been counterfeited, tampered with, or altered in any way which would affect the integrity, fairness, reliability or suitability of the gaming voucher.

(h) Upon presentation of a gaming voucher for redemption at a slot machine, fully automated electronic gaming table or electronic wagering terminal, the total value of which gaming voucher cannot be completely converted into an equivalent value of credits that match the denomination of the slot machine, fully automated electronic gaming table or electronic wagering terminal, the slot machine, fully automated electronic gaming table or electronic wagering terminal must perform one of the following procedures:

(1) Automatically issue a new gaming voucher containing the value that cannot be completely converted.

(2) Not redeem the gaming voucher and immediately return the gaming voucher to the patron.

(3) Allow for the additional accumulation of credits on an odd cents meter or a meter that displays the value in dollars and cents.

(i) A slot machine licensee that utilizes a system or a slot machine that does not print a test gaming voucher that is visually distinguishable from a valid gaming voucher whenever the slot machine is tested on the gaming floor must have in place internal controls approved by the Board under § 465a.2 for the issuance of test currency from the cashiers' cage and the return and reconciliation of the test currency and any gaming vouchers printed during the testing process.

(j) Except as provided in subsection (n) with regard to employee redemption of gaming vouchers, a gaming voucher shall be redeemed by a patron for a specific value of cash, slot machine credits, or, at the request of the patron, a check issued by the slot machine licensee in the amount of the gaming voucher surrendered. Notwithstanding the forgoing, a slot machine licensee may not permit a gaming voucher that is presented for redemption to be redeemed if it knows, or has reason to know, that the gaming voucher:

(1) Is materially different from the sample of the gaming voucher approved by the Board.

(2) Was previously redeemed.

(3) Was printed as a test gaming voucher.

(k) Notwithstanding the requirements of subsection (j), if a patron requests to redeem a gaming voucher by mail, the slot machine licensee may effectuate the redemption. However, the gaming voucher may only be redeemed by a cage supervisor in accordance with internal controls approved by the Board under § 465a.2, which include the following:

(1) Procedures for using the gaming voucher system to verify the validity of the serial number and value of the voucher, which, if valid, must be immediately cancelled electronically by the system.

(2) Procedures for the issuance of a check equal to the value of the voucher.

(l) Gaming vouchers redeemed at cashiering locations shall be transferred to the finance department on a daily basis. Gaming vouchers redeemed by slot machines, fully automated electronic gaming tables and electronic wagering terminals shall be counted in the count room and forwarded to the finance department upon the conclusion of the count process. Gaming vouchers redeemed at automated gaming voucher redemption machines shall be forwarded to finance upon the conclusion of the cashiers' cage reconciliation process. Finance department representatives with no incompatible functions shall perform, at a minimum, the following:

(1) On a daily basis:

(i) Compare gaming voucher system report data to any count room system report data available for that gaming day to ensure proper electronic cancellation of the gaming voucher.

(ii) Calculate the unredeemed liability for gaming vouchers, either manually or by means of the gaming voucher system.

(2) On a weekly basis, compare appropriate slot machine meter readings to the number and value of issued and redeemed gaming vouchers per the gaming voucher system. Meter readings obtained through a slot monitoring system may be utilized to complete this comparison.

(m) A slot machine licensee shall provide written notice to the Bureau of Gaming Laboratory Operations of any adjustment to the value of any gaming voucher. The notice shall be made prior to, or concurrent with, the adjustment.

(n) Employees of a slot machine licensee who are authorized to receive gratuities under § 465a.19 (relating to acceptance of tips or gratuities from patrons) may only redeem gaming vouchers given as gratuities at a cashiers' cage. Gaming vouchers valued at more than $100 shall only be redeemed at the cashiers' cage with the approval of the supervisor of the cashier conducting the redemption transaction.

(o) A gaming voucher system must be configured to alert a slot machine licensee to any malfunction. Following a malfunction of a system, a slot machine licensee shall notify the Bureau of Gaming Laboratory Operations and the casino compliance representatives at the licensed facility within 24 hours of the malfunction and may not utilize the system until the malfunction has been successfully eliminated. Notwithstanding the foregoing, the Bureau of Gaming Laboratory Operations may permit a slot machine licensee to utilize the system prior to its being successfully restored, for a period not to exceed 72 hours, provided that:

(1) The malfunction is limited to a single storage media device, such as a hard disk drive.

(2) In addition to the malfunctioning storage media device, the system contains a backup storage media device not utilized in the normal operation of the system. The backup device must immediately and automatically replace the malfunctioning device to permit a complete and prompt recovery of all information in the event of an additional malfunction.

(3) Continued use of the malfunctioning system would not inhibit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.

(p) Other than a modification to a gaming voucher system required on an emergency basis to prevent cheating or malfunction and approved by the Board under § 461a.4(m), a modification to a gaming voucher system may not be installed without the gaming voucher system having undergone the testing and approval process required under § 461a.4.

§ 461a.9. Coupons utilized in slot machine gaming.

(a) A slot machine licensee may utilize coupons and a coupon system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and

approval) and complies with technical standards on coupon systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(b) The design specifications for a coupon, the expiration terms applicable thereto, the coupon verification methodologies utilized, and any limitation on the value of a coupon must be in compliance with technical standards on coupons adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(c) A coupon shall be designed and manufactured with sufficient graphics or other security measures, to permit the proper verification of the coupon. A coupon must contain, at a minimum, the following information:

(1) The name or trade name of the slot machine licensee. If the slot machine licensee is affiliated with a casino licensee in any other jurisdiction with an identical or similar name or trade name, the name of the Pennsylvania location must be evident on the coupon.

(2) The value of the coupon, in both numbers and words.

(3) A unique serial number, which is automatically generated by the system in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(4) The locations where the coupon may be redeemed and restrictions regarding redemption.

(5) An indication of the date on which the coupon becomes invalid.

(6) A bar code or magnetic strip which enables the coupon system to establish the validity of the coupon and its value in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(d) Prior to issuing a coupon, a slot machine licensee shall establish a system of internal controls for the issuance and redemption of coupons. The internal controls shall be submitted to, and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

§ 461a.10. Automated gaming voucher and coupon redemption machines.

(a) A slot machine licensee may utilize an automated gaming voucher and coupon redemption machine that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) Automated gaming voucher and coupon redemption machines may be located on or proximate to the gaming floor of a licensed facility and must be subject to surveillance coverage under § 465a.9 (relating to surveillance system; surveillance department control; surveillance department restrictions). Each automated gaming voucher and coupon redemption machine must

have a label on the top of the automated gaming voucher and coupon redemption machine and on the front of the automated gaming voucher and coupon redemption that displays the asset number of the automated gaming voucher and coupon redemption machine. The labels must have white lettering on a black background or other color combination approved by the Bureau of Gaming Operations and may not be easily removed. The label on the top of the automated gaming voucher and redemption machine must be at least 1.5 inches by 5.5 inches and the label on the front of the automated gaming voucher and coupon redemption machine must be at least 1 inch by 2.5 inches or other sizes approved by the Bureau of Gaming Operations.

(c) An automated gaming voucher and coupon redemption machine must have the capability of establishing the validity of a gaming voucher or coupon by comparing the instrument's unique serial number, automatically generated by the respective gaming voucher or coupon system in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site with electronic records within the gaming voucher system or coupon system.

(d) The methods utilized to comply with the requirements of subsection (c) shall be submitted to and approved by the Board under § 461a.4 in the context of the testing of a gaming voucher system or coupon system.

(e) An automated gaming voucher and coupon redemption machine may function as a bill breaker changing bills of one denomination into bills of a smaller denomination.

(f) An automated gaming voucher and coupon redemption machine must contain a lockable gaming voucher, coupon and currency storage box which retains any gaming vouchers, coupons or currency accepted by the machine. The gaming voucher, coupon and currency storage box located inside the machine must also have imprinted, affixed or impressed thereon the asset identification number of the corresponding machine.

(g) An automated gaming voucher and coupon redemption machine must have, at a minimum, the following:

(1) One lock securing the compartment housing the storage box and one lock securing the storage box within the compartment, the keys to which must be different from each other.

(2) One lock securing the compartment housing the currency cassettes.

(3) One lock securing the contents of the storage box, the key to which must be different from the keys referenced in paragraphs (1) and (2).

(h) An automated gaming voucher and coupon redemption machine must be designed to resist forced illegal entry.

(i) An automated gaming voucher and coupon redemption machine's currency cassettes must be designed to preclude access to its interior.

(j) Access controls relating to the operating system or applications of the automated gaming voucher and coupon redemption machine, and ancillary systems, applications and equipment associated with the reconciliation thereof, must employ security measures that require authentication of the user and recording and maintaining of data regarding access and modifications made. Authentication must be in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(k) A gaming voucher or coupon accepted by an automated gaming voucher and coupon redemption machine shall be cancelled immediately upon exchange in a manner that effectively prevents its subsequent redemption by the cashiers' cage, another automated gaming voucher and coupon redemption machine or its acceptance in a slot machine, fully automated electronic gaming table or electronic wagering terminal bill validator. The methods utilized to comply with this requirement must be in accordance with this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(l) An automated gaming voucher and coupon redemption machine must be designed to be impervious to outside influences, interference from electro-magnetic, electro-static and radio frequencies and influence from ancillary equipment.

(m) An automated gaming voucher and coupon redemption machine must include a means to protect against transaction failure and data loss due to power loss.

(n) An automated gaming voucher and coupon redemption machine must detect, display and record electronically the following error conditions: power reset; door open; door just closed and system communication loss. These error conditions may be automatically cleared by the automated gaming voucher and coupon redemption machine when the condition no longer exists and upon completion of a new transaction.

(o) An automated gaming voucher and coupon redemption machine must detect, display and record electronically the error conditions in paragraphs (1)--(4). These error conditions must disable the automated gaming voucher and coupon redemption machine and prohibit new transactions.

(1) Failure to make payment, if the gaming voucher or coupon is not returned and no receipt is issued.

(2) Failure to make complete payment if a receipt for the unpaid amount is not issued.

(3) Bill validator failure.

(4) Printer failure due to printer jam or lack of paper.

(p) An automated gaming voucher and coupon redemption machine must be designed to evaluate whether sufficient funds are available before stacking the voucher and completing the transaction.

(q) An automated gaming voucher and coupon redemption machine must be capable of maintaining synchronization between its real time clock and that of the gaming voucher system and coupon system.

(r) An automated gaming voucher and coupon redemption machine must be equipped with electronic digital storage meters that accumulate the following information. The information must be readily available through system reports. When a value is maintained, the value must be in dollars and cents.

(1) *Physical coin out*. The total value, by denomination, of coins paid by the automated gaming voucher and coupon redemption machine.

(2) *Voucher in--value*. The value of cashable gaming vouchers accepted.

(3) *Voucher in--count*. The number of cashable gaming vouchers accepted.

(4) *Coupon in--value*. The value of cashable coupons accepted.

(5) *Coupon in--count*. The number of cashable coupons accepted.

(6) *Bill in*. The value of currency accepted by the automated gaming voucher and coupon redemption machine. An automated gaming voucher and coupon redemption machine must also have specific meters for each denomination of currency accepted that records the number of bills accepted.

(7) *Bill out*. The total value of currency dispensed. An automated gaming voucher and coupon redemption machine must also provide for specific meters for each denomination of currency dispensed that record the number of bills dispensed.

(8) *Additional requirements*. Other meters as may be required by technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(s) An automated gaming voucher and coupon redemption machine must have the capacity to record and retain, in an automated transaction log, all critical transaction history for at least 30 days. Transaction history must include records with the date, time, amount and disposition of each complete and incomplete transaction, error conditions, logical and physical access and attempted access to the automated gaming voucher and coupon redemption machine. If an automated gaming voucher and coupon redemption machine is capable of redeeming multiple vouchers and coupons in a single transaction, the transaction history must include a breakdown of the transaction with regard to the individual gaming vouchers and coupons.

(t) An automated gaming voucher and coupon redemption machine or ancillary systems, applications and equipment associated with the reconciliation thereof, must be capable of producing the following reports upon request:

(1) *Gaming voucher transaction report*. The report must include the disposition (paid, partial pay, unpaid) of gaming vouchers accepted by an automated gaming voucher and coupon redemption machine which must include the validation number, the date and time of redemption, amount requested and the amount dispensed. This information must be available by reconciliation period which may be by day, shift or drop cycle.

(2) *Coupon transaction report*. This report must include the disposition (paid, partial pay, unpaid) of coupons accepted by an automated gaming voucher and coupon redemption machine which must include the unique serial number, the date and time of redemption, amount requested and the amount dispensed. The information must be available by reconciliation period which may be by day, shift or drop cycle.

(3) *Reconciliation report*. The report must include the following:

(i) Report date and time.

(ii) Unique asset identification number of the machine.

(iii) Total cash balance of the currency cassettes.

(iv) Total count of currency accepted by denomination.

(v) Total dollar amount of vouchers accepted.

(vi) Total count of gaming vouchers accepted.

(vii) Total dollar amount of coupons accepted.

(viii) Total count of coupons accepted.

(4) *Gaming voucher, coupon and currency storage box report*. The report must be generated, at a minimum, whenever a gaming voucher, coupon and currency storage box is removed from an automated gaming voucher and coupon redemption machine. The report must include the following:

(i) Report date and time.

(ii) Unique asset identification number of the machine.

(iii) Unique identification number for each storage box in the machine.

(iv) Total value of currency accepted.

(v) Total number of bills accepted by denomination.

(vi) Total count of gaming vouchers accepted.

(vii) Total count of coupons accepted.

(5) *Transaction report*. The report must include all critical patron transaction history including the date, time, amount and disposition of each complete and incomplete transaction. If an automated gaming voucher and coupon redemption machine is capable of redeeming multiple vouchers or coupons in a single transaction, the transaction history must include a breakdown of the transaction with regard to the individual gaming vouchers and coupons accepted.

§ 461a.11. (Reserved).

§ 461a.12. Progressive slot machines.

(a) A progressive slot machine may stand alone or be linked with other progressive slot machines.

(b) Each slot machine that offers a progressive jackpot must have:

(1) A progressive meter, visible from the front of the slot machine, which may increase in value based upon wagers, that advises the player of the amount which can be won if the player receives the combination on the slot machine that awards the progressive jackpot.

(2) A slot machine paid progressive payout meter in accordance with § 461a.7(g) (relating to slot machine minimum design standards).

(3) A slot attendant paid progressive payout meter in accordance with § 461a.7(g).

(4) A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid directly by the slot machine or by a slot attendant.

(5) A key and key switch or other reset mechanism to reset the progressive meter or meters.

(6) A key locking the compartment housing the progressive meter or meters or other means by which to preclude any unauthorized alterations to the progressive meters. The key or alternative security method must be different than the key or reset mechanism in paragraph (5).

(7) If the progressive controller is not secured in a slot machine, the progressive controller:

(i) Must be maintained in a secure area approved by the Bureau of Gaming Laboratory Operations.

(ii) Must be dual key controlled with one key controlled by the slot operations department and the other key controlled by a different designated department with no incompatible functions, as specified in the licensee's internal controls.

(iii) May not be accessed until the Bureau of Gaming Laboratory Operations is electronically notified.

(c) In addition to the requirements in subsection (b), a slot machine that is connected to a common progressive meter for the purpose of offering the same progressive jackpot on two or more slot machines must:

(1) Have the same probability of hitting the combination that will award the progressive jackpot as every other slot machine linked to the common progressive meter.

(2) Require that the same amount in wager be invested to entitle the player to a chance at winning the progressive jackpot and that each increase in wager increment the progressive meter by the same rate of progression as every other slot machine linked to the common progressive meter.

(d) Notwithstanding the provisions of subsection (c), two or more linked slot machines offering the same progressive jackpot may be of different denominations or have different wagers, or both, required to win the progressive jackpot, provided that:

(1) The probability of winning the progressive jackpot is directly proportional to the wager required to win that jackpot.

(2) Notice indicating the proportional probability of hitting the progressive jackpot on the linked progressive system is conspicuously displayed on each linked slot machine.

(e) A slot machine licensee seeking to utilize a linked slot machine shall submit for approval in accordance with § 461a.4 (relating to submission for testing and approval) the location and manner of installing any progressive meter display mechanism.

(f) A slot machine that offers a progressive jackpot may not be placed on the gaming floor until the slot machine licensee or, as applicable, the slot system operator, has submitted the following to the Bureau of Gaming Laboratory Operations for review and approval in accordance with § 461a.4:

(1) The initial and reset amounts at which the progressive meter or meters will be set.

(2) The proposed system for controlling the keys and applicable logical access controls to the slot machines.

(3) The proposed rate of progression for each progressive jackpot.

(4) The proposed limit for the progressive jackpot, if any.

(5) The calculated probability of winning each progressive jackpot. The probability may not exceed 50 million to 1. Notwithstanding the foregoing, this paragraph does not apply to a jackpot with a probability that may exceed 50 million to 1 during the game cycle due solely to the intervening occurrence of free play awards between the activation of a play and the award of the jackpot.

(g) A slot machine that offers either a new progressive jackpot or undergoes a modification or RAM clear of an existing progressive jackpot may not be made available for play by the public until the slot machine has been tested and certified by the Bureau of Gaming Laboratory Operations. For purposes of this subsection, a modification includes any change in the software, hardware, including controllers, and any associated equipment that relates to progressive functionality.

(h) Progressive jackpot meters may not be turned back to a lesser amount unless one of the following occurs:

(1) The amount indicated has been actually paid to a winning patron and the progressive jackpot amount has been recorded in accordance with a system of internal controls approved under § 465a.2 (relating to internal control systems and audit protocols).

(2) With written approval, the progressive jackpot has been transferred to another progressive slot machine or wide area progressive system in accordance with subsection (k)(4).

(3) The change is necessitated by a slot machine or meter malfunction. An explanation for the change shall be entered on the progressive slot summary required under this subpart and the Bureau of Gaming Laboratory Operations shall be notified of the resetting in writing.

(i) Once an amount appears on a progressive meter, the probability of hitting the combination that will award the progressive jackpot may not be decreased unless the progressive jackpot has been won by a patron, has been transferred to another progressive slot machine or wide area progressive system or has been removed in accordance with subsection (k).

(j) When a slot machine has a progressive meter with digital limitations on the meter, the slot machine licensee shall set a limit on the progressive jackpot not to exceed the display capability of the progressive meter.

(k) A slot machine licensee or, as applicable, a slot system operator, may limit, transfer or terminate a progressive jackpot offered on a gaming floor only under the following circumstances:

(1) A slot machine licensee may establish a payout limit for a progressive jackpot provided that the payout limit is greater than the then current payout amount on the progressive jackpot meter. The slot machine licensee shall provide notice to and receive written approval from the Bureau of Gaming Laboratory Operations prior to the imposition of a payout limit on a progressive meter or a modification thereto.

(2) A slot machine licensee may terminate a progressive jackpot concurrent with the winning of the progressive jackpot provided its slot machine program or progressive controller was configured prior to the winning of the progressive jackpot to establish a fixed reset amount with no progressive increment.

(3) A slot machine licensee may immediately and permanently remove one or more linked slot machines from a gaming floor, provided that:

(i) When the slot machine is part of a wide area progressive system offered at multiple licensed facilities, the slot machine licensee retains at least one linked slot machine offering the same progressive jackpot on its gaming floor.

(ii) When the progressive jackpot is only offered in a single licensed facility, at least two linked slot machines offering the same progressive jackpot remain on the gaming floor.

(4) A slot machine licensee may transfer a progressive jackpot amount on a stand alone slot machine or the common progressive jackpot on an entire link of slot machines with a common progressive meter, including a wide area progressive system, from a gaming floor provided the slot machine licensee receives written approval from the Bureau of Gaming Laboratory Operations prior to the transfer and the accrued amount minus the seed amount of the progressive jackpot is:

(i) Transferred in its entirety.

(ii) Transferred to one of the following:

(A) The progressive meter for a slot machine or wide area progressive system with the same or similar probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot, and the same type of progressive jackpot (cash, annuity, annuity/cash option or a combination/alternate jackpot).

(B) The progressive meters of two separate slot machines or wide area progressive systems, provided that each slot machine or wide area progressive system to which the jackpot is transferred individually satisfies the requirements of clause (A).

(iii) Notice of intent to transfer the progressive jackpot is conspicuously displayed on the front of each slot machine for at least 30 days.

(5) If a transfer cannot be made in accordance with subsection (k)(4) or with good cause shown, a slot machine licensee may remove progressive functionality, change the game theme or permanently remove a stand alone progressive slot machine, an entire link of slot machines with a common progressive jackpot or an entire wide area progressive system from a gaming floor, provided:

(i) Notice of intent to remove the progressive slot machines or wide area progressive systems is conspicuously displayed on the front of each slot machine for at least 30 days.

(ii) Prior to posting the notice of intent required under subsection (k)(5)(i), the slot machine licensee receives written approval from the Bureau of Gaming Laboratory Operations to remove the progressive slot machines or wide area progressive systems.

(l) Progressive slot machines and wide area progressive systems removed from the gaming floor in accordance with subsection (k)(5) may not be returned to the gaming floor for 90 days.

(m) The amount indicated on the progressive meter or meters and coin in meter on each slot machine governed by subsection (b) shall be recorded on a progressive slot summary report at least once every 7 calendar days and each report shall be signed by the preparer. If not prepared by the finance department, the progressive slot summary report shall be forwarded to the finance department by the end of the gaming day on which it is prepared. A representative of the finance department shall be responsible for calculating the correct amount that should appear on a progressive meter. If an adjustment to the progressive meters is necessary, the adjustment shall be made by a member of the slot operations department as follows:

(1) Supporting documentation shall be maintained to explain any addition or reduction in the registered amount on the progressive meter. The documentation must include the date, asset number of the slot machine, the amount of the adjustment and the signatures of the finance department member requesting the adjustment and of the slot operations department member making the adjustment.

(2) The adjustment must be effectuated within 48 hours of the meter reading.

(n) Except as otherwise authorized by this section, a slot machine offering a progressive jackpot that is temporarily removed from the gaming floor shall be returned to active play or replaced on the gaming floor within 5 gaming days. The amount on the progressive meter or meters on the returned or replacement slot machine may not be less than the amount on the progressive meter or meters at the time of removal. This subsection does not apply to the temporary removal by a slot machine licensee, for a period not to exceed 30 days, of all linked slot machines that are part of a particular wide area progressive system, provided that the progressive jackpot offered by the temporarily removed slot machines remains available on slot machines that are part of the same wide area progressive system in another licensed facility.

(o) When a slot machine is located adjacent to a slot machine offering a progressive jackpot, the slot machine licensee shall conspicuously display a notice advising patrons that the slot machine is not participating in the progressive jackpot of the adjacent slot machine.

§ 461a.13. Wide area progressive systems.

(a) Two or more slot machine licensees may, with the prior written approval of the Board as required under subsection (c), operate a wide area progressive system.

(b) A wide area progressive system shall at all times be installed and operated in accordance with relevant requirements of the act and this subpart.

(c) A wide area progressive system shall be operated and administered by participating slot machine licensees in accordance with the terms and conditions of a written agreement executed by the participating slot machine licensees. The agreement shall be referred to as a slot system agreement. Slot system agreements must be submitted in writing and approved by the Board prior to implementation.

(d) Slot machine licensees participating in a slot system agreement may delegate, in whole or in part, the operation and administration of a wide area progressive system to a licensed manufacturer provided that the slot system agreement is executed by the licensed manufacturer and its express terms are approved by the Board. The persons designated in a slot system agreement as being responsible for the operation and administration of a wide area progressive system shall be referred to as the slot system operator.

(e) An agreement between a licensed manufacturer and a slot machine licensee under which a licensed manufacturer sells, leases or services a wide area progressive system will not constitute a slot service agreement unless the agreement also covers operation and administration of the wide area progressive system.

(f) Slot system agreements providing for the operation and administration of a wide area progressive system must identify and describe with specificity the duties, responsibilities and authority of each participating slot machine licensee and each slot system operator including all of the following:

(1) Details with regard to the terms of compensation for the slot system operator. The agreement must address to what extent, if any, the slot system operator is receiving compensation based directly or indirectly on an interest, percentage or share of a slot machine licensee's revenue, profits or earnings from the operation of the wide area progressive system.

(2) Responsibility for the funding and payment of all jackpots, fees and gross terminal revenue taxes associated with the operation of the wide area progressive system.

(3) Control and operation of the computer monitoring room required under subsection (g).

(4) A description of the process by which significant decisions with regard to the operation of the wide area progressive system are approved and implemented by the participating slot machine licensees and slot system operator.

(5) When applicable, the terms of apportionment of responsibility for establishing and servicing any trust agreement associated with any annuity jackpot offered by the wide area progressive system.

(6) Responsibility for generating, filing and maintaining the records and reports required under the act and this part.

(g) A wide area progressive system shall be controlled and operated from a computer monitoring room. The computer monitoring room must:

(1) Be under the sole possession and control of, and maintained and operated by, employees of the slot system operator designated in the slot system agreement for that system. The employees of the slot system operator may be required to obtain a license or permit if the Board determines, after a review of the work being performed, the employees require a license or permit for the protection of the integrity of gaming.

(2) Have its monitoring equipment subjected to surveillance coverage either by the surveillance system of a slot machine licensee participating in the slot system agreement or by a dedicated surveillance system maintained by the slot system operator.

(3) Be accessible through a locked door. The door must be alarmed in a manner that audibly signals the surveillance monitoring room for the surveillance system elected under paragraph (2).

(4) Have a computer monitoring room entry log. The log must be:

(i) Kept in the computer monitoring room.

(ii) Maintained in a book with bound numbered pages that cannot be readily removed.

(iii) Signed by each person entering the computer monitoring room who is not an employee of the slot system operator expressly employed in the computer monitoring room on his assigned shift. Entries must contain all of the following:

(A) The date and time of entering and exiting the room.

(B) The name, department or employer, when applicable, gaming license or permit number of the person entering and exiting the room and of the person authorizing the entry.

(C) The reason for entering the computer monitoring room.

(5) Reside within a participating licensed facility or other approved location.

(h) A slot system agreement submitted to the Board for approval must be accompanied by a proposed system of internal controls addressing all of the following:

(1) Transactions directly or indirectly relating to the payment of progressive jackpots including the establishment, adjustment, transfer or removal of a progressive jackpot amount and the payment of any fees or taxes associated therewith.

(2) The name, employer, position and gaming license status of any person involved in the operation and control of the wide area progressive system.

(i) The Bureau of Licensing must review the persons identified in subsection (h)(2) and determine, based on an analysis of specific duties and responsibilities, which persons will be licensed to what level in this Commonwealth.

(j) A slot system operator may not commence operation and administration of a wide area progressive system under the terms of a slot system agreement until the agreement itself and the internal controls required under subsection (h) have been approved and the slot system operator has complied with any licensing requirements under subsection (i).

(k) When a slot system agreement involves payment to a licensed manufacturer, functioning as a slot system operator, of an interest, percentage or share of a slot machine's licensee's revenue, profits or earnings from the operation of a wide area progressive system, the Board will evaluate the slot system agreement to determines if the total amounts paid to the licensed manufacturer under the terms of the agreement are commercially reasonable for the operational and administrative services provided.

(l) Each party to a slot system agreement shall be liable for acts, omissions and violations of the act and this part related to its own individual duties and responsibilities under the slot system agreement, unless the slot system agreement specifically provides that the parties will be jointly and severally liable.

(m) The Executive Director may waive one or more of the technical requirements applicable to wide area progressive systems adopted by the Board upon a determination that the wide area progressive system as configured nonetheless meets the operational integrity requirements of the act and this part.

§ 461a.14. Slot machine, fully automated gaming tables and electronic wagering terminal monitoring systems.

(a) A slot machine licensee may utilize a slot monitoring system which has an interface between it and slot machines, fully automated electronic gaming tables, electronic wagering terminals and related systems that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) A slot monitoring system must comply with the act, this subpart and technical standards on slot monitoring systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 461a.15. Casino management systems.

(a) A slot machine licensee may utilize a casino management system which has an interface between it and slot machines, table games, table game devices and related systems tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) A casino management system must comply with the act, this subpart and technical standards on casino management systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 461a.16. Player tracking systems.

(a) A slot machine licensee may utilize a player tracking system which has an interface between it and slot machines, table games, table game devices and related systems tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) A player tracking system may not include individuals who are under 21 years of age.

(c) Employees of a slot machine licensee who can view, print or copy any of the information in the slot machine licensee's player tracking system shall be licensed as a key employee or hold an occupation permit. This subsection does not apply to employees of the slot machine licensee that are members of a corporate reservations department whose duties and responsibilities do not require the employee to be located within this Commonwealth.

(d) A player tracking system must comply with the act, this subpart and technical standards on player tracking systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 461a.17. External bonusing systems.

(a) A slot machine licensee may utilize an external bonusing system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) The combination of the slot machine theoretical payout percentage plus the bonus awards generated by an external bonusing system cannot equal or exceed 100% of the theoretical payout for a slot machine on which the external bonus award is available.

(c) A slot machine connected to an external bonusing system must satisfy the minimum theoretical payout percentage required under this subpart without the contribution of any external bonus award available on the slot machine.

(d) An external bonusing system must comply with the act, this subpart and technical standards on external bonusing systems adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 461a.18. Cashless funds transfer systems.

(a) A slot machine licensee may utilize a cashless funds transfer system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) A cashless funds transfer system must comply with the act, this subpart and technical standards on cashless funds transfer systems adopted by the Board, published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(c) Prior to utilizing a cashless funds transfer system, a slot machine licensee shall establish a system of internal controls applicable to the cashless funds transfer system. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The internal control procedures submitted by the slot machine licensee must address the integrity, security and control of its cashless funds transfer system and include:

(1) An overview of the system design.

(2) System access controls and restrictions.

(3) Override policies and restrictions.

(4) Backup and recovery procedures.

(5) Logical and physical access controls and restrictions.

(6) Network security.

(7) Procedures for handling customer disputes.

(d) Transfer of electronic credits to a slot machine under this section shall be initiated by a patron using an access control. Access controls must require the use of a unique access code for each patron. The access code shall be selected by and only available to the patron.

(e) A record of every transfer of electronic credits to a slot machine under this section shall be maintained by the slot machine licensee and shall be identified by, at a minimum, the date, time and the asset number of the slot machine to which the transfer occurred and an identification number assigned to the patron who initiated the transaction. The identification number assigned to a patron for the purposes of this section must be different from the unique access code selected by the patron as part of an access control.

§ 461a.19. Remote system access.

(a) In emergency situations or as an element of technical support, an employee of a licensed manufacturer may perform analysis of, or render technical support with regard to, a slot machine licensee's slot monitoring system, casino management system, player tracking system, external bonusing system, cashless funds transfer system, wide area progressive system, gaming voucher system or other Board-approved system from a remote location.

(b) Remote system access shall be performed in accordance with all of the following procedures:

(1) Only an employee of a licensed manufacturer who is licensed as a gaming employee or key employee in this Commonwealth may remotely access a system sold, leased or otherwise distributed by that licensed manufacturer for use at a licensed facility.

(2) The slot machine licensee shall establish a unique system account for each employee of a licensed manufacturer identified by his employer as potentially required to perform technical support from a remote location. System access afforded under this section shall:

(i) Be restricted in a manner that requires the slot machine licensee's information technology department to receive prior notice from the licensed manufacturer of its intent to remotely access a designated system.

(ii) Require the slot machine licensee to take affirmative steps, on a per access basis, to activate the licensed manufacturer's access privileges.

(iii) Be designed to appropriately limit the ability of a person authorized under this section to deliberately or inadvertently interfere with the normal operation of the system or its data.

(3) A log shall be maintained by both the licensed manufacturer and the slot machine licensee's information technology department. Each of the two logs must contain, at a minimum, all of the following information:

(i) The system accessed, including manufacturer and version number.

(ii) The type of connection (that is, leased line, dial in modem or private WAN).

(iii) The name and license number of the employee remotely accessing the system.

(iv) The name and license number of the information technology department employee activating the licensed manufacturer's access to the system.

(v) The date, time and duration of the connection.

(vi) The reason for the remote access including a description of the symptoms or malfunction prompting the need for remote access to the system.

(vii) Action taken or further action required.

(4) Communications between the licensed manufacturer and any of the systems identified in subsection (a) shall occur using a dedicated and secure communication facility such as a leased line approved in writing by the Board.

(c) Prior to granting remote system access, a slot machine licensee shall establish a system of internal controls applicable to remote system access. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The internal control procedures submitted by the slot machine licensee shall be designed to protect the physical integrity of the systems listed in subsection (a) and the related data and be capable of limiting the remote access to the system or systems requiring technical support.

(d) Any modification of, or remedial action taken with respect to, an approved system shall be processed and approved by the Board in accordance with the standard modification provisions submitted under § 461a.4(h) (relating to submission for testing and approval) or the emergency modification provisions of § 461a.4(l).

(e) If an employee of a licensed manufacturer is no longer employed by, or authorized by, that manufacturer to remotely access a system under this section, the licensed manufacturer shall immediately notify the Bureau of Gaming Laboratory Operations and each slot machine licensee that has established a unique system account for that employee of the change in authorization and shall timely verify with each slot machine licensee that any access privileges previously granted have been revoked.

(f) The Executive Director may waive one or more of the technical requirements applicable to remote computer access adopted by the Board upon a determination that the

nonconforming remote access procedures nonetheless meet the integrity requirements of the act and this part.

§ 461a.20. Server supported slot systems.

(a) A slot machine licensee may utilize a server supported slot system that complies with the minimum design standards and the submission, testing and approval requirements of §§ 461a.2—461a.7 and 461a.26.

(b) A server supported slot system must:

(1) Be capable of verifying that all component programs on the slot machine server are authentic copies of Bureau of Gaming Laboratory Operations approved component programs.

(2) Automatically verify the authenticity of the copies every 24 hours. A program used to verify the authenticity must reside on the slot machine server and be securely loaded from nonalterable media.

(3) Provide a visual notification identifying the invalid program if an error is detected.

(c) The slot machine licensee shall generate, and make available to Board staff, a report detailing the outcome of each automated verification including notifications identifying any invalid programs.

(d) Administrator access to server supported slot systems require the presence and participation of at least two departments. Dual access may be achieved using split passwords, dual keys or other suitable method. The slot machine licensee shall specify in its internal controls under § 465a.2 (relating to internal control systems and audit protocols) the two departments that have administrator access to the system and the method by which access will be achieved.

(e) A technical field representative shall be notified of the installation and loading of software on an approved slot machine server in accordance with § 461a.26 (relating to testing and software installation on the live gaming floor).

(f) Downloads of slot machine programs or computer files on a server supported slot system and activations, deactivations or changes thereto shall be controlled and implemented using scheduling software approved by the Bureau of Gaming Laboratory Operations. Except as otherwise authorized by the Board, written notice of downloads, schedules and changes shall be provided to the Bureau of Gaming Laboratory Operations, the Bureau of Casino Compliance Representatives and the Department at least 72 hours prior to implementation in accordance with § 461a.26.

(g) Access to slot machine programs or computer files on a server supported slot system may be provided at terminals in secure, restricted locations within the licensed facility as approved by the Bureau of Gaming Laboratory Operations. The slot machine licensee shall

provide read-only access to the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance.

(h) Prior to implementing a change to a feature or reconfiguring the server supported slot machine, the slot machine must be in idle mode for at least 2 minutes without errors or tilt conditions and with no play or credits on the machine.

(i) During the implementation of a change to a feature or the reconfiguration of the server supported slot machine, the slot machine must be disabled and rendered unplayable for at least 1 minute. During that time, a conspicuous message stating that a game configuration is being changed must be continuously displayed either on the slot machine's video screen or in another manner as approved by the Bureau of Gaming Laboratory Operations.

(j) A slot machine server shall, at a minimum, comply with § 461a.19 (relating to remote system access) and the technical standards of § 461b.5 (relating to remote computer access).

(k) A slot machine server:

(1) Shall be maintained in the slot machine server room in a locked computer rack or other secure area approved by the Bureau of Gaming Laboratory Operations.

(2) Must be dual key controlled with one key controlled by the slot operations department and the other key controlled by the information technology department.

(3) May not be accessed unless an employee from the slot operations department, the information technology department and a Board representative are present.

(l) All changes made to the slot machine server shall be stored in an unalterable log which must include, at a minimum:

(1) Time and date of access.

(2) Name and Board issued credential number or other secure username identifier of the person logging in.

(3) Identification numbers of the games added, deleted or changed.

(4) The history of changes to programs on each player terminal.

(5) Changes to the configuration of player terminal settings.

(m) Prior to adding or removing software from a server supported slot machine, changing any configuration or activating or deactivating a slot machine game on a server supported slot machine, a complete set of meter information for the slot machine shall be accurately communicated to a slot machine server, a slot monitoring system or other Board approved slot accounting system.

(n) Communication between the server, slot machine and any interface elements must utilize a protocol that includes proper error detection and recovery mechanisms designed to prevent unauthorized access or tampering, employing Data Encryption Standards or equivalent encryption with secure seeds or algorithms as approved by the Bureau of Gaming Laboratory Operations.

(o) With prior Board approval, a slot machine server may be connected to:

(1) Other slot operating systems of the licensee, including a slot monitoring system, accounting system or gaming voucher system, located in a secure location within the licensed facility where the slot machine server is located.

(2) A computer or other equipment operated by the Board or the Department to monitor and approve activity.

(p) Any approved connection utilized under subsection (o) must include, at a minimum:

(1) A secure, hard-wired, dedicated, exclusive network.

(2) A hardware firewall located between the slot machine server and the slot operating systems utilized by the licensee.

§ 461a.21. Server based slot systems.

(a) The following terms, when used in this section, have the following meanings, unless the context clearly indicates otherwise:

Server based slot machine—A slot machine accessing a server based slot system.

Slot machine server—A computer configured to:

(i) Receive, store, authenticate and download to server supported slot machines Board-approved slot machine games and other approved software. A slot machine server may also be used to effect changes in a server supported slot machine's configuration.

(ii) Receive, store and authenticate Board-approved slot machine games and other approved software for use on server based slot machines.

Server based slot system—A system comprised of one or more server based slot machines connected to a server based slot machine server and its ancillary computer network for the purpose of facilitating access by a server based slot machine to Board-approved slot machine games and other approved software residing on the server based slot machine server.

(b) A slot machine licensee may utilize a server based slot system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(c) A server based slot system must comply with the act, this subpart and technical standards on server based slot systems adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(d) Results from the play or operation of a server based slot machine must be determined solely by the server based slot machine server and not by the individual server based slot machine.

(e) Prior to utilizing a server based slot system, a slot machine licensee shall establish a system of internal controls applicable to the server based slot system. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The internal control procedures submitted by the slot machine licensee must address the integrity, security and control of its server based slot system.

§ 461a.22. Automated jackpot payout machines.

(a) A slot machine licensee may utilize an automated jackpot payout machine that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) An automated jackpot payout machine must have a label on the top of the automated jackpot payout machine and on the front of the automated jackpot payout machine that displays the asset number of the automated jackpot payout machine. The labels must have white lettering on a black background or other color combination approved by the Bureau of Gaming Operations, may not be easily removed and must be easily visible to the surveillance department. The label on the top of the automated jackpot payout machine must be at least 1.5 inches by 5.5 inches and the label on the front of the automated jackpot payout machine must be at least 1 inch by 2.5 inches or other sizes approved by the Bureau of Gaming Operations.

(c) An automated jackpot payout machine must comply with the act, this subpart and technical standards on automated jackpot payout machines adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(d) Prior to commencing use of an automated jackpot payout machine, a slot machine licensee shall establish a comprehensive system of internal controls addressing the payment of jackpot payouts utilizing an automated jackpot payout machine and the distribution of currency or coin, or both, to the machines. The internal controls shall be submitted to, and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(e) An automated jackpot payout machine must have, at a minimum, the following:

(1) One lock securing the outer cabinet housing the operating components of the automated jackpot payout machine, the currency cassettes and the coin storage container. The key to the lock securing the outer cabinet shall be controlled by the slot operations or security department.

(2) One lock securing the compartment housing the currency cassettes, the key to which shall be controlled by the finance department.

(f) An automated jackpot payout machine must be designed to resist forced illegal entry.

(g) An automated jackpot payout machine's currency cassettes must be designed to preclude access to the interior of the currency cassettes. Access to each currency cassette shall be controlled by the finance department.

§ 461a.23. Slot machines and associated equipment utilizing alterable storage media.

(a) *Definition*. The following term, when used in this section, has the following meaning, unless the context clearly indicates otherwise:

Alterable storage media--

(i) Memory or other storage medium, such as an EEPROM, flash, optical or magnetic storage device, that is contained in a slot machine or associated equipment subject to approval under § 461a.4 (relating to submission for testing and approval), that allows the modification of programs or data on the storage media during the normal operation of the slot machine or associated equipment.

(ii) The term does not include:

(A) Memory or other storage medium typically considered to be alterable but through either software or hardware means approved by the Board have been rendered unalterable and remain verifiable by the central control computer system.

(B) Associated equipment using alterable storage media that the Board determines are incapable of influencing the integrity or outcome of game play.

(b) *Use of alterable storage media*. Any use of alterable storage media in a slot machine or associated equipment must be in compliance with the act, this subpart and technical standards on alterable storage media adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 461a.24. Waivers.

(a) The Board may, on its own initiative, waive one or more of the requirements in this chapter or the technical standards applicable to slot machines and associated equipment adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site upon a determination that the nonconforming slot machine or associated equipment or modification as configured meets the operational integrity requirements of the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(b) A manufacturer may submit a written request to the Board for a waiver for one or more of the requirements in this chapter or the technical standards applicable to slot machines and associated equipment adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site. The request must:

(1) Be submitted as a petition under § 493a.4 (relating to petitions generally).

(2) Include supporting documentation demonstrating how the slot machine or associated equipment for which the waiver has been requested will still meet the operational integrity requirements of the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(3) Be approved by the Board.

§ 461a.25. Disputes.

(a) If a dispute arises with a patron, the slot machine licensee shall attempt to resolve the dispute. If the dispute cannot be resolved, the slot machine licensee shall notify the casino compliance representatives at the licensed facility who will attempt to resolve the dispute. If the dispute is not resolved, the casino compliance representative will provide the patron with a Board Patron Dispute/Complaint Form and Instructions for Submitting a Patron Dispute/Complaint and assist the patron in completing the Board Patron Dispute/Complaint Form.

(b) When a patron files a complaint, BIE will conduct an investigation of the complaint.

§ 461a.26. Testing and software installation on the live gaming floor.

(a) Prior to the testing of slot machines, table game devices as described in § 461a.4(c)(12) (relating to submission for testing and approval), associated equipment and displays on a live gaming floor during a slot machine licensee's normal hours of operation, the slot machine licensee shall notify the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance in writing at least 72 hours prior to the test date and receive the required approvals from the Bureau of Gaming Laboratory Operations prior to beginning testing. The notification must include the following:

(1) A detailed narrative description of the type of testing to be conducted, including the reason for the testing, a list of individuals conducting the testing and the slot machine licensee's procedures for conducting the testing.

(2) The date, time and approximate duration of the testing.

(3) The model, slot machine location number and asset number of the slot machine or machines or table game device to be tested.

(4) The location within the licensed facility where the testing will occur.

(b) A slot machine licensee shall notify the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance at least 72 hours prior to the installation of any new software or the installation of any change in previously approved software and receive the required approvals prior to the installation of:

(1) Automated gaming voucher and coupon redemption machines.

(2) Wide area progressive systems.

(3) Slot monitoring systems.

(4) Casino management systems.

(5) Player tracking systems.

(6) External bonusing systems.

(7) Cashless funds transfer systems.

(8) Server supported slot systems.

(9) Server based slot systems.

(10) Automated jackpot payout machines.

(11) Electronic gaming tables.

(12) Fully automated electronic gaming tables.

(13) Progressive table game systems.

(14) Electronic wagering systems.

(15) Additional automated bill breaker machines, automated gaming voucher and coupon redemption machines, automated jackpot payout machines and automated teller machines on the gaming floor.

(16) Gaming voucher systems.

(17) Server supported slot systems.

(18) Server based slot systems.

(19) Hybrid gaming tables.

(20) Electronic wagering terminals.

(c) The notification required under subsection (b) must include:

(1) A description of the reasons for the new installation or change in previously approved software.

(2) A list of the current computer components, software identifications or versions that are to be modified or replaced.

(3) A list of the proposed computer components, software identifications or versions that will modify or replace the existing components or software.

(4) The method to be used to complete the proposed installation.

(5) The date and time that the proposed modification will be installed and the estimated time for completion.

(6) The name, title and employer of the persons performing the installation.

(7) The plan to handle disruptions, if any, to the gaming floor.

(8) The approximate length of time the gaming floor or systems will be disrupted.

(9) Plans for system backup prior to any proposed installation.

§ 461a.27. RAM clear.

(a) When a slot machine licensee becomes aware of a nonresponsive slot machine, fully automated electronic gaming table, hybrid gaming table or electronic wagering terminal and communication between the slot machine, fully automated electronic gaming table, hybrid gaming table or electronic wagering terminal and the central control computer cannot be reestablished, the slot machine licensee shall immediately notify the Department's operator of the central control computer and the casino compliance representatives at the licensed facility. The slot machine licensee may not do a RAM clear on the affected slot machine, fully automated electronic gaming table, electronic wagering terminal or associated equipment until a casino compliance representative has recorded the information on the financial meters.

(b) For planned RAM clears, the slot machine licensee shall provide notice to the Department's operator of the central control computer and the casino compliance representatives at the licensed facility at least 48 hours prior to the scheduled RAM clear. A second notice shall be provided to the Department's operator of the central control computer and the casino compliance representatives at the licensed facility immediately prior to actually conducting the RAM clear.

CHAPTER 463a. POSSESSION OF SLOT MACHINES, ELECTRONIC WAGERING TERMINALS AND FULLY AUTOMATED ELECTRONIC GAMING TABLES

Sec.

463a.1. Possession of slot machines, electronic wagering terminals and fully automated electronic gaming tables generally.
463a.2. Transportation of slot machines, electronic wagering terminals and fully automated electronic gaming tables into, within and out of this Commonwealth.
463a.3. Slot machine, electronic wagering terminal and fully automated electronic gaming table location on the gaming floor.
463a.4. Notice and connection to the central control computer system.
463a.5. Slot Machine, electronic wagering terminal and fully automated electronic gaming table master lists.
463a.6. (Reserved).
463a.7. Off premises storage of slot machines, electronic wagering terminals and fully automated electronic gaming tables.

§ 463a.1. Possession of slot machines, electronic wagering terminals and fully automated electronic gaming tables generally.

(a) Except as otherwise provided in this section and 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.), a person may not possess any slot machine, electronic wagering terminal or fully automated electronic gaming table within this Commonwealth that may be used for gambling activity.

(b) The following persons and any employee or agent acting on their behalf may possess slot machines, electronic wagering terminals or fully automated electronic gaming tables in this Commonwealth for the purposes described herein provided that slot machines, electronic wagering terminals or fully automated electronic gaming tables located outside of a licensed facility may not be used for gambling activity:

(1) A slot machine licensee, for the purpose of maintaining for use, training or operating slot machines in a licensed facility.

(2) The holder of a manufacturer license for the purpose of manufacturing, exhibiting, demonstrating, training or preparing for transfer to a manufacturer designee licensee, supplier licensee or slot machine licensee.

(3) The holder of a manufacturer designee license or supplier license for the purpose of distributing, repairing, servicing, exhibiting or demonstrating slot machines or fully automated electronic gaming tables and any training with regard thereto.

(4) An educational institution for the purpose of teaching slot machine design, operation, repair or servicing.

(5) A manufacturer, manufacturer designee or supplier of slot machines not licensed within this Commonwealth for the limited purpose of temporary exhibition or demonstration.

(6) A common carrier, for the purpose of transporting slot machines or fully automated electronic gaming tables in accordance with § 463a.2 (relating to transportation of slot machines, electronic wagering terminals and fully automated electronic gaming tables into, within and out of this Commonwealth).

(7) An employee or agent of the Board, the Department, the Pennsylvania State Police or any law enforcement agency of this Commonwealth for the purpose of fulfilling official duties or responsibilities.

(8) Other persons upon a finding that the possession of slot machines or fully automated electronic gaming tables by those persons in this Commonwealth is not contrary to the goals and objectives of the act.

(c) Persons seeking to possess slot machines, electronic wagering terminals or fully automated electronic gaming tables under subsection (b)(4), (5) and (8) shall submit a petition to the Board as required under § 493a.4 (relating to petitions generally). The petition to the Board must contain:

(1) The purpose for having the slot machines, electronic wagering terminals or fully automated electronic gaming tables.

(2) The proposed location of the slot machines, electronic wagering terminals or fully automated electronic gaming tables.

(3) The time period for which the slot machines, electronic wagering terminal or fully automated electronic gaming tables will be kept.

(4) How the slot machines, electronic wagering terminal or fully automated electronic gaming tables will be secured.

(d) Requests approved by the Board may be subject to specific terms and conditions imposed by the Board.

(e) A person authorized to possess slot machines, electronic wagering terminals or fully automated electronic gaming tables under subsection (d) that desires to store the slot machines, electronic wagering terminals or fully automated electronic gaming tables at a location other than the location specified in subsection (c)(2) shall obtain approval from the Board's Executive Director prior to storing the slot machines, electronic wagering terminal or fully automated electronic gaming tables at the other location.

§ 463a.2. Transportation of slot machines, electronic wagering terminals and fully automated electronic gaming tables into, within and out of this Commonwealth.

(a) In furtherance of section 1511 of the act (relating to declaration of exemption from Federal laws prohibiting slot machines), prior to the transport or movement of a slot machine, electronic wagering terminal or fully automated electronic gaming table into, within or out of this Commonwealth, from one person authorized to possess slot machines, electronic wagering terminals or fully automated electronic gaming tables under § 463a.1 (relating to possession of slot machines, electronic wagering terminals and fully automated electronic gaming tables generally) to another person, the persons causing the slot machine, electronic wagering terminal or fully automated electronic gaming table to be transported or moved shall notify the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance in writing or in an electronic format approved by the Bureau of Gaming Laboratory Operations. The notice shall be submitted no later than the day the slot machine, electronic wagering terminal or fully automated electronic gaming table is transported and include the following information:

(1) The name and address of the person shipping or moving the slot machine, electronic wagering terminal or fully automated electronic gaming table.

(2) The name and address of the person who owns the slot machine, electronic wagering terminal or fully automated electronic gaming table, if different from the person shipping or moving the machine.

(3) The name and address of a new owner if ownership is being changed in conjunction with the shipment or movement.

(4) The method of shipment or movement and the name and address of the common carrier or carriers, if applicable.

(5) The name and address of the person to whom the slot machine, electronic wagering terminal or fully automated electronic gaming table is being sent and the destination of the slot machine, electronic wagering terminal or fully automated electronic gaming table, if different from that address.

(6) The quantity of slot machines, electronic wagering terminals or fully automated electronic gaming tables being shipped or moved and the manufacturer's serial number of each machine.

(7) The expected date and time of delivery to, or removal from, any authorized location within this Commonwealth.

(8) The port of entry, or exit, if any, of the slot machine, electronic wagering terminal or fully automated electronic gaming table if the origin or destination of the slot machine, electronic wagering terminal or fully automated electronic gaming table is outside the continental United States.

(9) The reason for transporting or moving the slot machine, electronic wagering terminal or fully automated electronic gaming table.

(b) In addition to the requirements in subsection (a), if a slot machine licensee is shipping slot machines, electronic wagering terminals or fully automated electronic gaming tables to or from the slot machine licensee's approved, off-premises storage location, the slot machine licensee shall comply with the requirements in subsection (a) and record the movement in the licensee's movement log as required under § 463a.5(e) (relating to slot machine, electronic wagering terminal and fully automated electronic gaming table master lists). If a slot machine, electronic wagering terminal or fully automated electronic gaming table is being transported to the licensed facility from the licensee's approved, off-premises storage location, the licensee shall specify in the notice required under subsection (a) whether the slot machine, electronic wagering terminal or fully automated electronic gaming table will be placed directly onto the gaming floor or stored off the gaming floor in a restricted area within the licensed facility.

§ 463a.3. Slot machine, electronic wagering terminal and fully automated electronic gaming table location on the gaming floor.

(a) A gaming floor must consist of one or more areas within a licensed facility approved by the Board or Executive Director under § 467a.1 (relating to gaming floor plan) for the placement and operation of slot machines, electronic wagering terminals or fully automated electronic gaming tables.

(b) A slot machine, electronic wagering terminal or fully automated electronic gaming table on a gaming floor shall be placed at a location, which location may contain no more than one slot machine, electronic wagering terminal or fully automated electronic gaming table, identified by number on a gaming floor plan approved by the Board or Executive Director under section 1322 of the act (relating to slot machine accounting controls and audits) and § 467a.1 and shall also be identified by this slot machine, electronic wagering terminal or fully automated electronic gaming table location number and an asset number on the Gaming Floor Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List.

§ 463a.4. Notice and connection to the central control computer system.

(a) Prior to utilization for gambling activity, a slot machine, electronic wagering terminal or fully automated electronic gaming table on a gaming floor shall be connected or linked to a central control computer system having the capabilities and in compliance with the terms of section 1323 of the act (relating to central control computer system).

(b) To ensure activation or disabling, as appropriate, in the central control computer system and the retrieval of real time meter information from the slot machine, electronic wagering terminal or fully automated electronic gaming table in conjunction with the movement of a slot machine, electronic wagering terminal or fully automated electronic gaming table, the slot machine licensee shall provide the Department with written notice of the slot machine, electronic wagering terminal or fully automated electronic gaming table movement, prior to any of the following:

(1) Placement of a slot machine, electronic wagering terminal or fully automated electronic gaming table on the gaming floor.

(2) Movement of a slot machine, electronic wagering terminal or fully automated electronic gaming table between slot machine, electronic wagering terminal or fully automated electronic gaming table locations on the gaming floor.

(3) Removal of a slot machine, electronic wagering terminal or fully automated electronic gaming table from the gaming floor.

§ 463a.5. Slot machine, electronic wagering terminal and fully automated electronic gaming table master lists.

(a) Prior to the commencement of operations at a licensed facility, a slot machine licensee shall file the following with the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance, in an electronic format approved by the Bureau of Gaming Laboratory Operations:

(1) Gaming Floor Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List.

(2) Restricted Area/Off Premises Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List.

(b) A Gaming Floor Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List must list all slot machines, electronic wagering terminals and fully automated electronic gaming tables located on the gaming floor in consecutive order by the device location number under § 463a.3 (relating to slot machine, electronic wagering terminal and fully automated electronic gaming table location on the gaming floor) and contain the following:

(1) The date the list was prepared.

(2) A description of each slot machine, electronic wagering terminal or fully automated electronic gaming table which includes:

(i) The zone/location number.

(ii) The asset number.

(iii) The manufacturer's serial number.

(iv) The base denomination, or if configured for multiple denominations, a list of the denominations.

(v) The game software/program ID.

(vi) The operating system/base ROM.

(vii) The manufacturer.

(viii) The slot machine, electronic wagering terminal or fully automated electronic gaming table model.

(ix) The model type (reel or video), if applicable.

(x) The game theme/description.

(xi) The minimum payout percentage, if applicable.

(xii) The machine displayed payout percentage, if applicable.

(xiii) The paytable ID.

(xiv) Whether the slot machine, electronic wagering terminal or fully automated electronic gaming table is in a smoking area.

(xv) If the slot machine, electronic wagering terminal or fully automated electronic gaming table is a progressive, the type of progressive, the progressive controller type and the progressive software.

(xvi) The fund transfer/voucher system software.

(c) If a slot machine, electronic wagering terminal or fully automated electronic gaming table is configured to allow a patron to select from multiple games or game themes, each game or game theme, minimum and machine displayed payout percentages, if applicable, and paytable ID must be listed in the Gaming Floor Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List. Instead of listing each game or game theme, minimum and machine displayed payout percentage and paytable ID for a slot machine, electronic wagering terminal or fully automated electronic gaming table configured to offer multiple game themes with the slot machine, electronic wagering terminal or fully automated electronic gaming table, a slot machine licensee may use a unique generic code for the game theme and attach an appendix which lists the game themes, minimum and machine displayed payout percentages and paytable IDs that correspond to each unique generic game theme code.

(d) A Restricted Area/Off Premises Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List must include all slot machines, electronic wagering terminals and fully automated electronic gaming tables located off the gaming floor in a restricted area within the licensed facility approved under § 465a.8(b) (relating to licensed facility), or in storage locations in this Commonwealth off the premises of the licensed facility approved under § 463a.7 (relating to off premises storage of slot machines, electronic wagering terminals and fully automated electronic gaming tables) grouped by the location where the slot machines, electronic wagering terminals or fully automated electronic gaming tables are located. A Restricted Area/Off Premises Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List must include the following information:

(1) The date the list was prepared.

(2) A description of each slot machine, electronic wagering terminal and fully automated electronic gaming table which includes:

(i) The location of the slot machine, electronic wagering terminal or fully automated electronic gaming table.

(ii) The asset number.

(iii) The manufacturer's serial number.

(iv) The game software/program ID.

(v) The operating system/base ROM.

(vi) The game theme/description.

(vii) The manufacturer.

(viii) The slot machine, electronic wagering terminal or fully automated electronic gaming table model.

(ix) The model type (reel or video), if applicable.

(e) Once a slot machine, electronic wagering terminal or fully automated electronic gaming table has been placed in an authorized location on the gaming floor, stored in a restricted area off the gaming floor but within the licensed facility approved under § 465a.8 or in a location in this Commonwealth off the premises of the licensed facility approved under § 463a.7, all subsequent movements of that slot machine, electronic wagering terminal or fully automated electronic gaming table shall be recorded by a slot department member in a slot machine movement log which includes the following:

(1) The asset number and model and manufacturer's serial number of the moved slot machine, electronic wagering terminal or fully automated electronic gaming table.

(2) The date and time of movement.

(3) The location from which the slot machine, electronic wagering terminal or fully automated electronic gaming table was moved.

(4) The location to which the slot machine, electronic wagering terminal or fully automated electronic gaming table was moved.

(5) The date and time of any required notice to the Department in connection with activation or disabling of the slot machine, electronic wagering terminal or fully automated electronic gaming table in the central control computer system.

(6) The signature of the slot shift manager and the lead technician verifying the movement of the slot machine, electronic wagering terminal or fully automated electronic gaming table in compliance with this section.

(f) Documentation summarizing slot machine, electronic wagering terminal or fully automated electronic gaming table movements, as described in subsection (e), shall be submitted to the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance, in an electronic format approved by the Bureau of Gaming Laboratory Operations, on a daily basis.

(g) On the first Tuesday of each month a slot machine licensee shall file an updated Gaming Floor Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List and an updated Restricted Area/Off Premises Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List containing the information required under subsections (b)—(d). The Gaming Floor Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List and the Restricted Area/Off Premises Slot Machine, Electronic Wagering Terminal and

Fully Automated Electronic Gaming Table Master List shall be filed in an electronic format with the Bureau of Gaming Laboratory Operations.

(h) Persons authorized by the Board to possess slot machines, electronic wagering terminals or fully automated electronic gaming tables under § 463a.1(c) (relating to possession of slot machines, electronic wagering terminals and fully automated electronic gaming tables generally) shall file with the Bureau of Gaming Laboratory Operations, in an electronic format approved by the Bureau of Gaming Laboratory Operations, a complete list of slot machines, electronic wagering terminals or fully automated electronic gaming table possessed by the person. The list shall:

(1) Be denoted as a Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List.

(2) Be filed within 3 business days of the initial receipt of slot machines, electronic wagering terminals or fully automated electronic gaming tables.

(3) Contain the following information:

(i) The date on which the list was prepared.

(ii) A description of each slot machine, electronic wagering terminal or fully automated electronic gaming table including:

(A) The manufacturer.

(B) The manufacturer's serial number.

(C) The slot machine, electronic wagering terminal or fully automated electronic gaming table model.

(D) The model type (reel or video), if applicable.

(E) Whether or not the slot machine, electronic wagering terminal or fully automated electronic gaming table is a progressive, and if it is, the type of progressive.

(i) On the first Tuesday of each month following the initial filing of a Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List, those persons enumerated in subsection (h) shall file with the Bureau of Gaming Laboratory Operations, in an electronic format approved by the Bureau of Gaming Laboratory Operations, an updated Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List containing the information required in subsection (h).

§ 463a.6. (Reserved).

§ 463a.7. Off premises storage of slot machines, electronic wagering terminals and fully automated electronic gaming tables.

(a) A slot machine licensee may not store slot machines, electronic wagering terminals or fully automated electronic gaming tables off the premises of a licensed facility without prior approval from the Board's Executive Director.

(b) A slot machine licensee seeking to store slot machines, electronic wagering terminal or fully automated electronic gaming tables off the premises of a licensed facility shall submit a written request to the Bureau of Gaming Operations for off premise storage. The written request must include:

(1) The location and a physical description of the proposed storage facility.

(2) A description of the type of surveillance system that has been or will be installed at the proposed storage facility.

(3) The plan to provide 24 hour, 7 day a week security at the proposed storage facility.

(4) The anticipated number of slot machines, electronic wagering terminals or fully automated electronic gaming tables that may be stored at the proposed storage facility.

(c) Before the Board's Executive Director will act on a request for off premise storage of slot machines, the Director of Casino Compliance will inspect the proposed storage facility.

(d) The Board's Executive Director will approve or disapprove requests within 60 days. Requests approved by the Board's Executive Director may be subject to specific terms and conditions imposed by the Board's Executive Director.

CHAPTER 464a. SLOT MACHINE TOURNAMENTS

Sec.

464a.1. Definitions.
464a.2. Conduct of a slot machine tournament.

§ 464a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Points--Noncash equivalent electronic instrument utilized for slot machine tournament play only, the total of which determines the winners of a slot machine tournament.

Slot machine tournament--A contest whereby individuals engage in competitive slot machine play against other individuals utilizing points.

§ 464a.2. Conduct of a slot machine tournament.

(a) Slot machine tournaments may not be played with cash, value chips, plaques, gaming vouchers or other cash equivalents.

(b) A slot machine licensee may charge an entry fee to participate in a slot machine tournament. A slot machine licensee that charges an entry fee shall submit electronically to the Department of Revenue a Slot Tournament Revenue Report by 10 a.m. on the day following the conclusion of the tournament.

(c) A slot machine licensee that wishes to conduct a slot machine tournament shall submit for Executive Director approval notice of intent to conduct a slot machine tournament at least 10 days prior to the start of the tournament. The notice must be submitted electronically to the Bureau of Gaming Operations using the Internal Controls & Table Games Submission Form, which is posted on the Board's web site, and include the following:

(1) A general description of how the slot machine tournament will be conducted and a copy of the rules governing play.

(2) The dates and times that the tournament will be conducted.

(3) Participation eligibility requirements including:

(i) Who is eligible to participate.

(ii) The minimum and maximum number of participants.

(iii) Entry fees charged.

(4) The criteria used to determine the winners.

(5) The monetary amount or description of the prizes to be awarded.

(6) The details of when and how the prizes will be awarded.

(7) The asset and gaming floor plan location numbers of the slot machines that will be used to conduct the slot machine tournament.

(8) How the slot machine tournament area will be segregated from patrons who are not participating in the slot machine tournament.

(d) In addition to filing a notice required under subsection (c), a slot machine licensee shall submit a copy of the notice to the casino compliance representatives at the licensed facility, the Bureau of Gaming Laboratory Operations and the Department of Revenue.

(e) Advertising to promote a slot machine tournament must, at a minimum:

(1) Comply with the advertising requirements in § 501a.7 (relating to advertising).

(2) Contain information on who is eligible to participate.

(3) Include a copy of the slot machine tournament rules or state how a copy of the rules may be obtained.

(f) A slot machine used for a slot machine tournament must:

(1) Use tournament software authorized by the Bureau of Gaming Laboratory Operations in accordance with § 461a.4 (relating to submission for testing and approval).

(2) Maintain connectivity with the Central Control Computer System (CCS).

(3) Have the functionality of the bill validator, ticket printer and electronic funds transfer meters disabled during the slot machine tournament so that the slot machine does not accept cash or credits or make payouts during tournament play.

(g) A slot machine used in a slot machine tournament may not be made available for play to individuals entered in the tournament until the Bureau of Gaming Laboratory Operations has completed an initial test of the tournament software and has authorized the slot machine for tournament play.

(h) Before and after slot machine tournament, the slot machine licensee shall:

(1) Receive approval from the onsite CCR to place the slot machine in and take it out of tournament mode.

(2) Ensure that the CCS has recorded all meter settings on all slot machines used in the tournament.

(i) A slot machine licensee shall maintain records related to the conduct of a slot machine tournament in accordance with § 465a.6(c) (relating to retention, storage and destruction of books, records and documents). These records shall be made available to Board staff, the Department and the Pennsylvania State Police upon request and must include:

(1) A copy of the notice required under subsection (d).

(2) The names and addresses of all prize winners and the prize each winner was awarded.

CHAPTER 465a. ACCOUNTING AND INTERNAL CONTROLS

Sec.

465a.1. Accounting records.
465a.2. Internal control systems and audit protocols.
465a.3. Forms, records and documents.
465a.4. Standard financial and statistical reports.
465a.5. Annual audit; other reports; suspicious activity and currency transaction reporting.
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465a.35. Personnel assigned to the operation and conduct of table games.
465a.36. Table inventories.
465a.37. Procedures for opening table games.
465a.38. Procedures for distributing value chips, coins and plaques to gaming tables.
465a.39. Procedures for removing value chips, coins and plaques from gaming tables.
465a.40. Procedures for accepting cash for gaming chips, plaques or electronic wagering credits at table games.
465a.41. Procedures for drops at open table games.
465a.42. Procedures for closing table games.
465a.43. Table inventories for Poker tables.
465a.44. Table inventory counts on a per shift basis.

§ 465a.1. Accounting records.

(a) A slot machine licensee shall maintain complete, accurate and legible records of all transactions pertaining to the revenues and expenses of each licensed facility.

(b) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on a basis consistent with generally accepted accounting principles in the United States. Detailed, supporting and subsidiary records sufficient to meet the requirements of subsection (c) shall also be maintained in accordance with the requirements of this chapter.

(c) The detailed, supporting and subsidiary records include:

(1) Records pertaining to revenue that is taxable or subject to taxation under the act.

(2) Records pertaining to the financial statements and all transactions impacting the financial statements of the slot machine licensee including contracts or agreements with licensed manufacturers, suppliers, gaming junket enterprises, certified and registered gaming service providers, contractors, consultants, management companies, attorneys and law firms, accountants and accounting firms, insurance companies and financial institutions, including statements and reconciliations related thereto.

(3) Records that identify the handle, payout, actual win amounts and percentages, theoretical win amounts and percentages, and differences between theoretical and actual win amounts and percentages, for each slot machine and table game on a week-to-date, month-to-date and year-to-date basis.

(4) Records documenting the costs of complimentary services and items as defined in § 401a.3 (relating to definitions).

(5) Records of loans and other amounts payable by the slot machine licensee.

(6) Records of investments, advances, loan and receivable balances due to the slot machine licensee.

(7) Records created in connection with the system of internal controls submitted to the Board under § 465a.2 (relating to internal control systems and audit protocols).

(8) Records of returned checks.

§ 465a.2. Internal control systems and audit protocols.

(a) A slot machine licensee shall submit to the Board and the Department a written description of its initial system of administrative and accounting procedures, including its internal control systems and audit protocols (collectively referred to as its "internal controls") at least 90 days before slot or table game operations are to commence. A written system of internal controls must include:

(1) Records of direct and indirect ownership in the slot machine licensee, its affiliates, intermediaries, subsidiaries or holding companies.

(2) Organization charts depicting segregation of functions and responsibilities in accordance with § 465a.11 (relating to slot machine licensee's organization; jobs compendium).

(3) A description of the duties and responsibilities of each licensed or permitted position shown on the organization charts and their respective lines of authority in accordance with § 465a.11.

(4) A detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of this subpart.

(5) A record retention policy in accordance with § 465a.6 (relating to retention, storage and destruction of books, records and documents).

(6) Procedures to ensure that assets are safeguarded, and counted in conformance with effective count procedures.

(7) Procedures governing the conduct of all gaming related promotions to be offered by the slot machine licensee.

(8) Policies to prevent political contributions in accordance with section 1513 of the act (relating to political influence) and an annual certification to the Board and the Department of State's Bureau of Commissions, Elections and Legislation that the slot machine licensee has conducted a good faith investigation that has not revealed any violations of section 1513 of the act.

(9) Procedures to ensure that the slot machine licensee's employees comply with Chapter 435a (relating to employees).

(10) Other items the Board may request in writing to be included in the internal controls.

(b) A submission must be accompanied by the following:

(1) An attestation by the chief executive officer or other delegated individual with a direct reporting relationship to the chief executive officer attesting that the officer believes, in good faith, that the submitted internal controls conform to the requirements of the act and this subpart.

(2) An attestation by the chief financial officer or other delegated individual with a direct reporting relationship to the chief financial officer attesting that the officer believes, in good faith, that the submitted internal controls are designed to provide reasonable assurance that the financial reporting conforms to generally accepted accounting principles in the United States and complies with applicable laws and regulations, including the act and this subpart.

(c) The initial submission must also be accompanied by a report from an independent registered public accounting firm licensed to practice in this Commonwealth. The report should express an opinion as to the effectiveness of the design of the submitted system of internal

controls over financial reporting and should further express an opinion as to whether the submitted system of internal controls materially deviates from the requirements of applicable laws and regulations, including the act and this subpart.

(d) A submission by a slot machine licensee must include, at a minimum, the following:

(1) Administrative controls which include the procedures and records that relate to the decision making processes leading to management's authorization of transactions.

(2) Accounting controls that safeguard assets and revenues and ensure the reliability of financial records. The accounting controls must be designed to provide reasonable assurance that:

(i) Transactions or financial events which occur in the operation of a slot machine or table game are executed in accordance with management's general and specific authorization.

(ii) Transactions or financial events which occur in the operation of a slot machine or table game are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in the United States, the act and this subpart.

(iii) Transactions or financial events which occur in the operation of a slot machine or table game are recorded in a manner which provides reliable records, accounts and reports, including the recording of cash and evidences of indebtedness, for use in the preparation of reports to the Board related to slot machines or table games.

(iv) Transactions or financial events which occur in the operation of a slot machine or table game are recorded to ensure accountability for assets and to permit the proper and timely reporting of gross terminal and gross table game revenue, fees and taxes.

(v) Access to assets is permitted only in accordance with management's general and specific authorization.

(vi) The recorded accountability for assets is compared with existing physical assets at reasonable intervals and that appropriate action is taken with respect to any discrepancies.

(3) Procedures and controls for ensuring, in accordance with section 1323 of the act (relating to central control computer system), that each slot machine, electronic wagering terminal and fully automated electronic gaming table directly provides and communicates all required activities and financial details to the central control computer system as set by the Board.

(4) Procedures and controls for ensuring that all functions, duties and responsibilities are segregated and performed in accordance with sound financial practices by qualified personnel.

(5) Procedures and controls for ensuring, through the use of surveillance and security departments, that the licensed facility is secure during normal operations and during any emergencies due to malfunctioning equipment, loss of power, natural disaster or any other cause.

(e) The Board, in consultation with the Department, will review each initial submission made under subsection (a) and determine whether it conforms to the requirements of the act and this subpart and provides adequate and effective controls to insure the integrity of the operation of slot machines and table games at a licensed facility. If the Board determines that the submission is deficient in any area, the Board will provide written notice of the deficiency to the slot machine licensee and allow the slot machine licensee to submit a revision to its submission. A slot machine licensee is prohibited from commencing slot or table game operations until its system of internal controls is approved by the Board.

(f) If a slot machine licensee intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations using the Internal Controls & Table Games Submission Form posted on the Board's web site. The slot machine licensee may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the slot machine licensee receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

(g) If during the 30-day review period in subsection (f), the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of slot or table game operations or the control of gross terminal or gross table game revenue, the Bureau of Gaming Operations, by written notice to the slot machine licensee, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30 calendar day review period in subsection (f) be tolled and that any internal controls at issue not be implemented until approved under subsection (i).

(h) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of slot or table game operations or the control of gross terminal or gross table game revenue may include the following:

(1) Submissions that fail to provide an audit trail sufficient to permit the review of gaming operations or the reconstruction of gross terminal or gross table game revenue transactions.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this part.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this part.

(5) Submissions that are dependent upon the use of equipment or related devices or software not approved by the Board or Board staff, unless the submissions are required as part of an authorized test of the equipment or related device or software.

(i) When a change or amendment has been tolled under subsection (g), the slot machine licensee may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The slot machine licensee may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the slot machine licensee receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

(j) A current version of the internal controls of a slot machine licensee shall be maintained in or made available in electronic form through secure computer access to the accounting and surveillance departments of the slot machine licensee and the Board's onsite facilities required under § 465a.8 (relating to licensed facility). The slot machine licensee shall also maintain a copy, either in paper or electronic form, of any superseded internal control procedures for a minimum of 5 years. The original signed two attestations required under subsection (b)(1) and (2) shall also be maintained for a minimum of 5 years. Each page of the internal controls must indicate the date on which it was approved by the Board.

§ 465a.3. Forms, records and documents.

(a) Information required under this part to be placed on any form, record or document and in stored data shall be recorded on the form, record or document and in stored data in ink or other permanent manner.

(b) Whenever duplicate or triplicate copies are required of a form, record or document, the original, duplicate and triplicate copies must have the name of the department receiving the copy preprinted on the bottom of that copy so as to differentiate between the copies.

(c) Whenever under this part, forms or serial numbers are required to be accounted for and an exception is noted, the exceptions shall be reported in writing to the slot machine licensee's internal audit department within 2 days of identification of the exception or upon its confirmation, whichever occurs earlier.

(d) Unless otherwise specified in this part, all forms, records, documents and stored data required to be prepared, maintained and controlled by this chapter must have the name of the licensed facility and the title of the form, record, document and, for stored data, the date imprinted or preprinted thereon.

(e) Nothing in this chapter shall be construed as prohibiting a slot machine licensee from preparing more copies of any form, record or document than those prescribed by this chapter.

§ 465a.4. Standard financial and statistical reports.

(a) Within 30 days of the close of each calendar quarter, slot machine licensees shall file a report which includes a detailed reconciliation of the amount invoiced by the Department to the tax accrual determined by the slot machine licensee's revenue/income audit process. The reconciliation shall be determined by the slot machine licensee on at least a weekly basis and the report must provide the date and the amount of any differences found during the reconciliation process. The report shall be filed electronically with the Board's Bureau of Gaming Operations and the Department's Bureau of Fiscal Management.

(b) The Board may prescribe standard reporting forms and corresponding filing instructions to be used by a slot machine licensee in filing the report referenced in subsection (a).

(c) The Board may request, in writing, financial, statistical or other reports to determine compliance by the slot machine licensee with the act and the Board's regulations.

§ 465a.5. Annual audit; other reports; suspicious activity and currency transaction reporting.

(a) A slot machine licensee shall, at its own expense, have its annual financial statements audited in accordance with generally accepted auditing standards (when applicable, the Standards of the Public Company Accounting Oversight Board (United States)) by an independent certified public accountant or, when appropriate, an independent registered public accounting firm licensed to practice in this Commonwealth.

(b) The annual financial statements shall be prepared on a comparative basis for the current and prior fiscal year and present the financial position and results of operations in conformity with generally accepted accounting principles in the United States.

(c) One copy of the audited financial statements, together with any management letter or report prepared thereon by the slot machine licensee's independent certified public accountant or independent registered public accounting firm, shall be filed with the Bureau of Licensing not later than 90 days after the end of the licensee's fiscal year.

(d) The slot machine licensee shall file with the Bureau of Licensing one copy of any other reports on internal controls, administrative controls or other matters relative to the slot machine licensee's accounting or operating procedures rendered by the licensee's independent certified public accountant or independent registered public accounting firm within 120 days following the end of the licensee's fiscal year or upon receipt, whichever is earlier.

(e) If the slot machine licensee or its holding company, intermediary or principal entity is publicly held, the slot machine licensee shall submit a notice to the Bureau of Licensing when the licensee, its holding company, intermediary or principal entity files any report, including forms S-1, 8-K, 10-Q, 10-K, proxy or information statements and registration statements with the SEC or other domestic or foreign securities regulatory agency. The notice must include a listing of the reports or forms filed and the date of the filing. The notice to the Bureau of Licensing shall

be made within 10 business days of the time of filing with the applicable Commission or regulatory agency.

(f) If an independent certified public accountant or independent registered public accounting firm that was previously engaged as the principal accountant to audit the slot machine licensee's financial statements resigns or is dismissed as the slot machine licensee's principal accountant, or another independent certified public accountant or independent registered public accounting firm is engaged as principal accountant, the slot machine licensee shall file a report with the Bureau of Licensing within 10 business days following the end of the month in which the event occurs, setting forth the following:

(1) The date of the resignation, dismissal or engagement.

(2) Whether in connection with the audits of the 2 most recent years preceding a resignation, dismissal or engagement there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure, including a description of each disagreement. The disagreements to be reported include those resolved and those not resolved.

(3) Whether the principal accountant's report on the financial statements for either of the past 2 years contained an adverse opinion or disclaimer of opinion or was qualified. The nature of the adverse opinion, disclaimer of opinion or qualification shall be described.

(g) The slot machine licensee shall request the former accountant to furnish to the slot machine licensee a letter addressed to the Bureau of Licensing stating whether he agrees with the statements made by the slot machine licensee in response to subsection (f)(2). The letter shall be filed with the Bureau of Licensing as an exhibit to the report required under subsection (f).

(h) The slot machine licensee shall file with BIE a copy of any Suspicious Activity Report—Casino (SARC) that the slot machine licensee is required to file under 31 CFR 1021.320 (relating to reports by casinos of suspicious transactions). Each SARC shall be filed with BIE concurrently with the Federal filing.

(i) A slot machine licensee, director, officer, employee or agent who reports a suspicious activity under subsection (h) may not notify any individual involved in the suspicious activity that the suspicious activity has been reported.

(j) The slot machine licensee shall file with BIE a copy of any Currency Transaction Report by Casino (CTRC) that the slot machine licensee is required to file under 31 CFR 1021.311 (relating to filing obligations). Each CTRC shall be filed with BIE concurrently with the Federal filing.

(k) Prior to commencing gaming operations, a slot machine licensee shall file with the Bureau of Gaming Operations, in a manner prescribed by the Bureau of Gaming Operations, a copy of the slot machine licensee's compliance program required under 31 CFR Part 1021 (relating to rules for casinos and card clubs). Thereafter, a slot machine licensee shall file with

the Bureau of Gaming Operations any amendment or supplement to the compliance program on or before the effective date of the amendment or supplement.

§ 465a.6. Retention, storage and destruction of books, records and documents.

(a) For the purposes of this section, "books, records and documents" means any book, record or document pertaining to, prepared in or generated by the operation of the licensed facility including all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records required to be generated and maintained under § 451a.1 (relating to recordkeeping generally) or this part. This definition applies without regard to the medium through which the record is generated or maintained, for example, paper, magnetic media or encoded disk.

(b) Original books, records and documents pertaining to the operation of a licensed facility shall be:

(1) Prepared and maintained in a complete, accurate and legible form. Electronic data must be stored in a format that ensures readability, regardless of whether the technology or software that created or maintained it has become obsolete.

(2) Retained in a secure location in the licensed facility that is equipped with a fire suppression system or at another location approved under subsection (d).

(3) Made available for inspection by agents of the Board, the Department and the Pennsylvania State Police during all hours of operation.

(4) Organized and indexed in a manner to provide immediate accessibility to agents of the Board, the Department and the Pennsylvania State Police.

(5) Destroyed only after expiration of the minimum retention period specified in subsection (c), except that the Board may, upon the written request of a slot machine licensee and for good cause shown, permit the destruction at an earlier date.

(c) Original books, records and documents shall be retained by a slot machine licensee for a minimum of 5 years with the following exceptions:

(1) Documentation with regard to gaming vouchers reported to the Board as possibly counterfeit, altered or tampered with should be retained for a minimum of 2 years.

(2) Coupons entitling patrons to cash, match play at a table game or slot machine credits, whether unused, voided or redeemed shall be retained for a minimum of 6 months.

(3) Voided gaming vouchers and gaming vouchers redeemed at a location other than a slot machine, electronic wagering terminal or fully automated electronic gaming table shall be retained for a minimum of 30 days.

(4) Gaming vouchers redeemed at a slot machine, electronic wagering terminal or fully automated electronic gaming table shall be retained for a minimum of 7 days.

(d) A slot machine licensee may request, in writing, that the Board's Executive Director approve a location outside the licensed facility to store original books, records and documents. The request must include the following:

(1) A detailed description of the proposed location, including security and fire suppression systems.

(2) The procedures under which the Board, the Department and the Pennsylvania State Police will be able to gain access to the original books, records and documents retained at the location outside the licensed facility.

(e) A slot machine licensee may request, in writing, that the Board's Executive Director approve a microfilm, microfiche or other suitable media system for the copying and storage of original books, records and documents. The request must include representations regarding:

(1) The processing, preservation and maintenance methods which will be employed to insure that the books, records and documents are available in a format which makes them readily available for review and copying.

(2) The inspection and quality control methods which will be employed to insure that microfilm, microfiche or other media when displayed on a reader/viewer or reproduced on paper exhibits a high degree of legibility and readability.

(3) The availability of a reader/printer for use by the Board, the Department and the Pennsylvania State Police at the licensed facility or other location approved by the Board and the readiness with which the books, records or documents being stored on microfilm, microfiche or other media can be located, read and reproduced.

(4) The availability of a detailed index of all microfilmed, microfiched or other stored data maintained and arranged in a manner to permit the immediate location of any particular book, record or document.

(f) Nothing herein shall be construed as relieving a slot machine licensee from meeting any obligation to prepare or maintain any book, record or document required by any other Federal, State or local governmental body, authority or agency.

§ 465a.7. Complimentary services or items.

(a) A slot machine licensee shall develop, maintain and apply adequate internal controls over the authorization and issuance of complimentary services or items as defined in § 401a.3 (relating to definitions). The slot machine licensee shall submit for approval in accordance with § 465a.2 (relating to internal control systems and audit protocols) internal controls for complimentary services and items.

(b) The internal controls must include the following:

(1) The procedures by which the slot machine licensee delegates to its employees the authority to approve the issuance of complimentary services or items.

(2) The procedures by which the slot machine licensee establishes, modifies or limits delegated authority, including limits based on relationships between the authorizer and recipient.

(3) A matrix of job titles authorized to issue complimentary services or items and a list of which complimentary services or items or the maximum dollar value of complimentary services or items each job title is authorized to issue.

(c) Complimentary services or items shall be recorded as follows:

(1) A complimentary service or item provided directly to a patron in the normal course of a slot machine licensee's business shall be recorded at an amount based upon the full retail price normally charged for the service or item by the licensee.

(2) A complimentary service or item not offered for sale to a patron in the normal course of a slot machine licensee's business but provided directly by the slot machine licensee shall be recorded at an amount based upon the actual cost to the slot machine licensee of providing the service or item.

(3) A complimentary service or item provided directly or indirectly to a patron on behalf of a slot machine licensee by a third party not affiliated with the slot machine licensee shall be recorded at an amount based upon the actual cost to the slot machine licensee of having the third party provide the service or item.

(4) A complimentary service or item provided directly or indirectly to a patron on behalf of a slot machine licensee by a third party who is affiliated with the slot machine licensee shall be recorded by the slot machine licensee in accordance with this section as if the affiliated third party were the licensee.

(d) If a slot machine licensee provides complimentary cash and noncash gifts recorded at a value of $10,000 or more to a patron and the patron's guests within a consecutive 5-day period, the slot machine licensee shall record the reason why the gifts were provided, maintain the records and make them available for inspection by the Board and the Pennsylvania State Police. When the reason complimentary cash and noncash gifts were provided involves the patron's player rating, that rating must be based upon an evaluation of the amount and frequency of play by the patron as recorded in the slot machine licensee's player rating system. For the purposes of this section, “guest” means any individual who receives complimentary services or items as a result of his relationship with the patron receiving the primary complimentary services or items.

(e) A slot machine licensee shall submit to the Bureau of Casino Compliance a report listing each patron who, under subsection (d), received $10,000 or more in complimentary cash and noncash gifts within a consecutive 5-day period ending during the preceding month. The

report shall be filed by the last day of the month following the month in which the complimentary cash and noncash gifts or reimbursements were issued and include the total amount of complimentary cash or noncash gifts or reimbursements provided to each patron broken down into categories for food and beverage, hotel accommodations, travel, reimbursements and other services.

(f) Notwithstanding the requirements in subsections (a)—(e), a slot machine licensee is not required to submit internal controls for the nondiscretionary awarding of the following:

(1) Points to patrons who are members of the licensee's player rewards program.

(2) Promotional slots play.

§ 465a.8. Licensed facility.

(a) A licensed facility must be equipped with a surveillance system configured and approved in accordance with §§ 465a.9 and 465a.10 (relating to surveillance system; surveillance department control; surveillance department restrictions; and surveillance system recording formats). Except as otherwise provided in subsection (d)(1), the surveillance system shall be under the exclusive control of the surveillance department.

(b) Restricted areas within the licensed facility shall be designated for the repair and storage of slot machines, table games and table game equipment. Areas approved and utilized within the licensed facility for slot machine table game and table game equipment repair and storage shall be covered by the approved surveillance system.

(c) Emergency exits from the gaming floor and any other doors designated by the Bureau of Casino Compliance must be equipped with an audible alarm system that produces a loud, distinguishable warning sound, discernible in the vicinity of the exit, whenever the emergency door is opened. The alarm system shall be designed to require deactivation and reset by means of a key. The key is to be maintained by the security department.

(d) Slot machine licensees shall, in accordance with section 1207(13) of the act (relating to regulatory authority of board), provide for and maintain onsite facilities for use by the Board, the Department and the Pennsylvania State Police for the purpose of carrying out their respective responsibilities (collectively referred to as the “onsite facilities”). The onsite facilities must be located in the same building as the gaming floor, in locations approved by the Bureau of Casino Compliance and include suitable office space, equipment, partitions and supplies to meet the continuing needs of the Board, the Department and the Pennsylvania State Police at the facility including the following:

(1) A surveillance system monitoring room, located within the onsite facilities, with full camera control capability for the reception of transmissions generated by each camera approved for use as part of the slot machine licensee's surveillance system. Full camera control capability includes the ability to override the camera control capability of the slot machine licensee's surveillance system.

(2) An area for the detention of individuals detained or taken into custody by the Pennsylvania State Police. The detention area must be located within the onsite facilities and consist of a bench or other apparatus which is permanently affixed to the wall or floor to which the individual in custody can be handcuffed with as little discomfort to that individual as is possible under the circumstances.

(3) A fingerprinting and photographing facility for use by the Pennsylvania State Police located in conformance with and outfitted in compliance with specifications established by the Pennsylvania State Police.

(4) Adequate computer, telephone and copying capability to meet the Board's, the Department's and the Pennsylvania State Police's continuing data processing and related needs.

(5) Direct telephone connections between the onsite facilities and the slot machine licensee's surveillance monitoring room and its security department.

(6) Computer terminals providing read only access to any computerized slot monitoring system or casino management system, or both, used by the slot machine licensee in its gaming operations.

(7) An area for the operation and storage of the central control computer equipment which must be equipped with an uninterruptible power supply.

(8) Signs indicating the location of the Board's office. The size, location and design of the signs must be approved by the Bureau of Casino Compliance.

(9) Current copies of the operational blueprints and camera lists as required under § 465a.9(c)(6)(v)(A) and (B).

(e) Keys or alternative locking mechanisms securing access to the onsite facilities shall be under the exclusive custody and control of the Bureau of Casino Compliance, the Department or the Pennsylvania State Police respectively.

(f) Slot machine licensees shall provide additional accommodations within the licensed facility upon receipt of a written request from the Board, the Department or the Pennsylvania State Police to accommodate periodic audit, compliance or investigative reviews at the licensed facility.

(g) Slot machine licensees shall provide adequate parking spaces adjacent or proximate to the onsite facilities, clearly marked for the Board, the Department or Pennsylvania State Police use only.

(h) Slot machine licensees shall equip licensed facilities with communication systems necessary to insure communication between the licensed facility and the Board, the Department, the Pennsylvania State Police, any applicable local law enforcement agency or emergency first responders.

§ 465a.9. Surveillance system; surveillance department control; surveillance department restrictions.

(a) The surveillance system of a licensed facility must comply with 18 Pa.C.S. Chapter 57 (relating to Wiretapping and Electronic Surveillance Control Act) and section 1522 of the act (relating to interception of oral communications) and shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The Bureau of Casino Compliance will review surveillance system specifications, inclusive of the camera configuration and any changes or modifications to the system specifications, to determine whether the system provides the adequate and effective surveillance of activities inside and outside the licensed facility mandated by section 1207(11) of the act (relating to regulatory authority of board). A slot machine licensee may not commence gaming operations until its surveillance system is approved by the Board.

(b) A slot machine licensee shall at all times provide the Board and the Pennsylvania State Police with access to its surveillance system and its transmissions. Each member of its surveillance department shall comply with any request made by the Board or the Pennsylvania State Police to:

(1) Use, as necessary, any surveillance monitoring room in the licensed facility.

(2) Display on the monitors in the monitoring room any event capable of being monitored by the surveillance system.

(3) Make a video and, if applicable, audio recording of, and take a still photograph of, any event capable of being monitored by the surveillance system.

(i) The slot machine licensee shall preserve and store each recording or photograph in accordance with the directions of the Board or the Pennsylvania State Police.

(ii) The Board and the Pennsylvania State Police shall have unfettered access to each recording or photograph. At the request of the Board or Pennsylvania State Police, access to a recording or photograph may be denied to a particular employee or department of the slot machine licensee.

(c) The surveillance system required in this section must include:

(1) Light sensitive cameras with lenses of sufficient magnification and 360° pan, tilt and zoom capabilities, without camera stops, to allow the operator to clandestinely monitor in detail and from various vantage points the following:

(i) The gaming conducted at the slot machines, electronic wagering terminals and fully automated electronic gaming tables in the licensed facility with sufficient clarity to read information on a reel strip or electronic table layout and the credit meter.

(ii) The gaming conducted at each table game that is not a fully automated electronic gaming table or an electronic wagering terminal in the licensed facility with sufficient

clarity to identify patrons and dealers and sufficient coverage to simultaneously view the table and determine the configuration of wagers, card, dice and tile values and game outcomes.

(iii) The operations conducted at and in the main cage and any satellite cage.

(iv) The operations conducted at automated bill breaker machines, automated gaming voucher and coupon redemption machines, automated jackpot payout machines and automated teller machines.

(v) The count processes conducted in the count room.

(vi) The movement of cash, gaming chips and plaques, tip boxes, table game drop boxes, Bad Beat or High Hand Jackpot payout boxes and slot cash storage boxes within the licensed facility.

(vii) The entrances and exits to the licensed facility, the gaming floor and the count room.

(viii) Any other activity or areas designated by the Bureau of Casino Compliance.

(2) The following number of cameras dedicated to table games that are not electronic wagering terminals or fully automated electronic gaming tables:

(i) Except as provided in subparagraphs (ii)—(vii), at least one stationary camera for each table game offered by the licensed facility.

(ii) At least two stationary cameras for each Craps and Three Dice Football table, with one camera covering each end of the table.

(iii) At least two stationary cameras for each Baccarat table, with one camera covering each end of the table.

(iv) At least two stationary cameras for each Roulette table, with one camera covering the wheel and one camera covering the table layout.

(v) At least two stationary cameras for each Big Six Wheel, with one camera covering the wheel and one camera covering the table layout.

(vi) At least two stationary cameras for each Props & Hops table with one camera covering the designated circle on the table layout for the placement of the uncovered shaker and one camera covering the table layout.

(vii) At least two stationary cameras for each High Roll Dice table with one camera covering the throw box and one camera covering the remainder of the table.

(3) Additional cameras as required by the Bureau of Casino Compliance. The additional cameras may include cameras with 360° pan, tilt and zoom capabilities.

(4) Video recording equipment which, at a minimum, must:

(i) Permit the preservation and viewing of a clear copy of the transmission produced by any camera connected to the surveillance system.

(ii) Be capable of superimposing the time and date of the transmission on each recording made by the video recording equipment.

(iii) Enable the operator to identify and locate, through the use of a meter, counter or other device or method, a particular event which was recorded.

(5) Recording media which shall be replaced immediately upon the manifestation of significant degradation in the quality of the images or sound, if applicable, recorded thereon. If videotape is utilized, it may be used for no more than 1 year.

(6) One or more monitoring rooms in the licensed facility which shall be staffed by employees of the slot machine licensee's surveillance department who shall at all times monitor the activities enumerated in paragraphs (1), (2) and (3). Each monitoring room shall be equipped with or serviced by:

(i) A communication system capable of monitoring all of the licensed facility's security department activities.

(ii) Computer terminals which provide read only access to any computerized slot monitoring system or casino management system, or both, used by the slot machine licensee in its gaming operation.

(iii) Connections to all casino alarm systems. The systems must provide a visible, audible or combination signal. A robbery, fire or emergency alarm must be perceptually distinguishable from all nonemergency alarms.

(iv) An updated photo library, consisting of photographs that are no more than 4 years old, of all current employees of the slot machine licensee and a separate photo library that contains the photographs of individuals who are on the Board's self-exclusion or exclusion list. These photo libraries shall be available to the Board and the Pennsylvania State Police.

(v) Current copies of the following:

(A) An operational blueprint of the gaming floor and all areas of the licensed facility with a camera overlay.

(B) A complete camera list, in a searchable format, which includes the following:

(I) Camera numbers.

(II) A description of the area under surveillance with each camera.

(III) The type of camera such as stationary or a camera with pan, tilt and zoom capabilities.

(IV) The resolution or CIF ratio.

(V) The required retention period for each camera.

(C) Operating procedures addressing the evacuation of the licensed facility in the event of fire or other emergency.

(D) A contingency plan addressing a planned shutdown of the surveillance system and the contingency plan required under subsection (g) addressing any equipment failure that affects the slot machine licensee's monitoring room together with an emergency contact listing with telephone numbers for persons required to be notified of those events.

(7) An emergency power system, tested at intervals not to exceed 6 months, which can be used to operate the surveillance system in the event of a power failure.

(8) A preventive maintenance program, implemented by technicians assigned to the surveillance department, which insures that the entire surveillance system is maintained in proper working order and that the covers over the cameras are cleaned in accordance with a routine maintenance schedule.

(d) Areas subject to camera coverage under this section must contain continuous lighting that is of sufficient quality to produce clear video recordings and still picture reproductions.

(e) A slot machine licensee's surveillance system must continuously record transmissions from cameras used to observe the following locations, individuals, activities and transactions:

(1) Each transaction conducted on the gaming floor or at a main cage or satellite cage. Coverage of the transaction must include, but not be limited to, recording transmissions from cameras used to observe the face of each patron transacting business at a main cage or satellite cage from the direction of the cashier.

(2) The gaming conducted at all slot machines and table games.

(3) The main bank, vault and other areas specified by the Board.

(4) The collection of tip boxes, slot cash storage boxes and table game drop boxes.

(5) The distribution of cards, dice and tiles to gaming pits.

(6) The inspection of cards, dice and tiles in the gaming pits and at the gaming tables.

(7) The retrieval of cards, dice and tiles from the gaming pits at the end of the gaming day and the delivery of the cards, dice and tiles to the location designated and approved by the Bureau of Casino Compliance in accordance with § 601a.10(f) (relating to approval of table game layouts, signage and equipment) for the inspection, cancellation, destruction or, if applicable, packaging for reuse.

(8) The count procedures conducted in the count room.

(9) Any armored car collection or delivery.

(10) The operations conducted at automated bill breaker machines, automated gaming voucher and coupon redemption machines, automated jackpot payout machines and automated teller machines.

(11) The entrances and exits to the licensed facility, the gaming floor, the main bank, the vault, the main cage and any satellite cage and the count room.

(f) Slot machine licensees shall maintain a surveillance log of all surveillance activities in the monitoring room. The log shall be maintained by monitoring room personnel in a book with bound numbered pages that cannot be readily removed or shall be maintained in an electronic format which has an audit function that prevents modification of information after the information has been entered into the system. The log shall be stored and retained in accordance with § 465a.6 (relating to retention, storage and destruction of books, records and documents). The following information shall be recorded in a surveillance log:

(1) The date and time each surveillance event commenced.

(2) The name and Board-issued credential number of each individual who initiates, performs or supervises the surveillance.

(3) When suspicious activity, suspected or alleged regulatory violations or suspected or alleged criminal activity is involved, the reason for the surveillance, including the name, if known, alias or description of each individual being monitored and a brief description of the activity in which the individual being monitoring is engaged. This entry should also include a notation of the reading on the meter, counter or device specified in subsection (c)(4)(iii) that identifies the point on the video recording at which the event was recorded.

(4) The time at which each video recording is commenced and terminated, if different than when surveillance commenced or terminated.

(5) Time each surveillance event terminated.

(6) A summary of the results of the surveillance.

(7) A complete description of the time, date and, if known, the cause of any equipment or camera malfunctions, and the time at which the security department was apprised of the malfunction in accordance with the casino licensee's internal controls submitted under § 465a.2(d)(5).

(g) In accordance with § 465a.2(d)(5), each slot machine licensee shall have a contingency plan to be utilized whenever there is an equipment failure that affects the slot machine licensee's monitoring room or other aspect of its surveillance system or operations.

(h) The casino compliance representatives at the licensed facility shall be notified within 30 minutes of any incident of equipment failure as noted in subsection (f) including the time and cause of the malfunction, if known, the time the slot machine licensee's security department was notified of the malfunction and the nature of communications with the security department relating to the malfunction.

(i) The casino compliance supervisor at the licensed facility shall be notified at least 48 hours in advance of the following:

(1) Relocation of an approved camera.

(2) Change in an approved camera's specifications.

(3) Change in lighting for areas required to be subject to camera coverage.

(4) Addition or change to the surveillance system.

(j) The surveillance recordings required under subsection (e)(1), (8), (9), (10) and (11) shall be retained for a minimum of 30 days. All other surveillance recordings shall be retained for a minimum of 7 days. Surveillance recordings shall be made available for review upon request by the Board or the Pennsylvania State Police.

(k) Any recording determined by the Board or the Pennsylvania State Police as being of potential evidentiary value shall be stored in accordance with Board or Pennsylvania State Police directives or turned over to the Board or the Pennsylvania State Police upon request.

(l) A surveillance employee assigned to the monitoring room shall work from the employee's own monitoring station.

(m) In accordance with § 465a.11(b)(1) (relating to slot machine licensee's organization; jobs compendium), each slot machine licensee shall submit for Board approval an initial minimum surveillance room staffing plan. The surveillance room staffing plan must provide for the continuous monitoring of activities inside and outside the licensed facility taking into account the size and layout of the licensed facility as well as the number and location of slot machines and table games on the gaming floor. A slot machine licensee may not implement a change to its

surveillance room staffing plan without prior approval of the Board's Executive Director in accordance with § 601a.10(a).

(n) A slot machine licensee's surveillance department employees shall be independent of all other departments.

(o) A present or former surveillance department employee may not accept employment as a key employee or gaming employee with the same slot machine licensee for whom he was previously employed as a surveillance department employee unless 1 year has passed since the former surveillance department employee worked in the surveillance department. The present or former surveillance department employee may file a written petition as required under § 493a.4 (relating to petitions generally) requesting the Board to waive this restriction and permit the employment of a present or former surveillance department employee in a particular position. The Board may grant or deny the waiver upon consideration of the following factors:

(1) Whether the former surveillance department employee will be employed in a department or area of operation that the surveillance department monitors.

(2) Whether the surveillance and security systems of the slot machine licensee will be jeopardized or compromised by the employment of the former surveillance department employee in the particular position.

(3) Whether the former surveillance department employee's knowledge of the procedures of the surveillance department would facilitate the commission by any individual of irregularities or illegal acts or the concealment of any actions or errors.

(p) Entrances to the surveillance monitoring rooms may not be visible from the gaming floor. An individual entering the surveillance monitoring room who is not an employee of the surveillance department assigned to the monitoring room on the particular shift corresponding to the time of entry shall sign a monitoring room entry log upon entering the monitoring room. The monitoring room entry log shall be:

(1) Maintained in the monitoring room by monitoring room personnel and retained in accordance with § 465a.6.

(2) Maintained in a book with bound numbered pages that cannot be readily removed or shall be maintained in an electronic format which has an audit function that prevents modification of information after the information has been entered into the system.

(3) Signed by each individual entering the monitoring room, with each entry containing the following:

(i) The date and time of each entry.

(ii) The entering individual's name, Board-issued credential number and department or affiliation.

(iii) The reason for entering the monitoring room.

(iv) The name of the individual authorizing the entry into the monitoring room.

(v) The date and time of exiting the monitoring room.

(4) Made available for inspection by the Board and the Pennsylvania State Police.

§ 465a.10. Surveillance system recording formats.

(a) A slot machine licensee may utilize either an analog or digital video recording format provided the format selected incorporates current technology with regard to secure system access, video cameras, monitors, recorders, video printers, switches, selectors and other ancillary equipment and provides for surveillance of activities inside and outside the licensed facility.

(b) Digital video recording systems utilized by a slot machine licensee must be in compliance with the technical standards on digital video recording systems under § 465b.1 (relating to digital video recording formats).

§ 465a.11. Slot machine licensee's organization; jobs compendium.

(a) Slot machine licensees' systems of internal controls must, in accordance with sections 1322 and 13A25(c) of the act (relating to slot machine accounting controls and audits; and table game accounting controls and audit protocols) and § 465a.2 (relating to internal control systems and audit protocols), include organization charts depicting segregation of functions and responsibilities and descriptions of the duties and responsibilities for each position shown on each organization chart. Slot machine licensees shall be permitted, except as otherwise provided in this section, to tailor organizational structures to meet the needs or policies of a particular management philosophy. A slot machine licensee's organization charts must provide for:

(1) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.

(2) The segregation of incompatible functions, duties and responsibilities so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) The performance of all functions, duties and responsibilities in accordance with sound financial practices by qualified personnel.

(4) The areas of responsibility which are not so extensive as to be impractical for an individual to monitor.

(5) A chief executive officer. For the purposes of this section, a “chief executive officer” means the individual located at the licensed facility who is ultimately responsible for the

daily conduct of the slot machine licensee's gaming business regardless of the form of business association of the slot machine licensee or the particular title which that individual or any other individual holds. A slot machine licensee's organization chart may also include an assistant chief executive officer who is responsible for the daily conduct of the slot machine licensee's gaming business during the chief executive officer's absence. However, the assistant chief executive officer may not be the department head of one of the departments required under subsection (b). Each supervisor of a department required under subsection (b) shall report directly to the chief executive officer or assistant chief executive officer of the slot machine licensee regarding administrative matters and daily operations. The slot machine licensee's organization charts must designate which positions, in the absence of the chief executive officer and the assistant chief executive officer, shall be designated as having responsibility for the daily conduct of the slot machine licensee's gaming business.

(b) A slot machine licensee's system of internal controls must also include, at a minimum, the following departments and supervisory positions, each of which must be categorized as mandatory and must cooperate with, yet perform independently of, other mandatory departments and supervisory positions of the slot machine licensee. Notwithstanding the foregoing, a department or supervisor that is not required or authorized by this section may operate under or in conjunction with a mandatory department or supervisor provided the organizational structure is consistent with the standards contained within the act and subsection (a). Mandatory departments and supervisory positions are:

(1) A surveillance department supervised by an individual located at the licensed facility who functions, for regulatory purposes, as the director of surveillance. The director of surveillance shall be subject to the reporting requirements specified in subsection (c) and shall be licensed as a key employee. The surveillance department shall be responsible for the following:

(i) The clandestine surveillance of the operation of, and gaming conducted at, slot machines and table games.

(ii) The clandestine surveillance of the operation of automated bill breaker, gaming voucher, coupon redemption and jackpot payout machines.

(iii) The clandestine surveillance of the operation of the main cage, Poker room cage and any satellite cage.

(iv) The video recording of activities in the count room and the video recording of movements of cash, slot cash storage boxes and table game drop boxes.

(v) The clandestine surveillance of areas used for the storage of gaming chips, plaques, cards, dice, Sic Bo shakers, Roulette balls, Pai Gow tiles and other equipment used to conduct table games.

(vi) The detection of cheating, theft, embezzlement and other illegal activities within the licensed facility.

(vii) The detection of the presence of any individual who may or is required to be excluded or ejected from the licensed facility under section 1514 or 1515 of the act (relating to regulation requiring exclusion or ejection of certain persons; and repeat offenders excludable from licensed gaming facility) and Chapters 511a and 513a (relating to persons required to be excluded; and underage gaming), or is self-excluded from the gaming floor and gaming activities at all licensed facilities under section 1516 of the act (relating to list of persons self-excluded from gaming activities) and Chapter 503a (relating to casino self-exclusion).

(viii) The video recording of those locations, individuals, activities or transactions required under § 465a.9(e) (relating to surveillance system; surveillance department control; surveillance department restrictions) and of any illegal and unusual activities monitored by the surveillance department.

(ix) The provision of immediate notice to supervisors designated in the internal controls, the casino compliance representatives and the Pennsylvania State Police at the licensed facility upon detecting, and also upon commencing video recording of, an individual who is engaging in or attempting to engage in, or who is suspected of cheating, theft, embezzlement, a violation of this part or other illegal activities, including an individual who is required to be excluded or ejected from the licensed facility under section 1514 of the act, who may or is required to be excluded or ejected from the licensed facility under section 1514 or 1515 of the act and Chapter 511a or 513a or is self-excluded from the gaming floor and gaming activities at all licensed facilities under section 1516 of the act and Chapter 503a.

(x) The clandestine surveillance of any slot computer system or equipment designated for coverage by the Board in conjunction with the approval of a slot machine system, including a slot monitoring system, electronic gaming table system, casino management system, wide area progressive system, gaming voucher system and any communication equipment with the central control computer.

(xi) The installation, maintenance and repair of the surveillance system equipment used by the surveillance department.

(xii) The submission of a surveillance staffing plan as part of the slot machine licensee's internal controls detailing the minimum staffing and the manner in which the responsibilities of this subsection shall be met.

(2) An internal audit department supervised by an individual located at the licensed facility who functions, for regulatory purposes, as the director of internal audit. The director of internal audit shall be subject to the reporting requirements specified in subsection (c) and licensed as a key employee.

(3) An information technology department supervised by an individual located at the licensed facility who functions, for regulatory purposes, as the information technology director. The information technology director shall be licensed as a key employee and be responsible for the quality, reliability and accuracy of all slot computer systems used by the slot machine licensee regardless of whether data, software or systems are located within or outside

the licensed facility. The information technology director shall further be responsible for the security and physical integrity of, and the accountability and maintenance of, the following:

(i) Access codes and other security controls used to insure limited access to computer software and the system wide reliability of data.

(ii) Computer tapes, disks or other electronic storage media containing data relevant to the slot machine licensee's operations.

(iii) Computer hardware, communications equipment and software used in the conduct of the slot machine licensee's operations.

(iv) The computerized slot monitoring system utilized by the slot machine licensee. The information technology director shall ensure that:

(A) Slot machines, electronic wagering terminal and fully automated electronic gaming tables located on the gaming floor are connected electronically to the slot machine licensee's computerized slot monitoring system and to the Commonwealth's central control computer in accordance with section 1323 of the act (relating to central control computer system).

(B) The security features of the computerized slot monitoring system prohibit, at a minimum, the deletion, creation or modification of any data unless a permanent record is created that sets forth:

(I) The original information.

(II) Modifications to the original information.

(III) The identity of the employee making the modification.

(IV) The identity of each employee authorizing the modification, if applicable.

(C) Computerized jackpot payout systems utilized by the slot machine licensee are configured to require that any modification of $100 or more to the original amount recorded on a computerized jackpot payout or system override is authorized by two slot operations department employees, one of whom is in a position of greater authority than the individual preparing the jackpot payout.

(D) Procedures and controls are in place that define and limit interaction between both the slot operations department and finance department and the computerized slot monitoring system including access to system menus, the establishment of slot machine, electronic wagering terminal and fully automated electronic gaming table profile parameters, and the ability of each department to access, delete, create or modify information contained in the slot monitoring system.

(4) Except as provided in paragraphs (8) and (9), a slot operations department supervised by an individual located at the licensed facility who functions, for regulatory purposes, as the director of slot operations. The director of slot operations shall be licensed as a key employee and be responsible for the operation of, and conduct of gaming at, slot machines and fully automated electronic gaming tables within the licensed facility.

(5) A security department supervised by an individual located at the licensed facility who functions, for regulatory purposes, as the director of security. The director of the security department shall be licensed as a key employee and be responsible for the overall security of the licensed facility including the following:

(i) The physical safety of individuals.

(ii) The physical safeguarding of assets.

(iii) The protection of the property of both the patron and the slot machine licensee from illegal activity.

(iv) The design, implementation and enforcement of a system for the issuance of temporary access credentials.

(v) The recording of any unusual incidents within the licensed facility in which the security department is involved. Each incident shall be recorded by security department personnel in a book with bound numbered pages that cannot be readily removed or be maintained in an electronic format which has an audit function that prevents modification of information after the information has been entered into the system. The log shall be stored and retained in accordance with § 465a.6 (relating to retention, storage and destruction of books, records and documents). The following information shall be recorded:

(I) The assignment number of the incident.

(II) The date and time.

(III) The nature of the incident.

(IV) The individuals involved in the incident.

(V) The security department employees assigned to cover the incident.

(vi) The identification and removal of any individual who is required to be excluded or ejected from the licensed facility under section 1514 of the act, who may be excluded or ejected from the licensed facility under section 1515 of the act or is self-excluded from the gaming floor and gaming activities at all licensed facilities under section 1516 of the act.

(vii) The performance of the duties and responsibilities required under the system of internal controls submitted and approved under § 465a.2.

(viii) The provision of immediate notice to the Pennsylvania State Police upon detecting the presence in the licensed facility of an individual possessing a weapon in violation of § 465a.13 (relating to possession of weapons within a licensed facility).

(ix) The provision of immediate notice to supervisors designated in the internal controls and the casino compliance representatives and the Pennsylvania State Police at the licensed facility upon detecting any individual who is engaging in or attempting to engage in, or who is suspected of cheating, theft, embezzlement, a violation of this part or other illegal activities.

(x) The provision of immediate notice to supervisors designated in the internal controls and the casino compliance representatives and the Pennsylvania State Police at the licensed facility upon detecting any individual who is required to be excluded or ejected from the licensed facility under section 1514 or 1515 of the act and Chapter 511a or 513a or is self-excluded from the gaming floor and gaming activities at all licensed facilities under section 1516 of the act and Chapter 503a.

(6) A finance department supervised by an individual located at the licensed facility who functions, for regulatory purposes, as the director of finance. The director of finance shall be licensed as a key employee and responsible for all finance functions including the preparation and control of records and data, the control of stored data, the control of unused forms, the accounting for and comparison of operational data and forms, and the control and supervision of the inventory of gaming chips, the issuance of credit, the main cage, Poker room cage, satellite cages and the count room. The employees responsible for the issuance of credit shall be in a reporting line to the director of finance. The supervisor of the cage shall, on all shifts, be permitted as a gaming employee.

(7) Except as provided in paragraphs (8) and (9), a certificate holder shall have a table games department supervised by an individual located at the licensed facility who functions, for regulatory purposes, as the director of table games. The director of table games shall be licensed as a key employee and responsible for all table game functions including the inventory of table game equipment.

(8) In lieu of separate slot and table games departments, a slot machine licensee may elect to have a gaming department supervised by an individual located at the licensed facility who functions, for regulatory purposes, as the director of gaming. The director of gaming shall be licensed as a key employee and responsible for the overall operation and conduct of gaming at slot machines and table games within the licensed facility. A slot machine licensee may also elect to have a director of table games and a director of slot operations who report to the director of gaming.

(9) Unless otherwise specified by the certificate holder, for the conduct of gaming on electronic wagering terminals and hybrid gaming tables, the slot operations department shall

supervise the electronic wagering terminals and the table games department shall supervise the conduct of gaming at hybrid gaming tables as provided in paragraphs (4) and (7).

(c) The supervisors of the surveillance and internal audit departments required under subsection (b) shall report directly to one of the following persons or entities regarding matters of policy, purpose, responsibility and authority, which persons or entities shall also control the hiring, termination and salary of each supervisor:

(1) The independent audit committee of the slot machine licensee's board of directors.

(2) The independent audit committee of the board of directors of any holding or intermediary company of the slot machine licensee which has authority to direct the operations of the slot machine licensee.

(3) The senior surveillance or internal audit executives of any holding or intermediate company included in paragraph (2) if the most senior executive in the reporting line reports directly to the independent audit committee of the board of directors of the holding or intermediary company.

(4) For slot machine licensees or holding companies that are not corporate entities, the noncorporate equivalent of any of the persons or entities listed in paragraphs (1)—(3).

(5) An independent audit committee or other individuals designated by the Board in the slot machine licensee's Statement of Conditions under § 423a.6 (relating to license, permit, registration and certification issuance and statement of conditions).

(d) The slot machine licensee's personnel shall be trained in all policies, procedures and internal controls relevant to each employee's individual function. Special instructional programs shall be developed by the slot machine licensee in addition to any on-the-job instruction sufficient to enable all members of the departments required under this section to be thoroughly conversant in, and knowledgeable of, the required manner of performance of all transactions relating to their functions.

(e) Notwithstanding other provisions to the contrary, a slot machine licensee may designate and assign more than one individual to serve jointly as the supervisor of a department required under this section. Each individual approved to serve as a joint supervisor of a mandatory department shall be located at the licensed facility and shall be individually and jointly accountable and responsible for the operations of that department.

(f) In the event of a vacancy in the chief executive officer position or any mandatory department supervisory position required under subsection (b), the following apply:

(1) The slot machine licensee shall notify the Board within 5 days from the date of vacancy. The notice must be in writing and indicate the following information:

(i) The vacant position.

(ii) The date on which the position will become or became vacant.

(iii) The date on which it is anticipated that the vacancy will be filled on a permanent basis.

(2) The slot machine licensee shall designate an individual to assume the duties and responsibilities of the vacant position within 30 days after the date of vacancy. The individual may assume the duties and responsibilities of the vacant position on a temporary basis, provided that:

(i) The individual does not also function as the department supervisor for any other mandatory department required under this section.

(ii) The individual's areas of responsibility will not be so extensive as to be impractical for one individual to monitor.

(iii) The position shall be filled on a permanent basis within 120 days of the original date of vacancy.

(3) Within 5 days of filling a vacancy under paragraph (2), the slot machine licensee shall notify the Board thereof. The notice must be in writing and indicate the following:

(i) The position.

(ii) The name of the individual designated.

(iii) The date that the vacancy was filled.

(iv) An indication of whether the position has been filled on a temporary or permanent basis.

(4) The notices required in this subsection shall be directed to the Bureau of Licensing.

(g) Each slot machine licensee shall prepare and maintain a jobs compendium consistent with the requirements of this section detailing job descriptions and lines of authority for all personnel employed by the slot machine licensee. The jobs compendium shall be submitted to the Board for approval as part of the slot machine licensee's internal controls required under § 465a.2 at least 90 days prior to the commencement of slot or table game operations. The Board will review the jobs compendium to determine whether the job descriptions and the organizational charts contained therein conform to the licensing, permitting and registration requirements and chain-of-command and segregation of duties requirements of the act and the Board's regulations as part of the Board's review of the slot machine licensee's internal controls required under § 465a.2.

(h) A jobs compendium must include the following sections:

(1) An alphabetical table of contents listing the position title, job code and the page number on which the corresponding job description may be found.

(2) An organizational chart for each department or division, including all positions and illustrating by position title, the direct and indirect lines of authority within the department or division. Each page of an organizational chart must specify the following:

(i) The date the organizational chart was approved.

(ii) The effective date of the previously submitted organizational chart that the revised organizational chart supersedes.

(iii) A unique title or other identifying designation for that organizational chart.

(3) Job descriptions of each employee position that accurately correspond to a position title listed in the organizational charts and in the alphabetical table of contents. Each job description must be contained on a separate page, organized by departments or divisions, and include, at a minimum, the following:

(i) The job title and corresponding department.

(ii) Job duties and responsibilities.

(iii) Detailed descriptions of experience or educational requirements.

(iv) The type of Board-issued credential required under the act and the Board's regulations for each employee job description.

(v) The date of submission of each employee job description and the date of any prior job description it supersedes.

(vi) The access code that will be assigned to the employee job description for the access badge required under § 465a.12 (relating to access badges and temporary access credentials).

(i) Any proposed amendment to a previously approved jobs compendium, including any amendment to an organizational chart, which involves the departments listed in subsection (b) shall be submitted as an amendment to the slot machine licensee's internal controls in accordance with § 465a.2.

(j) For departments that are not listed in subsection (b), unless otherwise directed by the Board, a slot machine licensee will not be required to submit amendments to its jobs compendium for approval. Instead, the certificate holder will be required to notify the Bureau of Licensing by the end of the business day on the date of implementation for newly created

positions or changes to job descriptions and tables of organizations. The notification must include properly formatted job descriptions and organization charts for the affected departments. After the notification has been submitted, the Bureau of Licensing may require changes to the job descriptions and organizational charts to ensure compliance with licensing, permitting or registration requirements.

(k) Each slot machine licensee shall maintain on its premises a complete, updated copy of its jobs compendium, in a written or electronic form, which shall be made available for review upon request of the Board, the Department or the Pennsylvania State Police.

(l) This section may not be construed so as to limit a slot machine licensee's discretion in utilizing a particular job title for any position in its jobs compendium.

(m) If the proposed amendment to a previously approved jobs compendium requiring submission and approval under subsection (i) requires immediate implementation due to emergent circumstances, business necessity, or if the scope of the proposed amendment is determined by the Bureau of Gaming Operations to be minor, the slot machine licensee may request expedited review of the amendment and interim approval by the Bureau of Gaming Operations, pending a full review and approval by the Executive Director.

§ 465a.12. Access badges and temporary access credentials.

(a) Slot machine licensees shall develop an access control matrix indicating the restricted areas in a licensed facility that an employee may access for each employee job description. Access to restricted areas by an employee shall be limited to the restricted areas that the employee needs to access in the course of the performance of the employee's normal duties listed in the employee's job description.

(b) In the internal controls required to be submitted under § 465a.2 (relating to internal control systems and audit protocols), the slot machine licensee shall designate the department that shall be responsible for determining the appropriate level of access for each job description and updating the level of access when a job description changes. The level of access information for each employee shall be transmitted to the individual or department designated in subsection (c).

(c) In the internal controls required to be submitted under § 465a.2, the slot machine licensee shall designate the department that shall develop and maintain an electronic database system, or its functional equivalent, which contains the access level of all employees of the slot machine licensee. The electronic database system must be capable of tracking who enters or changes the access level assigned to each employee.

(d) In the internal controls required to be submitted under § 465a.2, the slot machine licensee shall designate the department that shall be responsible for entering or making changes to the access level of employees of the slot machine licensee in the electronic database system.

(e) In the internal controls required to be submitted under § 465a.2, the slot machine licensee shall include an access matrix containing all restricted areas and all employees, their position titles and departments who have access to those restricted areas.

(f) Read-only access to the electronic database system shall be made available through secure computer access to the Board's representatives at the licensed facility.

(g) Slot machine licensees shall develop an access badge system consisting of a badge that contains the employee's name and a color, code or symbol that indicates the areas in the licensed facility that the employee is allowed to access.

(h) Employees of a slot machine licensee shall be required to wear an access badge in a visible location at all times while they are working in a licensed facility.

§ 465a.13. Possession of weapons within a licensed facility.

(a) Except as provided in subsection (b), individuals, including security department personnel, are prohibited from possessing weapons capable of producing death or serious bodily injury, as defined in 18 Pa.C.S. § 2301 (relating to definitions), stun guns or other devices designed to injure or incapacitate a person within a licensed facility.

(b) The Board's prohibition in subsection (a) does not apply to the possession of firearms carried in accordance with 18 Pa.C.S. §§ 6101—6127 (relating to Pennsylvania Uniform Firearms Act of 1995). A slot machine licensee may exercise its common law right to prohibit the possession of firearms in accordance with subsections (c) and (d).

(c) A licensee may not prohibit the following individuals from possessing a weapon capable of producing death or serious bodily injury, including a firearm, stun gun or other device designed to injure or incapacitate a person within its facility:

(1) Pennsylvania State Police assigned to its Gaming Enforcement Office.

(2) An on-duty officer or agent of any local, State or Federal law enforcement agency when the officer or agent is acting in an official capacity.

(d) A slot machine licensee that prohibits individuals from possessing firearms shall post in a conspicuous location at each entrance to the licensed facility signs that provide the public with notice that the possession of firearms, weapons capable of producing death or serious bodily injury, stun guns and other devices designed to injure or incapacitate a person is prohibited.

(e) A slot machine licensee that does not prohibit individuals from possessing firearms shall post in a conspicuous location at each entrance to the licensed facility signs that provide the public with notice that the possession of weapons capable of producing death or serious bodily injury, other than firearms carried in accordance with 18 Pa.C.S. § 6109 (relating to licenses), stun guns or other devices designed to injure or incapacitate a person is prohibited.

§ 465a.14. Security department minimum staffing.

(a) In accordance with § 465a.2(d)(5) (relating to internal control systems and audit protocols), slot machine licensees shall be required to submit a minimum staffing submission with regard to its security department. The minimum staffing submission must consider the size

and layout of the licensed facility as well as the number and configuration of slot machines and table games on the gaming floor and must at all times provide for security of the gaming floor and restricted areas servicing the gaming operation. A slot machine licensee may not implement a change or amendment in its security department minimum staffing submission without approval from the Board's Executive Director, in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment) of the change or amendment.

(b) A slot machine licensee may not employ off-duty law enforcement officers to provide security related services in the licensed facility.

§ 465a.15. Cage characteristics.

(a) A licensed facility shall have, immediately adjacent or proximate to the gaming floor, a physical structure known as a cage to house the cashiers and to serve as the central location in the licensed facility for:

(1) The custody of the cage inventory comprised of cash (currency or coin), gaming chips, plaques and the forms, documents and records normally associated with the operation of a cage.

(2) The functions normally associated with the operation of a cage.

(b) The supervisor of the cage shall, regardless of shift, be permitted as a gaming employee.

(c) The cage must be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein. Its design and construction must include:

(1) Manually triggered silent alarm systems located at the cashiers' window, vault and in ancillary office space adjacent or proximate thereto. The systems must be connected directly to the monitoring room of the surveillance department and to the security department.

(2) A double door entry and exit system that will not permit an individual to pass through the second door until the first door is securely locked. In addition, the following apply:

(i) The first door leading from the gaming floor of the double door entry and exit system must be controlled by the security department or the surveillance department.

(ii) The second door of the double door entry and exit system must be controlled by the cage, security department or the surveillance department, provided that the first and second door may not be controlled by the same department.

(iii) The double door entry and exit system must have surveillance coverage which shall be monitored by the surveillance department.

(iv) An entrance to the cage that is not a double door entry and exit system must be an alarmed emergency exit door only.

(3) If manual locks are used to secure each door of the double door entry and exit system, the keys to each door must be different from each other.

(4) A slot machine licensee may use a Board-approved computerized access system to meet the double door entry system requirements in paragraph (2) if:

(i) The computerized access system provides a functionally equivalent level of security.

(ii) The slot machine licensee includes provisions in the slot machine licensee's internal controls which will provide a functionally equivalent level of security when the computerized access system is not functioning.

(d) A licensed facility may also have one or more satellite cages separate and apart from the main cage established to maximize security, efficient operations or patron convenience. A satellite cage may perform all of the functions of the main cage and must be equipped with an alarm system in compliance with subsection (c)(1). The functions which are conducted in a satellite cage shall be subject to the accounting controls applicable to a main cage set forth in this subpart.

(e) A slot machine licensee shall maintain, immediately available to the Board and the Pennsylvania State Police, a current list, with Board credential numbers, of all persons:

(1) Possessing the combination or keys to the locks securing the double door entry and exit system restricting access to the main cage and any satellite cage and the vault.

(2) Possessing the ability to activate or deactivate alarm systems for the main cage, any satellite cage and vault.

§ 465a.16. Accounting controls for the cage.

(a) The assets for which cage cashiers are responsible shall be maintained on an imprest basis. At the end of each shift, cage cashiers assigned to the outgoing shift shall record on a cashiers' count sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories and shall reconcile the total closing inventory with the total opening inventory. Each cashiers' count sheet shall be signed by the preparing cage cashier attesting to the accuracy of the information thereon.

(b) At the opening of every shift, in addition to the imprest funds normally maintained by cage cashiers, each slot machine licensee shall have in the main cage, a reserve cash bankroll sufficient to pay winning patrons.

(c) The main cage and any satellite cage shall be physically segregated by personnel and function as follows:

(1) Cage cashiers shall operate with individual imprest inventories of cash and their functions include the following:

(i) The receipt of cash, value chips, plaques and other cash equivalents from patrons in exchange for cash.

(ii) The receipt of personal checks for gaming purposes from patrons in exchange for cash, subject to the limitations on amount under § 465a.20 (relating to personal check cashing).

(iii) The receipt of cash, value chips, plaques and other cash equivalents, checks issued by the slot machine licensee, annuity jackpot checks, wire transfers and cashless funds transfers from patrons to establish a customer deposit under § 465a.23 (relating to customer deposits).

(iv) The receipt of customer deposit forms from patrons in exchange for cash under § 465a.23.

(v) The preparation of jackpot payout slips in accordance with this subpart and technical standards adopted by the Board under § 465a.26 (relating to jackpot and credit meter payouts).

(vi) The receipt of gaming vouchers from patrons, or from authorized employees who received gaming vouchers as gratuities, in exchange for cash.

(vii) Issuance, receipt and reconciliation of imprest funds used by slot attendants, including an imprest change/pouch payout fund.

(viii) The issuance of gaming vouchers.

(2) Main bank cashier functions include the following:

(i) The receipt of cash, value chips, plaques, cash equivalents, gaming vouchers, jackpot payout slips and personal checks received for gaming purposes from cage cashiers in exchange for cash.

(ii) The receipt of cash from the count rooms.

(iii) The receipt of personal checks accepted for gaming purposes from cage cashiers for deposit.

(iv) The preparation of the overall cage reconciliation and accounting records.

(v) The preparation of the daily bank deposit for cash, cash equivalents, Counter Checks and personal checks.

(vi) The issuance, receipt and reconciliation of imprest funds used by slot attendants.

(vii) The receipt from cage cashiers of documentation with signatures thereon, required to be prepared for the segregation of functions in the cage.

(viii) The responsibility for the reserve cash bankroll.

(ix) The receipt of unsecured currency and unsecured gaming vouchers and preparation of reports thereon.

(x) The issuance, receipt and reconciliation of cash and gaming vouchers to and from automated bill breaker, automated gaming voucher and coupon redemption and automated jackpot payout machines and preparation of related documentation.

(d) At the end of the gaming day a copy of the cage cashiers' count sheets and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories, agreement of amounts thereon to other forms, records and documents required by this subpart and recording of transactions.

§ 465a.17. Bill validators, slot cash storage boxes and table game drop boxes.

(a) Slot machines, electronic wagering terminals and fully automated electronic gaming tables must be equipped with a bill validator configured to accept any combination of currency, gaming vouchers, coupons and other instruments authorized by the Board for incrementing credits on a slot machine, electronic wagering terminal or fully automated electronic gaming table.

(b) Access to the bill validator must be controlled by at least one lock, the key to which shall be controlled by the slot operations department.

(c) The bill validator in a slot machine, electronic wagering terminal or fully automated electronic gaming table must contain a secure tamper resistant container known as a slot cash storage box or table game drop box. Currency, gaming vouchers, coupons and Board-approved instruments inserted into the bill validator shall be deposited into the slot cash storage box or table game drop box.

(d) The slot cash storage box or table game drop box on a fully automated electronic gaming table or an electronic wagering terminal must be secured to the bill validator by two separate locks, the keys to which shall be different from each other, one of which may be the lock to the belly door or main door of the slot machine, electronic wagering terminal or fully automated electronic gaming table and a second of which is the lock on the release mechanism on the slot cash storage box or table game drop box. If there is not a full door on the bill validator, the lock on the release mechanism on the slot cash storage box or table game drop box must detect and display whether it is locked or unlocked and communicate whether it is locked or unlocked to a slot monitoring system. The keys shall be maintained and controlled as follows:

(1) The key to the main door and belly door, if applicable, of the slot machine, electronic wagering terminal or fully automated electronic gaming table shall be maintained and controlled by the slot operations department. The slot operations department may, immediately prior to the commencement of the drop, issue its main door and belly door key, if applicable, to the finance department. A key transferred from the slot operations department to the finance department shall be returned immediately following the conclusion of the drop. The slot operations department shall establish sign in and sign out procedures in its internal controls documenting this transfer.

(2) The key to the lock securing the release mechanism on the slot cash storage box or table game drop box shall be maintained and controlled by the security department. The security department shall establish a sign out and sign in procedure with regard to this key which includes documentation of this transfer.

(e) A slot cash storage box or table game drop box from a fully automated electronic gaming table or an electronic wagering terminal must:

(1) Have at least one lock securing the contents of the slot cash storage box or table game drop box, the key to which shall be maintained and controlled by the finance department.

(2) Have a slot opening through which currency, gaming vouchers and coupons can be inserted into the slot cash storage box or table game drop box.

(3) Have a mechanical arrangement or device that prohibits removal of currency, gaming vouchers and coupons from the slot opening whenever the slot cash storage box or table game drop box is removed from the bill validator.

(4) Be fully enclosed, except for openings that may be required for the operation of the bill validator or the slot cash storage box or table game drop box. However, the location and size of the openings may not affect the security of the slot cash storage box, the table game drop box, its contents or the bill validator.

(5) Have an asset number that is permanently imprinted, affixed or impressed on the outside of the slot cash storage box or table game drop box which corresponds to the asset number of the slot machine, electronic wagering terminal or fully automated electronic gaming table to which the bill validator has been attached. In lieu of the asset number, a slot machine licensee may develop and maintain, with prior Board approval, a system for assigning a unique identification number to its slot cash storage boxes or table game drop boxes. The system must ensure that each slot cash storage box or table game drop box can readily be identified, either manually or by computer, when in use with, attached to and removed from a particular bill validator. Each unique identification number must be permanently imprinted, affixed or impressed on the outside of each slot cash storage box or table game drop box that does not otherwise bear an asset number. The asset number or unique identification number must be conspicuous and clearly visible to persons involved in removing or replacing the slot cash storage box or table game drop box in the bill validator and through the slot machine licensee's surveillance system. Notwithstanding the foregoing, emergency slot cash storage boxes and

emergency table game drop boxes for fully automated electronic gaming tables or electronic wagering terminals may be maintained without an asset number or a unique identification number, provided the word “emergency” is permanently imprinted, affixed or impressed thereon, and when put into use, are temporarily marked with the asset number of the slot machine, electronic wagering terminal or fully automated electronic gaming table to which the bill validator is attached.

(6) Be designed and installed in a manner that renders the slot machine, electronic wagering terminal or fully automated electronic gaming table inoperable in the event of the removal or absence of the slot cash storage box or table game drop box.

(f) A table game in a licensed facility that is not a fully automated electronic gaming table or an electronic wagering terminal must have a secure tamper-resistant table game drop box attached to it in which the following shall be deposited:

(1) All cash exchanged at the gaming table for gaming chips and plaques.

(2) Issuance copies of Counter Checks exchanged at the gaming table for gaming chips and plaques.

(3) Copies of Fill Request Slips, Fill Slips, Credit Request Slips, Credit Slips and Table Inventory Slips.

(4) Other table game wagering instruments as approved by the Board.

(g) A table game drop box from a table game that is not a fully automated electronic gaming table or electronic wagering terminal must have:

(1) Two separate locks securing the contents placed into the table game drop box, the keys to which must be different from each other.

(2) A separate lock securing the table game drop box to the gaming table, the key to which must be different from each of the keys to the locks securing the contents of the table game drop box.

(3) A slot opening through which currency, value chips or Poker rake chips for nonbanking games, other table game wagering instruments as approved by the Board, and required forms and documents can be inserted into the table game drop box.

(4) A mechanical device that must automatically close and lock the slot opening upon removal of the table game drop box from the gaming table.

(5) Permanently imprinted or impressed thereon, and clearly visible to surveillance, either:

(i) A number corresponding to a unique permanent number on the gaming table to which the table game drop box is attached and a letter or letters which indicate the type of game.

(ii) The word “emergency.”

(6) In addition to the information required under paragraph (5)(i), a table game drop box may also be identified by a bar code label that is securely affixed to the table game drop box. Each bar code label affixed to a table game drop box must be:

(i) Encoded, at a minimum, with the information required under paragraph (5)(i).

(ii) Prepared in accordance with the slot machine licensee's approved internal controls.

(h) The key utilized to release the table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals shall be maintained and controlled by the security department. The security department may, immediately prior to the commencement of the table game count process, issue its release key to the count room supervisor for the purpose of resetting the release mechanism on empty table game drop boxes. A key transferred from the security department shall be returned immediately following the conclusion of the count of the table game drop boxes. The security department shall establish sign in and sign out procedures in its internal controls documenting this transfer and procedures governing the control of the key during any breaks taken by the count room personnel.

(i) The key to one of the locks securing the contents of a table game drop box from a table game that is not a fully automated electronic gaming table or an electronic wagering terminal shall be maintained and controlled by the finance department. The key to the second lock securing the contents of the table game drop box from a table game that is not a fully automated electronic gaming table or an electronic wagering terminal shall be maintained and controlled by the casino compliance representatives.

(j) Prior to using a table game drop box labeled “Emergency” for a table game that is not a fully automated electronic gaming table or an electronic wagering terminal, the certificate holder shall:

(1) Notify and obtain the verbal approval of the casino compliance representatives.

(2) Temporarily mark the emergency table game drop box with the number of the gaming table and a letter or letters that indicate the type of game.

§ 465a.18. Transportation of slot cash storage boxes and table game drop boxes to and from the gaming floor; storage.

(a) Slot machine licensees shall submit and obtain the approval of the Bureau of Casino Compliance, in accordance with § 601a.10(g) (relating to approval of table game layouts, signage and equipment), the plan for the distribution and collection of slot cash storage boxes and table game drop boxes. The plan must:

(1) Provide for the separate distribution and collection of all of the following:

(i) Slot cash storage boxes and table game drop boxes from fully automated electronic gaming tables and electronic wagering terminals.

(ii) Table game drop boxes not otherwise specified in subparagraph (i).

(2) Include the time the distribution and collection of:

(i) Slot cash storage boxes and table game drop boxes from fully automated electronic gaming tables and electronic wagering terminals will begin.

(ii) Table game drop boxes not otherwise specified in subparagraph (i) will begin.

(3) Specify which slot cash storage boxes and table game drop boxes from fully automated electronic gaming tables and electronic wagering terminals will be picked up on each pick-up day.

(4) Specify the order in which the slot cash storage boxes and table game drop boxes will be distributed and collected.

(5) Specify the route that the drop team will utilize from the gaming floor to the count room.

(b) Slot machine licensees shall maintain and make available to the Bureau of Casino Compliance and the Pennsylvania State Police a current list, with Board credential numbers, of all employees participating in the transportation of slot cash storage boxes and table game drop boxes to and from the gaming floor. The slot machine licensee shall file notice with the Bureau of Casino Compliance and obtain verbal approval from the casino compliance supervisor at the licensed facility prior to:

(1) Deviating from the schedule setting forth the specific times at which slot cash storage boxes or table game drop boxes are brought to or removed from the gaming floor.

(2) Changing which slot cash storage boxes or table game drop boxes from fully automated electronic gaming tables or electronic wagering terminals will be picked up on each pick-up day.

(3) Altering the route to the count room.

(c) Table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals shall be removed from all gaming tables once each gaming day regardless of whether or not the gaming table was open or closed during that gaming day. Table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals shall be collected separately from slot cash storage boxes and table game drop boxes from electronic wagering terminals and fully automated electronic gaming tables.

(d) Slot cash storage boxes and table game drop boxes removed from bill validators or gaming tables shall be transported directly to, and secured in, the count room or a trolley storage area located immediately adjacent thereto, configured and secured by a minimum of three employees, at least one of which is a member of the security department and at least one of which is a member of the finance department.

(1) Upon its removal from a bill validator or gaming table, a slot cash storage box or table game drop box shall immediately be placed in an enclosed trolley which is secured by two separately keyed locks. The key to one lock shall be maintained and controlled by the security department. The key to the other lock shall be maintained and controlled by the finance department. Access to the keys shall be controlled, at a minimum, by a sign out and sign in procedure contained in the slot machine licensee's internal controls. The security department key and the key controlled by finance shall be returned to its secure location after completion of the slot and table game count.

(2) Prior to the movement of any trolley, which contains slot cash storage boxes or table game drop boxes, from the gaming floor into the count room, the drop team supervisor shall verify that the number of slot cash storage boxes and table game drop boxes removed from the gaming floor equals the number of slot cash storage boxes and table game drop boxes scheduled to be collected that day and that the locks controlled by security and the finance department have been locked. For table game drop boxes removed from table games that are not fully automated electronic gaming tables or electronic wagering terminals, a floorperson or above may verify the number of table game drop boxes removed from the gaming floor instead of the drop team supervisor.

(3) A slot cash storage box or table game drop box being replaced by an emergency slot cash storage box or table game drop box shall be transported, using a trolley, directly to and secured in the count room by at least one member of the finance department and one member of the security department.

(e) Slot cash storage boxes and table game drop boxes that are not secured to a bill validator or a gaming table, including emergency slot cash storage boxes and table game drop boxes that are not actively in use, shall be stored in the count room or other secure area specified in the slot machine licensee's internal controls. These slot cash storage boxes and table game drop boxes shall be stored in an enclosed cabinet or trolley and secured in the cabinet or trolley by a separately keyed, double locking system. The key to one lock shall be maintained and controlled by the security department and the key to the other lock shall be maintained and controlled by the finance department. Access to the keys shall be controlled, at a minimum, by a sign out and sign in procedure contained in the slot machine licensee's internal controls.

(f) Notwithstanding subsection (e), the security department may, immediately prior to the commencement of the count process, issue its key to the storage cabinet or trolley to a count room supervisor for the purpose of gaining access to the slot cash storage boxes and table game drop boxes in the storage cabinet or trolley. A key transferred from the custody of the security department to the count room supervisor shall be returned immediately following the conclusion of the count of the slot cash storage boxes and table game drop boxes and the return of the empty emergency drop boxes and slot cash storage boxes or table game drop boxes to their respective storage cabinet or trolley by the count room supervisor. The security department shall establish in its internal controls a sign out and sign in procedure documenting this transfer and a procedure governing the control of the key during any breaks taken by count room personnel.

(g) When a gaming table on the gaming floor is not in use, the table game drop box for that table must remain attached to the gaming table.

(h) Prior to changing the type of table game offered or removing a slot machine or table game from the gaming floor, at least one security department employee and one finance department employee shall conduct an emergency drop.

§ 465a.19. Acceptance of tips or gratuities from patrons.

(a) Notwithstanding the requirements of § 461a.8(n) (relating to gaming vouchers), a key employee, box person, floorperson or any other gaming employee who serves in a supervisory position is prohibited from soliciting or accepting, and no other gaming employee may solicit, a tip or gratuity from a patron of the slot machine licensee. The slot machine licensee may not permit any practices prohibited by this section.

(b) The slot machine licensee shall submit internal controls relating to the acceptance of tips or gratuities by dealers at banking and nonbanking table games.

(c) Except as permitted under subsection (g), all tips and gratuities received by dealers in a licensed facility shall be:

(1) Immediately deposited in a transparent locked box reserved for tips and gratuities. If Roulette chips are received as tips or gratuities at a Roulette table, the marker button indicating the specific value of the Roulette chips may not be removed until after the dealer, in the presence of a floorperson or above, has converted the Roulette chips into value chips which shall then be immediately deposited in the transparent locked box reserved for tips and gratuities.

(2) Collected and accounted for at least once each gaming day.

(3) Placed in a common pool for distribution pro rata among all dealers in accordance with subsection (e).

(d) A patron may identify a wager as a tip wager. A tip wager placed at the table shall be played separately from the player's other wagers. A winning tip wager shall be collected and deposited in the tip box after each round of play or after a roll of the dice which decides the outcome of the wager. A winning tip wager or part of a winning tip wager may not be wagered

again. Upon receipt from a patron of a tip or gratuity, a dealer shall extend his arm in an overt motion, and deposit the tip or gratuity in the locked box reserved for tips and gratuities.

(e) Tips and gratuities placed in a common pool shall be distributed pro rata among the dealers in the pool based upon the number of hours worked. In determining the number of hours which an employee has worked for purposes of tip pool distribution, a slot machine licensee may establish standards for distribution which include hours of vacation time, personal leave time or any other authorized leave of absence in the number of hours worked by each employee. These standards shall apply uniformly to all employees, except that a slot machine licensee may establish different standards for full-time or part-time employees.

(f) Any distribution of tips and gratuities from a common tip pool under this section shall occur no more than once every 7 calendar days.

(g) Notwithstanding the requirements in subsection (c), a certificate holder that offers:

(1) Nonbanking Poker may either:

(i) Establish a separate common pool for tips and gratuities received by its Poker dealers.

(ii) Permit a Poker dealer to retain his own tips and gratuities, in which case the tips and gratuities received by a Poker dealer shall be deposited, in accordance with procedures in subsection (d), in a transparent locked box assigned to the particular dealer. The box shall be moved from table to table with the dealer.

(2) Gaming on electronic wagering terminals may allow players to tip from the electronic wagering terminal provided that the certificate holder specifies how the tips placed electronically will be recorded, pooled and distributed in accordance with this section.

(h) When a slot machine licensee elects to use the option in subsection (g)(1)(ii), at the end of the Poker dealer's shift, the dealer shall take the transparent locked box assigned to the dealer to a cage cashier. The cage cashier shall open the container and count the tips and gratuities in the presence of the Poker dealer and record the total amount of the tips and gratuities received by the dealer and either:

(1) Return the tips and gratuities to the dealer.

(2) Retain all or a portion of the tips and gratuities for inclusion in the dealer's paycheck.

(i) A certificate holder shall specify how dealer tips and gratuities will be reported to the Internal Revenue Service.

§ 465a.20. Personal check cashing.

(a) Checks made payable to an individual, including Social Security, unemployment insurance, disability, public assistance and payroll checks, may not be cashed by a slot machine licensee or entity certified or registered with the Board that is operating within the licensed facility. Notwithstanding the prohibition, a slot machine licensee may cash the payroll check of one of its employees or a check issued to a patron by the slot machine licensee. Personal checks accepted by a slot machine licensee which enable a patron to take part in gaming must be:

(1) Drawn on a commercial bank, savings bank, saving and loan association or credit union and payable on demand.

(2) Drawn for a specific amount.

(3) Made payable to the slot machine licensee or entity certified or registered with the Board that is operating within the licensed facility.

(4) Currently dated, but not postdated.

(b) Personal checks accepted under subsection (a) shall be presented by the patron directly to a cage cashier who shall:

(1) Endorse the check “for deposit only” to the bank account designated by the slot machine licensee.

(2) Initial the check.

(3) Date and time stamp the check.

(4) Verify that the signature of the patron on the personal check and the patron's physical appearance agree with information recorded in a patron signature file created and maintained by the slot machine licensee in accordance with subsection (c) or with the signature and photograph or physical description contained on a government-issued identification presented by the patron. The slot cashier shall document how the signature verification was performed in connection with the acceptance of each personal check.

(5) For personal checks equaling or exceeding $500, verify the validity of the check directly with the commercial bank, savings bank, saving and loan association or credit union upon which it is drawn or obtain an authorization and guarantee of the check from a check verification and warranty service certified as a gaming service provider by the Board. The cage cashier shall document how the check verification was performed in connection with the acceptance of each personal check.

(6) Immediately exchange the personal check for cash in an amount equal to the amount for which the check is drawn or place the amount in a customer deposit account under § 465a.23 (relating to customer deposits) for subsequent use at the licensed facility. A slot machine licensee may not accept a check or multiple checks which in the aggregate exceed $2,500 per patron per gaming day, except as permitted in §§ 609a.15(c) and 609a.16(b) (relating to redemption of Counter Checks; and substitution and consolidation of Counter Checks).

(c) To record a patron's signature in a patron signature file, a cage cashier shall require the individual for whom the file is to be created to present for examination the following:

(1) If the identity of the patron is to be confirmed in accordance with subsection (d)(1), one form of identification.

(2) If the identity of the patron is to be confirmed in accordance with subsection (d)(2), two forms of identification, at least one of which must contain a photograph or general physical description of the patron.

(d) Before a slot machine licensee may use a signature recorded in a patron signature file to verify the identity of a patron or the validity of a signature on a document, the slot machine licensee shall confirm the identity of the patron by either:

(1) Comparing the signature on the identification presented by the patron under subsection (c)(1) with the signature obtained from the patron and verifying the address of the patron's residence with a credit bureau, commercial bank or, if neither of these sources has the individual's address on file or will not provide the information, with an alternative source, which does not include any identification credentials or other documentation presented by the patron at the cage.

(2) Comparing the signature on each of two forms of the identification presented by the patron under subsection (c)(2) with the signature obtained from the patron and comparing the photograph or general physical description contained on at least one of the forms of identification with the patron's actual physical appearance.

(e) A patron signature file established and maintained by a slot machine licensee under subsection (c) must include, in addition to the patron's signature, the following:

(1) The patron's name.

(2) The address of the patron's residence.

(3) The types of identification examined under subsection (d) and an indication whether the identification contained a photograph or physical description of the patron.

(4) For the purposes of this section, a physical description of the patron which includes:

(i) Date of birth.

(ii) Approximate height.

(iii) Approximate weight.

(iv) Hair color.

(v) Eye color.

(5) The date and time that the patron signature file was established.

(6) The procedure by which the identity of the patron was confirmed under subsection (d), including:

(i) The source of confirmation, date and time if confirmed under subsection (d)(1).

(ii) The date and time of confirmation if confirmed under subsection (d)(2).

(7) The signature of the cage cashier or cage supervisor who examined the identification of the patron and established the patron signature file. The signature will evidence that:

(i) The signature of the patron recorded in the patron signature file is consistent with the signature on each form of identification that was examined.

(ii) The physical description recorded in the patron signature file is consistent with both the actual appearance of the patron and any photograph or physical description that may be contained on an identification that was examined.

(f) A slot machine licensee that charges a fee for cashing checks shall comply with the Check Casher Licensing Act (63 P. S. §§ 2301—2334).

(g) Prior to accepting personal checks, each slot machine licensee shall establish a comprehensive system of internal controls applicable to the acceptance of personal checks. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The internal controls submitted by the slot machine licensee must address procedures for complying with § 503a.4(a)(4) (relating to duties of slot machine licensees) and this section including the dollar limitation per gaming day contained in subsection (b)(6).

(h) An entity certified or registered with the Board that is cashing checks on behalf of a licensee within a licensed facility shall comply with the requirements in subsections (a)—(f).

§ 465a.21. Wire transfers.

(a) A slot machine licensee may accept a wire transfer on behalf of a patron to enable the patron to take part in gaming. A wire transfer accepted by a slot machine licensee shall be recorded in the slot machine licensee's cage accountability no later than the next gaming day.

(b) Prior to commencing acceptance of wire transfers for gaming purposes, a slot machine licensee shall establish a comprehensive system of internal controls addressing the acceptance, verification, accounting for and sending of wire transfers. The internal controls shall

be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(c) The internal control procedures developed and implemented by the slot machine licensee under subsection (b) must include:

(1) A cage log to record the following information with regard to wire transfers accepted:

(i) A sequential number assigned by the slot machine licensee to the wire transfer transaction.

(ii) The date and time of notification.

(iii) The name of the financial institution and account number to which the funds were transferred.

(iv) The amount of funds transferred.

(v) The name of the patron for whose benefit the funds were transferred.

(vi) The name and address of the financial institution from which the funds were transferred and the account number from which the funds were debited.

(vii) The method by which the slot machine licensee was notified of the receipt of the wire transfer and, if noticed by telephone, the name and title of the person providing notice.

(viii) The signature of the cage employee receiving and recording the information required under this subsection.

(ix) A notation that the wire transfer has been reversed under subsection (d), when applicable.

(2) A requirement that a cage supervisor other than the cage employee who initially documented receipt of the wire transfer verify receipt of the wire transfer.

(3) A requirement that the cage supervisor verifying receipt of the wire transfer document the verification process performed in the log required under paragraph (1) including:

(i) The method by which the receipt of the wire transfer was verified and, if verified by telephone, the name and title of the individual providing the verification.

(ii) The date and time of verification.

(iii) The signature of the cage supervisor verifying receipt of the wire transfer.

(4) The procedures used to:

(i) Establish, verify and document the identity of the patron.

(ii) Make the wire transfer proceeds available to the patron at the cage.

(iii) Adjust the cage accountability.

(5) A cage log to record the following information with regard to wire transfers sent on behalf of a patron:

(i) The name of the patron.

(ii) The date of the transaction.

(iii) The amount of funds transferred.

(iv) The source of funds transferred (cash, cash equivalent, jackpot payout).

(v) The name and address of the financial institution to which the funds will be transferred and the account number to which the funds will be credited.

(vi) The signature of the patron if the request to send a wire transfer is made in person at the cage.

(vii) Documentation supporting the receipt of a request by the slot machine licensee to send a wire transfer on behalf of a patron if the request was not made in person at the cage.

(viii) The signature of the cage employee receiving and recording the information required under this subsection.

(ix) The signature of the cage supervisor or accounting department supervisor authorizing the wire transfer.

(6) When sending a wire transfer on behalf of a patron, the procedures used to:

(i) Verify and document the identity of the patron.

(ii) Adjust the cage accountability.

(d) A slot machine licensee, on the next gaming day, shall take all steps necessary to return to a patron by wire transfer an amount initially accepted by wire transfer if, at the expiration of 14 gaming days following the deposit into its operating account of a wire transfer which has no documented business purpose other than having been accepted to enable a patron to take part in gaming, both of the following circumstances exist:

(1) The wired funds remain in a slot machine licensee's operating account or cage accountability.

(2) The patron has engaged in minimal or no slot or table game play.

(e) The wire transfer returned under subsection (d) shall be sent to the financial institution from which the funds were debited. This reversal of the wire transfer shall be recorded in the wire transfer log maintained under subsection (c)(1).

§ 465a.22. Cash equivalents.

(a) The requirements in this section are not applicable to gaming chips or plaques.

(b) Prior to accepting cash equivalents for gaming purposes, a slot machine licensee shall establish a comprehensive system of internal controls addressing the acceptance and verification of cash equivalents. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(c) The internal control procedures developed and implemented by the slot machine licensee under subsection (a) must include:

(1) A requirement that cage employees perform the specific verification procedures required under the issuer of each cash equivalent accepted. The slot machine licensee shall retain adequate documentation evidencing the verification of each cash equivalent.

(2) A requirement that cage employees examine each cash equivalent for counterfeiting, forgery or alteration.

(3) When a slot machine licensee elects to incorporate into its verification procedures a level of reliance on previously accepted cash equivalents, the procedures must articulate the general parameters governing the reliance.

(4) Criteria for cage supervisor involvement in the verification process.

(5) Procedures for verifying any patron signature on the cash equivalent. Signature verification must be accomplished in accordance with the signature verification procedures in § 465a.20 (relating to personal check cashing). The slot machine licensee shall retain adequate documentation evidencing how each signature was verified.

§ 465a.23. Customer deposits.

(a) At the request of a patron, a slot machine licensee may hold cash, value chips, plaques, funds accepted by means of personal check in accordance with § 465a.20 (relating to personal check cashing) or wire transfer in accordance with § 465a.21 (relating to wire transfers) or cash equivalents accepted in accordance with § 465a.22 (relating to cash equivalents) for a patron's subsequent use at the licensed facility. For the purposes of this section, after complying with this chapter for acceptance and verification, noncash items shall be considered converted to

cash and deposited as cash for credit to the patron in a customer deposit account maintained in the cage.

(b) Prior to agreeing to hold a patron's cash, value chips, plaques, funds accepted by means of personal check in accordance with § 465a.20 or wire transfer in accordance with § 465a.21 or cash equivalents accepted in accordance with § 465a.22 for a patron's subsequent use at the licensed facility, each slot machine licensee shall establish a comprehensive system of internal controls addressing the receipt and withdrawal of a customer deposit. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(c) The internal control procedures developed and implemented by the slot machine licensee under subsection (b) must include all of the following:

(1) A requirement that customer deposits be accepted at the cage.

(2) A requirement that customer deposits be withdrawn by the patron at the cage, gaming table or upon receipt of a written request for withdrawal whose validity has been established.

(3) A requirement that the patron receive a receipt for any customer deposit accepted reflecting the total amount deposited, the date of the deposit and the signature of the cage employee accepting the customer deposit.

(4) Procedures for verifying the identity of the patron at the time of withdrawal. Signature verification shall be accomplished in accordance with the signature verification procedures under § 465a.20. The slot machine licensee shall maintain adequate documentation evidencing the patron identification process and how the signature was verified.

(d) A certificate holder may utilize an electronic credit system for the processing of customer deposits in accordance with § 609a.19 (relating to use of an electronic credit system for the processing of Counter Checks and customer deposits).

§ 465a.24. Count room characteristics.

(a) A slot machine licensee shall have adjacent or proximate to the cage a room, to be known as a count room, specifically designated, designed and used for counting the contents of slot cash storage boxes and table game drop boxes.

(b) The count room shall be designed and constructed to provide maximum security for the materials housed therein and for the activities conducted therein. Each slot machine licensee shall design and construct a count room with the following security measures:

(1) A metal door installed on each entrance and exit equipped with an alarm device which audibly signals the surveillance department monitoring room or the security department whenever a door to the count room is opened.

(2) Each entrance door to the count room must be equipped with two separate locks, the keys to which must be different from each other and different from the lock securing

the contents of each slot cash storage box or table game drop box. The keys shall be maintained and controlled as follows:

(i) The key to one of the locks shall be maintained and controlled by the security department.

(ii) The key to the other lock shall be maintained and controlled by finance.

(iii) Sign out and sign in procedures shall be established for both keys.

(3) To exit the count room, the count room door must be equipped with an automatic release mechanism or other device as specified in the slot machine licensee's internal controls.

(c) The following must be located within the count room:

(1) A table constructed of clear glass or similar material for the emptying, counting and recording of the contents of slot cash storage boxes and table game drop boxes.

(2) Surveillance cameras capable of video monitoring of:

(i) The entire count process.

(ii) The interior of the count room, including any storage cabinets or trolleys used to store slot cash storage boxes and table game drop boxes and any approved trolley storage area located adjacent to the count room.

§ 465a.25. Counting and recording of slot cash storage boxes and table game drop boxes.

(a) Prior to commencing gaming operations, a slot machine licensee shall establish a comprehensive system of internal controls addressing the opening, counting and recording of the contents of slot cash storage boxes and table game drop boxes. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols) and must include:

(1) A workflow diagram which indicates the location of all equipment used in the count, including tables, baskets and bins, and the flow of all currency and paperwork from the start of the count to the conclusion of the count. The approved workflow diagram shall also be filed with the surveillance department.

(2) A description of all computer equipment, software, files or reports used in the counting and recording process and all other systems, if any, that communicate with that computer equipment. The submission must include:

(i) The names of all revenue files, the names of the employees who have access and what type of access they have to those files.

(ii) Controls to prevent access to any count room information by anyone outside of the count room until the entire count process is concluded.

(3) The procedures for conducting each required count, which must include, at a minimum, the following:

(i) In full view of the surveillance cameras, the contents of each slot cash storage box or table game drop box shall be emptied on the count table and either manually counted separately on the count table or counted in a currency counting machine located in a conspicuous location on, near or adjacent to the count table.

(ii) After the contents of each slot cash storage box or table game drop box have been emptied on the count table, the inside of the slot cash storage box or table game drop box shall be held up to the full view of the surveillance cameras to assure that all contents of the slot cash storage box or table game drop box have been removed, after which the slot cash storage box or table game drop box shall be locked and placed in the storage area.

(iii) The contents of each slot cash storage box or table game drop box shall be segregated by a count team member into separate stacks on the count table by each denomination of currency and by the type of required forms or documents. A slot machine licensee may utilize a machine to automatically sort currency by denomination.

(iv) Mutilated or torn currency shall be separated by denomination and recorded as revenue if the bill includes one entire serial number and one letter and number of the serial number from the other half of the bill.

(v) Mutilated or torn currency that is not recorded as revenue shall be placed in a sealed transparent envelope or container and transferred to the main bank by the main bank cashier or cage supervisor at the end of the count.

(vi) Except as provided in subparagraph (vii), each denomination of currency shall be counted separately by one count team member who shall place individual bills of the same denomination on the count table in full view of the surveillance cameras. The currency shall then be counted by a second count team member who is unaware of the result of the original count and who, after completing this count, shall confirm the accuracy of the total, either verbally or in writing, with that reached by the first count team member.

(vii) A slot machine licensee may aggregate counts by denomination of all currency collected in substitution of the second count required under subparagraph (vi), if the original counts are being performed automatically by a machine that counts and automatically records the value of currency, and the accuracy of the machine has been suitably tested and proven in accordance with subparagraph (viii).

(viii) Currency counting machines utilized to count and strap currency, gaming vouchers and coupons may be used if:

(A) Prior to the start of each slot or table game count, the counting machine is tested in accordance with the procedures contained in the slot machine licensee's internal controls to verify the accuracy of the counting machine.

(B) The counting machine automatically provides two separate counts of the funds at different stages of the count process and, if the separate counts are not in agreement, document the discrepancy.

(C) The counting machine is capable of determining the value of a gaming voucher or coupon by independently examining information printed on the gaming voucher or coupon. The information is used by the counting equipment to either calculate the value internally or obtain the value directly from the gaming voucher system or coupon system in a secure manner. When the gaming voucher system is utilized to obtain the value of a gaming voucher or coupon, the gaming voucher system must perform a calculation or integrity check to ensure that the value has not been altered in the system in any manner since the time of issuance.

(ix) A gaming voucher or coupon deposited in a slot cash storage box or table game drop box from a fully automated electronic gaming table or an electronic wagering terminal shall be counted and included in the calculation of revenue without regard to the validity of the gaming voucher or coupon.

(4) Procedures for scheduled breaks to be taken by the count team members during the count. This submission must also address the use of restroom facilities that are located in the count room.

(5) Procedures governing the proper wearing and immediate inspection of jumpsuits worn by the count team members to ensure that items are not taken from the count room without proper authority and that the jumpsuits have not been altered in any way. The count team is prohibited from removing the jumpsuits from the licensed facility.

(b) A slot machine licensee shall file with the Bureau of Casino Compliance, in accordance with § 601a.10(g) (relating to approval of table game layouts, signage and equipment), a schedule setting forth the times during which the contents of slot cash storage boxes, table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals and table game drop boxes from table games that are fully automated electronic gaming tables or electronic wagering terminals are to be counted and recorded. The slot machine licensee shall file notice with the Bureau of Casino Compliance and obtain verbal approval from the casino compliance supervisor at the licensed facility prior to deviating from the count schedule.

(c) Immediately prior to the commencement of the count, a count room employee shall notify the surveillance department that the count is about to begin so that surveillance can record the entire count process as required under § 465a.9(e)(8) (relating to surveillance system; surveillance department control; surveillance department restrictions).

(d) Except as otherwise provided in this section, access to the count room during the counting process shall be limited to the count team and those individuals whose presence is necessary to complete the count. The count team shall consist of at least three employees. Employees in the count room who are conducting the count may not, during the counting process, enter a storage area for slot cash storage boxes, table game drop boxes or other items that are part of the count room to perform any function that is not directly related to the counting process.

(e) The opening, counting and recording of the contents of table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals may not commence until a casino compliance representative is present in the count room. If the casino compliance representative has to leave the count room during the table game count, the count shall be suspended and all personnel in the count room shall vacate the count room until a casino compliance representative is available to observe the resumption of the count.

(f) All count team members and the casino compliance representative observing a count shall sign a Count Room Attendance Sheet. Any individual who enters or leaves the count room due to an emergency shall sign and record the time of entry or exit on the Count Room Attendance Sheet. When the individual exiting the count room is unable to sign the document due to the emergency, the count room supervisor shall record the individual's name and time of exit and a notation describing the emergency on the Count Room Attendance Sheet. At the conclusion of the count, a copy of the Count Room Attendance Sheet shall be given to the casino compliance representative.

(g) Individuals who are in or who enter the count room when uncounted funds are present shall wear a full-length, one-piece, pocketless jumpsuit with the exception of representatives of the Board, the Department, the Pennsylvania State Police, the security department and the internal audit department.

(h) Individuals present in the count room when uncounted funds are present may not:

(1) Carry a handbag or other container unless it is transparent.

(2) Remove their hands from or return them to a position on or above the count table or counting equipment unless the backs and palms of the hands are first held straight out and exposed to the view of other members of the count team and a surveillance camera.

(i) Once the counting process has started, the doors to the count room shall only be opened for one of the following purposes:

(1) To allow the entire count team to take a scheduled work break.

(2) To allow for a change of casino compliance representatives.

(3) To allow a main bank cashier or cage supervisor to enter the count room to perform the responsibilities in subsection (n) or (o)(6).

(4) To allow the placement of a slot cash storage box or table game drop box or to remove a trolley, empty slot cash storage boxes or table game drop boxes from the count room.

(5) To allow the count team and the casino compliance representative to exit the room at the conclusion of the count.

(6) In the event of an emergency.

(j) If any individual enters or leaves the count room during the counting process, employees remaining in the count room shall display their hands and step away from the count table, banking table and counting equipment until the individual has entered or left the count room.

(k) The counting and recording process shall be discontinued when less than three count team members are present in the count room. When the entire count team takes a scheduled break, all cash that has been removed from the slot cash storage boxes or table game drop boxes shall be counted at least once and secured in a manner approved by the Bureau of Casino Compliance before any member of the count team may leave the count room.

(l) Once the counting process has been started, a member of the count team shall notify surveillance when the count room door will be opened.

(m) All table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals shall be counted and recorded at least once each gaming day. The slot machine licensee shall designate which slot cash storage boxes and table game drop boxes from fully automated electronic gaming tables and electronic wagering terminals will be counted and recorded each gaming day. The following shall be counted and recorded separately:

(1) Slot cash storage boxes and table game drop boxes from fully automated electronic gaming tables and electronic wagering terminals.

(2) Table game drop boxes from banking games that are not fully automated electronic gaming tables or electronic wagering terminals.

(3) Table game drop boxes from nonbanking games.

(n) After the contents of slot cash storage boxes and table game drop boxes from fully automated electronic gaming tables and electronic wagering terminals have been removed and counted, a count team member shall present the currency to a main bank cashier or cage supervisor in the count room who shall recount, either manually or mechanically, the currency prior to having access to the information recorded by the count team.

(o) Table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals shall be counted and recorded as follows:

(1) As the contents of each table game drop box are counted, a count team member shall manually record the results of the count on the Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report or a computer system. The Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report must be a three-part form consisting of an original and two duplicates. The distribution of the Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report shall be as follows:

(i) The original shall be delivered to revenue audit by the count room supervisor immediately after leaving the count room at the conclusion of the count.

(ii) The second copy shall be retained by the casino compliance representative observing the count.

(iii) The third copy shall be retained by the cage supervisor or main bank cashier.

(2) After the contents of each table game drop box from a banking table game are counted, a member of the count team shall record, manually on the Daily Banking Table Game Count Report or electronically on a computer system, the following information for each banking table game drop box:

(i) The value of each denomination of currency counted.

(ii) The total value of all denominations of currency counted.

(iii) The gaming date of the items being recorded, the total number of banking table game drop boxes opened and counted and the date that the Daily Banking Table Game Count Report is being prepared or generated.

(3) After the contents of each table game drop box from a nonbanking table game are counted, a member of the count team shall record, manually on the Daily Nonbanking Table Game Count Report or electronically on a computer system, the following information for each nonbanking table game drop box:

(i) The value of Poker rake chips counted.

(ii) The value of value chips counted.

(iii) The total value of Poker rake chips and value chips counted.

(iv) The gaming date of the items being recorded, the total number of nonbanking table game drop boxes opened and counted and the date that the Daily Nonbanking Table Game Count Report is being prepared or generated.

(4) After preparation of the Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report or the electronic equivalents prepared on a computer system, the count team members and the count room supervisor shall sign the reports attesting to the accuracy of information recorded thereon. The count room supervisor shall verify that all of the table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals that were collected and opened by count team members have been recorded on the reports.

(5) Once all currency has been counted and the final count totals have been obtained, employees may not be permitted to leave the count room, except in an emergency, until the recount and presentation procedures in paragraph (6) have been completed.

(6) After the contents of all table game drop boxes from table games that are not fully automated electronic gaming tables or electronic wagering terminals have been removed and counted, all cash, value chips and Poker rake chips shall be presented in the count room by a count team member to a main bank cashier or cage supervisor who, prior to having access to the information recorded on the Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report or electronic equivalents and in the presence of the count team members and the casino compliance representative, shall recount, either manually or mechanically, the currency, value chips and Poker rake chips presented in accordance with the following requirements:

(i) The main bank cashier or cage supervisor shall have physical access to all currency, value chips and Poker rake chips presented for recounting. Currency, value chips or Poker rake chips for recounting may not be wrapped or placed in a sealed bag or container until the entire recount has been completed and the Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report or electronic equivalents have been signed by the entire count team, the count room supervisor, the main bank cashier or cage supervisor and the casino compliance representative.

(ii) The main bank cashier or cage supervisor may bulk count all strapped currency.

(iii) All partial straps, loose currency, mutilated or torn currency, value chips and Poker rake chips shall be recounted by the main bank cashier or cage supervisor either by hand or with an approved counting device.

(iv) The casino compliance representative may direct that currency straps of any denomination be recounted by the main bank cashier or cage supervisor, either by hand or by counting equipment, if a discrepancy either in denomination total or grand total is discovered during the initial bulk recount.

(v) Upon completion of the recount, the main bank cashier or cage supervisor shall attest by signature on the Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report or electronic equivalents the amounts of currency, value chips and Poker rake chips counted, after which the casino compliance representative shall sign the report evidencing his presence during the count and the fact that both the main bank

cashier or cage supervisor and count team have agreed on the total amounts of currency, value chips and Poker rake chips counted.

(vi) When all required signatures have been obtained, the second copy of the Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report or electronic equivalents shall be given to the casino compliance representative and the third copy shall be retained by the cage supervisor or main bank cashier.

(vii) The original Daily Banking Table Game Count Report and the Daily Nonbanking Table Game Count Report or electronic equivalents, the Requests for Fills, the Fill Slips, the Requests for Credits, the Credit Slips, the issuance copy of the Counter Checks, the Table Inventory Slips and any other supporting documentation shall be transported directly to the accounting department and may not be available to cage personnel.

(7) A count room employee, in the presence of the casino compliance representative who observed the count, shall conduct a thorough inspection of the entire count room and all counting equipment located therein to verify that no currency, value chips, Poker rake chips, Counter Checks, gaming vouchers, coupons or supporting documentation remains in the room.

(p) If any problems occur with the slot or table count procedures or machines (for example, computer interface malfunctions or strap overages or shortages), the problems shall be brought to the immediate attention of a casino compliance representative and a detailed written report explaining the problem, the reason for the problem and the corrective action taken shall be filed by the count room supervisor or above with the casino compliance representatives within 24 hours of the conclusion of the count.

(q) Notwithstanding the requirements of this section and § 465a.18 (relating to transportation of slot cash storage boxes and table game drop boxes to and from the gaming floor; storage), a slot machine licensee may submit, as part of its internal controls, alternate procedures for the separate collection, distribution, opening and counting of nonbanking table game drop boxes in a room, other than the count room, provided that:

(1) The room for the counting of nonbanking table game drop boxes shall be dual access controlled by the finance department and the security or surveillance department and covered by the slot machine licensee's surveillance system.

(2) Immediately prior to the commencement of the nonbanking table game count, an employee of the finance department who is participating in the count shall notify the surveillance department that the count is about to begin so that surveillance can record the entire count process as required under § 465a.9(e)(8).

(3) The count shall be conducted by at least two employees of the finance department who are not assigned as Poker room cage employees on that gaming day and who have no incompatible duties.

(4) The opening, counting and recording of the contents of nonbanking table game drop boxes may not commence until a casino compliance representative is present. If the casino compliance representative has to leave or if less than two finance department employees are present, the count will be suspended until at least two finance department employees and a casino compliance representative are present.

(5) Individuals who participate in the nonbanking table game count may not remove their hands from or return them to a position on or above the count table unless the backs and palms of the hands are first held straight out and exposed to the view of other finance department employees involved in the count and a surveillance camera.

(6) The contents of each nonbanking table game drop box shall be counted and recorded in accordance with subsection (o)(1) and (3). After preparation of the daily nonbanking table game count report or the electronic equivalents prepared on a computer system, the finance department employees who participated in the count shall sign the report attesting to the accuracy of the information recorded thereon. Once the contents of the nonbanking table game drop boxes has been counted and the final count totals have been obtained, employees may not leave the room, except in an emergency, until the recount and presentation procedures in paragraph (7) have been completed.

(7) The cash, value chips and Poker rake chips removed from the nonbanking table game drop boxes shall then be presented to a cage supervisor who did not participate in the count and shall be recounted and recorded in accordance with subsection (o)(6).

(8) The slot machine licensee shall submit procedures governing how scheduled work breaks will be conducted, if any, during the nonbanking table game count.

§ 465a.26. Jackpot and credit meter payouts.

(a) Prior to commencing gaming operations, a slot machine licensee shall establish a comprehensive system of internal controls addressing jackpot and credit meter payouts that are not paid directly from a slot machine, electronic wagering terminal or fully automated electronic gaming table. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(b) The internal control procedures must, at a minimum, include:

(1) The use of a two-part electronically generated jackpot/credit meter payout slip created by a slot attendant or slot supervisor or higher slot operations department employee, verifying the winning wager or winning combination of characters or a code corresponding to the winning combination of characters on the slot machine, electronic wagering terminal or fully automated electronic gaming table and the amount of the jackpot or credit meter payout based on the observed winning wager or winning combinations.

(2) A requirement that if the jackpot or credit meter payout on a slot machine is equal to or between $1,200 and $9,999.99, a security department member or a slot operations department member other than the preparer shall sign the jackpot/credit meter payout slip

verifying the winning combination of characters or a code corresponding to the winning combination of characters on the slot machine, the amount of the jackpot or credit meter payout and the payment of the jackpot or credit meter payout to the patron. Notwithstanding the forgoing, if the licensee's slot or casino management system can independently verify a jackpot or credit meter payout, only the preparer is required to sign the jackpot/credit meter payout slip for payouts less than or equal to $4,999.99 provided that the slot machine licensee's internal control reflect the following:

(i) If the slot machine licensee's slot or casino management system or the central control computer system are not fully operational, or when overrides or adjustments are required, two individuals shall verify a jackpot or credit meter payout that is equal to or between $1,200 and $9,999.99 as specified in this paragraph.

(ii) Jackpot payouts that are equal to or greater than $1,200 shall be accompanied by the issuance of a W-2G Form.

(3) A requirement that if the jackpot or credit meter payout is equal to or between $10,000 and $24,999.99 on a slot machine, or between $5,000 and $24,999.99 on a fully automated electronic gaming table or electronic wagering terminal, a security department member, a slot supervisor or other employee holding the same or greater level of authority than a slot supervisor shall sign the jackpot/credit meter payout slip verifying the winning wager or winning combination of characters or a code corresponding to the winning combination of characters on the slot machine, electronic wagering terminal or fully automated electronic gaming table, the amount of the jackpot or credit meter payout, and the payment of the jackpot or credit meter payout to the patron. If the two-part electronically generated jackpot/credit meter payout slip required under paragraph (1) is created by a slot supervisor or higher slot operations department employee, the verification required by this paragraph may be completed by a slot attendant, security department member, a slot supervisor or other employee holding the same or greater level of authority as a slot supervisor.

(4) A requirement that if the jackpot or credit meter payout on a slot machine, electronic wagering terminal or fully automated electronic gaming table is $25,000 or more, a slot supervisor or other employee holding the same or greater level of authority as a slot supervisor shall sign the jackpot/credit meter payout slip verifying the winning wager or winning combination of characters or a code corresponding to the winning combination of characters on the slot machine, electronic wagering terminal or fully automated electronic gaming table, the amount of the jackpot or credit meter payout, and the payment of the jackpot or credit meter payout to the patron. If the two-part electronically generated jackpot/credit meter payout slip required under paragraph (1) is created by a slot supervisor or higher slot operations department employee, the verification required by this paragraph may be completed by a slot attendant, security department member, a slot supervisor or other employee holding the same or greater level of authority as a slot supervisor.

(5) A requirement that the following information be on all two-part electronically generated jackpot/credit meter payout slips:

(i) The date and time of the jackpot or credit meter payout.

(ii) The asset number of the slot machine, electronic wagering terminal or fully automated electronic gaming table on which the jackpot or credit meter payout was registered.

(iii) The winning wager or winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot.

(iv) The type of win (that is, progressive, jackpot or credit meter payout).

(v) The amount that is to be paid to the winning patron. This amount may, at the slot machine licensee's discretion, be rounded up to the nearest whole dollar.

(vi) A unique number generated by the slot monitoring system.

(vii) The signature or, if the slot accounting system has approved controls for access to the system, the electronic authorization of the preparer.

(viii) The signature or, if the slot accounting system has appropriate controls for access, the electronic authorization of the witness when the amount is equal to or greater than $1,200, except as provided in paragraph (2).

(ix) The signature or identification code of the cashier providing the funds to the preparer, if applicable.

(6) A requirement that the two-part electronically generated jackpot/credit meter payout slip not be susceptible to any changes or deletion from the slot monitoring system by any personnel after preparation.

(7) A requirement that whenever a winning patron is paid directly by a slot attendant's imprest fund, a two-part manual jackpot/credit meter payout slip is completed that contains the following information:

(i) The date and time of the jackpot or credit meter payout.

(ii) The asset number of the slot machine, electronic wagering terminal or fully automated electronic gaming table on which the jackpot or credit meter payout was registered.

(iii) The winning wager or winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot.

(iv) The type of win (that is, progressive, jackpot or credit meter payout).

(v) The amount paid to the winning patron. This amount may, at the slot machine licensee's discretion, be rounded up to the nearest whole dollar.

(vi) The signature and Board-issued credential number of the preparer.

(vii) The signature and Board-issued credential number of the witness when the amount is equal to or greater than $1,200, except as provided in paragraph (2).

(8) When jackpot or credit meter payouts are made from slot attendants' imprest funds, procedures for the replenishment of the imprest funds and the reconciliation process to be used by the slot attendants.

(9) A requirement that the slot machine licensee's accounting department perform, at the conclusion of each gaming day, effective audit procedures over the issuance of jackpot and credit meter payouts including adequate comparisons to the slot monitoring system.

(10) Detailed procedures on the processing of all system overrides or adjustments to jackpot or credit meter payouts. All jackpot or credit meter payouts that do not match the payout amount electronically sent from the slot machine, electronic wagering terminal or fully automated electronic gaming table to the slot monitoring system require an override.

(11) Detailed procedures for the processing of all voided jackpot/credit meter payout slips.

(12) Detailed procedures for the processing of unclaimed taxable jackpot payouts. The procedures must include notice to the casino compliance representatives at the licensed facility when an unclaimed taxable jackpot payout or credit meter payout occurs.

(13) Back-up procedures that will be used when the slot monitoring system is offline or an electronic jackpot payout slip cannot be created, including the use of a three-part manual jackpot or credit meter payout book or equivalent. The three-part manual jackpot payout book or equivalent must contain preprinted, serial numbered three-part manual jackpot/credit meter payout slips that include the following information:

(i) Preprinted serial numbers.

(ii) The date and time of the jackpot or credit meter payout.

(iii) The asset number of the slot machine, electronic wagering terminal or fully automated electronic gaming table on which the jackpot or credit meter payout was registered.

(iv) The amount of the jackpot or credit meter payout.

(v) The method of payment requested by the patron.

(vi) The signature and Board-issued credential number of the preparer.

(vii) The signature and Board-issued credential number of the witness when the amount is equal to or greater than $1,200.

(14) A requirement that the unused manual jackpot payout books or equivalent be maintained in a secured locked cabinet, that the key to the cabinet be controlled by the security department or the finance department and that the manual jackpot payout books or equivalent can only be signed out by a slot supervisor or other employee holding a greater level of authority when the slot monitoring system is offline.

(15) A requirement that the surveillance department be verbally notified of all jackpot or credit meter payouts when the amount of the jackpot or credit meter payout is $5,000 or more. The surveillance department shall log all calls regarding jackpot or credit meter payouts in the surveillance log.

§ 465a.27. Annuity jackpots.

(a) A slot machine licensee offering an annuity jackpot payable over 10 years or more may offer a winning patron the option to be paid in a single cash payout, in lieu of the annuity jackpot, in an amount that is equal to the present value of the face amount of the jackpot payout as calculated in subsection (b).

(b) A slot machine licensee may offer a cash payment option. The present value of the cash payout option on an annuity shall be determined by applying a discount rate to each of the future annuity jackpot payments, taking into consideration the number of years until each jackpot payment would otherwise have been received and adding to that amount the amount of the first cash payment that would otherwise have been received. For the purposes of this subsection, the discount rate must equal the United States Treasury constant maturity rate for 20 year United States government securities for the week ending prior to the date of the jackpot, as identified in the applicable H.15 Statistical Release issued by the Federal Reserve Board plus 0.5%.

(c) A slot machine licensee may not offer an annuity jackpot payout unless:

(1) The terms and conditions of the annuity jackpot, including the effect on the calculation of the theoretical payout percentage, comply with the act, this subpart and technical standards on jackpot payouts approved by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(2) The Board has approved the specific offer of the annuity jackpot.

(d) A cash payout made in connection with an annuity jackpot must be made in accordance with § 465a.26 (relating to jackpot payouts).

(e) Prior to the payment of an annuity jackpot, each slot machine licensee shall establish a comprehensive system of internal controls addressing the payment of an annuity jackpot. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(1) The internal control procedures developed and implemented by the slot machine licensee must include:

(i) Procedures to be followed by a winning patron to exercise a cash payout option.

(ii) Procedures with regard to the administration of the trust agreement established to insure the future cash payments due under the annuity jackpot award.

(iii) A requirement that the trustee for the trust fund established by the trust agreement be a banking institution in this Commonwealth, slot machine licensee or, for a wide area progressive system offering an annuity jackpot, the slot system operator for that wide area progressive system.

(2) A slot machine licensee may not offer an annuity jackpot until its supporting trust agreement and the internal controls required under this section have been approved in writing by the Board under § 465a.2.

§ 465a.28. Merchandise jackpots.

(a) A slot machine licensee may not offer a merchandise jackpot payout unless:

(1) The terms and conditions of the merchandise jackpot, including the effect on the calculation of the theoretical payout percentage, comply with the act, this subpart and technical standards on jackpot payouts approved by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(2) The Executive Director has approved the specific offer of the merchandise jackpot. To obtain the Executive Director’s approval, a slot machine licensee shall file a written request with the Bureau of Gaming Operations containing all of the details related to the merchandise jackpot payout including:

(i) A detailed description of the merchandise jackpot.

(ii) A description of the slot machines that will offer the merchandise jackpot.

(iii) Supporting documentation relating to the valuation of the merchandise offered as the merchandise jackpot.

(b) A merchandise jackpot may consist of one of the following:

(1) A payout that consists of both merchandise and cash.

(2) A payout of merchandise only with an optional cash payout that the person may elect to receive in lieu of receiving the merchandise.

(c) A cash payout made in connection with a merchandise jackpot shall be made in accordance with § 465a.26 (relating to jackpot payouts).

(d) Prior to offering of a merchandise jackpot, each slot machine licensee shall establish a comprehensive system of internal controls addressing the payment of a merchandise jackpot. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(e) Whenever a slot machine licensee offers a merchandise jackpot consisting of merchandise or an optional cash payment, the cash equivalent value of the merchandise must equal or exceed the value of the optional cash payment. The cash equivalent value of the merchandise shall be determined as follows:

(1) Merchandise that is sold directly to the public in the normal course of the slot machine licensee's business shall be recorded at an amount based upon full retail price normally charged for the item.

(2) Merchandise which is not offered for sale to the public in the normal course of the slot machine licensee's business but which is provided directly to the patron by the slot machine licensee shall be recorded at an amount based upon the actual cost to the slot machine licensee of providing the item.

(3) Merchandise provided directly or indirectly to the patron on behalf of a slot machine licensee by a third party not affiliated with the slot machine licensee shall be recorded at an amount based upon the actual cost to the slot machine licensee of having the third party provide the item.

(4) Merchandise provided directly or indirectly to the patron on behalf of a slot machine licensee by a third party who is affiliated with the slot machine licensee shall be recorded by the slot machine licensee in accordance with this subsection as if the affiliated party were the slot machine licensee.

(f) Slot machine licensees shall retain and make available to the Board upon request supporting documentation relating to the acquisition and valuation of merchandise offered as a merchandise jackpot.

(g) A merchandise jackpot will be considered to be winnings for the purpose of calculating gross terminal revenue and the payout percentage of any slot machine. The value of the merchandise jackpot will be determined as follows:

(1) For a combination of merchandise and cash, the cash equivalent value of the merchandise as calculated under subsection (e) plus the amount of cash awarded.

(2) For merchandise or an optional cash payment in lieu of the merchandise, the value of the award selected by the winning patron.

(h) Slot machine licensees shall notify the Department of the slot machines that will be offering the merchandise jackpot and the value of each merchandise jackpot awarded.

(i) Advertising of merchandise jackpots must include the following at a minimum:

(1) An accurate description of the merchandise jackpot.

(2) The dates the merchandise jackpot will be offered.

(3) The cash equivalent value of the merchandise jackpot.

(4) The optional cash payment that will be offered in lieu of the merchandise, if an optional cash payment is offered.

(j) Until the merchandise jackpot is won by a patron, a slot machine licensee may not decrease the probability of winning the merchandise jackpot, increase the denomination of a slot machine offering the merchandise jackpot, nor in any other way vary the terms upon which the merchandise jackpot is offered to the public.

(k) Slot machines which are linked to offer the same merchandise jackpot must have the same probability of winning that jackpot.

(l) A slot machine which offers a merchandise jackpot as a payout which is removed from the gaming floor shall be returned to or replaced on the gaming floor within 5 days. If the slot machine is not returned or replaced, the merchandise jackpot shall, within 5 days of the slot machine's removal, be offered as a payout on another slot machine or slot system approved by the Board which offers the same or a greater probability of winning the merchandise jackpot, and accepts a denomination of coin the same or less than the denomination accepted by the slot machine which was removed.

§ 465a.29. Automated teller machines.

(a) Automated teller machines may be placed at any location within a licensed facility. Automated teller machines that offer credit card advances may not be placed on the gaming floor.

(b) An automated teller machine must have a label on the top and front of the automated teller machine that displays a unique identification number of the automated teller machine. The labels must have white lettering on a black background or another color combination approved by the Bureau of Casino Compliance, may not be easily removed and must be easily visible to the surveillance department. The label on the top of the automated teller machine must be at least 1.5 inches by 5.5 inches and the label on the front of the automated teller machine must be at least 1 inch by 2.5 inches.

(c) A slot machine licensee may utilize an automated teller machine that also contains an automated gaming voucher redemption machine, an automated coupon redemption machine or bill breaker provided that the machine complies with § 465a.34 (relating to automated gaming voucher and coupon redemption machine accounting controls).

(d) Automated teller machines located within a licensed facility may not accept Pennsylvania Access/Electronic Benefits Transfer Cards.

§ 465a.30. Waiver of requirements.

(a) The Board's Executive Director may waive one or more of the requirements of this chapter or technical standards applicable to accounting and internal controls adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site upon a determination that the nonconforming control or procedure nonetheless meets the operational integrity requirements of the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(b) A slot machine licensee may submit a request to the Board's Executive Director for a waiver for one or more of the requirements in this chapter or the technical standards applicable to accounting and internal controls adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site. The request must:

(1) Be filed with the Board's Executive Director.

(2) Include supporting documentation demonstrating how the accounting and internal controls for which the waiver has been requested will still meet the operational integrity requirements of the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(3) Be approved by the Board's Executive Director.

§ 465a.31. Gaming day.

(a) The beginning and ending times of the gaming day will be 6:00 a.m. to 5:59.59 a.m.

(b) Prior to commencing gaming operations, each slot machine licensee shall submit to the Board, in writing, its hours of operation, which times must correspond to the portion of its gaming day it will be open to the public for the purpose of gaming activities. A slot machine licensee may not commence gaming operations until its hours of operation are approved by the Board.

(c) Any change in a slot machine licensee's hours of operation shall be submitted as a change to the slot machine licensee’s internal controls in accordance with the requirements in § 465a.2(f) (relating to internal control systems and audit protocols) at least 72 hours in advance of the change.

§ 465a.32. Signature.

An employee signature may be in either of the following formats:

(1) The employee's first initial, last name and Board-issued credential number, written by the employee, immediately adjacent to or above the clearly printed or preprinted title of the employee.

(2) The employee's unique identification number or other computer identification code issued to the employee by the slot machine licensee, if the document to be signed is authorized by the Board to be generated by a computer system and the method of signature is approved or required by the Board.

§ 465a.33. Access to areas containing central control computer equipment.

A slot machine licensee shall develop and submit to the Board and the Department, as part of the submission required under § 465a.2 (relating to internal control systems and audit protocols), procedures for safeguarding and limiting access to the central control computer (CCC) equipment housed within the licensed facility. At a minimum, these procedures must include the following requirements:

(1) The area containing CCC equipment must:

(i) Be secured with a manual key lock system, the keys to which must be different from any other keys used in the licensed facility.

(ii) Have a door that when opened audibly signals the surveillance monitoring room.

(iii) Have adequate surveillance camera coverage to record all activity in the area.

(2) Access to the area containing the CCC system equipment may not be permitted unless prior arrangements have been made with the Department and the operator of the CCC system.

(3) All keys which access the area containing CCC equipment shall be maintained by the slot machine licensee's security department. The keys may only be signed out by a security supervisor or above to employees of the Department or the operator of the CCC system who are on the authorized access list. The authorized access list shall be obtained from the Department and made available to the casino compliance representatives and the director of security at the licensed facility. A verbal notification shall be made to the surveillance monitoring room, the operator of the CCC system and the casino compliance representatives at the licensed facility prior to signing out the keys.

(4) The slot machine licensee shall maintain an access log for the area containing CCC equipment. The log shall be maintained in a book with bound numbered pages that cannot be readily removed and placed in close proximity to the CCC equipment. Casino compliance representatives at the licensed facility may review the log upon request to the Department and the operator of the CCC system. The log shall be stored and retained in accordance with § 465a.6 (relating to retention, storage and destruction of books, records and documents). The following information shall be recorded in a log:

(i) The date and time of each entry.

(ii) The entering individual's name, Board-issued credential number and department or affiliation.

(iii) The reason for entering the area containing CCC equipment.

(iv) The name of the individual authorizing entry into the area containing CCC equipment.

(v) The date and time of exiting the area containing the CCC equipment.

(5) Individuals who are not authorized to have access to the area containing CCC equipment may only be granted access for emergency situations requiring environmental adjustments, such as electrical, plumbing or HVAC malfunctions, with a security escort. When emergency access is granted, the slot machine licensee shall provide notice immediately to the Department, the operator of the CCC system and the casino compliance representatives at the licensed facility prior to permitting entry to the area containing CCC equipment.

§ 465a.34. Automated gaming voucher and coupon redemption machine accounting controls.

(a) Prior to commencing use of an automated gaming voucher redemption machine, an automated coupon redemption machine, bill breaker or some combination thereof, a slot machine licensee shall establish a comprehensive system of internal controls. The internal controls shall be submitted to, and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols).

(b) The internal controls required under subsection (a) must:

(1) Address the distribution of currency or coin, or both, to the machines, the removal of gaming vouchers, coupons or currency accepted by the machines and the reconciliations associated therewith.

(2) Include a detailed description of which departments maintain and control the keys to the locks securing each compartment of the automated gaming voucher redemption machine, automated coupon redemption machine, bill breaker or combination thereof, provided that:

(i) The keys to each compartment of the machine must be different from each other.

(ii) The key to the lock securing the compartments containing currency shall be maintained and controlled by the finance department.

(iii) The keys to the remaining compartments shall be maintained and controlled by a designated department to ensure the proper segregation of duties.

(3) Require either the finance department or slot operations department to clear the error conditions listed in § 461a.10(o) (relating to automated gaming voucher and coupon redemption machines).

§ 465a.35. Personnel assigned to the operation and conduct of table games.

(a) The following personnel shall be used to operate table games that are not fully automated electronic gaming tables or electronic wagering terminals in a licensed facility:

(1) Dealers.

(2) Stickpersons.

(3) Boxpersons.

(4) Floorpersons

(5) Pit managers.

(6) Poker shift managers.

(7) Assistant table games shift managers.

(8) Table games shift managers.

(b) Certificate holders shall maintain the following minimum levels of staffing when table games are being operated:

(1) One dealer for any table game other than Craps or Baccarat.

(2) Two dealers for each Baccarat table.

(3) Three dealers for each Craps and Three Dice Football table, one of whom shall act as the stickperson.

(4) One boxperson for each Craps table.

(c) Certificate holders shall provide a sufficient number of floorpersons to supervise the operation of table games in accordance with the standards in this subsection. A floorperson may not supervise more than the number of tables specified in one of the following paragraphs:

(1) Four tables comprised of any combination of banking table games excluding:

(i) Baccarat.

(ii) Midibaccarat.

(iii) Craps.

(iv) Mini-Craps.

(v) Pai Gow.

(vi) Three Dice Football.

(2) One Baccarat table.

(3) Two Midibaccarat tables.

(4) One Midibaccarat table and one table of any other banking table game excluding Baccarat, Craps and Mini-Craps.

(5) Three Craps tables.

(6) One Craps table and two tables of any other banking table game excluding Baccarat, Midibaccarat, Mini-Craps and Pai Gow.

(7) One Mini-Craps table, if only one dealer is assigned to the table.

(8) Two Mini-Craps tables, if the there is a dealer and a stickperson assigned to the tables.

(9) Two Pai Gow tables, if the tables are in a side-by-side configuration.

(10) One Pai Gow table and one table of any other banking table game excluding Baccarat, Craps and Mini-Craps.

(11) Eight Poker tables.

(12) Ten Poker tables, if the floorperson assigned to Poker does not have responsibilities for seating players.

(13) Two Three Dice Football tables or one Three Dice Football table and one table of any other banking table game excluding Baccarat, Midibaccarat, Craps, Mini-Craps and Pai Gow.

(d) If the gaming tables being supervised by a floorperson are electronic gaming tables, other than fully automated electronic gaming tables or electronic wagering terminals, the maximum number of gaming tables that the floorperson may supervise may be increased by 50%. For example, under subsection (c)(1) the floorperson would be allowed to supervise six banking gaming tables instead of four.

(e) Certificate holders shall provide a sufficient number of pit managers or assistant table games shift managers to supervise the operation of table games subject to the limitation that a pit

manager or assistant table games shift manager may not directly supervise more than eight floorpersons.

(f) Certificate holders shall provide a Poker shift manager to supervise all open Poker tables. If no more than three Poker tables are open, a floorperson is not required.

(g) Certificate holders shall provide a table games shift manager to supervise the operation of table games during every shift. An assistant table games shift manager may be designated to act as the table games shift manager in the table games shift manager's absence, but that assistant table games shift manager may not be counted toward the number of pit managers or assistant table games shift managers required under subsection (e).

(h) A certificate holder may request to use a staffing plan that differs from the minimum standards in this section by filing a written Alternate Minimum Staffing Plan in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment). The Alternate Minimum Staffing Plan must, at a minimum, include:

(1) The pit number and configuration of any pit affected.

(2) The type, location and table number of any table affected.

(3) The standard staffing level required for the gaming table or tables by this section and the proposed alternative staffing.

(4) The days, shifts or times during which the alternative staffing would be in effect.

(5) A narrative explaining the rationale for the proposed alternative staffing and how the alternative staffing will protect the integrity of gaming at the affected gaming tables.

(i) A certificate holder that has filed a request to use an Alternate Minimum Staffing Plan may not implement that plan until the certificate holder has received written approval from the Board's Executive Director.

(j) Nothing in this section limits a certificate holder from utilizing personnel in addition to those described in this section nor limits the discretion of the Board to order the utilization of additional personnel in the operation and conduct of table games.

§ 465a.36. Table inventories.

(a) When a table game that is not a fully automated electronic gaming table or electronic wagering terminal is opened for gaming, operations shall commence with an amount of gaming chips, coins and plaques to be known as the table inventory.

(b) A certificate holder may not cause or permit gaming chips, coins or plaques to be added to, or removed from, the table inventory during the gaming day except:

(1) In exchange for cash.

(2) In exchange for the issuance copies of Counter Checks presented by patrons.

(3) For the payment of winning wagers and collection of losing wagers made at the gaming table.

(4) In exchange for gaming chips or plaques received from a patron having an equal aggregate face value.

(5) In conformity with the fill and credit procedures in §§ 465a.38 and 465a.39 (relating to procedures for distributing value chips, coins and plaques to gaming tables; and procedures for removing value chips, coins and plaques from gaming tables).

(6) For the collection of vigorish.

(c) When a table game is not open for gaming activity, the table inventory and a Table Inventory Slip prepared in conformity with §§ 465a.37, 465a.42 and 465a.44 (relating to procedures for opening table games; procedures for closing table games; and table inventory counts on a per shift basis) must be stored in a locked container which shall be clearly marked on the outside with the game and the gaming table number to which it corresponds. A Table Inventory Slip shall be completed on a table game that is not open for gaming activity at least once per gaming day. The information on the Table Inventory Slip must be visible from the outside of the container. Containers must be stored either in the cage or secured to the gaming table, in a manner approved by the Bureau of Casino Compliance.

(d) The keys to the locked containers containing the table inventories shall be maintained and controlled by the table games department and may not be made accessible to cage personnel or to any employee responsible for transporting the table inventories to or from the gaming tables.

(e) Table Inventory Slips must be two-part forms upon which the following is recorded:

(1) The date and identification of the shift ended.

(2) The game and table number.

(3) The total value of each denomination of value chips, coins and plaques remaining at the gaming table.

(4) The total value of all denominations of value chips, coins and plaques remaining at the gaming table.

(5) The signatures of the dealer or boxperson and floorperson assigned to the gaming table who conducted the count of the table inventory when the gaming table was closed and when the gaming table was opened.

(f) Notwithstanding the requirements in subsection (c), a certificate holder may utilize the following alternative procedure for table games that are not open for gaming activity during the gaming day:

(1) A floorperson or above shall complete a Closed Table form for every table that was not open for gaming during the gaming day.

(2) The table inventory must remain locked during completion of the Closed Table form.

(3) The Closed Table form must contain:

(i) The date and identification of the shift ended.

(ii) The game and table number.

(iii) The date the table was last opened for gaming (the date on the Table Inventory Slip that is locked in the table inventory container).

(iv) The signature and Board-issued credential number of the floorperson or above who completed the Closed Table form.

(4) After completion, the Closed Table form shall be deposited into the drop box and forwarded to revenue audit at the conclusion of the count in accordance with § 465a.25 (relating to counting and recording of slot cash storage boxes and table game drop boxes).

(5) A Table Inventory Slip shall be completed on all tables, in accordance with §§ 465a.37 and 465a.42, every Saturday prior to the commencement of the table game drop for gaming day ending Sunday at 5:59:59 a.m.

§ 465a.37. Procedures for opening table games.

(a) When a table game that is not a fully automated electronic gaming table or electronic wagering terminal is to be opened for gaming activity, the locked container with the table inventory and the duplicate copy of the Table Inventory Slip, if not already attached to the gaming table, shall be transported directly from the cage to the gaming table by a security department employee.

(b) Immediately prior to opening the table game for gaming, the floorperson assigned to the gaming table shall unlock the container with the table inventory after assuring that it is the proper container for that gaming table.

(c) The dealer or boxperson assigned to the gaming table shall count the contents of the table inventory in the presence of the floorperson assigned to the gaming table and reconcile the count to the totals on the duplicate copy of the Table Inventory Slip removed from the container.

(d) Signatures attesting to the accuracy of the information recorded on the duplicate copy of the Table Inventory Slip shall be placed on the duplicate copy of the Table Inventory Slip by the dealer or boxperson assigned to the table and the floorperson who observed the dealer or boxperson count the contents of the container.

(e) After the count of the table inventory and the duplicate copy of the Table Inventory Slip has been signed as required under subsection (d), the dealer or boxperson shall immediately deposit the slip into the table game drop box attached to the gaming table.

(f) If there is a discrepancy between the amount of gaming chips and plaques counted and the amount of the gaming chips and plaques recorded on the duplicate copy of the Table Inventory Slip:

(1) The discrepancy shall be immediately verbally reported to the pit manager or above, the security department and the casino compliance representatives.

(2) The dealer or boxperson assigned to the table, in the presence of the pit manager or above and a security department employee, shall recount the table inventory and complete a new Table Inventory Slip reflecting the results of the dealer's or boxperson's recount of the table inventory.

(3) The pit manager or above shall:

(i) Prepare an Error Notification Slip, which must be a three-part form containing the following information:

(A) The date and time.

(B) The type of game.

(C) The table number and pit.

(D) An explanation of the error.

(ii) Write “Incorrect Copy” on the copy of the Table Inventory Slip that was in the table inventory.

(iii) Sign the “Incorrect Copy.”

(iv) Write “Correct Copy” on both copies of the Table Inventory Slip required to be prepared by the dealer or boxperson under paragraph (2).

(4) The “Correct Copy” shall be signed by the dealer or boxperson who recounted the table inventory, the security department employee who witnessed the recount and the pit manager or above.

(5) After the signatures required under paragraph (4) have been obtained, the "Incorrect Copy" Table Inventory Slip, both copies of the "Correct Copy" Table Inventory Slip and the first copy of the Error Notification Slip shall be deposited by the dealer or boxperson in the drop box.

(g) The second copy of the Error Notification Slip shall be given to the pit clerk or floorperson or above and the third copy of the Error Notification Slip shall be delivered to the casino compliance representatives.

(h) For any discrepancy greater than $10, the security or surveillance department shall investigate the discrepancy and, within 24 hours, complete a standard written incident report on a form approved by the Bureau of Casino Compliance and immediately forward a copy of the incident report to the casino compliance representatives.

§ 465a.38. Procedures for distributing value chips, coins and plaques to gaming tables.

(a) A request for a fill to add value chips, coins and plaques to table games that are not fully automated electronic gaming tables or electronic wagering terminals shall be prepared by a pit clerk or floorperson or above using a Fill Request Slip. Access to the blank Fill Request Slips shall be restricted to pit clerks and floorpersons or above.

(b) A Fill Request Slip must be a two-part form on which the following information shall be recorded:

(1) The date, time and shift of preparation.

(2) The denomination of value chips, coins and plaques to be distributed to the gaming table.

(3) The total amount of each denomination of value chips, coins and plaques to be distributed to the gaming table.

(4) The game and table number to which the value chips, coins and plaques are to be distributed.

(5) The signature of the floorperson or above requesting the fill.

(c) After the preparation of the Fill Request Slip, the security department employee shall transport the chip bank copy of the Fill Request Slip directly to the chip bank.

(d) The dealer or boxperson shall place the drop box copy of the Fill Request Slip in view of the slot machine licensee's surveillance system on the gaming table to which the value chips, coins and plaques are to be received.

(e) Notwithstanding the requirements of subsections (a)—(d), a request for a fill may be prepared electronically if the input data for preparation of the fill is entered by, and ability to

input data is restricted to, the pit clerk or a floorperson or above, and a Fill Slip is generated in the chip bank as a direct result of the input.

(f) A Fill Slip shall be prepared by a chip bank cashier or, if the required information was inputted in conformity with subsection (e), the Fill Slip may be electronically generated in the chip bank.

(g) Fill Slips must be serially prenumbered forms. Each series of Fill Slips shall be used in sequential order. The series number of all Fill Slips received by a certificate holder shall be accounted for by employees with no incompatible functions. All copies of voided Fill Slips shall be marked "Void" and signed by the preparer.

(h) When Fill Slips are manually prepared, the following procedures and requirements shall be observed:

(1) Each series of Fill Slips must be a four-part form and shall be inserted in a locked dispenser or bound in a Fill Slip form book that permits an individual Fill Slip in the series and its copies to be written upon while still locked in the dispenser or bound in the Fill Slip form book.

(2) The Fill Slip dispenser must discharge the drop box, acknowledgement and chip bank copies of the Fill Slip while the accounting copy remains in a continuous, unbroken form in the dispenser. If a Fill Slip form book is utilized, the accounting copy must remain in the bound Fill Slip form book until removed in accordance with paragraph (3).

(3) Access to the copies of the Fill Slips shall be maintained and controlled by finance department employees with no incompatible functions who are responsible for controlling and accounting for the unused supply of Fill Slips, placing Fill Slips in the dispensers and removing the accounting copies of the Fill Slips from the dispensers or Fill Slip form book each gaming day.

(i) When Fill Slips are electronically prepared, each series of Fill Slips must be a three-part form and:

(1) Be inserted in a printer that will simultaneously print a drop box, acknowledgment and chip bank copy of the Fill Slip in the chip bank.

(2) Store, in machine readable form, the information printed on the drop box, acknowledgement and chip bank copies of the Fill Slips. The stored data may not be susceptible to change or removal by any personnel involved in the preparation of a Fill Slip after the Fill Slip has been prepared.

(j) Copies of a Fill Slip, and when applicable, the stored data, must contain, at a minimum, the following information:

(1) The denominations of the value chips, coins and plaques being distributed.

(2) The total amount of each denomination of value chips, coins and plaques being distributed.

(3) The total amount of all denominations of value chips, coins and plaques being distributed.

(4) The game and table number to which the value chips, coins and plaques are being distributed.

(5) The date and shift during which the distribution of value chips, coins and plaques occurs.

(6) The signature of the preparer or, if electronically prepared, the identification code of the preparer.

(k) The time of preparation of the Fill Slip shall be recorded on the drop box, acknowledgement and chip bank copies of the Fill Slip upon preparation.

(l) Value chips, coins and plaques distributed to the gaming tables from the chip bank shall be transported directly to the gaming tables from the chip bank by a security department employee. Upon receipt of the value chips, coins and plaques at the gaming table, the floorperson shall compare the Fill Request Slip to the Fill Slip and sign the drop box copy and acknowledgement copy of the Fill Slip attesting to the accuracy of the fill. If the request for a fill is generated electronically in the chip bank in accordance with subsection (e), the floorperson shall compare the Fill Slip with the electronically generated fill request and sign the drop box and acknowledgement copies of the Fill Slip attesting to the accuracy of the fill.

(m) Signatures on the drop box and acknowledgement copies of the Fill Slip attesting to the accuracy of the information contained on the Fill Slip shall be required of the following employees at the following times:

(1) The chip bank cashier upon preparation.

(2) The security department employee transporting the value chips, coins and plaques to the gaming table upon receipt from the cashier of the value chips, coins and plaques to be transported.

(3) The dealer or boxperson assigned to the gaming table upon receipt and verification of the amounts of the value chips, coins and plaques at the gaming table from the security department employee.

(4) The floorperson assigned to the gaming table upon receipt and verification of the amounts of the value chips, coins and plaques at the gaming table.

(n) After meeting the signature requirements in subsection (m), the security department employee that transported the value chips, coins and plaques, the drop box and acknowledgement copies of the Fill Slip to the gaming table shall observe the immediate

placement by the dealer or boxperson of the drop box copy of the Fill Slip and the drop box copy of the Fill Request Slip, if applicable, in the drop box attached to the gaming table to which the value chips, coins and plaques were transported. The security department employee shall then return the acknowledgement copy of the Fill Slip to the chip bank cashier. The chip bank copies of the Fill Request Slip, if applicable, and the chip bank and acknowledgement copies of the Fill Slip shall be maintained together by the chip bank cashier until forwarded to the finance department.

(o) All parts of voided Fill Slips, as well as the chip bank copies of Fill Request Slips, if applicable, and the acknowledgement and chip bank copies of the Fill Slips that are maintained and controlled in conformity with subsection (n), shall be forwarded to the finance department for agreement, on a daily basis, with:

(1) The drop box copies of the Fill Request Slips, if applicable, and Fill Slips removed from the drop box on the gaming table.

(2) The electronically stored data and accounting copies of the Fill Slips, if applicable.

§ 465a.39. Procedures for removing value chips, coins and plaques from gaming tables.

(a) A request for a credit to remove value chips, coins and plaques from table games that are not fully automated electronic gaming tables or electronic wagering terminals shall be prepared by a pit clerk or floorperson or above using a Credit Request Slip. Access to the blank Credit Request Slips shall be restricted to pit clerks and floorpersons or above.

(b) A Credit Request Slip must be a two-part form on which the following information shall be recorded:

(1) The date, time and shift of preparation.

(2) The denomination of chips, coins and plaques to be removed from the gaming table.

(3) The total amount of each denomination of value chips, coins and plaques to be removed from the gaming table.

(4) The game and table number from which the value chips, coins and plaques are to be removed.

(5) The signature of the floorperson or above assigned to the gaming table from which the value chips, coins and plaques are to be removed.

(c) After the preparation of a Credit Request Slip, the security department employee shall transport the chip bank copy of the Credit Request Slip directly to the chip bank.

(d) The dealer or boxperson shall place the drop box copy of the Credit Request Slip in view of the slot machine licensee's surveillance system on the gaming table from which the value chips, coins and plaques are to be removed. The drop box copy of the Credit Request Slip may not be removed until the drop box and acknowledgement copies of the Credit Slip are received from the chip bank.

(e) Notwithstanding the requirements of subsections (a)—(d), a request for a credit may be prepared electronically if the input data for preparation of the credit is entered by, and ability to input data is restricted to, the pit clerk or a floorperson or above, and a Credit Slip is generated in the chip bank as a direct result of the input.

(f) A Credit Slip shall be prepared by a chip bank cashier or, if the required information was inputted in conformity with subsection (e), the Credit Slip may be electronically generated in the chip bank.

(g) Credit Slips must be serially prenumbered forms. Each series of Credit Slips shall be used in sequential order. The series numbers of all Credit Slips received by a certificate holder shall be accounted for by employees with no incompatible functions. All copies of voided Credit Slips shall be marked “Void” and signed by the preparer.

(h) When Credit Slips are manually prepared, the following procedures and requirements shall be observed:

(1) Each series of Credit Slips must be a four-part form and shall be inserted in a locked dispenser or bound in a Credit Slip form book that permits an individual Credit Slip in the series and its copies to be written upon while still locked in the dispenser or bound in the Credit Slip form book.

(2) The Credit Slip dispenser must discharge the drop box, acknowledgement and chip bank copies of the Credit Slip while the accounting copy remains in a continuous, unbroken form in the dispenser. If a Credit Slip form book is utilized, the accounting copy must remain in the bound Credit Slip form book until removed in accordance with paragraph (3).

(3) Access to the copies of the Credit Slips shall be maintained and controlled by finance department employees with no incompatible functions who shall be responsible for controlling and accounting for the unused supply of the Credit Slips, placing Credit Slips in the dispensers, and removing the accounting copies of the Credit Slips from the dispensers or Credit Slip form book each gaming day.

(i) When Credit Slips are electronically prepared, each series of Credit Slips must be a three-part form and:

(1) Be inserted in a printer that simultaneously prints drop box, acknowledgement and chip bank copies of the Credit Slip in the chip bank.

(2) Store, in machine-readable form, the information printed on the drop box, acknowledgement and chip bank copies of the Credit Slip. The stored data may not be

susceptible to change or removal by any personnel after the preparation of a Credit Slip after the Credit Slip has been prepared.

(j) Copies of the Credit Slip, and when applicable, the stored data, must contain, at a minimum, the following information:

(1) The denominations of the value chips, coins and plaques being returned to the chip bank.

(2) The total amount of each denomination of value chips, coins and plaques being returned.

(3) The total amount of all denominations of value chips, coins and plaques being returned.

(4) The game and table number from which the value chips, coins and plaques are being returned.

(5) The date and shift during which the removal of value chips, coins and plaques occurs.

(6) The signature of the preparer or, if electronically prepared, the identification code of the preparer.

(k) The time of preparation of the Credit Slip shall be recorded on the drop box, acknowledgement and chip bank copies of the Credit Slip upon preparation.

(l) After the Credit Slip has been prepared by the chip bank cashier or has been printed in the chip bank as a result of the information being inputted electronically by a pit clerk or floorperson or above, the security department employee shall transport the drop box, acknowledgement and chip bank copies of the Credit Slip directly to the gaming table. The dealer or boxperson shall compare the value chips, coins and plaques to be removed from the table inventory container with the drop box copy of the Credit Slip and the Credit Request Slip, if applicable, and shall sign the Credit Slip.

(m) Signatures on the drop box, acknowledgement and chip bank copies of a Credit Slip attesting to the accuracy of the information contained on the Credit Slip shall be required of the following employees at the following times:

(1) The chip bank cashier upon preparation.

(2) The dealer or boxperson assigned to the gaming table who removed the value chips, coins and plaques from the table inventory container and verified the Credit Slip and Credit Request Slip, if applicable.

(3) The floorperson assigned to the gaming table who observed the removal of the value chips, coins and plaques from the table inventory container and the verification of the Credit Slip and Credit Request Slip, if applicable.

(4) The security department employee upon receipt of the value chips, coins and plaques from the gaming table.

(n) After meeting the signature requirements required under subsection (m):

(1) The security department employee shall transport the value chips, coins and plaques directly to the chip bank along with the acknowledgement and chip bank copies of the Credit Slip.

(2) The dealer or boxperson shall place the drop box copy of the Credit Slip on the gaming table in view of the slot machine licensee's surveillance system.

(3) Upon receipt of the value chips, coins and plaques from the security department employee, the chip bank cashier shall compare the chip bank copy of the Credit Request Slip with the Credit Slip. If the credit request is electronically generated in accordance with subsection (e), the chip bank cashier shall compare the Credit Slip with the electronically generated credit request. The chip bank cashier shall then sign the acknowledgement and chip bank copies of the Credit Slip attesting to the accuracy of the credit.

(4) After transporting the acknowledgement copy of the Credit Slip back to the gaming table from which the value chips, coins and plaques were removed, the security department employee shall observe the immediate placement by the dealer or boxperson of the drop box copy of the Credit Request Slip, if applicable, and the drop box and acknowledgement copies of the Credit Slip into the drop box.

(5) The chip bank copies of the Credit Request Slip, if applicable, and Credit Slip shall be maintained together by the chip bank cashier until forwarded to the finance department.

(o) All parts of voided Credit Slips, chip bank copies of Credit Request Slips, if applicable, and the chip bank copies of the Credit Slips that are maintained and controlled in conformity with subsection (n), shall be forwarded to the finance department for agreement, on a daily basis, with:

(1) The drop box copies of the Credit Request Slips, if applicable, and the drop box and acknowledgement copies of the Credit Slips removed from the drop box on the gaming table.

(2) The electronically stored data and accounting copies of Credit Slips, if applicable.

§ 465a.40. Procedures for accepting cash for gaming chips, plaques or electronic wagering credits at table games.

When cash is presented by a patron at a table game that is not a fully automated electronic gaming table or electronic wagering terminal for exchange for gaming chips, plaques or electronic wagering credits:

(1) The cash shall be spread on the top of the gaming table by the dealer or boxperson accepting it in full view of the patron who presented it, the floorperson assigned to the gaming table and the slot machine licensee's surveillance system.

(2) The amount of cash shall be verbalized by the dealer or boxperson accepting it in a tone of voice to be heard by the patron who presented it and the floorperson assigned to the gaming table.

(3) Immediately after an equivalent amount of gaming chips, plaques or electronic wagering credits have been given to the patron, the cash shall be taken from the top of the gaming table and placed by the dealer or boxperson into the drop box attached to the gaming table.

§ 465a.41. Procedures for drops at open table games.

(a) When a table game that is not a fully automated electronic gaming table or electronic wagering terminal is being dropped is to remain open for gaming activity, the value chips, coins and plaques remaining in the table inventory at the time of the drop shall be counted by the dealer or boxperson assigned to the gaming table and recorded on a Table Inventory Slip.

(b) The count required under subsection (a) shall be observed by the floorperson who is responsible for supervising the table game at the time of the drop.

(c) Signatures attesting to the accuracy of the information recorded on the Table Inventory Slip shall be placed on both copies of the Table Inventory Slip by the dealer or boxperson assigned to the table and the floorperson that observed the dealer or boxperson count the contents of the table inventory.

(d) After the Table Inventory Slip is signed as required under subsection (c), the original copy of the Table Inventory Slip shall be deposited in the drop box that is attached to the gaming table immediately before the drop box is removed from the gaming table as part of the drop. The duplicate copy of the Table Inventory Slip shall be deposited in the drop box that is attached to the gaming table immediately following the removal of the drop box that is removed from the gaming table as part of the drop.

§ 465a.42. Procedures for closing table games.

(a) When gaming activity at a table game that is not a fully automated electronic gaming table or electronic wagering terminal is concluded, the value chips, coins and plaques remaining at the gaming table shall be counted by the dealer or boxperson assigned to the gaming table in the presence of the floorperson assigned to the gaming table.

(b) The amounts of the value chips, coins and plaques counted shall be recorded on the Table Inventory Slip by the floorperson assigned to the gaming table and the original copy of the Table Inventory Slip shall be signed by the dealer or boxperson who counted the table inventory and the floorperson who observed the dealer or boxperson count the contents of the table inventory.

(c) After the original copy of the Table Inventory Slip has been signed as required under subsection (b), the original copy of the Table Inventory Slip shall be immediately deposited in the table game drop box attached to the gaming table.

(d) After the original copy of the Table Inventory Slip has been deposited in the table game drop box attached to the gaming table, the duplicate copy of the Table Inventory Slip and the value chips, coins and plaques remaining at the gaming table shall be placed in the container required under § 465a.36 (relating to table inventories), after which the table inventory container shall be locked and either transported directly to the cage by a security department member or secured to the gaming table.

(e) If the locked table inventory containers are transported to the cage, a cage supervisor shall determine that all locked containers have been returned.

(f) If the locked table inventory containers are secured to the gaming table, a pit manager or above shall verify that all the containers are locked.

§ 465a.43. Table inventories for Poker tables.

(a) Notwithstanding the requirements in §§ 465a.36, 465a.37, 465a.41 and 465a.42, a certificate holder may establish procedures for the issuance of table inventories that are maintained by Poker dealers on an impress basis.

(b) The procedures developed under subsection (a) shall be submitted as part of the certificate holder's internal controls.

§ 465a.44. Table inventory counts on a per shift basis.

(a) In addition to the requirements in §§ 465a.37, 465a.41 and 465a.42 (relating to procedures for opening table games; procedures for drops at open table games; and procedures for closing table games), a certificate holder may establish procedures for the use of a three-compartment drop box which requires the preparation of a Table Inventory Slip for each shift that the table was open or at least once each gaming day.

(b) The procedures developed under subsection (a) shall be submitted as part of the certificate holder's internal controls.

CHAPTER 466a. SLOT COMPUTER SYSTEMS

Sec.

466a.1. Slot computer systems generally.
466a.2. Waiver of requirements.

§ 466a.1. Slot computer systems generally.

(a) All aspects of a slot machine licensee's slot computer system shall be located within the licensed facility in accordance with technical standards under § 466b.1 (relating to slot computer systems).

(b) For the purposes of this section, a slot computer system includes all aspects of a computer system which the act, this subpart or technical standards under § 466b.1 either require or permit to be utilized by a slot machine licensee in the conduct of, or monitoring of, slot machine operations including hardware, software and network interfaces used in connection with

the operation of a slot monitoring system, casino management system, player tracking system, external bonusing system, cashless funds transfer system and gaming voucher system. A slot computer system will not be construed to include the following:

(1) A slot machine or bill validator.

(2) A wide area progressive slot system.

(3) Other computer systems or applications that the Board determines are not slot computer systems.

§ 466a.2. Waiver of requirements.

(a) The Board may, on its own initiative, waive one or more of the requirements of this chapter or the technical standards under § 466b.1 (relating to slot computer systems) upon a determination that the nonconforming system protocols nonetheless meet the integrity requirements of the act, this subpart and technical standards under § 466b.1.

(b) A slot machine licensee may submit a written request to the Board for a waiver for one or more of the requirements in this chapter or the technical standards under § 466b.1. The request must be filed on an Amendment Waiver and Request Form and include supporting documentation demonstrating how the nonconforming system protocols for which the waiver has been requested will still meet the operational integrity requirements of the act, this subpart and technical standards under § 466b.1.

CHAPTER 467a. COMMENCEMENT OF SLOT AND TABLE GAME OPERATIONS

Sec.

467a.1. Gaming floor plan.
467a.2. Commencement of slot and table game operations generally.

§ 467a.1. Gaming floor plan.

(a) Prior to the commencement of gaming operations, the holder of a slot machine license shall submit to the Board an initial floor plan of its gaming floor and the restricted areas servicing slot and table game operations. A licensee shall submit with its renewal application an up to date floor plan. Initial floor plans and floor plans submitted with a licensee's renewal application shall be drawn to 1/8 inch scale, unless another scale is approved by the Board, and certified by an architect licensed to practice in this Commonwealth. Revised gaming floor plans, which are submitted in accordance with subsection (d), may be submitted electronically, unless

otherwise requested by Board staff, provided there is sufficient detail when enlarged to read the information in the electronic submission. A floor plan must depict all of the following:

(1) The gaming floor with notations as to:

(i) Proposed total square footage.

(ii) The perimeter of the gaming floor.

(iii) A clearly delineated route for underage individuals to access areas adjacent to the gaming floor.

(iv) Designated smoking and nonsmoking areas.

(2) Each slot machine area and table game pit on the gaming floor and each slot machine and table game located within each slot machine area and table game pit. Slot machine and table game locations shall be identified by number in accordance with § 463a.3 (relating to slot machine, electronic wagering terminals and fully automated electronic gaming table location on the gaming floor).

(3) The number of slot machines and table games on the gaming floor in compliance with sections 1210 and 13A11(b) of the act (relating to number of slot machines; and authorization to conduct table games), in total and by slot area or table game pit.

(4) Each slot machine or table game seat on the gaming floor.

(5) Each surveillance camera installed in compliance with § 465a.9(a) (relating to surveillance system; surveillance department control, surveillance department restrictions), noting its type and camera number.

(6) The main cage and any satellite cage, inclusive of each cage window and window number, ancillary offices and areas.

(7) Each count room and any trolley storage area.

(8) Each automated bill breaker, gaming voucher redemption, coupon redemption and jackpot payout machine.

(9) Each automated teller machine.

(10) Each area designated for the storage or repair of slot machines, table games or table game equipment.

(11) Vault and armored car bay locations.

(12) Additional documentation requested by the Board or Board staff relating to the floor plan for the gaming floor.

(b) A slot machine licensee may not commence slot or table game operations until the initial floor plan depicting its gaming floor and all restricted areas servicing slot and table game operations has been approved by the Board. The approval by the Board will expressly authorize:

(1) The maximum square footage of gaming floor.

(2) The maximum number of slot machines and table games which may be operated by the slot machine licensee.

(c) Requests for changes to the approved floor plan which will increase or decrease the square footage of the gaming floor by more than 10%, decrease the number of slot machines on the gaming floor by more than 2% or the number of table games on the gaming floor by more than 10% require Board approval and must be submitted to the Board as a petition under § 493a.4 (relating to petitions generally). Requests for all other changes to the gaming floor, including a request to increase the number of slot machines or table games or change the type of table games offered, shall be submitted in writing to the Board's Executive Director for approval. The approval of the Board or the Executive Director may include conditions that shall be met by the slot machine licensee prior to the commencement of operations.

(d) A petition or request for changes to the gaming floor must, at a minimum, include:

(1) A narrative description of the proposed changes.

(2) A revised floor plan, in accordance with subsection (a), if requested by the Board or Board staff.

(3) A gaming floor reconfiguration checklist.

(4) The table game pit number or slot machine area and the proposed configuration of any table game pit or slot machine area affected.

(5) The type, location and table number of any gaming table affected.

(6) The proposed amendments, if any, to the standard or alternative staffing levels required under § 465a.35 (relating to personnel assigned to the operation and conduct of table games).

(7) The proposed amendments, if any, to surveillance required under § 465a.9.

(8) An estimated timetable for the completion of the proposed changes.

§ 467a.2. Commencement of slot and table game operations generally.

(a) Prior to the commencement of slot or table game operations at a licensed facility a slot machine licensee shall demonstrate that:

(1) The licensed facility, including the gaming floor and restricted areas servicing slot and table game operations, complies in all respects with the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(2) Slot machines, table games and associated equipment installed in the licensed facility and utilized in the conduct of slot machine and table game operations have been tested and approved by the Board in compliance with the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(3) The gaming floor plan required under § 467a.1(a) (relating to gaming floor plan) has been approved by the Board in compliance with the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(4) The slot machine licensee's proposed site plan and internal control systems and audit protocols have been approved by the Board in compliance with the act, this subpart and technical standards adopted by the Board and published in the *Pennsylvania Bulletin* and posted on the Board's web site.

(5) The slot machine licensee is prepared to implement necessary management controls, surveillance and security precautions to insure the efficient conduct of slot and table game operations.

(6) The slot machine licensee's employees are licensed or permitted by the Board and trained in the performance of their responsibilities.

(7) The slot machine licensee has complied with any conditions prerequisite to commencement of slot or table game operations contained in the Statement of Conditions executed under § 423a.6 (relating to license, permit, registration and certification issuance and statement of conditions).

(8) The licensed facility is prepared in all respects to receive the public.

(9) The slot machine licensee has successfully completed a test period.

(10) For Category 1 licensees, the slot machine licensee has a written live racing agreement as required under section 1303(d) of the act (relating to additional category 1 slot machine license requirements).

(b) Upon a slot machine licensee's successful demonstration of the criteria enumerated in subsection (a), the Board may authorize the date and time at which the slot machine licensee may commence slot and table game operations at the licensed facility and will fix the maximum square footage of gaming floor and maximum number of slot machines and table games which may be operated by the slot machine licensee pursuant to that authorization.

CHAPTER 469a. PRIVATE TESTING AND CERTIFICATION FACILITIES

Sec.

469a.1. Private testing and certification facilities generally.
469a.2. Registration of private testing and certification facilities.
469a.3. Standards and procedures for private testing and certification facilities.
469a.4. Responsibilities of a private testing and certification facility.
469a.5. Registration term and renewal.

§ 469a.1. Private testing and certification facilities generally.

(a) Manufacturers of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or gaming related gaming service providers may submit products required to be tested under Chapter 461a (relating to slot machine, table game device, interactive game, sports wagering device, video game terminal, and associated equipment testing and controls) to a private testing and certification facility registered with the Board under this chapter.

(b) Manufacturers of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or gaming related gaming service providers shall be responsible for any fees or costs imposed by the private testing and certification facility.

(c) Manufacturers of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or gaming related gaming services providers shall be responsible for all costs incurred by the Board in reviewing the report issued by the private testing and certification facility and approving the slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal or any associated equipment.

(d) Slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment tested by a private testing and certification facility shall be considered under the abbreviated certification and approval process under § 461a.4 (relating to submission for testing and approval).

§ 469a.2. Registration of private testing and certification facilities.

(a) A private testing and certification facility seeking to test slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment for use in this Commonwealth shall register with the Board.

(b) A private testing and certification facility shall do all of the following:

(1) Submit a completed Gaming Service Provider Registration Form and Private Testing and Certification Facility supplement.

(2) Submit the nonrefundable application fee posted on the Board's web site, which includes the costs of all background investigation.

(3) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(4) Submit fingerprints of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the private testing and certification facility. For purposes of this subparagraph, “officer” means a president, chief executive officer, a chief financial officer and a chief operating officer, and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(ii) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more or the officers and directors of an entity who have a direct ownership or beneficial interest of 20% or more in the private testing and certification facility, if not otherwise required under subparagraph (i).

(c) A person who holds any direct or indirect ownership or beneficial interest in private testing and certification facility or has the right to any profits or distributions directly or indirectly, from the private testing and certification facility may be required to submit fingerprints if the Bureau determines that the submission of fingerprints of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(d) Each of the individuals required to submit fingerprints under subsections (b)(4) and (c) must be found qualified by the Board under § 437a.4 (relating to qualification of individuals and entities).

(e) A private testing and certification facility registration will not be issued until all fees and costs have been paid.

(f) The Board will maintain a list of registered private testing and certification facilities.

§ 469a.3. Standards and procedures for private testing and certification facilities.

(a) A private testing and certification facility shall meet all of the following requirements:

(1) Be independent from any manufacturer of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or gaming related gaming service provider licensed by the Board.

(2) Be accredited in accordance with ISO/IEC 17025 by an accreditation body that is a signatory to the International Laboratory Accreditation Cooperation Mutual Recognition Agreement.

(3) Demonstrate it is technically competent in testing of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals, or all associated equipment in a manner acceptable to and verified by the Bureau of Gaming Laboratory Operations.

(b) A private testing and certification facility and its owners, managers, supervisory personnel and employees may not do any of the following:

(1) Have a financial interest or a controlling interest, direct or otherwise, in a manufacturer of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or gaming related gaming service providers licensed by the Board.

(2) Participate, consult or otherwise be involved in the design, development, programming or manufacture of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment.

(3) Have any other interest in or involvement with a manufacturer of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or gaming related gaming service providers that could cause the private testing and certification facility to act in a manner that is not impartial.

§ 469a.4. Responsibilities of a private testing and certification facility.

(a) A holder of a private testing and certification facility registration shall have a continuing duty to comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(b) A private testing and certification facility shall notify the Board immediately if a manufacturer of slot machines, table games, table game devices, interactive games, sports wagering devices, video gaming terminals and all associated equipment or a gaming related gaming service provider licensed by the Board does any of the following:

(1) Attempts, directly or indirectly, to influence improperly a private testing and certification facility or its owners, managers, supervisory personnel and employees, in regard to a slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminals, or all associated equipment, that it, or another person or entity, has submitted for testing or certification for use in a licensed facility, on an authorized interactive gaming or sports wagering web site or mobile application, or at a licensed truck stop establishment.

(2) Engages in any transaction with a private testing and certification facility that the manufacturer or gaming related gaming service provider is using, has used or intends to use to inspect or certify a slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminals, or all associated equipment for use in a licensed facility, on an authorized interactive gaming or sports wagering web site or mobile application, or at a licensed truck stop establishment, in which the private testing and certification facility is required to participate, consult or otherwise be involved in the design, development, programming or manufacture of these items. This restriction does not limit a manufacturer or gaming related gaming service provider from engaging the private testing and certification facility to provide consulting services, provided that the services do not directly or indirectly indicate, suggest or imply how to design, develop, program or manufacture these items.

(c) Private testing and certification facilities shall maintain copies of the results of any ISO/IEC 17025 audits or reviews and shall notify the Board in writing of the availability of the results within 15 days of when the results become available to the private testing and certification facility. These copies shall be provided to the Board upon request.

(d) In the interest of preserving the integrity of gaming in the Commonwealth, a private testing and certification facility shall not implement or maintain any procedure or policy or take any action that would do any of the following:

(1) Inhibit or prevent a manufacturer or gaming related gaming service provider from submitting a slot machine, table game, table game device, interactive game, sports

wagering device, video gaming terminal and all associated equipment, for testing and certification for use in any form of regulated gaming in the Commonwealth.

(2) Call into question or tend to erode the independence of the private testing and certification facility from any clients that use the services of the facility.

(e) A private testing facility shall maintain a version-controlled system of testing documentation and methodologies that the facility uses to provide certification and these materials shall be made available to the Board upon request.

(f) Testing shall be conducted in accordance with Chapters 461a, 810a, 1112a and 1407a and all technical standards, policies and industry notices that the Board may implement or issue.

(g) A private testing and certification facility shall not use, rely on or otherwise refer to any testing, results or work product performed by another private testing and certification facility for any slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal and all associated equipment that has not previously been approved in writing by the Board.

(h) A private testing and certification facility shall implement and maintain a system of peer review to monitor the quality of the testing and certification procedures performed by the facility.

(i) A private testing and certification facility shall consult with the Board prior to testing, evaluating, analyzing, certifying, verifying or rendering opinions for or on behalf of the Board relating to any new technology or concept.

(j) A private testing and certification facility shall consult the Board on any questions relating to the testing and certification of any slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal, and all associated equipment.

(k) A private testing and certification facility shall keep confidential all information and data prepared or obtained as part of the testing and certification process.

(l) A private testing and certification facility shall implement and maintain security and access control systems designed to secure and protect the confidentiality of all equipment, software and other information entrusted to it as part of the testing and certification process.

(m) A private testing and certification facility shall maintain all test equipment in accordance with the manufacturer's specifications and recommendations and shall provide the Board with evidence of this upon demand.

(n) A private testing and certification facility shall retain all submission and testing-related documentation for such time as the tested item remains approved or authorized for use in this Commonwealth. The records may be maintained in electronic form. The obligation to maintain the records continues even if the private testing and certification facility ceases to be registered with the Board or otherwise ceases its business operation. The private testing and

certification facility may turn the records over to the Board in electronic form as an alternative to having to maintain the records after the facility is no longer registered or after the facility ceases business operation.

(o) The Board may conduct periodically an onsite evaluation and review of each private testing and certification facility to evaluate certification results and to verify continued compliance with all registration requirements and protocols.

(p) The Board may establish a system to evaluate the continued quality of the testing and certification performed by a private testing and certification facility which would be posted on the Board's web site.

(q) A private testing and certification facility, its employees, management and owners shall remain independent of any licensed manufacturer of slot machines, table games, table game devices, interactive games, sports wagering device, video gaming terminals and all associated equipment or gaming related gaming service provider.

(r) A private testing and certification facility employee who was employed by, or performed any work for, a manufacturer or gaming related gaming service provider licensed by the Board within 1 year prior to the person's date of employment with the private testing and certification facility may not be permitted to inspect or certify any slot machine, table game, table game device, interactive game, sports wagering device, video gaming terminal and all associated equipment for use in a licensed facility, on an authorized interactive gaming or sports wagering web site or mobile application, or at a licensed truck stop establishment, with which the person had any involvement whatsoever while employed by the manufacturer or gaming related gaming service provider.

(s) Failure to fully comply with any provision contained herein constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against the individual or entity to whom the registration was issued.

§ 469a.5. Registration term and renewal.

(a) Private testing and certification facility registrations and renewals issued under this chapter will be valid for 5 years from the date of Board approval.

(b) Registered private testing and certification facilities shall submit to the Board a completed renewal application or form and renewal fee at least 6 months prior to the expiration of a registration.

Subpart F. FEES

CHAPTER 471a. FILING FEES

Sec.

471a.1. Fees generally.
471a.2. Schedules of fees.
471a.3. Adjustment of fees.

§ 471a.1. Fees generally.

(a) A document for which a fee is required will be received, but will not be deemed filed, until the filing fee, bond, letter of credit or other cost has been paid.

(b) The fees collected by the Board will be deposited into the State Gaming Fund as established in section 1403 of the act (relating to establishment of State Gaming Fund and net slot machine revenue distribution).

(c) Fees shall be paid by money order or check made payable to the "Commonwealth of Pennsylvania." Cash will not be accepted by the Board.

(d) To recover the initial cost of the investigation and processing of applications, each application for a license, permit, certification or registration must be accompanied by a nonrefundable fee.

(e) An applicant may be subject to additional fees based on the actual expenses incurred by the Board in conducting the background investigation.

§ 471a.2. Schedules of fees.

Fee schedules established by the Board and changes thereto will be published in the *Pennsylvania Bulletin* and will be available on the Board's web site (www.pgcb. state.pa.us).

§ 471a.3. Adjustment of fees.

On or after July 5, 2006, and annually thereafter, the Board may increase the fees, charges, costs or administrative penalties specified in the act by an amount not to exceed an annual cost-of-living adjustment calculated under section 1208(2) of the act (relating to collection of fees and fines).

Subpart G. MINORITY AND WOMEN'S BUSINESS ENTERPRISES

CHAPTER 481a. DIVERSITY

Sec.

481a.1. Statement of purpose, policy and applicability.
481a.2. Definitions.
481a.3. Diversity participation.
481a.4. Establishment of diversity plan required.
481a.5. Report of participation.
481a.6. Diversity reviews.

§ 481a.1. Statement of purpose, policy and applicability.

(a) This chapter establishes the procedures for promoting and ensuring that regulated entities foster participation and diversity in all aspects of their operations in this Commonwealth.

(b) It is the policy of the Board to promote and ensure that regulated entities conduct all aspects of their operations in a manner that assures diversity of opportunity as follows:

(1) In the ownership, participation and operation of regulated entities in this Commonwealth.

(2) Through the ownership, participation and operation of business enterprises associated with or utilized by regulated entities.

(3) Through the provision of goods and services utilized by regulated entities.

(c) It is further the policy of the Board to promote and ensure diversity in employment and contracting by each regulated entity and its contractors, subcontractors, assignees, lessees and agents.

§ 481a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Diversity plan--A plan that promotes and ensures diversity in ownership, participation and operation of regulated entities; and in employment and contracting by regulated entities.

Minority--The ethnic/racial categories identified in employer survey reports that are required by the United States Equal Opportunity Commission and the Office of Federal Contract Compliance Programs of the United States Department of Labor under section 709 of the Civil Rights Act of 1964 (42 U.S.C.A. § 2000(e)-8) or by subsequent amendments to that Federal act.

Participation plan--An obligation imposed by a regulated entity as part of its contract with a contractor that requires the contractor to utilize minority or women owned business enterprises.

Regulated entity--An applicant for or holder of the following:

(i) Slot machine license.

(ii) Manufacturer license.

(iii) Supplier license.

(iv) Gaming service provider certification.

(v) Gaming junket enterprise license.

(vi) Management company license.

§ 481a.3. Diversity participation.

(a) The list of the minority and women's business enterprises that are verified by the Bureau of Small Business Opportunities of the Department of General Services under 62 Pa.C.S. Part I (relating to Commonwealth Procurement Code) may be used by a regulated entity to establish the eligibility of an enterprise as a minority or women's business enterprise for the purpose of promoting and ensuring minority and women's business participation.

(b) It is the responsibility of the regulated entity to verify that a minority or women's business enterprise that is not verified by the Bureau of Small Business Opportunities of the Department of General Services is a minority or women's business enterprise as defined in 4 Pa. Code § 58.302 (relating to definitions).

§ 481a.4. Establishment of diversity plan required.

(a) Each regulated entity shall include in its application for licensure or certification a diversity plan that establishes a separate goal of diversity in the ownership, participation and operation of, and employment at the regulated entity. The Board will determine whether the stated goals set forth in each diversity plan are reasonable and represent a good faith effort to assure that all persons are accorded equality of opportunity in contracting and employment by the regulated entity and its contractors, subcontractors, assignees, lessees and agents.

(b) A regulated entity may demonstrate achievement of its diversity goals through one or both of the following:

(1) Contracting or transacting directly with minority and women's business enterprises.

(2) Contracting with a nonminority business enterprise under terms and conditions that establish a participation plan.

§ 481a.5. Report of participation.

(a) As part of an application to renew a license or certification, a regulated entity shall file a report with the Board concerning the performance of its diversity plan. The report must contain the following:

(1) Employment data, including information on the following:

(i) Minority and women representation in the regulated entity's workforce in all job classifications.

(ii) Salary information.

(iii) Recruitment and training information, including executive and managerial level recruitment and training.

(iv) Retention and outreach efforts.

(2) The total number and value of all contracts or transactions awarded by the regulated entity for goods and services.

(3) The total number and value of all contracts or transactions awarded by the regulated entity to minority and women's business enterprises.

(4) A list of each contract or transaction awarded by the regulated entity to a minority or women's business enterprise and the actual value of each contract or transaction.

(5) The total number and value of all contracts awarded that contain a participation plan.

(6) The total number and value of all subcontracts awarded to minority and women's business enterprises under contracts containing a participation plan.

(7) A list of each subcontract awarded to a minority or women's business enterprise under contracts containing a participation plan and the actual value of each subcontract.

(8) A comprehensive description of all efforts made by the regulated entity to monitor and enforce the participation plan.

(9) Information on minority and women investment, equity ownership, and other ownership or management opportunities initiated or promoted by the regulated entity.

(10) Other information requested in writing by the Board to ensure compliance with the act and this part.

(b) In addition to the reports required under subsection (a), slot machine licensees, manufacturer licensees and supplier licensees shall file updated versions of the reports required under subsection (a) quarterly.

(c) A licensed management company may file a consolidated report with the slot machine licensee with whom the management company has a management contract.

(d) A regulated entity may request that proprietary information required to be submitted to the Board under this section be treated as confidential information. A regulated entity shall clearly mark information that it requests to be treated as confidential information.

(e) The Board will use the reports required under subsections (a), (b) and (c) to monitor compliance with the act and this part. The Board may request the assistance of the Bureau of Minority and Women's Business Enterprises, of the Department of General Services, in the review of regulated entities' compliance with the requirements of the act and this part.

§ 481a.6. Diversity reviews.

(a) Onsite diversity reviews may be performed on an annual basis or at the discretion of Board staff to ensure compliance with this chapter.

(b) Advanced written notice will be provided to a regulated entity prior to the conduct of an onsite diversity review by Board staff.

Subpart H. PRACTICE AND PROCEDURE

CHAPTER 491a. GENERAL RULES OF PRACTICE

Sec.

491a.1. Generally.
491a.2. Definitions.
491a.3. Office of the Clerk.
491a.4. Filing generally.
491a.5. Service.
491a.6. (Reserved).
491a.7. Presiding officers.
491a.8. Hearings generally.
491a.9. Prehearing and other conferences.
491a.10. Presentation and effect of stipulations.

§ 491a.1. Generally.

This subpart governs practice and procedure before the Board and the OHA, and is intended to supplement 2 Pa.C.S. (relating to administrative law and procedure) and 1 Pa. Code Part II (relating to General Rules of Administrative Practice and Procedure).

§ 491a.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Adjudication--An order, decree, decision, determination or ruling by the Board affecting the personal or property rights, privileges, immunities, duties, liabilities or obligations of the parties to the proceeding in which the adjudication is made.

Complainant--The Bureau or other persons authorized by the Board to file a complaint.

Consent agreement—A voluntary agreement or proposal to act based on specific terms which are entered into by all parties to a proceeding to resolve a disputed matter.

Documentary evidence--Any document or paper which is presented and accepted as evidence in a proceeding.

Documentary hearing--A proceeding limited to a review of documentary evidence submitted by the parties, including pleadings, documents, depositions, affidavits, interrogatories and transcripts.

Exception--A formal objection to a report or report and recommendation of a presiding officer.

Intervener--A person who petitioned to intervene in a proceeding and who was admitted by the Board as a participant to the proceeding.

OHA--Office of Hearings and Appeals--A division of the Board charged with administrating and conducting hearings or other matters as the Board may direct.

Oral hearing--A proceeding wherein the parties may present sworn testimony, documents or other evidence, and of which a verbatim record is made.

Participant--A person admitted by the Board to limited participation in a proceeding.

Party--A person who is named in or admitted to a proceeding before the Board and who has a direct interest in the subject matter of the proceeding.

Prehearing conference--A proceeding to establish a schedule, discuss offers of settlement and identify other issues the Board or presiding officer may direct.

Respondent—A person to whom an order or notice is issued by the Board or the Bureau instituting a proceeding or investigation.

§ 491a.3. Office of the Clerk.

(a) The Board's Office of the Clerk (Clerk) will have the following duties:

(1) Provide information as to practice and procedure before the Board, under this subpart.

(2) Receive and docket pleadings and other documents required by the Board to be filed with the Clerk.

(b) Filings and requests for practice and procedure information should be directed to the Clerk by any of the following means:

(1) *United States Postal Service*:

Office of the Clerk
Pennsylvania Gaming Control Board
P. O. Box 69060
Harrisburg, Pennsylvania 17106-9060

(2) *E-mail*: boardclerk@pa.gov

(3) *In person*:

Hearings and Appeals Office
303 Walnut Street
2nd Floor, Strawberry Square
Harrisburg, Pennsylvania 17101

(c) The Clerk will maintain a docket of proceedings. Each proceeding as initiated will be assigned a docket number. The docket will be available for inspection and copying by the public during the Board's office hours.

§ 491a.4. Filing generally.

(a) Pleadings and other documents filed with the Clerk must clearly designate the docket number, if one has been assigned, and a short title identifying the pleading or other document. The identity of the individual making the submission, including name, mailing address, status (for example, party or attorney for a party) and Board issued credential number, if applicable, must appear on the document.

(b) Pleadings, including documents filed under this chapter, must also comply with Chapter 495a (relating to documentary filings).

(c) If a pleading tendered for filing does not comply with this subpart, does not sufficiently set forth required material or is otherwise insufficient, the Clerk may decline to accept it for filing and may return it without filing, or the Clerk may accept it for filing and advise the person tendering it of the deficiency and require that the deficiency be corrected.

(d) The Clerk may require redundant, immaterial, obscene or otherwise inappropriate comments stricken from documents filed.

§ 491a.5. Service.

(a) *Applicability.* This section applies to service of an order, notice or other document from the OHA or the Office of Enforcement Counsel.

(b) *Service of a document initiating a proceeding.*

(1) *Registered or certified mail.* Service may be made by both first class and registered or certified mail, return receipt requested.

(2) *Personal.* Service may be made personally by delivering a copy:

(i) Directly to the person named in the notice, pleading or order.

(ii) At the residence of the person named in the notice, pleading or order, to an adult member of the family with whom the person named resides. If no adult member of the family is found, then to an adult person in charge of the residence.

(iii) At the residence of the person named in the notice, pleading or order, to the clerk or manager of the hotel, inn, apartment house, boarding house or other place of lodging at which the person named resides.

(iv) At any office or usual place of business of the person named in the notice, pleading or order, to his agent or to the person who for the time being is in charge thereof. For purposes of this subsection, the phrase "any office or usual place of business of the person named in the notice, pleading or order" will include the following locations:

(A) The licensed facility at which the person named is employed, licensed in connection therewith, or routinely performs his duties of employment.

(B) The office of the agent identified by the person named to receive service of process.

(c) *Proof of service.* Proof of service shall be evidenced by a return of service filed with the Clerk.

(d) *Subsequent service.* Service of any document made subsequent to the initial filing in a proceeding may be made by first class mail at the last known address of record of the person named in the notice, pleading or order.

(e) *Change of address.* It is the duty of a party to apprise the Clerk of changes to the party's current address.

(f) *Supersession.* Subsections (a)—(c) supersede 1 Pa. Code § 33.31 (relating to service by the agency).

§ 491a.6. (Reserved).

§ 491a.7. Presiding officers.

(a) When evidence is to be taken in a hearing, the Board or a presiding officer may conduct the hearing.

(b) The Board and presiding officers shall have the power and authority to:

(1) Regulate the course of hearings, including the scheduling thereof, and the recessing, reconvening and the adjournment thereof, unless otherwise provided by the Board, as provided in § 494a.1 (a) (relating to generally).

(2) Administer oaths and affirmations.

(3) Issue subpoenas.

(4) Rule upon offers of proof and receive evidence.

(5) Preside over or cause depositions to be taken.

(6) Hold conferences before or during hearings.

(7) Dispose of procedural matters, but not before a proposed report, if any, to dispose of motions made during hearings to dismiss proceedings or other motions which involve final determination of proceedings has been submitted to the Board.

(8) Certify any question to the Board for consideration and disposition, within the presiding officer's discretion, or upon direction of the Board.

(9) Submit proposed reports or reports and recommendations in accordance with this subpart.

(10) Take other action appropriate to the discharge of their duties as may be designated by the Board and authorized by the act.

(c) Except as authorized by law and by this subpart, a presiding officer may not, in a proceeding, consult with a party on a fact in issue or issue of law unless notice and opportunity for parties to participate has been given.

(d) Presiding officers will conduct fair and impartial hearings and maintain order. Disregard by parties or counsel of rulings of the presiding officer on matters of order and procedure will be noted on the record, and if the presiding officer deems necessary, it will be made the subject of a special written report to the Board.

(e) If parties or counsel engage in disrespectful, disorderly or contumacious language or conduct in connection with any hearing, the presiding officer may immediately submit to the Board a report thereon, together with recommendations, and, in the presiding officer's discretion, suspend the hearing.

(f) Rulings of presiding officers may not be appealed to the Board while the matter is pending before the presiding officer.

(g) This section supersedes 1 Pa. Code §§ 35.185—35.190 (relating to presiding officers).

§ 491a.8. Hearings generally.

(a) Unless the Board hears the matter directly, all matters, except for hearings under § 441a.7 (relating to licensing hearings for slot machine licenses), will be assigned to the OHA. The Board may designate a member of the Board or other qualified person to serve as presiding officer in a particular matter.

(b) Hearings will be public unless a party invokes protection afforded to the party under section 1206 of the act (relating to Board minutes and records) or § 407a.3(a) (relating to confidential information).

(c) Hearings may provide for:

(1) Receipt of sworn testimony.

(2) Receipt of all relevant oral or documentary evidence.

(3) Opportunity for parties to be heard.

(4) A complete evidentiary record.

(5) Submission by the presiding officer of a report or report and recommendation to the Board.

(d) Unless required by this part or authorized by law, a party may not engage in an ex parte communication with the Board or presiding officer.

(e) Unless otherwise specified in the written notice, hearings will be conducted in Harrisburg, Pennsylvania, and may be conducted by video conference or by telephone as directed by the Board, Executive Director or presiding officer.

(f) Written notice of hearings will be provided to all parties, and served by the Clerk by first class mail.

(g) Motions shall be filed with the Clerk, served upon the parties and will be docketed and referred to the Board, Executive Director or presiding officer for disposition.

(h) Hearings will be scheduled by the OHA, except for hearings under § 441a.7 which will be scheduled as directed by the Board.

(i) A party may waive the right to a hearing before the Board, Executive Director or presiding officer by filing with the Clerk a Notice of Waiver of Hearing. The matter will then be forwarded to the appropriate bureau for action or to the Board for disposition. This section supersedes 1 Pa. Code § 35.101 (relating to waiver of hearing).

(j) Hearing transcripts will be available for public inspection. If the Board receives a request for a transcript of a hearing for which a transcript has not been prepared, the Board will prepare a transcript and make it available for inspection within 30 days.

(k) This section supplements 1 Pa. Code Chapter 35, Subchapter B (relating to hearings and conferences).

§ 491a.9. Prehearing and other conferences.

(a) A prehearing conference may be scheduled by the Board or presiding officer at his discretion. The Board or a presiding officer may also schedule a prehearing conference at the request of one party or by agreement of the parties.

(b) When the Board or presiding officer directs that a prehearing conference be held, all parties shall appear at the time and place designated. Notice of the time and place of the conference will be given to all parties. At the discretion of the Board or presiding officer, the conferences may be conducted telephonically or by video conference.

(c) The following matters will be considered at a prehearing conference:

(1) The possibilities for settlement of the proceeding, subject to the approval of the Board.

(2) The amount of hearing time which will be required to dispose of the proceeding and the establishment of a schedule of hearing dates.

(3) Other matters that may aid in expediting the orderly conduct and disposition of the proceeding and the furtherance of the public interest, including, but not limited to:

(i) The simplification of the issues.

(ii) The exchange and acceptance of service of exhibits proposed to be offered in evidence.

(iii) The obtaining of admissions as to, or stipulations of, facts not remaining in dispute, or the authenticity of documents.

(iv) The number of witnesses and any limitation imposed thereon.

(v) The discovery or production of data.

(vi) Other matters as may properly be dealt with to aid in expediting the orderly conduct and disposition of the proceeding.

(d) This section supplements 1 Pa. Code §§ 35.111--35.116 (relating to prehearing conferences).

§ 491a.10. Presentation and effect of stipulations.

(a) Independently of the orders or rulings issued by the Board or presiding officer relating to prehearing and other conferences, the parties may stipulate as to relevant matters of fact or the authenticity of relevant documents. The stipulations may be received in evidence at a hearing, and when received shall be binding on the parties with respect to the matters stipulated.

(b) This section supersedes 1 Pa. Code § 35.155 (relating to presentation and effect of stipulations).

CHAPTER 493a. PLEADINGS

Sec.

493a.1. Generally.
493a.2. Complaints.
493a.3. Satisfaction of complaints.
493a.4. Petitions generally.
493a.5. Answers to complaints, petitions, motions and other filings requiring a response.
493a.6. Consolidation.
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493a.8. Motions generally.
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493a.10. Motions for summary judgement and judgement on the pleadings.
493a.10a. Motions to protect confidential information.
493a.11. Discovery.
493a.12. Intervention.
493a.13. Consent agreements.

§ 493a.1. Generally.

(a) Pleadings permitted are as follows:

(1) Complaints.

(2) Petitions.

(3) Motions.

(4) Answers to pleadings.

(5) Exceptions.

(6) Appeals of staff decisions under 1 Pa. Code § 35.20 (relating to appeals from actions of the staff). Appeals under § 491a.7(f) (relating to presiding officers) are not included.

(7) Notices.

(b) Fees for copies and other administrative requests will be in accordance with a fee schedule published by the Board in the *Pennsylvania Bulletin*, available on the Board's web site and in the Office of the Clerk.

(c) Pleadings shall be filed with the Clerk and contain a docket number and Board issued credential number of the person subject to the pleading, if applicable. The Clerk will assign a docket number if one has not been assigned.

(d) This section supplements 1 Pa. Code §§ 35.1 and 35.2 and 35.9—35.11 (relating to applications; and formal complaints).

§ 493a.2. Complaints.

(a) A proceeding against a licensee, permittee, persons registered or certified by the Board or an employee of a licensee or persons registered or certified by the Board shall be initiated by written complaint filed by the complainant, which must include a statement, in ordinary and concise language, setting forth the matter complained of and the facts supporting the complaint.

(b) Complaints may be filed by the Office of Enforcement Counsel.

(c) Complaints will be served in accordance with § 491a.5 (relating to service).

(d) This section supplements 1 Pa. Code §§ 35.9—35.11 and 35.14 (relating to formal complaints; and orders to show cause).

§ 493a.3. Satisfaction of complaints.

(a) If the respondent satisfies a complaint either before or after a hearing, a statement to that effect signed by the complainant shall be filed with the Clerk setting forth that the complaint has been satisfied and requesting dismissal or withdrawal of the complaint. Except when

requested by the parties, the Board will not be required to render a final order upon the satisfaction of a complaint.

(b) This section supersedes 1 Pa. Code § 35.41 (relating to satisfaction of complaints).

§ 493a.4. Petitions generally.

(a) Petitions may be filed by the Office of Enforcement Counsel, parties, applicants, licensees, permittees, persons registered or certified by the Board, and other persons authorized by the Board.

(b) Petitions must be in writing, state clearly and concisely the grounds for the petition, the interest of the petitioner in the subject matter, the facts relied upon and the relief sought.

(c) Petitions must conform to § 491a.4 (relating to filing generally) and Chapters 495a and 497a (relating to documentary filings; and time), and be served on all persons directly affected.

(d) This section supplements 1 Pa. Code §§ 35.17 and 35.18 (relating to petitions generally; and petitions for issuance, amendment, waiver or deletion of regulations).

§ 493a.5. Answers to complaints, petitions, motions and other filings requiring a response.

(a) Answers to complaints, petitions, motions, appeals of staff decisions and other filings requiring a response shall be filed with the Clerk and served on all other parties within 30 days after the date of service of the complaint, petition, motion or other pleading, unless a different time is prescribed by the Board, presiding officer or elsewhere in the Board's regulations.

(b) Failure to file a timely answer to a complaint or petition will constitute an admission of all matters and facts contained in the filing and may result in the waiver of the right to a hearing.

(c) Answers may contain the following:

(1) Admissions of the matter complained of and the alleged facts, in whole or in part.

(2) New matter or explanation by way of defense.

(3) Legal objections.

(4) Affirmative defenses.

(5) A request for a hearing.

(d) Answers shall be in writing and shall specifically and in detail admit or deny each allegation in the pleading.

(e) This section supersedes 1 Pa. Code §§ 35.35—35.40 (relating to answers).

§ 493a.6. Consolidation.

(a) The Board or presiding officer, with or without motion, may consolidate proceedings involving a common question of law or fact.

(b) The section supersedes 1 Pa. Code § 35.45 (relating to consolidation).

§ 493a.7. Amendments and withdrawal of pleadings.

(a) Amendments and withdrawal of pleadings shall be in accordance with 1 Pa. Code §§ 35.48—35.51 (relating to amendment and withdrawal of pleadings).

(b) Answers to amended pleadings, if required, shall be filed within 30 days after the date of service of the amended pleadings. This section supersedes 1 Pa. Code § 35.40 (relating to answers to amendments of pleadings).

§ 493a.8. Motions generally.

(a) A motion may be made at any time after the initiation of a proceeding for procedural relief including a request for an extension of time, a continuance of a hearing or other scheduled proceeding, or a request for a prehearing conference.

(b) Motions may be made in writing or orally on the record. A presiding officer may require that a motion made orally also be made in writing.

(c) Answers or objections to written motions shall be made within 30 days after the date of service of the motion unless otherwise directed by the Board or presiding officer.

(d) Written motions and answers or objections to written motions shall be served upon all parties in accordance with § 491a.5 (relating to service).

(e) Motions to the Board seeking interlocutory determinations on rulings of a presiding officer are not permitted.

(f) The presiding officer may rule upon any motion filed prior to the submission of a report or report and recommendation to the Board. When a ruling on a motion would constitute a final determination of the proceedings, the ruling on the motion shall be made part of the report or report and recommendation to the Board.

(g) This section supersedes 1 Pa. Code §§ 35.177—35.180 (relating to motions).

§ 493a.9. Preliminary motions.

(a) A preliminary motion may be filed by a party. The preliminary motion must state the specific grounds relied upon, and be limited to the following:

(1) A motion questioning the jurisdiction of the Board or the presiding officer.

(2) A motion to strike a pleading that is insufficient as to form.

(3) A motion for a more specific pleading.

(b) Except when a motion for a more specific pleading is filed, an answer to a preliminary motion may be filed within the time period prescribed for answers to complaints, petitions and motions. All preliminary motions filed by a party shall be raised at the same time.

(c) If a motion for more specific pleading is filed, an answer may not be filed until further directed by the Board or presiding officer.

(d) A preliminary motion will be decided by the Board or presiding officer within 30 days of the filing of the preliminary motion.

(e) If a preliminary motion to strike is granted, the party who submitted the stricken pleading may file an amended pleading within 10 days of service of the order granting the motion to strike.

(f) This section supersedes 1 Pa. Code §§ 35.177—35.180 (relating to motions).

§ 493a.10. Motions for summary judgment and judgment on the pleadings.

(a) *Motion for judgment on the pleadings.* After the pleadings are closed, but within a time so that the hearing is not delayed, a party may move for judgment on the pleadings.

(b) *Motion for summary judgment.* After the pleadings are closed, but within a time so that the hearing is not delayed, a party may move for summary judgment based on the pleadings and depositions, answers to interrogatories, admissions and supporting affidavits.

(c) *Answers to motions.* An answer to a motion for summary judgment or a motion for judgment on the pleadings, including an opposing affidavit to a motion for summary judgment, may be filed with the Clerk and served on all other parties within 30 days of the date of service of the motion. An answer to a motion for summary judgment may be supplemented by pleadings, depositions and answers to interrogatories.

(d) *Decisions on motions.* If a motion is granted in whole or in part by a presiding officer, it will be in the form of a report or report and recommendation. The Board will make a final ruling on a motion for judgment on the pleadings or a motion for summary judgment.

(e) *Supersession.* This section supersedes 1 Pa. Code Chapter 35, Subchapter D (relating to motions).

§ 493a.10a. Motions to protect confidential information.

(a) A party or individual may designate information as confidential under § 407a.3 (relating to confidential information) in any papers filed with the Clerk by filing a Motion to Protect Confidential Information.

(b) A Motion to Protect Confidential Information must:

(1) Set forth the specific legal grounds to justify why the information should be deemed confidential and therefore protected.

(2) Include a redacted version of the entire filing which will be available for immediate release to the public.

(c) Upon the filing of the Motion to Protect Confidential Information, the Director of Hearings and Appeals will review the motion and accompanying filings and, upon determining that a substantial basis exists, shall issue an interim order to protect the information, whether in the motion or the accompanying filings, from disclosure until the Board considers the matter in accordance with 65 Pa.C.S. §§ 701—716 (relating to open meetings). At all times during the pendency of the motion, the information in the motion and the accompanying filings shall be treated as confidential except the redacted version filed in accordance with subsection (b)(2).

§ 493a.11. Discovery.

(a) The ability to obtain discovery in an administrative proceeding before the Board or presiding officer is committed to the discretion of the Board or presiding officer and will generally be limited to the information, documents and list of witnesses that any party will present during a hearing.

(b) The presiding officer may grant a request for discovery if the request will serve to facilitate an efficient and expeditious hearing process, will not unduly prejudice and burden the responding party and as may be required in the interests of justice.

(c) At the discretion of the presiding officer, discovery may be granted and limited to the following:

(1) Written interrogatories.

(2) Depositions.

(3) Production of documents or things.

(d) Each party to a proceeding shall be entitled to the name and address of any witness who may be called to testify on behalf of the opposing party and all documents or other material

in the possession or control of the opposing party which the opposing party reasonably expects will be introduced into evidence. The opposing party shall be under a continuing duty to update its response to this request.

(e) The presiding officer may, upon request of a party, permit the testimony of a witness or the introduction of other evidence not disclosed pursuant to a request made under subsection (d), if following a proffer by the party seeking to present the evidence, the presiding officer determines that justice so requires.

(f) Confidential information furnished to or obtained by the Board or the Bureau from any source will not be discoverable under this subsection. If a request for discovery involves confidential information, a party may file a motion for a protective order and the presiding officer will make a determination as to what is deemed confidential.

(g) If a party fails to respond to a discovery request, which was granted by the presiding officer, the opposing party may file a motion to compel discovery with the Clerk. The presiding officer may grant or deny the motion in accordance with § 493a.8(e) (relating to motions generally).

(h) Depositions will be conducted in accordance with 1 Pa. Code §§ 35.145—35.152 (relating to depositions).

§ 493a.12. Intervention.

(a) The decision to grant a petition to intervene in a proceeding before the Board or a presiding officer is within the sole discretion of the Board.

(b) A person wishing to intervene in a proceeding may file a petition with the Clerk which shall be served on all named parties to the underlying proceeding. When a petition to intervene is filed with the Clerk, it will be referred to the Board which will issue a determination as soon as practicable.

(c) The Board may grant a petition to intervene if it determines:

(1) The person has an interest in the proceeding which is substantial, direct and immediate.

(2) The interest is not adequately represented by a party to the proceeding.

(3) The person may be bound by the action of the Board in the proceeding.

(d) Petitions to intervene may be filed at any time following the filing of an application, petition, complaint or other document seeking Board action, but no later than 30 days prior to the date set for a hearing unless, in extraordinary circumstances for good cause shown, the Board authorizes a later filing.

(e) Petitions to intervene must be in writing and set out clearly and concisely the facts demonstrating the nature of the alleged right or interest of the petitioner, the grounds of the proposed intervention, and the position of the petitioner in the proceeding. The petitioner shall fully advise the parties and the Board of the specific issues of fact or law to be raised or controverted, by admitting, denying or otherwise answering, specifically and in detail, each material allegation of fact or law asserted in the petition or complaint initiating the proceeding, and citing by appropriate reference provisions or other authority relied on.

(f) A party may file an answer to a petition to intervene, and in default thereof, will be deemed to have waived any objection to the granting of the petition. Answers shall be filed within 10 days after the date of service of the petition, unless for cause the Board prescribes a different time.

(g) Except when the Board determines that it is necessary to develop a comprehensive evidentiary record, the participation of a person granted the right to intervene in a proceeding will be limited to the presentation of evidence through the submission of written statements attested to under oath. The written statements shall be part of the evidentiary record.

(h) Notwithstanding the provisions of this section, petitions to intervene in licensing hearings for slot machine licenses shall be governed by § 441a.7(z) (relating to licensing hearings for slot machine licenses).

(i) This section supersedes 1 Pa. Code §§ 35.27—35.32 and 35.36 (relating to intervention; and answers to petitions to intervene).

§ 493a.13. Consent agreements.

(a) Parties may propose consent agreements at any time prior to the entry of a final order.

(b) Consent agreements must be in writing, signed by all parties and accurately reflect the terms of the consent agreement, including the facts agreed to by the parties constituting the grounds for the action proposed in the consent agreement.

(c) If the consent agreement is proposed in a matter that is the subject of a proceeding before a presiding officer, the proposal of the consent agreement will stay the proceeding until the consent agreement is acted upon by the Board.

(d) The consent agreement shall be presented to the Board for its approval or disapproval. If the Board approves the consent agreement, it will become the final order of the Board. If the Board disapproves the consent agreement, the parties will be notified and the consent agreement and any documents solely relating to the consent agreement will not constitute part of the record.

CHAPTER 494a. HEARING PROCEDURE

Sec.

494a.1. Generally.
492a.2. Oral hearings.
493a.3. (Reserved).
493a.4. Report or report and recommendation of the president officer.
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493a.6. Reopening of record.
493a.7. Exceptions.
493a.8. Rehearing or reconsideration.
493a.9. Briefs and oral argument.
493a.10. (Reserved).
493a.11. Appeals.

§ 494a.1. Generally.

(a) A hearing calendar of all matters set for hearing will be maintained by the Clerk and will be in order of assignment as far as practicable. All matters will be conducted from Harrisburg, in person, by means of video conference or by telephone, unless a different site is designated by the Board, Executive Director or the presiding officer. The Board, Executive Director or the presiding officer, in its discretion with or without motion, may at any time with due notice to the parties advance or postpone any proceeding on the hearing calendar.

(b) Hearings will be held before the Board or presiding officer, and all appearances, including staff counsel participating, will be entered upon the record, with a notation on whose behalf each appearance is made. A notation will be made in the record of the names of the members of the staff of the Board participating, including accountants, and other experts who are assisting in the investigation of the matter. This section supersedes 1 Pa. Code §§ 35.123 and 35.124 (relating to conduct of hearings; and appearances).

(c) In hearings, neither the Board nor the presiding officer will be bound by technical rules of evidence, and all relevant evidence of reasonably probative value may be received. Reasonable examination and cross-examination will be permitted at all oral hearings. If a party does not testify on his own behalf, the party may be called and examined as if under cross-examination.

(d) Subsection (a) supersedes 1 Pa. Code § 35.102 (relating to hearing calendar).

§ 494a.2. Oral hearings.

Oral hearings will be conducted in accordance with 1 Pa. Code §§ 35.121--35.126 and Subchapter C (relating to evidence and witnesses).

§ 494a.3. (Reserved).

§ 494a.4. Report or report and recommendation of the presiding officer.

(a) Following a hearing, a report or report and recommendation of the presiding officer may be required by the Board, except that recommendations will not be made in proceedings involving the issuance, approval, renewal, revocation, suspension or conditioning of a license.

(b) The presiding officer will, through the Clerk, certify to the Board a verbatim record of any oral hearing, all documents submitted for consideration, and a report or report and recommendation, when required, as soon as practicable after the conclusion of the hearing and expiration of the time for filing of briefs.

(c) The presiding officer's report or report and recommendation will include a statement of:

(1) Findings and conclusions, as well as the reasons or basis therefore, for all the material issues of fact, law or discretion presented on the record.

(2) The appropriate statutory provision, regulation, order, sanction, relief or denial thereof.

(3) Facts officially noticed under 1 Pa. Code § 35.173 (relating to official notice of facts), relied upon in the decision.

(d) The report or report and recommendation will be in writing, provided to all parties, and will be part of the public record, except for matters and materials designated as confidential. Service will be in accordance with § 491a.5(d) (relating to service).

(e) This section supersedes 1 Pa. Code §§ 35.201—35.206 (relating to proposed reports generally).

§ 494a.5. Review.

(a) The Clerk will transmit the record of the hearing to the Board and will make it available to all parties.

(b) The Board will review the record of the hearing and the report or report and recommendation of the presiding officer. The Board may adopt some or all of the recommendations, conduct a full or partial de novo hearing, or remand all or part of the matter to a presiding officer for the taking of additional evidence or clarification of issues, or make an adjudication based on the record.

§ 494a.6. Reopening of record.

(a) After the conclusion of the hearing, a party in a proceeding may file with the Clerk, prior to the issuance of an order of the Board or a report or report and recommendation, a motion to reopen the record for the purpose of taking additional evidence. The motion must set forth clearly the facts claimed to constitute grounds requiring reopening of the record, including material changes of fact or law alleged to have occurred since the record was concluded.

(b) After the issuance of a report or report and recommendation by a presiding officer and before the Board issues its final order, a party in a proceeding may file with the Clerk, a motion to reopen the record for the purpose of taking additional evidence. The motion must set forth clearly the facts claimed to constitute grounds requiring reopening of the record, including material changes of fact or law alleged to have occurred since the issuance of a report or report and recommendation.

(c) Answers may be filed within 10 days of service of the motion. If no answers are filed, objections to the granting of the motion are waived.

(d) After the filing of the motion and answer, the Board or presiding officer will grant or deny the motion.

(e) Prior to filing a report or report and recommendation, the presiding officer, after notice to the parties, may reopen the record for the receipt of further evidence on his own

motion, if the presiding officer has reason to believe that the facts or law have changed as to require, or that the public interest requires, the reopening of the record.

(f) Prior to the issuance of a final order, the Board, after notice to the parties, may reopen the record for the receipt of further evidence, if the Board has reason to believe that the facts or law have changed as to require, or that the public interest requires, the reopening of the record.

(g) This section supersedes 1 Pa. Code §§ 35.231—35.233 (relating to reopening of record).

§ 494a.7. Exceptions.

(a) A party may file exceptions to the report or report and recommendation of the presiding officer within 15 days of the date of the report or report and recommendation, unless the time is extended upon good cause shown.

(b) Exceptions must be in writing, filed with the Clerk, and state with particularity the matter objected to, including the portion of the record where the basis of the objection may be found, and any supporting legal argument.

(c) A response to exceptions shall be filed within 15 days of the date of service of the exceptions.

(d) The record, including exceptions and responses thereto, will be forwarded to the Board for its consideration.

(e) This section supersedes 1 Pa. Code §§ 35.211—35.214 (relating to exceptions to proposed reports).

§ 494a.8. Rehearing or reconsideration.

(a) A party to a proceeding may file an application for rehearing or reconsideration by filing a motion within 15 days after the final order of the Board.

(b) Filing a motion for rehearing or reconsideration does not toll or stay the 30-day appeal period.

(c) The motion must state concisely the alleged errors in the adjudication or other order of the Board. If a final order or other order of the Board is sought to be vacated, reversed or modified by reason of matters that have arisen since the hearing and decision or order, or by reason of a consequence that would result from compliance therewith, the matters relied upon by the petitioner must be set forth in the motion.

(d) Answers to motions for rehearing or reconsideration will not be entertained by the Board. If the Board grants the rehearing or reconsideration, an answer may be filed by a participant within 15 days after the issuance of the order granting rehearing or reconsideration.

The response will be confined to the issues upon which rehearing or reconsideration has been granted.

(e) If the Board does not act upon the motion for rehearing or reconsideration within 30 days after it is filed, the motion will be deemed to have been denied.

(f) This section does not apply to proceedings resulting in any final order, determination or decision of the Board involving the approval, issuance, denial or conditioning of licensed entity applications which are subject to the appellate requirements of 4 Pa.C.S. § 1204 (relating to licensed gaming entity application appeals from board).

(g) This section supersedes 1 Pa. Code § 35.241 (relating to application for rehearing or reconsideration).

§ 494a.9. Briefs and oral argument.

(a) All parties shall be afforded an opportunity to submit briefs prior to the issuance of a report or report and recommendation in accordance with a briefing schedule established by the OHA. Briefs shall be filed with the Clerk and served on the parties.

(b) Oral argument may be heard at the discretion of the Board or presiding officer

§ 494a.10. (Reserved).

§ 494a.11.Appeals.

(a) A party may appeal final orders of the Board in accordance with the act, in the form prescribed in the Pennsylvania Rules of Appellate Procedure (See 210 Pa. Code).

(b) The filing of an appeal will not stay enforcement of the decision or final order of the Board unless a stay is obtained from the court upon application in accordance with the Rules of Appellate Procedure, or the Board grants a stay prior to the filing of the appeal.

CHAPTER 495a. DOCUMENTARY FILINGS

Sec.

495a.1. Form of documentary filings generally.
495a.2. Form of documents.
495a.3. Single pleading covering more than one matter.
495a4. Execution of documents.
495a.5. Verification.
495a.6. Number of copies.

§ 495a.1. Form of documentary filings generally.

(a) Pleadings or other documents must be divided into numbered paragraphs.

(b) Copies of contracts, agreements, permits or other writings referred to in pleadings or other documents may be attached as exhibits. Copies of writings or orders already of record with the Board in the proceeding need not be attached.

(c) Pleadings or other documents filed with the Clerk in a proceeding must clearly designate the docket number if one has been assigned, and a short title identifying the pleading or document. The identity of the individual making the submission, including name, mailing address, status (for example, party or attorney for a party) and Board issued credential number of the person subject to the pleading, if applicable, must appear on the document.

(d) Pleadings or other documents must include an address, fax number or e-mail address where papers may be served in connection with the proceedings.

(e) Notation of counsel's current Supreme Court identification number issued by the Court Administrator of Pennsylvania constitutes proof of the right to practice in this Commonwealth.

(f) Subsections (a)—(c) supersede 1 Pa. Code §§ 31.5 and 33.3 (relating to communications and filings generally; and incorporation by reference).

§ 495a.2. Form of documents.

(a) The Board may establish the paper, printing and binding requirements for pleadings filed with the Clerk. If the Board establishes paper, printing and binding requirements, the requirements will be printed in the *Pennsylvania Bulletin* and posted on the Board's web site.

(b) Subsection (a) supersedes 1 Pa. Code § 33.2 (relating to form).

§ 495a.3. Single pleading covering more than one matter.

(a) Except as otherwise provided under this chapter (relating to formal proceedings), a single pleading may be accepted for filing with respect to a particular transaction and one or more related transactions and shall be deemed to be a single filing for purposes of the computation of fees under Chapter 471a (relating to schedule of fees payable to the Board).

(b) If, upon review, the Board determines that the transactions are not closely related or otherwise properly joined, the Board will direct that the single pleading be refiled as two or more separate pleadings. Each pleading will be subject to a separate filing fee.

(c) Subsection (a) supersedes 1 Pa. Code § 33.4 (relating to single pleading or submittal covering more than one matter).

§ 495a.4. Execution of documents.

(a) *Signature*. Except as may be otherwise ordered or requested by the Board, the original and all copies of a pleading, or other documents shall be signed in ink by the party in interest, or by his attorney, as required by subsection (b), and show the office and post office address of the party or attorney.

(b) *Subscription*.

(1) A pleading or other document filed with the Board shall be subscribed by one of the following:

(i) The persons filing the documents.

(ii) An officer if it is a corporation, trust, association or other organized group.

(iii) An officer or authorized employee thereof if it is another agency, a political subdivision, or other governmental authority, agency or instrumentality.

(iv) An attorney authorized to subscribe on behalf of the client.

(2) A document filed by a corporation, trust, association or other organized group, may be required to be supplemented by appropriate evidence of the authority of the officer or attorney subscribing the documents.

(c) *Effect*.

(1) The signature of the person subscribing a document filed with the Board constitutes a certificate by the individual that:

(i) The person has read the document being subscribed and filed, and knows the contents thereof.

(ii) The document has been subscribed and executed in the capacity specified upon the document with full power and authority to do so, if executed in a representative capacity.

(iii) The document is well grounded in fact and is warranted by existing law or a good faith argument for the extension, modification or reversal of existing law, to the best of the person's knowledge, information and belief formed after reasonable inquiry.

(iv) The document is not interposed for an improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation.

(2) If a document is signed in violation of this subsection, the Board, upon motion or upon its own initiative, may impose upon the person who signed it, a represented party, or both, an appropriate sanction, which may include striking the document, dismissal of the proceeding or the imposition of civil penalties under 4 Pa.C.S. § 1518 (relating to prohibited acts; penalties).

(d) *Supersession*. Subsections (a)--(c) supersede 1 Pa. Code § 33.11 (relating to execution).

§ 495a.5. Verification.

(a) Pleadings or other documents containing an averment of fact not appearing of record in the action or containing a denial of fact shall be personally verified by a party thereto or by an authorized officer of the party if a corporation or association. Verification means a signed, written statement of fact supported by oath or affirmation or made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities). If verification is required, notarization is not necessary.

(b) The verification form should comply substantially with the following:

VERIFICATION

I, _____, hereby state that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief). I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 (relating to unsworn falsification to authorities).

Date: _____

(Signature)

(c) When an affidavit is used, the form should comply substantially with the following:

AFFIDAVIT

I, _____ (Affiant) being duly sworn (affirmed) according to law, depose and say that (I am authorized to make this affidavit on behalf of _____ corporation, being the holder of the office of _____ with that corporation,) and that the facts above set forth are true and correct (or are true and correct to the best of my knowledge, information and belief).

_____
(Signature of affiant)

Sworn and subscribed before me this _____ day of _____, 20____.

_____
(Signature of official administering oath)

(d) An individual who executes a pleading or other document knowing that it contains a false statement and who causes it to be filed with the Board shall be subject to prosecution of a misdemeanor of the second degree in violation of 18 Pa.C.S. § 4904(a).

(e) Subsections (a)--(d) supersede 1 Pa. Code § 33.12 (relating to verification).

§ 495a.6. Number of copies.

(a) An original copy of pleadings or documents other than correspondence shall be furnished to the Clerk at the time of filing, except as may be otherwise ordered or requested by the Board or the presiding officer.

(b) Pleadings and documents filed electronically, in accordance with § 497a.1(a)(4) (relating to date of filing), will be considered the original for purposes of this section. If filed electronically with the Clerk at boardclerk@pa.gov, a paper submission is not required.

(c) Subsection (a) supersedes 1 Pa. Code § 33.15 (relating to number of copies).

CHAPTER 497a. TIME

Sec.

497a.1. Date of filing.
497a.2. Computation of time.
497a.3. Issuance of Board orders.
497a.4. Effective dates of Board orders.
497a.5. Extensions of time and continuances.

§ 497a.1. Date of filing.

(a) Whenever a pleading or other document is required or permitted to be filed under this part or by statute, it will be deemed to be filed on one of the following dates:

(1) On the date actually received in the Office of the Clerk.

(2) On the date deposited with an overnight express package delivery service as shown on the express delivery receipt attached to or included within the envelope containing the document.

(3) On the date deposited in the United States mail as shown by the United States Postal Service stamp on the envelope or on a United States Postal Service Form 3817 certificate of mailing. A mailing envelope stamped by an in-house postage meter does not constitute proof of the date of mailing.

(4) On the date that the pleading or other document is received by electronic transmission, sent to boardclerk@ pa.gov, in the Office of the Clerk.

(b) Failure to include a legible delivery receipt with the document may result in an untimely filing.

(c) Subsections (a) and (b) supersede 1 Pa. Code § 31.11 (relating to timely filing required).

§ 497a.2. Computation of time.

(a) In computing a period of time prescribed or allowed by the act or this part, the day of the act, event or default after which the designated period of time begins to run is not included. The last day of the period is included, unless it is Saturday, Sunday or a legal holiday in this Commonwealth, in which event the period shall run until the end of the next day which is neither a Saturday, Sunday or holiday. Intermediate Saturdays, Sundays and legal holidays shall be included in the computation.

(b) In computing a period of time prescribed or allowed by the act or this part which is measured by counting a specified number of days backward from a scheduled future act, event or default, the day of the scheduled future act, event or default is not included. The day on which the prescribed or allowed action is to occur shall be included, unless it is a Saturday, Sunday or a legal holiday in this Commonwealth, in which event the day of the prescribed or allowed action shall run until the next preceding day which is neither a Saturday, Sunday or holiday. A part-day holiday shall be considered as a holiday. Intermediate Saturdays, Sundays and legal holidays are included in the computation.

(c) Subsections (a) and (b) supersede 1 Pa. Code § 31.12 (relating to computation of time).

§ 497a.3. Issuance of Board orders.

(a) In computing a period of time involving the date of the issuance of an order by the Board, the day of issuance of an order will be the date the Clerk enters the order. An order will not be made public prior to its entry except when, in the Board's judgment, the public interest so requires. The date of entry of an order may or may not be the day of its adoption by the Board. The Clerk will clearly indicate on each order the date of its adoption by the Board and the date of its entry.

(b) The date of entry of an order which is subject to review by the Supreme Court of Pennsylvania is governed by 2 Pa.C.S. Chapter 7, Subchapter A (relating to judicial review of Commonwealth agency action). The date of issuance of an order shall be deemed to be the date

of entry for the purposes of computing the time for appeal under an applicable statute relating to judicial review of Board action.

(c) Subsections (a) and (b) are identical to 1 Pa. Code § 31.13 (relating to issuance of agency orders).

§ 497a.4. Effective dates of Board orders.

(a) An order of the Board promulgating regulations will be effective upon publication in the *Pennsylvania Bulletin* unless otherwise specially provided in the order.

(b) Except as provided in subsection (a), an order of the Board will be effective as of the date of entry unless otherwise specially provided in the order.

(c) Subsections (a) and (b) supersede 1 Pa. Code § 31.14 (relating to effective dates of agency orders).

§ 497a.5. Extensions of time and continuances.

(a) Extensions of time will be governed by the following:

(1) Whenever under this part or by order of the Board, or notice given thereunder, an act is required or allowed to be done at or within a specified time, the time fixed or the period of time prescribed may be extended by the Board, for good cause, upon a motion made before expiration of the period originally prescribed or as previously extended. Upon a motion made after the expiration of the specified period, the time period within which the act may be permitted to be done may be extended when reasonable grounds are shown for the failure to act.

(2) Requests for an extension of time in which to file briefs shall be filed at least 5 days before the time fixed for filing the briefs unless the Board or presiding officer, for good cause shown allows a shorter time.

(3) Requests for a continuance of a hearing shall be made orally or in writing to the presiding officer, stating the facts on which the request rests. Requests for continuance will be considered only for good cause shown.

(b) Subsection (a) supersedes 1 Pa. Code § 31.15 (relating to extensions of time).

CHAPTER 499a. REPRESENTATION BEFORE THE BOARD

Sec.

499a.1. Appearance in person.
499a.2. Appearance by attorney.
499a.3. Other representation prohibited at hearings.
499a.4. Notice of appearance or withdrawal.
499a.5. Form of notice of appearance.
499a.6. Contemptuous conduct.
499a.7. Suspension and disbarment.

§ 499a.1. Appearance in person.

(a) An individual who is a party in a proceeding before the Board may represent himself before the Board.

(b) A party, other than an individual appearing on his own behalf, in an adversarial proceeding before the Board shall be represented by an attorney authorized to appear before the Board in accordance with § 499a.2 (relating to appearance by attorney).

(c) This section supersedes 1 Pa. Code § 31.21 (relating to appearance in person).

§ 499a.2. Appearance by attorney.

(a) A party in a proceeding before the Board who elects to be represented by an attorney in the proceeding, or who is required under § 499a.1 (relating to appearance in person) to be represented by an attorney in the proceeding, shall be represented by:

(1) An attorney at law admitted to practice before the Pennsylvania Supreme Court.

(2) An attorney admitted to practice before the highest court of a jurisdiction other than this Commonwealth which permits attorneys licensed in this Commonwealth to practice before its courts and agencies without benefit of licensure in that state.

(3) An attorney authorized in accordance with subsection (b) to appear in connection with the proceeding.

(b) An attorney admitted to practice before the highest court of a jurisdiction other than this Commonwealth which does not permit attorneys licensed in this Commonwealth to appear before its courts and agencies may, at the discretion of the Board, be authorized to appear in connection with a particular proceeding. The Board will determine whether to grant the authorization upon the filing of a motion with the Clerk by an attorney admitted to practice law before the Pennsylvania Supreme Court and in good standing therewith, which contains the information required to satisfy the written notice provision of Pa.B.A.R. 301 (relating to admission pro hac vice), and provided that the attorney filing the motion shall be and remain the attorney of record in the proceeding and further provided that both the attorney of record and the attorney admitted under this subsection shall both sign all documents submitted or filed in connection with the proceeding.

(c) Subsection (a) supersedes 1 Pa. Code § 31.22 (relating to appearance by attorney).

§ 499a.3. Other representation prohibited at hearings.

(a) Participants, individuals, partnerships, associations, corporations or governmental entities may not be represented at a hearing before the Board except:

(1) As stated in §§ 499a.1 and 499a.2 (relating to appearance in person; and appearance by attorney).

(2) As otherwise permitted by the Board in a specific case.

(b) Subsection (a) supersedes 1 Pa. Code § 31.23 (relating to other representation prohibited at hearings).

§ 499a.4. Notice of appearance or withdrawal.

(a) An individual appearing without representation before the Board shall file with the Office of the Clerk an address for service of a notice or other written communication. A change in address which occurs during the course of the proceeding shall be reported to the Office of the Clerk within 3 business days.

(b) An attorney whose name and address appear in a representative capacity on an initial pleading filed with the Office of the Clerk shall be considered to have entered an appearance in that proceeding. An attorney who enters the matter at a later stage of the proceeding shall file with the Office of the Clerk a written notice of the appearance as required under § 499a.5 (relating to form of notice of appearance). The notice shall be served on the other parties in the proceeding. A change in address which occurs during the course of the proceeding shall be reported to the Office of the Clerk within 3 business days.

(c) Except as provided in subsection (e), an attorney may not withdraw his appearance without leave of the Board or presiding officer. An attorney may request leave to withdraw his appearance through petition to the Board or presiding officer. Copies of the petition shall be served on all parties. The attorney requesting withdrawal shall immediately notify the party previously represented by ordinary mail of an order granting leave to withdraw.

(d) An attorney may withdraw his appearance without leave of the Board or presiding officer if one of the following occurs:

(1) Another attorney has previously entered his appearance on behalf of the party.

(2) Another attorney is simultaneously entering an appearance on behalf of the party, and the change of attorneys does not delay any stage of the litigation.

(e) An attorney who wishes to withdraw an appearance under subsection (d) shall file with the Office of the Clerk. The notice shall be served on the other parties.

(f) Subsections (a) and (d) supersede 1 Pa. Code § 31.24 (relating to notice of appearance).

§ 499a.5. Form of notice of appearance.

(a) The form of notice of appearance is as follows:

COMMONWEALTH OF PENNSYLVANIA

BEFORE THE PENNSYLVANIA GAMING CONTROL BOARD

In the Matter of:

[File, Docket or Other Identifying No.:]

NOTICE OF APPEARANCE

Please enter my appearance in the above designated matter on behalf of _____.

I am authorized to accept service on behalf of said participant in this matter.

[CHECK ONE]

[ ] On the basis of this notice, I request a copy of each document hereafter issued by the Board in this matter.

[ ] I am already receiving or have access to a copy of each document issued by the Board in this matter and do not on the basis of this notice require an additional copy.

_____
Signature

_____
Attorney Identification Number

_____
Name (Printed)

_____
P. O. address

_____
City, state and zip code

_____
Telephone number (including area code)

_____
Fax Number (including area code)

_____
Email address

(b) Subsection (a) supersedes 1 Pa. Code § 31.25 (relating to form of notice of appearance).

§ 499a.6. Contemptuous conduct.

(a) Contemptuous conduct at a hearing before the Board or a presiding officer will be grounds for exclusion from the hearing and for summary suspension without a hearing for the duration of the hearing.

(b) Subsection (a) is identical to 1 Pa. Code § 31.27 (relating to contemptuous conduct).

§ 499a.7. Suspension and disbarment.

(a) The Board may deny, temporarily or permanently, the privilege of appearing or practicing before the Board to a person who is found by the Board, after notice and opportunity for hearing in the matter, to have done one or more of the following:

(1) Lacked the requisite qualifications to represent others.

(2) Engaged in unethical, contemptuous or improper conduct before the Board.

(3) Repeatedly failed to follow Board directives.

(b) For the purpose of subsection (a), practicing before the Board includes the following:

(1) Transacting business with the Board.

(2) The preparation of a statement, opinion or other paper by an attorney, accountant, engineer or other expert, filed with the Board in a pleading or other document with the consent of the attorney, accountant, engineer or other expert.

(3) Appearances at a hearing before the Board.

(c) Subsections (a) and (b) are identical to 1 Pa. Code § 31.28 (relating to suspension and disbarment).

Subpart I. COMPULSIVE AND PROBLEM GAMBLING

CHAPTER 501a. COMPULSIVE AND PROBLEM GAMBLING REQUIREMENTS

Sec.

501a.1. Definitions.
501a.2. Compulsive and problem gambling plan.
501a.3. Employee training program.
501a.4. Reports.
501a.5. Signage requirements.
501a.6. (Reserved).
501a.7. Advertising.

§ 501a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Advertisement --Gaming related marketing materials including a notice or communication by a licensee, certified or registered entity or its agent to the public through signs, billboards, broadcasts, publications, mail, e-mail, text message, tweet or other means of dissemination.

OCPG--The Office of Compulsive and Problem Gambling.

§ 501a.2. Compulsive and problem gambling plan.

(a) An applicant for a slot machine license shall submit a compulsive and problem gambling plan for review at the time of submission of the application. The plan must, at a minimum, contain the elements listed in subsection (d).

(b) The compulsive and problem gambling plan of an applicant for a slot machine license that has been approved to receive a slot machine license must be approved by the Director of OCPG. An applicant for a slot machine license who has been approved to receive a slot machine license will be notified in writing of any deficiencies in the plan and may submit revisions to the plan to the Director of OCPG. A slot machine licensee may not commence operations until the Director of OCPG approves the plan.

(c) Compliance with the plan approved under this chapter will be a condition of license renewal.

(d) A compulsive and problem gambling plan must include the following:

(1) The goals of the plan and procedures and timetables to implement the plan.

(2) The identification of the individual who will be responsible for the implementation and maintenance of the plan.

(3) Policies and procedures including the following:

(i) The commitment of the licensee to train appropriate employees.

(ii) The duties and responsibilities of the employees designated to implement or participate in the plan.

(iii) The responsibility of patrons with respect to responsible gambling.

(iv) Procedures to identify patrons and employees with suspected or known compulsive and problem gambling behavior.

(v) Procedures for providing information to individuals regarding community, public and private treatment services, gamblers anonymous programs and similar treatment or addiction therapy programs designed to prevent, treat, or monitor compulsive and problem gamblers and to counsel family members.

(vi) Procedures for responding to patron requests for information regarding community, public and private treatment services, gamblers anonymous programs and similar treatment or addiction therapy programs designed to prevent, treat, or monitor compulsive and problem gamblers and to counsel family members. The provisions of this subsection do not create a duty for a slot machine licensee or its employees to refer compulsive and problem gamblers to qualified treatment professionals.

(4) The provision of printed material to educate patrons about compulsive and problem gambling and to inform them about treatment services available to compulsive and problem gamblers and their families. The slot machine licensee shall provide examples of the materials to be used as part of its plan, including signs required under § 501a.5 (relating to signage requirements), brochures and other printed material and a description of how the material will be disseminated.

(5) An employee training program as required under § 501a.3 (relating to employee training program), including training materials to be utilized and a plan for periodic reinforcement training.

(6) A certification process established by the slot machine licensee to verify that each employee has completed the training required by the plan.

(7) An estimation of the cost of development, implementation and administration of the plan.

(8) A list of community, public and private treatment services, gamblers anonymous programs and similar treatment or addiction therapy programs designed to prevent, treat, or monitor compulsive and problem gamblers and to counsel family members.

(9) Procedures to prevent underage gambling as required under § 513a.3(b) (relating to responsibilities of licensees, permittees, registrants and certification holders).

(10) Procedures to prevent excluded persons from gambling.

(11) Procedures to prevent intoxicated patrons from gambling.

(12) Details of outreach programs which the slot machine licensee intends to offer to employees and individuals who are not employees of the slot machine licensee.

(13) The plan for posting signs required under § 501a.5 within the licensed facility, containing gambling treatment information.

(e) A slot machine licensee shall also submit other policies and procedures the slot machine licensee intends to use beyond what is required under subsection (d) to prevent and raise awareness of compulsive and problem gambling.

(f) The Board may provide the plan submitted by the slot machine licensee to the Department of Drug and Alcohol Programs or its successor agency for its use in administering

the act. The Department of Drug and Alcohol Programs or its successor may provide comments and recommendations to the OCPG and the licensee relating to the plan.

(g) A slot machine licensee shall submit amendments to the compulsive and problem gambling plan to the Director of OCPG for review and approval at least 30 days prior to the intended implementation date of the amendments. The slot machine licensee may implement the amendments on the 30th calendar day following the filing the amendments unless the slot machine licensee receives a notice under subsection (h) objecting to the amendments.

(h) If during the 30-day review period the Director of OCPG determines that the amendments may not promote the prevention of compulsive and problem gambling or assist in the proper administration of responsible gaming programs, the Director of OCPG may, by written notice to the slot machine licensee, object to the amendments. The objection will:

(1) Specify the nature of the objection and, when possible, an acceptable alternative.

(2) Direct that the amendments not be implemented until approved by the Director of OCPG.

(i) When amendments have been objected to under subsection (h), the slot machine licensee may submit revised amendments for review in accordance with subsections (g) and (h).

§ 501a.3. Employee training program.

(a) The employee training program required under § 501a.2(d)(5) (relating to compulsive and problem gaming plan) must include instruction in the following:

(1) Characteristics and symptoms of compulsive behavior, including compulsive and problem gambling.

(2) The relationship of compulsive and problem gambling to other addictive behavior.

(3) The social and economic consequences of compulsive and problem gambling, including debt, treatment costs, suicide, criminal behavior, unemployment and domestic issues.

(4) Techniques to be used when compulsive and problem gambling is suspected or identified.

(5) Techniques to be used to discuss compulsive and problem gambling with patrons and advise patrons regarding community, public and private treatment services.

(6) Procedures designed to prevent serving alcohol to visibly intoxicated gaming patrons.

(7) Procedures designed to prevent persons from gaming after having been determined to be visibly intoxicated.

(8) Procedures for the dissemination of written materials to patrons explaining the casino self-exclusion program, described in Chapter 503a (relating to casino self-exclusion).

(9) Procedures for removing an excluded person, an underage individual or a person on the casino self-exclusion list from a licensed facility including, if necessary, procedures that include obtaining the assistance of appropriate law enforcement personnel.

(10) Procedures for preventing an excluded person or a person on the casino self-exclusion list from being mailed any advertisement, promotion or other target mailing no later than 5 business days after receiving notice from the Board that the person has been placed on the excluded person or casino self-exclusion list.

(11) Procedures for preventing an individual under 21 years of age from receiving any advertisement, promotion or other target mailing.

(12) Procedures to prevent an excluded person, an individual under 21 years of age or a person on the casino self-exclusion list from having access to or from receiving complimentary services, or other like benefits.

(13) Procedures to prevent an excluded person, an individual under 21 years of age or a person on the casino self-exclusion list from cashing checks.

(b) Training and training materials shall be updated annually and include current research and information on responsible and problem gambling.

(c) Training for employees shall be conducted by a person with specialized knowledge, skill, training and experience in responsible gaming employee training programs as part of the employee's orientation.

(d) Employees who have received training shall be certified by the slot machine licensee under § 501a.2(d)(6) upon completion of the training.

(e) Employees are required to receive periodic reinforcement training at least once every calendar year starting with the year following the year in which the employee was hired. The date of the reinforcement training shall be recorded in each employee's personnel file.

(f) Employees shall report suspected or identified compulsive or problem gamblers to a designated key employee or other supervisory employee.

(g) The identity of an individual suspected of known compulsive or problem gambling shall be confidential except as provided under § 503a.3(f) (relating to casino self-exclusion list) and section 1516(d) of the act (relating to list of persons self-excluded from gaming activities).

(h) Slot machine licensees may collaborate with a person with specialized knowledge, skill, training and experience in responsible gaming employee training programs to develop an in-house or Internet-based employee training program to provide the training and reinforcement training required under this chapter.

§ 501a.4 Reports.

(a) A slot machine licensee shall submit to the Director of the OCPG an annual summary of its compulsive and problem gambling program by the last business day of July.

(b) The annual summary must contain, at a minimum, detailed information regarding:

(1) Employee training, including:

(i) The dates of live new hire and annual reinforcement compulsive gambling training.

(ii) The individual or group who conducted the training.

(iii) The number of employees who completed the new hire compulsive gambling training.

(iv) The number of employees who completed the annual reinforcement compulsive gambling training.

(v) The dates of responsible alcohol training.

(vi) The individual or group who conducted the responsible alcohol training.

(vii) The number of employees who completed the responsible alcohol training.

(2) An estimated amount of printed materials provided to patrons regarding:

(i) Compulsive and problem gambling.

(ii) The casino self-exclusion program.

(iii) Responsible gaming.

(iv) Available treatment services.

(3) The amount spent on the Compulsive and Problem Gambling Plan for:

(i) Employee training.

(ii) Printed materials.

(iii) Outreach including community training and sponsorships.

(4) Additional information including:

(i) The number of underage individuals who were denied access to the gaming floor.

(ii) The number of casino self-excluded individuals who were discovered on the gaming floor at the licensed facility.

(iii) The number of signs within the licensed facility that contain the approved problem gambling statement and helpline number.

(iv) A summary of any community outreach conducted by the licensee.

§ 501a.5. Signage requirements.

Under section 1509(c) of the act (relating to compulsive and problem gambling program), each slot machine licensee shall post at least 20 signs that include a gambling assistance message that complies with § 501a.7(d) (relating to advertising). The complete text of the sign shall be submitted for approval to the Director of OCPG utilizing the process contained in § 501a.2(g) (relating to compulsive and problem gambling plan). The signs must be prominently posted at the following locations:

(1) Within 50 feet of each entrance and exit of the facility.

(2) Above or below the cash dispensing opening on all automated teller machines, automated gaming voucher and coupon redemption machines, and other machines that dispense cash to patrons in the licensed facility.

§ 501a.6. (Reserved).

§ 501a.7. Advertising.

(a) A licensee, entity certified or registered by the Board, or its agent may not employ or contract with an individual or entity to persuade or convince a person to engage in gaming or play a specific slot machine or table game while on the gaming floor of a licensed facility.

(b) A licensee, entity certified or registered by the Board, or its agent shall discontinue as expeditiously as possible the use of a particular advertisement upon receipt of written notice that the OCPG has determined that the use of the particular advertisement in, or with respect to, this Commonwealth could adversely impact the public or the integrity of gaming.

(c) Advertisements used by a licensee, entity certified or registered by the Board, or its agent may not:

(1) Contain false or misleading information.

(2) Fail to disclose conditions or limiting factors associated with the advertisement.

(3) Use a font, type size, location, lighting, illustration, graphic depiction or color obscuring conditions or limiting factors associated with the advertisement or the statement required under subsection (d).

(d) Advertisements must contain a gambling assistance message that includes the telephone number established by the Department of Drug and Alcohol Programs or its successor agency to provide persons with information on assistance for compulsive or problem gambling.

(e) The complete text of the gambling assistance message and the font to be used for the statement, if it has not been previously approved, shall be submitted to the Director of OCPG for approval utilizing the process in § 501a.2(g) (relating to compulsive and problem gambling plan) and comply with the following:

(1) For signs, direct mail marketing materials, posters and other print advertisements, the height of the font used for the gambling assistance message must be the greater of:

(i) The same size as the majority of the text used in the sign, direct mail marketing material, poster or other print advertisement.

(ii) Two percent of the height or width, whichever is greater, of the sign, direct mail marketing material, poster or other print advertisement.

(2) For billboards, the height of the font used for the gambling assistance message must be at least 5% of the height or width, whichever is greater, of the face of the billboard.

(3) For video and television, the gambling assistance message must be visible for either:

(i) The entire time the video or television advertisement is displayed. The height of the font used for the gambling assistance message must be at least 2% of the height or width, whichever is greater, of the image that will be displayed.

(ii) From the first time a table game, table game device, slot machine, associated equipment or casino name is displayed or verbally referenced, and on a dedicated screen shot visible for at least the last 3 seconds of the video or television advertisement. If the licensee elects to utilize this option, the height of the font used for the gambling assistance message displayed:

(A) During the advertisement must be at least 2% of the height or width, whichever is greater, of the image that will be displayed.

(B) On the dedicated screen shot must be at least 8% of the height or width, whichever is greater, of the image that will be displayed.

(4) For web sites, including social media sites:

(i) The gambling assistance message must be posted on each webpage or profile page and on a gaming related advertisement posted on the webpage or profile page.

(ii) The height of the font used for the gambling assistance message must be at least the same size as the majority of the text used in the webpage or profile page.

(iii) For advertisements posted on the webpage or profile page, the height of the font used for the gaming assistance message must comply with paragraph (1).

CHAPTER 503a. CASINO SELF-EXCLUSION

Sec.

503a.1. Definitions.
503a.2. Request for casino self-exclusion.
503a.3. Casino self-exclusion list.
503a.4. Duties of slot machine licensees.
503a.5. Removal from casino self-exclusion list.
503a.6. Exceptions for individuals on the casino self-exclusion list.
503a.7. Disclosure of information related to persons on the casino self-exclusion list.

§ 503a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Casino self-excluded person—A person whose name and identifying information is included, at the person's own request, on the casino self-exclusion list maintained by the Board.

Casino self-exclusion list—A list of names and identifying information of persons who, under this chapter, have voluntarily agreed to be:

(i) Excluded from the gaming floor and areas off the gaming floor where gaming activity is conducted.

(ii) Excluded from engaging in all gaming related activities at a licensed facility or other location approved by the Board to conduct gaming activity.

(iii) Prohibited from collecting any winnings or recovering any losses resulting from gaming activity.

Fully executed gaming transaction—An activity involving a slot machine, table game or associated equipment, or placement of a sports wager which occurs on the gaming floor of a licensed facility or other location approved by the Board to conduct gaming activity or in areas off the gaming floor where contests or tournaments are conducted which results in an individual obtaining any money or thing of value from, or being owed any money or thing of value by, a slot machine licensee or slot system operator.

Gaming activity—The play of slot machines, table games, or the placement of a sports wager, including play during contests, tournaments or promotional events.

Gaming related activity—An activity related to the play of slot machines, table games, or the placement of a sports wager, including applying for player club memberships or credit, cashing checks, or accepting a complimentary gift, service, promotional item or other thing of value at a licensed facility or other location approved by the Board to conduct gaming activity.

OCPG—Office of Compulsive and Program Gambling.

Winnings—Any money or thing of value received from, or owed by, a slot machine licensee or slot system operator as a result of a fully executed gaming transaction.

§ 503a.2. Request for casino self-exclusion.

(a) A person requesting to be self-excluded from gaming activity at licensed facilities or other locations approved by the Board to conduct gaming activity shall submit a completed Request for Voluntary Self-Exclusion from Gaming Activities Form to the Board by one of the following methods:

(1) Electronically on the Board's web site.

(2) In person by scheduling an appointment at the Board's Harrisburg office, one of the Board's other offices or at a licensed facility. To make an appointment, a person may contact the OCPG at (717) 346-8300 or problemgambling@pa.gov.

(b) A request for casino self-exclusion must include the following identifying information:

(1) Name, including any aliases or nicknames.

(2) Date of birth.

(3) Address of current residence.

(4) Telephone number.

(5) Social Security number, or the last 4 digits of the individual's Social Security Number, when voluntarily provided in accordance with section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(6) Physical description of the person, including height, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person.

(c) The information provided in subsection (b) shall be updated by the casino self-excluded person within 30 days of a change. Updated information shall be submitted on a Change of Information Form to the following address, or submitted online in the "update my information" webform on the Board's web site. A copy of the form can be obtained by calling the OPCG at (717) 346-8300, by e-mail at problemgambling@pa.gov, or by writing to:

PENNSYLVANIA GAMING CONTROL BOARD
OFFICE OF COMPULSIVE AND
PROBLEM GAMBLING
P.O. BOX 69060
HARRISBURG, PA 17106-9060

(d) The length of casino self-exclusion requested by a person must be one of the following:

(1) One year (12 months).

(2) Five years.

(3) Lifetime.

(e) A request for casino self-exclusion must include a signed release which:

(1) Acknowledges that the request for casino self-exclusion has been made voluntarily.

(2) Certifies that the information provided in the request for casino self-exclusion is true and accurate.

(3) Acknowledges that the individual requesting casino self-exclusion is a problem gambler.

(4) Acknowledges that a person requesting a lifetime exclusion may only request removal from the casino self-exclusion list in accordance with the procedures set forth in § 503a.5(f) (relating to removal from casino self-exclusion list) and that a person requesting a 1-year or 5-year exclusion will remain on the casino self-exclusion list until a request for removal under § 503a.5 is accepted and the 7 business days required under § 503a.5(e) have elapsed.

(5) Acknowledges that if the individual is discovered on the gaming floor, in areas off the gaming floor where gaming activity is conducted or engaging in gaming related activities at any licensed facility or other location approved by the Board to conduct gaming activity, that the individual will be subject to removal and arrest for criminal trespass under 18 Pa.C.S. § 3503 (relating to criminal trespass) and the individual's winnings will be subject to confiscation and remittance to support compulsive and problem gambling programs.

(6) Releases, indemnifies, holds harmless and forever discharges the Commonwealth, the Board and all slot machine licensees from claims, damages, losses, expenses or liability arising out of, by reason of or relating to the casino self-excluded person or to any other party for any harm, monetary or otherwise, which may arise as a result of one or more of the following:

(i) The failure of a slot machine licensee to withhold gaming privileges from or restore gaming privileges to a casino self-excluded person.

(ii) Otherwise permitting or not permitting a casino self-excluded person to engage in gaming activity in a licensed facility or other location approved by the Board to conduct gaming activity while on the list of casino self-excluded persons.

(iii) Confiscation of the individual's winnings.

(f) Casino self-exclusions for 1-year or 5 years remain in effect until the period of casino self-exclusion concludes and the person requests removal from the Board's casino self-exclusion list under § 503a.5, the request for removal is accepted by the Board, and the required 7 business days under § 503a.5(e) have elapsed.

(g) A person submitting a casino self-exclusion request shall present or submit electronically a copy of that person's valid government-issued identification containing the person's signature and photograph when the person submits the request, or if the person does not possess a valid government-issued identification, some other documentation to verify the identity of the person (for example, a utility or other bill in the person's name at the same address provided).

(h) A person requesting casino self-exclusion in person under this chapter shall have a photograph taken by the Board, or agent thereof, upon submission of the request to be on the list.

(i) A person requesting casino self-exclusion electronically on the Board's web site shall submit a copy of a recent passport-style photograph of the person upon submission of the request to be on the list.

§ 503a.3. Casino self-exclusion list.

(a) The Board will maintain the official casino self-exclusion list and will make all necessary additions or deletions of individuals removed from the list under § 503a.5 (relating to removal from casino self-exclusion list) within 5 business days of the verification of the information received under § 503a.2 (relating to request for casino self-exclusion) and shall make the casino self-exclusion list available to slot machine licensees electronically by means of the Board's self-exclusion system.

(b) The information made available to slot machine licensees by means of the Board's self-exclusion system will include the following information concerning a person who has been added to the casino self-exclusion list:

(1) Name, including any aliases or nicknames.

(2) Date of birth.

(3) Address of current residence.

(4) Telephone number.

(5) Social Security number, or the last 4 digits of the individual's Social Security Number, when voluntarily provided in accordance with section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(6) Physical description of the person, including height, gender, hair color, eye color and other physical characteristic, that may assist in the identification of the person.

(7) A copy of the photograph taken by the Board or submitted electronically under § 503a.2(h) and (i).

(c) The information made available to slot machine licensees by the Board concerning a person whose name has been removed from the casino self-exclusion list will include the name and date of birth of the person.

(d) A slot machine licensee shall maintain a copy of the casino self-exclusion list and establish procedures to ensure that the copy of the casino self-exclusion list is updated at least every 2 business days with the information made available to slot machine licensees by means of the Board's self-exclusion system and that all appropriate employees and agents of the slot machine licensee are notified of the additions to or deletions from the list.

(e) Information furnished to or obtained by the Board under this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter.

(f) Slot machine licensees, employees or agents thereof may not disclose the name of, or any information about, a person who has requested casino self-exclusion to anyone other than

employees and agents of the slot machine licensee whose duties and functions require access to the information. Notwithstanding the foregoing, a slot machine licensee may disclose the identity of a casino self-excluded person to appropriate employees of other slot machine licensees in this Commonwealth or affiliated gaming entities in other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs.

(g) A casino self-excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any gaming activity for the entire period of time that the person is on the Board's casino self-exclusion list.

(h) Winnings incurred by a casino self-excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(i) For the purposes of this section, winnings issued to, found on or about, or redeemed by a casino self-excluded person shall be subject to remittance to the Board.

§ 503a.4. Duties of slot machine licensees.

(a) A slot machine licensee shall train its employees and establish procedures to:

(1) Identify a casino self-excluded person when present on the gaming floor, in areas off the gaming floor where gaming activity is conducted or engaging in gaming related activities and, upon identification, immediately notify the following persons:

(i) Employees of the slot machine licensee whose duties include the removal of casino self-excluded persons.

(ii) Casino compliance representatives at the licensed facility.

(iii) The Pennsylvania State Police, or local police department if applicable.

(2) Refuse wagers from and deny gaming privileges to a casino self-excluded person.

(3) Deny gaming related activities, gaming junket participation and other similar privileges and benefits to a casino self-excluded person.

(4) Ensure that casino self-excluded persons do not receive, either from the slot machine licensee or any agent thereof, gaming junket solicitations, targeted mailings, telemarketing promotions, player club materials or other promotional materials relating to gaming activities at its licensed facility or other location approved by the Board to conduct gaming activity as required under § 501a.3(a)(10) (relating to employee training program).

(5) Comply with § 503a.3(d) (relating to casino self-exclusion list).

(6) Make available to patrons written materials explaining the casino self-exclusion program.

(b) A slot machine licensee shall submit a copy of its procedures and training materials established under subsection (a) to the Director of OCPG for review and approval at least 30 days prior to initiation of gaming activities at the licensed facility or other location approved by the Board to conduct gaming activity. The slot machine licensee will be notified in writing of any deficiencies in the procedures and training materials and may submit revisions to the procedures and training materials to the Director of OCPG. A slot machine licensee may not commence operations until the Director of OCPG approves the procedures and training.

(c) A slot machine licensee shall submit amendments to the procedures and training materials required under subsection (b) to the Director of OCPG for review and approval at least 30 days prior to the intended implementation date of the amendments. The slot machine licensee may implement the amendments on the 30th calendar day following the filing of the amendments unless the slot machine licensee receives a notice under subsection (d) objecting to the amendments.

(d) If during the 30-day review period the Director of OCPG determines that the amendments to the procedures and training materials may not promote the prevention of gaming by self-excluded individuals or assist in the proper administration of the casino self-exclusion program, the Director of OCPG may, by written notice to the slot machine licensee, object to the amendments. The objection will:

(1) Specify the nature of the objection and, when possible, an acceptable alternative.

(2) Direct that the amendments not be implemented until approved by the Director of OCPG.

(e) When the amendments to the procedures and training materials have been objected to under subsection (d), the slot machine licensee may submit revised amendments in accordance with subsections (c) and (d).

(f) A slot machine licensee shall post signs at all entrances to a licensed facility or other location approved by the Board to conduct gaming activity indicating that a person who is on the casino self-exclusion list will be subject to arrest for trespassing under 18 Pa.C.S. § 3503 (relating to criminal trespass) if the person is on the gaming floor, in areas off the gaming floor where gaming activity is conducted or engaging in gaming related activities in the licensed facility or other location approved by the Board to conduct gaming activity. The text and font size of the signs shall be submitted for approval to the Director of OCPG under the procedures specified in subsection (b).

(g) The list of casino self-excluded persons is confidential, and any distribution of the list to an unauthorized source constitutes a violation of the act.

(h) Under section 1516 of the act (relating to list of persons self-excluded from gaming activities), slot machine licensees and employees thereof may not be liable for damages in any civil action, which is based on the following:

(1) Failure to withhold gaming privileges from or restore gaming privileges to a casino self-excluded person.

(2) Permitting or not permitting a casino self-excluded person to gamble.

(3) Good faith disclosure of the identity of a casino self-excluded person to someone, other than those authorized by this chapter, for the purpose of complying with this chapter.

(i) A slot machine licensee shall report the discovery of a casino self-excluded person on the gaming floor, in areas off the gaming floor where gaming activity is conducted or engaging in gaming related activities to the Director of OCPG within 24 hours.

§ 503a.5. Removal from casino self-exclusion list.

(a) For individuals who are self-excluded from licensed facilities or other locations approved by the Board to conduct gaming activity for 1 year or 5 years, upon the conclusion of the period of casino self-exclusion, the individual may request removal from the casino self-exclusion list electronically on the Board's web site or by scheduling an appointment with the OCPG at (717) 346-8300 or problemgambling@pa.gov.

(b) The individual requesting removal shall complete and submit a Request for Removal from Voluntary Self-Exclusion Form as required under subsections (c) and (d). With an appointment, removal from the list may be conducted at the Board's Harrisburg office, one of the Board's regional offices or other location approved by the OCPG.

(c) A completed Request for Removal from Voluntary Self-Exclusion Form must include:

(1) The identifying information specified in § 503a.2(b) (relating to request for casino self-exclusion).

(2) The signature of the person requesting removal from the casino self-exclusion list indicating acknowledgment of the following statement:

"I certify that the information that I have provided above is true and accurate. I am aware that my signature below constitutes a revocation of my previous request for casino self-exclusion, and I authorize the Board to permit all slot machine licensees of the Commonwealth of Pennsylvania to reinstate my gaming privileges at licensed facilities or other locations approved by the Board to conduct gaming activity."

(d) A person submitting a Request for Removal from Voluntary Self-Exclusion Form shall be required to present or submit a copy of that person's valid government-issued

identification containing the person's signature and photograph when the form is submitted electronically or during the person's scheduled appointment, or if the person does not possess a valid government-issued identification, some other documentation to verify the identity of the person (for example, a utility or other bill in the person's name at the same address provided).

(e) Within 5 business days after the completed Request for Removal from Voluntary Self-Exclusion Form is accepted by Board staff, the OCPG will delete the name of the individual from the casino self-exclusion list. An individual who was removed from the voluntary casino self-exclusion list may not enter the gaming floor, areas off the gaming floor where contests or tournaments are conducted or engage in gaming related activities for 7 business days from the date Board staff accepts the complete Request for Removal from Voluntary Self-Exclusion Form.

(f) For individuals who selected lifetime casino self-exclusion under § 503a.2(d)(3):

(1) After being on the casino self-exclusion list for a period of 10 years, the individual may petition the Board to be removed from the casino self-exclusion list.

(2) The petition shall be filed with the Board in writing, and shall be accompanied by all of the following:

(i) Documentation from a treatment provider who is certified by the International Gambling Counselor Certification Board or who has received a Problem Gambling Endorsement from the Pennsylvania Certification Board to conduct problem gambling assessments that the individual has completed a problem gambling assessment.

(ii) Documentation from a treatment provider that the individual has completed the treatment recommendation, if any, made after the assessment by the State-funded problem gambling treatment provider.

(3) After the petition is filed, OCPG will provide documentation to the Office of Enforcement Counsel regarding whether the individual has been known to be present at any licensed facilities or other locations approved by the Board to conduct gaming activity while on the casino self-exclusion list, and if so, the names of the licensed facilities or other locations and dates of attendance.

(4) The petition shall be handled in accordance with the procedures for petitions found in Subpart H of the Board's regulations, including all confidentiality provisions.

(5) As the petitioner, the lifetime casino self-excluded individual filing the petition for removal from the casino self-exclusion list bears the burden of proof in showing that removal from the list would not be detrimental to the individual's physical or mental well-being and would not have a negative impact on gaming in the Commonwealth.

(6) If the Board:

(i) Grants the petition, it shall deliver to the individual by first class mail an Order approving the petition for removal from the casino self-exclusion list, and provide to the individual the contact information for OCPG for information on how to complete the removal process.

(ii) Denies the petition, it shall deliver to the individual by first class mail an Order denying the petition for removal from the casino self-exclusion list, which shall notify the individual that he or she shall remain on the casino self-exclusion list and include the reason for denial.

(7) Any petitioner whose petition is denied by the Board shall be prohibited from filing a subsequent petition for removal from the lifetime casino self-exclusion list for a period of 5 years from the date of denial.

§ 503a.6. Exceptions for individuals on the casino self-exclusion list.

The prohibition against allowing casino self-excluded persons to be on the gaming floor or in areas off the gaming floor where gaming activity is conducted does not apply to an individual who is on the casino self-exclusion list if all of the following apply:

(1) The individual is carrying out the duties of employment or incidental activities related to employment.

(2) The slot machine licensee's security department and the Board's office located at the licensed facility have received prior notice.

(3) Access to the gaming floor or areas off the gaming floor where gaming activity is conducted is limited to the time necessary to complete the individual's assigned duties.

(4) The individual does not otherwise engage in any gaming activities.

§ 503a.7. Disclosure of information related to persons on the casino self-exclusion list.

(a) The Board may periodically release to the public demographics and general information regarding the casino self-exclusion list such as the total number of individuals on the list, gender breakdown and age range.

(b) The Board may make selected data available, upon request, for the limited purpose of assisting in the proper administration of responsible gaming programs.

(c) The Board will not disclose identifying information or confirm or deny the existence of an individual's name on the Board's voluntary casino self-exclusion list.

Subpart J. EXCLUSION OF PERSONS

CHAPTER 511a. PERSONS REQUIRED TO BE EXCLUDED

Sec.

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§ 511a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Career or professional offender—A person, who for the purpose of economic gain, engages in activities that are deemed criminal violations under 18 Pa.C.S. (relating to crimes and offenses) or equivalent criminal violations in other jurisdictions, or engages in unlawful activities in 4 Pa.C.S. § 1518(a) (relating to prohibited acts; penalties).

Cheat—

(i) To defraud or steal from any player or slot machine licensee of the Commonwealth while operating or playing a slot machine or table game, including causing, aiding, abetting or conspiring with another person to do so.

(ii) To alter or causing, aiding, abetting or conspiring with another person, without authorization, to alter the elements of chance, method of selection or criteria which determine:

(A) The result of a slot machine game or table game.

(B) The amount or frequency of payment in a slot machine game or table game.

(C) The value of a wagering instrument.

(D) The value of a wagering credit.

(iii) The term does not include altering a slot machine, table game, table game device or associated equipment for required maintenance and repair.

(iv) The term includes an act in any jurisdiction that would constitute an offense under 4 Pa.C.S. § 1518(a)(6), (7), (7.1) and (17).

Excluded person—A person who has been placed upon the exclusion list and who is required to be excluded or ejected from a licensed facility.

Exclusion list—A list of names of persons who are required to be excluded or ejected from a licensed facility.

OCPG—The Office of Compulsive and Problem Gambling.

§ 511a.2. Maintenance and distribution of the exclusion list.

(a) The Board will maintain a list of persons to be excluded or ejected from a licensed facility.

(b) The exclusion list will be open to public inspection at the Board's central office during normal business hours, posted on the Board's web site and will be distributed to every slot machine licensee within this Commonwealth, who shall acknowledge receipt thereof in writing or electronically.

(c) The following information will be provided to the slot machine licensees for each person on the exclusion list:

(1) The full name and all aliases the person is believed to have used.

(2) A description of the person's physical appearance, including height, weight, type of build, color of hair and eyes and other physical characteristics which may assist in the identification of the person.

(3) The person's date of birth.

(4) The date the person was added to the list.

(5) A recent photograph, if available.

(6) The last known address of record.

(7) Other identifying information available to the Board.

(8) The reason for placement on the excluded persons list.

(d) The following information will be made available to the public for each excluded person on the exclusion list:

(1) The full name and all aliases the person is believed to have used.

(2) A description of the person's physical appearance, including height, weight, type of build, color of hair and eyes and any other physical characteristics which may assist in the identification of the person.

(3) A recent photograph, if available.

(4) Birth year.

§ 511a.3. Criteria for exclusion or ejection.

(a) The exclusion list may include a person who meets one or more of the following criteria:

(1) A career or professional offender whose presence in a licensed facility would, in the opinion of the Board, be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

(2) An individual with a known relationship or connection with a career or professional offender whose presence in a licensed facility would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

(3) A person who has been convicted of a criminal offense under the laws of any state, or of the United States, which is punishable by more than 1 year in prison, or who has been convicted of any crime or offense involving moral turpitude, and whose presence in a licensed facility would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both.

(4) A person whose presence in a licensed facility would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, including:

(i) Cheats.

(ii) Persons whose gaming privileges have been suspended by the Board.

(iii) Persons whose Board permits, licenses, registrations, certifications or other approvals have been revoked.

(iv) Persons who pose a threat to the safety of the patrons, employees or persons on the property of a slot machine licensee.

(v) Persons with a history of conduct involving the disruption of the gaming operations within a licensed facility.

(vi) Persons subject to an order of a court of competent jurisdiction in this Commonwealth excluding those persons from licensed facilities.

(vii) Persons with pending charges or indictments for a gambling crime or a crime related to the integrity of gaming operations in this Commonwealth or another jurisdiction.

(viii) Persons who have been convicted of a gambling crime or crime related to the integrity of gaming operations in this Commonwealth or another jurisdiction.

(ix) Persons who have performed an act or have a notorious or unsavory reputation that would adversely affect public confidence and trust in gaming, including, being identified with criminal activities in published reports of various Federal and State legislative and executive bodies that have inquired into criminal or organized criminal activities.

(b) For purposes of subsection (a), a person's presence may be considered “inimical to the interest of the Commonwealth or of licensed gaming therein, or both” if known attributes of the person's character and background meet one or more of the following criteria:

(1) Are incompatible with the maintenance of public confidence and trust in the credibility, integrity and stability of the operation of a licensed facility.

(2) May reasonably be expected to impair the public perception of, and confidence in, the strict regulatory process created by the act.

(3) Create or enhance a risk of the fact or appearance of unsuitable, unfair or illegal practices, methods or activities in the conduct of gaming or in the business or financial arrangements incidental thereto.

(c) A finding of inimicality may be based upon the following:

(1) The nature and notoriety of the character or background of the person.

(2) The history and nature of the involvement of the person with licensed gaming in this Commonwealth or another jurisdiction, or with a particular slot machine licensee or licensees or an affiliate, intermediary, subsidiary or holding company thereof.

(3) The nature and frequency of contacts or associations of the person with a slot machine licensee or licensees, or with employees or agents thereof.

(4) Other factors reasonably related to the maintenance of public confidence in the efficacy of the regulatory process and the integrity of gaming operations, the gaming industry and its employees.

(d) A person's race, color, creed, national origin or ancestry, or sex will not be a reason for placing the name of a person upon the exclusion list.

§ 511a.4. Duties of the Bureau and the Office of Enforcement Counsel.

(a) The Bureau will, on its own initiative, or upon referral by a law enforcement agency or a slot machine licensee investigate a person to determine whether the person meets the criteria for exclusion provided in 4 Pa.C.S. § 1514 (relating to regulation requiring exclusion or ejection of certain persons) and § 511a.3 (relating to criteria for exclusion or ejection).

(b) If, upon completion of an investigation, the Bureau determines that an individual should be placed on the exclusion list, the Office of Enforcement Counsel will file a petition for exclusion with the Clerk, identifying the candidate and setting forth a factual basis for the petition. The petition must include information demonstrating that the individual satisfies the criteria for exclusion or ejection under section 1514 of the act or this chapter.

(c) In addition to filing the petition for exclusion, if exigent circumstances exist, the Office of Enforcement Counsel may file a request for a temporary emergency order in accordance with § 403a.7 (relating to temporary emergency orders) provided that:

(1) The procedures in § 403a.7(a)—(i) are applicable to requests for temporary emergency orders filed in conjunction with petitions for exclusion.

(2) If the request for a temporary emergency order is granted, the person named in the emergency order will be temporarily placed on the exclusion list until the Board acts upon the underlying petition.

(3) If the person named in the emergency order files a request for an informal hearing under § 403a.7(h), the request for an informal hearing does not toll or stay the time period to request a formal hearing in accordance with § 511a.6 (relating to demand for hearing on the placement of a person on the exclusion list).

§ 511a.5. Placement on the exclusion list.

(a) A person may be placed on the exclusion list upon any of the following:

(1) Entry of an order of the Board.

(2) Receipt of an order from a court of competent jurisdiction within this Commonwealth, excluding or ejecting the person from licensed facilities in this Commonwealth.

(3) Issuance of a temporary emergency order by the Executive Director in accordance with § 403a.7 (relating to temporary emergency orders).

(b) The placement of a person on the exclusion list shall have the effect of requiring the exclusion or ejection of the excluded person from licensed facilities.

(c) An excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any gaming activity for the entire period of time that the person is on the Board's exclusion list.

(d) Winnings incurred by an excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(e) For the purposes of this section, any winnings issued to, found on or about, or redeemed by an excluded person shall be presumed to constitute winnings subject to remittance to the Board.

§ 511a.6. Demand for hearing on the placement of a person on the exclusion list.

(a) Upon the filing of a petition for exclusion, the Office of Enforcement Counsel will serve the petition upon the person by personal service or certified mail at the last known address of the person. The notice must inform the person of the right to a hearing under 4 Pa.C.S. § 1514(g) (relating to regulation requiring exclusion or ejection of certain persons) and include a copy of the petition.

(b) Upon service of the petition, the person subject to the petition shall have 30 days to demand a hearing before the Board or presiding officer. Failure to demand a hearing within 30 days after service will be deemed an admission of all matters and facts alleged in the Office of

Enforcement Counsel's petition for exclusion and preclude the person from having an administrative hearing.

(c) If a formal hearing is demanded by the person named in the petition for exclusion, a hearing will be scheduled as provided in § 491a.8 (relating to hearings generally). At the hearing, the Office of Enforcement Counsel will have the affirmative obligation to demonstrate that the person named in the petition for exclusion satisfies the criteria for exclusion in 4 Pa.C.S. § 1514 or § 511a.3 (relating to criteria for exclusion or ejection). Unless the matter is heard directly by the Board, the presiding officer will prepare a report and recommendation as provided in § 494a.4 (relating to report or report and recommendation of the presiding officer) for consideration by the Board.

§ 511a.7. Board review.

After a hearing, or if a hearing was not requested and the facts in the petition are deemed admitted, the Board may:

(1) Issue an order placing the person's name on the exclusion list.

(2) Issue an order removing or denying the placement of the person's name on the exclusion list.

(3) Refer the matter to a presiding officer for further hearing.

§ 511a.8. Duties of slot machine licensees.

(a) Slot machine licensees shall establish procedures to prevent violations of this chapter and submit a copy of the procedures to the Director of OCPG 30 days prior to initiation of gaming activities at the licensed facility. A slot machine licensee will be notified in writing of any deficiencies in the plan and may submit revisions to the plan to the Director of OCPG. The slot machine licensee may not commence operations until the Director of OCPG approves its procedures. Amendments to these procedures shall be submitted to and approved by the Director of OCPG prior to implementation.

(b) A slot machine licensee shall distribute copies of the exclusion list to the appropriate employees. Additions, deletions or other updates to the list shall be distributed by a slot machine licensee to its employees within 2 business days of the slot machine licensee's receipt of the updates from the Board.

(c) A slot machine licensee shall exclude or eject the following persons form its licensed facility:

(1) An excluded person.

(2) A person known to the slot machine licensee to satisfy the criteria for exclusion in section 1514 of the act (relating to regulation requiring exclusion or ejection of certain persons) and § 511a.3 (relating to criteria for exclusion or ejection).

(d) If an excluded person enters, attempts to enter, or is in a licensed facility and is recognized by employees of the slot machine licensee, the slot machine licensee shall:

(1) Immediately notify the casino compliance representatives at the licensed facility.

(2) Notify the Director of OCPG in writing within 24 hours.

(e) It shall be the continuing duty of a slot machine licensee to inform the Bureau, in writing, of the names of persons the slot machine licensee believes are appropriate for placement on the exclusion list or a person who has been excluded or ejected under subsection (c)(2) and the reason for placement on the exclusion list.

§ 511a.9. Petition to remove name from the exclusion list.

(a) An excluded person may file a petition with the Clerk to request a hearing for removal of his name from the exclusion list at any time after 5 years from the placement of his name on the exclusion list.

(b) The petition must be signed by the excluded person, contain supporting affidavits, and state the specific grounds believed by the petitioner to constitute good cause for removal from the exclusion list. Upon receipt of the petition, the Office of Enforcement Counsel may file an answer in accordance with § 493a.5 (relating to answers to complaints, petitions, motions and other filings requiring a response).

€ An excluded person who is barred from requesting a hearing concerning his removal from the exclusion list by the 5-year period of exclusion in subsection (a) may petition the Board for early consideration at any time. However, an excluded person may not, within the 5-year period of exclusion, file more than one petition for early consideration.

(d) A petition for early consideration must contain the information required under subsection (b). Upon receipt of the petition, the Office of Enforcement Counsel may file an answer in accordance with § 493a.5.

€ The Board will consider the following criteria when making its decision on a petition for early consideration:

(1) Whether there are extraordinary facts and circumstances warranting early consideration of the excluded person’s request for removal from the exclusion list.

(2) If exclusion was ordered under § 511a.5(a)(2) (relating to placement on the exclusion list), whether the excluded person has completed the period of probation or otherwise satisfied the terms of the court-ordered exclusion.

CHAPTER 513a. UNDERAGE GAMING

Sec.

513a.1. Definitions.
513a.2. Exclusion requirements.
513a.3. Responsibilities of licensees, permittees, registrants and certification holders.
513a.4. Signage requirements.
513a.5. Enforcement.

§ 513a.1. Definitions.

The following words and phrases, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Fully executed gaming transaction—An activity involving a slot machine, table game or associated equipment which occurs on the gaming floor of a licensed facility or in areas off the gaming floor where contests or tournaments are conducted and which results in an individual

obtaining any money or thing of value from, or being owed any money or thing of value by, a slot machine licensee.

OCPG—The Office of Compulsive and Problem Gambling.

Winnings—Any money or thing of value received from, or owed by, a slot machine licensee as a result of a fully executed gaming transaction.

§ 513a.2. Exclusion requirements.

(a) An individual under 21 years of age may not enter or be on the gaming floor of a licensed facility except that an individual 18 years of age or older who is employed by a slot machine licensee, a gaming service provider, the Board or other regulatory or emergency response agency may enter and remain in that area while engaged in the performance of the individual's employment duties.

(b) An individual under 21 years of age, whether personally or through an agent, may not operate, use, play or place a wager on, a slot machine in a licensed facility.

(c) An individual under 21 years of age may not receive check cashing privileges, be rated as a player, or receive any complimentary service, item or discount as a result of, or in anticipation of, gaming activity.

(d) An individual under 21 years of age may not collect in any manner or in any proceeding, whether personally or through an agent, winnings or recover losses arising as a result of any gaming activity.

(e) Winnings incurred by an individual under 21 years of age shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(f) For the purposes of this section, winnings issued to, found on or about or redeemed by an individual under 21 years of age shall be presumed to constitute winnings and be subject to remittance to the Board.

§ 513a.3. Responsibilities of licensees, permittees, registrants and certification holders.

(a) A person holding a license, permit, certification or registration issued by the Board is prohibited from permitting or enabling an individual to engage in conduct that violates § 513a.2(a), (b), (c) or (d) (relating to exclusion requirements).

(b) The slot machine licensee shall train its employees and establish procedures to:

(1) Identify and remove individuals who are less than 21 years of age and not otherwise authorized to be in the licensed facility as provided in § 513a.2(a).

(2) Immediately notify the casino compliance representatives at the licensed facility and the Pennsylvania State Police when an individual less than 21 years of age is discovered on the gaming floor, in areas off the gaming floor where gaming activity is conducted or engaging in gaming related activities.

(3) Refuse wagers from and deny gaming privileges to an individual less than 21 years of age.

(4) Deny check cashing privileges, player club memberships, extensions of credit, complementary goods and services, junket participation, and other similar privileges and benefits to an individual less than 21 years of age.

(5) Ensure that individuals less than 21 years of age do not receive, either from the slot machine licensee or an agent thereof, junket solicitations, targeted mailing, telemarketing promotions, player club membership materials or other promotional materials relating to gaming activities.

(c) Slot machine licensees shall establish procedures to prevent violations of this chapter and submit a copy of the procedures to the Director of OCPG 30 days prior to initiation of gaming activities at the licensed facility. A slot machine licensee will be notified in writing of any deficiencies in the plan and may submit revisions to the plan to the Director of OCPG. The slot machine licensee may not commence operations until the Director of OCPG approves its procedures. Amendments to these procedures must be submitted to and approved by the Director of OCPG prior to implementation.

(d) A slot machine licensee may be subject to Board imposed administrative sanctions if a person engages in conduct that violates § 513a.2(a), (b), (c) or (d) at its licensed facility. Under § 513a.2(e), winnings obtained by a slot machine licensee from or held on account of a person under 21 years of age shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(e) A person holding a license, permit, registration or certification issued by the Board who violates a provision of this chapter may be held jointly or severally liable for the violation.

§ 513a.4. Signage requirements.

A slot machine licensee shall post signs that include a statement that is similar to the following: “It is unlawful for any individual under 21 years of age to enter or remain in any area where slot machines or table games are operated. It is unlawful for any individual under the age of 21 to wager, play or attempt to play a slot machine or table game. Individuals violating this prohibition will be removed and may be subject to arrest and criminal prosecution.” The complete text of the sign shall be submitted to and approved by the Director of OCPG as part of the procedures required under § 513a.3(b) (relating to responsibilities of licensees, permittees, registrants and certification holders). The signs shall be prominently posted within 50 feet of each entrance and exit of the gaming floor.

§ 513a.5. Enforcement.

In a prosecution or other proceeding against a person for a violation of this chapter, it will not be a defense that the person believed an individual to be 21 years of age or older.

Subpart K. TABLE GAMES

CHAPTER 601a. GENERAL TABLE GAMES PROVISIONS

Sec.

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601a.9. Table game taxes and gross table game revenue.
601a.10. Approval of table game layouts, signage and equipment.

§ 601a.1. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Ante—The wager that a player may be required to make prior to any cards being dealt to participate in the round of play.

Assistant table games shift manager—An employee of a certificate holder whose primary function is to supervise all of the table games in a licensed facility and who may be authorized to act as the table games shift manager in his absence.

Automated card shuffling device—A software compatible mechanical or electronic contrivance that automatically randomizes playing cards, either continuously or on command, to be utilized for table gaming activity.

Counter Check—A form provided to a patron who receives a credit advance which contains the account information for the personal bank account designated in the patron's application for credit under § 609a.3(a)(4) (relating to application and verification procedures for granting credit).

Cover card—An opaque card that is a solid color readily distinguishable from the color of the backs and edges of the playing cards.

Dealer—An employee of a certificate holder whose primary function is to directly operate and conduct table games.

Electronic gaming table—

(i) An approved gaming table that is a mechanical, electrical or computerized contrivance, terminal, machine or other device which, upon insertion or placement of cash or cash equivalents therein or thereon, or upon a wager or payment of any consideration whatsoever, is available for play or operation by one or more players as a table game.

(ii) The term includes any gaming table where a wager or payment is made using an electronic or computerized wagering or payment system.

(iii) The term does not include a slot machine.

Floorperson—An employee of a certificate holder whose primary function is to supervise the conduct of table games at multiple tables on the gaming floor.

Fully automated electronic gaming table—An electronic gaming table determined by the Board to be playable or operable as a table game without the assistance or participation of a person acting on behalf of a certificate holder.

Gaming chip—A Roulette chip, Poker rake chip, tournament chip or value chip.

Pit clerk—An employee of a certificate holder whose primary function is to prepare

documentation required for the operation of table games, including requests for fills, requests for credits, Counter Checks or other documents that evidence the exchange of gaming chips.

Pit manager—An employee of a certificate holder whose primary function is to supervise all of the table games in one or more gaming pits.

Plaque—A rectangular, square or oval marker that can be used instead of value chips.

Poker rake chip—A chip used by dealers to facilitate the collection of the rake in the Poker room.

Poker shift manager—An employee of a certificate holder whose primary function is to supervise all of the Poker tables in a Poker room.

Progressive table game system—The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, report and audit data with regard to activity at fully automated electronic gaming tables, electronic gaming tables or live table games offering a jackpot that increases corresponding to an additional wager on the table.

Roulette chip—A nonvalue chip which does not contain a denomination on either face which is used for wagering at the game of Roulette.

Round of play—One complete cycle of play during which all wagers have been placed, all cards have been dealt and all wagers have been settled in accordance with the rules of the game.

Stub—The remaining portion of a deck or decks after all cards in a round of play have been dealt.

Suit—One of the four categories of cards: clubs, diamonds, hearts or spades.

Table game device—Gaming tables, cards, dice, chips, shufflers, tiles, wheels, drop boxes or any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the Board and used to conduct a table game.

Table games shift manager—An employee of a certificate holder whose primary function is to supervise all of the table game operations in a licensed facility during a shift.

Table inventory container—The area of a gaming table where a boxman or dealer keeps gaming chips, coins or plaques used for the operation of a table game.

Tournament chip—A chip used for wagering in a table game tournament or Poker tournament.

Value chip—A chip that contains a denomination on each face.

Vigorish—A percentage commission that is taken by a certificate holder from a wager placed by a player or the winnings of a player.

Washing—Mixing of a deck or decks of cards or tiles by placing the cards or tiles face down on a table and mixing them around with both hands so that they are in no particular order.

§ 601a.2. Table games Rules Submissions.

(a) Prior to offering any table game authorized under this subpart, which provides a certificate holder with options for the conduct of the table game, the certificate holder shall submit and obtain approval of a Rules Submission which specifies which options the certificate holder will use in the conduct of the table game.

(b) The initial Rules Submission for any table game and any amendment to the Rules Submission shall be submitted electronically to the Bureau of Gaming Operations using the Internal Controls & Table Games Submission Form on the Board's web site at www.pgcb.pa.gov.

(c) A certificate holder may implement the provisions in a Rules Submission upon receipt of written notice of approval from the Board's Executive Director or on the 15th calendar day following the filing of the Rules Submission unless the certificate holder receives written notice under subsection (d) tolling the Rules Submission or written notice of disapproval from the Board's Executive Director.

(d) If during the 15-day review period in subsection (c), the Bureau of Gaming Operations determines that a provision in the Rules Submission is inconsistent with the regulations for the conduct of that table game, the Bureau of Gaming Operations, by written notice to the certificate holder, will:

(1) Specify the nature of the inconsistency and, when possible, an acceptable alternative procedure.

(2) Direct that the 15 calendar day review period in subsection (c) be tolled and that the Rules Submission not be implemented until approved under subsection (e).

(e) When a Rules Submission has been tolled under subsection (d), the certificate holder may submit a revised Rules Submission within 15 days of receipt of the written notice from the Bureau of Gaming Operations. The certificate holder may implement the revised Rules Submission upon receipt of written notice of approval from the Board's Executive Director or on the 15th calendar day following the filing of the revised Rule Submission unless the certificate holder receives written notice under subsection (d) tolling the revised Rules Submission or written notice of disapproval from the Board's Executive Director.

(f) The current version of each Rules Submission of a certificate holder shall be maintained and made available in electronic form through secure computer access to the internal audit and surveillance departments of the certificate holder and the Board's casino compliance

representatives and other Board employees. Each page of the Rules Submission must indicate the date on which it was approved by the Board's Executive Director.

(g) A certificate holder shall maintain a copy, either in paper or electronic form, of any superseded Rules Submission for a minimum of 5 years.

§ 601a.3. Request to offer a new table game or new feature for an existing table game.

(a) A table game device manufacturer, gaming related gaming service provider or a certificate holder that desires to offer a new table game that is not in this subpart or offer a new wager, paytable or feature as part of a table game included in this subpart shall file a written request with the Board's Executive Director. The request must contain, at a minimum:

(1) A detailed description of the table game or feature including the rules of play and wagering that would be used for the new table game or feature. In addition, the table game device manufacturer, gaming related gaming service provider or certificate holder shall:

(i) Indicate whether the game is a variation of an authorized game, a composite of authorized games or a new game.

(ii) Provide the true odds, the payout odds and the house advantage for each wager.

(iii) Provide a sketch or picture of the game layout, if any.

(iv) Provide sketches or pictures of the equipment used to play the game.

(2) The reason why the new table game or feature is being proposed and, if the request is not filed by a certificate holder, the name of the certificate holder that is currently interested in offering the new table game or feature.

(3) A list of other gaming jurisdictions where the new table game or feature is currently being offered.

(4) Whether the game, its name or any of the equipment used to play the game is covered by any copyrights, trademarks or patents, either issued or pending.

(b) In addition to filing a request with the Executive Director, the table game device manufacturer, gaming related gaming service provider or certificate holder shall submit the new table game, new wager or feature to the Bureau of Gaming Laboratory Operations for its review in accordance with § 461a.4 (relating to submission for testing and approval).

(c) Following testing by the Bureau of Gaming Laboratory Operations, the Executive Director will notify the table game device manufacturer, gaming related gaming service provider or certificate holder, in accordance with § 461a.4, that the new table game, new wager or feature has been approved, approved with conditions or rejected.

§ 601a.4. Waiver of existing table game regulations.

(a) A certificate holder that desires to conduct a table game in a manner that is inconsistent with the Board's regulations shall file a petition in accordance with § 493a.4 (relating to petitions generally) seeking approval of the Board. The petition must contain, at a minimum:

(1) A detailed description of the modification to the table game.

(2) The reason why the modification to the table game is being requested.

(3) A list of other gaming jurisdictions where the modification to the table game is currently being used.

(b) Notwithstanding subsection (a), a certificate holder that desires to offer an authorized table game on an electronic gaming table in a manner that is inconsistent with the Board's regulations but does not affect the outcome of play shall file a written request seeking approval of the Board's Executive Director. The request must contain a detailed description of how the authorized table game played on an electronic gaming table varies from the Board's regulations. An approval to conduct the table game in a manner that is inconsistent with the Board's regulations will be limited to only those variations approved by the Board's Executive Director. Any subsequent alterations to the table game that are inconsistent with the Board's regulations will require submission of an additional written request to the Board's Executive Director or a petition to the Board in accordance with subsection (a).

§ 601a.5. Electronic, electrical and mechanical devices prohibited.

A patron or other person acting in concert with a patron may not possess with the intent to use, or actually use, at any table game a calculator, computer or other electronic, electrical or mechanical device to assist in projecting an outcome at any table game or in keeping track of or analyzing the cards having been dealt, the changing probabilities of any table game or the playing strategies to be utilized.

§ 601a.6. Minimum and maximum wagers; additional wagering requirements; payout odds.

(a) Certificate holders shall establish minimum and maximum wagers for any authorized table game in a licensed facility.

(b) A certificate holder shall provide notice of the minimum and maximum wagers in effect at each gaming table, and any changes thereto, in accordance with § 601a.7 (relating to rules of the games; notice).

(c) Any wager accepted by a dealer that exceeds the current table maximum or is lower than the current table minimum shall be paid or lost in its entirety in accordance with the rules of the game.

(d) Nothing in this section precludes a certificate holder from establishing additional wagering requirements that are consistent with the rules of the game, such as a requirement that wagers be made in specified increments, provided that the wagering requirements are specified in the rules of the game or in the certificate holder's Rule Submission under § 601a.2 (relating to table games Rules Submissions).

(e) The payout odds for wagers printed on any layout, signage, brochure or other publication distributed by the certificate holder shall be stated through the use of the word "to" and may not be stated through use of the word "for" unless otherwise specified in an approved paytable.

§ 601a.7. Rules of the games; notice.

(a) Whenever a certificate holder is required by regulation to provide notice of the rules under which a particular table game will be operated, the certificate holder shall post a sign at the gaming table advising patrons of the rules in effect at that table.

(b) Except as provided in subsection (c), a certificate holder may not change the rules under which a particular table game is being operated unless the certificate holder files and receives approval of an amendment to its Rules Submission under § 601a.2 (relating to table games Rules Submissions).

(c) A certificate holder may increase or decrease the permissible maximum wager or decrease the permissible minimum wager at a table game at any time. A permissible minimum wager may be increased at a table game:

(1) At any time, if no patrons are playing at the table.

(2) When patrons are playing the game, if the certificate holder:

(i) Provides at least a 30 minute advance notice of the change.

(ii) Posts a sign at the gaming table advising patrons of the change and the time that it will go into effect.

(iii) Announces the change to patrons who are at the table.

(d) The location, size and language of each sign required by this section shall be submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment) prior to its use.

§ 601a.8. Patron access to the rules of the games; gaming guides.

(a) Each certificate holder shall maintain, at its security podium or other location approved by the Bureau of Casino Compliance, in accordance with § 601a.10(g) (relating to approval of table game layouts, signage and equipment), a printed copy of the complete text of

the rules of all authorized games. This information shall be made available to the public for inspection upon request.

(b) Each certificate holder shall make available to patrons upon request a gaming guide which contains an abridged version of the information required to be made available under subsection (a) in a printed format.

(c) The gaming guide required under subsection (b) may not be issued, displayed or distributed by a certificate holder until a sample of the gaming guide has been submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a).

(d) Prior to issuing, distributing or displaying a gaming guide that is materially different from the approved gaming guide, a certificate holder shall submit to the Bureau of Gaming Operations for approval in accordance with § 601a.10(a) a sample of the revised gaming guide which contains the changes.

(e) A certificate holder may display an approved gaming guide at any location in its licensed facility.

(f) Each certificate holder shall make the gaming guide required under subsection (b) available on its web site.

§ 601a.9. Table game taxes and gross table game revenue.

(a) The tax on table game revenue shall be payable to the Department on a weekly basis and must be based upon the gross table game revenue derived during the previous week reported on forms and in the manner prescribed by the Department.

(b) Gross table game revenue includes the following:

(1) The net revenue from all banking table games including electronic gaming tables which are not fully automated electronic gaming tables or electronic wagering terminals.

(2) The net revenue from nonbanking table games.

(3) The net revenue from fully automated electronic gaming tables and electronic wagering terminals.

(4) The net revenue from contests or tournaments.

(c) Net revenue from banking table games, including electronic gaming tables which are not fully automated electronic gaming tables or electronic wagering terminals, must be the sum of the net revenue determined for each banking table game, which is not a fully automated electronic gaming table or electronic wagering terminals, individually. The net revenue for an individual banking table game which is not a fully automated electronic gaming table or electronic wagering terminals must be equal to the total of paragraphs (1) through (3) minus the total of paragraphs (4) and (5):

(1) The ending inventory of value chips and coins at the gaming table as reported on the Table Inventory Slip prepared in accordance with § 465a.41 (relating to procedures for drops at open table games) for a table game that remained open for gaming activity when the table was being dropped at the end of the gaming day or the Table Inventory Slip prepared in accordance with § 465a.42 (relating to procedures for closing table games) for a table game that was closed prior to the end of the gaming day.

(2) The sum of all Credit Slips for the gaming table for that gaming day.

(3) The total of the currency and Counter Checks collected from the drop box for that gaming table.

(4) The inventory of value chips and coins at the gaming table as reported on the Table Inventory Slip prepared in accordance with § 465a.41 for a table game that remained open for gaming activity when the table was being dropped at the end of the previous gaming day or the Table Inventory Slip prepared in accordance with § 465a.37 (relating to procedures for opening table games) for a table game that was opened during the gaming day.

(5) The sum of all Fill Slips for the gaming table for that gaming day.

(d) Net revenue from nonbanking table games shall be the sum of the net revenue determined for each nonbanking table game individually. The net revenue for an individual nonbanking table game shall be equal to the Poker rake recorded in accordance with § 465a.25 (relating to counting and recording of slot cash storage boxes and table game drop boxes).

(e) Net revenue from fully automated electronic gaming tables and electronic wagering terminals shall be determined through the Department's central control computer system. Fully automated electronic gaming tables shall be taxed in accordance with section 13A62(a)(2) of the act (relating to table game taxes) and electronic wagering terminals operated by a dealer shall be taxed in accordance with section 13A62(a)(1) of the act.

(f) Net revenue from any contest or tournament must be the sum of the net revenue determined for each contest or tournament individually. The net revenue for an individual contest or tournament must be equal to the sum of all entry fees, buy-ins, re-buy-ins and administrative fees imposed by the certificate holder on the contest or tournament participants, minus:

(1) The cash paid by the certificate holder to the contest or tournament winners as prizes.

(2) The actual cost paid by the certificate holder for noncash prizes awarded to the contest or tournament winners.

(g) If the net revenue from a contest or tournament results in a loss, that loss may not offset the net revenue from another contest or tournament and may not be deducted from the calculation of gross table game revenue.

(h) Gross table game revenue may not include:

(1) Counterfeit cash or counterfeit value chips.

(2) Coins or currency of other countries that is not readily convertible to cash.

(3) Cash taken in a fraudulent act perpetrated against a certificate holder for which the certificate holder is not reimbursed.

§ 601a.10. Approval of table game layouts, signage and equipment.

(a) Table game staffing plans, tournament schedules, dealer training programs and schematics of gaming guides, table game layouts, signage and equipment that require the approval of the Board's Executive Director shall be submitted electronically to the Bureau of Gaming Operations using the Internal Controls & Table Games Submission Form on the Board's web site.

(b) For purposes of this subpart, schematics of table game equipment that shall be submitted to the Bureau of Gaming Operations for review and Executive Director approval include:

(1) Cards.

(2) Dice.

(3) Pai Gow tiles.

(4) Gaming chips.

(5) Plaques.

(6) Commemorative chips.

(7) Pai Gow and Sic Bo shakers.

(8) Big Six and Roulette wheels.

(9) Envelopes and containers used to hold or transport table game equipment.

(10) Other table game devices that are not otherwise required to be submitted to the Bureau of Gaming Laboratory Operations for approval in accordance with § 461a.4(c)(12) (relating to submission for testing and approval).

(c) Within 15 calendar days following the filing of a table game staffing plan, tournament schedule, dealer training program or a prototype of gaming guides, table game layouts, signage or equipment, the Bureau of Gaming Operations will review the submission and report the results to the Board’s Executive Director.

(d) If during the 15-day review period in subsection (c), the Bureau of Gaming Operations determines that the table game staffing plan, tournament schedule, dealer training program, prototype of a gaming guide, table game layout, signage or equipment is deficient or inconsistent with the regulations, the Bureau of Gaming Operations, by written notice to the certificate holder, will specify the nature of the deficiency or inconsistency and, when possible, an acceptable alternative. The certificate holder shall then submit a revised plan, schedule, program or prototype using the Internal Controls & Table Games Submission Form.

(e) A certificate holder may implement a table game staffing plan, tournament schedule or dealer training program and may utilize a gaming guide, table game layout, signage or equipment in the licensed facility upon receipt of written approval from the Board's Executive Director.

(f) The Bureau of Casino Compliance will conduct an onsite inspection of equipment storage and destruction areas which may not be utilized by the certificate holder until the location and physical characteristics have been approved by the Director of Casino Compliance.

(g) A certificate holder shall obtain onsite approval from the casino compliance supervisor at the licensed facility for the following:

(1) Alternative locations for:

(i) Equipment that is required to be on the gaming table, including drop boxes, shakers, shufflers, discard racks and tip boxes, prior to the commencement of operations at that gaming table.

(ii) The complete text of the rules of all authorized games, as required under § 601a.8(a) (relating to patron access to the rules of the games; gaming guides).

(2) Amendments to the licensee's plan for the distribution and collection of slot cash storage boxes, table game drop boxes or bad beat boxes in accordance with § 465a.25(b) (relating to counting and recording of slot cash storage boxes and table game drop boxes).

(3) Sample sets of gaming chips and plaques manufactured in accordance with approved design specifications as required under §§ 603a.2(b)(2) and 603a.9(b)(2) (relating to gaming chips; physical characteristics applicable to all gaming chips, issuance and use, promotional nongaming chips; and plaques; issuance and use, denominations and physical characteristics).

(4) The collection times for dice, cards, tiles and other table game equipment from the gaming floor.

CHAPTER 603a. TABLE GAME EQUIPMENT

Sec.

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603a.23. Direct Bet Coupon use.

§ 603a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Chip runner—An employee of a certificate holder whose job duties include transporting cash to the Poker room cage or the Poker cashier window at the main cage for dealers or patrons of the Poker room to be exchanged for value chips.

Edge—The surface of a gaming chip across which its thickness can be measured in a perpendicular line from one face to the other.

Edge spot—An identifying characteristic used on the edge of each value chip issued by a certificate holder.

Face—Each of the two surfaces of a gaming chip across which the diameter of the gaming chip can be measured.

Impress—The Roulette chips, which are used for gaming, that remain at each Roulette table.

Impressment—An inventory conducted on each impress.

Match Play Coupon—A noncash equivalent with a stated value imprinted thereon that when presented at a gaming table with gaming chips equal to or greater than the value of the coupon shall be included in the amount of the patron's wager.

Primary color—The predominant color used on a gaming chip.

RFID chip—A value or Roulette chip which contains a radio-frequency identification tag which can be used to determine the authenticity of the chip.

Secondary color—Any color on the face or edge of the gaming chip that is used as a contrast to the gaming chip's primary color.

§ 603a.2. Gaming chips; physical characteristics applicable to all gaming chips, issuance and use, promotional nongaming chips.

(a) Each gaming chip issued by a certificate holder must be in the form of a disk.

(b) A gaming chip may not be issued by a certificate holder or utilized in a licensed facility until:

(1) The design specifications of the proposed gaming chip are submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment). The design specifications submitted to the Bureau of Gaming Operations must include a detailed schematic depicting the actual size and, as appropriate, location of the following:

(i) Each face, including any indentations or impressions.

(ii) The edge.

(iii) Any colors, words, designs, graphics or security measures contained on the gaming chip.

(2) A sample of each gaming chip, manufactured in accordance with its approved design specifications, made available to the Bureau of Casino Compliance in accordance with § 601a.10(g) for its inspection and approval at the certificate holder's licensed facility.

(c) Each gaming chip issued by a certificate holder shall be designed and manufactured with sufficient graphics or other security measures, including, at a minimum, those items specifically required to appear on the face or edge of a value chip under this section and § 603a.3

(relating to value chips; denominations and physical characteristics), to prevent, to the greatest extent possible, the counterfeiting of the gaming chip.

(d) A certificate holder may not issue, use or allow a patron to use in its licensed facility any gaming chip that it knows, or reasonably should know, is materially different from the sample of that gaming chip approved in accordance with subsection (b).

(e) A certificate holder or other person licensed by the Board may not manufacture, sell to, distribute to or use in any licensed facility outside of this Commonwealth any gaming chips having the same edge spot or design specifications as those approved for use in a licensed facility in this Commonwealth.

(f) A certificate holder may issue promotional nongaming chips that are prohibited from use in gaming in any licensed facility. The physical characteristics of promotional nongaming chips must be sufficiently distinguishable from approved gaming chips issued by any certificate holder in this Commonwealth so as to reasonably ensure that the promotional nongaming chips will not be confused with approved gaming chips. A certificate holder shall submit for approval, in accordance with § 601a.10(a), a detailed schematic depicting the actual size, face and any colors, words, designs or graphics on the promotional nongaming chip. At a minimum, promotional nongaming chips must:

(1) Be unique in terms of size or color.

(2) Have no edge designs.

(3) Bear the name of the certificate holder issuing the promotional nongaming chips and language on both faces stating that the promotional nongaming chips have no redeemable value.

§ 603a.3. Value chips; denominations and physical characteristics.

(a) Certificate holders may issue and use value chips in denominations of $1, $2, $2.50, $5, $20, $25, $100, $500, $1,000 and $5,000 and other denominations approved in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment).

(b) The primary color used for each denomination of value chip must be in accordance with the colors specified in subsection (c). A primary color may not be used as a secondary color on a value chip of another denomination if its use on the edge is reasonably likely to cause confusion as to the chip's denomination when the edge alone is visible.

(c) Each gaming chip manufacturer shall submit sample color disks to the Bureau of Gaming Operations that identify all primary and secondary colors to be used for the manufacture of value chips for certificate holders in this Commonwealth. Once a gaming chip manufacturer has received approval for a primary or secondary color, those colors shall be consistently manufactured in accordance with the approved samples. For a primary color to be approved for use, it must visually appear, when viewed either in daylight or under incandescent light, to comply with the following colors:

(1) $1—White.

(2) $2—Blue.

(3) $2.50—Pink.

(4) $5—Red.

(5) $20—Yellow.

(6) $25—Green.

(7) $100—Black.

(8) $500—Purple.

(9) $1,000—Fire Orange.

(10) $5,000—Gray.

(d) Each value chip issued by a certificate holder must contain identifying characteristics that may appear in any location at least once on each face of the value chip and are applied in a manner which ensures that each identifying characteristic is clearly visible and remains a permanent part of the value chip. These characteristics must be visible to surveillance employees using the licensed facility's surveillance system and include, at a minimum:

(1) The denomination of the value chip, expressed in numbers.

(2) The name, logo or other approved identification of the certificate holder issuing the value chip.

(3) The letters "PA" and the name of the city or county in which the licensed facility is located.

(e) In addition to the characteristics specified in subsection (d), each value chip in a denomination of $100 or more must contain a design or other identifying characteristic that is unique to the gaming chip manufacturer. Upon approval of a particular design or characteristic, in accordance with § 601a.10(a), the gaming chip manufacturer shall thereafter have the exclusive right to use that design or characteristic on any denomination of value chip. The approved unique design or characteristic may be used on all value chips manufactured for use in this Commonwealth and may be changed only after receiving written approval of the new unique design or other identifying characteristic from the Board's Executive Director in accordance with § 601a.10(a).

(f) Each value chip issued by a certificate holder must contain an edge spot that:

(1) Is applied in a manner that ensures that the edge spot:

(i) Is clearly visible on the edge and on each face of the value chip.

(ii) Remains a permanent part of the value chip.

(2) Is created using both:

(i) The primary color of the chip.

(ii) One or more secondary colors.

(3) Includes a design, pattern or other feature that an individual with adequate training could readily use to identify, when viewed through the surveillance system of the certificate holder, the denomination of the particular value chip when placed in a stack of gaming chips, in the table inventory or in any other location when only the edge of the value chip is visible. The design, pattern or feature created by the primary and secondary colors required under paragraph (2) is sufficient by itself to satisfy the requirements of this paragraph.

(g) When determining the secondary colors to be used to make the edge spot on a particular denomination of value chip, a certificate holder shall use only those secondary colors that are reasonably likely to differentiate the certificate holder's value chip from the same denomination of value chip issued by any other certificate holder.

(h) If an approved value chip uses a single secondary color, no other certificate holder may use a similar secondary color as the sole secondary color on the same denomination of value chip unless it is used in a different approved pattern or design.

(i) If an approved value chip uses a combination of two or more secondary colors, no other certificate holder may use that identical combination of secondary colors on the same denomination of value chip unless it is used in a different approved pattern or design.

(j) Any value chip issued by a certificate holder in the denomination of:

(1) Less than $500 must have a uniform diameter of 1 9/16 inch.

(2) $500 and $1,000 must have a uniform diameter of 1 9/16 inch or 1 11/16 inch.

(3) $5,000 or more must have a uniform diameter of 1 11/16 inch.

(k) In addition to the items in this section that are specifically required to appear on the face and edge of a value chip, each value chip with a denomination below $100 must contain at least one anticounterfeiting measure and each value chip with a denomination of $100 or more must contain at least three anticounterfeiting measures.

§ 603a.4. Roulette chips; physical characteristics.

(a) Each Roulette chip utilized in a licensed facility shall be issued solely for the purpose of gaming at Roulette.

(b) Each Roulette chip issued by a certificate holder must contain identifying characteristics that may appear in any location at least once on each face of the chip and are applied in a manner which ensures that each identifying characteristic is clearly visible and remains a permanent part of the chip. These characteristics must be visible to surveillance employees using the licensed facility's surveillance system and include, at a minimum:

(1) The name, logo or other approved identification of the certificate holder issuing the Roulette chip.

(2) A unique design, insert or symbol that will permit a set of Roulette chips being used at a particular Roulette table to be distinguished from the Roulette chips being used at every other Roulette table in the licensed facility.

(3) The word "Roulette."

(4) Color and design combinations so as to readily distinguish the Roulette chips of each player at a particular Roulette table from:

(i) The Roulette chips of every other player at the same Roulette table.

(ii) The value chips issued by any certificate holder.

(c) Each Roulette chip issued by a certificate holder must contain an edge spot that:

(1) Is applied in a manner which ensures that the edge spot:

(i) Is clearly visible on the edge and on each face of the Roulette chip.

(ii) Remains a permanent part of the Roulette chip.

(2) Is created by using the colors approved for the face of the particular Roulette chip under subsection (b)(4) in combination with one or more other colors that provides a contrast with the color on the face of the Roulette chip and that enables the Roulette chip to be distinguished from the Roulette chips issued by any other certificate holder.

(3) Includes a design, pattern or other feature that an individual with adequate training could readily use to identify, when viewed through the surveillance system of the certificate holder, the player to whom the Roulette chip has been assigned when the Roulette chip is placed in a stack of gaming chips or in any other location when only the edge of the Roulette chip is visible. The design, pattern or feature created by the primary and secondary colors required under paragraph (2) is sufficient by itself to satisfy the requirements of this paragraph.

§ 603a.5. Roulette chips; permitted uses, inventory and impressment.

(a) Each Roulette chip shall be assigned to a particular Roulette table and be issued and used for gaming at that table only. All Roulette chips utilized at a particular Roulette table must have the same design, insert or symbol as required under § 603a.4(b)(2) (relating to Roulette chips; physical characteristics). A certificate holder or any employee thereof may not knowingly allow a patron to remove a Roulette chip from the Roulette table at which it was issued.

(b) A patron at a Roulette table may not be issued or permitted to game with Roulette chips that are identical in color and design to any Roulette chip issued to any other patron at the same table. When a patron purchases Roulette chips, a Roulette chip of the same color and design shall be placed in a slot or receptacle attached to the outer rim of the Roulette wheel or in another device or location approved by the Bureau of Casino Compliance in accordance with § 601a.10(g) (relating to approval of table game layouts, signage and equipment). At that time, a marker button denoting the value of a stack of 20 Roulette chips of the same color and design shall be placed in the slot, receptacle or other device. For example, a marker button with 100 imprinted on it would be placed in the receptacle to designate that, during the patron's play on that occasion, the Roulette chips of that color and design are each worth $5.

(c) An impressment of the Roulette chips assigned to each Roulette table shall be completed by a floorperson or above at least once every 3 months as specified in the certificate holder's internal controls required under § 465a.2 (relating to internal control systems and audit protocols). The certificate holder shall record the results of the impressment in the chip inventory ledger required under § 603a.11 (relating to receipt of gaming chips or plaques from a manufacturer or supplier; inventory, security, storage and destruction of chips and plaques).

(d) If additional roulette chips are required to restore the impress, the floorperson or above shall complete a Roulette Chip Impressment Form. The completed Roulette Chip Impressment Form shall be maintained by the accounting department and contain the following, at a minimum:

(1) The date and time of preparation.

(2) The design schematic of the chip including its primary color and the applicable table number.

(3) The number of Roulette chips needed to restore the impress.

(4) The signature of the floorperson or above who completes the Roulette Chip Impressment Form and the impressment for the table.

(5) The signature of the main bank cashier or chip bank cashier who issued the Roulette chips to restore the impress.

(e) Discrepancies in the impressment shall immediately be reported to the casino compliance representatives. The discrepancy report must include, at a minimum, the following information for each Roulette chip color and design:

(1) The balance on hand at the beginning of the 3-month period.

(2) The number of Roulette chips distributed to the Roulette table during the 3-month period.

(3) The number of Roulette chips returned to inventory during the 3-month period.

(4) The balance on hand at the end of the 3-month period.

§ 603a.6. Tournament chips.

(a) If a certificate holder conducts table game tournaments, the tournaments shall be conducted using tournament chips.

(b) The identifying characteristics of a tournament chip must include, at a minimum:

(1) The name, logo or other approved identification of the certificate holder issuing the tournament chip.

(2) The word "Tournament."

(3) The denomination of the chip.

(4) The phrase "No Cash Value."

(5) Color or design combinations so as to readily distinguish the tournament chips from:

(i) The Roulette chips used for the play of Roulette at the licensed facility.

(ii) The value chips issued by any certificate holder.

(iii) Poker room rake chips.

(c) Tournament chips shall be stored in a secure area approved by the Bureau of Casino Compliance in accordance with § 601a.10(f) (relating to approval of table game layouts, signage and equipment).

(d) An inventory of all tournament chips shall be conducted by the certificate holder prior to the start and after the completion of each tournament.

(e) Discrepancies in the inventory shall be immediately reported to the casino compliance representatives. The discrepancy report must include the balance for each denomination of tournament chip on hand at the beginning of the tournament and the balance on hand at the end of each tournament.

§ 603a.7. Poker rake chips.

(a) To facilitate the collection of the rake, a certificate holder may use Poker rake chips in the Poker room.

(b) Poker rake chips shall only be used by dealers and may only be substituted for value chips that have been collected as part of the rake prior to the rake being placed in the drop box.

(c) Unused Poker rake chips shall be kept by the dealer in the table inventory container.

(d) The denominations that may be used for Poker rake chips are $2, $3 or $4.

(e) The identifying characteristics of a Poker rake chip must include, at a minimum:

(1) The name, logo or other approved identification of the certificate holder.

(2) The words "Poker Rake Chip."

(3) One of the following denominations: "$2," "$3" or "$4."

(4) Color or design combinations to readily distinguish the Poker rake chips from:

(i) The Roulette chips used for the play of Roulette at the licensed facility.

(ii) The tournament chips used for tournament play at the licensed facility.

(iii) The value chips issued by any certificate holder.

§ 603a.8. Additional sets of gaming chips; removal from active use.

(a) Within 120 days of the commencement of table games at a licensed facility, the certificate holder shall also have at least one approved set of value chips that may be used as a back-up for the $100 and $500 value chips in active use. Each back-up set of value chips maintained for use by a certificate holder must have secondary colors that are different from the secondary colors of the value chips in active use and may use a different shade of the primary color. All back-up sets of value chips must conform to the color and design requirements in this chapter.

(b) Each certificate holder shall have at least one reserve set of Roulette chips for each color utilized in the licensed facility with a design insert or symbol different from the Roulette chips comprising the primary sets. All back-up sets of Roulette chips must conform to the color and design requirements in this chapter.

(c) If a certificate holder uses RFID chips for its value or Roulette chips, the certificate holder may request that the Board waive the requirements in subsection (a) or (b) by filing a

petition in accordance with § 493a.4 (relating to petitions generally). The petition must include, at a minimum:

(1) A detailed description of the RFID technology and devices that will be used at the licensed facility.

(2) A detailed description of how the RFID chips and related equipment will be used in the licensed facility.

(3) A detailed explanation of how the use of the RFID chips and related equipment will reduce or eliminate the potential use of counterfeit value or Roulette chips.

(4) The approximate length of time it will take the certificate holder to install the necessary devices and related equipment for the RFID technology to be operational in the licensed facility.

(d) The certificate holder shall remove a set of gaming chips in use from active play whenever:

(1) It is believed the licensed facility is taking on multiple counterfeit chips valued at $100 or more.

(2) Any other impropriety or defect in the utilization of a set of chips makes removal of the chips in active use necessary.

(3) The Board or its Executive Director directs that a set of chips be removed from active use.

(e) An approved back-up set of value chips or a reserve set of Roulette chips required under subsections (a) and (b) shall be placed into active play whenever an active set is removed.

(f) Whenever a set of chips in active use are removed from play, the certificate holder shall immediately notify the casino compliance representatives of the impending removal and the reasons for the removal.

(g) A certificate holder shall immediately notify the casino compliance representatives of the discovery of counterfeit value chips.

§ 603a.9. Plaques; issuance and use, denominations and physical characteristics.

(a) Plaques issued by a certificate holder must be a solid, one-piece object constructed entirely of plastic or other substance and have at least two but no more than six smooth, plane surfaces. At least two of the plane surfaces, each to be known as a face, must be opposite and parallel to each other and identical in shape, which must be either a square, rectangle or ellipse. Other surfaces of a plaque shall be known collectively as the edge.

(b) Plaques may not be issued by a certificate holder or utilized in a licensed facility unless:

(1) The design specifications of the proposed plaque are submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment). The submission must include a detailed schematic depicting the actual size and, as appropriate, location of the following:

(i) Each face.

(ii) The edge.

(iii) Any colors, words, designs, graphics or security measures on the plaque including the minimum identifying characteristics listed in subsection (f).

(2) A sample plaque of each denomination to be used, manufactured in accordance with its approved design specifications, is made available to the Bureau of Casino Compliance in accordance with § 601a.10(g) for its inspection and approval at the certificate holder's licensed facility.

(3) A system of internal procedures and administrative and accounting controls governing the distribution, redemption, receipt and inventory of plaques, by serial number, is submitted and approved as part of the certificate holder's internal controls, in accordance with § 465a.2 (relating to internal control systems and audit protocols).

(c) The face of a square plaque must have a surface area of no less than 9 square inches. The face of a rectangular or elliptical plaque may not be smaller than 3 inches in length by 2 inches in width. In the case of an elliptical plaque, the length and width of the plaque shall be measured by its axes.

(d) A plaque issued by a certificate holder shall be designed and manufactured with sufficient graphics or other security measures to prevent, to the greatest extent possible, the counterfeiting of the plaque.

(e) A certificate holder may issue and use plaques in denominations of $5,000 or $10,000 and other denominations approved by the Board's Executive Director in accordance with § 601a.10(a). Each plaque of a specific denomination utilized by a certificate holder must be in a shape and of a size that is identical to the shape and size of all other plaques of that denomination issued by the certificate holder. The size and shape of each denomination of plaque issued by a certificate holder must be readily distinguishable from the size and shape of every other denomination of plaque issued by the certificate holder.

(f) Each plaque issued by a certificate holder must contain identifying characteristics that appear at least once on each face of the plaque and are applied in a manner which ensures that each identifying characteristic is clearly visible and remains a permanent part of the plaque. These characteristics must be visible to surveillance employees using the licensed facility's surveillance system and include, at a minimum:

(1) The denomination of the plaque, expressed in numbers of at least 3/8 inch in height.

(2) The name, logo or other approved identification of the certificate holder issuing the plaque.

(3) A unique serial number.

(g) A certificate holder may not issue, use or allow a patron to use in its licensed facility any plaque that it knows, or reasonably should know, is materially different from the sample of that plaque approved in accordance with subsection (b).

§ 603a.10. Permissible wagering; exchange and redemption of gaming chips and plaques.

(a) Wagering at table games in a licensed facility shall be conducted with gaming chips, plaques, electronic wagering credits or gaming vouchers, provided that noncashable promotional or free-play credits on a gaming voucher may be used only for the purpose of slot machine gaming, Match Play Coupons and other wagering instruments approved by the Board.

(b) Value chips previously issued by a certificate holder, which are not in active use by that certificate holder, may not be used for wagering or any other purpose in a licensed facility and shall be redeemed only at the cage as provided in subsection (i).

(c) Gaming chips or plaques shall be issued to a patron only at the request of the patron and may not be given as change in any transaction other than a gaming transaction. Gaming chips and plaques shall be issued to patrons by:

(1) Dealers at a banking or nonbanking table game.

(2) The Poker room cage or the Poker window cashier at the main cage.

(3) Chip runners to patrons seated at a Poker table at which a game is in progress.

(d) Plaques and value chips shall be redeemed by patrons only at the cage.

(e) Except as provided in subsections (k) and (l), and as otherwise may be specifically approved by the Board, each certificate holder shall redeem its gaming chips and plaques only from patrons and may not knowingly redeem gaming chips and plaques from any nonpatron source.

(f) Roulette chips shall be presented for redemption only at the Roulette table from which they were issued and may not be redeemed or exchanged at any other Roulette table or any other location within a licensed facility. When Roulette chips are presented for redemption, the dealer shall accept them in exchange for an equivalent amount of value chips.

(g) A certificate holder shall have the discretion to permit, limit or prohibit the use of value chips in gaming at Roulette in accordance with its Rules Submission submitted under § 601a.2 (relating to table games Rules Submissions). When value chips are in use at Roulette, it shall be the responsibility of the certificate holder and its employees to keep accurate account of the wagers being made with value chips so that the wagers made by one player are not confused with the wagers made by another player at the table.

(h) Each gaming chip and plaque is solely evidence of a debt that the issuing certificate holder owes to the person legally in possession of the gaming chip or plaque, and shall remain the property of the issuing certificate holder. A certificate holder shall have the right at any time to demand that a person in possession of a gaming chip or plaque surrender the gaming chip or plaque for redemption in accordance with subsection (i).

(i) A certificate holder shall redeem promptly its own genuine gaming chips and plaques presented by a patron in person, unless the gaming chips or plaques were obtained or are being used unlawfully. A certificate holder shall redeem its value chips or plaques by:

(1) Exchanging the value chips or plaques for an equivalent amount of cash.

(2) Exchanging the value chips or plaques for a check issued by the certificate holder in the amount of the value chips or plaques surrendered and dated the day of the redemption upon request by a patron.

(j) Notwithstanding subsection (i), if a patron requests by mail to redeem value chips in any amount, a certificate holder may effectuate the redemption in accordance with internal controls approved in accordance with § 465a.2 (relating to internal control systems and audit protocols), which, at a minimum, must detail procedures for the issuance of a check from the certificate holder and the transfer of the surrendered value chips to the chip bank in a transaction supported by proper documentation.

(k) A certificate holder shall accept, exchange, use or redeem only gaming chips or plaques that the certificate holder has issued and may not knowingly accept, exchange, use or redeem gaming chips or plaques, or objects purporting to be gaming chips or plaques, that have been issued by any other certificate holder.

(l) Notwithstanding subsection (k), a certificate holder may accept and redeem:

(1) Value chips issued by another certificate holder from a patron upon the patron's representation that the value chips had been purchased or received as payment in a gaming transaction from an employee of the certificate holder working on the premises of the certificate holder.

(2) Value chips issued by any other certificate holder from one of the certificate holder's employees who is authorized to receive gratuities, upon the employee's representation that the chips were received as gratuities in the normal course of his duties while on the premises of the certificate holder.

(m) Employees of a certificate holder may be authorized to receive value chips as personal gratuities. Additionally, cocktail servers and other employees who are on the gaming floor may be authorized to receive value chips in exchange for food and beverage purchased and served to patrons on the gaming floor. Employees of a certificate holder who are authorized to receive value chips as personal gratuities or in exchange for food and beverage shall redeem the value chips at the cage or at another secure location, as approved by the Board's Executive Director, prior to leaving the licensed facility. Value chips redeemed at a noncage employee redemption site shall be exchanged on a daily basis with the cage. Each certificate holder shall submit internal controls, in accordance with § 465a.2, to ensure the proper exchange and accounting of the value chips received as personal gratuities or for the purchase of food and beverage on the gaming floor.

(n) A certificate holder shall redeem promptly its own genuine value chips presented to it by any other legally operated certificate holder upon the representation that the value chips were received or accepted unknowingly, inadvertently or in error or were redeemed in accordance with subsection (l). Each certificate holder shall submit for approval as part of the certificate holder's internal controls a system for the exchange, with other legally operated certificate holders, of value chips:

(1) In the certificate holder's possession that have been issued by any other legally operated certificate holder.

(2) The certificate holder has issued that are presented to it for redemption by any other legally operated certificate holder.

(o) Each certificate holder shall post, in a prominent place on the front of the main cage, any satellite cage and the Poker room cage, a sign that reads as follows: "Gaming chips or plaques issued by another licensed facility may not be used, exchanged or redeemed in this licensed facility."

§ 603a.11. Receipt of gaming chips or plaques from a manufacturer or supplier; inventory, security, storage and destruction of chips and plaques.

(a) When gaming chips or plaques are received from a manufacturer or supplier, the chips or plaques shall be unloaded under the supervision of at least two people, one of whom shall be a supervisor from the finance department and one employee from the security department, and transported to a secure area which is covered by the slot machine licensee's surveillance system. The chips or plaques shall then be opened and checked by at least two people, one of whom shall be a supervisor from the finance department and one employee from the security department. Any deviation between the invoice accompanying the gaming chips and plaques and the actual chips or plaques received or any defects found in the chips or plaques shall be reported promptly to the casino compliance representatives.

(b) After checking the gaming chips or plaques received, the certificate holder shall record, in a chip inventory ledger, the denomination of the value chips and plaques received, the number of each denomination, and, when applicable, the serial numbers of the value chips and plaques received, the number and description of all Roulette chips received, the date of the

receipt and the signatures and Board-issued credential numbers of the individuals who checked the chips and plaques. If the value chips or Roulette chips are not to be put into active use, the ledger must also identify the storage location.

(c) Gaming chips or plaques not in active use shall be stored in one of the following areas:

(1) A vault located in the main bank.

(2) Locked cabinets in the main cage.

(3) Other restricted storage area approved by the Bureau of Casino Compliance in accordance with § 601a.10(f) (relating to approval of table game layouts, signage and equipment).

(d) Gaming chips or plaques may not be stored in the same storage area as dice, cards, Pai Gow tiles or any other gaming equipment.

(e) Whenever any gaming chips or plaques are taken from or returned to an approved storage area, at least two individuals, one of whom shall be a supervisor from the finance department and one employee from the security department, shall be present, and the following information shall be recorded in the chip inventory ledger together with the date, signatures and Board-issued credential numbers of the individuals involved:

(1) The quantity, and when applicable, the serial numbers and dollar amounts for each denomination of value chip or plaque removed or returned.

(2) The number and description of the Roulette chips removed or returned.

(3) The specific storage area being entered.

(4) The reason for the entry into the storage area.

(f) At the end of each gaming day, a certificate holder shall compute and record the unredeemed liability for each denomination of value chip and plaque. The procedures to be utilized to compute the unredeemed liability shall be submitted for approval as part of the certificate holder's internal controls in accordance with § 465a.2 (relating to internal control systems and audit protocols).

(g) Each certificate holder shall inventory all sets of value chips, Roulette chips and plaques in its possession and record the result of the inventory in the chip inventory ledger. The inventory shall be conducted at least once every month for value chips and plaques and at least once every 3 months for Roulette chips. A physical inventory of value chips, Roulette chips and plaques not in active use shall only be required annually if the inventory procedures incorporate the sealing of the locked compartment containing the value chips, Roulette chips and plaques not in active use. The procedures to be utilized to inventory value chips, Roulette chips and plaques shall be submitted for approval as part of the certificate holder's internal controls.

(h) At least 5 days prior to the destruction of gaming chips or plaques, the certificate holder shall notify the casino compliance representatives of the date and the location at which the destruction will be performed, the denomination, number, and when applicable, the serial number and amount of value chips or plaques to be destroyed, the description and number of Roulette chips to be destroyed and a detailed explanation of the method of destruction.

(i) The destruction of gaming chips or plaques shall be carried out in the presence of at least two employees of the certificate holder, one of whom shall be from the finance department and one of whom shall be from any other mandatory department of the certificate holder. The certificate holder shall maintain a written log of the names and Board-issued credential numbers of all employees involved in each destruction, as well as the names and addresses of all nonemployees involved. The certificate holder shall record in the chip inventory ledger the following:

(1) The denomination, quantity, total value and serial number, if applicable, of all value chips or plaques destroyed.

(2) The description and number of Roulette chips destroyed.

(3) The signatures and Board-issued credential numbers of the individuals who carried out the destruction.

(4) The date and location where the destruction took place.

(j) A certificate holder shall ensure that at all times there is adequate security, in accordance with § 465a.14 (relating to security department minimum staffing), for all gaming chips and plaques in the certificate holder's possession.

§ 603a.12. Dice; physical characteristics.

(a) Except as otherwise provided in subsections (b) and (c), each die used in the play of table games must:

(1) Be formed in the shape of a perfect cube and of a size no smaller than 0.750 inch on each side nor any larger than 0.775 inch on each side, with a tolerance of +/- 0.005.

(2) Be transparent and made exclusively of cellulose except for the spots, name or logo of the certificate holder and serial number or letters contained thereon.

(3) Have the surface of each of its sides perfectly flat and the spots contained in each side flush with the area surrounding them.

(4) Have all edges and corners perfectly square and forming 90° angles.

(5) Have the texture and finish of each side exactly identical to the texture and finish of all other sides.

(6) Have its weight equally distributed throughout the cube with no side of the cube heavier or lighter than any other side of the cube.

(7) Have the six sides bearing white circular spots from one to six respectively with the diameter of each spot equal to the diameter of every other spot on the die.

(8) Have spots arranged so that:

(i) The side containing one spot is directly opposite the side containing six spots.

(ii) The side containing two spots is directly opposite the side containing five spots.

(iii) The side containing three spots is directly opposite the side containing four spots.

(9) Each spot shall be placed on the die by drilling into the surface of the cube and filling the drilled out portion with a compound which is equal in weight to the weight of the cellulose drilled out and which forms a permanent bond with the cellulose cube and extends into the cube exactly the same distance as every other spot extends into the cube to an accuracy tolerance of 0.0004 inch.

(10) Have imprinted or impressed thereon a serial number or letters and the name or logo of the certificate holder in whose licensed facility the die is being used.

(b) Dice used in the table games of Pai Gow and Pai Gow Poker must comply with the requirements of subsection (a) except as follows:

(1) Each die must be formed in the shape of a perfect cube and of a size no smaller than 0.637 inch on each side nor any larger than 0.643 inch on each side.

(2) Instead of the name or logo of the certificate holder, a certificate holder may, with the approval of the Board's Executive Director in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment), have an identifying mark imprinted or impressed on each die.

(3) The spots on each die do not have to be equal in diameter.

(c) Dice used in the table game of Sic Bo must comply with subsection (a) except each die may be formed in the shape of a cube 0.625 inch on each side with ball edge corners.

(d) Dice may not be utilized in a licensed facility unless a detailed schematic depicting the actual size, color of the dice as well as the location of serial numbers, letters or logos has been submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a).

§ 603a.13. Dice; receipt, storage, inspection and removal from use.

(a) When dice are received from a manufacturer or supplier, the dice shall immediately be unloaded under the supervision of at least two people, one of whom shall be an assistant table games shift manager or above and one employee from the security department, and transported to a secure area which is covered by the slot machine licensee's surveillance system. The boxes of dice shall then be inspected by an assistant table games shift manager or above and one employee from the security department to assure that the seals on each box are intact, unbroken and free from tampering. Boxes that do not satisfy these criteria shall be inspected at this time to assure that the dice contained therein conform to the requirements of this chapter and there is no evidence of tampering. Boxes satisfying these criteria, together with boxes having unbroken, intact and untampered seals shall then be placed for storage in a storage area, the location and physical characteristics of which shall be approved by the Bureau of Casino Compliance in accordance with § 601a.10(f) (relating to approval of table game layouts, signage and equipment).

(b) Dice which are to be distributed to gaming pits or tables for use in gaming shall be distributed from the approved storage area.

(c) The approved storage area must have two separate locks. The security department shall maintain one key and the table games department shall maintain the other key. A person employed by the table games department below an assistant table games shift manager in the organization hierarchy may not have access to the table games department key.

(d) Immediately prior to the commencement of each gaming day and at other times as may be necessary, an assistant table games shift manager or above, in the presence of a security department employee, shall remove the appropriate number of dice for that gaming day from the approved storage area.

(e) Envelopes and containers used to hold or transport dice must be:

(1) Transparent.

(2) Designed or constructed with seals so that any tampering is evident.

(3) Submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a).

(f) Dice shall be inspected and distributed to the gaming tables in accordance with one of the following applicable alternatives:

(1) Alternative No. 1.

(i) The assistant table games shift manager or above and the security department employee who removed the dice from the approved storage area shall distribute sufficient dice directly to the pit manager or above in each pit, or place them in a locked

compartment in the pit stand, the keys to which shall be in the possession of the pit manager or above.

(ii) Immediately upon opening a table for gaming, the pit manager or above shall distribute a set of dice to the table. At the time of receipt, a boxperson at each Craps table and the floorperson at each Pai Gow, Pai Gow Poker, Sic Bo, Three Dice Football or Mini-Craps table, to ensure that the dice are in a condition to assure fair play and otherwise conform to the requirements of this chapter, shall, in the presence of the dealer, inspect the dice given to him with a micrometer or any other instrument approved by the Board's Executive Director which performs the same function, a balancing caliper, a steel set square and a magnet. These instruments shall be kept in a compartment at each Craps table or pit stand and shall be at all times readily available for use by the casino compliance representatives or other Board employees upon request. The inspection shall be performed on a flat surface which allows the dice inspection to be observed through the slot machine licensee's surveillance system and by any persons in the immediate vicinity of the table.

(iii) Following the inspection required under subparagraph (ii):

(A) For Craps, the boxperson shall, in the presence of a dealer, place the dice in a cup on the table for use in gaming.

(B) For Mini-Craps and Three Dice Football, the floorperson shall, in the presence of a dealer, place the dice in a cup on the table for use in gaming.

(C) For Sic Bo, the floorperson shall, in the presence of the dealer, place the required number of dice into the shaker and seal or lock the shaker. The floorperson shall then secure the Sic Bo shaker to the table in the presence of the dealer who observed the inspection.

(D) For Pai Gow and Pai Gow Poker, the floorperson shall, in the presence of the dealer, place the dice in the Pai Gow shaker.

(iv) The pit manager or above shall place extra dice for the dice reserve in the pit stand. Dice in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the pit manager or above. No dice taken from the pit stand reserve may be used for actual gaming until the dice have been inspected in accordance with subparagraph (ii).

(2) Alternative No. 2.

(i) The assistant table games shift manager or above and the security department employee who removed the dice from the approved storage area shall distribute the dice directly to the following certificate holder's employees who shall perform the inspection in each pit:

(A) For Craps and Mini-Craps, a boxperson or floorperson in the presence of another boxperson or floorperson, both of whom are assigned the responsibility of supervising the operation and conduct of a Craps or Mini-Craps game.

(B) For Sic Bo, Three Dice Football, Pai Gow and Pai Gow Poker, a floorperson, in the presence of another floorperson, both of whom are assigned the responsibility of supervising the operation and conduct of Sic Bo, Three Dice Football, Pai Gow or Pai Gow Poker games.

(C) For storage of the dice for the dice reserve in the pit stand, to the pit manager or above.

(ii) To ensure that the dice are in a condition to assure fair play and otherwise conform to the requirements of this chapter, the dice shall be inspected by one of the individuals listed in subparagraph (i)(A) or (B) with a micrometer or other instrument approved by the Board's Executive Director which performs the same function, a balancing caliper, a steel set square and a magnet. These instruments shall be kept at the pit stand and at all times readily available for use by the casino compliance representatives or other Board employees upon request. The inspection shall be performed on a flat surface which allows the dice inspection to be observed through the slot machine licensee's surveillance system and by any persons in the immediate vicinity of the pit stand.

(iii) After completion of the inspection, the dice shall be distributed as follows:

(A) For Craps and Mini-Craps, the boxperson or floorperson who inspected the dice shall, in the presence of the other boxperson or floorperson who observed the inspection, distribute the dice to the boxperson assigned at each Craps table or to the floorperson assigned at each Mini-Craps table. The Craps boxperson or the Mini-Craps floorperson shall, in the presence of the dealer, place the dice in a cup on the table for use in gaming.

(B) For Sic Bo, the floorperson who inspected the dice shall, in the presence of the other floorperson who observed the inspection, place the required number of dice into the shaker and seal or lock the shaker. The floorperson shall then secure the Sic Bo shaker to the table in the presence of the other floorperson who observed the inspection.

(C) For Pai Gow and Pai Gow Poker, the floorperson who inspected the dice shall, in the presence of the other floorperson who observed the inspection, distribute the dice directly to the dealer at each Pai Gow table. The dealer shall immediately place the dice in the Pai Gow shaker.

(D) For Three Dice Football, the floorperson who inspected the dice shall, in the presence of the other floorperson who observed the inspection, distribute the dice to the floorperson assigned at each Three Dice Football table. The floorperson shall, in the presence of the dealer, place the dice in a cup on the table for use in gaming.

(iv) The pit manager or above shall place extra sets of dice for the dice reserve in the pit stand, as follows:

(A) Dice in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the pit manager or above.

(B) Except as otherwise provided in subparagraph (v), dice taken from the reserve in the pit stand shall be reinspected by a floorperson or above in the presence of another floorperson or above in accordance with the inspection procedures set forth in subparagraph (ii), prior to their use for actual gaming.

(v) Previously inspected reserve dice may be used for gaming without being reinspected if the dice are maintained in a locked compartment in the pit stand in accordance with the following procedures:

(A) For Craps, Mini-Craps and Three Dice Football, a set of five dice, after being inspected, shall be placed in a sealed envelope or container. A label that identifies the date of inspection and contains the signatures of those responsible for the inspection shall be attached to the envelope or container.

(B) For Sic Bo, three dice, after being inspected, shall be placed in a sealed envelope or container or sealed or locked in a Sic Bo shaker. A label or seal that identifies the date of inspection and contains the signatures of those responsible for the inspection shall, respectively, be attached to each envelope or container or placed over the area that allows access to open the Sic Bo shaker.

(C) For Pai Gow and Pai Gow Poker, a set of three dice, after being inspected, shall be placed in a sealed envelope or container. A label that identifies the date of inspection and contains the signatures of those responsible for the inspection shall be attached to each envelope or container.

(3) Alternative No. 3

(i) The inspection of dice for table games shall take place in the approved storage area in the presence of a floorperson or above, the assistant table games shift manager or above and a security department employee.

(ii) Prior to starting the inspection of the dice, notice shall be provided to the certificate holder's surveillance department.

(iii) The dice shall be inspected by the floorperson or above, or the assistant table games shift manager or above, or both, with a micrometer or another instrument approved by the Board's Executive Director which performs the same function, a balancing caliper, a steel set square and a magnet to ensure that the dice are in a condition to assure fair play and otherwise conform to this chapter. These instruments shall be maintained in the approved storage area and at all times readily available for use by the casino compliance representatives or other Board employees upon request.

(iv) After completion of the inspection, the persons performing the inspection shall seal the dice as follows:

(A) For Craps, Mini-Craps and Three Dice Football, after each set of five dice are inspected, the dice shall be placed in a sealed envelope or container. A label that identifies the date of the inspection and contains the signatures of those responsible for the inspection must be attached to each envelope or container.

(B) For Sic Bo, if a manual shaker is being utilized at the gaming table, after each set of dice are inspected, three dice shall be sealed or locked in a manual shaker. A seal that identifies the date of the inspection and contains the signatures of those responsible for the inspection shall be placed over the area that allows access to open the shaker. If an automated shaker is being utilized at the gaming table, after each set of three dice is inspected, the dice shall be placed in a sealed envelope or container. A label that identifies the date of the inspection and contains the signatures of those responsible for the inspection must be attached to each envelope or container.

(C) For Pai Gow, after each set of three dice is inspected, the dice shall be placed in a sealed envelope, container or shaker. A label that identifies the date of the inspection and contains the signatures of those responsible for the inspection must be attached to each envelope, container or shaker.

(D) Reserve dice may be placed in individual sealed envelopes or containers. A label that identifies the date of the inspection and contains the signatures of those responsible for the inspection must be attached to each envelope or container.

(v) At the beginning of each gaming day and at other times as may be necessary, an assistant table games shift manager or above and a security department employee shall distribute the dice as follows:

(A) For Craps and Mini-Craps, the sealed envelopes or containers of dice shall be distributed to a pit manager or above in each Craps or Mini-Craps pit or placed in a locked compartment in the pit stand. When the sealed dice are distributed to a Craps or Mini-Craps table, a boxperson at a Craps table or a floorperson at a Mini-Craps table, after assuring the seals are intact and free from tampering, shall open the sealed envelope or container in the presence of a dealer and place the dice in a cup on the table for use in gaming.

(B) For Sic Bo, if a manual shaker is being utilized at the gaming table, the sealed manual shakers shall be distributed to the pit manager or above supervising the game or placed in a locked compartment in the pit stand. The floor person or above, after assuring the seal on the shaker is intact and free from tampering, shall secure the manual Sic Bo shaker to the table. If an automated shaker is being utilized at the gaming table, the sealed envelope or container shall be distributed to a pit manager or above in a Sic Bo pit or placed in a locked compartment in the pit stand. When the sealed dice are distributed to the Sic Bo table by the pit manager or above, the floorperson, after assuring the seal and envelopes or containers are

intact and free from tampering, shall open the sealed envelope or container in the presence of the dealer and place the dice in the Sic Bo shaker.

(C) For Pai Gow, the sealed envelope or container shall be distributed to a pit manager or above in a Pai Gow pit or placed in a locked compartment in the pit stand. When the sealed dice are distributed to the Pai Gow table by the pit manager or above, a floorperson, after assuring the seal and envelopes or containers are intact and free from tampering, shall open the sealed envelope or container in the presence of the dealer and place the dice in the Pai Gow shaker.

(vi) When an envelope, container or seal is damaged, broken or shows indication of tampering, the dice in the envelope, container or shaker may not be used for gaming activity unless the dice are reinspected in accordance with paragraph (1) or (2).

(vii) The pit manager or above shall place extra dice for the dice reserve in the pit stand. Dice in the pit stand shall be placed in a locked compartment. The keys to the locked compartment shall be in the possession of the pit manager or above.

(viii) A micrometer or another instrument approved by the Board's Executive Director which performs the same function, a balancing caliper, a steel set square and a magnet shall be maintained in a locked compartment in each pit stand. These instruments shall be readily available at all times for use by the casino compliance representatives or other Board employees upon request. The inspection of dice in the approved storage area in accordance with this alternative shall be performed on a flat surface which allows the dice inspection to be observed through the slot machine licensee's surveillance system.

(g) A certificate holder shall remove any dice at any time of the gaming day and file a Dice Discrepancy Report as required under subsection (h) if there is any indication of tampering, flaws or other defects that might affect the integrity or fairness of the game, or at the request of a casino compliance representative or other Board employee.

(h) At the end of each gaming day or at other times as may be necessary, a floorperson or above, other than the individual who originally inspected the dice, shall visually inspect each die that was used for play for evidence of tampering. Evidence of tampering discovered at this time or at any other time shall be immediately reported to the casino compliance representatives by the completion and delivery of a two-part Dice Discrepancy Report and the dice.

(1) Dice showing evidence of tampering shall be placed in a sealed envelope or container.

(i) A label shall be attached to each envelope or container which identifies the table number, date and time the dice were removed and contains the signatures of the person assigned to directly operate and conduct the game at that table and the floorperson assigned the responsibility for supervising the operation and conduct of the game.

(ii) A floorperson or above or a security department employee responsible for delivering the dice to the casino compliance representatives shall also sign the label.

(iii) The casino compliance representative receiving the dice shall sign the original and duplicate copy of the Dice Discrepancy Report and retain the original copy. The duplicate copy shall be returned to the pit and maintained in a secure place within the pit until collection by a security department employee.

(2) Other dice that were used for play shall be put into envelopes or containers when removed from active use at the table.

(i) A label shall be attached to each envelope or container which identifies the table number, date and time the dice were removed and contains the signatures of the person assigned to directly operate and conduct the game at that table and the floorperson assigned the responsibility for supervising the operation and conduct of the game.

(ii) The envelope or container shall be appropriately sealed and maintained within the pit until collection by a security department employee.

(i) Reserve dice in the locked compartment in a pit stand at the end of the gaming day may be:

(1) Collected and transported to the security department for cancellation or destruction.

(2) Returned to the approved storage area.

(3) Retained in the locked compartment in the pit stand for future use.

(j) Reserve dice in the locked compartment in a pit stand at the end of the gaming day that are to be destroyed or cancelled shall be placed in a sealed envelope or container, with a label attached to each envelope or container which identifies the pit stand where the reserve dice were being stored, the date and time the dice where placed in the envelope or container and contains the signature of the pit manager or above.

(k) At the end of each gaming day or, in the alternative, at least once each gaming day, as designated by the certificate holder and approved by the Bureau of Casino Compliance in accordance with § 601a.10(g), and at other times as may be necessary, a security department employee shall collect and sign all envelopes or containers of used dice and reserve dice that are to be destroyed or cancelled and shall transport the dice to the security department for cancellation or destruction. The security department employee shall also collect duplicate copies of Dice Discrepancy Reports, if applicable.

(l) At the end of each gaming day or, in the alternative, at least once each gaming day, as designated by the certificate holder and approved by the Bureau of Casino Compliance in accordance with § 601a.10(g), and at other times as may be necessary, an assistant table games

shift manager or above may collect all reserve dice in a locked compartment in a pit stand. If collected, reserve dice shall be returned to the approved storage area.

(m) If the reserve dice are not collected, all dice in the dice reserve shall be reinspected in accordance with one of the alternatives listed in subsection (f) prior to their use for gaming, except for those dice maintained in a locked compartment in accordance with subsection (f)(2)(v).

(n) Certificate holders shall submit to the Bureau of Gaming Operations in accordance with § 465a.2 (relating to internal control systems and audit protocols) for approval internal control procedures for:

(1) A dice inventory system which includes, at a minimum, records of the following:

(i) The number of three and five dice sticks, and the corresponding number of single die, received from a manufacturer or supplier.

(ii) The balance of three and five dice sticks, and the corresponding number of single die, on hand.

(iii) The number of three and five dice sticks removed from storage.

(iv) The number of three and five dice sticks returned to storage.

(v) The number of single die destroyed or canceled.

(vi) The date of each transaction.

(vii) The signatures of the individuals involved.

(2) A reconciliation on a daily basis of the number of three or five dice sticks distributed, the number of single die destroyed or cancelled, the number of three or five dice sticks returned to the approved storage area and, if any, the reserve three or five dice sticks in a locked compartment in a pit stand.

(3) A physical inventory of all dice at least once every 3 months.

(i) This inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of dice on hand required under paragraph (1)(i).

(ii) Discrepancies shall immediately be reported to the casino compliance representatives.

(o) Destruction or cancellation of dice, other than those retained for Board or certificate holder inspection, shall be completed within 5 days of collection.

(1) Cancellation must occur by drilling a circular hole of at least 1/4 inch in diameter through the center of the die.

(2) Destruction must occur by shredding or crushing.

(3) The destruction or cancellation of dice must take place in a secure location in the licensed facility covered by the slot machine licensee's surveillance system, the physical characteristics of which shall be approved by the Bureau of Casino Compliance in accordance with § 601a.10(f).

§ 603a.14. Sic Bo shaker security procedures.

(a) Manual and automated Sic Bo shakers which have not been filled with dice may be stored in a locked compartment in a pit stand. An automated Sic Bo dice shaker which has been filled with dice must be secured to the Sic Bo table at all times.

(b) At the end of each gaming day a pit manager or above shall inspect all Sic Bo shakers that have been placed in use for gaming for evidence of tampering. Evidence of tampering discovered at this time shall be immediately reported to the casino compliance representatives. The reports must include, at a minimum:

(1) The date and time when the tampering was discovered.

(2) The name and signature of the individual discovering the tampering.

(3) The table number where the Sic Bo shaker was used.

(4) The name and signature of the person assigned to directly operate and conduct the game at the Sic Bo table and the supervisor assigned the responsibility for supervising the operation and conduct of the game at the Sic Bo table.

§ 603a.15. Cards; physical characteristics.

(a) Cards used to play table games authorized under this subpart must be in decks of 52 cards with each card identical in size and shape to every other card in the deck. Nothing in this section prohibits a manufacturer from manufacturing decks of cards with one or more jokers contained therein. Jokers may not be used by the certificate holder in the play of any game unless authorized by the rules of the game.

(b) Each deck must be composed of cards in four suits: diamonds, spades, clubs and hearts.

(c) Each suit shall be composed of 13 cards: ace, king, queen, jack, 10, 9, 8, 7, 6, 5, 4, 3 and 2. The face of the ace, king, queen, jack and 10 may contain an additional marking, approved in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment), which will permit a dealer, prior to exposing his hole card at the game of Blackjack, to determine if the value of the hole card gives the dealer a Blackjack.

(d) The backs of each card in a deck must be identical and no card may contain any marking, symbol or design that will enable a person to know the identity of any element printed on the face of the card or that will in any way differentiate the back of the card from any other card in the deck.

(e) The backs of all cards in a deck shall be designed to diminish, as far as possible, the ability of any individual to place concealed markings thereon.

(f) The design placed on the backs of cards used by certificate holders must contain the name or logo of the certificate holder.

(g) Each deck of cards shall be packaged separately or in a batch containing the number of decks authorized in this subpart and selected by a certificate holder for use in a particular table game. Each package of cards shall be sealed in a manner approved in accordance with § 601a.10(a) to provide evidence of any tampering with the package. If multiple decks of cards are packaged and sealed in a batch, the package must have a label that indicates or contain a window that reveals an adequate description of the contents of the package, including:

(1) The name of the certificate holder for which the cards were manufactured.

(2) The colors of the backs of the cards.

(3) The date that the cards were manufactured.

(4) The total number of cards in the batch.

(5) The total number of decks in the batch.

(h) Individual decks of cards that are packaged and sealed in a multideck batch may not be separated from the batch for independent use at a table game.

(i) The cards used by a certificate holder for Poker must be:

(1) Visually distinguishable from the cards used by that certificate holder to play other banked table games.

(2) Made of plastic.

(j) Each certificate holder that elects to offer the game of Poker shall have and use on a daily basis at least four decks with visually distinguishable card backings. These card backings may be distinguished by different logos, different colors or different design patterns. The certificate holder shall submit, as part of its internal controls required under § 465a.2 (relating to internal control systems and audit protocols), the procedure for distributing and rotating the four visually distinguishable decks of cards required for use in the game of Poker.

(k) Cards may not be utilized in a licensed facility unless a schematic depicting the face and backs of the cards, the colors, words, designs and graphics have been submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a).

§ 603a.16. Cards; receipt, storage, inspection and removal from use.

(a) When decks of cards are received from a manufacturer or supplier, the cards shall immediately be unloaded under the supervision of at least two people, one of whom shall be an assistant table games shift manager or above and one employee from the security department, and transported to a secure area which is covered by the slot machine licensee's surveillance system. The boxes of decks of cards shall then be inspected by an assistant table games shift manager or above and one employee from the security department to assure that the seals on each box are intact, unbroken and free from tampering. Boxes that do not satisfy these criteria shall be inspected at this time to assure that the decks of cards contained therein conform to the requirements of this chapter and there is no evidence of tampering. Boxes satisfying these criteria, together with boxes having unbroken, intact and untampered seals shall then be placed for storage in a storage area, the location and physical characteristics of which shall be approved by the Bureau of Casino Compliance in accordance with § 601a.10(f) (relating to approval of table game layouts, signage and equipment). A certificate holder may have separate cabinets or storage areas for decks of cards to be used at the game of Poker. The location and physical characteristics of the cabinets or separate storage areas shall be approved by the Bureau of Casino Compliance in accordance with § 601a.10(f).

(b) Approved storage areas must have two separate locks. The security department shall maintain one key and the table games department shall maintain the other key. A person employed by the table games department below an assistant table games shift manager in the organizational hierarchy may not have access to the table games department key for the approved storage areas. If the certificate holder has a separate Poker storage area, a person below a Poker shift manager in the organizational hierarchy may not have access to the table games department key to the Poker storage area.

(c) Except as provided in subsection (g), immediately prior to the commencement of each gaming day and at other times as may be necessary, an assistant table games shift manager or above, in the presence of a security department employee, shall remove the appropriate number of decks of cards for that gaming day from the approved storage area. The assistant table games shift manager or above and the security department employee who removed the decks shall distribute sufficient decks to the pit managers or above and, if applicable, to the Poker shift manager. The number of decks distributed must include extra decks that shall be placed in the pit stand for the card reserve. Decks of cards in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the pit managers or above or the Poker shift manager or above.

(d) If the decks are to be inspected at open gaming tables in accordance with subsection (h), the pit manager or above shall distribute the decks to the dealer at each table or the Poker shift manager shall transport the decks to the Poker pit stand for subsequent distribution to the dealer at each Poker table either directly by the Poker shift manager or through the floorperson assigned to supervise the dealer.

(e) If the decks are to be preinspected and preshuffled at a closed gaming table as permitted under subsection (u), the pit manager or above or Poker shift manager shall deliver the decks to the dealer and the floorperson or above at the closed gaming table where the preinspection and preshuffling shall be performed.

(f) If the decks have already been preinspected, preshuffled, sealed in containers and placed in the card storage area as permitted under subsection (u)(8)(ii) or (v), the assistant table games shift manager or above and a security department employee shall transport the number of sealed containers of cards needed for that gaming day to the gaming pits where the cards will be utilized and shall ensure that the containers are locked in the pit stand. A record of the removal of the sealed containers of cards from the approved storage area and the distribution of sealed containers to the gaming pits shall be maintained by the security department in a manner consistent with the certificate holder's internal controls filed in accordance with § 465a.2 (relating to internal control systems and audit protocols).

(g) If the decks of cards to be used for Poker for that gaming day are removed from the Poker storage area, the Poker shift manager or above and a security department employee shall, prior to the commencement of each gaming day and at other times as may be necessary, remove the appropriate number of decks from the Poker storage area and distribute the decks in accordance with subsection (d), (e) or (f). The number of decks distributed must include extra decks that shall be placed in the pit stand for the card reserve. Decks of cards in the pit stand shall be placed in a locked compartment, the keys to which shall be in the possession of the Poker shift manager or above.

(h) Except for decks of cards that are preinspected and preshuffled in accordance with subsection (u) or (v), the dealer shall sort the cards in each deck according to suit and in sequence to verify that all cards are present and visually inspect the backs of the cards for any defects that might compromise the integrity or fairness of the game. The floorperson or above shall verify the inspection.

(i) If while inspecting the cards in accordance with subsection (h), the dealer finds that a card is unsuitable for use, a card is missing from the deck or an extra card is found, the following procedures shall be observed:

(1) A pit manager or above or a Poker shift manager shall bring a replacement deck of cards from the card reserve in the pit stand.

(2) The unsuitable deck shall be placed in a sealed envelope or container, identified by table number, date and time and signed by the dealer and floorperson assigned to that table or above.

(3) The pit manager or above or a Poker shift manager shall maintain the envelope or container in a secure place within the pit until collection by a security department employee.

(j) Envelopes and containers used to hold or transport cards must be:

(1) Transparent.

(2) Designed or constructed with seals so that any tampering is evident.

(3) Submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a).

(k) If any cards in a deck appear to be damaged during the course of play, the dealer shall immediately notify a floorperson or above. If after inspection, the floorperson or above determines that the card is damaged and needs to be replaced, the floorperson shall notify the pit manager or above or the Poker shift manager.

(1) The pit manager or above or the Poker shift manager shall:

(i) Notify surveillance of a card change.

(ii) Bring a replacement deck of cards from the pit stand to replace the damaged card or cards.

(iii) Place the damaged card face up on the table and remove the matching card from the replacement deck and place it face up on the table.

(iv) Turn over both the damaged card and the replacement card to verify that the backs of the cards match.

(v) Place the replacement card in the discard rack.

(vi) Tear the damaged card down the center and place it face up in the replacement deck.

(vii) Return the replacement deck to the pit stand.

(2) At least once each gaming day, the replacement decks of cards shall be collected and placed in an envelope or container and sealed. A label shall be attached to each envelope or container which identifies the deck as a replacement deck and signed by the pit manager or above or the Poker shift manager.

(3) The pit manager or above or the Poker shift manager shall maintain the sealed envelopes or containers in a secure place within the pit until collection by a security department employee in accordance with subsection (o).

(4) This subsection does not apply to cards showing indications of tampering, flaws or other defects that might affect the integrity or fairness of the game.

(l) Decks of cards that were used for play shall be put into envelopes or containers when removed from active use at the table.

(1) A label shall be attached to each envelope or container which identifies the table number, date and time the decks of cards where collected and signed by the dealer and floorperson assigned to the table.

(2) The Poker shift manager or pit manager or above shall maintain the sealed envelopes or containers in a secure place within the pit until collection by a security department employee.

(m) A certificate holder shall remove any deck of cards at any time during the day if there is any indication of tampering, flaws or other defects that might affect the integrity or fairness of the game, or at the request of a casino compliance representative or other Board employee.

(n) Extra decks or packaged sets of multiple decks in the card reserve with broken seals shall be placed in a sealed envelope or container, with a label attached to each envelope or container that contains the number of decks or packaged sets of multiple decks, as applicable, included therein, the date and time the decks were placed in the envelope or container and the signature of the floorperson or above for decks used for Poker and the pit manager or above for decks used for all other games.

(o) At the end of each gaming day or, in the alternative, at least once each gaming day, as designated by the certificate holder and approved by the Bureau of Casino Compliance in accordance with § 601a.10(g), and at other times as may be necessary, a security department employee shall collect and sign all envelopes or containers with damaged decks of cards, decks of cards required to be removed that gaming day and all extra decks in the card reserve with broken seals and return the envelopes or containers to the security department.

(p) At the end of each gaming day or, in the alternative, at least once each gaming day, as designated by the certificate holder and approved by the Bureau of Casino Compliance in accordance with § 601a.10(g), and at other times as may be necessary, an assistant table games shift manager or above may collect all extra decks with intact seals in the card reserve. If the certificate holder maintains a separate storage area for Poker cards, a Poker shift manager or above may collect all extra decks in the card reserve for the game of Poker. If collected, all sealed decks shall either be cancelled, destroyed or returned to the storage area.

(q) When the envelopes or containers of used cards and reserve cards with broken seals are returned to the security department, the cards shall be inspected for tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play as follows:

(1) For cards used in Blackjack, Spanish 21, Baccarat, Midibaccarat or Minibaccarat, the certificate holder shall inspect either:

(i) All decks used during the day.

(ii) A sample of decks selected at random or in accordance with an approved stratification plan, provided that the procedures for selecting the sample size and for

assuring a proper selection of the sample have been submitted to the Bureau of Gaming Operations and approved in accordance with § 465a.2.

(2) The certificate holder shall also inspect:

(i) Any decks of cards that the Board requested the certificate holder to remove for the purpose of inspection.

(ii) Any decks of cards the certificate holder removed for indication of tampering.

(iii) All cards used for all banked table games other than the games listed in paragraph (1).

(iv) All cards used for Poker.

(3) The procedures for inspecting all decks required to be inspected under this subsection must include, at a minimum:

(i) The sorting of cards sequentially by suit or utilizing a machine approved by the Bureau of Gaming Laboratory Operations, in accordance with § 461a.4 (relating to submission for testing and approval), capable of reading the cards to determine whether any deck contains missing or additional cards.

(ii) The inspection of the backs with an ultraviolet light.

(iii) The inspection of the sides of the cards for crimps, bends, cuts or shaving.

(iv) The inspection of the front and back of all plastic cards for consistent shading and coloring.

(4) If during the inspection procedures required for cards used in Poker, one or more of the cards in a deck are determined to be unsuitable for continued use, those cards shall be placed in a sealed envelope or container and a two-part Card Discrepancy Report shall be completed in accordance with paragraph (8).

(5) Upon completion of the inspection procedures required in paragraph (2), each deck of cards used in Poker which is determined suitable for continued use shall be placed in sequential order, repackaged and returned to the approved or Poker storage area for subsequent use. The certificate holder shall develop internal control procedures for returning the repackaged cards to the Poker card inventory in accordance with subsection (r).

(6) An individual performing an inspection shall complete a work order form which details the procedures performed and lists the tables from which the cards were removed and the results of the inspection. The individual shall sign the form upon completion of the inspection procedures.

(7) The certificate holder shall submit the training procedures for the employees performing the inspections required under this subsection in its internal controls.

(8) Evidence of tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play discovered during an inspection, or at any other time, shall be immediately reported to the casino compliance representatives by the completion and delivery of a two-part Card Discrepancy Report.

(i) The two-part report must include the cards or decks of cards which are the subject of the report.

(ii) The cards or decks of cards shall be retained by the casino compliance representatives for further inspection.

(iii) The casino compliance representative receiving the cards shall sign the original and duplicate copy of the Card Discrepancy Report and retain the original. The duplicate copy shall be retained by the certificate holder.

(r) Certificate holders shall submit to the Bureau of Gaming Operations for approval, in accordance with § 465a.2, internal control procedures for:

(1) A card inventory system, which includes, at a minimum, the records of the following:

(i) The balance of decks of cards on hand.

(ii) The decks of cards removed from storage.

(iii) The decks of cards returned to storage or received from a manufacturer or supplier.

(iv) The date of each transaction.

(v) The signatures of the individuals involved.

(2) A reconciliation, on a daily basis, of the decks of cards distributed, destroyed or cancelled, returned to the storage area and, if any, the decks of cards in the card reserve.

(3) A physical inventory of all decks of cards at least once every 3 months.

(i) This inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of decks of cards on hand required in paragraph (1)(i).

(ii) Discrepancies shall immediately be reported to the casino compliance representatives.

(s) Decks of cards in an envelope or container that are inspected as required under subsection (q) and found to be without any indication of tampering, marks, alterations, missing or additional cards or anything that might indicate unfair play, with the exception of plastic cards used at Poker which are of sufficient quality for reuse, shall be destroyed or cancelled within 5 days of collection. Cards submitted to the Board shall be destroyed or cancelled within 5 days of release from the Board.

(1) Destruction of cards must be by shredding.

(2) Cancellation of cards must be by drilling a circular hole of at least 1/4 inch in diameter through the center of each card in the deck.

(3) The destruction or cancellation of cards must take place in a secure location in the licensed facility covered by the slot machine licensee's surveillance system, the physical characteristics of which shall be approved by the Bureau of Casino Compliance in accordance with § 601a.10(f).

(t) If a deck of plastic cards has been reused 12 or more times and the deck has been determined to be suitable for reuse by the individual performing the inspection procedures required under subsection (q)(3), before the deck may be reused at a Poker table, the deck shall be inspected by a Poker shift manager or floorperson. A satisfactory inspection shall be documented by the Poker shift manager or floorperson. If the Poker shift manager or floorperson determines that the deck may not be reused, the deck shall be placed in a sealed envelope or container, with a label attached which identifies the date and time the deck was placed in the envelope or container and shall be signed by the Poker shift manager or floorperson. At the end of the gaming day or at other times as may be necessary, the envelope or container shall be collected by a security department employee and returned to the security department for destruction or cancellation in accordance with subsection (s).

(u) If a certificate holder elects to preinspect and preshuffle cards at a closed gaming table prior to the delivery of the cards to an open gaming table, the procedures in this subsection shall be performed by a dealer and supervised by a floorperson or above with no concurrent supervisory responsibility for open gaming tables. A schedule of the proposed time and location for the preinspection and preshuffling shall be provided to the casino compliance representatives at least 24 hours prior to commencement of the process. The procedures required under paragraphs (1)—(7) shall be recorded by the surveillance department and each recording shall be retained by the certificate holder for at least 7 days.

(1) Upon receipt of the decks of cards in accordance with subsection (e), the dealer shall perform the procedures in paragraphs (2)—(7) independently for each batch of cards that will be sealed in a container in accordance with paragraph (7), with the number of decks of cards in each batch being equal to the number of decks of cards required for the table game in which the decks are intended to be used.

(2) The dealer shall visually inspect the back of each card to assure that it is not flawed, scratched or marked in any way that might compromise the integrity or fairness of the game.

(3) The dealer shall then, either by hand or by using a machine approved by the Bureau of Gaming Laboratory Operations, in accordance with § 461a.4 inspect the front of each card to insure that all cards are present and that there are no extra cards in the deck.

(4) If after inspection, a card is determined to be unsuitable for use, or the deck is missing a card or an extra card is found, the following procedures shall be observed:

(i) The deck containing the unsuitable, missing or extra card shall be placed in an envelope or container which shall be identified by table number, date and time the deck of cards was placed in the envelope or container and signed by the dealer and floorperson or above performing the preinspection and preshuffle.

(ii) The sealed envelope or container containing the deck containing the unsuitable, missing or extra card shall be maintained by the floorperson or above until collection by a security department employee at the conclusion of the preinspection and preshuffling procedure.

(5) The dealer shall then shuffle the cards by hand or by using an automated card shuffling device.

(6) Upon completion of the preinspection and preshuffling process of the cards in the batch, the dealer and floorperson or above shall complete a two-part Preshuffled/Preinspected Form or other documentation, which includes, at a minimum, the following:

(i) The time and date the Preshuffled/Preinspected Form was prepared.

(ii) The number of decks in the batch.

(iii) The table games at which the batch will be utilized if the batch contains more or less than 52 cards per deck. For example: if the batch contains jokers, the game of Pai Gow Poker must appear on the label; if the batch does not contain 10s, Spanish 21 must appear on the label.

(iv) The signature of the dealer who preinspected and preshuffled the cards, certifying that the cards were preinspected and preshuffled in accordance with this subsection.

(v) The signature of the floorperson or above who witnessed and verified the preinspection and preshuffling.

(vi) The time, date and gaming table to which the sealed container of cards is subsequently delivered.

(vii) The signature of the floorperson or above who delivered the sealed container of cards to the gaming table in accordance with paragraph (9).

(7) The dealer shall then place the preinspected and preshuffled batch of cards, together with the Preshuffled/Preinspected Form or other documentation, in a clear container that conforms to the requirements of subsection (j) and seal the container with a prenumbered label unique to the container. Procedures for the maintenance and security of unused seals, and the distribution, return and reconciliation of seals used on containers holding preinspected and preshuffled cards shall be included in the certificate holder's internal controls.

(8) The sealed containers of cards shall be transported by either:

(i) A pit manager or above or Poker shift manager to the gaming pit of the gaming tables where the cards will be utilized and locked in the pit stand.

(ii) An assistant table games shift manager or above and a security department employee to the approved storage area or Poker storage area where the cards shall be placed back into the card inventory and segregated from cards that have not been preinspected and preshuffled. A record of the transport of the sealed containers of cards to the approved storage area shall be maintained by the security department in a manner consistent with the certificate holder's approved internal controls.

(9) When the preinspected and preshuffled cards are needed for play, each container of cards shall be delivered by a floorperson or above to an open gaming table. Upon delivery, the floorperson or above shall unseal the container, place the decks of cards on the gaming table in front of the dealer, complete and sign the Preshuffled/Preinspected Form, drop the original Preshuffled/Preinspected Form in a locked box in the gaming pit and forward the copy of the Preshuffled/Preinspected Form to the security department.

(10) The dealer at the gaming table shall then cut the cards in the manner prescribed by the rules governing the particular table game.

(v) A certificate holder may use preinspected and preshuffled decks or batches of decks obtained from a licensed manufacturer or supplier in the same manner as decks or batches of decks that are preinspected and preshuffled under subsection (u) if the licensed manufacturer or supplier has been approved to provide preinspected and preshuffled decks or batches of decks by the Board's Executive Director.

§ 603a.17. Dealing shoes; automated card shuffling devices.

(a) The following words and terms when used in this section have the following meanings, unless the context clearly indicates otherwise:

Base plate—The interior shelf of the dealing shoe on which the cards rest.

Face plate—The front wall of the dealing shoe against which the next card to be dealt rests and which typically contains a cutout.

(b) Each manual dealing shoe must be designed and constructed to maintain the integrity of the game at which the shoe is used and include the following features, at a minimum:

(1) At least the first 4 inches of the base plate must be white.

(2) The sides of the shoe below the base plate must:

(i) Be transparent, have a transparent sealed cutout or be otherwise constructed to prevent any object from being placed into or removed from the portion of the dealing shoe below the base plate.

(ii) Permit the inspection of this portion of the shoe.

(3) A stop underneath the top of the face plate that precludes the next card to be dealt from being moved upwards for more than 1/8 inch distance.

(c) For a manual dealing shoe used in Minibaccarat, Midibaccarat or Baccarat, the dealing shoe, in addition to meeting the requirements of subsection (b), must also meet the following specifications:

(1) Have a removable lid that is opaque from the point where it meets the face plate to a point at least 4 inches from the face plate.

(2) The sides and back above the base plate must be opaque.

(3) Have a device within the shoe, which when engaged, prevents the cards from moving backward in the shoe.

(d) An automated card shuffling device may be utilized, in addition to a manual or automated dealing shoe, if the automated card shuffling device has been submitted to the Bureau of Gaming Laboratory Operations and approved in accordance with § 461a.4 (relating to submission for testing and approval).

(e) An automated shuffling device must meet a 95% confidence level using a standard chi-squared test for goodness of fit.

(f) An automated card shuffling device may not provide any information that can be used to aid a patron in the projecting of the outcome of a game, tracking of the cards played and cards remaining to be played, analyzing the probability of the occurrence of an event relating to a game, or analyzing the strategy for playing or betting to be used in a game.

(g) At the beginning of each gaming day and prior to any cards being placed in them, the dealing shoes and automated card shuffling devices to be used for gaming shall be inspected by the floorperson assigned to the table to assure that there has not been tampering with the shoe or automated card shuffling device. Evidence of tampering discovered at this time shall be immediately reported to the casino compliance representatives. The report must include, at a minimum:

(1) The date and time when the tampering was discovered.

(2) The name and signature of the individual discovering the tampering.

(3) The table number where the dealing shoe or shuffler was used.

(4) The name and signature of the person assigned to directly operate and conduct the game and the supervisor assigned the responsibility for supervising the operation and conduct of the game.

§ 603a.18. Pai Gow tiles; physical characteristics.

(a) Pai Gow shall be played with a set of 32 rectangular tiles. Each tile in a set must be identical in size and shading to every other tile in the set.

(b) Each tile used must:

(1) Be made of a nontransparent black material, formed in the shape of a rectangle, and be no smaller than 2 1/2 inches in length, 1 inch in width and 3/8 inch in thickness.

(2) Have the surface of each of its sides perfectly flat, except that the front side of each tile must contain spots which extend into the tile exactly the same distance as every other spot.

(3) Have on the back or front of each tile an identifying feature unique to each certificate holder.

(4) Have an identical texture and finish on each side, with the exception of the front side containing the spots.

(5) Have no tile within a set contain any markings, symbols or designs that would enable a patron to know the identity of any element on the front side of the tile or that would distinguish any tile from any other tile within a set.

(6) Have identifying spots on the front side of the tiles which are either red or white, or both.

(c) Pai Gow tiles may not be utilized in a licensed facility unless a detailed schematic depicting the actual size and identifying feature on the tiles has been submitted to the Bureau of Gaming Operations in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment).

(d) Each set of tiles shall be packaged separately and sealed in accordance with § 603a.19 (relating to Pai Gow tiles; receipt, storage, inspection and removal from use).

§ 603a.19. Pai Gow tiles; receipt, storage, inspection and removal from use.

(a) When sets of tiles are received from a manufacturer or supplier, the tiles must immediately be unloaded under the supervision of at least two people, one of whom shall be an assistant table games shift manager or above and one employee from the security department, and transported to a secure area which is covered by the slot machine licensee's surveillance system. The boxes of tiles shall then be inspected by the assistant table games shift manager or above and one employee from the security department to assure that the seals on each box are intact, unbroken and free from tampering. Boxes that do not satisfy these criteria shall be inspected at this time to assure that the tiles contained therein conform to the requirements of this chapter and there is no evidence of tampering. Boxes satisfying these criteria, together with boxes having unbroken, intact and untampered seals shall then be placed for storage in a storage area, the location and physical characteristics of which shall be approved by the Bureau of Casino Compliance in accordance with § 601a.10(f) (relating to approval of table game layouts, signage and equipment).

(b) Sets of tiles which are to be distributed to gaming pits or tables for use in gaming shall be distributed from the approved storage area.

(c) The approved storage area must have two separate locks. The security department shall maintain one key and the table games department shall maintain the other key. A person employed by the table games department below an assistant table games shift manager in the organization hierarchy may not have access to the table games department key.

(d) Immediately prior to the commencement of each gaming day and at other times as may be necessary, an assistant table games shift manager or above, in the presence of a security department employee, shall remove the appropriate number of sets of tiles for that gaming day from the approved storage area.

(e) Envelopes and containers used to hold or transport tiles must be:

(1) Transparent.

(2) Designed or constructed with seals so that any tampering is evident.

(3) Submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a).

(f) The assistant table games shift manager or above shall distribute sufficient sets of tiles to the pit manager or above in each Pai Gow pit.

(1) The pit manager or above shall then distribute the sets of tiles to the dealer at each Pai Gow table and place extra sets of tiles in the reserve in the pit stand.

(2) Sets of tiles in the reserve shall be placed in a locked compartment in the pit stand, keys to which shall be in the possession of the pit manager or above.

(g) If during the course of play any damaged tile is detected, the dealer or a floorperson shall immediately notify the pit manager or above. The pit manager or above shall bring a substitute set of tiles to the table from the reserve in the pit stand to replace the entire set of tiles.

(1) The set of damaged tiles shall be placed in an envelope or container, identified by table number, date and time the tiles were placed in the envelope or container and sealed and signed by the dealer and the floorperson responsible for supervising the table or the pit manager or above.

(2) The pit manager or above shall maintain the sealed envelope or container in a secure place within the pit until collection by a security department employee.

(h) The floorperson responsible for supervising the table or the pit manager or above shall collect used tiles which shall be placed in an envelope or container when removed from active use.

(1) A label shall be attached to each envelope or container which identifies the table number, date and time the tiles were placed in the envelope or container and sealed and signed by the dealer and the floorperson responsible for supervising the table or the pit manager or above.

(2) The pit manager or above shall maintain the sealed envelopes or containers in a secure place within the pit until collection by a security department employee.

(i) A certificate holder shall remove any tiles at any time of the gaming day if there is any indication of tampering, flaws or other defects that might affect the integrity or fairness of the game, or at the request of a casino compliance representative or other Board employee.

(1) A label shall be attached to each envelope or container which identifies the table number, date and time the tiles were placed in the envelope or container and sealed and signed by the dealer and the floorperson responsible for supervising the table or the pit manager or above.

(2) The pit manager or above shall maintain the sealed envelopes or containers in a secure place within the pit until collection by a security department employee.

(j) Extra sets of tiles in the reserve which have been opened shall be placed in an envelope or container with a label attached to each envelope or container which identifies the date and time the tiles were placed in the envelope or container and sealed and is signed by the pit manager or above.

(k) At the end of each gaming day or in the alternative, at least once each gaming day, as designated by the certificate holder and approved by the Bureau of Casino Compliance in accordance with § 601a.10(g), and at other times as may be necessary, a security department employee shall collect and sign all envelopes or containers with damaged tiles, tiles used during the gaming day, and all extra tiles in the reserve which have been opened, and return the envelopes or containers to the security department.

(l) At the end of each gaming day or in the alternative, at least once each gaming day, as designated by the certificate holder and approved by the Bureau of Casino Compliance in accordance with § 601a.10(g), at other times as may be necessary, an assistant table games shift manager or above may collect all extra sets of tiles in the reserve which have not been opened. If collected, all unopened sets of tiles shall either be cancelled, destroyed or returned to the approved storage area.

(m) When envelopes or containers of used tiles and reserve sets of tiles which have been opened are returned to the security department, the tiles shall be inspected for tampering, marks, alterations, missing or additional tiles or anything that might indicate unfair play.

(1) The procedures for inspecting sets of tiles must include the following, at a minimum:

(i) The sorting of tiles by pairs.

(ii) The visual inspection of the sides and back of each tile for tampering, markings or alterations.

(iii) The inspection of the sides and back of each tile with an ultraviolet light.

(2) The individual performing the inspection shall complete a work order form which details the procedures performed, lists the tables from which the tiles were removed and the results of the inspection. The individual shall sign the form upon completion of the inspection procedures.

(3) The certificate holder shall submit the training procedures for the employees performing the inspections required under this subsection in its internal controls.

(4) Evidence of tampering, marks, alterations, missing or additional tiles or anything that might indicate unfair play discovered during the inspection, or at any other time, shall be immediately reported to the casino compliance representatives by the completion and delivery of a two-part Tile Discrepancy Report.

(i) The two-part report must include the tiles which are the subject of the report.

(ii) The tiles shall be retained by the casino compliance representatives for further inspection.

(iii) The casino compliance representative receiving the tiles shall sign the original and duplicate copy of the tile discrepancy report and retain the original. The duplicate copy shall be retained by the certificate holder.

(n) If after completing the inspection procedures required in subsection (m), it is determined that a complete set of 32 tiles removed from a gaming table is free from tampering,

markings or alterations, the set shall be packaged separately and sealed before being returned to the Pai Gow storage area for subsequent use. The certificate holder shall develop internal control procedures for returning the repackaged tiles to the tile inventory in accordance with subsection (p).

(o) Individual tiles from different sets may not be used to make a complete set for subsequent gaming. A certificate holder may, in accordance with its approved internal controls, create replacement and reconstructed sets in accordance with the following requirements:

(1) If after completing the inspection procedures required under subsection (m), it is determined that any tiles have scratches or other markings on the back, sides or edges which make the tiles unsuitable for continued use, the tiles shall be removed from the set and destroyed in accordance with subsection (q). The remaining usable tiles from the set shall then be designated as a replacement set. The individual removing the tiles from a set shall complete a two-part form. The duplicate copy of the form shall be retained with the replacement set and the security department shall retain the original. The two-part form must:

(i) Include the date and time the tiles were removed from the set.

(ii) Identify the specific tile or tiles removed from the set and sent for destruction.

(iii) Contain the name and signature of the individuals involved.

(2) The assistant table games shift manager or above shall return the replacement set, accompanied by the duplicate copy of the form, to the tile inventory in accordance with subsection (p). Replacement sets shall be inventoried and stored separately from any stored and new, used or complete reconstructed sets.

(3) Tiles in one or more replacement sets may be used to create a complete reconstructed set of tiles in accordance with the following procedures:

(i) The assistant table games shift manager or above shall conduct an inspection of each reconstructed set in the storage area, in the presence of a security department employee, and ensure that any replacement tile possesses the same color, texture and finish as all other tiles in the reconstructed set. The assistant table games shift manager or above shall sort the tiles by pairs and verify the needed replacement tile or tiles and visually inspect the sides, backs and edges of each tile in the reconstructed set for tampering, markings and alterations and for comparison as to shading, texture and finish.

(ii) Once a complete set of tiles has been satisfactorily reconstructed from replacement sets, the assistant table games shift manager or above shall attach a label to the envelope or container for the reconstructed set. The label must include the date and time of reconstruction and contain the signature of the assistant table games shift manager or above and the security department employee who witnessed the inspection. The label must also identify the inspection steps that were followed to determine that the reconstructed set of tiles is suitable for use in gaming.

(iii) The certificate holder shall submit internal control procedures for returning the reconstructed sets into inventory, identifying all reconstructed sets and maintaining an accurate inventory balance of remaining replacement sets.

(p) Certificate holders shall submit internal control procedures, in accordance with § 465a.2 (relating to internal control systems and audit protocols), for:

(1) An inventory system which includes records of at least the following:

(i) The balance of sets of tiles on hand.

(ii) The sets of tiles removed from storage.

(iii) The sets of tiles returned to storage or received from a manufacturer or supplier.

(iv) The date of each transaction.

(v) The signatures of the individuals involved.

(2) A reconciliation on a daily basis of:

(i) The sets of tiles distributed.

(ii) The sets of tiles destroyed or cancelled.

(iii) The sets of tiles returned to the approved storage area.

(iv) The sets of tiles in the tile reserve in a pit stand.

(3) A physical inventory of the sets of tiles at least once every 3 months.

(i) The inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of the sets of tiles on hand required in paragraph (1)(i).

(ii) Discrepancies shall immediately be reported to the casino compliance representatives.

(q) Destruction or cancellation of tiles other than those retained for Board inspection, shall be completed within 5 days of collection. The method of destruction or cancellation shall be included in the certificate holder's internal controls. The destruction or cancellation of tiles shall take place in a secure location in the licensed facility covered by the slot machine licensee's surveillance system, the physical characteristics of which shall be approved by the Bureau of Casino Compliance in accordance with § 601a.10(f).

§ 603a.20. Match Play Coupons; physical characteristics and issuance.

(a) A certificate holder may utilize Match Play Coupons in accordance with this section.

(b) Match Play Coupons may not be issued by a certificate holder or utilized in a licensed facility until:

(1) The design specifications of the proposed Match Play Coupons are submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment).

(2) A system of internal procedures and administrative and accounting controls governing the inventory, distribution and redemption of the Match Play Coupons is submitted and approved as part of the certificate holder's internal controls in accordance with § 465a.2 (relating to internal control systems and audit protocols).

(c) Match Play Coupons issued by a certificate holder must contain:

(1) The name or logo of the certificate holder.

(2) The value of the coupon which can be identified when viewing the coupon through the surveillance system of the certificate holder.

(3) A sequential serial number.

(4) Restrictions regarding redemption including the type of game or wager on which the coupon may be used.

(5) A statement specifying the date on which the coupon expires.

(6) An area designated for the placement of the required gaming chips so as to not obscure or interfere with the visibility of the denomination of the coupon.

(d) The marketing department, or other department as specified in the certificate holder's internal controls, and the finance department shall be responsible for administering the Match Play Coupon program. The marketing department shall be responsible for distributing the coupons to patrons. The finance department shall be responsible for maintaining the Match Play Coupon ledger and administering the coupon accounting procedures in subsection (m).

(e) Match Play Coupons received from a gaming service provider or produced by the certificate holder in accordance with subsection (p) shall be opened and examined by at least one member of the finance department and one member of the marketing department. Any deviation between the invoice accompanying the coupons and the actual coupons received shall be immediately reported to a supervisor from the finance department and to the Bureau of Casino Compliance.

(f) After checking the Match Play Coupon received from the gaming service provider or produced by the certificate holder, a finance department supervisor shall record the following information in the Match Play Coupon ledger:

(1) The date the coupons were received.

(2) The quantity and denomination of coupons received.

(3) The beginning and ending serial number of the coupons received.

(4) The name, signature and Board-issued credential number of the individuals who checked the coupons.

(g) A marketing department supervisor shall estimate the number of Match Play Coupons needed for each gaming day or promotion and complete a requisition document which contains the following information:

(1) The date the requisition was prepared.

(2) The date for which the coupons are needed.

(3) The denomination and quantity of coupons requested.

(4) The name, signature and Board-issued credential number of the marketing department supervisor completing the requisition.

(5) The name, signature and Board-issued credential number of the finance department supervisor authorizing the requisition.

(h) Upon receipt of the requisition document, the finance department supervisor shall record in the Match Play Coupon ledger the following information before the coupons are issued to the marketing department supervisor:

(1) The beginning and ending serial number of the coupons issued.

(2) The denomination and quantity of coupons issued.

(3) The name, signature and Board-issued credential number of the finance department supervisor who issued the coupons.

(4) A record and explanation of coupons that were voided.

(i) Match Play Coupons that are not issued to the marketing department shall be controlled by a finance department supervisor or above and stored in a secured and locked area approved by the Bureau of Casino Compliance in accordance with § 601a.10(g). The certificate holder shall include in its internal controls the location of the approved storage area.

(j) The marketing department shall maintain a daily Match Play Coupon Reconciliation Form which must contain:

(1) The date.

(2) The beginning and ending serial numbers of the coupons received from the finance department.

(3) The denomination and quantity of coupons the marketing department has to distribute to patrons.

(4) The denomination and quantity of coupons the marketing department distributed to patrons.

(5) The denomination, quantity and serial numbers of coupons remaining.

(6) The serial numbers of coupons that were voided and the reason the coupons were voided.

(7) Variations discovered and an explanation of the variations.

(8) The name, signature and Board-issued credential number of the marketing department supervisor completing the form.

(k) At the end of the gaming day or promotional period, a copy of the Match Play Coupon Reconciliation Form and Match Play Coupons that were not distributed to patrons shall be returned to the finance department. The marketing department may keep for use during the next gaming day coupons that were not distributed to patrons provided the coupons are stored in a secured and locked area approved by the Bureau of Casino Compliance in accordance with § 601a.10(f) and recoded on the daily Match Play Coupon Reconciliation Form for the next gaming day. Expired coupons shall be returned to the finance department on a daily basis.

(l) When unused and expired Match Play Coupons are returned to the finance department, a finance department supervisor shall record the following information in the Match Play Coupon ledger:

(1) The date the coupons were returned.

(2) The beginning and ending serial numbers of the coupons returned.

(3) The denomination and quantity of coupons returned.

(4) The serial numbers of any coupons that were voided and the reason the coupons were voided.

(5) The name, signature and Board-issued credential number of the marketing department supervisor returning the unused coupons and the name, signature and Board-issued credential number of the finance department supervisor who received the unused coupons.

(m) Documentation, voided coupons, redeemed coupons and coupons that were not distributed to patrons shall be forwarded on a daily basis to the finance department where the coupons shall be:

(1) Counted and examined for proper calculation and recording.

(2) Reviewed for the propriety of signatures on the documentation and cancelled.

(3) Reconciled by total number of coupons given to the marketing department for distribution to patrons, returned for reissuance, voided, distributed to patrons and redeemed.

(4) Recorded, maintained and controlled by the finance department.

(n) At least once every month, each certificate holder shall inventory the Match Play Coupons that are not distributed to patrons and record the result of the inventory in the Match Play Coupon ledger. The procedures to be utilized to inventory the Match Play Coupons shall be submitted for approval as part of the certificate holder's internal controls.

(o) Each certificate holder shall prepare and file with the Bureau of Casino Compliance a quarterly report which lists, by denomination of Match Play Coupon, the total value of the coupons redeemed by patrons.

(p) A certificate holder may internally manufacture or print Match Play Coupons provided that internal controls governing the production and subsequent reconciliation of the coupons are submitted and approved by the Board.

(q) If included in the certificate holder's internal controls, required under § 465a.2, a certificate holder may authorize a gaming service provider to print and mail Match Play Coupons directly to patrons in accordance with the following requirements:

(1) The Match Play Coupons mailed by the gaming service provider must comply with subsections (b) and (c).

(2) The certificate holder shall supply the gaming service provider, through electronic means, a list of the following information for each patron to whom the Match Play Coupon shall be mailed:

(i) The patron's name.

(ii) The patron's address.

(iii) The denomination of the Match Play Coupon.

(iv) The expiration date of the Match Play Coupon.

(v) A serial number on each Match Play Coupon.

(3) The Match Play Coupon issued must include a magnetic strip or bar code that will enable the certificate holder's computer system to identify the information required under subsection (q)(2).

(4) The information in subsection (q)(2) shall be provided to the finance department which shall maintain the information for purposes of reconciliation as required under subsection (m).

(5) Prior to the redemption of the Match Play Coupon, the dealer shall verify the expiration date and confirm that the coupon has not expired.

(6) Match Play Coupons issued must be electronically canceled in the certificate holder's computer system immediately upon redemption or during the counting of the table game drop boxes as provided in § 465a.25 (relating to counting and recording of slot cash storage boxes and table game drop boxes).

(7) The certificate holder is responsible for ensuring that the gaming service provider does not mail Match Play Coupons to individuals on the casino self-exclusion list under Chapter 503a (relating to casino self-exclusion) or the exclusion list under Chapter 511a (relating to persons required to be excluded).

(r) A certificate holder may utilize a computerized system that complies with the requirements in this section provided that:

(1) The computerized system creates Match Play Coupons that comply with the requirements in subsection (c).

(2) The computerized system provides an equivalent audit trail and allows for the segregation of duties to satisfy the requirements in this section.

(3) The certificate holder includes in its internal controls required under § 465a.2 procedures governing the production, recording and reconciliation of the computer generated Match Play Coupons.

§ 603a.21. Match Play Coupon use.

(a) A Match Play Coupon may be redeemed only at a gaming table in which patrons wager against the house.

(b) A Match Play Coupon shall be redeemed by a dealer or boxperson if accompanied by gaming chips that are equal to or greater in value to the stated value of the coupon. The Match Play Coupon shall be placed underneath the gaming chips wagered by the patron so that the value of the coupon is visible at all times. If the gaming chips wagered by the patron are greater in value than the stated value of the Match Play Coupon, the dealer shall break down the wager by placing an amount of gaming chips equal to the stated value of the coupon directly on the coupon and the remainder of the gaming chips wagered next to the coupon. If the wager wins, it shall be paid in accordance with the terms and conditions of the coupon.

(c) A Match Play Coupon and any gaming chips wagered shall be positioned as follows:

(1) For all games other than Craps, Mini-Craps or Roulette, in the patron's betting area.

(2) For Craps and Mini-Craps, on the Pass or Don't Pass Line.

(3) For Roulette, in the box marked “Black,” “Red,” “Odd,” “Even,” “1-18,” “19-36,” “1st 12,” “2nd 12” or “3rd 12.”

(d) A patron may use only one Match Play Coupon per round of play.

(e) Whether the wager wins or loses, the dealer shall deposit the Match Play Coupon into the drop box attached to the gaming table at the time the winning wager is paid or the losing wager is collected.

§ 603a.22. Direct Bet Coupons; physical characteristics and issuance.

(a) A certificate holder may utilize Direct Bet Coupons in accordance with this section.

(b) Direct Bet Coupons may be produced instantaneously through the use of computerized systems, such as player-operated kiosks or a system utilized by casino staff, or may be received from a gaming service provider or produced by the certificate holder.

(c) Direct Bet Coupons may not be issued by a certificate holder or utilized in a licensed facility until all of the following occur:

(1) The design specifications of the proposed coupons are submitted to the Bureau of Gaming Operations and approved in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment).

(2) A system of internal procedures and administrative and accounting controls governing the inventory, distribution and redemption of the coupons is submitted and approved as part of the certificate holder's internal controls in accordance with § 465a.2 (relating to internal control systems and audit protocols).

(d) Direct Bet Coupons issued to a patron by a certificate holder must contain all of the following:

(1) The name or logo of the certificate holder.

(2) The value of the coupon which can be identified when viewing the coupon through the surveillance system of the certificate holder.

(3) A serial number, barcode, QR code or other mechanism to be used to identify, verify and track coupons.

(4) Restrictions regarding redemption including the type of game and wagers on which the coupon may be used.

(5) A statement specifying the date on which the coupon expires, which can be identified when viewing the coupon through the surveillance system of the certificate holder.

(6) The name or player identification number of the rated player to whom the coupon is being issued.

(e) The marketing department, or other department as specified in the certificate holder's internal controls, and the finance department shall be responsible for administering the Direct Bet Coupon program. The marketing department shall be responsible for distributing the coupons to patrons. The finance department shall be responsible for maintaining the Direct Bet Coupon ledger and administering the coupon accounting procedures in subsection (f).

(f) Each certificate holder shall maintain a Direct Bet Coupon ledger which serves as an inventory of Direct Bet Coupons, which shall comply with the following:

(1) The Direct Bet Coupon ledger shall contain all of the following information relating to coupons produced instantaneously:

(i) Serial number.

(ii) Date and time of issuance.

(iii) Value of coupon.

(iv) Status of the coupon, that is, issued, expired, voided or redeemed.

(2) The Direct Bet Coupon ledger shall contain inventory information relating to coupons received from a gaming service provider or produced by the certificate holder, as further outlined under subsection (i).

(g) Documentation, voided coupons, redeemed coupons and coupons that were not distributed to patrons shall be forwarded on a daily basis to the finance department where the coupons shall be processed in all of the following ways:

(1) Counted and examined for proper calculation and recording.

(2) Reviewed for the propriety of signatures on the documentation and cancelled.

(3) Reconciled by total number of coupons given to the marketing department for distribution to patrons, returned for reissuance, voided, distributed to patrons and redeemed.

(4) Recorded, maintained and controlled by the finance department.

(h) Each certificate holder shall prepare and file with the Bureau of Casino Compliance a monthly report which lists, by denomination of Direct Bet Coupon, the total value of the coupons issued to patrons and the total value of the coupons redeemed by patrons.

(i) If the Direct Bet Coupons are received from the gaming service provider or produced by the certificate holder, the following shall occur:

(1) Direct Bet Coupons shall be opened and examined by at least one member of the finance department and one member of the marketing department. Any deviation between the invoice accompanying the coupons and the actual coupons received shall be immediately reported to a supervisor from the finance department and to the Bureau of Casino Compliance.

(2) A finance department supervisor shall record all of the following information in the Direct Bet Coupon ledger:

(i) The date the coupons were received.

(ii) The quantity and denomination of coupons received.

(iii) The beginning and ending serial number of the coupons received.

(iv) The name, signature and board-issued credential number of the individuals who checked the coupons.

(3) A marketing department supervisor shall estimate the number of Direct Bet Coupons needed for each gaming day or promotion and complete a requisition document which contains all of the following information:

(i) The date the requisition was prepared.

(ii) The date for which the coupons are needed.

(iii) The denomination and quantity of coupons requested.

(iv) The name, signature and board-issued credential number of the marketing department supervisor completing the requisition.

(v) The name, signature and board-issued credential number of the finance department supervisor authorizing the requisition.

(4) Upon receipt of the requisition document, the finance department supervisor shall record in the Direct Bet Coupon ledger all of the following information before the coupons are issued to the marketing department supervisor:

(i) The beginning and ending serial number of the coupons issued.

(ii) The denomination and quantity of coupons issued.

(iii) The name, signature and board-issued credential number of the finance department supervisor who issued the coupons.

(iv) A record and explanation of coupons that were voided.

(5) Direct Bet Coupons that are not issued to the marketing department shall be controlled by a finance department supervisor or above and stored in a secured and locked area approved by the Bureau of Casino Compliance in accordance with § 601a.10(g). The certificate holder shall include in its internal controls the location of the approved storage area.

(6) The marketing department shall maintain a daily Direct Bet Coupon reconciliation form which must contain all of the following information:

(i) The date.

(ii) The beginning and ending serial numbers of the coupons received from the finance department.

(iii) The denomination and quantity of coupons the marketing department has to distribute to patrons.

(iv) The denomination and quantity of coupons the marketing department distributed to patrons.

(v) The denomination, quantity and serial numbers of coupons remaining.

(vi) The serial numbers of coupons that were voided and the reason the coupons were voided.

(vii) Variations discovered and an explanation of the variations.

(viii) The name, signature and board-issued credential number of the marketing department supervisor completing the form.

(j) At the end of the gaming day, a copy of the Direct Bet Coupon reconciliation form and Direct Bet Coupons that were not distributed to patrons shall be returned to the finance department. The marketing department may keep for use during the next gaming day coupons that were not distributed to patrons provided the coupons are stored in a secured and locked area approved by the Bureau of Casino Compliance in accordance with § 601a.10(f) and recorded on the daily Direct Bet Coupon reconciliation form for the next gaming day. Expired coupons shall be returned to the finance department on a daily basis.

(k) At least once every month, each certificate holder shall inventory the Direct Bet Coupons that are not distributed to patrons and record the result of the inventory in the Direct Bet Coupon ledger. The procedures to be utilized to inventory the coupons shall be submitted for approval as part of the certificate holder's internal controls.

(l) When unused and expired Direct Bet Coupons are returned to the finance department, a finance department supervisor shall record all of the following information in the Direct Bet Coupon ledger:

(1) The date the coupons were returned.

(2) The beginning and ending serial numbers of the coupons returned.

(3) The denomination and quantity of coupons returned.

(4) The serial numbers of any coupons that were voided and the reason the coupons were voided.

(5) The name, signature and board-issued credential number of the marketing department supervisor returning the unused coupons and the name, signature and board-issued credential number of the finance department supervisor who received the unused coupons.

(m) A certificate holder may internally manufacture or print Direct Bet Coupons, provided that internal controls governing the production and subsequent reconciliation of the coupons are submitted and approved by the board.

(n) If included in the certificate holder's internal controls, required under § 465a.2, a certificate holder may authorize a gaming service provider to print and mail Direct Bet Coupons directly to patrons in accordance with all of the following requirements:

(1) The Direct Bet Coupons mailed by the gaming service provider must comply with subsections (c) and (d).

(2) The certificate holder shall supply the gaming service provider, through electronic means, a list of the following information for each patron to whom the Direct Bet Coupon shall be mailed:

(i) The patron's name.

(ii) The patron's address.

(iii) The denomination of the Direct Bet Coupon.

(iv) The expiration date of the Direct Bet Coupon.

(v) A serial number on each Direct Bet Coupon.

(3) The Direct Bet Coupon issued must include a means such as magnetic strip, bar code or QR code that will enable the certificate holder's computer system to identify the information required under subsection (n)(2).

(4) The information in subsection (n)(2) shall be provided to the finance department which shall maintain the information for purposes of inventory and reconciliation as required under subsections (f) and (g).

(5) Direct Bet Coupons issued must be electronically cancelled in the certificate holder's computer system immediately upon redemption or during the counting of the table game drop boxes as provided in § 465a.25 (relating to counting and recording of slot cash storage boxes and table game drop boxes).

(6) The certificate holder is responsible for ensuring that the gaming service provider does not mail Direct Bet Coupons to individuals on the casino self-exclusion list under Chapter 503a (relating to casino self-exclusion) or the exclusion list under Chapter 511a (relating to persons required to be excluded).

(o) A certificate holder may utilize a computerized system that complies with the requirements in this section, provided that all of the following occur:

(1) The computerized system creates Direct Bet Coupons that comply with the requirements in subsection (d).

(2) The computerized system provides an equivalent audit trail and allows for the segregation of duties to satisfy the requirements in this section.

(3) The certificate holder includes in its internal controls required under § 465a.2 procedures governing the production, recording and reconciliation of the computer-generated Direct Bet Coupons.

§ 603a.23. Direct Bet Coupon use.

(a) A Direct Bet Coupon may be redeemed only at a gaming table in which patrons wager against the house.

(b) A Direct Bet Coupon shall be verified as being valid by a dealer or boxperson prior to being accepted as a wager.

(c) Direct Bet Coupons must be electronically cancelled in the casino management system upon redemption.

(d) Only one Direct Bet Coupon may be used per patron per round of play.

(e) Direct Bet Coupons may be utilized on main wagers that have payout odds of 1 to 1. Examples of acceptable wagers include the following:

(1) In Roulette wagers on “Red,” “Black,” “Odd,” “Even,” “1—18” or “19—36.”

(2) In Pai Gow, on the main Pai Gow wager.

(3) In Craps or Minicraps, on the “'Pass” or “Don't Pass” wager.

(4) In Baccarat, Minibaccarat, Midibaccarat or other Baccarat variation, on the “Player” or “Dealer” wager.

(5) In Blackjack, Spanish 21 or other Blackjack variations, on the main Blackjack wager.

(f) Whether the wager wins or loses, the dealer shall deposit the Direct Bet Coupon into the drop box attached to the gaming table at the time the winning wager is paid or the losing wager is collected. If the wager is a push, the Direct Bet Coupon shall remain in play for the next round.

CHAPTER 605a. ELECTRONIC GAMING TABLES

Sec.

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§ 605a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Electronic wagering system—A computer or server and any related hardware, software or other device that permits wagering to be conducted at a gaming table or an electronic wagering terminal.

Electronic wagering terminal—A mechanical, electrical or computerized device utilizing an electronic wagering system which, upon insertion of cash or cash equivalents or the placement of a wager, is available for operation by a player wagering at a hybrid gaming table.

Game account—The funds that are available to a player for use at an electronic gaming table or electronic wagering terminal.

Hybrid gaming table—A banked table game operable with the assistance of a dealer that is connected to one or more electronic wagering terminals.

Local area progressive controller—The hardware and software used to configure, maintain and operate a shared link between progressive table games within a licensed facility.

§ 605a.2. Electronic wagering systems.

(a) A certificate holder may conduct electronic wagering at a gaming table or electronic wagering terminal in accordance with this chapter. Electronic wagering at a gaming table shall be conducted through the use of an electronic wagering system. If an electronic wagering system is in use, wagers placed at that gaming table or at each player's electronic wagering terminal, or only those wagers that are specified in the rules of the game, shall be made using the electronic wagering system at the table or at each player's electronic wagering terminal.

(b) An electronic wagering system must be a dedicated computer system. The computer or server controlling the system shall be under dual key control, with one key controlled by the finance department and the other key controlled by the table games department or the slot operations department if the computer or server is controlling a fully automated electronic gaming table or an electronic wagering terminal.

(c) All aspects of an electronic wagering system or electronic wagering terminal, including the computer or server and any related hardware, software or related devices shall be tested by the Bureau of Gaming Laboratory Operations and approved in accordance with § 461a.4 (relating to submission for testing and approval) prior to use at any licensed facility in this Commonwealth.

(d) An electronic wagering system must:

(1) Credit funds to the game account of a player when a player buys in to a game at a particular gaming table or on an electronic wagering terminal and debit any remaining funds from the game account when a player cashes out of the game.

(2) Permit a player to wager from a game account, collect losing wagers from the game account and pay winning wagers by crediting the amount of the winnings and corresponding wager to the game account.

(3) In the game of Poker:

(i) Debit game accounts and increment pots for wagers placed, and distribute winning pots by crediting the game accounts of the winning players in the appropriate amounts.

(ii) Extract the rake from players or pots according to the rake procedures established in accordance with § 637a.17 (relating to Poker revenue) and debit the game accounts of players in the appropriate amounts.

(iii) Make each player's balance or table stakes visible to all players in the game.

(4) Depict the transactions described in paragraphs (1) — (3) through one or more electronic fund displays that are visible to each player and the dealer or boxperson.

(5) Disclose to each player at all times the current balance in the player's game account.

(6) Accurately report and audit the table game or electronic wagering terminal win or loss or Poker revenue in accordance with § 637a.17.

(7) Be capable of generating reports setting forth, by gaming day, for each gaming table or electronic wagering terminal using the electronic wagering system:

(i) The total amount deposited into game accounts by all players.

(ii) The total amount credited to the game accounts of all players in payment of winnings.

(iii) The total amount collected from all players as losing wagers.

(iv) For Poker, if applicable:

(A) The total amount collected from the accounts of all players for collection of Poker rake time charges in accordance with § 637a.17.

(B) The total amount collected from Poker pots for collection of Poker rake in accordance with § 637a.17.

(v) The total amount withdrawn from game accounts by all players.

(vi) The table game or electronic wagering terminal gross table game revenue.

(e) After installation, electronic wagering systems, hybrid gaming tables and electronic wagering terminals shall be inspected by the Bureau of Gaming Laboratory Operations in accordance with § 461a.4 prior to use at any licensed facility in this Commonwealth.

§ 605a.3. Procedures for buying in to and cashing out of a table game using an electronic wagering system.

(a) A player shall buy in to a table game using an electronic wagering system as follows:

(1) If the gaming table or electronic wagering terminal is equipped with a bill validator, a player shall buy in to the game by either:

(i) Inserting currency or, if the table game is a fully automated electronic gaming table or an electronic wagering terminal, a gaming voucher, into the bill validator. The electronic wagering system must credit an equivalent amount of funds into the game account of the player, which must be displayed on the electronic fund display.

(ii) Presenting currency or value chips to the dealer or boxperson if the table game is not a fully automated electronic gaming table or an electronic wagering system.

(2) If the gaming table is not equipped with a bill validator, a player shall buy in to the game by presenting currency or value chips to the dealer or boxperson.

(3) When a player presents currency or value chips to a dealer or boxperson, the dealer or boxperson shall credit an equivalent amount of funds to the game account of the player, which shall be registered on the electronic fund display and acknowledged by the player.

(b) A player shall cash out of a table game using an electronic wagering system as follows:

(1) If the gaming table is a fully automated electronic gaming table or an electronic wagering terminal, by receiving a gaming voucher equal in value to the balance in the game account of the player.

(2) If the gaming table is not a fully automated electronic gaming table or an electronic wagering terminal, by receiving value chips from the dealer or boxperson from the table inventory container equal in value to the balance in the game account of the player.

(3) If the gaming table is not a fully automated electronic gaming table or an electronic wagering terminal, after cashing out the player, the dealer or boxperson shall zero out the amount on the electronic fund display of the player.

§ 605a.4. Electronic gaming tables.

(a) An electronic gaming table must comply with the requirements in § 605a.2 (relating to electronic wagering systems).

(b) An electronic gaming table system must contain a dedicated computer system. The computer or server controlling the system shall be under dual key control, with one key controlled by the finance department and the other key controlled by the table games department or the slot operations department if the computer or server is controlling a fully automated electronic gaming table or electronic wagering terminal. All aspects of an electronic gaming table system, including the computer or server and related hardware, software or related devices shall be tested by the Bureau of Gaming Laboratory Operations and approved in accordance with § 461a.4 (relating to submission for testing and approval), for compliance with the requirements of this section, prior to use at any licensed facility in this Commonwealth.

(c) An electronic gaming table must have the capacity to allow the Bureau of Gaming Laboratory Operations to verify all relevant control software for authenticity.

(d) A certificate holder using an electronic gaming table system shall include in its internal controls, at a minimum:

(1) Procedures to ensure the physical security of the computer or server and related hardware, software and other devices.

(2) Procedures to ensure the integrity and security of all sensitive data and software.

(3) Procedures to ensure that access to sensitive data and software is limited to appropriate personnel only.

(4) Procedures to ensure the logging of the events and the availability of records to permit an effective audit of the conduct of the system and the reporting of revenue.

(e) An electronic gaming table must have the ability to authenticate the transmission of data between the various components of the electronic gaming table system.

(f) An electronic gaming table that is not a fully automated electronic gaming table or an electronic wagering terminal must be equipped with the following meters, when applicable:

(1) *Coin in.* A meter that accumulates the total value of all wagers.

(2) *Coin out.* A meter that accumulates the total value of all amounts directly paid by the electronic gaming table as a result of winning wagers. This meter may not record amounts awarded as the result of a progressive payout.

(3) *Attendant paid jackpots.* A meter that accumulates the total value of credits paid by an attendant resulting from a single winning outcome, the amount of which is not capable of being paid by the electronic gaming table. This meter may not record amounts awarded as the result of a progressive payout.

(4) *Attendant paid cancelled credits.* A meter that accumulates the total value of all amounts paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the electronic gaming table.

(5) *Bill in.* A meter that accumulates the total value of currency accepted. The electronic gaming table must also have a specific meter for each denomination.

(6) *Electronic gaming table paid progressive payout.* For electronic gaming tables offering a progressive payout, a meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the electronic gaming table.

(7) *Attendant paid progressive payout.* For electronic gaming tables offering a progressive payout, a meter that accumulates the total value of credits paid by an attendant as a result of progressive awards that are not capable of being paid by the electronic gaming table.

(8) *Additional meters.* Other meters required by technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 605a.5. Fully automated electronic gaming tables and electronic wagering terminals.

(a) Fully automated electronic gaming tables and electronic wagering terminals must comply with the comprehensive protocol specifications required under section 1324 of the act (relating to protocol information) that are necessary to enable the fully automated electronic gaming table or electronic wagering terminal to communicate with the Department's central control computer system, for the purpose of transmitting auditing program information, real time information retrieval and game activation and disabling.

(b) A fully automated electronic gaming table must have installed software or hardware that distinguishes the fully automated electronic gaming table from a slot machine as defined by the act.

(c) A fully automated electronic gaming table and an electronic wagering terminal must have the capability to accept currency or gaming vouchers and to issue a gaming voucher to a player for any winnings.

(d) A fully automated electronic gaming table and an electronic wagering terminal must be equipped with the following meters, where applicable:

(1) *Coin in.* A meter that accumulates the total value of all wagers.

(2) *Coin out.* A meter that accumulates the total value of all amounts directly paid by the fully automated electronic gaming table or electronic wagering terminal as a result of winning wagers. This meter may not record amounts awarded as the result of a progressive payout.

(3) *Attendant paid jackpots.* A meter that accumulates the total value of credits paid by an attendant resulting from a single winning outcome, the amount of which is not capable of being paid by the fully automated electronic gaming table or electronic gaming terminal. This meter may not record amounts awarded as the result of a progressive payout.

(4) *Attendant paid cancelled credits.* A meter that accumulates the total value of all amounts paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the fully automated electronic gaming table or electronic wagering terminal.

(5) *Bill in.* A meter that accumulates the total value of currency accepted. The fully automated electronic gaming table or electronic wagering terminal must also have a specific meter for each denomination.

(6) *Voucher in—cashable/value.* A meter that accumulates the total value of cashable gaming vouchers accepted by the fully automated electronic gaming table or electronic wagering terminal.

(7) *Voucher in—cashable/count.* A meter that accumulates the total number of cashable gaming vouchers accepted by the fully automated electronic gaming table or electronic wagering terminal.

(8) *Voucher out—cashable/value.* A meter that accumulates the total value of cashable gaming vouchers issued by the fully automated electronic gaming table or electronic wagering terminal.

(9) *Voucher out—cashable/count.* A meter that accumulates the total number of cashable gaming vouchers accepted by the fully automated electronic gaming table or electronic wagering terminal.

(10) *Fully automated electronic gaming table paid progressive payout or electronic wagering terminal paid progressive payout.* For fully automated electronic gaming tables or electronic wagering terminals offering a progressive payout, a meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the fully automated electronic gaming table or electronic wagering terminal.

(11) *Attendant paid progressive payout.* For fully automated electronic gaming tables or electronic wagering terminal offering a progressive payout, a meter that accumulates the total value of credits paid by an attendant as a result of progressive awards that are not capable of being paid by the fully automated electronic gaming table or electronic wagering terminal.

(12) *Additional meters.* Other meters required by technical standards adopted by the Board as published in the *Pennsylvania Bulletin* and posted on the Board's web site.

§ 605a.6. Integrated live Roulette wheels used on fully automated electronic gaming tables.

(a) A fully automated electronic gaming table with an integrated live Roulette wheel must randomize the method by which the outcome is determined. This includes, but is not limited to the speed at which the ball is ejected onto the wheel and the speed at which the wheel rotates.

(b) A fully automated electronic gaming table with an integrated live Roulette wheel must be capable of determining if the wheel meets a 95% confidence limit using a standard chi-squared test for goodness of fit. The calculation must be made based on the following criteria:

(1) Ten thousand outcomes have been generated.

(2) A new calculation must be made for each 10,000 subsequent outcomes.

(3) The calculation must consider only the most recent 10,000 outcomes.

(c) A fully automated electronic gaming table with an integrated live Roulette wheel must be capable of displaying a visual notification, clearable by an attendant, if at any time the live Roulette wheel has failed the chi-squared test for goodness of fit under subsection (b).

(d) A fully automated electronic gaming table with an integrated live Roulette wheel must be capable of disabling play in the event that the wheel has failed to meet the 95% confidence limit for goodness of fit test required under subsection (b) for two consecutive testing periods. Attendant interaction shall be required before enabling the table for play.

(e) A fully automated electronic gaming table with an integrated live Roulette wheel must be capable of providing a report that shows the results of the last chi-squared test as well as the previous 9 chi-squared tests. The report must contain the following:

(1) The time and date the test was performed.

(2) The table ID or any comparable identifier.

(3) The number of games used to perform the test.

(4) The outcome of the test.

§ 605a.7. Progressive table games.

(a) The requirements in this section apply to progressives offered on a fully automated electronic gaming table, electronic gaming tables, hybrid gaming tables and live table games. Each progressive on a fully automated electronic gaming table, electronic gaming table, hybrid gaming table or live table game must have:

(1) A progressive meter visible from the front of the gaming table, which must increase in value based upon wagers, that advises the players of the amount which can be won if the player receives the corresponding outcome.

(2) A meter that accumulates the total value of credits paid as a result of progressive awards paid directly by a fully automated electronic gaming table, electronic wagering terminal or electronic gaming table.

(3) A meter that accumulates the total value of credits paid as a result of progressive awards paid directly by an attendant as a result of progressive awards that are not capable of being paid by a fully automated electronic gaming table, electronic wagering terminal or electronic gaming table.

(4) A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid directly by a fully automated electronic gaming table, electronic gaming table, or attendant.

(5) A key and keyed switch to reset the progressive meter or meters or other reset mechanism.

(6) A key locking the compartment housing the progressive meter or meters or other means by which to preclude unauthorized alterations to the progressive meters. The key or alternative security method must be different than the key or reset mechanism in paragraph (5).

(b) A table game that offers a progressive jackpot may not be placed on the gaming floor until the certificate holder or, if applicable, the progressive system operator, has submitted the following to the Bureau of Gaming Laboratory Operations for review and approval, in accordance with § 461a.4 (relating to submission for testing and approval):

(1) The initial and reset amounts at which the progressive meter or meters will be set.

(2) The proposed system for controlling the keys and applicable logical access controls to the table games.

(3) The proposed rate of progression for each progressive jackpot.

(4) The proposed incrementation rate for a reserve pool, if any, to fund the next reset amount.

(c) A table game that offers either a new progressive jackpot or a modification of an existing progressive jackpot may not be made available for play by the public until the table game has been tested by the Bureau of Gaming Laboratory Operations and approved in accordance with § 461a.4 and § 461a.26 (relating to testing and software installation on the live gaming floor).

(d) Progressive meters may not be turned back to a lesser amount or removed unless one of the following occurs:

(1) The amount indicated has been paid to a winning patron and the amount won has been recorded in accordance with a system of internal controls approved under § 465a.2 (relating to internal control systems and audit protocols).

(2) The progressive jackpot has, upon written approval in accordance with § 461a.4, been transferred to another progressive table game.

(3) A table game or progressive meter malfunctions, in which case, a written explanation shall be sent to the Bureau of Gaming Laboratory Operations and the entire progressive jackpot amount shall be placed back onto the progressive jackpot meter.

(e) A certificate holder that offers progressive jackpots:

(1) May not place a limit or cap on the progressive jackpot amount.

(2) May not offer more than one progressive jackpot on the same table game.

(3) Shall require that on any table with a linked progressive, the same progressive wager amount be invested to entitle the player a chance at winning the progressive jackpot. The progressive wager amount required may not be changed unless the certificate holder updates its Rules Submission in accordance with § 601a.2 (relating to table games Rules Submissions).

(4) Shall submit internal controls in accordance with § 465a.2 specifying how the licensee will reconcile simultaneous or multiple progressive meter wins from the same progressive meter.

(5) May not remove a progressive jackpot from the gaming floor without written approval from the Board's Executive Director.

§ 605a.8. Linked progressive table games.

(a) Two or more table games that are located within the same licensed facility and offer a shared progressive jackpot must be linked using an approved local area progressive (LAP) controller.

(b) The LAP controller:

(1) Must be capable of uniquely identifying each linked progressive table game.

(2) Must become inoperable if any of the following errors occur:

(i) RAM failures.

(ii) Power failures.

(iii) Self-check errors.

(iv) Incorrect configurations.

(v) Lost jackpot configurations.

(3) Must be designed to:

(i) Recover from an error or communication failure and, when recovered, to return to the state it was in prior to the error or communication failure.

(ii) Automatically and accurately calculate the progressive jackpot amount based on a configured rate of progression and to continuously update the required displays and meters.

(iii) Accurately identify and record the order of winning progressive jackpots when two or more linked progressive table games achieve the same winning game outcome at nearly the same time.

(iv) Complete a self-check when powered-up. A LAP controller must be designed so that it becomes operational only if it has successfully passed a self-check. A self-check must include an authentication of the LAP controller software by means of, at a minimum, a 16-bit cyclical redundancy check.

(4) May not allow progressive parameter changes while a progressive link is in operation.

(c) Progressives connected to a LAP controller must become unplayable when the LAP controller is disabled or inoperable or if the progressive loses communication with the LAP controller.

(d) The certificate holder shall specify in its internal controls required under § 465a.2 (relating to internal control systems and audit protocols):

(1) The mechanism by which the certificate holder and the patrons will be notified if the LAP controller or the linked progressive on a table game becomes inoperable.

(2) The secure location within the licensed facility where the LAP controller will be stored.

(3) An access matrix containing a list of users and a description of their access rights to the LAP controller software.

(4) Key controls over the cabinet or rack which houses the LAP controller.

(e) A certificate holder is required to physically house, in each location where a LAP controller is stored, an entry authorization log that documents each time a LAP controller is accessed. The log must:

(1) Contain the date, time, purpose for accessing the LAP controller and the signature and license or permit number of the person accessing the LAP controller.

(2) Be maintained in the location where the LAP controller unit is housed.

(3) Have recorded a sequence number and the manufacturer's serial number of the LAP controller.

(f) A certificate holder seeking to utilize a linked progressive on a table game shall submit for approval the location and manner of installing a progressive meter display mechanism.

(g) Two or more table games within the same licensed facility that are linked to a common progressive meter for the purpose of offering a shared progressive jackpot must:

(1) Have the same probability of hitting the combination that will award the progressive jackpot as every other table game linked to the common progressive meter.

(2) Require that the same progressive wager amount be invested to entitle the player a chance at winning the progressive jackpot. Progressive wager amounts may not be changed unless the certificate holder updates its Rules Submission in accordance with § 601a.2 (relating to table games Rules Submissions).

(h) Table games that offer a linked progressive jackpot may not be made available for play by the public until the LAP controller and the linked progressive table games have been tested by the Bureau of Gaming Laboratory Operations and approved in accordance with §§ 461a.4 and 461a.26 (relating to submission for testing and approval; and testing and software installation on the live gaming floor).

§ 605a.9. Hybrid gaming tables.

(a) In addition to the requirement in this chapter, hybrid gaming tables and electronic wagering terminals shall comply with the requirements in Chapter 461a (relating to slot machine and table game device testing and control).

(b) Regardless of the number of hybrid gaming tables, every five electronic wagering terminals count as one gaming table for purposes of the number of gaming tables authorized under section 13A11(b) of the act (relating to authorization to conduct table games). Electronic wagering terminals in excess of multiples of five count as an additional gaming table. For example, 26 electronic wagering terminals that are connected to 1 hybrid gaming table count as 6 gaming tables for purposes of the overall table game count.

(c) Wagering on a hybrid gaming table shall be conducted on an electronic wagering terminal. Each electronic wagering terminal must display the live table game play conducted on a hybrid gaming table.

CHAPTER 607a. POSSESSION OF TABLE GAMES AND TABLE GAME DEVICES

Sec.

607a.1. Transportation of table games and table game devices into, within and out of this Commonwealth.
607a.2. Table game device master list.
607a.3. Off premises storage of table games and table game devices.

§ 607a.1. Transportation of table games and table game devices into, within and out of this Commonwealth.

(a) Prior to the transport or movement of table games and table game devices into, within or out of this Commonwealth, the persons causing the table games and table game devices to be transported or moved shall notify the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance in writing or in an electronic format approved by Board staff. The notice shall be submitted no later than the day the table games or table game devices are transported and must include the following:

(1) The name and address of the person shipping or moving the table games or table game devices.

(2) The name and address of the person who owns the table games or table game devices if different from the person shipping or moving table games or table game devices.

(3) The name and address of the new owner if ownership is being changed in conjunction with the shipment or movement.

(4) The method of shipment or movement and the name and address of the common carrier, if applicable.

(5) The name and address of the person to whom the table games or table game devices are being sent and the destination of the table games or table game devices, if different from that address.

(6) The quantity of table games or table game devices being shipped or moved and the manufacturer's serial number, if applicable, for each table game or table game device.

(7) The expected date and time of delivery to, or removal from, an authorized location within this Commonwealth.

(8) The port of entry or exit, if any, of the table games or table game devices if the origin or destination of the table games or table game devices is outside of the continental United States.

(9) The reason for transporting or moving the table games or table game devices.

(b) In addition to the requirements in subsection (a), if a certificate holder is shipping table games or table game devices to or from the certificate holder's off-premises storage location, the certificate holder shall comply with the requirements in subsection (a). If a table game or table game device is being transported to the licensed facility from the certificate holder's office-premises storage location, the certificate holder shall specify in the notice required under subsection (a) whether the table game or table game device will be placed directly onto the gaming floor or stored off the gaming floor in a restricted area within the licensed facility.

§ 607a.2. Table game device master list.

(a) Prior to commencement of table game operations at a licensed facility, a table games certificate holder shall file with the Bureau of Gaming Laboratory Operations and the Bureau of Casino Compliance, in an electronic format approved by the Bureau of Gaming Laboratory Operations, a Gaming Floor Table Game Device Master List and a Restricted Area/Off Premises Table Game Device Master List for the following table game devices:

(1) Electronic gaming tables as described in § 605a.4 (relating to electronic gaming tables).

(2) Progressive table game systems as described in § 605a.7 (relating to progressive table games).

(3) Automated card shuffling devices as described in § 603a.17 (relating to dealing shoes; automated card shuffling devices).

(4) Electronic dealing shoes as described in § 603a.17.

(5) Electronic wagering systems as described in § 605a.2 (relating to electronic wagering systems). For purposes of this section, electronic wagering systems do not include those associated with fully automated electronic gaming tables or electronic wagering terminals which are otherwise included on the Slot Machine, Electronic Wagering Terminal and Fully Automated Electronic Gaming Table Master List required under § 463a.5 (relating to slot machine, electronic wagering terminal and fully automated electronic gaming table master lists).

(6) Hybrid gaming tables as described in § 605a.9 (relating to hybrid gaming tables).

(7) Any other mechanical, electrical or computerized contrivance, terminal or machine required to be submitted to the Bureau of Gaming Laboratory Operators for testing and approval in accordance with Chapter 461a (relating to slot machine and table game device testing and control) that is not otherwise on the slot machine, electronic wagering terminal and fully automated electronic gaming table master list required under § 463a.5.

(b) The Gaming Floor Table Game Device Master List and the Restricted Area/Off Premises Table Game Device Master List must contain the following information:

(1) The date the list was prepared.

(2) A description of each table game device listed in subsection (a) which includes:

(i) The pit number or location on the gaming floor, restricted area of the licensed facility or other approved storage location.

(ii) The asset number or table game type, or both, that the device is connected to.

(iii) The manufacturer.

(iv) The manufacturer's serial number.

(v) The software/program identification.

(vi) If the device is a progressive:

(A) The name of the progressive controller type.

(B) The name and version of the progressive software.

(3) Identify if the fully automated, electronic or live gaming table on the gaming floor utilizes a progressive table game system in accordance with § 605a.7 to offer a progressive jackpot and, if so, identify all other tables that are linked to the same progressive jackpot.

(c) In conjunction with the Gaming Floor and Restricted Area/Off Premises Slot Machine and Fully Automated Electronic Gaming Table Master List filed in accordance with § 463a.5(g), on the first Tuesday of each month, a certificate holder shall file with the Bureau of Gaming Laboratory Operations an updated Gaming Floor Table Game Device Master List and Restricted Area/Off Premises Table Game Device Master List containing the information required under subsection (b). The Gaming Floor Table Game Device Master List and the Restricted Area/Off Premises Table Game Device Master List shall be filed in an electronic format with the Bureau of Gaming Laboratory Operations.

§ 607a.3. Off premises storage of table games and table game devices.

(a) A certificate holder may not store table games or table game devices off the premises of a licensed facility without prior approval from the Board's Executive Director.

(b) A slot machine licensee seeking to store table games and table game devices off the premises of a licensed facility shall submit a written request to the Bureau of Gaming Operations for off premise storage. The written request must include:

(1) The location and a physical description of the proposed storage facility.

(2) A description of the type of surveillance system that has been or will be installed at the proposed storage facility.

(3) The plan to provide 24-hour, 7-day a week security at the proposed storage facility.

(4) The anticipated number of table games or table game devices that may be stored at the proposed storage facility.

(c) Before the Board's Executive Director will act on a request for off premise storage of table games or table game devices, the Director of Casino Compliance will inspect the proposed storage facility.

(d) The Board's Executive Director will approve or disapprove requests within 60 days. Approved requests may be subject to specific terms and conditions imposed by the Board's Executive Director.

CHAPTER 609a. CREDIT

Sec.

609a.1. Definitions.
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609a.14. Issuance and reconciliation of Counter Checks.
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609a.16. Substitution and consolidation of Counter Checks.
609a.17. Deposit of Counter Checks and personal checks substituted for Counter Checks.
609a.18. Collection of returned checks.
609a.19. Use of an electronic credit system for the processing of Counter Checks and customer deposits.

§ 609a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Bank verification service—An agency that provides businesses with the ability to verify the validity of a patron's bank account, a check presented or the history of the bank account.

Casino credit bureau—A consumer reporting agency that provides casinos with reports on a patron's casino credit accounts.

Consumer credit bureau—A consumer reporting agency that collects information from creditors, lenders, debt collection agencies and the courts on an individual's borrowing and bill payment habits.

Credit clerk—An employee of the cage or credit department who is responsible for receiving, processing and verifying the information in credit applications from patrons and who does not have authority to grant credit or credit limit increases provided that an employee who has the authority to grant credit may act as a credit clerk but may not grant credit or credit limit increases on an application processed or verified by that employee.

Derogatory information—Information related to a patron's credit accounts that are

partially or completely uncollectible, checks returned unpaid by a patron's bank, settlements, liens, judgments or any other credit problems of a patron.

§ 609a.2. Internal control requirements.

Each certificate holder that issues credit shall include procedures in the certificate holder's internal controls to implement the requirements in this chapter.

§ 609a.3. Application and verification procedures for granting credit.

(a) A patron who wants to obtain credit from a certificate holder shall file a credit application with the certificate holder which contains, at a minimum, the following information:

(1) The patron's name.

(2) The address of the patron's residence.

(3) The patron's telephone number.

(4) Bank account information including:

(i) The name and location of the patron's bank.

(ii) The account number of the patron's personal checking account upon which the patron is individually authorized to draw and upon which all Counter Checks will be drawn. Checking accounts of sole proprietorships to be considered as personal checking accounts. Partnership or corporate checking accounts are not considered to be personal checking accounts.

(5) The credit limit requested by the patron.

(6) The approximate amount of the patron's current indebtedness.

(7) The amount and source of income or assets in support of the requested credit limit.

(8) The patron's signature indicating acknowledgement of the following statement, which must be included at the bottom of the credit application form containing the information required to be submitted under this subsection: "I certify that I have read and understand this application and its terms and I execute this document voluntarily and with full knowledge of its significance. I authorize (insert the name of the certificate holder) to conduct any investigations necessary for the approval of my credit limit. I am aware that this application is required by the regulations of the Pennsylvania Gaming Control Board. I understand that a Counter Check issued by (insert name of certificate holder) is identical to a personal check and may be deposited or presented for payment to my bank or other financial institution. I acknowledge that willfully drawing or passing a credit instrument with the intent to defraud, including knowing there are insufficient funds in my account, is a crime in this Commonwealth

that may result in criminal prosecution. I am also aware that providing false or misleading statements or omitting information on this application may subject me to civil or criminal penalties."

(b) Upon receipt of an application for credit, a confidential credit file for that patron containing the information required under subsection (a) shall be prepared by a credit clerk either manually or by computer prior to the certificate holder's approval of a patron's credit limit. Patron credit limits including any changes to the credit limit must be supported by the information contained in the patron's credit file.

(c) Prior to a certificate holder's approval of a patron's credit limit, a credit clerk shall:

(1) Verify the address of the patron's residence. Verification of the address of the patron's residence shall be satisfied by confirming the patron's address with a credit bureau or bank. If neither of these sources has the patron's address on file or does not provide the information, the credit clerk may use an alternative source which may not include any identification credentials or other documentation presented by the patron at the licensed facility. The credit clerk shall record the source of verification and the method by which the verification was performed in the patron's credit file. Verification of the patron's address may be performed telephonically.

(2) Verify the patron's current casino credit limits and outstanding balances, which includes the following:

(i) The date each of the patron's casino credit accounts was established.

(ii) The amount of the current approved credit limits at other casinos.

(iii) The current balance and status of the patron's credit account at each casino including checks deposited by a casino that have not yet cleared the bank and any derogatory information.

(iv) Verification of information required under subparagraphs (i)—(iii) shall be performed through a casino credit bureau and, if appropriate, through direct contact with other casinos. The credit clerk shall record the source of verification and the method by which the verification was performed in the patron's credit file. If casino credit information relating to the patron is not available from these sources, this fact shall be noted in the patron's credit file. The verification may be performed telephonically prior to the credit approval provided the credit clerk requests written documentation of the information as soon as possible and includes written documentation of the request in the patron's credit file. Requests for written documentation shall be maintained in the patron's credit file until the documentation is obtained.

(3) Verify the patron's outstanding indebtedness. Verification of the patron's outstanding indebtedness shall be performed by contacting a consumer credit bureau, which is reasonably likely to possess information concerning the patron, to determine whether the applicant has any liabilities or if there is any derogatory information concerning the patron's consumer credit history. If contact with a consumer credit bureau is not immediately possible,

the credit clerk may use an alternative source which has made the required contact within the past 3 months. The credit clerk shall record the source of verification and the method by which the verification was performed in the patron's credit file. If a consumer credit bureau does not have information relating to a patron's outstanding indebtedness, this fact shall be recorded in the patron's credit file. The verification may be performed telephonically prior to the credit approval provided the credit clerk requests written documentation of the information obtained as soon as possible and includes written documentation of the request in the patron's credit file. Requests for written documentation shall be maintained in the patron's credit file until the documentation is obtained.

(4) Verify the patron's personal checking account information which includes, but is not limited to, the following:

(i) Account number.

(ii) The year the account was opened.

(iii) Average balance of the account.

(iv) Current balance in the account.

(v) Whether the patron can sign individually on the account.

(vi) Name and title of the person supplying the information.

(vii) Verification of information required under subparagraphs (i)—(vi) shall be performed by the credit clerk or a bank verification service directly with the patron's bank. A bank verification service utilized by a certificate holder may make use of another bank verification service to make direct communication with the patron's bank. If the information is not immediately available, the credit clerk may use an alternative source. The credit clerk shall record the source of verification and the method by which the verification was performed in the patron's credit file. The verification may be performed telephonically prior to the credit approval provided the credit clerk or bank verification service requests written documentation of the information obtained as soon as possible and the request for written documentation is included in the patron's credit file. Requests for written documentation shall be maintained in the patron's credit file until the documentation is obtained. If a bank verification service is used as a primary source of verification, either directly by a certificate holder or by another bank verification service, each service and the certificate holder shall record the date that the patron's personal checking account information was obtained from the bank by the service.

(5) Verify that the patron's name is not on:

(i) The list of individuals who have voluntarily requested suspension of credit privileges under § 609a.9 (relating to voluntary credit suspension list).

(ii) The list of individuals who have voluntarily placed themselves on the casino self-exclusion list under Chapter 503a (relating to casino self-exclusion).

(iii) The list of individuals who have been placed on the exclusion list under Chapter 511a (relating to persons required to be excluded).

(d) Verifications performed by a credit clerk under subsection (c), which are required to be recorded in the patron's credit file, must be accompanied by the signature of the credit clerk who performed the required verifications or filed the relevant information. The date and time of the signature of the credit clerk shall be recorded either electronically or manually contemporaneously with the verification.

(e) A certificate holder may only request credit information concerning a patron from another certificate holder if the patron has credit or has applied for credit with the certificate holder. When requesting credit information on a patron from another certificate holder, the requesting certificate holder shall provide the patron's name, address of the patron's residence and the name and location of the patron's bank with the request. Upon receipt of this information, the certificate holder receiving the request shall furnish to the requesting certificate holder any credit information in its possession concerning the patron.

(f) Unless a patron has already established a patron signature file under § 465a.20(c) (relating to personal check cashing), a patron who has been approved for credit may not be issued a Counter Check until the certificate holder has established a signature file for the patron in accordance with § 465a.20(c).

§ 609a.4. Approval of credit limits.

(a) A credit limit, and any temporary or permanent increases thereto, shall be approved by either:

(1) Two or more employees holding the job positions of credit manager, assistant credit manager, credit shift manager, credit executive or other key employee in a direct reporting line above the credit manager provided that a credit supervisor who processed and verified a patron's credit application may not grant credit or a credit limit increase to that patron.

(2) A credit committee composed of at least two of the employees in paragraph (1) which may approve credit as a group.

(b) The approval of credit shall be recorded in the patron's credit file and include:

(1) Other information used to support the credit limit and any changes thereto, including the source of the information, if the information is not otherwise required to be recorded under this section.

(2) A brief summary of the key factors relied upon in approving or reducing the requested credit limit and any changes thereto.

(3) The reason credit was approved if derogatory information was obtained during the verification process.

(4) The signatures of the employees approving the credit limit, together with the date and time of the authorization, shall be recorded before any actual extension of credit is tendered. A certificate holder may obtain verbal or electronic authorization from one of the employees required to approve credit limits provided that the date and time that the verbal authorization was given is noted in the patron's credit file or a copy of the electronic authorization is placed in the patron's credit file. Upon arrival at the licensed facility, the employee who verbally or electronically approved a patron's credit limit shall sign and date the patron's credit file.

(c) Prior to approving a temporary or permanent credit limit increase, an employee of the certificate holder's credit department shall:

(1) Obtain a written request from the patron which includes:

(i) The date and time of the patron's request.

(ii) The amount of credit limit increase requested by the patron and if the increase requested is temporary or permanent.

(iii) The signature of the patron.

(2) Reverify the patron information required under § 609a.3(c)(2) (relating to application and verification procedures for granting credit).

(3) Consider the patron's player rating based on a continuing evaluation of the amount and frequency of play subsequent to the patron's initial receipt of credit.

(4) Include the information and documentation required under paragraphs (1)—(3) in the patron's credit file.

(5) Comply with subsections (a) and (b).

§ 609a.5. Derogatory information; reduction or suspension of credit.

(a) A certificate holder may reduce or suspend a patron's credit limit at any time.

(b) Derogatory information concerning a patron's credit account shall be reported by each certificate holder on a daily basis to the casino credit bureau used by the certificate holder. Each certificate holder shall document any derogatory information pertaining to its patrons that was reported to that certificate holder by the casino credit bureau. Documentation obtained from the casino credit bureau shall be maintained in the patron's credit file.

(c) In addition to the requirements in subsection (d), whenever derogatory information is received by a certificate holder's credit department relating to the patron's continued creditworthiness the certificate holder's credit department shall reverify the patron information required under § 609a.3(c)(2) (relating to application and verification procedures for granting credit).

(d) A patron having a check returned to any certificate holder unpaid by the patron's bank shall have credit privileges suspended unless the returned check was due to a processing error and an explanation for the error is noted in the patron's credit file or until the returned check has been paid in full. Prior to reinstating a patron's credit privileges, the certificate holder shall comply with subsection (e).

(e) If a patron's credit privileges have been suspended for any reason relating to the patron's continued creditworthiness, the certificate holder's credit department shall reverify the patron's information, as required under § 609a.3(c)(2) and (3), before reinstating the patron's credit privileges. Credit suspensions and reinstatements and an explanation thereto shall be documented in the patron's credit file.

§ 609a.6. Additional reverification requirements.

(a) Prior to the issuance of credit to a patron whose credit file has been inactive for a 24-month period, the certificate holder's credit department shall reverify the patron's information, as required under § 609a.3(c)(1)—(5) (relating to application and verification procedures for granting credit).

(b) The certificate holder's credit department shall reverify the information required under § 609a.3(a)(2) and (4), in accordance with the procedures in § 609a.3(c)(1) and (4), whenever the certificate holder has reason to believe that this information has changed.

§ 609a.7. Patron credit transactions.

Transactions affecting a patron's outstanding indebtedness to the certificate holder shall be recorded in chronological order in the patron's credit file. Credit transactions shall be recorded separately from transactions related to customer deposits under § 465a.23 (relating to customer deposits). The following information shall be included in the credit file:

(1) The date, amount and check number of each Counter Check accepted from the patron.

(2) The date, method, amount and, if applicable, the personal check number of each redemption transaction and the check number of the Counter Check returned to the patron.

(3) The date, amount and check number of each personal check used for a substitution transaction and the check number of the Counter Check returned to the patron.

(4) The date, amount and check number of each replacement Counter Check accepted from the patron in a consolidation transaction and the check numbers of the initial Counter Checks that were consolidated and returned to the patron.

(5) The date, amount and check number of each Counter Check deposited.

(6) The date, amount and check number of each personal check or Counter Check returned to the certificate holder by the patron's bank and the reason for its return.

(7) The outstanding balance after each transaction.

(8) The date, amount and check number of any Counter Checks or personal checks that have been partially or completely written off by the certificate holder and a brief explanation of the reason for the write off.

§ 609a.8. Recordkeeping requirements.

(a) A log of Counter Checks exchanged or consolidated and of personal checks received for redemption or substitution shall be prepared, manually or by computer, on a daily basis. The log must include, at a minimum, the following:

(1) The balance of the Counter Checks on hand in the cage at the beginning of each shift.

(2) For Counter Checks initially accepted and for personal checks received for redemption or substitution:

(i) The date of the check.

(ii) The name of the drawer of the check.

(iii) The amount of the check.

(iv) The serial number for each Counter Check received.

(v) An indication as to whether the check was initially accepted or received in a redemption or substitution.

(3) For Counter Checks deposited, redeemed by patrons with cash, cash equivalents, gaming chips and plaques, or any combination thereof, substituted or consolidated:

(i) The date on which the Counter Check was deposited, redeemed, substituted or consolidated.

(ii) The name of the drawer of the Counter Check.

(iii) The amount of the Counter Check.

(iv) The serial number for each Counter Check deposited, redeemed, substituted or consolidated.

(v) An indication as to whether the Counter Check was deposited, redeemed, substituted or consolidated.

(4) The balance of the Counter Checks on hand at the end of each shift.

(b) A list of all Counter Checks on hand and of all personal checks received for redemption or substitution shall be prepared, manually or by computer, on a monthly basis and include the following:

(1) The date of the check.

(2) The name of the drawer of the check.

(3) The amount of the check.

(4) The serial number for each Counter Check received.

(c) At the end of each gaming day, the following procedures shall be performed:

(1) The daily total of the amounts of Counter Checks initially recorded as described in subsection (a)(2) shall be reconciled to the daily total of Counter Checks issued.

(2) The daily total of the checks indicated as deposited on a log required under subsection (a)(3) shall be reconciled to the bank deposit slips corresponding to the checks by employees with no incompatible functions.

(3) The balance required under subsection (a)(4) shall be reconciled to the total of the Counter Checks on hand in the cage.

§ 609a.9. Voluntary credit suspension list.

(a) The Board will maintain a voluntary credit suspension list of all individuals who have requested suspension of credit privileges and will provide a current list of these individuals to the credit department of each certificate holder.

(b) The list provided to certificate holders will contain the following information for each individual on the list:

(1) The individual's name, including any aliases or nicknames.

(2) The individual's address.

(3) The individual's date of birth.

(c) Information furnished to or obtained by the Board or a certificate holder under this chapter will be deemed confidential and may not be disclosed except in accordance with this chapter.

§ 609a.10. Request for voluntary credit suspension.

(a) An individual may request the suspension of the individual's credit privileges at all licensed facilities by submitting, in person, a completed Request for Voluntary Credit

Suspension Form to the Board. A submission to the Board may be made at the Board's office at a licensed facility, at the Board's Harrisburg office or one of the Board's regional offices.

(b) The Request for Voluntary Credit Suspension Form shall also include the following statement: "I certify that I have read and understand this request to be placed on the voluntary credit suspension list and that I knowingly and voluntarily execute this document. I am aware that my signature below authorizes the Pennsylvania Gaming Control Board to direct all Pennsylvania certificate holders to suspend my credit privileges until such time as I submit a written request to the Board for the reinstatement of my credit privileges. I also understand that under § 13A27(i) of the Pennsylvania Race Horse Development and Gaming Act, all certificate holders shall not be liable for any claims, damages, losses, expenses or for any harm, monetary or otherwise, that may arise as a result of the failure of a certificate holder to restore credit privileges to me or otherwise permit me to engage in gaming activity in the licensed facility while on the voluntary credit suspension list."

(c) An individual requesting to be placed on the voluntary credit suspension list will be required to present a government-issued photo identification containing the person's signature and photograph when the individual submits the Request for Voluntary Credit Suspension Form.

§ 609a.11. Reinstatement of credit and removal from the voluntary credit suspension list.

(a) An individual on the voluntary credit suspension list may, at any time, request removal from the voluntary credit suspension list by submitting a Request for Removal from the Voluntary Credit Suspension List Form to the Board. The request may be made at the Board's office at a licensed facility, at the Board's Harrisburg office or one of the Board's regional offices.

(b) The Request for Removal from the Voluntary Credit Suspension List Form must also include the following statement: "I certify that I have read and understand this request to be removed from the voluntary credit suspension list and that I knowingly and voluntarily execute this document. I am aware that my signature below will result in the Pennsylvania Gaming Control Board notifying all Pennsylvania certificate holders that I have been removed from the voluntary credit suspension list."

(c) An individual requesting to be removed from the voluntary credit suspension list will be required to present a government-issued photo identification containing the person's signature and photograph when the individual submits the Request for Removal from the Voluntary Credit Suspension List Form.

(d) Within 3 business days after the Request for Removal from the Voluntary Credit Suspension List Form is signed, the Board will delete the name of the individual from the voluntary credit suspension list and will notify each certificate holder of the removal.

§ 609a.12. Duties of certificate holders.

(a) A certificate holder shall maintain a copy of the voluntary credit suspension list and ensure that the copy of the list is updated within 24 hours after the certificate holder receives an updated list from the Board.

(b) A certificate holder shall immediately suspend the credit privileges of any individual who has a credit account with the certificate holder upon receipt of notice that the individual has been added to the voluntary credit suspension list.

(c) If an individual has an existing credit file, the certificate holder shall note any voluntary credit suspension or removal from the voluntary credit suspension list in the credit file. A copy of the applicable Board notice of the voluntary suspension or removal from the voluntary credit suspension list and the date, time and signature of the credit department representative making the suspension or removal entry shall be included in the individual's credit file.

(d) Upon receipt of notice that an individual's name has been removed from the voluntary credit suspension list, the certificate holder may reinstate the individual's credit after reverifying the information as required under § 609a.3(c) (relating to application and verification procedures for granting credit).

(e) A certificate holder shall establish procedures to ensure that an individual who is on the voluntary credit suspension list is not granted casino credit.

(f) Certificate holders shall make available to patrons written materials explaining the voluntary credit suspension program.

§ 609a.13. Requirements for Counter Checks.

(a) Counter Checks must be serially prenumbered forms. Each series of Counter Checks shall be used in sequential order and the series numbers of all Counter Checks received by a certificate holder shall be accounted for by employees with no incompatible functions.

(b) The original and all copies of void Counter Checks shall be marked "VOID" and require the signature of the individual who marked the Counter Check as void.

(c) For Counter Checks that are manually prepared:

(1) The Counter Checks must be a five-part form which consists of an original, a redemption copy, an accounting copy, an issuance copy and an acknowledgement copy.

(2) Counter Checks must be attached in a book that:

(i) Permits an individual to write on the original copy of the Counter Check and all of the other copies simultaneously, while still contained in the book.

(ii) Allows the removal of the original and all duplicate copies.

(3) Access to the Counter Checks shall be maintained and controlled by the finance department employees responsible for the control of and accounting for the unused supply of Counter Checks. The finance department may issue the book containing the manually prepared Counter Checks to the table games department. The finance department shall establish sign in and sign out procedure in its internal controls to document the transfer and return.

(d) For Counter Checks that are prepared by computer:

(1) The Counter Checks must be a four-part form which consists of an original, a redemption copy, an issuance copy and an accounting copy.

(2) The Counter Checks shall be inserted in a printer that will simultaneously print an original and the other copies.

(3) The information printed on the original Counter Check and the other copies shall be stored in machine-readable form. The stored data must not be susceptible to change or removal by any personnel after preparation of a Counter Check.

§ 609a.14. Issuance and reconciliation of Counter Checks.

(a) A certificate holder may issue Counter Checks in exchange for:

(1) Value chips or plaques provided to a patron at a gaming table.

(2) Cash or gaming voucher provided to a slot patron at the cage or at a slot machine.

(b) For a Counter Check exchanged for value chips or plaques at a gaming table, a pit clerk or above shall:

(1) Verify the patron's identity by either:

(i) Obtaining the patron's signature, on a form, which shall be compared to the signature contained within a patron signature file. The pit clerk or above shall sign the form indicating that the signature of the patron on the form appears to agree with the signature in the patron signature file. The form shall be attached to the accounting copy of the Counter Check exchanged by the patron prior to forwarding it to the accounting department. After the patron's identity has been verified by the pit clerk or above, the requirements for subsequent verification of the patron's identity during the same shift and in the same gaming pit may be satisfied by the employee who performed the initial verification signing a form attesting to the patron's identity before each subsequent Counter Check is exchanged. The form must include the patron's name and the serial number of the initial Counter Check exchanged by the patron. The form shall be attached to the accounting copy of the subsequent Counter Check prior to forwarding the accounting copy to the accounting department.

(ii) Obtaining the attestation of a floorperson or above as to the identity of the patron. The floorperson or above shall record his Board credential number and sign a form

or the Counter Check attesting to the patron's identity. If the form is used, it shall be attached to the accounting copy of the Counter Check exchanged by the patron prior to forwarding it to the accounting department.

(2) Determine the patron's remaining credit limit from the cage or casino management system.

(3) Prepare the Counter Check for the patron's signature by recording or by electronically inputting, the following information:

(i) The name of the patron exchanging the Counter Check.

(ii) The current date and time.

(iii) The amount of the Counter Check expressed in numerals.

(iv) The game and table number.

(v) The signature of the floorperson or above authorizing acceptance of the check.

(vi) The signature of the preparer or, if computer prepared, the identification code of the preparer.

(4) Place an impression on the back of the original Counter Check a restrictive endorsement "for deposit only" to the certificate holder's bank account.

(5) Present the original and all duplicate copies of the Counter Check to the patron for signature.

(6) Receive the signed Counter Check directly from the patron. The issuance copy of the Counter Check shall then be immediately given to the dealer or boxperson to be exchanged for value chips or gaming plaques. A certificate holder may allow a dealer or boxperson to give the patron value chips or gaming plaques before the patron has signed the Counter Check if the certificate holder includes procedures in the certificate holder's internal controls to verify the patron's identity and available credit limit prior to giving the patron the value chips or gaming plaques.

(i) The original, redemption and, if applicable, the acknowledgement copies of the Counter Check shall be expeditiously transported to the cage where the original and redemption copies shall be maintained and controlled by the cage cashier designated to act as the check bank.

(ii) The accounting copy of the Counter Check shall be maintained and controlled by the pit clerk or above until forwarded to the accounting department as required under subsection (g).

(iii) The issuance copy of the Counter Check shall be deposited by the dealer or boxperson in the drop box.

(c) For a Counter Check exchanged by a slot player for cash or gaming voucher at the cage, a cage cashier shall:

(1) Verify the patron's identity by either:

(i) Obtaining the slot patron's signature, on a Counter Check Request Form, which shall be compared to the signature contained within a patron signature file. The cage cashier shall sign the form indicating that the signature of the patron on the form appears to agree with the signature in the patron signature file. The form shall be attached to the accounting copy of the Counter Check exchanged by the slot patron prior to forwarding it to the accounting department.

(ii) Obtaining the attestation of a cage supervisor as to the identity of the patron. The cage supervisor shall record his Board credential number and sign a form or the Counter Check attesting to the patron's identity. If the form is used, it shall be attached to the accounting copy of the Counter Check exchanged by the patron prior to forwarding it to the accounting department.

(2) Determine the slot patron's remaining credit limit.

(3) Prepare the Counter Check for the slot patron's signature by recording or by electronically inputting the following information:

(i) The name of the slot patron exchanging the Counter Check.

(ii) The current date and time.

(iii) The amount of the Counter Check expressed in numerals.

(iv) The signature of the cage supervisor authorizing acceptance of the check.

(v) The signature of the preparer or, if computer prepared, the identification code of the preparer.

(4) Place an impression on the back of the original Counter Check a restrictive endorsement "for deposit only" to the certificate holder's bank account.

(5) Present the original and all duplicate copies of the Counter Check to the slot patron for signature.

(6) Receive the signed original and all duplicate copies of the Counter Check directly from the slot patron.

(i) The original, redemption and, if applicable, the acknowledgement copies of the Counter Check shall be expeditiously transferred to the cage cashier designated to act as the check bank who shall maintain and control the original and redemption copies.

(ii) The accounting copy of the Counter Check shall be maintained and controlled by the cage cashier until forwarded to the accounting department as required under subsection (g).

(iii) The issuance copy of the Counter Check shall be exchanged for cash or gaming voucher and shall be maintained by the cage cashier in the impress fund.

(d) A certificate holder may also issue a Counter Check to a slot patron directly at a slot machine, provided the following procedures and requirements are followed:

(1) A slot attendant shall obtain the amount of the requested Counter Check and the patron's signature on a two-part Counter Check Request Form and transport both copies of the Counter Check Request Form directly to the cage cashier. The cage cashier shall verify the slot patron's signature in accordance with subsection (c)(1)(i).

(2) Once the slot patron's signature has been verified, the cage cashier shall prepare the Counter Check in accordance with subsection (c)(2)—(4).

(3) The cage cashier shall sign the Counter Check as the preparer of the Counter Check and shall present the original and all duplicate copies of the Counter Check, the original and duplicate copy of the request form and the cash or gaming voucher in the amount of the Counter Check to the slot attendant.

(4) The slot attendant shall verify the cash or gaming voucher against the amount recorded on the Counter Check and the request form. If in agreement, the slot attendant shall sign the original and duplicate copy of the request form and return the duplicate copy of the request form to the cage cashier.

(5) The cage cashier shall retain the duplicate copy of the request form as evidence of the slot attendant's receipt of the Counter Check and the cash or gaming voucher.

(6) Once the cash or gaming voucher has been verified, the funds shall be transported, along with the original request form and the original and all copies of the Counter Check, to the slot patron by the slot attendant in the presence of a security department employee.

(7) The slot attendant shall present the original and all duplicate copies of the Counter Check to the slot patron for signature.

(8) Upon receiving the signed original and all duplicate copies of the Counter Check from the slot patron, the security department employee shall verify the slot patron's signature on the original Counter Check against the patron's signature on the original request form. If in agreement, the cash or gaming voucher shall be immediately given to the slot patron.

Cash or gaming vouchers may not be given to the slot patron prior to the receipt of the signed Counter Check from the patron.

(9) Once the slot patron has received the cash or gaming voucher, the security department employee shall sign the back of the accounting copy of the Counter Check as a witness to the transfer of funds to the slot patron in exchange for the signed Counter Check from the patron. The accounting copy of the Counter Check shall be maintained and controlled by the slot attendant until forwarded to the accounting department as required under subsection (g).

(10) The security department employee shall immediately return the original, redemption, issuance and acknowledgement copies of the Counter Check to the cage cashier. The cage cashier shall attach the duplicate of the request form to the issuance copy of the Counter Check and maintain them in the impress fund.

(11) The original, redemption and, if applicable, the acknowledgement copies of the Counter Check shall be expeditiously transferred to the cage cashier designated to act as the check bank who shall maintain and control the original and redemption copies.

(e) The cage cashier designated to act as the check bank shall sign and time stamp the acknowledgement copy of the Counter Check and expeditiously return it to the pit clerk or slot attendant by means of a security department employee or to the cage cashier. The check bank shall maintain the original and redemption copies of the Counter Check.

(f) The acknowledgement copy of the Counter Check returned to the pit clerk, slot attendant or the cage cashier shall be reconciled with the accounting copy and maintained and controlled by the pit clerk, slot attendant or cage cashier until forwarded to the accounting department as required under subsection (g).

(g) At the end of each gaming day the following procedures and requirements shall be observed:

(1) The original and all copies of voided Counter Checks shall be forwarded to the accounting department.

(2) The accounting and acknowledgement copies of Counter Checks retained by the pit clerk, slot attendant or cage cashier shall be forwarded to the accounting department for agreement with the issuance copy of the Counter Check removed from the drop box or cage cashier's impress fund.

(3) The redemption copy of a Counter Check shall be forwarded to the accounting department subsequent to the redemption, consolidation or deposit of the original Counter Check for agreement with the accounting and issuance copies of the Counter Check or stored data.

§ 609a.15. Redemption of Counter Checks.

(a) A patron may redeem or partially redeem a Counter Check that has not been deposited by exchanging cash, cash equivalents, a check issued by a slot machine licensee to the patron, value chips, gaming plaques, a personal check in an amount less than or equal to the amount of the Counter Check being redeemed or any combination thereof.

(b) When a patron elects to redeem or partially redeem a Counter Check that has not been deposited by exchanging a personal check for the Counter Check being redeemed, the personal check must meet one of the following conditions:

(1) The personal check must be drawn on the bank account in patron's credit file upon which all Counter Checks are to be drawn.

(2) The personal check must be drawn on another account that complies with § 609a.3(c)(4) (relating to application and verification procedures for granting credit).

(c) The $2,500 per day limitation on acceptance of personal checks in § 465a.20(b)(6) (relating to personal check cashing) does not apply to the redemption or partial redemption of Counter Checks provided that the personal check is accepted in an amount less than or equal to the amount of the Counter Check being redeemed or partially redeemed.

(d) If a patron has more than one unredeemed Counter Check, the most recently dated Counter Check shall be redeemed or partially redeemed first.

(e) Except as provided in subsection (h), a patron shall initiate all redemptions or partial redemptions at the cage.

(f) When a patron redeems a Counter Check at the cage, the cage cashier shall verify the identity of the patron and, after receiving the cash, cash equivalents, a check issued by a slot machine licensee to the patron, value chips, gaming plaques or any combination thereof, return the original Counter Check to the patron.

(g) When a patron partially redeems a Counter Check at the cage, the cage cashier shall verify the identity of the patron and, after receiving the cash, cash equivalents, a check issued by a slot machine licensee to the patron, value chips, gaming plaques or any combination thereof, prepare a replacement Counter Check for the unredeemed balance. The replacement Counter Check shall be dated with the same date as the Counter Check being redeemed. After the replacement Counter Check has been completed, the Counter Check being redeemed shall be returned to the patron.

(h) A patron may redeem a Counter Check by mail by sending a written request and cash equivalents, a check issued by a slot machine licensee to the patron, value chips, gaming plaques or any combination thereof to the certificate holder. When a patron uses a personal check to redeem a Counter Check by mail, the personal check must meet one of the conditions in subsection (b).

(i) When a patron redeems a Counter Check by mail, the identity of the patron shall be verified by comparing the signature on the patron's written redemption request to the signature in

the patron's signature file created under § 465a.20(c) or § 609a.3(f) and, after receiving the cash, cash equivalents, a check issued by a slot machine licensee to the patron, value chips, gaming plaques or any combination thereof, mark the original Counter Check "void" and mail it to the address in the patron's credit file.

(j) Any redemption or partial redemption of a Counter Check shall be recorded in the patron's credit file.

§ 609a.16. Substitution and consolidation of Counter Checks.

(a) A patron may substitute a personal check for a Counter Check if either of the following apply:

(1) The personal check is drawn on the bank account in patron's credit file upon which all Counter Checks are to be drawn.

(2) The personal check is drawn on another account that complies with § 609a.3(c)(4) (relating to application and verification procedures for granting credit).

(b) The $2,500 per day limitation on acceptance of personal checks in § 465a.20(b)(6) (relating to personal check cashing) does not apply to the substitution of Counter Checks provided that the personal check is accepted in an amount equal to the amount of the Counter Check being substituted.

(c) A patron shall initiate all substitutions at the cage.

(d) When a patron substitutes a personal check for a Counter Check, the cage cashier shall verify the identity of the patron and, after receiving the patron's personal check, return the original Counter Check to the patron.

(e) A personal check that is being substituted for a Counter Check shall be dated with the same date as the Counter Check for which it is being substituted.

(f) A patron may consolidate two or more undeposited Counter Checks for one replacement Counter Check subject to the following conditions:

(1) The consolidated Counter Check shall be dated with the same date as the oldest Counter Check that is being consolidated.

(2) If the total amount of the consolidated checks is equal to or greater than $5,000, the certificate holder may grant additional time to deposit the replacement Counter Check in accordance with § 609a.17 (relating to deposit of Counter Checks and personal checks substituted for Counter Checks). A credit supervisor or above shall approve additional time and record the time period in the patron's credit file.

(g) A patron shall initiate consolidations at the cage.

(h) When a patron consolidates two or more Counter Checks at the cage, the cage cashier shall verify the identity of the patron and, after receiving the replacement Counter Check, return the initial Counter Checks that were consolidated to the patron.

(i) Any substitution or consolidation of a Counter Check or Checks shall be recorded in the patron's credit file.

§ 609a.17. Deposit of Counter Checks and personal checks substituted for Counter Checks.

(a) Counter Checks and personal checks that have been substituted for Counter Checks shall be deposited in accordance with the time periods established in the certificate holder's internal controls. The time periods established by a certificate holder may not exceed:

(1) Fifteen days after the date of the Counter Check or the date on the personal check that has been substituted for the Counter Check if the amount of the check is less than $5,000.

(2) Thirty days after the date of the Counter Check or the date on the personal check that has been substituted for the Counter Check if the amount of the check is $5,000 or more.

(b) If the last day of a time period specified in subsection (a) falls on a Saturday, Sunday or Federal or State holiday, the time period shall run until the next business day.

(c) Notwithstanding subsection (a), a certificate holder may extend the deposit date up to an additional 15 days beyond the date specified in the certificate holder's internal controls for good cause. A credit supervisor or above shall approve an extension of time and record the length of the extension and the reason for the extension in the patron's credit file.

§ 609a.18. Collection of returned checks.

(a) A certificate holder may designate specific employees with no incompatible functions, including the certificate holder's general counsel or an outside attorney, to engage in efforts to collect Counter Checks or personal checks returned by a patron's bank.

(b) A certificate holder, and any outside attorney acting on behalf of the certificate holder, that is engaged in efforts to collect returned checks shall comply with applicable Federal and State laws pertaining to debt collection including the Fair Debt Collection Practices Act (15 U.S.C.A. §§ 1692—1692p), the Fair Credit Extension Uniformity Act (73 P. S. §§ 2270.1—2270.5) and the Unfair Trade Practices and Consumer Protection Law (73 P. S. §§ 201-1—210-9.3).

(c) The certificate holder shall include in the patron's credit file copies of all statements and other documents supporting collection efforts.

(d) The certificate holder shall maintain records, for the Board's inspection, that describe credit collection arrangements and any written contracts entered into with an outside attorney engaged in efforts to collect Counter Checks or personal checks returned by a patron's bank on behalf of the certificate holder.

§ 609a.19. Use of an electronic credit system for the processing of Counter Checks and customer deposits.

(a) A certificate holder may utilize an electronic credit system for the processing of Counter Checks and customer deposits. A certificate holder that utilizes an electronic credit system shall comply with §§ 609a.1—609a.12, 609a.17 and 609a.18 unless otherwise provided in this section.

(b) A certificate holder that elects to utilize an electronic credit system shall submit internal controls specifying all of the following:

(1) Which positions, as described in the certificate holder's jobs compendium, will have administrator, accounting and revenue audit, and cage function access to the electronic credit system, and the functions or permissions assigned to each of those roles. The certificate holder shall submit a narrative description of the permissions for each of the roles and the level of access assigned.

(2) Which positions will have permission to reset a patron's personal identification number (PIN) as provided in subsections (d)(2) and (e)(1)(iii).

(3) How a patron's credit information and limit established will be entered into the electronic credit system, ensuring compliance with the approval of credit limit requirements in § 609a.4 (relating to approval of credit limits).

(4) The flow of receipts and the reports generated through the revenue process.

(5) How a voided transaction in the electronic credit system will be processed, specifying which positions will have authority to void a transaction, ensuring that at least two employees with no incompatible functions process the void and that a detailed explanation for the void is recoded in the electronic credit system.

(6) How the certificate holder will ensure that redemption, partial redemption, substitution and consolidation of Counter Checks generated utilizing the electronic credit system complies with §§ 609a.15(d) and (g) and 609a.16(e) and (f) (relating to redemption of Counter Checks; and substitution and consolidation of Counter Checks).

(7) If the certificate holder allows patrons to substitute or redeem Counter Checks through the mail, how the certificate holder will process those redemptions and substitutions utilizing the electronic credit system.

(8) How credit transactions will be processed and accurately record if the electronic credit system becomes inoperable.

(9) Which funds a patron is required to utilize first if the patron has an established credit line and has a customer deposit, as provided in subsection (e).

(c) Prior to implementing the electronic credit system, the certificate holder shall establish and receive approval from Board staff to conduct a test period of the new electronic credit system. The certificate holder shall maintain its current credit processing system and may not fully transition to the electronic credit system until full approval is granted by the Board's Executive Director.

(d) To establish an electronic credit file for a patron, in addition to the requirements in §§ 609a.3—609a.6:

(1) The credit department shall scan the patron's valid picture identification into the electronic credit system for display when accessing a patron's credit file.

(2) The patron shall establish a PIN to access credit, which must be an encrypted PIN.

(e) For customer deposits, if a certificate holder is utilizing the electronic credit system to allow patrons access to their customer deposits, the certificate holder shall comply with § 465a.23 (relating to customer deposits) and:

(1) If the patron with a customer deposit does not already have an electronic credit account established, a deposit account shall be established as follows:

(i) The requirements for establishing a credit account in §§ 609a.3—609a.6 do not apply and a patron's credit limit shall be set at $0.

(ii) The credit department shall scan the patron's picture identification for display when accessing the patron's deposited funds.

(iii) The patron shall establish a PIN to access the patron's deposited funds.

(2) Customer deposits shall be completed at the cage by a cage cashier with no incompatible functions. Utilizing the portable device, the cashier shall:

(i) Login by entering the employee's PIN.

(ii) Access the patron's account in the electronic credit system by entering the patron's account number or scanning the patron's card.

(iii) Credit the patron's account by the amount of the deposit.

(iv) Input the date and method of deposit (chips, gaming vouchers, cash, wire transfer, and the like).

(v) Have the patron enter his PIN and electronically sign verifying the accuracy of the transaction.

(vi) The cashier shall then electronically sign verifying the deposit.

(vii) A two-part deposit receipt evidencing the transaction shall be generated with one part provided to the patron and the other maintained in the cage cashier's impressed inventory.

(f) For the issuance of Counter Checks and the withdrawal of customer deposits utilizing an electronic credit system, notwithstanding § 609a.14 (relating to issuance and reconciliation of Counter Checks), if the issuance or withdrawal is conducted:

(1) At a gaming table:

(i) A pit clerk or above shall use an approved portable device and:

(A) Login by entering the employee's PIN.

(B) Access the patron's electronic credit file by entering the patron's account number or scanning the patron's card.

(C) Verify the patron's identity by comparing the patron's appearance to the digital identification accessed from the electronic credit system.

(D) Enter or select the amount of credit or withdrawal requested.

(E) Have the patron enter his PIN and electronically sign verifying the accuracy of the transaction.

(ii) The dealer or boxperson shall then:

(A) Use the portable device and enter his PIN number.

(B) Verify the patron's credit or withdrawal request, selecting the gaming table at which the patron has requested the credit or withdrawal and electronically sign the verification.

(C) After verifying the credit or withdrawal request, the dealer shall place the portable device displaying the amount of the Counter Check or customer withdrawal and the equivalent number of chips on the gaming tables so both are captured by surveillance.

(D) Distribute the chips to the patron, completing the credit transaction.

(iii) A document evidencing the credit or withdrawal transaction shall be generated and placed in the drop box.

(2) At the cage:

(i) A cage cashier shall use an approved portable device and complete the requirements in paragraph (1)(i)(A)—(E).

(ii) The cage supervisor shall then:

(A) Use the portable device and enter his PIN number.

(B) Verify the patron's credit or withdrawal request and electronically sign the verification.

(C) After verifying the credit or withdrawal request, the cage supervisor shall place the portable device displaying the amount of the Counter Check or customer withdrawal and the equivalent in cash or a gaming voucher so both are captured by surveillance.

(D) Distribute the cash or gaming voucher to the patron, completing the credit or withdrawal transaction.

(iii) A document evidencing the credit or withdrawal transaction shall be generated and placed in the cashier's impressed inventory.

(3) At a slot machine:

(i) A slot attendant shall obtain the amount of the requested Counter Check or customer withdrawal, the patron's signature, asset number and the method of withdrawal (cash or gaming voucher) on a two-part request form and shall transport both copies of the request form directly to the cage cashier.

(ii) The cage cashier with no incompatible functions shall verify that there are sufficient funds in the patron's credit or customer deposit account to satisfy the request.

(iii) The cage cashier processing the request shall disburse funds to the slot attendant, in the presence of a cage supervisor, and shall:

(A) Sign the request form.

(B) Maintain the original of the request form in the cashier's impressed inventory.

(C) Provide the slot attendant with a portable device connected to the electronic system.

(D) Provide the duplicate of the request form to the slot attendant.

(iv) The slot attendant and cage supervisor shall transport the funds and the portable device to the patron at the slot machine. Prior to presenting the funds to the patron, the slot attendant and cage supervisor shall complete the procedures in paragraph (1)(i)(A)—(E) and (ii)(A) and (B).

(v) The slot attendant shall disburse funds requested by the patron and drop the duplicate copy of the request form in a locked accounting box.

(vi) If a transaction cannot be completed (patron changes his mind or changes the amount of credit or withdrawal requested), the slot attendant and cage supervisor shall return the funds and the request form to the cage cashier. The cage cashier shall clearly and conspicuously record “VOID” on the duplicate of the request form and maintain the document as part of his impressed inventory until forwarded to the accounting department for reconciliation with electronic credit system.

(vii) On a daily basis, the accounting department shall compare the original and duplicate request forms to the electronic credit system. Instances of irregularities of any kind or the misappropriation of funds shall be immediately reported to onsite casino compliance representatives.

(g) For the redemption and partial redemption of Counter Checks utilizing an electronic credit system:

(1) All redemptions and partial redemptions of electronically generated Counter Checks shall be initiated at the cage.

(2) If a patron has more than one unredeemed Counter Check, the most recently dated Counter Check shall be redeemed or partially redeemed first.

(3) When a patron partially redeems a Counter Check, the replacement Counter Check shall be dated with the same date as the Counter Check being redeemed.

(4) Notwithstanding § 609a.15, the full redemption of electronically generated Counter Checks shall be completed as follows:

(i) A cage cashier shall use a portable device and:

(A) Login by entering the employee's PIN.

(B) Access the patron's electronic credit file by entering the patron's account number or scanning the patron's card.

(C) Verify the patron's identity by comparing the patron's appearance to the digital identification accessed from the electronic credit system.

(D) Select the most recently dated Counter Check to redeem.

(E) Select or enter the redemption amount and the payment method, provided that payment with a personal check must be drawn on a bank account in the patron's credit file as provided in § 609a.3(c)(4) (relating to application and verification procedures for granting credit).

(F) Verify that the total amount of an outstanding Counter Check matches the amount presented by the patron ensuring that the amount presented by the patron and the portable device displaying the amount of the Counter Check to be redeemed are captured by surveillance. The cage cashier shall then electronically sign the verification approving the redemption.

(ii) After placing the patron's payment into the cage cashier's impressed inventory, the cage cashier shall generate a two-part receipt documenting the redemption with one part provided to the patron and the other maintained in the cashier's impressed inventory.

(5) Notwithstanding § 609a.15, the partial redemption of electronically generated Counter Checks shall be completed as follows:

(i) The cage cashier shall complete the procedures in paragraph (4)(i)(A)—(D).

(ii) After selecting the Counter Check to partially redeem, the cage cashier shall enter the partial redemption amount and the payment method ensuring that the amount presented by the patron and the portable device displaying the amount of the partial redemption are captured by surveillance. The cage cashier shall then electronically sign the verification approving the partial redemption and shall create an electronic Counter Check for the difference between the amount presented and the electronic Counter Check being partially redeemed.

(iii) After signing the portable device acknowledging completion of the partial redemption and placing the patron's payment into the cage cashier's impressed inventory, the cage cashier shall generate a two-part receipt documenting the partial redemption with one part provided to the patron and the other maintained in the cage cashier's impressed inventory.

(h) For the substitution and consolidation of Counter Checks utilizing an electronic credit system:

(1) All substitutions and consolidations of electronically generated Counter Checks shall be initiated at the cage.

(2) Notwithstanding § 609a.16:

(i) To consolidate two or more Counter Checks, a cage cashier shall use an approved portable device and:

(A) Login by entering the employee's PIN.

(B) Access the patron's electronic credit file by entering the patron's account number or scanning the patron's card.

(C) Verify the patron's identity by comparing the patron's appearance to the digital identification accessed from the electronic credit system.

(D) Select the Counter Checks to be consolidated. The cage cashier shall then enter the employee's PIN and electronically sign the verification approving the consolidation.

(ii) To substitute a Counter Check, a cage cashier shall use an approved portable device and:

(A) Login by entering the employee's PIN.

(B) Access the patron's electronic credit file by entering the patron's account number or scanning the patron's card.

(C) Verify the patron's identity by comparing the patron's appearance to the digital identification accessed from the electronic credit system.

(D) Select the Counter Check to substitute.

(E) A patron may substitute the Counter Check for an electronic Counter Check on a different account that has been verified and recorded in the patron's electronic credit file in accordance with § 609a.3(c)(4) or may substitute for a personal check provided that the personal check is drawn on an account that has been verified and recorded in the patron's credit file. If a patron provides a personal check, the cage cashier shall enter the transaction into the electronic credit system and place the personal check in the cage cashier's impressed inventory.

(F) The cage cashier shall then electronically sign the verification completing the substitution.

(i) A certificate holder that utilizes an electronic credit system shall record each electronic Counter Check issued and Customer Deposit withdrawn at a gaming table on the Daily Banking Table Game Count Report required under § 465a.25 (relating to counting and recording of slot cash storage boxes and table game drop boxes).

CHAPTER 611a. TABLE GAME MINIMUM TRAINING STANDARDS

Sec.

611a.1. Minimum training standards for dealers; minimum experience requirements for supervisors.
611a.2. Minimum proficiency requirements.
611a.3. Employee training by certificate holders.
611a.4. Submission of training programs to the Board.
611a.5. Table test; employee personnel file.

§ 611a.1. Minimum training standards for dealers; minimum experience requirements for supervisors.

(a) When filing an application to obtain an occupational permit under § 435a.3 (relating to occupation permit) to work as a dealer in any of the table games authorized in this subpart, the applicant shall provide proof of at least one of the following:

(1) Satisfactory completion of a course of curriculum related to the dealing of table games within the last 5 years which meets the minimum proficiency requirements of § 611a.2 (relating to minimum proficiency requirements) at a gaming school, as defined in section 1103 of the act (relating to definitions), or an equivalent curriculum at a gaming school approved by another jurisdiction's state educational authority or gaming regulatory body, to provide training related to the dealing of table games.

(2) Satisfactory completion of a training program offered by a certificate holder which includes a curriculum related to the dealing of table games which meets the minimum proficiency requirements of § 611a.2.

(3) At least 6 months of employment as a dealer within the last 5 years in another gaming jurisdiction.

(b) When filing an application to obtain an occupational permit under § 435a.3 to work as a floorperson or above, the applicant shall provide proof of at least one of the following:

(1) Two years of employment as a dealer or table games supervisor within the last 10 years.

(2) Six months of employment as a dealer within the same licensed facility where the dealer is applying to be a floorperson or above.

(c) A certificate holder may file a request seeking approval from the Board's Executive Director for a dealer or supervisor who does not meet the minimum training or experience requirements in subsection (a) or (b). The Executive Director may condition the approval on the completion of additional training.

§ 611a.2. Minimum proficiency requirements.

(a) A curriculum related to the conduct of table games offered by a gaming school or by a certificate holder must, at a minimum, include:

(1) The following minimum hours of instruction on the conduct of table games in accordance with the regulations in this subpart:

Table Game	Minimum Hours of Instruction
Blackjack and other banked card games	100 hours over a 5-week period, at least 80 hours of which shall be in Blackjack
Craps, Mini-Craps and other dice games	160 hours over a 6-week period
Nonbanked Poker	80 hours over a 4-week period
Roulette	80 hours over a 4-week period
Pai Gow Tiles	160 hours over a 6-week period
Sic Bo and Big 6 Wheel	30 hours over a 2-week period

(2) The proper use, control and shuffling of playing cards for authorized games that involve the use of cards.

(3) The proper use and control of dice for authorized games that involve the use of dice.

(4) The proper use and control of tiles for authorized games that involve the use of tiles.

(b) A dealer who has completed a course of training in accordance with subsection (a) and would like to be trained to deal a different game type (for example, a dealer who is trained to deal banked card games but would like to deal Craps) shall successfully complete, at a gaming school as defined in section 1103 of the act (relating to definitions) or through training offered by the certificate holder:

(1) The following minimum hours of instruction required for the different game type:

Additional Training on Different Game Type	Minimum Hours of Instruction
Blackjack and all banked and nonbanked card games	60 hours over a 3-week period
Craps, Mini-Craps and other dice games	120 hours over a 5-week period
Roulette	30 hours over a 2-week period
Pai Gow Tiles	120 hours over a 5-week period

Sic Bo and Big 6 Wheel	15 hours over a 1-week period

(2) The table test required under § 611a.5 (relating to table test; employee personnel file).

(c) The minimum hours of instruction required under subsection (a) or (b) may be completed over an alternative duration of time as approved by the Board's Executive Director. A certificate holder or gaming school requesting to offer an alternative schedule to complete the minimum hours of instruction shall submit a written request to the Executive Director, in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment), which contains a detailed description of when the training will be conducted.

(d) For an experienced dealer who would like to be trained to deal a different game of the same game type (for example, an experienced Blackjack dealer who would like to be trained on another card game), the certificate holder shall specify in its training program submitted in accordance with § 611a.4 (relating to submission of training programs to the Board) the mechanism and the amount of training an experienced dealer shall complete on the different game of the same game type. The dealer shall successfully complete the table test in accordance with § 611a.5 on the new table game prior to dealing the new game on the certificate holder's gaming floor. For purposes of this subsection, an experienced dealer is an employee who has completed a course of table games training as described in subsection (a) and has previously dealt table games on the certificate holder's live gaming floor for at least 120 hours.

§ 611a.3. Employee training by certificate holders.

A certificate holder shall develop a training program for its dealers which, at a minimum, includes training in each of the following:

(1) Procedures for opening and closing tables for gaming, including the proper security procedures regarding table chip inventories.

(2) Procedures for distributing and removing gaming chips and plaques from gaming tables.

(3) Procedures for accepting cash at gaming tables.

(4) Procedures for the acceptance of tips and gratuities from patrons.

(5) Procedures for shift changes at gaming tables.

(6) Procedures for the proper placement of wagers by patrons and the proper collection of losing wagers and payment of winning wagers.

(7) Training in recognizing problem and compulsive gamblers at table games and procedures for informing supervisory personnel.

(8) Training in cardio pulmonary resuscitation (CPR).

§ 611a.4. Submission of training programs to the Board.

(a) A certificate holder shall submit a detailed description of its curriculum developed in accordance with § 611a.2 (relating to minimum proficiency requirements) and its employee training program developed in accordance with § 611a.3 (relating to employee training by certificate holders) to the Board to demonstrate the adequacy of the training in accordance with section 13A23 of the act (relating to training of employees and potential employees).

(b) Curriculum and training programs required under subsection (a) shall be submitted to the Bureau of Gaming Operations in accordance with § 601a.10(a) (relating to approval of table game layouts, signage and equipment).

§ 611a.5. Table test; employee personnel file.

(a) Prior to conducting any table game on the certificate holder's gaming floor, a prospective dealer shall pass a table test on the table games that the dealer will be conducting. The table test must consist of the dealer demonstrating proficiency at the table game to the satisfaction of an employee of the certificate holder at the level of pit manager or higher.

(b) A certificate holder shall document the following in a dealer's personnel file:

(1) Completion of the minimum training or experience required under §§ 611a.1 and 611a.2 (relating to minimum training standards for dealers; minimum experience requirements for supervisors; and minimum proficiency requirements).

(2) Completion of the training program required under § 611a.3 (relating to employee training by certificate holders).

(3) Successful completion of the table test required under subsection (a).

(4) Completion of subsequent training on a different game type in accordance with § 611a.2(b).

(5) Completion of subsequent training for a different game of the same game type in accordance with § 611a.2(d).

CHAPTER 613a. GAMING RELATED GAMING SERVICE PROVIDERS

Sec.

613a.1. Definitions; general requirements.
613a.2. Gaming related gaming service provider certification applications.
613a.3. Qualification of individuals and entities.
613a.4. Certification term and renewal.
613a.5. Certified gaming related gaming service provider responsibilities.
613a.6. Gaming related gaming service provider list.
613a.7. Requirements for use of a gaming related gaming service provider.
613a.8. Permission to conduct business prior to certification.
613a.9. Certificate holders' duty to investigate.

§ 613a.1. Definitions; general requirements.

(a) *Definitions.* The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Gaming related gaming service provider—A gaming service provider that provides a gaming related service, is the owner of a patent or has a patent pending for a gaming related service.

Gaming related service—A new game, wager, game variation, side bet or similar innovation relating to a table game.

(b) *Certification.* A person seeking to provide a gaming related service to a certificate holder shall apply to the Board for certification as a gaming related gaming service provider.

§ 613a.2. Gaming related gaming service provider certification applications.

(a) A gaming related gaming service provider seeking certification shall submit:

(1) An original and one copy of a Gaming Related Gaming Service Provider Certification Application and Disclosure Information Form.

(2) The nonrefundable application fee posted on the Board's web site at www.pgcb.pa.gov.

(3) Applications and release authorizations for each individual required to be qualified under § 613a.3 (relating to qualification of individuals and entities).

(4) A written statement from a certificate holder, stating that the certificate holder intends to do business with the gaming related gaming service provider for the purpose of utilizing a gaming related service.

(b) In addition to the materials required under subsection (a), an applicant for gaming related gaming service provider certification shall:

(1) Promptly provide information requested by the Board relating to its application and cooperate with the Board in investigations, hearings, and enforcement and disciplinary actions.

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications).

(c) A gaming related gaming service provider certification will not be issued until all fees and costs, including any Bureau of Gaming Laboratory Operations costs incurred in the review of the proposed gaming related service, have been paid.

§ 613a.3. Qualification of individuals and entities.

(a) The following individuals are required to submit a Pennsylvania Personal History Disclosure Form and be found qualified by the Board:

(1) Each officer and director of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification. For the purposes of this paragraph, the term "officer" means a president, chief executive officer, a chief financial officer and a chief operating officer and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the certified gaming related gaming service provider or applicant for gaming related gaming service provider certification. A certified gaming related gaming service provider or applicant for gaming related gaming service provider certification shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(3) Each salesperson of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification who solicits or will be soliciting business from, or has regular contact with, any representatives of a certificate holder.

(b) Each entity that directly owns 20% or more of the voting securities of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification shall be required to file a Gaming Service Provider Certification Form—Private Holding Company with the Board and be found qualified by the Board.

(c) The following persons may be required to submit a Gaming Service Provider Certification Form—Private Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Board determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth:

(1) An intermediary or holding company of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification.

(3) An employee of a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification.

(4) A person who holds any direct or indirect ownership or beneficial interest in a certified gaming related gaming service provider or applicant for gaming related gaming service provider certification, or has the right to any profits or distribution, directly or indirectly, from the certified gaming related gaming service provider or applicant for gaming related gaming service provider certification.

(5) A trustee of a trust that is required to be found qualified under this section.

(d) The Bureau of Licensing may issue a temporary credential to an individual who is required to be qualified by the Board under this section if:

(1) The individual's presence in the licensed facility is needed.

(2) The company with which the individual is associated is on the Authorized Gaming Related Gaming Service Provider List.

(e) The Bureau of Licensing will issue a permanent credential to an individual who has been found qualified under this section if the gaming related gaming service provider has been certified.

§ 613a.4. Certification term and renewal.

(a) Gaming related gaming service provider certifications, and renewals issued under this chapter will be valid for 4 years from the date of Board approval.

(b) A certified gaming related gaming service provider shall submit to the Board a completed renewal application and fee, as posted on the Board's web site, at least 60 days prior to the expiration of a certification.

(c) A certification for which a completed renewal application and fee has been received by the Board will continue in effect until the Board sends written notification to the holder of the certification that the Board has approved or denied the certification.

§ 613a.5. Certified gaming related gaming service provider responsibilities.

A holder of a gaming related gaming service provider certification shall have a continuing duty to:

(1) Provide information requested by the Board relating to licensing or regulation; cooperate with the Board in investigations, hearings, and enforcement and disciplinary actions; and comply with conditions, restrictions, requirements, orders and rulings of the Board in accordance with the act.

(2) Report a change in circumstances that may render the holder of a gaming related gaming service provider certification ineligible, unqualified or unsuitable to hold a certification under the standards and requirements of the act and of this part.

§ 613a.6. Gaming related gaming service provider list.

The Board will maintain and post on its web site a list of gaming related gaming service providers that are certified and have had their gaming related service reviewed by the Bureau of Gaming Laboratory Operations.

§ 613a.7. Requirements for use of a gaming related gaming service provider.

Prior to use of a gaming related service by a certificate holder the following must occur:

(1) The gaming related gaming service provider providing the gaming related service must submit its gaming related service to the Bureau of Gaming Laboratory Operations for review in accordance with § 461a.4 (relating to submission for testing and approval).

(2) The gaming related gaming service provider shall pay all Bureau of Gaming Laboratory Operations costs incurred in the review of the proposed gaming related service.

(3) The certificate holder shall make a written request to the Board's Executive Director and receive written approval for use of the new gaming related service in accordance with § 601a.3 (relating to request to offer a new table game or new feature for an existing table game).

(4) The gaming related gaming service provider shall pay the certification fee required under § 613a.2(a)(2) (relating to gaming related gaming service provider certification applications) and will either receive written authorization from the Bureau of Licensing to conduct business prior to certification or be certified.

§ 613a.8. Permission to conduct business prior to certification.

(a) Notwithstanding § 613a.1 (relating to definitions; general requirements), the Bureau of Licensing may authorize an applicant for gaming related gaming service provider certification to conduct business with a certificate holder prior to the certification of the gaming related gaming service provider if the following criteria are met:

(1) A completed Gaming Related Gaming Service Provider Certification Application and Disclosure Information Form has been filed in accordance with § 613a.2 (relating to gaming related gaming service provider certification applications) and passed a preliminary review.

(2) The certificate holder certifies that it has performed due diligence on the gaming related gaming service provider.

(3) The applicant for gaming related gaming service provider certification agrees, in writing, that the grant of permission to conduct business prior to certification does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the authorization granted under this section, with or without prior notice to the applicant, if the Bureau of Licensing is informed that the suitability of the applicant may be at issue or the applicant fails to cooperate in the application or investigatory process.

(4) The gaming related gaming service provider and the certificate holder have satisfied the requirements in § 613a.7 (relating to requirements for use of a gaming related gaming service provider).

(5) The gaming related gaming service provider has passed a preliminary review of its criminal history.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for gaming related gaming service provider certification, the Bureau of Licensing may rescind the permission granted to the applicant for gaming related gaming service provider certification to conduct business with a certificate holder under subsection (a). If the permission is rescinded:

(1) The applicant for gaming related gaming service provider certification shall cease conducting business with the certificate holder by the date specified in the notice of the rescission under subsection (c).

(2) The certificate holder shall cease utilizing the gaming related service from the applicant for gaming related gaming service provider certification by the date specified in the notice of the rescission under subsection (c).

(c) The Bureau of Licensing will notify the applicant for gaming related gaming service provider certification and the certificate holder by registered mail that permission to conduct business with the certificate holder, as authorized under subsection (a), has been rescinded and that the certificate holder shall cease conducting business with the applicant for gaming related gaming service provider certification by the date specified in the notice.

§ 613a.9. Certificate holders' duty to investigate.

(a) A certificate holder shall investigate the background and qualifications of the applicants for gaming related gaming service provider certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) A certificate holder shall have an affirmative duty to avoid agreements or relationships with persons applying for gaming related gaming service provider certification 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 threaten the integrity of gaming in this Commonwealth.

(c) A certificate holder shall have a duty to inform the Board of an action by an applicant for or holder of a gaming related gaming service provider certification which the certificate holder believes would constitute a violation of the act or this part.

CHAPTER 615a. CONDITIONAL TABLE GAME DEVICE LICENSES

Sec.

615a.1. Table game devices, conditional licenses.

§ 615a.1. Table game devices, conditional licenses.

(a) The Board may grant an applicant for a table game device manufacturer, manufacturer designee or supplier license a conditional license to conduct table game business in this Commonwealth.

(b) To be eligible to obtain a conditional table game device license, the applicant for a table game device manufacturer, manufacturer designee or supplier license shall:

(1) Submit a completed manufacturer, manufacturer designee or supplier license application, including the nonrefundable application fee as posted on the Board's web site at www.pgcb.pa.gov, and pass a preliminary review.

(2) Be certified as a gaming service provider in this Commonwealth or be licensed in good standing to manufacture or provide table game devices in another 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.

(3) Submit a written statement from a slot machine licensee, manufacturer licensee, manufacturer designee licensee or supplier licensee that the slot machine licensee, manufacturer licensee, manufacturer designee licensee or supplier licensee intends to do business with the applicant for the purpose of purchasing, selling or marketing table game devices.

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

(5) Submit full payment of the licensing fee, as posted on the Board's web site, for the table game device manufacturer, manufacturer designee or supplier license prior to the issuance of the conditional license.

(c) An applicant for a table game device manufacturer, manufacturer designee or supplier license that has received a conditional license shall provide monthly transaction reports to the Bureau of Licensing by the 20th calendar day of the following month during the period of conditional licensure. The monthly transaction reports must include:

(1) The date table game devices were provided to a licensee.

(2) A description of the table game devices provided.

(3) The amount paid by the licensee for the table game devices.

(4) A copy of the invoice for the table game devices.

(d) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for a table game device manufacturer, manufacturer designee or supplier license that has received a conditional license, the Bureau of Licensing may rescind the conditional license. If the conditional license is rescinded, the conditional licensee shall cease conducting business by the date specified in the notice of the rescission sent to the conditional licensee by the Bureau of Licensing under subsection (e).

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

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

(2) Slot machine licensees, manufacturer licensees, manufacturer designee licensees and supplier licensees shall cease conducting business with the conditional licensee 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 any new business in this Commonwealth and may only complete transactions that were commenced prior to the date specified in the notice of rescission.

Subpart L. INTERACTIVE GAMING

CHAPTER 801a. GENERAL INTERACTIVE GAMING PROVISIONS

Sec.

801a.1. Scope.
801a.2. Definitions.
801a.3. Certificate or license required.
801a.4. Initial and renewal certificate and license fees.

§ 801a.1. Scope.

The purpose of this subpart is to govern the operation of interactive gaming. The act and the Board's regulations promulgated thereunder otherwise apply when not in conflict with this subpart.

§ 801a.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Airport authority—Any of the following:

(i) The governing body of a municipal authority organized and incorporated to oversee the operations of a qualified airport under 53 Pa.C.S. §§ 5601—5623 (relating to Municipality Authorities Act).

(ii) A city of the first class that regulates the use and control of a qualified airport located partially in a county of the first class and partially in a county contiguous to a county of the first class.

Airport gaming area—A location within a qualified airport area approved by the airport authority and the Board for the conduct of interactive gaming through the use of multiuse computing devices by eligible passengers.

Associated equipment—Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with interactive gaming, including equipment which affects the proper reporting and counting of gross interactive gaming revenue, computerized systems for controlling and monitoring interactive games, including interactive gaming devices necessary for the operation of interactive games as approved by the Board.

Authorized interactive game—An interactive game approved by regulation of the Board to be suitable for interactive gaming offered by an interactive gaming certificate holder or an interactive gaming operator on behalf of an interactive gaming certificate holder in accordance with sections 13B01—13B63 of the act (relating to interactive gaming). The term includes an

interactive game approved by regulation of the Board to be suitable for interactive gaming through use of a multiuse computing device.

Bureau—The Bureau of Investigations and Enforcement of the Board.

Cash equivalent—An asset that is readily convertible to cash, including any of the following:

(i) Chips or tokens.

(ii) Travelers checks.

(iii) Foreign currency and coin.

(iv) Certified checks, cashier's checks and money orders.

(v) Personal checks or drafts.

(vi) A negotiable instrument applied against credit extended by a certificate holder, an interactive gaming certificate holder, an interactive gaming operator or a financial institution.

(vii) A prepaid access instrument.

(viii) Any other instrument or representation of value that the Board deems a cash equivalent.

Cheat—

(i) To defraud or steal from any player, interactive gaming certificate holder, interactive gaming operator or the Commonwealth while operating or playing an authorized interactive game, including causing, aiding, abetting or conspiring with another person to do so.

(ii) The term also means to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria which determine:

(A) The result of an authorized interactive game.

(B) The amount or frequency of payment in an authorized interactive game.

(C) The value of a wagering instrument.

(D) The value of a wagering credit.

(iii) The term does not include altering an interactive gaming device or associated equipment for maintenance or repair with the approval of an interactive gaming certificate holder or interactive gaming operator.

Cheating device—A device, software or hardware used or possessed with the intent to be used to cheat during the operation or play of any authorized interactive game. The term also includes any device used to alter an authorized interactive game or interactive gaming device or associated equipment without the interactive gaming certificate holder's or interactive gaming operator's approval.

Communication technology—Any method used and the components employed to facilitate the transmission and receipt of information, including transmission and reception by systems using wire, wireless, cable, radio, microwave, light, fiber optics, satellite or computer data networks, including the Internet and intranets.

Concession operator—A person engaged in the sale or offering for sale of consumer goods or services to the public at a qualified airport, or authorized to conduct other commercial activities related to passenger services at a qualified airport, in accordance with the terms and conditions of an agreement or contract with an airport authority, government entity or other person.

Conduct of gaming—The licensed placement, operation and play of interactive games under this subpart, as authorized and approved by the Board. The term includes the licensed placement, operation and play of authorized interactive games through the use of multiuse computing devices at a qualified airport under sections 13B20—13B20.7 of the act (relating to multi-use computing devices).

Contest—An authorized interactive game competition among players for cash, cash equivalents or prizes.

Eligible passenger—An individual 21 years of age or older who has cleared security check points with a valid airline boarding pass for travel from one destination to another.

Gaming employee—An employee of any of the following who the Board determines, after a review of the work to be performed, requires a gaming employee permit for the protection of the integrity of interactive gaming operations in this Commonwealth:

(i) An interactive gaming certificate holder or interactive gaming operator.

(ii) An interactive gaming manufacturer licensee or interactive gaming supplier licensee.

(iii) An interactive gaming service provider.

(iv) Any other person as determined by the Board.

Gaming-related restricted area—A room or area of a licensed facility which is specifically designated by the Board as restricted or by the interactive gaming certificate holder or interactive gaming operator as restricted in its Board-approved internal controls.

Gaming school—An educational institution approved by the Department of Education as an accredited college or university, community college, Pennsylvania private licensed school or its equivalent and whose curriculum guidelines are approved by the Department of Labor and Industry to provide education and job training related to employment opportunities associated with interactive games, including interactive gaming devices and associated equipment maintenance and repair.

Gross interactive airport gaming revenue—

(i) Revenue is the total of all cash or cash equivalent wagers paid by an eligible passenger to an interactive gaming certificate holder at a qualified airport through the use of multiuse computing devices in consideration for the play of authorized interactive games at a qualified airport through the use of multiuse computing devices, including cash received as entry fees for contests or tournaments, minus:

(A) The total of cash or cash equivalents paid out to an eligible passenger as winnings.

(B) The actual cost paid by the interactive gaming certificate holder at a qualified airport through the use of multiuse computing devices for personal property distributed to a player as a result of playing an authorized interactive game. This clause does not include travel expenses, food, refreshments, lodging or services.

(ii) Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming at a qualified airport through the use of multiuse computing devices and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed and shall not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive airport gaming revenue.

Gross interactive gaming revenue—

(i) The total of all cash or cash equivalent wagers paid by registered players to an interactive gaming certificate holder in consideration for the play of authorized interactive games, including cash received as entry fees for contests or tournaments, minus:

(A) The total of cash or cash equivalents paid out to registered players as winnings.

(B) The actual cost paid by the interactive gaming certificate holder for any personal property distributed to a player as a result of playing an authorized interactive game. This clause does not include travel expenses, food, refreshments, lodging or services.

(ii) Amounts deposited with an interactive gaming certificate holder for purposes of interactive gaming and amounts taken in fraudulent acts perpetrated against an interactive gaming certificate holder for which the interactive gaming certificate holder is not reimbursed shall not be considered to have been paid to the interactive gaming certificate holder for purposes of calculating gross interactive gaming revenue.

Interactive game—

(i) A gambling game offered through the use of communications technology that allows a person utilizing money, checks, electronic checks, electronic transfers of money, credit cards or any other instrumentality to transmit electronic information to assist in the placement of a bet or wager and corresponding information related to the display of the game, game outcomes or other similar information.

(ii) The term does not include any of the following:

(A) A lottery game or Internet instant game as defined in the State Lottery Law (72 P.S. §§ 3761-101— 3761-2103).

(B) iLottery under 4 Pa.C.S. §§ 501—505 (relating to lottery).

(C) A nongambling game that does not otherwise require a license under the laws of the Commonwealth.

(D) A fantasy contest under 4 Pa.C.S. §§ 301—342 (relating to fantasy contests).

Interactive gaming—The placing of wagers with an interactive gaming certificate holder or interactive gaming operator using a computer network of Federal and non-Federal interoperable packet switched data networks through which an interactive gaming certificate holder may offer authorized interactive games to registered players. The term includes the placing of wagers through the use of a multiuse computing device.

Interactive gaming account—The formal electronic system implemented by an interactive gaming certificate holder to record the balance of a registered player's debits, credits and other financial activity related to interactive gaming.

Interactive gaming account agreement—An agreement entered into between an interactive gaming certificate holder and a registered player which governs the terms and conditions of the registered player's interactive gaming account and the use of the Internet for purposes of placing wagers on authorized interactive games operated by an interactive gaming certificate holder or interactive gaming operator.

Interactive gaming agreement—An agreement entered into by or between an interactive gaming certificate holder and an interactive gaming operator related to the offering or operation of interactive gaming or an interactive gaming system by the interactive gaming operator on behalf of the interactive gaming certificate holder. The term includes an interactive gaming

agreement entered into between an interactive gaming certificate holder and an interactive gaming operator for the conduct of interactive gaming through the use of multiuse computing devices at a qualified airport in accordance with sections 13B01—13B63 of the act.

Interactive gaming certificate—The authorization issued to a slot machine licensee by the Board authorizing the operation and conduct of interactive gaming by a slot machine licensee in accordance with sections 13B01—13B63 of the act.

Interactive gaming certificate holder—A slot machine licensee that has been granted authorization by the Board to operate interactive gaming in accordance with sections 13B01—13B63 of the act.

Interactive gaming device—The hardware, software and other technology, equipment or device of any kind as determined by the Board to be necessary for the conduct of authorized interactive games.

Interactive gaming license—A license issued to an interactive gaming operator by the Board under sections 13B01—13B63 of the act.

Interactive gaming manufacturer—

(i) A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to authorized interactive games for use or play of authorized interactive games in this Commonwealth for gaming purposes.

(ii) The term includes operators of live gaming studios.

(iii) The term does not include a person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to multiuse computing devices used in connection with the conduct of interactive gaming at a qualified airport.

Interactive gaming manufacturer license—A license issued by the Board authorizing a manufacturer to manufacture or produce interactive gaming devices or associated equipment for use in this Commonwealth for gaming purposes. The term includes the operators of live gaming studios.

Interactive gaming network—A linked system that permits registered players of multiple interactive gaming certificate holders or interactive gaming operators to participate in peer-to-peer interactive gaming.

Interactive gaming operator—A person licensed by the Board to operate interactive gaming or an interactive gaming system, through the provision of an interactive gaming platform, on behalf of an interactive gaming certificate holder. The term includes a person that has received conditional authorization under section 13B14 of the act (relating to interactive gaming operators) for as long as the authorization is effective.

Interactive gaming platform—The combination of hardware and software or other technology designed and used to manage, conduct and record interactive games and the wagers associated with interactive games, as approved by the Board. The term includes emerging or new technology deployed to advance the conduct and operation of interactive gaming, as approved through regulation by the Board.

Interactive gaming reciprocal agreement—An agreement negotiated by the Board and approved by the Governor on behalf of the Commonwealth with the regulatory agency of one or more states or jurisdictions where interactive gaming is legally authorized which will permit the conduct of interactive gaming between interactive gaming certificate holders in this Commonwealth and gaming entities in the states or jurisdictions that are parties to the agreement.

Interactive gaming restricted area—A room or area, as approved by the Board, used by an interactive gaming certificate holder or interactive gaming operator to manage, control and operate interactive gaming, including, when approved by the Board, redundancy facilities and remote gaming server locations.

Interactive gaming service provider—A person that is not required to be licensed as a manufacturer, supplier, or management company under this part who:

(i) Provides goods or services to an interactive gaming certificate holder or interactive gaming operator for the operation of interactive gaming.

(ii) Is determined to be an interactive gaming service provider by the Board in accordance with the provisions of Chapter 807a (relating to interactive gaming service providers).

Interactive gaming skin or skins—The portal or portals to an interactive gaming platform or interactive gaming web site through which authorized interactive games are made available by an interactive gaming certificate holder or interactive gaming operator to registered players in this Commonwealth or registered players in any other state or jurisdiction which has entered into an interactive gaming reciprocal agreement.

Interactive gaming supplier—

(i) A person who sells, leases, offers or otherwise provides, distributes or services an interactive gaming device or associated equipment for use or play of interactive games in this Commonwealth.

(ii) The term includes a person that sells, leases, offers or otherwise provides, distributes or services multiuse computing devices approved by the Board.

(iii) The term does not include the seller of a device that does not contain or operate interactive gaming software or systems or that has not been configured as a multiuse computing device at the time it is sold.

Interactive gaming supplier license—A license issued by the Board authorizing a supplier to provide products or services related to interactive gaming devices, including multiuse computing device or associated equipment, to interactive gaming certificate holders or interactive gaming operators for use in this Commonwealth for gaming purposes.

Interactive gaming system—The hardware, software and communications that comprise a type of server-based gaming system for the purpose of offering authorized interactive games.

Interactive gaming web site—The interactive gaming skin or skins through which an interactive gaming certificate holder or interactive gaming operator makes authorized interactive games available for play.

International airport—An airport that offers direct commercial flights for eligible passengers which arrive from, or depart to, an airport not located within the United States of America.

Key employee—All of the following:

(i) An individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate interactive gaming operations, including the Director of Information Technology (IT), IT Security Officer, Interactive Gaming Manager or other similar job classifications associated with interactive gaming.

(ii) Persons who manage, control or administer interactive gaming or the bets and wagers associated with authorized interactive games.

(iii) An employee who is not otherwise designated as a gaming employee and who supervises the operations of the interactive gaming department or to whom the interactive gaming department directors or interactive gaming department heads report and other positions not otherwise designated or defined under this subpart which the Board will determine based on detailed analyses of job descriptions as provided in the internal controls of the licensee as approved by the Board.

(iv) Any other employees as determined by the Board.

Licensed facility—

(i) The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines and, if authorized by the Board under sections 13A01—13A63 of the act (relating to table games), to conduct table games and, if authorized under sections 13B01—13B63 of the act, to conduct interactive gaming.

(ii) The term includes any of the following:

(A) An area of a licensed racetrack at which a slot machine licensee was previously authorized under section 1207(17) of the act (relating to regulatory authority of board) to operate slot machines prior to the effective date of the act, as amended.

(B) A Board-approved interim facility or temporary facility.

(C) An area of a hotel which the Board determines is suitable to conduct table games.

(D) An area of a licensed facility where casino simulcasting is conducted, as approved by the Board.

(iii) The term does not include a redundancy facility or an interactive gaming restricted area which is not located on the premises of a licensed facility as approved by the Board and which is maintained and operated by an interactive gaming certificate holder or interactive gaming operator in connection with interactive gaming or casino simulcasting.

Live gaming studio—A physical location that utilizes live video streaming technology to provide live casino games to a player's interactive gaming device or multiuse computing device that permits the player to participate in live streamed casino games, interact with gaming studio dealers and interact with fellow players.

Multiuse computing device—

(i) A computing device, including a tablet computer, that:

(A) Is located and accessible to eligible passengers only in an airport gaming area.

(B) Allows an eligible passenger to play an authorized interactive game.

(C) Communicates with a server that is in a location approved by the Board.

(D) Is approved by the Board.

(E) Has the capability of being linked to and monitored by the Department's central control computer system, as applicable for any particular interactive game, in accordance with section 1323 of the act (relating to central control computer system).

(F) Offers a player additional functions which includes Internet browsing, the capability of checking flight status, and ordering food or beverages.

(ii) The term shall not include any tablet or computing device that restricts, prohibits or is incapable of providing access to interactive gaming, interactive gaming skin or skins or interactive gaming platforms.

Multistate agreement—The written agreement, approved by the Governor, between the Board and regulatory agencies in other states or jurisdictions for the operation of an interactive multistate wide-area progressive system.

Multistate wide-area progressive system—The linking of interactive games offered by interactive gaming certificate holders or interactive gaming operators in this Commonwealth with interactive games located in one or more states or jurisdictions whose regulatory agencies have entered into written agreements with the Board for the operation of the system.

Net terminal revenue—The net amount of the gross terminal revenue less the tax and assessments imposed by sections 1402, 1403, 1405 and 1407 of the act.

Non-peer-to-peer interactive game—An authorized interactive game in which the player does not compete against players and which is not a peer-to-peer interactive game.

Peer-to-peer interactive game—An authorized interactive game which is nonbanking, in which a player competes against one or more players and in which the interactive gaming certificate holder or interactive gaming operator collects a rake.

Personal identifiable information—Any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a registered player, including a registered player's name, address, date of birth and Social Security number.

Player—An individual wagering cash, a cash equivalent or other thing of value in the play or operation of an authorized interactive game, including during a contest or tournament, the play or operation of which may deliver or entitle the individual playing or operating the authorized interactive game to receive cash, a cash equivalent or other thing of value from another player or an interactive gaming certificate holder or interactive gaming operator.

Prepaid access instrument—A card, code, electronic serial number, mobile identification number, personal identification number or similar device that:

(i) Allows patron access to funds that have been paid in advance and can be retrieved or transferred through the use of the device.

(ii) Qualifies as an access device for purposes of regulations issued by the Board of Governors of the Federal Reserve System under 12 CFR Part 205 (relating to electronic fund transfers (Regulation E)).

(iii) Shall be distributed by a slot machine licensee or its affiliates to be considered a cash equivalent at the slot machine licensee's licensed facility or the location of the slot machine licensee's affiliates.

(iv) Shall be used in conjunction with an approved cashless wagering system or electronic credit system to transfer funds for gaming purposes.

Progressive payout—An interactive game wager payout that increases in a monetary amount based on the amounts wagered in a progressive system, including a multistate wide-area progressive system.

Progressive system—A computerized system linking interactive games offered by interactive gaming certificate holders or interactive gaming operators in this Commonwealth and offering one or more common progressive payouts based on the amounts wagered. The term includes a multistate wide-area progressive system.

Qualified airport—A publicly owned commercial service airport.

Qualified gaming entity—A gaming entity which is not a Category 1, Category 2, Category 3 or Category 4 slot machine licensee, but is licensed in a jurisdiction other than the Commonwealth that has satisfied the requirements of this subpart and any other criteria established by the Board, including financial and character suitability requirements.

Redundancy facilities—Rooms or areas used by an interactive gaming certificate holder, an interactive gaming operator, or other licensed or authorized entity associated with the provision of interactive gaming for emergency backup, redundancy or secondary operations attendant to interactive gaming as approved by the Board.

Registered player—An individual who has entered into an interactive gaming account agreement with an interactive gaming certificate holder.

State gaming receipts—Revenues and receipts required under this subpart to be paid into the State Gaming Fund, the Pennsylvania Race Horse Development Trust Fund and the Pennsylvania Gaming Economic Development and Tourism Fund, and all rights, existing on the effective date of the act, as amended, or coming into existence later, to receive revenues and receipts.

Tournament—An interactive gaming contest or an organized series of interactive gaming contests approved by the Board in which an overall winner is ultimately determined.

§ 801a.3. Certificate or license required.

The Board will initiate formal procedures for the acceptance, consideration and final adjudication of petitions and applications by setting filing requirements and deadlines for interactive gaming certificates and interactive gaming licenses.

§ 801a.4. Initial and renewal certificate and license fees.

Prior to the Board issuing an interactive gaming certificate or interactive gaming license or renewal thereof, the interactive gaming certificate holder or interactive gaming operator shall pay the certificate or license fee as set forth in the act.

CHAPTER 802a. INTERACTIVE GAMING CERTIFICATES

Sec.

802a.1. Interactive gaming certificate requirements.
802a.2. Interactive gaming certificate petition and standards.
802a.3. Interactive gaming certificate term and renewal.

§ 802a.1. Interactive gaming certificate requirements.

(a) A slot machine licensee seeking to offer interactive gaming in this Commonwealth may petition the Board for an interactive gaming certificate.

(b) Three categories of interactive gaming are authorized in this Commonwealth:

(1) A peer-to-peer interactive game.

(2) A non-peer-to-peer interactive game which simulates slot machines.

(3) A non-peer-to-peer interactive game which simulates table games.

(c) The filing requirements and deadlines will be posted on the Board's public web site.

(d) An interactive gaming certificate issued under this subpart will list the categories of interactive games authorized under the interactive gaming certificate. An interactive gaming certificate which authorizes multiple categories of interactive games will count as an interactive gaming certificate in each category of interactive game authorized under this section.

§ 802a.2. Interactive gaming certificate petition and standards.

(a) A petitioner for an interactive gaming certificate shall submit all of the following to the Board:

(1) The name, business address and contact information of the slot machine licensee applying for an interactive gaming certificate.

(2) The name, business address and contact information of any affiliate or other person that will be a party to an agreement with the interactive gaming certificate petitioner related to the operation of interactive gaming or an interactive gaming system on behalf of the interactive gaming certificate petitioner, including a person applying for an interactive gaming license.

(3) The name, business address, job title and a photograph of each principal and key employee of the interactive gaming certificate petitioner who will be involved in the conduct of interactive gaming, whether or not the principal or key employee is currently licensed by the Board.

(4) The name, business address, job title and a photograph of each principal and key employee of the interactive gaming operator, if any, who will conduct interactive gaming or an interactive gaming system on behalf of the inter-active gaming certificate petitioner, whether or not the principal or key employee is currently licensed by the Board.

(5) A statement identifying which categories of interactive games the interactive gaming certificate petitioner intends to offer:

(i) Peer-to-peer interactive games.

(ii) Non-peer-to-peer interactive games which simulate slot machines.

(iii) Non-peer-to-peer interactive games which simulate table games.

(6) An itemized list of the interactive games, including identifying the category of each interactive game for which authorization is being sought.

(7) The estimated number of full-time and part-time employment positions that will be created as a result of interactive gaming and the jurisdictions in which the positions will be located, including positions at the interactive gaming certificate petitioner's licensed facility or at any interactive gaming restricted area if an interactive gaming certificate is issued, and an updated hiring plan under section 1510(a) of the act (relating to labor hiring preferences) which outlines the interactive gaming certificate petitioners plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(8) A brief description of the economic benefits expected to be realized by the Commonwealth if an interactive gaming certificate is issued.

(9) The details of any financing obtained or that will be obtained to fund an expansion or modification of the interactive gaming certificate petitioners licensed facility to accommodate interactive gaming and to otherwise fund the cost of commencing interactive gaming.

(10) Information and documentation concerning financial background and resources, as the Board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the interactive gaming certificate petitioner, and information or documentation concerning any person that will operate interactive gaming or an interactive gaming system on behalf of the interactive gaming certificate petitioner as an interactive gaming operator, as the Board may require. The interactive gaming agreement with a person is subject to the review and approval of the Board.

(11) Information and documentation, as the Board may require, to establish by clear and convincing evidence that the interactive gaming certificate petitioner has sufficient business ability and experience to conduct a successful interactive gaming operation. In making this determination, the Board may consider the results of the interactive gaming certificate petitioner's slot machine and table game operations, including financial information, employment data and capital investment.

(12) Information and documentation, as the Board may require, to establish by clear and convincing evidence that the interactive gaming certificate petitioner has or will have the financial ability to pay the interactive gaming authorization fee.

(13) Detailed site plans identifying the proposed interactive gaming restricted area where interactive gaming operations will be managed, administered or controlled as approved by the Board.

(14) A detailed description of all of the following:

(i) The interactive gaming certificate petitioner's initial system of internal and accounting controls applicable to interactive gaming.

(ii) The interactive gaming certificate petitioner's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) How the interactive gaming certificate petitioner will facilitate compliance with the requirements in this chapter and section 802(a)(10)(B) of the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C.A. § 5362(10)(B)), including all of the following:

(A) Age, identity and location verification requirements.

(B) Appropriate data security standards to prevent unauthorized access by a person whose age, identity or location have not been verified or cannot be verified in accordance with this subpart and applicable regulations of the Board.

(C) Except as provided in sections 13B61—13B63 of the act (relating to miscellaneous provisions), the requirement that all wagers made in the conduct of interactive gaming be initiated and received or otherwise made exclusively in this Commonwealth.

(D) The interactive gaming certificate petitioner's proposed age, identity and location verification standards designed to block access to persons under 21 years of age and other persons excluded or prohibited from participating in interactive gaming under this chapter.

(E) The procedures the interactive gaming certificate petitioner will use to register individuals as registered players.

(F) The procedures the interactive gaming certificate petitioner will use to establish interactive gaming accounts for registered players.

(G) The interactive games and services the interactive gaming certificate petitioner proposes to offer to registered players.

(H) Documentation and information relating to known proposed contractors of the interactive gaming certificate petitioner and subcontractors of the contractors.

(15) The interactive gaming devices and associated equipment and interactive gaming system that the interactive gaming certificate petitioner plans to or will utilize to manage, administer or control its interactive gaming operations.

(16) Compliance certification of the interactive gaming certificate petitioner's proposed interactive gaming devices and associated equipment, including interactive gaming software and hardware, by a Board-approved gaming laboratory to ensure that the gaming software and hardware comply with this subpart and regulations of the Board.

(17) A detailed description of accounting systems, including accounting systems for all the following:

(i) Interactive gaming accounts.

(ii) Per hand charges, if applicable.

(iii) Transparency and reporting to the Board and the Department.

(iv) Distribution of revenue to the Commonwealth and winnings to registered players.

(v) Ongoing auditing and internal control compliance reviews.

(18) Detailed information on security systems to protect the interactive gaming skins or interactive gaming web site from internal and external breaches and threats.

(19) Any other information the Board may require.

(b) In addition to the materials required under subsection (a), the petitioner for an interactive gaming certificate shall show, by clear and convincing evidence, all the following:

(1) The petitioner's proposed conduct of interactive gaming complies in all respects with the requirements of this subpart and the Board's regulations.

(2) Age, identity and location verification requirements designed to block access to individuals under 21 years of age and persons otherwise excluded or prohibited from engaging in interactive gaming in accordance with this subpart, as approved by the Board, have been implemented by the slot machine licensee.

(3) The petitioner has implemented or will implement appropriate data security standards to prevent unauthorized access by a person whose age, identity and location has not been verified or cannot be verified in accordance with the Board's regulations.

(4) The petitioner has implemented or will implement appropriate standards to protect the privacy and security of registered players with a reasonable degree of certainty.

(5) The petitioner's initial system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, complies with this chapter and the Board's regulations.

(6) The petitioner is in good standing with the Board.

(7) The petitioner agrees that the number of slot machines and table games in operation at its licensed facility as of October 30, 2017, the effective date of 4 Pa.C.S. Part II (relating to the Pennsylvania Race Horse Development and Gaming Act), will not be reduced as a result of interactive gaming.

(c) In determining whether a petitioner is suitable to be issued an interactive gaming certificate under this subpart, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the petitioner.

(2) If all principals of the petitioner are eligible and suitable under the standards in section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of financial backers.

(4) The suitability of the petitioner and the principals of the petitioner based on the satisfactory results of all of the following:

(i) The background investigation of the principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 802a.3. Interactive gaming certificate term and renewal.

(a) An interactive gaming certificate and the renewal thereof is valid for 5 years from the date of approval of the petition by the Board.

(b) A renewal application for an interactive gaming certificate shall be filed at least 6 months prior to the expiration of the current certificate.

(c) An interactive gaming certificate for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

CHAPTER 803a. INTERACTIVE GAMING OPERATORS

Sec.

803a.1. Interactive gaming operator requirements.
803a.2. Interactive gaming operator application and standards.
803a.3. Interactive gaming license term and renewal.
803a.4. Interactive gaming operator change of control.

§ 803a.1. Interactive gaming operator requirements.

A person seeking to operate interactive gaming or an interactive gaming system on behalf of an interactive gaming certificate holder in this Commonwealth may apply with the Board for an interactive gaming license.

§ 803a.2. Interactive gaming operator application and standards.

An applicant for an interactive gaming license shall submit all of the following:

(1) An Entity Enterprise Application and Disclosure Information Form unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under this chapter and principal under Chapter 433a (relating to principal licenses) as specified by the Entity Enterprise Application and Disclosure Information Form.

§ 803a.3. Interactive gaming license term and renewal.

(a) An interactive gaming license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for an interactive gaming license shall be filed at least 6 months prior to the expiration of the current license.

(c) An interactive gaming license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 803a.4. Interactive gaming operator change of control.

(a) For purposes of this section, a change of control of an interactive gaming operator will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of an interactive gaming operator's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the interactive gaming operator.

(3) Any other interest in an interactive gaming operator which allows the acquirer to control the interactive gaming operator.

(b) An interactive gaming operator shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the interactive gaming operator.

(c) Prior to acquiring a controlling interest in an interactive gaming operator, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under § 808a.2 (relating to interactive gaming principals) and key employees as required under § 808a.3 (relating to interactive key employees).

(d) A person or group of persons seeking to acquire a controlling interest in an interactive gaming operator shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(e) A person or group of persons may not acquire a controlling interest in an interactive gaming operator until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in an interactive gaming operator and the interactive gaming operator may enter into an agreement of sale that is contingent on Board approval of the petition.

(f) The requirements in this section do not apply to the acquisition of a controlling interest in an interactive gaming operator when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game or interactive gaming operator.

(2) The existing licensed interactive gaming operator has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 804a. QUALIFIED GAMING ENTITY

Sec.

804a.1. Qualified gaming entity license requirements.
804a.2. Qualified gaming entity petition requirements.
804a.3. Qualified gaming entity application requirements.
804a.4. Qualified gaming entity interactive gaming certificate term and renewal.

§ 804a.1. Qualified gaming entity license requirements.

(a) A qualified gaming entity seeking to offer interactive gaming in this Commonwealth may petition the Board for an interactive gaming certificate if all of the following apply:

(1) The Board has published a notice on its web site that it is accepting petitions for qualified gaming entities.

(2) Any category of interactive game, as detailed in § 802a.1(b) (relating to interactive gaming certificate requirements), remains available after eligible slot machine licensees failed to petition for authorization to offer that category of interactive game directly or through an interactive gaming operator.

(3) The entity holds a license, in good standing, in any gaming jurisdiction which entitles the entity to conduct casino, table or poker-style games in a physical land-based casino or by means of the Internet, or both.

(b) The Board will approve and post the process for selecting eligible qualified gaming entities.

§ 804a.2. Qualified gaming entity petition requirements.

(a) A qualified gaming entity petitioner for an interactive gaming certificate shall submit to the Board a petition containing the information required by slot machine licensees seeking an interactive gaming certificate under § 802a.2 (relating to interactive gaming certificate petition and standards).

(b) The qualified gaming entity petitioner shall also show, by clear and convincing evidence, all of the following:

(1) It is licensed in good standing in another gaming jurisdiction.

(2) The licensing standards of that other gaming jurisdiction are comprehensive and thorough and provide similar safeguards as those required by the Commonwealth.

(3) The petitioner has the business experience and expertise to operate an interactive gaming system.

(c) In addition to the materials required under subsections (a) and (b), the qualified gaming entity petitioner for an interactive gaming certificate shall show, by clear and convincing evidence, that it has implemented or will implement all of the following:

(1) Interactive gaming that complies in all respects with the requirements of this subpart and regulations promulgated by the Board.

(2) A system of age, identity and location verification protocols designed to block access to individuals under 21 years of age and persons otherwise excluded or prohibited from engaging in interactive gaming in accordance with this subpart, as approved by the Board, has been implemented by the petitioner.

(3) Appropriate data security standards to prevent unauthorized access by any person whose age, identity and location has not been verified or cannot be verified in accordance with the regulations promulgated by the Board.

(4) Appropriate standards to protect the privacy and security of registered players with a reasonable degree of certainty.

(5) A system of internal and accounting controls applicable to interactive gaming, and the security and integrity of all financial transactions in connection with the system, that complies with this chapter and regulations promulgated by the Board.

§ 804a.3. Qualified gaming entity application requirements.

(a) If selected under the Board process in § 804a.1(b) (relating to qualified gaming entity license requirements), the eligible qualified gaming entity petitioner shall submit all applicable applications for the issuance of an interactive gaming certificate as required by the Bureau of Licensing.

(b) In determining whether an eligible qualified gaming entity petitioner is suitable to be issued a qualified gaming entity interactive gaming certificate under this subpart, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the petitioner.

(2) If all principals of the petitioner are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the petitioner and the principals of the petitioner based on the satisfactory results of all of the following:

(i) The background investigation of the principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 804a.4. Qualified gaming entity interactive gaming certificate term and renewal.

(a) A qualified gaming entity interactive gaming certificate and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a qualified gaming entity interactive gaming certificate shall be filed at least 6 months prior to the expiration of the current certificate.

(c) A qualified gaming entity interactive gaming certificate for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

CHAPTER 805a. INTERACTIVE GAMING MANUFACTURER

Sec.

805a.1. Interactive gaming manufacturer license requirements.
805a.2. Interactive gaming manufacturer license application and standards.
805a.3. Interactive gaming manufacturer license term and renewal.
805a.4. Interactive gaming manufacturer abbreviated license process.
805a.5. Interactive gaming manufacturer licensee responsibilities.
805a.6. Interactive gaming manufacturer licensee change of control.

§ 805a.1. Interactive gaming manufacturer license requirements.

(a) An interactive gaming manufacturer seeking to manufacture interactive devices or associated equipment for use in this Commonwealth shall apply to the Board for an interactive gaming manufacturer license.

(b) In accordance with section 1317.1 of the act (relating to manufacturer licenses), an applicant for or the holder of an interactive gaming manufacturer license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or an interactive gaming supplier license.

§ 805a.2. Interactive gaming manufacturer license application and standards.

(a) An applicant for an interactive gaming manufacturer license shall submit all of the following:

(1) An Enterprise Entity Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under §§ 435a.2 and 808a.3 (relating to key employee license; and interactive key employees) and principal under Chapter 433a (relating to principal licenses) and § 808a.2 (relating to interactive gaming principals) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the applicant nor any of its affiliates, intermediaries, subsidiaries or holding companies is an applicant for or holder of a slot machine license and that the applicant has neither applied for nor holds an interactive gaming supplier license.

(b) In addition to the materials required under subsection (a), an applicant for an interactive gaming manufacturer license shall do all of the following:

(1) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) Demonstrate that the applicant has the ability to manufacture, build, rebuild, repair, fabricate, assemble, produce, program, design or otherwise make modifications to interactive gaming devices or associated equipment which meet one or more of the following criteria:

(i) Are specifically designed for use in the operation of interactive gaming or an interactive gaming device or associated equipment.

(ii) Are needed to conduct an authorized interactive game.

(iii) Have the capacity to affect the outcome of the play of an interactive game.

(iv) Have the capacity to affect the calculation, storage, collection or control of gross interactive gaming revenue.

(c) In determining whether an applicant is suitable to be licensed as an interactive gaming manufacturer under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals of the applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the applicant and the principals of the applicant based on the satisfactory results of all of the following:

(i) The background investigation of the principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 805a.3. Interactive gaming manufacturer license term and renewal.

(a) An interactive gaming manufacturer license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for an interactive gaming manufacturer license shall be filed at least 6 months prior to the expiration of the current license.

(c) An interactive gaming manufacturer license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 805a.4. Interactive gaming manufacturer abbreviated license process.

(a) The Board may use an abbreviated licensing process if the applicant holds a license issued by the Board to manufacture slot machines, table games, sports wagering devices or associated equipment, video gaming terminals, table game devices or associated equipment and all of the following apply:

(1) The license was issued by the Board and is currently in good standing.

(2) The entity to whom the manufacturer license was issued affirms there has been no material change in circumstances relating to the license.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining an interactive gaming manufacturer license through the application process in this Commonwealth.

§ 805a.5. Interactive gaming manufacturer licensee responsibilities.

(a) A holder of an interactive gaming manufacturer license shall have a continuing duty to do all of the following:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded interactive gaming manufacturer licensees, provide notification of all SEC filings or if the manufacturer is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(b) An employee of a licensed interactive gaming manufacturer who is a gaming or nongaming employee as defined in § 801a.2 (relating to definitions) shall obtain a permit under

§ 808a.4 (relating to interactive gaming employees) or registration under § 808a.5 (relating to interactive nongaming employees).

§ 805a.6. Interactive gaming manufacturer licensee change of control.

(a) For purposes of this section, a change of control of an interactive gaming manufacturer licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of an interactive gaming manufacturer licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the interactive gaming manufacturer licensee.

(3) Any other interest in an interactive gaming manufacturer licensee which allows the acquirer to control the interactive gaming manufacturer licensee.

(b) An interactive gaming manufacturer licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the interactive gaming manufacturer licensee.

(c) Prior to acquiring a controlling interest in an interactive gaming manufacturer licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under § 808a.2 (relating to interactive gaming principals) and key employees as required under § 808a.3 (relating to interactive key employees).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee or interactive gaming certificate holder and that the acquirer has neither applied for nor holds an interactive gaming supplier license.

(d) A person or group of persons seeking to acquire a controlling interest in an interactive gaming manufacturer licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(e) A person or group of persons may not acquire a controlling interest in an interactive gaming manufacturer licensee until the petition required under subsection (c) has been approved.

A person or group of persons seeking to acquire a controlling interest in an interactive gaming manufacturer licensee and the interactive gaming manufacturer licensee may enter into an agreement of sale that is contingent on Board approval of the petition.

(f) The requirements in this section do not apply to the acquisition of a controlling interest in an interactive gaming manufacturer licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game or interactive gaming manufacturer.

(2) The existing licensed interactive gaming manufacturer has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 806a. INTERACTIVE GAMING SUPPLIER

Sec.

806a.1. Interactive gaming supplier license requirements.
806a.2. Interactive gaming supplier application and standards.
806a.3. Interactive gaming supplier entity term and renewal.
806a.4. Interactive gaming supplier abbreviated license process.
806a.5. Interactive gaming supplier licensee responsibilities.
806a.6. Interactive gaming supplier change of control.

§ 806a.1. Interactive gaming supplier license requirements.

(a) A supplier seeking to sell, lease, offer or otherwise provide, distribute or service interactive gaming devices or associated equipment to an interactive gaming certificate holder or interactive gaming operator in this Commonwealth shall apply to the Board for an interactive gaming supplier license.

(b) In accordance with sections 1317 and 1317.1 of the act (relating to supplier licenses; and manufacturer licenses), an applicant for or the holder of an interactive gaming supplier license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or an interactive gaming manufacturer license.

§ 806a.2. Interactive gaming supplier application and standards.

(a) An applicant for an interactive gaming supplier license shall submit all of the following:

(1) An Enterprise Entity Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every key employee under § 808a.3 (relating to interactive key employees) and principal under § 808a.2 (relating to interactive gaming principals) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the applicant nor any of its affiliates, intermediaries, subsidiaries or holding companies is an applicant for or holder of a slot machine license and that the applicant has neither applied for nor holds an interactive gaming manufacturer license.

(b) In addition to the materials required under subsection (a), an applicant for an interactive gaming supplier license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) In determining whether an applicant is suitable to be licensed as an interactive gaming supplier under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals of the applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the applicant and the principals of the applicant based on the satisfactory results of all of the following:

(i) The background investigation of the principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 806a.3. Interactive gaming supplier entity term and renewal.

(a) An interactive gaming supplier license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for an interactive gaming supplier license shall be filed at least 6 months prior to the expiration of the current license.

(c) An interactive gaming supplier license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 806a.4. Interactive gaming supplier abbreviated license process.

(a) The Board may use an abbreviated licensing process if the applicant holds a license issued by the Board to supply slot machines, table games, sports wagering devices or associated equipment, video gaming terminals, table game devices or associated equipment and all of the following apply:

(1) The license was issued by the Board and is currently in good standing.

(2) The entity to whom the supplier license was issued affirms there has been no material change in circumstances relating to the license.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining an interactive gaming supplier license through the application process in this Commonwealth.

§ 806a.5. Interactive gaming supplier licensee responsibilities.

(a) A supplier shall submit to the Bureau of Licensing for review any agreements with a licensed interactive gaming manufacturer, licensed interactive gaming operator, slot machine licensee or interactive gaming certificate holder. The review may include financing arrangements, technical competency, compensative agreements and other terms or conditions to ensure the financial independence of the licensed interactive gaming supplier from any licensed interactive gaming manufacturer or licensed or certified interactive gaming entity.

(b) A holder of a supplier license shall have a continuing duty to do all of the following:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded interactive gaming suppliers, provide notification of all SEC filings or, if the supplier is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(c) An employee of a licensed interactive gaming supplier who is a gaming or nongaming employee as defined in § 801a.2 (relating to definitions) shall obtain a permit under § 808a.4 (relating to interactive gaming employees) or registration under § 808a.5 (relating to interactive nongaming employees).

§ 806a.6. Interactive gaming supplier change of control.

(a) For purposes of this section, a change of control of an interactive gaming supplier licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of an interactive gaming supplier licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the interactive gaming supplier licensee.

(3) Any other interest in an interactive gaming supplier licensee which allows the acquirer to control the interactive gaming supplier licensee.

(b) An interactive gaming supplier licensee shall notify the Bureau and the Bureau of Licensing by filing a Notification of Proposed Transfer of Interest Form immediately upon becoming aware of any proposed or contemplated change of control of the interactive gaming supplier licensee.

(c) Prior to acquiring a controlling interest in an interactive gaming supplier licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under § 808a.2 (relating to interactive gaming principals) and key employees as required under § 808a.3 (relating to interactive key employees).

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee or interactive gaming certificate holder and that the acquirer has neither applied for nor holds an interactive gaming manufacturer license.

(d) A person or group of persons seeking to acquire a controlling interest in an interactive gaming supplier licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(e) A person or group of persons may not acquire a controlling interest in an interactive gaming supplier licensee until the petition, required under subsection (c), has been approved. A person or group of persons seeking to acquire a controlling interest in an interactive gaming supplier licensee and the supplier licensee may enter into a sales agreement that is contingent on Board approval of the petition.

(f) The requirements in this section do not apply to the acquisition of a controlling interest in an interactive gaming supplier licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game or interactive gaming supplier.

(2) The existing licensed interactive gaming supplier has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 807a. INTERACTIVE GAMING SERVICE PROVIDERS

Sec.

807a.1. General interactive gaming service provider requirements.
807a.2. Interactive gaming service provider certification applications.
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807a.6. Authorized gaming service providers list; prohibited gaming service providers.
807a.7. Permission to conduct business prior to certification or registration.
807a.8. Emergency interactive gaming service provider.
807a.9. Duty to investigate.

§ 807a.1. General interactive gaming service provider requirements.

(a) Except as provided in § 807a.9 (relating to duty to investigate), an interactive gaming service provider or person seeking to conduct business with an interactive gaming certificate holder or interactive gaming operator shall apply to the Board for certification if the interactive gaming service provider or person is providing any of the following:

(1) Data hosting services unless the hosting service is in a jurisdiction, the standards of which are recognized by the Board, the owner of the hardware is licensed as an interactive gaming operator by the Board and the facility is approved by the Board.

(2) Payment processing and related money-transmitting services with direct contact with a registered player's interactive gaming account.

(3) Customer identity, age verification and geo-location verification used in the conduct of interactive gaming, regardless of the interactive gaming service provider or person's contractual relationship with an interactive gaming certificate holder.

(4) Interactive affiliate goods or services and the interactive affiliate is being paid a revenue share. As used in this subsection, “interactive affiliate” means as an individual or entity involved in promoting, marketing and directing business to online gaming sites in exchange for compensation paid based on player activity not a flat fee.

(5) Any other person as determined by the Board.

(b) Except as provided in § 807a.9, a gaming service provider or person seeking to conduct business with an interactive gaming certificate holder or interactive gaming operator shall apply to the Board for a registration if the interactive gaming service provider or person is providing goods or services related to interactive gaming or interactive wagering and the interactive gaming service provider or person is not required to be certified as an interactive gaming service provider. This subsection applies to interactive affiliates involved in promoting, marketing and directing business to online gaming sites in exchange for a flat fee.

(c) A holder of an interactive gaming service provider certification, registration or authorization shall have a continuing duty to comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

§ 807a.2. Interactive gaming service provider certification applications.

(a) An interactive gaming service provider seeking certification shall submit a Certification Application and Disclosure Form. The application and fee toward the cost of the investigation of the applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the interactive gaming service provider unless otherwise directed by the Bureau of Licensing.

(b) In addition to the requirements in subsection (a), an applicant for an interactive gaming service provider certification shall do all of the following:

(1) Submit applications and release authorizations for each individual required to be qualified under § 807a.4 (relating to qualification of individuals and entities of certified interactive gaming service providers).

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) An applicant for an interactive gaming service provider certification shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(d) An interactive gaming service provider certification will not be issued until all fees and costs have been paid.

§ 807a.3. Interactive gaming service provider registration applications.

(a) An interactive gaming service provider seeking registration shall complete a Gaming Service Provider Registration Form. The application and fee toward the cost of the investigation of the applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the interactive gaming service provider unless otherwise directed by the Bureau of Licensing.

(b) In addition to the materials required under subsection (a), an applicant for an interactive gaming service provider registration shall do all of the following:

(1) Submit release authorizations for each individual required to be qualified under § 807a.4 (relating to qualification of individuals and entities of certified interactive gaming service providers).

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(3) Submit fingerprints of all of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the registered interactive gaming service provider applicant. For purposes of this subparagraph, "officer" means a president, a chief executive officer, a chief financial officer and a chief operating officer, and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(ii) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the registered interactive gaming service provider applicant.

(iii) Each salesperson of a registered interactive gaming service provider applicant who solicits business from, or has regular contact with, any representatives of an interactive certificate holder or interactive gaming operator or any employee of a registered interactive gaming service provider applicant who will be engaging in that conduct.

(c) A person who holds any direct or indirect ownership or beneficial interest in a registered interactive gaming service provider or applicant for interactive gaming service provider registration, or has the right to any profits or distributions directly or indirectly, from the registered interactive gaming service provider or applicant for interactive gaming service provider registration may be required to submit fingerprints if the Bureau determines that the submission of fingerprints of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(d) Each of the individuals required to submit fingerprints under subsection (b)(3) shall be found qualified by the Board.

(e) An individual who is a gaming or nongaming employee as defined in § 801a.2 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with § 808a.4 (relating to interactive gaming employees) or a nongaming employee registration in accordance with § 808a.5 (relating to interactive nongaming employees).

(f) An applicant for an interactive gaming service provider registration shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(g) An interactive gaming service provider registration will not be issued until all fees and costs have been paid.

§ 807a.4. Qualification of individuals and entities of certified interactive gaming service providers.

(a) The following individuals shall submit a Pennsylvania Personal History Disclosure Form and be found qualified by the Board:

(1) Each officer and director of a certified interactive gaming service provider or applicant for interactive gaming service provider certification. For the purposes of this

paragraph, "officer" means a president, a chief executive officer, a chief financial officer, and a chief operating officer and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the certified interactive gaming service provider or applicant for interactive gaming service provider certification. A certified interactive gaming service provider or applicant for interactive gaming service provider certification shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(3) Each salesperson of a certified interactive gaming service provider or applicant for interactive gaming service provider certification who solicits business from, or has regular contact with, any representatives of an interactive gaming certificate holder or interactive gaming operator or any employee of a certified interactive gaming service provider or applicant for interactive gaming service provider certification who will be engaging in that conduct.

(b) Each entity that directly owns 20% or more of the voting securities of a certified interactive gaming service provider or person applying for interactive gaming service provider certification shall file a Certification Form—Holding Company with the Bureau of Licensing and be found qualified by the Board.

(c) The following persons may be required to submit a Certification Form—Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Bureau of Licensing determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(1) An intermediary or holding company of a certified interactive gaming service provider or person or applicant for interactive gaming service provider certification not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a certified interactive gaming service provider or applicant for interactive gaming service provider certification.

(3) An employee of a certified interactive gaming service provider or applicant for interactive gaming service provider certification.

(4) A person who holds any direct or indirect ownership or beneficial interest in a certified interactive gaming service provider or applicant for interactive gaming service provider certification, or has the right to any profits or distribution, directly or indirectly, from the certified interactive gaming service provider or applicant for interactive gaming service provider certification.

(5) A trustee of a trust that is required to be found qualified under this section.

(d) The Bureau of Licensing may issue a temporary credential to an individual who is required to be qualified by the Board under this section if all of the following apply:

(1) The individual's presence in an interactive gaming restricted area is needed.

(2) The company with which the individual is associated is on the authorized gaming service provider list.

(e) Upon request, the Bureau of Licensing will issue a credential to an individual who has been found qualified under this section if the interactive gaming service provider has been certified.

(f) An employee of a certified or registered interactive gaming service provider who is a gaming or nongaming employee as defined in § 801a.2 (relating to definitions) shall obtain a permit under § 808a.4 (relating to interactive gaming employees) or registration under § 808a.5 (relating to interactive nongaming employees).

§ 807a.5. Interactive gaming service provider registration and certification term and renewal.

(a) Interactive gaming service provider certifications, registrations and renewals issued under this subpart will be valid for 5 years from the date of Board approval.

(b) Registered and certified interactive gaming service providers shall submit to the Board a completed renewal application or form and renewal fee at least 6 months prior to the expiration of a certification, registration or authorization.

(c) A certification or registration for which a completed renewal application and fee has been received by the Bureau of Licensing will continue to be in effect until the Board sends written notification to the holder of the certification or registration that the Board has approved or denied the certification or registration.

§ 807a.6. Authorized gaming service providers list; prohibited gaming service providers.

(a) The Board will maintain a list of authorized gaming service providers and a list of prohibited gaming service providers. The authorized list will contain the names of persons who have been:

(1) Registered or certified.

(2) Authorized to conduct business with interactive certificate holder or interactive gaming operator under § 437a.9 (relating to permission to conduct business prior to certification or registration).

(b) Except as permitted under §§ 437a.1(a)(2), (d) and (g) and 437a.10 (relating to general gaming service provider requirements; and emergency gaming service provider), an interactive gaming certificate holder or interactive gaming operator may not purchase goods or

services from an interactive gaming service provider unless the interactive gaming service provider is on the authorized gaming service provider list. A slot machine licensee, interactive gaming certificate holder or interactive gaming operator or applicant or any affiliate, intermediary, subsidiary or holding company thereof acting on behalf of the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant may not enter into an agreement or continue to do business with an interactive gaming service provider on the prohibited gaming service providers list.

(c) The Board may place a person or provider on the prohibited gaming service provider list if any of the following apply:

(1) The interactive gaming service provider has failed to comply with this chapter.

(2) The interactive gaming service provider has failed to cooperate with Board staff in its review and investigation of the interactive gaming service provider's application.

(3) The interactive gaming service provider's application for certification or registration has been denied or withdrawn with prejudice or the interactive gaming service provider has had its interactive gaming service provider certification or registration suspended or revoked.

(4) The interactive gaming service provider has failed to provide information to a slot machine licensee, an interactive gaming certificate holder or interactive gaming operator that is necessary for the slot machine licensee, interactive gaming certificate holder or interactive gaming operator to comply with this chapter.

(d) A person seeking to be removed from the list of prohibited gaming service providers shall file a petition for removal in accordance with § 493a.4 (relating to petitions generally) and shall be responsible for all costs associated with the person's petition for removal from the list of prohibited gaming service providers. The petition must state the specific grounds believed by the petitioner to constitute good cause for removal from the prohibited gaming service providers list and how the interactive gaming service provider has cured any deficiencies that led to the interactive gaming service provider being placed on the prohibited gaming service providers list.

(e) The Board may impose a monetary penalty or other appropriate sanction in connection with the removal of a person from the list of prohibited gaming service providers or attach any reasonable condition to the removal of a person from the list of prohibited gaming service providers.

§ 807a.7. Permission to conduct business prior to certification or registration.

(a) Notwithstanding § 807a.1 (relating to general interactive gaming service provider requirements), the Bureau of Licensing may authorize an applicant for an interactive gaming service provider certification or registration to conduct business with a slot machine licensee, an interactive gaming certificate holder or interactive gaming operator prior to the certification or

registration of the interactive gaming service provider applicant if all of the following criteria are met:

(1) A completed Gaming Service Provider Registration Form or a completed Gaming Service Provider Certification Application and Disclosure Information Form has been filed by the slot machine licensee, interactive gaming certificate holder or interactive gaming operator in accordance with § 807a.2 or § 807a.3 (relating to interactive gaming service provider certification applications; and interactive gaming service provider registration applications).

(2) The applicant for an interactive gaming service provider registration or certification agrees, in writing, that the grant of permission to conduct business prior to registration or certification does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the authorization granted pursuant to this section, with or without prior notice to the applicant, if the Bureau of Licensing is informed that the suitability of the applicant may be at issue or the applicant fails to cooperate in the application or investigatory process.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for certification or registration, the Bureau of Licensing may rescind the permission granted to the applicant for certification or registration to conduct business with a slot machine licensee, interactive gaming certificate holder or interactive gaming operator under subsection (a). If the permission is rescinded, the applicant for certification or registration shall cease conducting business with the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant by the date specified in the notice of the rescission by the Bureau of Licensing under subsection (c).

(c) The Bureau of Licensing will notify the applicant for certification or registration and the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant by registered mail and e-mail that permission for the applicant for certification or registration to conduct business with the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant under subsection (a) has been rescinded and that the slot machine licensee, interactive gaming certificate holder, interactive gaming operator or applicant shall cease conducting business with the applicant for certification or registration by the date specified in the notice.

§ 807a.8. Emergency interactive gaming service provider.

(a) An interactive gaming certificate holder or interactive gaming operator may utilize an interactive gaming service provider that is not registered, certified or authorized to conduct business in accordance with § 807a.7 (relating to permission to conduct business prior to certification or registration) when a threat to public health, welfare or safety exists or circumstances outside the control of the slot machine licensee, interactive gaming certificate holder or interactive gaming operator create an urgency of need which does not permit the delay involved in using the formal method of interactive gaming service provider certification or registration. A slot machine licensee, interactive gaming certificate holder or interactive gaming operator may not use an interactive gaming service provider on the prohibited list.

(b) When using an interactive gaming service provider that is not registered, certified or authorized to conduct business to respond to an emergency, the slot machine licensee, interactive gaming certificate holder or interactive gaming operator shall do all of the following:

(1) Immediately notify the Bureau of Licensing of the emergency and the interactive gaming service provider that was selected to provide emergency services.

(2) File an Interactive Gaming Service Provider Emergency Notification Form with the Bureau of Licensing within 72 hours after commencement of the interactive gaming service provider's services and a written explanation of the basis for the procurement of the emergency interactive gaming service provider.

(c) An employee of the emergency interactive gaming service provider who is providing emergency services that requires access to an interactive gaming restricted area shall obtain a temporary access credential in accordance with § 808a.7 (relating to emergency and temporary credentials) prior to performing any work.

(d) If the slot machine licensee, interactive gaming certificate holder or interactive gaming operator continues to utilize the interactive gaming service provider after the emergency circumstances have passed or if the Bureau of Licensing determines that the circumstances did not necessitate the use of an emergency interactive gaming service provider that was not registered, certified or on the authorized list, the slot machine licensee, interactive gaming certificate holder, interactive gaming operator and interactive gaming service provider shall comply with this chapter.

§ 807a.9. Duty to investigate.

(a) A slot machine licensee, interactive gaming certificate holder or interactive gaming operator shall investigate the background and qualifications of the applicants for interactive gaming service provider registration or certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) A slot machine licensee, interactive gaming certificate holder or interactive gaming operator shall have an affirmative duty to avoid agreements or relationships with persons applying for an interactive gaming service provider registration or certification whose background or associations are injurious to the public health, safety, morals, good order and general welfare of the residents of this Commonwealth, or who threaten the integrity of gaming in this Commonwealth.

(c) A slot machine licensee, an interactive gaming certificate holder or interactive gaming operator shall have a duty to inform the Board of an action by an applicant for or holder of an interactive gaming service provider registration or certification, which the slot machine licensee, interactive gaming certificate holder or interactive gaming operator believes would constitute a violation of the act or this part.

CHAPTER 808a. INTERACTIVE GAMING PRINCIPALS AND KEY, GAMING AND NONGAMING EMPLOYEES

Sec.

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808a.8. Loss, theft or destruction of credentials.

§ 808a.1. General provisions.

(a) An individual seeking a principal license, key employee license, gaming employee occupation permit or nongaming employee registration to participate in interactive gaming in this Commonwealth shall apply to the Board as follows:

(1) Principal and key employee applicants shall submit a completed Multi-Jurisdictional Personal History Disclosure Form as well as a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(2) Gaming employee occupation permit and nongaming employee registration applicants shall submit the Gaming Employee or Nongaming Employee Registration Application using the SLOTS Link Electronic Application system.

(3) All applicants shall submit the nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required in subsection (a), an applicant shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) The holder of a principal license, key employee license, gaming employee occupation permit or nongaming employee registration shall provide an updated photograph at the request of Board staff.

(d) An applicant for a gaming employee occupation permit or nongaming employee registration shall be at least 18 years of age.

(e) After reviewing the application and the results of the applicant's background investigation, the Board may issue a principal license, key employee license, gaming employee occupation permit or nongaming employee registration if the individual has proven that he is a person of good character, honesty and integrity, and is eligible and suitable to be licensed as a principal, key employee, gaming employee or nongaming employee.

(f) Slot machine licensees, interactive gaming certificate holders, interactive gaming operators, interactive gaming manufacturers, interactive gaming suppliers and interactive gaming service providers that hire an individual who holds a key employee license, gaming employee occupation permit or registration issued by the Board shall contact the Bureau of Licensing to confirm that the individual's key employee license, gaming employee occupation permit or registration is in good standing prior to allowing the individual to perform work associated with interactive gaming in this Commonwealth.

(g) An individual who holds a principal license, key employee license, gaming employee occupation permit or registration is subject to all of the following wagering restrictions relative to interactive gaming:

(1) An individual whose job duties include interactive gaming and who holds a license, permit or registration and is currently employed by or is a principal of an interactive certificate holder may not place wagers on web sites offered by or associated with the interactive certificate holder. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed in a position that includes interactive gaming job duties before the individual may wager on web sites offered by or associated with the interactive certificate holder.

(2) An individual who holds a license, permit or registration and is currently employed by or is a principal of an interactive gaming operator may not wager on web sites operated by the interactive gaming operator. The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed by the interactive gaming operator before the individual may wager on web sites operated by the interactive gaming operator.

(3) An individual whose job duties include interactive gaming and who holds a license, permit or registration and is currently employed by or is a principal of an interactive manufacturer or interactive supplier may not wager on web sites associated with interactive certificate holders in this Commonwealth that offer games or use equipment manufactured, supplied, developed or programmed by the interactive manufacturer or interactive supplier.

§ 808a.2. Interactive gaming principals.

(a) Principals and principal entities, as defined in §§ 401a.3 and 433a.1 (relating to definitions), shall submit an application for licensure as described in § 808a.1 (relating to general provisions).

(b) A principal license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a principal license shall be filed at least 6 months prior to expiration of the current license.

(d) A principal license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(e) A principal license issued under this subpart will only be valid for the licensed or certified entity with which the principal is associated.

§ 808a.3. Interactive key employees.

(a) Key employees, as defined in §§ 401a.3 and 801a.2 (relating to definitions), shall submit an application for licensure as described in § 808a.1 (relating to general provisions).

(b) A key employee license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a key employee license shall be filed at least 6 months prior to expiration of the current license.

(d) A key employee license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(e) A key employee license issued under this subpart will be valid for employment with any licensed or certified entity.

§ 808a.4. Interactive gaming employees.

(a) Gaming employees, as defined in §§ 401a.3 and 801a.2 (relating to definitions), shall submit an application for licensure as described in § 808a.1 (relating to general provisions).

(b) In addition to the materials required to be submitted under this subpart, gaming employee occupation permit applicants shall submit verification of an offer of employment from a licensed or certified entity.

(c) A gaming employee occupation permit and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a gaming employee occupation permit shall be filed at least 6 months prior to expiration of the current permit.

(e) A gaming employee occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a gaming employee occupation permit under this subpart may authorize an applicant for or holder of a slot machine license, interactive gaming certificate, interactive gaming license, interactive gaming manufacturer license, interactive gaming supplier license, or interactive gaming service provider certification or registration to file an application on the individual's behalf.

(g) A gaming employee occupation permit issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 808a.5. Interactive nongaming employees.

(a) Nongaming employees, as defined in § 401a.3 (relating to definitions), shall submit an application for registration as described in § 808a.1 (relating to general provisions).

(b) In addition to the materials required to be submitted under this subpart, nongaming employee registration applicants shall submit verification of an offer of employment from a licensed or certified entity.

(c) A nongaming employee registration and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a nongaming employee registration shall be filed at least 6 months prior to expiration of the current registration.

(e) A nongaming employee registration for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a nongaming employee registration under this subpart may authorize an applicant for or holder of a slot machine license, interactive gaming certificate, interactive gaming license, interactive gaming manufacturer license, interactive gaming supplier license, or interactive gaming service provider certification or registration to file an application on the individual's behalf.

(g) A nongaming employee registration issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 808a.6. Board credentials.

The individuals required to be licensed, permitted or registered under this subpart shall obtain a Board credential as described in § 435a.6 (relating to Board credentials).

§ 808a.7. Emergency and temporary credentials.

The individuals required to be licensed, permitted or registered under this subpart may obtain an emergency or temporary Board credential as described in §§ 435a.7 and 435a.8 (relating to emergency credentials; and temporary credentials).

§ 808a.8. Loss, theft or destruction of credentials.

(a) As soon as possible, but no later than 24 hours following the loss, theft or destruction of a Board credential, emergency credential or temporary credential, the person to whom the credential was issued shall notify the Bureau of Licensing.

(b) The slot machine licensee, interactive gaming certificate holder or interactive gaming operator, on behalf of an employee whose Board-issued credential was lost, stolen or destroyed, may request a replacement Board credential by submitting a Request for Duplicate PGCB Credential Form and the fee established by the Board to the Bureau of Licensing.

CHAPTER 809a. INTERACTIVE GAMING PLATFORM REQUIREMENTS

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§ 809a.1. Scope.

To ensure players are not exposed to unnecessary security risks by choosing to participate in interactive gaming in this Commonwealth and to ensure the integrity and security of interactive gaming operations in this Commonwealth, the system requirements in this chapter apply to all of the following critical components of an interactive gaming system:

(1) Interactive gaming system components which record, store, process, share, transmit or retrieve sensitive player information (for example, credit and debit card details, authentication information and player account balances).

(2) Interactive gaming system components which generate, transmit or process random numbers used to determine the outcome of games or virtual events.

(3) Interactive gaming system components which store results or the current state of a player's wager.

(4) Points of entry and exit from the previously listed systems or other systems which are able to communicate directly with core critical systems.

(5) Communication networks which transmit sensitive player information.

§ 809a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Domain name system—The globally distributed Internet database which maps machine names to IP numbers, and vice versa.

Player device—The device that converts communications from the interactive gaming platform into a human interpretable form and converts human decisions into a communication format understood by the interactive gaming platform. The term includes personal computers, mobile phones, tablets, and the like.

Primary server—First source for Domain Name System data and responses to queries.

Remote access—Any access from outside the interactive gaming system or interactive gaming system network, including access from other networks within the same facility.

Secondary server or redundancy server—A server that shares the same features and capabilities as the primary server serves and acts as a second or substitutive point of contact in case the primary server is unavailable, busy or overloaded.

Stateful protocol—A protocol in which the communication system utilized by the player and the primary or secondary server tracks the state of the communication session.

Stateless protocol—A protocol in which neither the player nor the primary or secondary servers communication systems tracks the state of the communication session.

§ 809a.3. Location of equipment.

(a) The Board shall approve the location of all interactive gaming devices and associated equipment used by an interactive gaming certificate holder or interactive gaming operator to conduct interactive gaming. The interactive gaming devices and associated equipment may be located in a restricted area on the premises of the licensed facility, in an interactive gaming restricted area within the geographic limits of the county in this Commonwealth where the licensed facility is situated or any other area, located within the United States, provided the location adheres to all of the following limitations:

(1) The primary server used to resolve domain name service inquiries used by an interactive gaming certificate holder or interactive gaming operator to conduct interactive gaming in this Commonwealth must be physically located in a secure data center.

(2) Any redundancy, secondary and emergency servers used by an interactive gaming certificate holder or interactive gaming operator to conduct interactive gaming in this Commonwealth must be physically located in a secure data center at a separate premises than the primary server within the Commonwealth.

(b) The Board may require interactive gaming system data necessary to certify revenue and resolve player complaints to be maintained in this Commonwealth in a manner and location approved by the Board. The data must include data related to the calculation of revenue, player transactions, game transactions, game outcomes, responsible gaming and any other data which may be prescribed by the Board. The data must be maintained in a manner which prevents unauthorized access or modification without the prior approval of the Board.

§ 809a.4. Physical and environmental controls for equipment.

(a) An interactive gaming system and the associated communications systems must be located in facilities which provide physical protection against damage from fire, flood, hurricane,

earthquake, and other forms of natural or manmade disaster by utilizing and implementing at least all of the following measures:

(1) Security perimeters (barriers such as walls, card-controlled entry gates or manned reception desks) must be used to protect areas that contain interactive gaming systems components.

(2) Secure areas must be protected by appropriate entry controls to ensure that access is restricted to only authorized personnel.

(3) All access must be recorded in a secure log which is available for inspection by Board staff.

(4) Secure areas must include an intrusion detection system. Attempts at unauthorized access must be logged.

(b) Interactive gaming system servers must be located in server rooms which prohibit unauthorized access.

(c) Interactive gaming system servers must be housed in racks located within a secure area.

(d) Interactive gaming system components must provide all of the following minimum utility support:

(1) Interactive gaming system components must be provided with adequate primary power.

(2) Interactive gaming system components must have uninterruptible power supply equipment to support operations in the event of a power failure.

(3) There must be adequate cooling for the equipment housed in the server area.

(4) Power and telecommunications cabling carrying data or supporting information services must be protected from interception or damage.

(5) There must be adequate fire protection for the interactive gaming system components housed in the server room.

§ 809a.5. Access to equipment.

(a) The interactive gaming certificate holder and interactive gaming operator shall limit and control access to the primary server and any secondary servers by ensuring all of the following:

(1) Maintain access codes and other computer security controls.

(2) Maintain logs of user access, security incidents and unusual transactions.

(3) Coordinate and develop an education and training program on information security and privacy matters for employees and other authorized users.

(4) Ensure compliance with all State and Federal information security policies and rules.

(5) Prepare and maintain security-related reports and data.

(6) Develop and implement an incident reporting and response system to address security breaches, policy violations and complaints from external parties.

(7) Develop and implement an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.

(b) Remote access to an interactive gaming certificate holder or interactive gaming operator's interactive gaming system is only permitted as follows:

(1) To Board employees upon request and without limitation.

(2) For testing purposes with prior approval from and as limited by the Board.

(3) By employees of an interactive gaming certificate holder or an interactive gaming operator with prior approval from and as limited by the Board.

(c) All interactive gaming certificate holder's or interactive gaming operator's interactive gaming systems must be available for independent testing by the Board, without limitation.

§ 809a.6. System requirements.

(a) Interactive gaming system methodology. An interactive gaming system shall be designed with a methodology (for example, cryptographic controls) approved by the Board to ensure secure communications between a player's device and the interactive gaming system. When reviewing the security of an interactive gaming certificate holder or interactive gaming operator's interactive gaming system methodology, the Board will consider all of the following:

(1) The interactive gaming system methodology shall be designed to ensure the integrity and confidentiality of all player communication and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a third-party network, the system must either encrypt the data packets or utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

(2) Wireless communications between the player device and the primary or secondary server must be encrypted in transit using a method (for example, AES, IPsec and WPA2) approved by the Board.

(3) All communications that contain registered player account numbers, user identification, or passwords and PINs must utilize a secure method of transfer (for example, 128-bit key encryption) approved by the Board.

(4) Only devices authorized by the Board are permitted to establish communications between a player device and an interactive gaming system.

(5) Server-based interactive gaming systems must maintain an internal clock that reflects the current date and time that must be used to synchronize the time and date among all components that comprise the interactive gaming system. The interactive gaming system date and time must be visible to the registered player when logged on.

(b) Change or modification. Any change or modification to the interactive gaming system shall be handled in accordance with the Change Management guidelines issued and distributed to interactive gaming certificate holders, interactive gaming operators, and interactive gaming manufacturers.

(c) Standards for data logging. An interactive gaming system must meet all of the following standards regarding data logging:

(1) Interactive gaming systems must employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the interactive gaming system can be configured so that any logged data is contained in a secure transaction file, a separate logging device is not required.

(2) Interactive gaming systems must provide a mechanism for the Board to query and export, in a format required by the Board, all interactive gaming system data.

(3) Interactive gaming systems must electronically log the date and time any player gaming account is created or terminated (Account Creation Log).

(4) An interactive gaming system must maintain all information necessary to recreate player game play and account activity during each player session, including any identity or location verifications, for not less than 10 years.

(5) Unless otherwise authorized by the Board, when software is installed on or removed from an interactive gaming system, the action must be recorded in a secure electronic log (Software Installation/Removal Log), which must include all of the following:

(i) The date and time of the action.

(ii) The identification of the software.

(iii) The identity of the person performing the action.

(6) Unless otherwise authorized by the Board, when a change in the availability of game software is made on an interactive gaming system, the change must be recorded in a secure electronic log (Game Availability Log), which must include:

(i) The date and time of the change.

(ii) The identification of the software.

(iii) The identity of the person performing the change.

(7) Unless otherwise exempted by the Board, an interactive gaming system must record all promotional offers (Promotions Log) issued through the system. The log must provide the information necessary as determined by the Board to audit compliance with the terms and conditions of current and previous offers.

(8) Results of all authentication attempts must be retained in an electronic log (Authentication Log) and accessible for not less than 90 days.

(9) All adjustments to an interactive gaming system data made using stored procedures must be recorded in an electronic log (Adjustments Log), which lists all of the following:

(i) The date and time.

(ii) The identification and user ID of user performing the action.

(iii) A description of the event or action taken.

(iv) The initial and ending values of any data altered as a part of the event or action performed.

(d) Security requirements.

(1) Networks should be logically separated so that there should be no network traffic on a network link which cannot be serviced by hosts on that link.

(2) Networks must meet all of the following requirements to assure security:

(i) The failure of any single item should not result in a denial of service.

(ii) An intrusion detection system/intrusion prevention system must be installed on the network which can do all of the following:

(A) Listen to both internal and external communications.

(B) Detect or prevent Distributed Denial of Service attacks.

(C) Detect or prevent shellcode from traversing the network.

(D) Detect or prevent Address Resolution Protocol spoofing.

(E) Detect other Man-in-the-Middle indicators and server communication immediately.

(iii) Each server instance in cloud and virtualized environments should perform only one function.

(iv) In virtualized environments, redundant server instances cannot run under the same hypervisor.

(v) Stateless protocols should not be used for sensitive data without stateful transport.

(vi) All changes to network infrastructure must be logged.

(vii) Virus scanners or detection programs, or both, should be installed on all pertinent information systems and should be updated regularly to scan for new strains of viruses.

(viii) Network security should be tested by a qualified and experienced individual on a regular basis.

(ix) Testing should include testing of the external interfaces and internal network.

(x) Testing of each security domain on the internal network should be undertaken separately.

(3) An annual security audit shall be performed to complement the required independent testing laboratory testing and annual encryption certification.

(i) The security audit shall cover the underlying operating systems, network components and hardware changes not included in the evaluation of the interactive gaming software.

(ii) The security audit shall be performed by an independent third party who shall provide a detailed report with remediation or mitigation plans to the board, and may take the form of any of the following:

(A) Penetration test.

(B) Vulnerability assessment.

(C) Compliance audit.

(D) Risk assessment.

(4) Internal and external network vulnerability scans shall be run at least quarterly, or after any change or modification to the interactive gaming system that requires approval by the Board under the change management guidelines distributed under § 809a.6(b) (relating to system requirements), unless otherwise directed by the Board.

(i) Testing procedures must verify that four quarterly internal and external scans take place every 12 months and that re-scans occur until all medium risk (CVSS4.0 or higher) vulnerabilities are resolved.

(ii) The quarterly scans may be performed by either an independent third party or by a qualified employee of the interactive gaming certificate holder or interactive gaming operator.

(iii) Verification of the scans shall be submitted to the Board on a quarterly basis and must include a remediation or mitigation plan for any vulnerabilities not resolved prior to the submission of the verification.

(e) Self-monitoring of critical components. The interactive gaming system must implement the self-monitoring of critical components. A critical component that fails self-monitoring tests shall be taken out of service immediately and may not be returned to service until there is reasonable evidence that the fault has been rectified. Required self-monitoring measures include all of the following:

(1) The clocks of all components of the interactive gaming system must be synchronized with an agreed accurate time source to ensure consistent logging. Time skew shall be checked periodically.

(2) Audit logs recording user activities, exceptions and information security events must be produced and kept for a period of time to be determined by the Board to assist in investigations and access control monitoring.

(3) System administrators and system operator activities must be logged.

(4) Logging facilities and log information must be protected against tampering and unauthorized access.

(5) Any modifications, attempted modifications, read access, or other change or access to any interactive gaming system record, audit or log must be detectable by the interactive gaming system. It must be possible to see who has viewed or altered a log and when.

(6) Logs generated by monitoring activities shall be reviewed periodically using a documented process. A record of each review must be maintained.

(7) Interactive gaming system faults shall be logged, analyzed and appropriate actions taken.

(8) Network appliances with limited onboard storage must disable all communication if the audit log becomes full or offload logs to a dedicated log server.

(f) System disclosure requirements.

(1) A petitioner for or holder of an interactive gaming certificate, an applicant for or holder of an interactive gaming license, and an applicant for or holder of an interactive gaming manufacturer license shall seek Board approval of all source code used to conduct interactive gaming in this Commonwealth.

(2) All documentation relating to software and application development should be available for Board inspection and retained for the duration of its lifecycle.

(3) All software used to conduct interactive gaming in this Commonwealth shall be designed with a method, approved by the Board, that permits remote validation of software.

(g) Shutdown and recovery capabilities. The interactive gaming system must have all of the following shutdown and recovery capabilities to maintain the integrity of the hardware, software and data contained therein in the event of a shutdown:

(1) The interactive gaming system must be able to perform a graceful shutdown and only allow automatic restart on power up after all of the following procedures have been performed:

(i) The program resumption routine, including self-tests, completes successfully.

(ii) All critical control program components of the interactive gaming system have been authenticated using a method approved by the Board.

(iii) Communication with all components necessary for the interactive gaming system operation have been established and similarly authenticated.

(2) The interactive gaming system must be able to identify and properly handle the situation when master resets have occurred on other remote gaming components which affect game outcome, win amount or reporting.

(3) The interactive gaming system must have the ability to restore the system from the last backup.

(4) The interactive gaming system must be able to recover all critical information from the time of the last backup to the point in time at which the interactive gaming system failure or reset occurred.

(h) Recovery plan. An interactive gaming certificate holder or interactive gaming operator shall have a plan in place, approved by the Board, to recover interactive gaming operations in the event that the interactive gaming system is rendered inoperable (that is, Disaster/Emergency Recovery Plan). When reviewing the sufficiency of an interactive gaming certificate holder or interactive gaming operator's plan to recover interactive gaming system operations in the event the interactive gaming system is rendered inoperable, the Board will consider all of the following:

(1) The method of storing player account information and gaming data to minimize loss in the event the interactive gaming system is rendered inoperable.

(2) If asynchronous replication is used, the method for recovering data should be described or the potential loss of data should be documented.

(i) Recovery plan requirements. An interactive gaming certificate holder's or interactive gaming operator's Disaster/Emergency Recovery Plan must also:

(1) Delineate the circumstances under which it will be invoked.

(2) Address the establishment of a recovery site physically separated from the interactive gaming system site.

(3) Contain recovery guides detailing the technical steps required to re-establish gaming functionality at the recovery site.

(4) Include a Business Continuity Plan that addresses the process required to resume administrative operations of interactive gaming activities after the activation of the recovered platform for a range of scenarios appropriate for the operations context of the interactive gaming system.

(j) Location of equipment. Equipment used by a server-based interactive gaming system for the sole purpose of restoring data following a disaster must be located in a location within the United States as approved by the Board.

(k) Player self-exclusion. The interactive gaming system must provide an easy and obvious mechanism for players to access the Board's self-exclusion database to self-exclude from interactive gaming.

(l) Mechanism for temporary suspension. The interactive gaming system must provide a mechanism by which a player may elect to temporarily suspend his or her interactive gaming account for a period of no less than 72 hours in accordance with the terms and conditions agreed to by the player upon registration.

§ 809a.7. Geolocation requirements.

(a) An interactive gaming system must employ a mechanism to detect the physical location of a player upon logging into the interactive gaming system and as frequently as

specified in the Board's technical standards and the interactive gaming certificate holder's or interactive gaming operator's approved internal controls submission. If the system detects that the physical location of the player is in an area unauthorized for an interactive gaming system, the system shall not accept wagers and must disable any interactive gaming activity for that player until the player is in an authorized location.

(b) The geolocation system must be equipped to dynamically monitor the player's location and block unauthorized attempts to access the interactive gaming system throughout the duration of the gaming session.

(c) An interactive gaming certificate holder or interactive gaming operator must prevent registered players within a licensed facility from accessing authorized interactive games on the registered player's own computers or other devices through the use of geolocation technologies.

(d) Interactive gaming shall only occur within this Commonwealth unless the conduct of gaming is not inconsistent with Federal law, law of the jurisdiction, including any foreign nation, in which the participating player is located, or the gaming activity is conducted pursuant to a reciprocal agreement to which the Commonwealth is a party that is not inconsistent with Federal law.

§ 809a.8. Security policy requirements.

Interactive gaming certificate holders and interactive gaming operators shall adopt and maintain a Board-approved information security policy which describes the certificate holder's or licensee's approach to managing information security and its implementation. This policy is required in addition to any similar requirements that may be imposed as part of the certificate holder's or licensee's internal controls. The information security policy must:

(1) Conform to the standards of the most recent version of the NIST cybersecurity framework.

(2) Be reviewed annually as well as when significant changes occur to the interactive gaming system or the processes which alter the risk profile of the interactive gaming system.

(3) Be approved annually by the certificate holder's or operator's management.

(4) Be communicated to all employees and relevant external parties.

(5) Delineate the responsibilities of the certificate- holder's or licensee's staff and the staff of any third parties for the operation, service and maintenance of the interactive gaming system and its components.

CHAPTER 810a. INTERACTIVE GAMING TESTING AND CONTROLS

Sec.

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§ 810a.1. Scope.

To ensure players are not exposed to unnecessary security risks by choosing to participate in interactive gaming in this Commonwealth and to ensure the integrity and security of interactive gaming operations in this Commonwealth, this chapter applies to all games an interactive gaming certificate holder or interactive gaming operator seeks to offer to players in this Commonwealth.

§ 810a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Artwork or art—Graphical and auditory information that is sent to the player device for presentation to the player.

Game cycle—The finite set of all possible combinations.

Personal progressive—A progressive jackpot which only one player contributes to with qualifying progressive wagers and which only that player can win.

Player interface—The interface within the software in which the player interacts. The term is also referred to as the gaming window.

Progressive jackpot—

(i) An increasing prize based on a function of credits that are wagered.

(ii) A monetary prize that increases in value based on a function of credits wagered.

(iii) The term includes prizes that are awarded based on criteria other than obtaining winning outcomes in the game, such as mystery progressives.

§ 810a.3. Minimum game standards.

All of the following requirements apply to the game information, artwork, paytables and help screens which include all written, graphical and auditory information provided to the player either directly from the game interface or from a page accessible to the player from the game interface through a hyperlink located in a conspicuous location.

(1) All statements and graphics within the gaming information, artwork, paytables and help screens must be accurate and not misleading.

(2) All game rules and paytable information must be available to the player directly on the player interface or accessible from the player interface through a hyperlink without the need for funds to be deposited or funds to be staked.

(3) All game rules and paytable information must be sufficient to explain all the applicable rules and how to participate in all stages of the game.

(4) Paytable information must include all possible winning outcomes, patterns, rankings and combinations, and their corresponding payouts with a designated denomination or currency. All displayed payouts must be theoretically possible.

(5) The rules of the game must inform the players of the imperfections of the communications medium for the game and how this affects them.

(6) There must be sufficient information regarding any award payout adjustments such as fees, rakes, commissions, and the like.

(7) If the artwork contains game instructions specifying a maximum win then it must be possible to win this amount from a single game (including features or other game options).

(8) For games that offer bonus bets that require a base game bet, the minimum percentage return to player of the bonus bet must take into account that a base game bet must be placed.

(9) If random/mystery prizes are offered, the maximum value obtainable from the random/mystery prize must be indicated. If the value of the random/mystery prize depends on credits wagered or any other factors, this must be stated.

(10) The artwork should clearly state the rules for payments of prizes when multiple wins are possible.

(i) A description of what combinations will be paid when a pay line may be interpreted to have more than one individual winning combination ("only highest paid win per line").

(ii) When the game supports multiple pay lines, the artwork should display a message indicating wins on different pay lines are added or equivalent.

(iii) When the game supports scatters, artwork should display a message indicating that scattered wins are added to pay line wins, or equivalent, if this is the rule of the game.

(iv) The artwork should clearly communicate the treatment of coinciding scattered wins with respect to other possible scattered wins. For example, the artwork should state whether combinations of scattered symbols pay all possible prizes or only the highest prize.

(v) The artwork should clearly communicate the treatment of coinciding game outcome (that is, straight flush can be a flush and a straight, three red 7s can be any three 7s).

(11) If it is possible to bet on multiple lines and it is not clear which reel positions are part of each of the possible lines, then the additional lines must be clearly displayed on the artwork and appropriately labeled. The additional lines must either be shown on the displayed artwork, be available for display on a help screen or permanently displayed on all game-play screens in a location separate from the actual reels.

(12) When multiplier instructions are displayed on artwork, there must be no question as to whether the multiplier applies.

(13) All game symbols and objects must be clearly displayed to the player and not be misleading in any way. Game symbols and objects must retain their shape throughout all artwork, except while animation is in progress.

(14) The artwork must clearly state which symbols and objects may act as a substitute or wild and in which winning combinations the substitute/wild may be applied.

(15) The artwork must clearly state which symbols and objects may act as scatter and in which winning combinations the scatter may be applied.

(16) The game may not advertise upcoming wins unless the advertisement is accurate and mathematically demonstrable.

(17) All of the following requirements apply to games depicting cards being drawn from a deck:

(i) A game which utilizes multiple decks of cards must clearly indicate the number of cards and card decks in play.

(ii) Once removed from the deck, cards may not be returned to the deck except as provided by the rules of the game depicted.

(iii) The deck may not be reshuffled except as provided by the rules of the game depicted.

(18) All of the following requirements apply to multiwager games:

(i) Each individual wager to be played must be clearly indicated to inform the player as to which wagers have been made and the credits bet per wager.

(ii) Each winning prize obtained must be displayed to the player in a way that clearly associates the prices to the appropriate wager. When there are wins associated with multiple wagers, each winning wager must be indicated in turn.

§ 810a.4. Minimum display standards.

All of the following game information must be visible or easily accessible to the player at all times during a player session:

(1) The name of the game being played.

(2) Restrictions on play or betting such as any play duration limits, maximum win values, and the like.

(3) The player's current session balance.

(4) The current bet amount. This is only during the phase of the game when the player can add to or place additional bets for that phase.

(5) Current placement of all bets.

(6) The denomination of the bet.

(7) The amount won for the last completed game (until the next game starts or betting options are modified).

(8) The player options selected for the last completed game (until the next game starts or a new selection is made).

(9) Initial player section options are to be described. Player selection options once the game has commenced should be clearly shown on the screen.

(10) The winning amount for each separate wager and total winning amount are to be displayed on the screen.

§ 810a.5. Random number generator standards.

(a) The random number generator must be cryptographically strong at the time of submission for approval. When more than one instance of a random number generator is used in an interactive gaming system, each instance must be separately evaluated and certified. When each instance is identical but involves a different implementation within a game/application, each implementation shall also be separately evaluated and certified. Any outcomes from the random number generator used for game symbol selection/game outcome determination must be shown, by data analysis and a source code read, to:

(1) Be statistically independent, unless the submission has been approved for a persistent-state outcome determination.

(2) Be fairly distributed (within statistically expected bounds) over their range.

(3) Pass various recognized statistical tests.

(4) Be cryptographically strong.

(b) Random number generators must adhere to standards in § 461a.7 (relating to slot machine minimum design standards).

(c) The gaming laboratory may employ the use of various recognized tests to determine whether or not the random values produced by the random number generator pass the desired confidence level of 95%. These tests include the following:

(1) Chi-square test.

(2) Equi-distribution (frequency) test.

(3) Gap test.

(4) Overlaps test.

(5) Poker test.

(6) Coupon collectors test.

(7) Permutation test.

(8) Kolmogorov-Smirnov test.

(9) Adjacency criterion tests.

(10) Order statistic test.

(11) Runs tests (patterns of occurrences should not be recurrent).

(12) Interplay correlation test.

(13) Serial correlation test potency and degree of serial correlation (outcomes should be independent of the previous game, unless the submission has been approved for a persistent-state outcome determination).

(14) Tests on subsequences.

(15) Poisson distribution.

(d) The scaling method may not compromise the cryptographic strength of the random number generator. The scaling method must preserve the distribution of the scaled values. For example, if a 32-bit random number generator with a range of the set of integers in the closed interval (0, 232-1) were to be scaled to the range of the set of integers in the closed interval (1, 6) so that the scaled values can be used to simulate the roll of a standard six-sided die, then each integer in the scaled range should theoretically appear with equal frequency. In the example given, if the theoretical frequency for each value is not equal, then the scaling method is considered to have a bias. Thus, a compliant scaling method must have bias equal to zero.

(e) If the interactive gaming system utilizes hard-based random number generators, there must be dynamic/active, real-time monitoring of the output with a sample size large enough to allow for reasonably high statistically powerful testing so that game play is disabled when an output testing failure is detected.

(f) If the interactive gaming system utilizes a software-based random number generator, it must adhere to all of the following:

(1) The period of the random number generator, in conjunction with the methods of implementing the random number generator outcomes, must be sufficiently large to ensure that all game independent outcome combinations/permutations are possible for the given game/application, unless the submission has been approved for a persistent-state outcome determination.

(2) The methods of seeding/reseeding must ensure that all seed values are determined in a manner that does not compromise the cryptographic security of the random number generator.

(3) To ensure that random number generator outcomes cannot be predicted, adequate background cycling/activity must be implemented in between games. Whenever a game outcome is made up of multiple mapped random number generator values, background cycling/activity must be implemented during the game (that is, in between the selection of each mapped random number generator value) to ensure that the game outcome is not comprised of sequential mapped random number generator outcomes. The rate of background cycling/activity must be sufficiently random in and of itself to prevent prediction.

§ 810a.6. Software authentication.

The acquisition and development of new software must follow defined processes in accordance with the information security policy.

(1) The production environment must be logically and physically separated from the development and test environments.

(2) Development staff shall be precluded from having access to promote code changes into the production environment. If, due to staffing limitations, this requirement cannot be met by the entity, the internal controls submitted to the Board shall describe what measures will be implemented to ensure the integrity of interactive games in the production environment.

(3) There must be a documented method to verify that test software is not deployed to the production environment.

(4) To prevent leakage of personal identifiable information, there must be a documented method to ensure that raw production data is not used in testing.

(5) All documentation relating to software and application development should be available and retained for the duration of its lifecycle.

§ 810a.7. Changes to game.

A change or modification to an interactive game shall be handled in accordance with the Change Management guidelines issued and distributed to interactive gaming certificate holders, interactive gaming operators and interactive gaming manufacturers.

§ 810a.8. Game rules.

(a) Interactive gaming certificate holders and interactive gaming operators shall adopt and adhere to written, comprehensive house rules governing wagering transactions by and between authorized players that are available for review at all times by players through a conspicuously displayed link. House rules must include all of the following:

(1) Clear and concise explanation of all fees.

(2) The rules of play of a game.

(3) Any monetary wagering limits.

(4) Any time limits pertaining to the play of a game.

(b) House rules must be approved by the Board.

(c) House rules that deviate from Board regulations shall be submitted to the Board's Office of Gaming Laboratory Operations for review and approval prior to submission to the Board for approval prior to implementation.

§ 810a.9. Fairness.

(a) All critical functions including the generation of the result of any game (and the return to the player) must be generated by the interactive gaming platform and be independent of the player device. All of the following also apply:

(1) Game outcome may not be affected by the effective bandwidth, link utilization, bit error rate or other characteristic of the communications channel between the interactive gaming platform and the player device.

(2) Determination of events of chance that result in a monetary award may not be influenced, affected or controlled by anything other than numerical values derived in an approved manner from the certified random number generator when applicable and in conjunction with the rules of the game.

(3) Each possible permutation or combination of game elements that produces winning or losing game outcomes must be available for random selection at the initiation of each play, unless otherwise denoted by the game.

(4) As game symbols are selected or game outcomes are determined, they must be immediately used as directed by the rules of the game.

(5) When the game requires a sequence or mapping of symbols or outcomes to be set up in advance, the symbols or outcomes should not be resequenced or remapped, except as provided for in the rules of the game.

(6) After selection of the game outcome, the game may not make a variable secondary decision which affects the result shown to the player.

(7) Except as provided by the rules of the game, events of chance within games should be independent and not correlated with any other events within the game or events within the previous game, unless the submission has been approved for a persistent-state outcome determination.

(8) For game types such as a spinning reel game, unless otherwise disclosed to the player, the mathematical probability of a symbol appearing in a position for any game outcome must be constant.

(b) A game may not be designed to give the player a false expectation of better odds by misrepresenting any occurrence or event.

(1) Games that are designed to give the player the perception that they have control over the game due to player skill when they actually do not must fully address this behavior in the game help screens.

(2) The final outcome of each game must be displayed for a sufficient length of time that permits a player to verify the outcome of the game.

§ 810a.10. Prohibitions.

(a) Forced game play.

(1) The player may not be forced to play a game just by selecting that game.

(2) It must not be possible to start a new game in the same player interface instance before all relevant meters have been updated on the interactive game system and all other relevant connections and player session balance or, if applicable, the player's total balance has been updated.

(3) If an auto play mode is incorporated, it must be possible to turn this mode off at any time during game play.

(b) Bots and computerized players. Bots or computerized players are only permitted when employed by the interactive gaming system in free play or training mode, or if use of the bot or computerized player satisfies all of the following:

(1) The use of artificial intelligence software must be clearly explained in the help menus.

(2) All computerized players must be clearly marked at the tables so that players are aware of which players are not human.

(c) Incomplete games. A game is incomplete when the game outcome remains unresolved or the outcome cannot be properly seen by the player.

(1) The interactive gaming certificate holder or interactive gaming operator may provide a mechanism for a player to complete an incomplete game.

(2) Incomplete games shall be resolved before a player is permitted to participate in another instance of the same game.

(3) Wagers associated with an incomplete game must be voided within 30 days and the wagers can be forfeited or returned to the player provided that:

(i) The terms and conditions or the game rules, or both, must clearly define how wagers will be handled when they remain undecided beyond the specified time period and the interactive gaming system must be capable of returning or forfeiting the wagers, as appropriate.

(ii) In the event that a game cannot be continued due to an interactive gaming system action, all wagers must be returned to the players of that game.

(d) Auto play prohibited. Game play shall be initiated only after a registered player has affirmatively placed a wager and activated play. An auto play feature is not permitted in game software unless authorized by the Board, and if permitted shall not exceed 50 spins.

§ 810a.11. Controls.

(a) A replay last game feature either as a re-enactment or by description must be available to players. The replay must clearly indicate that it is a replay of the entire previous game cycle, and must provide, at a minimum, all of the following information:

(1) The date and time the game started or ended, or both.

(2) The display associated with the final outcome of the game, either graphically or by a clear text message.

(3) Total player cash/credits at start or end of play, or both.

(4) Total amount bet.

(5) Total cash/credits won for the prize (including progressive jackpots).

(6) The results of any player choices involved in the game outcome.

(7) Results of any intermediate game phases, such as gambles or feature games.

(8) Amount of any promotional awards received, if applicable.

(b) For each individual game played, all of the following information must be recorded, maintained and easily demonstrable by the interactive gaming system:

(1) Unique player ID.

(2) Contributions to progressive jackpot pools, if applicable.

(3) Game status (in progress, complete, and the like).

(4) The table number, if applicable, at which the game was played.

(5) The paytable used.

(6) Game identifier and version.

(c) An organized event that permits a player to either purchase or be awarded the opportunity to engage in competitive play against other players may be permitted providing all of the following rules are met:

(1) While enabled for tournament play, a game may not accept real money from any source, nor pay out real money in any way, but must utilize tournament specific credits, points or chips which have no cash value.

(2) Interactive gaming contest/tournament rules are available to a player on the web site where the interactive gaming contest/tournament is being conducted. The rules must include, at a minimum, all of the following:

(i) All conditions players shall meet to qualify for entry into and advancement through the contest/tournament.

(ii) Any conditions concerning late arrivals or complete tournament no-shows and how auto-blind posting or initial entry purchase, or both, is handled.

(iii) Specific information pertaining to any single contest/tournament, including the amount of money placed in the prize pool.

(iv) The distribution of funds based on specific outcomes.

(v) The name of the organization or person that conducted the contest/tournament on behalf of, or in conjunction with, the operator, if applicable.

(3) The results of each contest/tournament shall be made available on the interactive gaming web site for the players to review. Subsequent to being posted on the web site, the results of each contest/tournament shall be available upon request. The recording must include all of the following:

(i) Name of the event.

(ii) Date of event.

(iii) Total number of entries.

(iv) Amount of entry fees.

(v) Total prize pool.

(vi) Amount paid for each winning category.

(d) All of the following requirements apply to the disabling and re-enabling of gambling on the interactive gaming system:

(1) The interactive gaming system must be able to disable or enable all gambling on command.

(2) When any gambling is disabled or enabled on the interactive gaming system an entry must be made in an audit log that includes the reason for any disable or enable.

(e) When a game or gaming activity is disabled:

(1) The game is not to be accessible to a player once the player's game has fully concluded.

(2) The player should be permitted to conclude the game in play (that is, bonus rounds, double up/gamble and other game features related to the initial game wager should be fully concluded).

(3) If wagers have been placed on pending real-life events:

(i) The terms and conditions must clearly define what happens to the wagers if the gaming activity is to remain disabled and the corresponding real-life event is completed, and the interactive gaming system must be capable of returning all bets to the players or settling all bets, as appropriate.

(ii) The terms and conditions must clearly define what happens to the wagers if the gaming activity is to re-enable before the corresponding real-life event is completed, and the interactive gaming system must be capable of returning all bets to the players, or leaving all bets active, as appropriate.

(f) When one or more feature/bonus prize may be paid to the player, the bonus game must be part of the overall paytable theoretical return to player.

(g) All progressive jackpots must adhere to all of the following:

(1) All players that play progressive jackpot games must be made aware of actions which would make them eligible to win the progressive jackpot.

(2) When progressive jackpot contributions are part of the return to player calculation, the contributions may not be assimilated into revenue. If a cap is established on any progressive jackpot all additional contributions once that cap is reached are to be credited to a diversion pool.

(3) The rules of the game must incorporate how the progressive jackpot is funded and determined.

(4) If a minimum bet amount exists for a player to win a progressive jackpot, then the return to player (excluding the progressive jackpot) must meet the minimum player return in accordance with § 461a.7(a) (relating to slot machine minimum design standards). The calculation of the theoretical payout percentage may not include the amount of any progressive jackpot in excess of the initial reset amount.

(5) The current progressive jackpot amount should be displayed on all player devices participating in the progressive jackpot. This display should be updated on all participating player devices at least every 30 seconds.

(6) The rules of the game must inform the players of any maximum awards or time limits, or both, which may exist for each progressive jackpot.

(7) For progressive jackpots offering multiple levels of awards, the player must always be paid the higher amount if a particular combination is won that should trigger the higher paying award. This may occur when a winning combination may be evaluated as more than one of the available paytable combinations (that is, a flush is a form of a straight flush and a straight flush is a form of a royal flush). There may be situations when the progressive jackpot levels must be swapped to ensure the player is being awarded the highest possible value based on all combinations the outcome may be defined as.

(8) If multiple progressive jackpots occur at approximately the same time and there is no definitive way of knowing which jackpot occurred first, the operator shall adopt procedures, approved by the Board, for resolution. The rules of the game must include information which addresses the resolution of this possibility.

(9) All progressive jackpots must adhere to standards in §§ 461a.12 and 461a.13 (relating to progressive slot machines; and wide area progressive systems), except for any physical requirements deemed inapplicable by the Board and subject to the following modifications:

(i) Notice of intent to transfer a progressive jackpot must be conspicuously displayed on the interactive game icon and at all times during a gameplay by means of methodology approved by the Board for a period at least 10 days immediately preceding the transfer of the progressive jackpot.

(ii) Within § 461a.12, the term “gaming floor” used regarding land-based progressives shall be analogous to the term “interactive gaming platform” used regarding interactive gaming progressives.

(10) If a progressive jackpot is offered as a personal progressive that only one player contributes to and only that player can win, the player's contributions to the progressive jackpot must be refunded to the player within 30 days if the player's interactive gaming account is closed for any reason.

§ 810a.12. Test accounts.

(a) Interactive gaming certificate holders and interactive gaming operators may establish test accounts to be used to test the various components and operation of an interactive gaming system in accordance with internal controls, which, at a minimum, address all of the following:

(1) The procedures for the issuance of funds used for testing, including the identification of who is authorized to issue the funds and the maximum amount of funds that may be issued.

(2) The procedures for assigning each test account for use by only one person.

(3) The maintenance of a record for all test accounts to include when they are active, to whom they are issued and the employer of the person to whom they are issued.

(4) The procedures for the auditing of testing activity by the interactive gaming certificate holder or interactive gaming operator to ensure the accountability of funds used for testing and proper adjustments to gross interactive gaming revenue.

(5) The ability to withdraw funds from a test account without the Board's prior approval must be disabled by the interactive gaming system.

(6) For testing of peer-to-peer games:

(i) A person may utilize multiple test accounts.

(ii) Test account play shall be conducted without the participation of players.

(b) In addition to the required internal controls in subsection (a)(1)—(6), for any wagering on test accounts conducted outside the boundaries of this Commonwealth, the procedures for auditing of testing activity must include the method for ascertaining the location from which persons using test accounts access the interactive gaming system.

CHAPTER 811a. INTERACTIVE GAMING ACCOUNTING AND INTERNAL CONTROLS

Sec.

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§ 811a.1. Scope.

To ensure the integrity and security of interactive gaming operations in this Commonwealth, this chapter applies to all interactive gaming certificate holders or interactive gaming operators seeking to offer interactive gaming to registered players in this Commonwealth.

§ 811a.2. Internal controls.

(a) At least 90 days prior to commencing interactive gaming under this part, an interactive gaming certificate holder or interactive gaming operator shall submit to the Board for approval internal controls for all aspects of interactive gaming prior to implementation and any time a change is made thereafter. The internal controls must include detailed procedures for system security, operations, accounting, and reporting of compulsive and problem gamblers.

(b) Notwithstanding subsection (a), the procedures and controls may be implemented by an interactive gaming certificate holder or interactive gaming operator upon the filing of the procedures and controls with the Board. Each procedure or control submission must contain narrative and diagrammatic representations of the system to be utilized and must include all of the following:

(1) Procedures for reliable accounting controls, including the standardization of forms and definition of terms to be utilized in the interactive gaming operations.

(2) Procedures, forms and, when appropriate, formulas to govern all of the following:

(i) Calculation of hold percentages.

(ii) Revenue drops.

(iii) Expense and overhead schedules.

(iv) Complimentary services.

(v) Cash-equivalent transactions.

(3) Job descriptions and the system of personnel and chain of command establishing a diversity of responsibility among employees engaged in interactive gaming operations, including employees of an interactive gaming operator, and identifying primary and secondary management and supervisory positions for areas of responsibility, salary structure and personnel practices.

(4) Procedures for the registration of players and establishment of interactive gaming accounts, including a procedure for authenticating the age, identity and physical address of an applicant for an interactive gaming account and whether the applicant is a person prohibited from establishing or maintaining an account under section 13B22 of the act (relating to establishment of interactive gaming accounts).

(5) Procedures for terminating a registered player's interactive gaming account and the return of any funds remaining in the interactive gaming account to the registered player.

(6) Procedures for suspending or terminating a dormant interactive gaming account and the return of any funds remaining in the dormant interactive gaming account to the registered player.

(7) Procedures for the logging in and authentication of a registered player to enable the player to commence interactive gaming and the logging off of the registered player when the player has completed play, including a procedure to automatically log a registered player out of the player's interactive gaming account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of a registered player's interactive gaming account.

(9) Procedures for cashing checks, receiving electronic negotiable instruments, and redeeming chips, tokens or other cash equivalents.

(10) Procedures for withdrawing funds from an interactive gaming account by the registered player.

(11) Procedures for the protection of a registered player's funds, including the segregation of a registered player's funds from operating funds of the interactive gaming certificate holder or interactive gaming operator.

(12) Procedures for recording transactions pertaining to interactive gaming.

(13) Procedures for the security and sharing of personal identifiable information of a registered player, funds in an interactive gaming account and other information as required by the Board. The procedures must include the means by which an interactive gaming certificate

holder or interactive gaming operator will provide notice to a registered player related to the sharing of personal identifiable information.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of interactive gaming devices and associated equipment.

(16) Procedures and security standards as to receipt, handling, and storage of interactive gaming devices and associated equipment.

(17) Procedures and security standards to protect the interactive gaming certificate holder's or interactive gaming operator's interactive gaming skin or interactive gaming web site and interactive gaming devices and associated equipment from hacking or tampering by any person.

(18) Procedures for responding to suspected or actual hacking or tampering with an interactive gaming certificate holder's or interactive gaming operator's interactive gaming skin or interactive gaming web site and interactive gaming devices and associated equipment, including partial or complete suspension of interactive gaming or the suspension of any or all interactive gaming accounts when warranted.

(19) Procedures to verify each registered player's physical location each time a registered player logs into his interactive gaming account and at appropriate intervals thereafter as determined by the Board.

(20) Procedures to ensure that the interactive games are fair and honest and that appropriate measures are in place to deter, detect and, to the extent possible, prevent cheating, including collusion and use of cheating devices, including the use of software programs that make wagers according to algorithms.

(21) Procedures to assist problem and compulsive gamblers, including procedures intended to prevent a person from participating in authorized interactive gaming who is otherwise prohibited from participating in interactive gaming.

(22) Procedures to govern emergencies, including suspected or actual cyber-attacks, hacking or tampering with the interactive gaming certificate holder's interactive gaming skin, interactive gaming platform or interactive gaming web site. The procedures must include the process for the reconciliation or repayment of a registered player's interactive gaming account.

(c) The submission required under subsections (a) and (b) must include a detailed description of the interactive gaming certificate holder's or interactive gaming operator's administrative and accounting procedures related to interactive gaming, including its written system of internal controls. Each written system of internal controls must include all of the following:

(1) An organizational chart depicting appropriate duties and responsibilities of the key employees involved in interactive gaming.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the interactive gaming certificate holder or interactive gaming operator.

(4) The procedure to be utilized to ensure that money generated from the conduct of interactive gaming is safeguarded and accounted for.

(5) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(6) Procedures to be utilized by an employee of an interactive gaming certificate holder or interactive gaming operator in the event of a malfunction of an interactive gaming system or other equipment used in the conduct of interactive gaming.

(7) Procedures to be utilized by the interactive gaming certificate holder or interactive gaming operator to prevent persons under 21 years of age, self-excluded or involuntary excluded individuals, and players outside this Commonwealth, unless otherwise authorized by an interactive gaming reciprocal agreement, from engaging in interactive gaming.

(8) Other items the Board may request in writing to be included in the internal controls.

(d) Prior to authorizing an interactive gaming certificate holder or interactive gaming operator to commence the conduct of interactive gaming, the Board will review the system of internal controls, security protocols and audit protocols submitted under this chapter to determine whether they conform to the requirements of this chapter and whether they provide adequate and effective controls for the conduct of interactive gaming.

(e) If an interactive gaming certificate holder or interactive gaming operator intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations in a manner prescribed by the Bureau of Gaming Operations. The interactive gaming certificate holder or interactive gaming operator may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the interactive gaming certificate holder or interactive gaming operator receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in this chapter, the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of interactive gaming or the control of revenue generated from

interactive gaming, the Bureau of Gaming Operations, by written notice to the interactive gaming certificate holder or interactive gaming operator, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in this chapter is to be tolled and that any internal controls at issue not be implemented until approved under this chapter.

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of interactive gaming may include the following:

(1) Submissions that fail to provide information sufficient to permit the review of interactive gaming activities by the Board, the Bureau, the Department or law enforcement.

(2) Submissions that fail to provide for the segregation of incompatible functions so that an employee is not in a position to commit an error and perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this part.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this part.

(h) Whenever a change or amendment has been tolled under this chapter, the interactive gaming certificate holder or interactive gaming operator may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The interactive gaming certificate holder or interactive gaming operator may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the interactive gaming certificate holder or interactive gaming operator receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

§ 811a.3. Terms and conditions.

(a) An interactive gaming certificate holder or interactive gaming operator shall develop terms and conditions for interactive gaming which must be included in the internal controls. The terms and conditions and any changes thereto shall be acknowledged by the player and the acknowledgment must be date and time-stamped by the interactive gaming system.

(b) The terms and conditions must address all aspects of the interactive gaming operation, including all of the following:

(1) The name of the party with whom the player is entering into a contractual relationship, including any interactive gaming certificate holder or interactive gaming operator.

(2) The player's consent to have the interactive gaming certificate holder or interactive gaming operator confirm the player's age and identity.

(3) Rules and obligations applicable to the player other than rules of the game including all of the following:

(i) Prohibition from allowing any other person to access or use his interactive gaming account.

(ii) Prohibition from engaging in interactive gaming activity, unless the player is physically located in this Commonwealth, unless this gaming is authorized by an interactive gaming reciprocal agreement.

(iii) Consent to the monitoring and recording by the interactive gaming certificate holder, interactive gaming operator or the Board, or all of the above, of any wagering communications and geographic location information.

(iv) Consent to the jurisdiction of this Commonwealth to resolve any disputes arising out of interactive gaming.

(v) Prohibition against utilizing automated computerized software or other equivalent mechanism, such as a bot, to engage in play.

(4) Full explanation of all fees and charges imposed upon a player related to interactive gaming transactions.

(5) Availability of account statements detailing player account activity.

(6) Privacy policies, including information access and use of customer data.

(7) Legal age policy, including a statement that it is a criminal offense to allow a person who is under 21 years of age to participate in interactive gaming and a player who does so must be prohibited from interactive gaming.

(8) Notification that if the player's interactive gaming account remains dormant for 2 year any funds remaining on deposit and any pending wagers shall be forfeited.

(9) The player's right to set responsible gaming limits and self-exclude.

(10) The player's right to suspend his account for no less than 72 hours.

(11) Actions that will be taken in the event a player becomes disconnected from the interactive gaming system during game play.

(12) Notice that a malfunction voids all pays.

(13) Estimated time-period for withdrawal of funds from the interactive gaming account.

(14) Detailed information to be displayed on a player protection page.

(15) Method for changing or retrieving a password or other approved access security feature and the ability to choose strong authentication login protection.

(16) Method for filing a complaint with the interactive gaming certificate holder or interactive gaming operator and method for filing with the Board an unresolved complaint after all reasonable means to resolve the complaint with the interactive gaming certificate holder or interactive gaming operator have been exhausted.

(17) Method for obtaining a copy of the terms and conditions agreed to when establishing an interactive gaming account.

(18) Method for the player to obtain account and game history from the interactive gaming certificate holder or interactive gaming operator.

(19) Notification of Federal prohibitions and restrictions regarding interactive gaming, specifically, any limitations upon interactive gaming in 18 U.S.C.A. § 1084 and the Unlawful Internet Gambling Enforcement Act of 2006 (31 U.S.C.A. §§ 5361—5367). The notice must explicitly state that it is a Federal offense for persons physically located outside of this Commonwealth to engage in interactive wagering through an interactive gaming certificate holder or interactive gaming operator unless explicitly authorized by the Board or an interactive gaming reciprocal agreement.

(20) Any other information required by the Board.

§ 811a.4. Information to be displayed on web site.

Interactive gaming certificate holders and interactive gaming operators shall provide for the prominent display of all of the following information on a page which, by virtue of the construction of the web site, authorized players must access before beginning a gambling session:

(1) The full name of the interactive gaming certificate holder or interactive gaming operator and address from which it carries on business.

(2) A logo, to be provided by the Board, indicating that the interactive gaming certificate holder or interactive gaming operator on behalf of the interactive gaming certificate holder is authorized to operate interactive gaming in this Commonwealth.

(3) The interactive gaming certificate holders and interactive gaming operator's license number.

(4) A statement that persons under 21 years of age are not permitted to engage in interactive gaming.

(5) A statement that persons located in a jurisdiction where interactive gaming is not legal are not permitted to engage in interactive gaming.

(6) Active links to all of the following:

(i) Information explaining how disputes are resolved.

(ii) A problem gambling web site that is designed to offer information pertaining to responsible gaming.

(iii) The Board's web site.

(iv) A web site that allows for an authorized player to choose to be excluded from engaging in interactive gaming.

(v) A link to the house rules adopted by the interactive gaming certificate holder or interactive gaming operator.

§ 811a.5. Segregation of bank accounts and reserve requirements.

(a) An interactive gaming certificate holder or interactive gaming operator shall maintain a bank account for player's funds separate from all other operating accounts to ensure the security of funds held in the player's interactive gaming accounts.

(b) The balance maintained in this account must be greater than or equal to the sum of the daily ending cashable balance of all player interactive gaming accounts, funds on game and pending withdrawals.

(c) An interactive gaming certificate holder or interactive gaming operator shall have unfettered access to all player interactive gaming account and transaction data to ensure the amount held in its independent account is sufficient. An interactive gaming certificate holder’s or interactive gaming operator’s chief financial officer shall file a quarterly attestation with the Board, unless otherwise directed by the Board, that the funds have been safeguarded under this section.

§ 811a.6. Interactive gaming certificate holder’s or interactive gaming operator’s organization.

(a) An interactive gaming certificate holder's or interactive gaming operator's systems of internal controls must include organization charts depicting segregation of functions and responsibilities and descriptions of the duties and responsibilities for each position shown on each organization chart. Interactive gaming certificate holders and interactive gaming operators are permitted, except as otherwise provided in this section, to tailor organizational structures to meet the needs or policies of a particular management philosophy. An interactive gaming

certificate holder's and interactive gaming operator's organization charts must provide for all of the following:

(1) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.

(2) The segregation of incompatible functions, duties and responsibilities so that an employee is not in a position to commit an error and perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) The performance of all functions, duties and responsibilities in accordance with sound financial practices by qualified personnel.

(4) The areas of responsibility which are not so extensive as to be impractical for an individual to monitor.

(b) In addition to other positions required as part of an interactive gaming certificate holder's or interactive gaming operator's internal controls, an interactive gaming certificate holder, interactive gaming operator, or other licensed entity involved in the operation of the interactive gaming system as approved by the Board, shall maintain an information technology department supervised by an individual licensed as a key employee who functions, for regulatory purposes, as the information technology director. An interactive gaming certificate holder, interactive gaming operator, or other licensed entity involved in the operation of the interactive gaming system as approved by the Board, shall employ an information technology security officer and an interactive gaming manager, both of whom shall be licensed as a key employee.

(c) The information technology director shall be responsible for the integrity of all data, and the quality, reliability and accuracy of all computer systems and software used by the interactive gaming certificate holder in the conduct of interactive gaming, whether the data and software are located within or outside the certificate holder's or interactive gaming operator's facility, including, without limitation, specification of appropriate computer software, hardware and procedures for security, physical integrity, audit and maintenance of all of the following:

(1) Access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Monitoring logs of user access, security incidents and unusual transactions.

(3) Logs used to document and maintain the details of any hardware and software modifications.

(4) Computer tapes, disks or other electronic storage media containing data relevant to interactive gaming operations.

(5) Computer hardware, communications equipment and software used in the conduct of interactive gaming.

(d) The information technology security officer, or other position as approved by the Board, shall report to the information technology director and be responsible for all of the following:

(1) Maintaining access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Reviewing logs of user access, security incidents and unusual transactions.

(3) Coordinating the development of the interactive gaming certificate holder's or interactive gaming operator's information security policies, standards and procedures.

(4) Coordinating the development of an education and training program on information security and privacy matters for employees and other authorized users.

(5) Ensuring compliance with all State and Federal information security policies and rules.

(6) Preparing and maintaining security-related reports and data.

(7) Working with internal and external audit personnel to ensure all findings are addressed in a timely and effective manner.

(8) Developing and implementing an Incident Reporting and Response System to address security breaches, policy violations and complaints from external parties.

(9) Serving as the official contact for information security and data privacy issues, including reporting to law enforcement.

(10) Developing and implementing an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.

(11) Remaining current with the latest information technology security and privacy legislation, rules, advisories, alerts and vulnerabilities to ensure the interactive gaming certificate holder's or interactive gaming operator's security program and security software is effective.

(e) The interactive gaming manager shall report to the information technology director, or other department manager as approved by the Board, and be responsible for ensuring the proper operation and integrity of interactive gaming and reviewing all reports of suspicious behavior. The interactive gaming manager shall immediately notify the Bureau upon detecting any person participating in interactive wagering who is:

(1) Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.

(2) A self-excluded person under the act and Board regulations.

(3) Prohibited by the interactive gaming certificate-holder or interactive gaming operator from interactive gaming.

§ 811a.7. Mandatory interactive gaming system logging.

(a) An interactive gaming system must employ a mechanism capable of maintaining a separate copy of the information required to be logged under this chapter on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the interactive gaming system can be configured so that any logged data is in a secure transaction file, a separate logging device is not required.

(b) An interactive gaming system must provide a mechanism for the Board to query and export, in a format required by the Board, all gaming system data.

(c) An interactive gaming system must electronically log the date and time any interactive gaming account is created or terminated (Account Creation Log).

(d) An interactive gaming system must maintain all information necessary to recreate player game play and account activity during each player session, including any identity or location verifications, for no less than 10 years.

(e) Unless otherwise authorized by the Board, when software is installed on or removed from an interactive gaming system, the action must be recorded in a secure electronic log (Software Installation/Removal Log), which must include all of the following:

(1) The date and time of the action.

(2) The identification of the software.

(3) The identity of the person performing the action.

(f) Unless otherwise authorized by the Board, when a change in the availability of game software is made on a gaming system, the change must be recorded in a secure electronic log (Game Availability Log), which must include all of the following:

(1) The date and time of the change.

(2) The identification of the software.

(3) The identity of the person performing the change.

(g) Unless otherwise exempted by the Board, an interactive gaming system must record all promotional offers (Promotions Log) issued through the system. The Promotions Log must

provide the information necessary to audit compliance with the terms and conditions of current and previous offers.

(h) Results of all authentication attempts must be retained in an electronic log (Authentication Log) and accessible for 90 days.

(i) All adjustments to gaming system data made using stored procedures must be recorded in an electronic log (Adjustments Log), which lists all of the following:

(1) The date and time.

(2) The identification and user ID of user performing the action.

(3) A description of the event or action taken.

(4) The initial and ending values of any data altered as a part of the event or action performed.

§ 811a.8. Records/data retention requirements.

(a) For the purposes of this section, "books, records and documents" means any book, record or document pertaining to, prepared in or generated by the operation of the interactive gaming certificate holder or interactive gaming operator including all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records required to be generated and maintained under this part. This definition applies without regard to the medium through which the record is generated or maintained (for example, paper, magnetic media or encoded disk).

(b) Original books, records and documents pertaining to the operation of interactive gaming must be:

(1) Prepared and maintained in a complete, accurate and legible form. Electronic data must be stored in a format that ensures readability, regardless of whether the technology or software that created or maintained it has become obsolete.

(2) Retained in a secure location by the interactive gaming certificate holder or interactive gaming operator that is equipped with a fire suppression system or at another location approved under subsection (d).

(3) Made available for inspection by agents of the Board, the Department and the Pennsylvania State Police during all hours of operation.

(4) Organized and indexed in a manner to provide immediate accessibility to agents of the Board, the Department and the Pennsylvania State Police.

(5) Destroyed only after expiration of the minimum retention period specified in subsection (c), except that the Board may, upon the written request of an interactive gaming

certificate holder or interactive gaming operator and for good cause shown, permit the destruction at an earlier date.

(c) Original books, records and documents shall be retained by an interactive gaming certificate holder or interactive gaming operator for a minimum of 5 years.

(d) An interactive gaming certificate holder or interactive gaming operator may request, in writing, that the Board's Executive Director approve an alternative location outside of this Commonwealth to store original books, records and documents. The request must include all of the following:

(1) A detailed description of the proposed location, including security and fire suppression systems.

(2) The procedures under which the Board, the Department and the Pennsylvania State Police will be able to gain access to the original books, records and documents retained at the location outside of this Commonwealth.

(e) An interactive gaming certificate holder or interactive gaming operator may request, in writing, that the Board's Executive Director approve a microfilm, microfiche or other suitable media system for the copying and storage of original books, records and documents. The request must include representations regarding all of the following:

(1) The processing, preservation and maintenance methods which will be employed to ensure that the books, records and documents are available in a format which makes them readily available for review and copying.

(2) The inspection and quality control methods which will be employed to ensure that microfilm, microfiche or other media when displayed on a reader/viewer or reproduced on paper exhibits a high degree of legibility and readability.

(3) The availability of a reader/printer for use by the Board, the Department and the Pennsylvania State Police at the location approved by the Board and the readiness with which the books, records or documents being stored on microfilm, microfiche or other media can be located, read and reproduced.

(4) The availability of a detailed index of all microfilmed, microfiched or other stored data maintained and arranged in a manner to permit the immediate location of any particular book, record or document.

(f) Nothing herein shall be construed as relieving an interactive gaming certificate holder or interactive gaming operator from meeting any obligation to prepare or maintain any book, record or document required by any other Federal, State or local governmental body, authority or agency.

§ 811a.9. Required reports; reconciliation.

(a) An interactive gaming system shall be designed to generate reports as specified by the Board that must include, at a minimum, all of the following:

(1) The report title.

(2) The version number of the current system software and report definition.

(3) The date or time period of activity, or description as of a point in time.

(4) The date and time the report was generated.

(5) Page numbering, indicating the current page and total number of pages.

(6) Subtotals and grand totals as required by the Department.

(7) A description of any filters applied to the data presented in the document.

(8) Column and row titles, if applicable.

(9) The name of the interactive gaming certificate holder or interactive gaming operator.

(10) A reconciliation of all relevant data contained therein, if applicable.

(b) All required reports must be generated by the interactive gaming system, even if the period specified contains no data to be presented. The report generated must indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(c) An interactive gaming system must provide a mechanism to export the data generated for any report to a format approved by the Board.

(d) An interactive gaming system must generate all of the following daily reports, at a minimum, for each gaming day to calculate the taxable revenue:

(1) A Player Account Summary Report, which must include transaction information for each player account and test account for all of the following categories:

(i) Beginning balance.

(ii) Total amount of deposits.

(iii) Total amount of noncashable bonuses deposited.

(iv) Total amount of noncashable bonuses wagered by game type (sports, slots and tables).

(v) Total amount of noncashable bonuses expired.

(vi) Total amount of transfers to games by game type (sports, slots and tables).

(vii) Total amount of transfers from games by game type (sports, slots and tables).

(viii) Total amount of withdrawals.

(ix) Total amount of funds on game at the beginning of the gaming day (the amount of pending wagers at the end of the prior gaming day).

(x) Total amount of funds on game at the end of the gaming day (the amount of pending wagers plus funds transferred to a game but not yet wagered).

(xi) Win or loss, calculated as the ending funds on games less the beginning funds on game.

(xii) Ending balance.

(xiii) Any other information that may be required by the Board.

(2) A Wagering Summary Report, which must include all of the following by authorized game and poker variation, as applicable:

(i) Total amounts wagered.

(ii) Total amounts won.

(iii) Total tournament entry or participation fees.

(iv) Rake or vigorish.

(v) Total amounts of guaranteed funds paid to players.

(vi) Total amounts due to or from an interactive gaming network.

(vii) Win or loss calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake or vigorish, guaranteed funds and amounts due to or from an interactive gaming network.

(viii) Any other information that may be required by the Board.

(3) A noncashable Promotional Account Balance Report, which must include the ending noncashable promotional balance in each player account.

(e) An interactive gaming network must generate the following daily reports for each participating interactive gaming certificate holder or interactive gaming operator, at a minimum, for each gaming day to reconcile the daily gross interactive gaming revenue:

(1) A System Player Account Summary Report, which must include all of the following transaction information for each player account:

(i) Player identification number.

(ii) Total amount of transfers to games.

(iii) Total amount of transfers from games.

(iv) Win or loss statistics.

(v) Total amount of rake.

(vi) Total amount of entry fees.

(2) A System Wagering Summary Report, which must include all of the following game activity by authorized game or poker variation:

(i) Total amounts wagered.

(ii) Total amounts won.

(iii) Total tournament entry or participation fees.

(iv) Rake or vigorish.

(v) Total amounts of guaranteed funds paid to players.

(vi) Win or loss statistics, calculated as the net of the total amounts wagered and total amounts won plus tournament entry fees, rake or vigorish, and guaranteed funds.

(f) An interactive gaming certificate holder or interactive gaming operator must utilize the Wagering Summary Report to calculate interactive gross gaming revenue on a daily basis for reporting purposes. In addition, the certificate holder or operator shall do all of the following:

(1) Prepare a Variance Report documenting the win/loss amounts from the Player Account Report and Wagering Summary Report.

(2) Calculate the variance between the two amounts.

(3) Document the reason for the variance.

(4) Report a manual adjustment to increase revenue by the amount of the variance whenever the total of the Player Account Summary Report is greater than the total of the Wagering Summary Report, unless the reason for the variance as documented above is sufficient to support a determination that revenue was properly reported.

(g) Instead of subsection (f), an interactive gaming certificate holder or interactive gaming operator may accumulate the daily Variance Report information on a monthly Variance Report in a manner described in the interactive gaming certificate holder's or interactive gaming operator's internal controls.

(h) An interactive gaming system must generate, on a daily basis commencing 2 years after the creation of the first interactive gaming account, a Dormant Account Report, which must list all player accounts including the Pending Wager Account Report that have not had activity for 2 years. The report must include all of the following:

(1) The player name and account number.

(2) The date of the last transaction.

(3) The account balance.

(i) Voids of completed wagering transactions may not occur without Board approval.

(j) An interactive gaming system must generate a Performance Report, which compares the theoretical return to player (RTP) to the actual RTP of each game offered by a gaming system. The report must also provide the total number of rounds of play for each game and shall be generated and reviewed monthly by the interactive gaming certificate holder or interactive gaming operator to evaluate the performance of all games offered to the public. The Performance Report must include the data required by this subsection from the first day interactive gaming was offered to the date of the report.

(k) An interactive gaming system must generate a Player Account Adjustments Report, which shall be reviewed on a daily basis by either the interactive gaming certificate holder or interactive gaming operator to evaluate the legitimacy of player account adjustments. If the daily review is performed by the interactive gaming operator, the interactive gaming certificate holder or interactive gaming operator shall conduct a weekly review of the Player Account Adjustment Reports. Unless otherwise authorized by the Board, the report must, at a minimum, include all of the following:

(1) The player's name.

(2) An account number.

(3) The date and time of the adjustment.

(4) The person who performed the adjustment.

(5) The reason for the adjustment.

(6) The amount of the adjustment.

(l) An interactive gaming system must generate a report on a weekly basis identifying potential compulsive and problem gamblers, including those players who self-report. The interactive gaming certificate holder or interactive gaming operator shall review the report and document any action taken.

(m) An interactive gaming system must be capable of generating a Pending Transaction Account Report, which must include and separately itemize all pending transactions for each player account, including funds on game and deposits and withdrawals not yet cleared.

(n) An interactive gaming certificate holder or interactive gaming operator shall develop internal controls for performing a daily reconciliation of gross interactive gaming revenue, including a daily reconciliation of the Player Account Summary Report to the Wagering Summary Report, a reconciliation of the Wagering Summary Report to each remote game server, a reconciliation of sports wagering system reports to the wagering Summary Report, and at least a quarterly calculation of the balance required to be maintained pursuant to § 811a.5 (relating to segregation of bank accounts and reserve requirements).

(i) Each report shall be accurate to reconcile and balance on a daily basis.

(ii) Variances shall be investigated and reported to the Board, which must include the amount, cause and remediation plan for corrective action.

CHAPTER 812a. INTERACTIVE GAMING PLAYER ACCOUNTS

Sec.

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§ 812a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Electronic identifier—A unique identifier, such as a username or account number, other than personal identifying information (for example, a Social Security number), used to identify a player.

Player session—A player session consists of all activities and communications performed by an authorized registered player and the interactive gaming system between the time the registered player logs in to the interactive gaming system and the time the registered player logs out or is logged out of the interactive gaming system.

Strong authentication—A method that is intrinsically stringent enough to ensure the security of the system it protects by withstanding any attacks it is likely to encounter by combining at least two mutually-independent factors so that the compromise of one method should not lead to the compromise of the second and includes one nonreusable element, which cannot easily be reproduced or stolen from the Internet, to verify the identity of a registered player.

§ 812a.2. Player account registration.

(a) Prior to engaging in interactive gaming, a player shall establish an interactive gaming account.

(b) To establish an interactive gaming account, the player shall provide all of the following information:

(1) The player's legal name.

(2) The player's date of birth.

(3) The entire or last four digits of the player's Social Security number, if voluntarily provided, or equivalent for a foreign player such as a passport or taxpayer identification number.

(4) The player's address.

(5) The player's e-mail address.

(6) The player's telephone number.

(7) Any other information collected from the player to verify his identity.

(c) An interactive gaming certificate holder or interactive gaming operator shall create and maintain an electronic player file containing the information the player submitted to establish the player account.

(d) The electronic player file created by an interactive gaming certificate holder or interactive gaming operator must encrypt the information in an electronic player file.

(i) As part of the annual security audit required under § 809a.6(d)(3), the independent third party shall verify that the information included contained in the electronic player files maintained by the interactive gaming certificate holder or interactive gaming operator is properly encrypted.

(e) The interactive gaming certificate holder or interactive gaming operator shall verify the player's identity and record the document number of the government-issued credential examined, or other methodology for remote, multisourced authentication, which may include third-party and governmental databases, as approved by the Board.

(f) The interactive gaming certificate holder or interactive gaming operator shall verify that the player is of the legal age of 21 years of age, not self-excluded or otherwise prohibited from participation in interactive gaming.

(g) The interactive gaming certificate holder or interactive gaming operator shall require the player to affirm that the information provided to the interactive gaming certificate holder is accurate.

(h) The interactive gaming certificate holder or interactive gaming operator shall record the player's acceptance of the interactive gaming certificate holder's terms and conditions to participate in interactive gaming.

(i) The interactive gaming certificate holder or interactive gaming operator shall record the player's acknowledgement that the legal age for interactive gaming is 21 years of age and that he is prohibited from allowing any other person to access or use his interactive gaming account.

(j) The interactive gaming certificate holder or interactive gaming operator shall record the player's acknowledgement that any violations of the interactive gaming regulations are subject to the penalties provided in the act and may result in criminal prosecution under 18 Pa.C.S. (relating to Crimes Code).

(k) The interactive gaming certificate holder or interactive gaming operator shall require the player to establish a password or other access security feature as approved by the Board and advise the player of the ability to utilize strong authentication login protection.

(l) The interactive gaming certificate holder or interactive gaming operator shall notify the player of the establishment of the account by e-mail or first class mail.

§ 812a.3. Account security.

(a) An interactive gaming system must utilize sufficient security to ensure player access is appropriately limited to the registered account holder. Unless otherwise authorized by the Board, security measures must include, at a minimum, all of the following:

(1) A username.

(2) A password of sufficient length and complexity to ensure its effectiveness.

(3) Upon account creation, the option for users to choose strong authentication login protection.

(4) When a player logs into his registered interactive gaming account, the system must display the date and time of the player's previous log on.

(5) An option to permit a player to elect to receive an electronic notification to the player's registered e-mail address, cellular phone or other device each time an interactive gaming account is accessed.

(6) The interactive gaming system must require a player to re-enter his username and password after 15 minutes of user inactivity.

(b) An interactive gaming certificate holder or interactive gaming operator may not permit the creation of anonymous interactive gaming accounts or accounts using fictitious names. A registered player may, while engaged in interactive gaming, represent himself using a screen name other than his actual name.

(c) An interactive gaming system must provide an account statement with account details to a player on demand, either displayed on the interactive gaming web site or mobile app or

available for immediate download, which must include information as required under this chapter.

(d) An interactive gaming system must utilize sufficient security to ensure third-party access to player accounts is limited as follows:

(1) Network shared drives containing application files and data for interactive gaming system must be secured so that only authorized personnel may gain access.

(2) Login accounts and passwords required to administer network and other equipment are secured so that only authorized Information Technology (IT) personnel from the interactive gaming certificate holder or interactive gaming operator may gain access to these devices.

(3) Remote access by vendor personnel to any component of the interactive gaming system is allowed for purposes of support or updates and is enabled only when approved by authorized IT personnel employed by the technology provider.

(e) Interactive gaming certificate holders and interactive gaming operators may utilize third-party vendors to verify player information so long as those vendors are licensed by the Board when required and the agreements related to the provided services is submitted to the Board.

§ 812a.4. Single account requirement.

(a) A player shall have only one interactive gaming account for each interactive gaming certificate holder or interactive gaming operator. Each interactive gaming account must be nontransferable, unique to the player who establishes the account, and distinct from any other account number that the player may have established with the interactive gaming certificate holder or interactive gaming operator for noninteractive gaming activity.

(b) Each registered player account shall be treated independently and players may not be permitted to transfer funds between accounts held with different interactive gaming certificate holders or interactive gaming operators. Registered players are prohibited from transferring funds to an account held by another player.

(c) To ensure compliance with this subpart, interactive gaming certificate holders and interactive gaming operators shall:

(1) Record and maintain the physical location of the registered player while logged in to the interactive gaming account.

(2) Ensure that a registered player does not occupy more than one position at a game at any given time unless otherwise approved by the Board to permit a registered player to occupy more than one position at a game at any given time.

§ 812a.5. Account terms and conditions disclosures.

(a) During the registration process the player shall agree to the terms and conditions which govern the relationship between the interactive gaming certificate holder or interactive gaming operator and the player. The terms and conditions must include a privacy policy which governs the protection and use of the player's data.

(b) The terms and conditions provided to players by interactive gaming certificate holders and interactive gaming operators shall be submitted to the Bureau of Gaming Operations for review. The terms and conditions must contain, at minimum, all of the following:

(1) The name and address of the interactive gaming certificate holder or interactive gaming operator.

(2) A statement that the interactive gaming certificate holder or interactive gaming operator is licensed and regulated by the Board for the purposes of operating and offering interactive gaming services in this Commonwealth.

(3) A requirement that the player acknowledges that he has read the terms and conditions and agrees to be bound by them.

(4) A requirement that the player will comply with all applicable laws, statutes and regulations.

(5) A statement that no individual under 21 years of age may participate in interactive gaming and that it is a criminal offense to allow a person who is not legally of age to participate in interactive gaming in this Commonwealth.

(6) A statement that the player consents to verification of registration information including name, address, date of birth, Social Security number, passport identification (for non-United States residents) and any other identification information required to confirm age and identity.

(7) A statement that the player consents to verification of his location for the duration of play of interactive games.

(8) A statement that players have the right to set responsible gaming limits and to self-exclude from interactive gaming.

(9) A dispute resolution policy including notifying players of their right to file a complaint with the Board.

(10) A player disconnection policy.

(11) Any other information that may be required by the Board.

§ 812a.6. Self-exclusion list.

(a) All interactive gaming certificate holders and interactive gaming operators shall have a link on its interactive gaming web site to the self-exclusion page of the Board web site.

(b) Any player seeking to self-exclude from interactive gaming shall follow the procedures in the Board's regulations.

§ 812a.7. Player funding of accounts.

(a) A player's interactive gaming account may be funded through the use of all of the following:

(1) Cash deposits made directly with the interactive gaming certificate holder or interactive gaming operator.

(2) Personal checks, cashier's checks, wire transfer and money order deposits made directly or mailed to the interactive gaming certificate holder or interactive gaming operator.

(3) A player's credit card or debit card, including prepaid cards.

(4) A player's deposit of cash, gaming vouchers or gaming chips at a cashiering location approved by the Board.

(5) A player's reloadable prepaid card, which has been verified as being issued to the player and is nontransferable.

(6) Cash complimentaries, promotional credits or bonus credits.

(7) Winnings.

(8) Automated clearing house (ACH) transfer, provided that the interactive gaming certificate holder or interactive gaming operator has security measures and controls to prevent ACH fraud. A failed ACH deposit attempt may not be considered fraudulent if the player has successfully deposited funds through an ACH transfer on a previous occasion with no outstanding chargebacks. If the interactive gaming certificate holder or interactive gaming operator suspects fraud after multiple failed ACH deposit attempts, the interactive gaming certificate holder or interactive gaming operator may temporarily freeze or suspend the player's account to investigate and, if the interactive gaming certificate holder or interactive gaming operator determines that fraud has occurred, suspend the player's account.

(9) Adjustments made by the interactive gaming certificate holder or interactive gaming operator following the resolution of disputes provided there is documented notification to the player.

(10) Any other means as approved by the Board.

(b) An interactive gaming certificate holder or interactive gaming operator shall neither extend credit to a player nor allow the deposit of funds into an interactive gaming account that are derived from the extension of credit by affiliates or agents of the interactive gaming certificate holder or interactive gaming operator.

(c) A player's interactive gaming account may not have a negative account balance as a result of the placement of any wager in the interactive gaming system.

(d) Player account balances must be updated after each game cycle to ensure that sufficient funds are available for any future real money games the player may choose to play.

(e) Interactive gaming certificate holders or interactive gaming operators shall not accept or facilitate a wager:

(1) On any interactive game not approved by the Board for play in this Commonwealth.

(2) On any interactive game which the certificate holder or operator knows or reasonably should know is not between individuals.

(3) On any interactive game which the certificate holder or operator knows or reasonably should know is made by a person who has elected to temporarily suspend his or her interactive gaming account and the period of temporary suspension has not expired.

(4) On any interactive game which the certificate holder or operator knows or reasonably should know is made by a person on the interactive gaming self-exclusion list or the Board's involuntary exclusion list as it pertains to interactive gaming.

(5) From a person who the interactive gaming certificate holder or interactive gaming operator knows or reasonably should know is placing the wager in violation of State or Federal law.

(6) From any licensed individual who is not permitted to participate in interactive gaming by virtue of his position with an interactive gaming certificate holder, interactive gaming operator or other affiliated entity.

(f) All adjustments to interactive gaming accounts for amounts of $500 or under shall be periodically reviewed by supervisory personnel as set forth in the interactive gaming certificate holder's or interactive gaming operator's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.

§ 812a.8. Player loyalty programs.

If player loyalty programs are supported by an interactive gaming system, all of the following must apply:

(1) Redemption of registered player loyalty points earned must be by a secure transaction that automatically debits the points balance for the value of the prize redeemed.

(2) All registered player loyalty database transactions are to be recorded by the interactive gaming system. If the player loyalty program is provided by an external service provider, the interactive gaming system must be capable of securely communicating with that service.

(3) The interactive gaming system must make readily accessible to the registered player all terms and conditions governing each available promotional or bonus feature.

(4) The terms and conditions must be clear and unambiguous, especially when bonuses or promotions are limited to certain tables or nontournament play, or when other specific conditions apply.

§ 812a.9. Player account controls.

(a) A player session is started when a player logs in to the interactive gaming system.

(1) A player must be provided with the electronic identifier created by the interactive gaming certificate holder or interactive gaming operator, if applicable, and a password to start a session.

(2) The interactive gaming system must allow players to change their passwords.

(3) When a player has forgotten his password or PIN, the interactive gaming system must provide a secure process for the reauthentication of the player and the retrieval or resetting, or both, of the password or PIN. Processes for dealing with lost player user IDs or passwords must be clearly described to the player.

(4) When a player logs in to the interactive gaming system, the date and time of his prior player session must be displayed.

(5) Each player session must have a unique identifier assigned by the interactive gaming system which distinguishes the current session from previous and future sessions.

(b) During a peer-to-peer game, the software must permit a player to set an away from computer status (that is, self-imposed session inactivity). This functionality must be fully described in the help screens or applicable terms and conditions.

(1) The away from computer status must disallow all play and also cause the player's turn to be automatically skipped during any round of play which takes place while this status is active.

(2) If a player sets an away from computer status during the middle of a round of play, he automatically forfeits play for that round (for example, for a round of poker, the software must automatically fold the player's hand during the next round of betting).

(3) If a player performs any game action within the game window while in an away from computer status, the status must be removed and the player will be enrolled into the next round of play. Nongame sensitive actions, such as accessing the help menu from the game window do not require this status to be removed.

(4) If action has not been taken by the player within the time period specified in the help screens or the terms and conditions, or both, the player must be automatically placed into the away from computer status.

(5) If a player has been in the away from computer status for over 30 minutes, the player must be automatically logged out of the game or player account, or both.

(c) Interactive gaming systems must employ a mechanism that detects session inactivity and terminates a player session when applicable.

(1) If the interactive gaming system fails to receive a response from the interactive gaming device within 15 minutes, whether the player has been in away from computer mode or not, the interactive gaming system must implement a user inactivity timeout and terminate the player session.

(2) If a player session is terminated due to player inactivity timeout, the interactive gaming device must display to the player the player session termination (that is, the user inactivity timeout) upon the player's next attempted action on the interactive gaming system.

(3) Further game play is not permitted until the interactive gaming system and the interactive gaming device establish a new session.

(d) A player session ends when:

(1) The player notifies the interactive gaming system that the session is finished (for example, logs out).

(2) A session inactivity timeout is reached.

(3) The interactive gaming system terminates the session.

(i) When the interactive gaming system terminates a player session, a record must be written to an audit file that includes the termination reason.

(ii) The interactive gaming system must attempt to send a session finished message to the interactive gaming device each time a session is terminated by the interactive gaming system.

(e) The Board's Responsible Gaming logo linking to a responsible gaming page shall be placed at the top of the interactive gaming web site. The responsible gaming page must contain, at a minimum, all of the following:

(1) Information about potential risks associated with gambling and where to get help for a gambling problem.

(2) A list of the responsible gaming measures that can be invoked by the player, such as player session time limits and bet limits, and an option to enable the player to invoke those measures.

(3) Mechanisms which detect unauthorized use of the player's account, such as observing the Last Log in Time Display, the IP address of the last login and reviewing financial account information.

(4) A link to the terms and conditions that the player agreed to be bound to by entering and playing on the site.

(5) A link to the applicable privacy policy.

(6) A link to Board's web site.

(f) All links to player protection services (for example, self-exclusion and other player-imposed limits) provided by third parties are to be tested by the interactive gaming certificate holder or interactive gaming operator periodically as required by the Board. Game play may not occur when links used to supply information on player protection services are not displayed or are not operational. When the link to player protection services is no longer available, the interactive gaming certificate holder or interactive gaming operator shall provide an alternative support service.

(g) Players must be provided with a clear mechanism to impose self-limitations for gaming parameters including deposits, wagers, losses and player session durations as required by the Board. The self-limitation mechanism must provide all of the following functionality:

(1) Any decrease to self-limitations for gaming must be effective no later than the player's next login. Any increase to these limits must become effective only after the time-period of the previous limit has expired and the player reaffirms the requested increase.

(i) For example, a player sets a $1,000 monthly deposit limit on the 1st day of the month. The player may not increase this limit to more than $1,000 until the 1st day of the following month. The same player may decrease the limit to less than $1,000 at any point, and shall be effective at the player's next login.

(2) A deposit limit as determined by the player must be offered on a daily, weekly and monthly basis, and must specify the maximum amount of money a player may deposit into his interactive gaming account during the designated period of time.

(3) A spend limit as determined by the player must be offered on a daily, weekly and monthly basis, and must specify the maximum amount of player deposits that may be put at risk during a designated period of time.

(4) A single wager limit as determined by the player must be offered and must specify the maximum amount of any single wager a player may put at risk in a single wager in an interactive game.

(i) This single wager limit is not applicable for peer-to-peer poker games offered by interactive gaming certificate holders or operators.

(ii) Notwithstanding the provisions of paragraph (1), a requested increase in the player's single wager limit (that is, from $50 to $100) shall not take effect for 24 hours after the request is made.

(5) A time-based limit as determined by the player must be offered on a daily basis and must specify the maximum amount of time that a player may spend playing on an interactive gaming system, provided that if the time-based limit is reached a player will be permitted to complete any round of play, or active or prepaid tournament.

(6) A table limit as determined by the player must be offered and must specify the maximum amount a registered player may bring to a peer-to-peer interactive gaming table.

(7) The self-limitations set by a player may not override any system imposed limitations or contradict information within the game rules.

(h) The interactive gaming system must be capable of applying system-imposed limits as required by the terms and conditions agreed to by the player upon registration and as required by the Board. System-imposed limits must adhere to all of the following:

(1) Players must be notified in advance of any system-imposed limits and their effective dates.

(2) Once updated, system-imposed limits must be consistent with what is disclosed to the player.

(3) Upon receiving any system-limitation request, the interactive gaming system must ensure that all specified limits are correctly implemented immediately or at a specified time (that is, next login, next day, and the like) that was clearly indicated to the player.

(4) In cases when system-imposed limitation values (for example, deposit, wager, loss and player session duration) are greater than self-imposed player limit values, the system-imposed limitations must take priority.

(i) Players must be provided with an easy and obvious mechanism to temporarily suspend his or her interactive gaming account. The temporary suspension mechanism must provide all of the following functionality:

(1) The player must be provided with the option to temporarily suspended his or her interactive gaming account for a specified period of time as defined in the terms and conditions, or indefinitely.

(2) In the case of temporary suspension, the interactive gaming system must ensure that:

(i) Immediately upon processing the temporary suspension, new bets or deposits are not accepted from that player until the temporary suspension has expired.

(ii) During the temporary suspension period, the player is not prevented from withdrawing any or all of his account balance, provided that the interactive gaming system acknowledges that the funds have cleared.

(iii) In the case of indefinite temporary suspension, the interactive gaming system must ensure that:

(A) The player is paid in full for his account balance, provided that the interactive gaming system acknowledges that the funds have cleared.

(B) All player accounts must be closed or deactivated.

(j) The interactive gaming system must provide a clear mechanism to advise the player of the right to make a complaint against the interactive gaming certificate holder, interactive gaming operator or another player (that is, when collusion is suspected or when a player is disruptive or abusive).

§ 812a.10. Player withdrawals.

(a) An interactive gaming certificate holder or interactive gaming operator shall establish protocols for players to withdraw funds, whether an interactive gaming account is open or closed.

(b) An interactive gaming certificate holder or interactive gaming operator shall prevent unauthorized withdrawals from an interactive gaming account.

(c) Funds may be withdrawn from a player's interactive gaming account for all of the following:

(1) The funding of game play.

(2) A cash-out at the cashier's cage upon player's request.

(3) A cash-out through the issuance of a check from the interactive gaming certificate holder or interactive gaming operator.

(4) A cash-out transfer to a player's reloadable prepaid cash card, which has been verified as being issued to the player and is nontransferable.

(5) Adjustments made by the interactive gaming certificate holder or interactive gaming operator following the resolution of disputes provided there is documented notification to the player.

(6) Cash-out transfers directly to the player's individual account with a bank or other financial institution (banking account) provided that the interactive gaming certificate holder or interactive gaming operator verifies the validity of the account with the financial institution.

(7) Any other means approved by the Board.

(d) An interactive gaming certificate holder or interactive gaming operator may not permit a player to transfer funds to another player.

§ 812a.11. Player account statements.

(a) At the request of a player, interactive gaming systems must provide an interactive gaming account statement which must include detailed account activity for at least the 6 months preceding the request. In addition, an interactive gaming system must, upon request, be capable of providing a summary statement of all player activity during the past year. Information to be provided on the summary statement must include, at a minimum, all of the following:

(1) Deposits to the interactive gaming account.

(2) Withdrawals from the interactive gaming account.

(3) Win or loss statistics.

(4) Beginning and ending account balances.

(5) Self-imposed responsible gaming limit history, if applicable.

(b) Account statements must be either displayed on the interactive gaming web site or mobile app or available for immediate download, or if requested by the player, sent to the player's registered address (e-mail or first class) for the time period specified.

§ 812a.12. Suspended accounts.

(a) Interactive gaming systems must employ a mechanism to place an interactive gaming account in a suspended mode:

(1) When requested by the player for a specified period of time, which may not be less than 72 hours.

(2) When required by the Board.

(3) When initiated by an interactive gaming certificate holder or interactive gaming operator that has evidence to indicate any of the following:

(i) Illegal activity.

(ii) A negative player account balance.

(iii) A violation of the terms of service has taken place on an authorized registered player's interactive gaming account.

(b) When an interactive gaming account is in a suspended mode, the interactive gaming certificate holder or interactive gaming operator may not remove funds from the account without prior approval from the Board. In addition, the interactive gaming system must do all of the following:

(1) Prevent the player from engaging in interactive gaming.

(2) Prevent the player from depositing funds.

(3) Prevent the player from withdrawing funds from his interactive gaming account, unless the suspended mode was initiated by the player.

(4) Prevent the player from making changes to his interactive gaming account.

(5) Prevent the removal of the interactive gaming account from the interactive gaming system.

(6) Prominently display to the authorized player that the account is in a suspended mode, the restrictions placed on the account and any further course of action needed to remove the suspended mode.

(c) An interactive gaming certificate holder or interactive gaming operator shall notify the player by mail (first class or e-mail) whenever his interactive gaming account has been closed or placed in a suspended mode. The notification must include the restrictions placed on the account and any further course of action needed to remove the restriction.

(d) A suspended account may be restored:

(1) Upon expiration of the time period established by the player.

(2) When permission is granted by the Board.

(3) When the interactive gaming certificate holder or interactive gaming operator has lifted the suspended status.

§ 812a.13. Dormant accounts.

(a) An interactive gaming account will be deemed dormant if there is no activity (logins, game play, withdrawals, contacts with customer service) for 2 years.

(b) Interactive gaming certificate holders and interactive gaming operators shall provide notification to the player at the player's registered address (physical or electronic) if the player's interactive gaming account remains dormant for 1 year.

(c) Funds remaining on deposit in an interactive gaming account which is dormant and for which the player has not requested payment must be abandoned 60 days after the notice in subsection (b) is provided. Interactive gaming certificate holders and interactive gaming operators shall report abandoned funds from dormant accounts in accordance with rules and regulations on abandoned and unclaimed property set forth by the Pennsylvania Treasury, Bureau of Abandoned and Unclaimed Property.

§ 812a.14. Use of player data.

(a) An interactive gaming certificate holder, interactive gaming operator, or an employee or other person engaged in duties related to the conduct of interactive gaming may not disclose information about the name of a player, or other identifying information.

(b) Interactive gaming certificate holders or interactive gaming operators with employees who have direct contact with players by phone, e-mail, electronic chat or other means shall implement training for those employees, at the start of their employment and at regular intervals thereafter, addressing recognition of the nature and symptoms of problem gambling behavior and how to assist players in obtaining information regarding help for a gambling problem and self-exclusion program.

CHAPTER 813a. INTERACTIVE GAMING ADVERTISEMENTS, PROMOTIONS AND TOURNAMENTS

Sec.

813a.1. Definitions.
813a.2. Advertising.
813a.3. Promotions.
813a.4. Interactive gaming tournaments.
813a.5. Record retention and reports.

§ 813a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Celebrity player—A well-known or professional interactive gaming player who is under agreement with an interactive gaming certificate holder or interactive gaming operator whereby the interactive gaming certificate holder or interactive gaming operator pays the celebrity player a fixed sum to engage in interactive gaming with the certificate holder's or operator's players as an advertising or promotional enticement to its customers.

Promotion—An event conducted by an interactive gaming certificate holder or an interactive gaming operator that provides or offers registered or prospective players cash, credits, merchandise, coupons, players club credits, or points, bonuses or anything else of value to entice the player to wager with the interactive gaming certificate holder or interactive gaming operator.

Restricted interactive gaming credit—Interactive gaming funds that cannot be cashed out by the player until the wagering requirements or other restrictions associated with those funds are met in accordance with disclosed terms and conditions.

§ 813a.2. Advertising.

(a) Interactive gaming certificate holders and interactive gaming operators shall comply with § 501a.7 (relating to advertising).

(b) All interactive gaming advertisements exclusively directed to residents of this Commonwealth shall be co-branded, clearly and prominently displaying the name or logo, or both of the interactive gaming certificate holder and interactive gaming operator in equal size and quality, including but not limited to:

(i) Television or radio advertisements relating to the availability of interactive gaming or sports wagering in this Commonwealth.

(ii) Direct mail pieces, e-mails, or text messages sent to residents of this Commonwealth.

(iii) Billboards located in this Commonwealth.

(iv) Newspaper, magazine and other print publications that are based in this Commonwealth, including online editions of these publications.

(c) Advertising utilized by interactive gaming certificate holders and interactive gaming operators may not:

(1) Consist of indecent or offensive graphics or audio, or both.

(2) Obscure the game play area or obstruct a game in progress.

(3) Contain content that contradicts the game rules or terms and conditions.

(4) Specifically target players which have been excluded from play.

(d) Interactive gaming certificate holders and interactive gaming operators may utilize celebrity or other players to participate in peer-to-peer games for advertising or publicity purposes provided:

(1) The interactive gaming certificate holder or an interactive gaming operator clearly identifies the celebrity player to the players.

(2) The interactive gaming certificate holder or an interactive gaming operator does not realize a profit beyond the rake for hosting the celebrity player.

(3) The interactive gaming certificate holder or an interactive gaming operator shall include winnings by the celebrity player in its gross gaming revenue if the certificate holder or licensee does not permit the celebrity player to retain these funds.

(e) An interactive gaming certificate holder or an interactive gaming operator that contracts with a celebrity player to advertise or promote its services may fund the celebrity player's interactive gaming account in full or in part. The certificate holder or licensee may also pay the celebrity player a one-time or flat fee for his services.

(f) A celebrity player engaged in interactive gaming in this Commonwealth under an agreement with an interactive gaming certificate holder or an interactive gaming operator for advertising or promotional purposes may or may not utilize his own funds to wager.

§ 813a.3. Promotions.

(a) An interactive gaming certificate holder or interactive gaming operator shall notify and provide to the Board, at least 5 days prior to implementing a promotion, terms and conditions of each promotion. The terms and conditions must include, at a minimum, all of the following:

(1) A description of what is being offered as part of the promotion.

(2) The dates and times that the promotion is being conducted.

(3) The persons who are eligible to participate in the promotion.

(4) The required action to receive whatever is being offered as part of the promotion.

(5) The procedure to claim or redeem the promotional offer, if applicable.

(6) Registration procedures.

(7) Limitations on participation.

(8) Wagering requirements and limitations by type of game.

(9) The order in which funds are used for wagering.

(10) Eligible games.

(11) Any restrictions on the withdrawal of funds.

(12) Rules regarding cancellation.

(13) The statement “If you or someone you know has a gambling problem, help is available. Call 1-800-GAMBLER.”

(14) Any other information the Board may require.

(b) An interactive gaming certificate holder or an interactive gaming operator shall designate one employee responsible for providing promotions to the Board. The designated employee shall provide a signed attestation with the submitted promotion indicating the employee has reviewed the promotion for compliance with Board regulations. The designated employee shall serve as the point of contact between a certificate holder or a licensee and the Board on all submitted promotions.

(c) An interactive gaming certificate holder or interactive gaming operator shall be responsible for providing the terms and conditions of promotions and the conduct of all promotions offered directly or indirectly by a third-party vendor or marketing affiliate on behalf of the interactive gaming certificate holder or an interactive gaming operator.

(d) The terms and conditions of all promotions communicated to players must be posted on the interactive gaming certificate holder's home webpage as well as any skins the interactive gaming certificate holder operates or an interactive gaming operator operates on behalf of an interactive gaming certificate holder. The terms and conditions must be stated in a clear and conspicuous manner using plain language and be readily accessible and available for review for the duration of the promotion (even after player accepts a promotion).

(e) An interactive gaming certificate holder or interactive gaming operator shall provide a clear and conspicuous method for a player to cancel his participation in a promotion that utilizes restricted interactive gaming credits. Upon request for cancellation, the interactive gaming certificate holder or interactive gaming operator shall inform the player of the amount of unrestricted funds that will be returned upon cancellation and the value of restricted funds that will be removed from the player's interactive gaming account. If the player elects to proceed with cancellation, unrestricted funds remaining in a player's interactive gaming account must be returned in accordance with the terms and conditions.

(f) An interactive gaming certificate holder or interactive gaming operator may not, once a player has met the terms of a promotion, cap or limit winnings earned while participating in the promotion.

(g) An interactive gaming certificate holder or an interactive gaming operator may be required to discontinue, as expeditiously as possible, the use of a particular promotion upon receipt of written notice from the Board that the Board has determined that the use of the particular promotion in, or with respect to, this Commonwealth could adversely impact the public or the integrity of gaming.

(h) An interactive gaming certificate holder or interactive gaming operator may not offer or conduct a promotion which violates any Federal, State or local law.

(i) An interactive gaming certificate holder or an interactive gaming operator shall develop and submit to the Board, as part of the submission required as part of the certificate holder's or licensee's internal controls, procedures governing the conduct of all promotions to be offered by an interactive gaming certificate holder or interactive gaming operator.

§ 813a.4. Interactive gaming tournaments.

(a) An organized event that permits a player to purchase or be awarded the opportunity to engage in competitive play against other players (that is, a tournament) may be permitted providing all of the following:

(1) Prior to conducting an interactive gaming tournament, an interactive gaming certificate holder or an interactive gaming operator shall file for approval of the terms and conditions of each interactive gaming tournament type with the Bureau of Gaming Operations as part of the certificate holder's or licensee's internal controls. The terms and conditions shall be followed and include, at a minimum, all of the following:

(i) Game type (for example, Hold 'Em Poker).

(ii) Rules concerning tournament play and participation.

(iii) All conditions registered players shall meet to qualify for entry into, and advancement through, the tournament.

(iv) Any conditions concerning late arrivals or complete tournament no-shows and how auto-blind posting or initial entry purchase, or both, is handled.

(v) Funding source amounts comprising the prize pool (for example, buy-ins, re-buys or add-ons).

(vi) Prize structure on payout.

(vii) Methodology for determining win.

(viii) Any other information as the Board may require.

(2) While enabled for tournament play, a game may not accept real money from any source, nor pay out real money in any way, and must utilize tournament specific credits, points or chips which do not have cash value.

(b) The terms and conditions of all interactive gaming tournaments communicated to players shall be posted on the interactive gaming web site and stated in a clear and conspicuous manner using plain language. The terms and conditions of each interactive gaming tournament must be readily accessible and remain available for review by the player until the interactive gaming tournament is complete.

(c) An interactive gaming certificate holder or an interactive gaming operator may be required to discontinue, as expeditiously as possible, an interactive gaming tournament upon receipt of written notice from the Board's Executive Director that the Board's Executive Director has determined that the conduct of an interactive gaming tournament could adversely impact the public or the integrity of gaming.

(d) An interactive gaming certificate holder or an interactive gaming operator shall submit a notice of intent to conduct an interactive gaming tournament at least 5 business days prior to the start of the tournament. The notice shall be submitted electronically to the Bureau of Gaming Operations using the Internal Controls and Table Games Submission Form, which is posted on the Board's web site, and must include all of the following:

(1) The type of game to be played.

(2) The dates and times the tournament will be conducted.

(3) Participation eligibility requirements including all of the following:

(i) Who is eligible to participate.

(ii) The minimum and maximum number of participants.

(iii) Entry fees charged.

(4) The monetary amount or description of the prizes to be awarded.

(5) Any other information as the Board may require.

(e) Submission of a proposed schedule may not require the interactive gaming certificate holder or interactive gaming operator to conduct all tournaments in the schedule.

(f) An interactive gaming certificate holder or interactive gaming operator may seek to amend or modify the schedule at any time by filing a written request with the Board's Executive Director.

(g) An interactive gaming certificate holder or interactive gaming operator shall maintain records related to the conduct of interactive gaming tournaments in accordance with § 465a.6(c) (relating to retention, storage and destruction of books, records and documents). These records shall be made available to Board staff and the Department upon request and must include all of the following:

(1) A full accounting of gross interactive gaming revenue for each tournament including cash received as entry fees and the total of cash or cash equivalents paid out to registered players.

(2) The names and addresses of all prize winners and the prize each winner was awarded.

§ 813a.5. Record retention and reports.

(a) Unless otherwise approved by the Board, a record of all bonus and promotional wagering offers related to interactive gaming shall be maintained in an electronic file that is readily available to the Board. All bonus and promotional wagering offers must be stated in clear and unambiguous terms and be readily accessible by the registered player.

(b) Unless otherwise exempted by the Board, a gaming system must record all promotional offers (Promotions Log) issued through the system. The log must provide the information necessary to audit compliance with the terms and conditions of current and previous offers.

(c) An interactive gaming system must be able to provide a Promotional Account Summary Report (or similarly named report) on demand for any player loyalty promotions or bonuses, or both, that are redeemable for cash, monetary game play credits or merchandise. The report must contain, at a minimum, all of the following information:

(1) Beginning balance for promotion type.

(2) Total amount of awards by promotion type.

(3) Total amount used by promotion type.

(4) Total amount expired by promotion type.

(5) Total adjustment amount by promotion type.

(6) Ending balance by promotion type.

CHAPTER 814a. COMPULSIVE AND PROBLEM GAMBLING REQUIREMENTS

Sec.

814a.1. General requirements.
814a.2. Responsible gaming self-limits.
814a.3. Compulsive and problem gambling plan.
814a.4. Employee training program.
814a.5. Reports.
814a.6. Web site requirements.

§ 814a.1. General requirements.

(a) Interactive gaming shall only be engaged in by registered players who have established an interactive gaming account for interactive gaming.

(b) The message “IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE, CALL 1-800-GAMBLER,” or comparable language approved the Board, must be prominently displayed to a person visiting or logging onto and logging off of the interactive gaming certificate holder or interactive gaming operator's interactive gaming skin.

(c) When a registered player logs on to an interactive gaming system, the system must display the date and time of the registered player's previous log on.

(d) If a registered player has suspended his account, an interactive gaming certificate holder or interactive gaming operator may not send gaming-related electronic or direct postal mail to that player while the account is suspended.

(e) Software utilized for interactive gaming must display all of the following information, in addition to the minimum display standards in this subpart:

(1) The current time in the time zone where the registered player is physically located and the time elapsed while in the current registered player session.

(2) Cause a pop-up notification, at least every hour, to be prominently displayed on the interactive gaming device advising the registered player of the amount of time elapsed since his log on, and the amount of money wagered since his log on.

(3) Offer the registered player the option to select a pop-notification, in 15-minute and 30-minute increments, advising the registered player of the amount of money wagered since his log on.

(4) Offer the option to activate self-imposed limits during the player account registration process.

(f) An interactive gaming certificate holder or interactive gaming operator offering interactive gaming shall have a dedicated licensed employee responsible for notifying the Board upon detecting a person participating in interactive gaming who is required to be excluded under Board regulations or any person who is otherwise prohibited from engaging in interactive gaming. This employee shall be licensed as a key employee.

(g) All terms and conditions for interactive gaming must be included as an appendix to the internal controls or, when specified, as part of the interactive gaming compulsive and problem gambling plan of the interactive gaming certificate holder or interactive gaming operator addressing all aspects of the operation, including all of the following:

(1) Registered player's right to set responsible gaming limits and to self-exclude.

(2) Registered player's right to suspend his account for any selected period of time.

(3) Information to be displayed on a registered player protection page, which shall be accessible to a registered player during a registered player session. The registered player protection page must contain, at a minimum, all of the following:

(i) A prominent message, which states “If you or someone you know has a gambling problem, help is available. Call 1-800-Gambler” in a size and font as approved the Director of the Office of Compulsive and Problem Gaming (OCPG).

(ii) A direct link to all of the following:

(A) The Council on Compulsive Gambling of Pennsylvania's web site.

(B) The Department of Drug and Alcohol Programs' (or successor agency) gambling addiction participating provider list webpage.

(C) The OCPG webpage.

(iii) All of the following responsible gaming information that shall be approved by the Board's Director of the OCPG:

(A) A clear statement of the interactive gaming certificate holder or interactive gaming operator's policy and commitment to responsible gaming.

(B) Informational documents, which shall be reviewed and updated annually by the interactive gaming certificate holder or interactive gaming operator, regarding all of the following subjects, or a direct link to information regarding all of the following subjects, if available, from an organization based in this Commonwealth or the United States dedicated to helping people with potential gambling disorders and labeled as:

(I) Rules of responsible gambling.

(II) Myths about gambling.

(III) Risks associated with gambling.

(IV) Signs and symptoms of gambling disorders.

(V) The Board's self-exclusion brochure.

(C) Rules governing self-imposed responsible gaming limits, including all of the following:

(I) List of each type of self-imposed limit.

(II) How to enroll in each type of self-imposed limit.

(iv) The following statement: "A person who has enrolled in interactive gaming self-exclusion or has otherwise been excluded from interactive gaming activities, and individuals who are under the age of 21, shall not participate in interactive gaming or interactive gaming activities and will have their winnings forfeited and interactive gaming accounts suspended upon violation." The text and font size of the notices shall be submitted for approval to the Director of the OCPG.

(h) An interactive gaming system must comport with all requirements regarding player accounts in Chapter 812a (relating to interactive gaming player accounts).

§ 814a.2. Responsible gaming self-limits.

An interactive gaming system must be capable of allowing a registered player to establish the following responsible gaming limits. Any decrease to these limits may not be effective later than the registered player's next login. Any increase to these limits must become effective only after the time period of the previous limit has expired and the registered player reaffirms the requested increase:

(1) A deposit limit must be offered on a daily, weekly and monthly basis and must specify the maximum amount of money a registered player may deposit into his interactive gaming account during a particular period of time.

(2) A limit on the amount of money spent within a daily, weekly and monthly basis must be offered. The registered player shall be unable to participate in gaming for the remainder of the time selected if the registered player reaches the loss limit.

(3) A limit on the maximum amount of any single wager on any interactive game.

(4) A time-based limit must be offered on a daily basis and must specify the maximum amount of time, measured hourly from the registered player's login to log off, a registered player may spend engaging in interactive gaming, provided that if the time-based limit

is reached a registered player is permitted to complete any round of play, or active or prepaid tournament.

(5) A table limit must be offered and must specify the maximum amount a registered player may bring to a peer-to-peer interactive gaming table.

(6) A temporary suspension of a player's interactive gaming account must be offered for any number of hours or days, as selected by the registered player, which shall not be less than 72 hours.

(7) The interactive gaming certificate holder or interactive gaming operator shall provide a mechanism by which a registered player may change the controls of paragraphs (1)—(6). Notwithstanding any other provision in this section, the registered player may not change gaming controls while an interactive gaming account is suspended. The registered player shall continue to have access to the interactive gaming account and shall be permitted to withdraw funds from the account upon proper application for the funds to the interactive gaming certificate holder or interactive gaming operator.

§ 814a.3. Compulsive and problem gambling plan.

(a) An interactive gaming certificate or interactive gaming operator applicant shall submit a compulsive and problem gambling plan for review at the time of submission of the application that conforms with § 501a.2 (relating to compulsive and problem gambling plan).

(b) In addition to the requirements in § 501a.2, an interactive gaming certificate holder's or interactive gaming operator applicant's compulsive and problem gambling plan must include all of the following:

(1) The goals of the plan.

(2) The identification of the individual who will be responsible for the implementation and maintenance of the plan.

(3) Policies and procedures including all of the following:

(i) The commitment of the interactive gaming certificate holder or interactive gaming operator to train appropriate employees.

(ii) The duties and responsibilities of the employees designated to implement or participate in the plan, including the dedicated employee who is responsible for ensuring the operation and integrity of interactive gaming and reviewing all reports of suspicious behavior.

(iii) The responsibility of registered players with respect to responsible gambling.

(iv) Procedures to identify registered players and employees with suspected or known compulsive and problem gambling behavior.

(v) Procedures for prominently posting the message "IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE, CALL 1-800-GAMBLER," or comparable language approved by the Board, on all interactive gaming sites and displaying the message to a person visiting or logging onto and logging off the interactive gaming certificate holder or interactive gaming operator's interactive gaming skin or interactive gaming web site.

(vi) Procedures on displaying the date and time of the registered player's previous log on each time that registered player logs on to his interactive gaming account.

(vii) Procedures for preventing an underage person or a person on the interactive gaming self-exclusion list from being mailed any advertisement, promotion or other target mailing, including those sent electronically, no later than 5 business days after receiving notice from the Board that the person has been placed on the interactive gaming self-exclusion list.

(viii) A policy and procedures for the display of the time in the time zone where the registered player is physically located and the time elapsed while in the current registered player session and the cause of a pop-up notification, at least every hour, to be prominently displayed on the interactive gaming device advising the registered player of the amount of time elapsed and the money wagered since his log on.

(ix) Procedures for offering registered players the option to select a pop-up notification in 15-minute and 30-minute increments advising the registered player of the amount of money wagered since his log on.

(x) Procedures for reviewing, updating and posting information on the interactive gaming certificate holder or interactive gaming operator's web site regarding gambling addiction treatment services, gamblers anonymous programs, compulsive gambling organizations and informational documents on all of the following:

(A) Rules of responsible gambling.

(B) Myths about gambling.

(C) Risks associated with gambling.

(D) Signs and symptoms of gambling disorders.

(E) Randomness of play.

(xi) Procedures for posting links to all of the following organizations' web sites on the interactive gaming certificate holder/operator licensee's web site:

(A) The Council on Compulsive Gambling of Pennsylvania.

(B) The National Council on Problem Gambling.

(C) The Department of Drug and Alcohol Programs' (or successor agency) gambling addiction participating provider list.

(D) Gamblers Anonymous of PA.

(E) Gam-Anon of PA.

(F) The Board's Office of Compulsive and Problem Gambling.

(G) A Pennsylvania or United States suicide prevention organization's webpage and telephone number.

(xii) Procedures for responding to registered player requests for information regarding gambling addiction treatment services, gamblers anonymous programs, compulsive gambling organizations, and other informational documents.

(A) The interactive gaming certificate holder or interactive gaming operator shall provide examples of the materials to be used as part of its plan, including the problem gambling helpline number and message, informational documents and other posted material, including all of the following:

(I) Rules of responsible gambling.

(II) Myths about gambling.

(III) Risks associated with gambling.

(IV) Signs and symptoms of gambling disorders.

(V) Randomness of play.

(VI) Self-exclusion brochure.

(4) Policies and procedures on the governing of self-imposed limits and suspension.

(5) An employee training program as required under this chapter, including training materials to be utilized and a plan for annual reinforcement training.

(6) A certification process established by the interactive gaming certificate holder or interactive gaming operator to verify that each employee has completed the training required by the plan.

(7) An estimation of the cost of development, implementation and administration of the plan.

(8) Procedures to prevent underage gambling as required under § 513a.3(b) (relating to responsibilities of licensees, permittees, registrants and certification holders).

(9) Procedures to prevent excluded persons from gambling.

(10) Procedures to prevent self-excluded and temporarily suspended persons from gambling.

(11) Procedures to monitor all interactive gaming sites for suspicious activity including those who are:

(i) Engaging in or attempting to engage in, or who are reasonably suspected of, cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.

(ii) Required to be excluded under Board regulations.

(iii) Prohibited by the interactive gaming certificate holder or interactive operator licensee from interactive gaming.

(12) Procedures on the reporting of those who may have or have a known gambling disorder.

(13) Details of outreach programs which the interactive gaming certificate holder or interactive gaming operator intends to offer to employees and individuals who are not employees of the interactive gaming certificate holder or interactive gaming operator.

(14) The plan for posting the statement “If you or someone you know has a gambling problem, help is available. Call 1-800-GAMBLER” on the interactive gaming certificate holder's or interactive gaming operator's webpage and each skin.

(c) The compulsive and problem gambling plan of an applicant for an interactive gaming certificate or interactive gaming license that has been approved to receive an interactive gaming certificate or interactive gaming license shall be approved by the Director of the Office of Compulsive and Problem Gaming (OCPG). An applicant for an interactive gaming certificate or interactive gaming license who has been approved to receive an interactive gaming certificate or interactive gaming license will be notified in writing of any deficiencies in the plan and may submit revisions to the plan to the Director of the OCPG. An interactive gaming certificate holder or interactive gaming operator may not commence operations until the Director of the OCPG approves the plan.

(d) Compliance with the plan approved under this chapter will be a condition of interactive gaming certificate or interactive gaming license renewal.

(e) An interactive gaming certificate holder or interactive gaming operator shall submit any other policies and procedures intended to be used beyond what is required under subsection (d) to prevent and raise awareness of gambling disorders.

(f) An interactive gaming certificate holder or interactive gaming operator shall submit amendments to the compulsive and problem gambling plan to the Director of the OCPG for review and approval at least 30 days prior to the intended implementation date of the amendments. The interactive gaming certificate holder or interactive gaming operator may implement the amendments on the 30th calendar day following the filing the amendments unless the interactive gaming certificate holder or interactive gaming operator receives a notice under subsection (h) objecting to the amendments.

(g) If during the 30-day review period the Director of the OCPG determines that the amendments may not promote the prevention of compulsive and problem gambling or assist in the proper administration of responsible gaming programs, the Director of the OCPG may, by written notice to the interactive gaming certificate holder or interactive gaming operator, object to the amendments. The objection will:

(1) Specify the nature of the objection and, when possible, an acceptable alternative.

(2) Direct that the amendments not be implemented until approved by the Director of the OCPG.

(h) When amendments have been objected to under subsection (g), the interactive gaming certificate holder or interactive gaming operator may submit revised amendments for review in accordance with subsections (f) and (g).

§ 814a.4. Employee training program.

(a) The annual employee training program required under this chapter must include instruction on all of the following:

(1) Characteristics and symptoms of compulsive behavior, including compulsive and problem gambling.

(2) The relationship of gambling disorders to other addictive behavior.

(3) The social and economic consequences of a gambling disorder, including debt, treatment costs, suicide, criminal behavior, unemployment and domestic issues.

(4) Techniques to be used when a gambling disorder is suspected or identified.

(5) Techniques to be used to discuss a gambling disorder with registered players and advise registered players to contact 1-800-GAMBLER to receive information regarding community, public and private treatment services.

(6) Procedures for suspending an interactive gaming account belonging to an underage individual or a person on the interactive gaming self-exclusion list, if necessary, procedures that include obtaining the assistance of appropriate law enforcement personnel.

(7) Procedures for preventing an excluded person or a person on the interactive gaming self-exclusion list from being mailed any advertisement, promotion or other target mailing no later than 5 business days after receiving notice from the Board that the person has been placed on the interactive gaming self-exclusion list.

(8) Procedures for preventing an individual under 21 years of age from receiving any advertisement, promotion or other target mailing.

(9) Procedures to prevent an individual under 21 years of age or a person on the interactive gaming self-exclusion list from having access to or from receiving complimentary services, or other like benefits.

(b) Training and training materials shall be updated annually and include current research and information on responsible and problem gambling.

(c) As part of each employee's orientation, and prior to the start of their job duties, responsible and problem gambling training for employees shall be conducted by a person with specialized knowledge, skill, training and experience in responsible gaming employee training programs as part of the employee's orientation. If an online training program is utilized, the training shall be created and maintained by a person with specialized knowledge, skill, training and experience in responsible gaming employee training programs.

(d) Employees who have received training shall be certified by the interactive gaming certificate holder or interactive gaming operator under this chapter upon completion of the training.

(e) Employees are required to receive periodic reinforcement training at least once every calendar year starting with the year following the year in which the employee was hired. The date of the reinforcement training shall be recorded in each employee's personnel file.

(f) Employees shall report persons with a suspected or identified gambling disorder to a designated employee or other supervisory employee.

(g) The identity of an individual with suspected or known problem gambling behavior must be confidential except as provided under Board regulations regarding interactive gaming self-exclusion list and section 1516(d) of the act (relating to list of persons self-excluded from gaming activities).

(h) An interactive gaming certificate holder or interactive gaming operator may collaborate with a person with specialized knowledge, skill, training and experience in responsible gaming employee training programs to develop an in-house or Internet-based employee training program to provide the training and reinforcement training required under this chapter.

(i) Interactive gaming certificate holder or interactive gaming operators may enact policies or procedures, or both, that are more stringent than those listed in these regulations, including stricter rules for those who sign up for a self-exclusion list.

§ 814a.5. Reports.

(a) An interactive gaming certificate holder or interactive gaming operator shall submit to the Director of the Office of Compulsive and Problem Gaming (OCPG) an annual summary of its compulsive and problem gambling program by the last business day of July.

(b) The annual summary must contain, at a minimum, detailed information regarding all of the following:

(1) Employee training, including all of the following:

(i) The dates of new hires and annual reinforcement compulsive gambling training.

(ii) The individual or group who conducted the training.

(iii) The number of employees who completed the new hire compulsive gambling training.

(iv) The number of employees who completed the annual reinforcement compulsive gambling training.

(2) The amount spent on the Compulsive and Problem Gambling Plan for all of the following:

(i) Employee training.

(ii) Outreach including community training and sponsorships.

(3) Additional information including all of the following:

(i) The number of underage individuals who were denied interactive gaming access.

(ii) The number of self-excluded individuals who were denied interactive gaming access.

(iii) A summary of any community outreach conducted by the certificate holder/operator licensee.

§ 814a.6. Web site requirements.

Under section 1509(c) of the act (relating to compulsive and problem gambling program), each interactive gaming certificate holder/operator licensee shall cause the words “IF YOU OR SOMEONE YOU KNOW HAS A GAMBLING PROBLEM, HELP IS AVAILABLE, CALL 1-800-GAMBLER” or comparable language approved by the Board, which must include the words “gambling problem” and “call 1-800-GAMBLER” to be prominently displayed to a person visiting or logging onto the interactive gaming certificate holder or interactive gaming operator's interactive gaming skin or interactive gaming web site.

CHAPTER 815a. INTERACTIVE GAMING SELF-EXCLUDED PERSONS

Sec.

815a.1. Scope.
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815a.4. Interactive gaming self-exclusion list.
815a.5. Certificate holder and operator duties.
815a.6. Removal from the interactive gaming self-exclusion list.
815a.7. Exceptions for individuals on the interactive gaming self-exclusion list.
815a.8. Disclosures of information related to persons on the self-exclusion list.

§ 815a.1. Scope.

The purpose of this chapter is to provide players with a process to self-exclude from interactive gaming activities in this Commonwealth and detail the process by which individuals may exclude themselves from interactive gaming activity and restore their ability to participate in interactive gaming activity in this Commonwealth.

§ 815a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Fully executed gaming transaction—An activity involving interactive gaming or interactive or mobile sports wagering occurring in this Commonwealth which results in an individual obtaining any money or thing of value from or being owed any money or thing of value by an interactive gaming certificate holder or interactive gaming operator.

Gaming activity—The play of interactive gaming or interactive or mobile sports wagering including play during contests, tournaments or promotional events.

Gaming related activity—An activity related to interactive gaming or interactive or mobile sports wagering including applying for player club memberships or credit, cashing checks or accepting a complimentary gift, service, promotional item or other thing of value from an interactive gaming certificate holder, interactive gaming operator or an affiliate thereof.

Interactive gaming self-excluded person—A person whose name and identifying information is included, at the person's own request, on the interactive gaming self-exclusion list maintained by the Board.

Interactive gaming self-exclusion list—A list of names and identifying information of persons who, under this chapter, have voluntarily agreed to be:

(i) Excluded from engaging in interactive gaming or interactive or mobile sports wagering in this Commonwealth.

(ii) Prohibited from collecting any winnings or recovering any losses resulting from interactive gaming or interactive or mobile sports wagering activity in this Commonwealth.

OCPG—Office of Compulsive and Program Gambling.

Winnings—Any money or thing of value received from, or owed by, an interactive gaming certificate holder or interactive gaming operator as a result of a fully executed gaming transaction.

§ 815a.3. Requests for interactive gaming self-exclusion.

(a) A person requesting placement on the interactive gaming self-exclusion list shall submit a completed Request for Voluntary Self-Exclusion from Gaming Activities Form to the Board by one of the following methods:

(1) Electronically on the Board's web site.

(2) In person by scheduling an appointment at the Board's Harrisburg office, one of the Board's other offices or at a licensed facility. To make an appointment, a person shall contact the OCPG at (717) 346-8300 or problemgambling@pa.gov.

(b) A request for interactive gaming self-exclusion must include all of the following identifying information:

(1) Name, including any aliases or nicknames.

(2) Date of birth.

(3) Address of current residence.

(4) Telephone number.

(5) Social Security number, or the last 4 digits of the individual's Social Security number, when voluntarily provided in accordance with section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(6) Physical description of the person, including height, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person.

(c) The information provided in subsection (b) shall be updated by the interactive gaming self-excluded person within 30 days of a change. Updated information shall be submitted on a Change of Information Form to the following address, or submitted online in the “update my information” webform on the Board's web site. A copy of the form can be obtained by calling the OPCG at (717)346-8300, by e-mail at problemgambling@pa.gov, or by writing to:

PENNSYLVANIA GAMING CONTROL BOARD

OFFICE OF COMPULSIVE AND
PROBLEM GAMBLING
P.O. BOX 69060
HARRISBURG, PA 17106-9060

(d) The length of interactive gaming self-exclusion requested by a person must be one of the following:

(1) One year (12 months).

(2) Five years.

(3) Lifetime.

(e) A request for self-exclusion from interactive gaming activities in this Commonwealth must include a signed release which:

(1) Acknowledges that the request for interactive gaming self-exclusion has been made voluntarily.

(2) Certifies that the information provided in the request for interactive gaming self-exclusion is true and accurate.

(3) Acknowledges that the individual requesting interactive gaming self-exclusion is or may be a problem gambler.

(4) Acknowledges that a person requesting a lifetime exclusion may only request removal from the interactive gaming self-exclusion list in accordance with the procedures set forth in § 815a.6 (relating to removal from the interactive gaming self-exclusion list) and that a person requesting a 1-year or 5-year exclusion will remain on the interactive gaming self-exclusion list until the period of exclusion expires.

(5) Acknowledges that if the individual is discovered participating in interactive gaming, that the individual's interactive gaming account will be suspended and the individual's winnings will be subject to confiscation and remittance to support compulsive and problem gambling programs.

(6) Releases, indemnifies, holds harmless and forever discharges the Commonwealth, the Board and all interactive gaming certificate holders or interactive gaming operators from claims, damages, losses, expenses or liability arising out of, by reason of or relating to the self-excluded person or to any other party for any harm, monetary or otherwise, which may arise as a result of one or more of the following:

(i) The failure of an interactive gaming certificate holder or interactive gaming operator to withhold interactive gaming privileges from or restore interactive gaming privileges to an interactive gaming self-excluded person.

(ii) Otherwise permitting or not permitting an interactive gaming self-excluded person to engage in interactive gaming activities in this Commonwealth while on the list of interactive gaming self-excluded persons.

(iii) Confiscation of the individual's winnings.

(f) A person submitting an interactive gaming self-exclusion request shall present or submit electronically a copy of that person's valid government-issued identification containing the person's signature and photograph when the person submits the request, or if the person does not possess a valid government-issued identification, some other documentation to verify the identity of the person (for example, a utility or other bill in the person's name at the same address provided).

(g) A person requesting interactive gaming self-exclusion under this chapter shall have a photograph taken by the Board, or agent thereof, upon submission of the request to be on the list.

(h) A person requesting casino self-exclusion electronically on the Board's web site shall submit a copy of a recent passport-style photograph of the person upon submission of the request to be on the list.

§ 815a.4. Interactive gaming self-exclusion list.

(a) The Board will maintain the official interactive gaming self-exclusion list and will make all necessary additions or deletions of individuals removed from the list under § 815a.6 (relating to removal from interactive gaming self-exclusion list) within 5 business days of the verification of the information received under § 815a.3 (relating to requests for interactive gaming self-exclusion) and shall make the interactive gaming self-exclusion list available to interactive gaming certificate holders and interactive gaming operators electronically by means of the Board's self-exclusion system.

(b) The information made available to interactive gaming certificate holder and interactive gaming operators by means of the Board's self-exclusion system will include the following information concerning a person who has been added to the interactive gaming self-exclusion list:

(1) Name, including any aliases or nicknames.

(2) Date of birth.

(3) Address of current residence.

(4) Telephone number.

(5) Social Security number, or the last 4 digits of the individual's Social Security number, when voluntarily provided by the person requesting interactive gaming self-exclusion under section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(6) Physical description of the person, including height, gender, hair color, eye color and other physical characteristic, that may assist in the identification of the person.

(7) A copy of the photograph taken by the Board or submitted electronically under § 815a.3.

(c) The information made available to interactive gaming certificate holders and interactive gaming operators by the Board concerning a person whose name has been removed from the interactive gaming self-exclusion list will include the name and date of birth of the person.

(d) An interactive gaming certificate holder and interactive gaming operator shall maintain a copy of the interactive gaming self-exclusion list and establish procedures to ensure that the copy of the interactive gaming self-exclusion list is updated at least every 2 business days with the information made available by means of the Board's self-exclusion system and that all appropriate employees and agents of the interactive gaming certificate holder or interactive gaming operator are notified of any additions to or deletions from the list.

(e) Information furnished to or obtained by the Board under this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter.

(f) Interactive gaming certificate holders or interactive gaming operators, employees or agents thereof may not disclose the name of, or any information about, a person who has requested self-exclusion from interactive gaming to anyone other than employees and agents of the interactive gaming certificate holder or interactive gaming operator whose duties and functions require access to the information. Notwithstanding the foregoing, an interactive gaming certificate holder or interactive gaming operator may disclose the identity of an interactive gaming self-excluded person to appropriate employees of affiliated gaming entities in this or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs.

(g) An interactive gaming self-excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any interactive gaming activity for the entire period of time that the person is on the Board's interactive gaming self-exclusion list.

(h) Winnings incurred by an interactive gaming self-excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(i) For the purposes of this section, winnings issued to, found on or about or redeemed by an interactive gaming self-excluded person's interactive gaming account shall be presumed to constitute winnings subject to remittance to the Board.

§ 815a.5. Certificate holder and operator duties.

(a) An interactive gaming certificate holder or interactive gaming operator shall train its employees and establish procedures to do all of the following:

(1) Refuse wagers from and deny gaming privileges to an interactive gaming self-excluded person.

(2) Deny gaming related activities and benefits to an interactive gaming self-excluded person.

(3) Ensure that interactive gaming self-excluded persons do not receive, either from the interactive gaming certificate holder, interactive gaming operator or any agent thereof, targeted mailings, telemarketing promotions, player club materials or other promotional materials relating to interactive gaming activities.

(4) Make available to registered players materials explaining the interactive gaming self-exclusion program.

(b) An interactive gaming certificate holder or interactive gaming operator shall submit a copy of its procedures and training materials established under this subsection to the Director of OCPG for review and approval at least 30 days prior to initiation of interactive gaming activities on interactive gaming sites. The interactive gaming certificate holder or interactive gaming operator will be notified in writing of any deficiencies in the procedures and training materials and may submit revisions to the procedures and training materials to the Director of the OCPG. An interactive gaming certificate holder or interactive gaming operator may not commence operations until the Director of the OCPG approves the procedures and training.

(c) An interactive gaming certificate holder or interactive gaming operator shall submit amendments to the procedures and training materials required under this subsection to the Director of the OCPG for review and approval at least 30 days prior to the intended implementation date of the amendments. The interactive gaming certificate holder or interactive gaming operator may implement the amendments on the 30th calendar day following the filing of the amendments unless the interactive gaming certificate holder or interactive gaming operator receives a notice under this subsection objecting to the amendments.

(d) If during the 30-day review period the Director of the OCPG determines that the amendments to the procedures and training materials may not promote the prevention of interactive gaming by self-excluded individuals or assist in the proper administration of the interactive gaming self-exclusion program, the Director of the OCPG may, by written notice to the interactive gaming certificate holder or interactive gaming operator, object to the amendments. The objection will:

(1) Specify the nature of the objection and, when possible, an acceptable alternative.

(2) Direct that the amendments not be implemented until approved by the Director of the OCPG.

(e) When the amendments to the procedures and training materials have been objected to under this subsection, the interactive gaming certificate holder or interactive gaming operator may submit revised amendments in accordance with this subsection (c).

(f) The list of interactive gaming self-excluded persons is confidential, and any distribution of the list to an unauthorized source constitutes a violation of the act.

(g) Under section 1516 of the act (relating to list of persons self-excluded from gaming activities), interactive gaming certificate holders and interactive gaming operators and employees thereof may not be liable for damages in any civil action, which is based on the following:

(1) Failure to withhold gaming privileges from or restore gaming privileges to an interactive gaming self-excluded person.

(2) Permitting or not permitting an interactive gaming self-excluded person to gamble.

(3) Good faith disclosure of the identity of an interactive gaming self-excluded person to someone, other than those authorized by this chapter, for the purpose of complying with this chapter.

(g) An interactive gaming certificate holder or interactive gaming operator shall report the discovery of an interactive gaming self-excluded person that did or attempt to engage in interactive gaming related activities to the Director of the OCPG within 24 hours.

§ 815a.6. Removal from the interactive gaming self-exclusion list.

(a) For individuals who are on the interactive gaming self-exclusion list for 1 year or 5 years, upon the conclusion of the period of self-exclusion, the individual will be removed from the interactive gaming self-exclusion list without further action on his part.

(b) For individuals who have elected to be interactive gaming self-excluded for less than lifetime, the individual may be removed from the interactive gaming self-exclusion list if all of the following has occurred:

(1) The individual has filed a petition with the Board's Office of Hearings and appeals requesting to be removed from the interactive gaming self-exclusion list.

(2) The individual has presented facts and circumstances which, in the Board's discretion, demonstrate a compelling reason for the Board to grant early removal from the interactive gaming self-exclusion list.

(3) The Board has found by a preponderance of the evidence that the person should be removed from the interactive gaming self-exclusion list and issues an order to that effect.

(c) For individuals who selected lifetime interactive gaming self-exclusion under § 815a.3(d)(3) (relating to requests for interactive gaming self-exclusion):

(1) After being on the interactive gaming self-exclusion list for a period of 10 years, the individual may petition the Board to be removed from the interactive gaming self-exclusion list.

(2) The petition shall be filed with the Board in writing, and shall be accompanied by all of the following:

(i) Documentation from a treatment provider who is certified by the International Gambling Counselor Certification Board or who has received a Problem Gambling Endorsement from the Pennsylvania Certification Board to conduct problem gambling assessments that the individual has completed a problem gambling assessment.

(ii) Documentation from a treatment provider that the individual has completed the treatment recommendation, if any, made after the assessment by the State-funded problem gambling treatment provider.

(3) After the petition is filed, OCPG will provide documentation to the Office of Enforcement Counsel regarding whether the individual has been known to engage in or attempt to engage in interactive gaming while self-excluded, including dates and times.

(4) The petition shall be handled in accordance with the procedures for petitions found in Subpart H of the Board's regulations, including all confidentiality provisions.

(5) As the petitioner, the interactive gaming self-excluded individual filing the petition for removal from the interactive gaming self-exclusion list bears the burden of proof in showing that removal from the list would not be detrimental to the individual's physical or mental well-being and would not have a negative impact on gaming in the Commonwealth.

(6) If the Board:

(i) Grants the petition, it shall deliver to the individual by first class mail an Order approving the petition for removal from the interactive gaming self-exclusion list, and provide to the individual the contact information for OCPG for information on how to complete the removal process.

(ii) Denies the petition, it shall deliver to the individual by first class mail an Order denying the petition for removal from the interactive gaming self-exclusion list, which shall notify the individual that he or she shall remain on the interactive gaming self-exclusion list and include the reason for denial.

(7) Any petitioner whose petition is denied by the Board shall be prohibited from filing a subsequent petition for removal from the lifetime interactive gaming self-exclusion list for a period of five years from the date of denial.

§ 815a.7. Exceptions for individuals on the interactive gaming self-exclusion list.

The prohibition against allowing interactive gaming self-excluded persons to engage in activities related to interactive gaming does not apply to an individual who is on the interactive gaming self-exclusion list if all of the following apply:

(1) The individual is carrying out the duties of employment or incidental activities related to employment.

(2) The individual does not otherwise engage in any interactive gaming activities.

§ 815a.8. Disclosures of information related to persons on the self-exclusion list.

(a) The Board may periodically release to the public demographics and general information regarding the interactive gaming self-exclusion lists such as the total number of individuals on the list, gender breakdown and age range.

(b) The Board may make selected data available, upon request, for the limited purpose of assisting in the proper administration of responsible gaming programs.

(c) The Board will not disclose identifying information or confirm or deny the existence of an individual's name on the Board's interactive gaming self-exclusion lists.

CHAPTER 816a. INTERACTIVE GAMING LIVE STUDIO

Sec.

816a.1. Live studio simulcasting.
816a.2. Submission of game rules for approval.

§ 816a.1. Live studio simulcasting.

(a) An interactive gaming certificate holder or interactive gaming operator shall obtain Board approval to simulcast authorized table games.

(b) An interactive gaming certificate holder or interactive gaming operator shall obtain Board approval for the location of its proposed live simulcast studio.

(c) An entity producing, hosting, offering or otherwise providing live studio services shall be licensed by the Board prior to providing live studio services.

(d) An interactive gaming certificate holder or interactive gaming operator seeking to offer live studio simulcasting, as well as the entity producing, hosting, offering or otherwise providing live studio services, shall adhere to § 465a.9 (relating to surveillance system; surveillance department control; surveillance department restrictions), Chapter 611a (relating to table game minimum training standards) and game approval as set forth in this chapter.

(e) Table game simulcasting must utilize a simulcast control server for the purpose of recording all wagering activity and game results. The simulcast control server must do all of the following:

(1) Provide the player with real time visual access to the live game being played.

(2) Prevent anyone from accessing the wagering outcome prior to finalizing a wager.

(3) Record dealer-verified game results before posting.

(4) Be equipped with a mechanism to void game results, if necessary.

(f) All of the following information, at a minimum, must be readily available on an interactive gaming certificate holder's or interactive gaming operator's skin/web site before a player begins play and at all times during play:

(1) A visual display of the location of the table.

(2) The table minimum and maximum wagers.

(3) The number of decks used, if applicable.

(4) Dealer actions, if applicable.

(5) The amount wagered.

(6) The game outcome.

(7) Vigorish amount, if applicable.

(8) Payout odds, when applicable.

(9) The amount won or lost.

§ 816a.2. Submission of game rules for approval.

(a) Prior to offering a live studio table game authorized under this subpart governing interactive gaming in this Commonwealth, an entity producing, hosting, offering or otherwise providing live studio services shall submit and obtain approval of a Rules Submission which specifies which options the entity producing, hosting, offering or otherwise providing live studio services will use in the conduct of the live studio table game.

(b) The initial Rules Submission for any live studio interactive game and any amendment to the Rules Submission shall be submitted electronically to the Bureau of Gaming Operations using the form specified on the Board's web site at www.gamingcontrolboard.pa.gov.

(c) An entity producing, hosting, offering or otherwise providing live studio services may implement the provisions in a Rules Submission upon receipt of written notice of approval from the Board's Executive Director or on the 15th calendar day following the filing of the Rules Submission unless the entity producing, hosting, offering or otherwise providing live studio services receives written notice under subsection (d) tolling the Rules Submission or written notice of disapproval from the Board's Executive Director.

(d) If during the 15-day review period in subsection (c) the Bureau of Gaming Operations determines that a provision in the Rules Submission is inconsistent with the regulations for the conduct of that interactive game, the Bureau of Gaming Operations, by written notice to the entity producing, hosting, offering or otherwise providing live studio services, will:

(1) Specify the nature of the inconsistency and, when possible, an acceptable alternative procedure.

(2) Direct that the 15-calendar day review period in subsection (c) be tolled and that the Rules Submission not be implemented until approved under subsection (e).

(e) When a Rules Submission has been tolled under subsection (d), the entity producing, hosting, offering or otherwise providing live studio services may submit a revised Rules Submission within 15 days of receipt of the written notice from the Bureau of Gaming Operations. the entity producing, hosting, offering or otherwise providing live studio services

may implement the revised Rules Submission upon receipt of written notice of approval from the Board's Executive Director or on the 15th calendar day following the filing of the revised Rule Submission unless the entity producing, hosting, offering or otherwise providing live studio services receives written notice under subsection (d) tolling the revised Rules Submission or written notice of disapproval from the Board's Executive Director.

(f) The current version of each Rules Submission of an entity producing, hosting, offering or otherwise providing live studio services shall be maintained and made available in electronic form through secure computer access to the internal audit and surveillance departments of the entity producing, hosting, offering or otherwise providing live studio services and the Board's casino compliance representatives and other Board employees. Each page of the Rules Submission must indicate the date on which it was approved by the Board's Executive Director.

(g) An entity producing, hosting, offering or otherwise providing live studio services shall maintain a copy, either in paper or electronic form, of any superseded Rules Submission for a minimum of 5 years.

CHAPTER 817a. INTERACTIVE GAMING COMMENCEMENT OF OPERATIONS

Sec.

817a.1. Definitions.
817a.2. Commencement of operations generally.
817a.3. Interactive gaming skins.

§ 817a.1. Definitions.

The following terms, when used in this chapter, have the following meaning, unless the context clearly indicates otherwise:

Remote game server or remote game content—Interactive gaming system hardware and software separate from that which comprises the gaming platform which allows access to games or may drive the features common to game offerings, game configurations, random number generators, reporting, and the like. The registered player initially communicates directly with the interactive gaming platform which can be integrated with one or more remote game servers or include remote game content, or both.

§ 817a.2. Commencement of operations generally.

(a) Prior to the commencement of interactive gaming operations, an interactive gaming certificate holder or interactive gaming operator shall submit all of the following:

(1) Documentation verifying the platform and related information to include all of the following:

(i) Platform version number.

(ii) A list of all submitted games.

(iii) Documentation listing the entity that created the submitted games.

(iv) Certification that the system operates in accordance with Commonwealth law and regulations.

(v) A list of all critical files within the interactive gaming system.

(vi) A list of any remote game content providers that will work in conjunction with the submitted platform.

(2) Testing results for the platform as well as all games.

(3) Documentation that provides a detailed overview of the interactive gaming system including system architecture, encryption methods utilized, user roles and permission settings, configuration settings, and logical and physical security.

(4) Documentation that provides an overview of the random number generator which must include a method that allows for extraction of the random number generator values for statistical analysis.

(5) A list of devices that will work in conjunction with the submitted platform.

(6) Details regarding the location and security standards for the primary and secondary equipment as well as data warehouses, data safes and other system related equipment.

(7) Copies of signed contracts between the interactive gaming certificate holder or interactive gaming operator and any third party integrating with the submitted platform.

(8) Documentation demonstrating, to the satisfaction of Board staff, implementation of all accounting and internal controls governing all of the following:

(i) Age and identity verification procedures.

(ii) Geolocation compliance.

(iii) Procedures on establishing and maintaining player accounts.

(iv) Procedures for ensuring player confidentiality.

(v) Procedures for ensuring accurate and timely submission of revenue and tax information to the Department.

(vi) Procedures governing player complaints.

(vii) Procedures for compiling and maintaining all requisite reports and logs.

(viii) Procedures regarding player protection, including implementation of compulsive and problem gambling and self-exclusion links on the certificate holder's or operator's web site.

(b) Prior to commencement of operations, the interactive gaming certificate holder's or interactive gaming operator's employees required to be licensed or permitted by the Board shall be appropriately licensed or permitted and trained in the performance of their responsibilities.

(c) Prior to commencement of operations, the interactive gaming certificate holder or interactive gaming operator shall ensure that new and existing employees of the certificate holder and interactive gaming operator are regularly informed about the restrictions on placing wagers by the interactive gaming sites offered by or associated with the interactive certificate holder.

(d) Prior to commencement of operations, the interactive gaming certificate holder or interactive gaming operator shall have successfully completed a test period.

(e) The Board will establish a commencement date upon which interactive gaming may commence in this Commonwealth.

(f) All interactive gaming certificate holders and interactive gaming operators shall commence operations on the date established by the Board unless granted an extension by the Board, upon a showing of good cause by the interactive gaming certificate holder or interactive gaming operator, up to 12 months from that date. Failure to commence interactive gaming operations within the time directed by the Board may result in administrative sanctions up to and including revocation of the certificate or license to operate interactive gaming in this Commonwealth.

§ 817a.3. Interactive gaming skins.

(a) Under the act, the Board may issue an interactive gaming certificate to slot machine licensees to conduct interactive gaming in this Commonwealth, directly or through an interactive gaming operator acting on behalf of the interactive gaming certificate holder under the terms of an interactive gaming agreement that has been approved by the Board. For purposes of this subpart, "slot machine licensee" includes all Category 1, 2 and 3 slot machine licensees, and eligible qualified gaming entities.

(b) Under the act, the Board may authorize interactive gaming certificate holders or interactive gaming operators operating an interactive gaming system on behalf of an interactive gaming certificate holder to deploy interactive gaming skins or interactive gaming web sites, including through mobile applications, to facilitate the conduct of interactive gaming activities for registered players in this Commonwealth or registered players in any other state or jurisdiction which the Commonwealth has entered into an interactive gaming reciprocal agreement.

(c) Interactive gaming operators are not permitted to offer interactive games in this Commonwealth independent from an interactive gaming certificate holder and the interactive gaming certificate holder's webpage or the webpage of an entity within the interactive gaming certificate holder's organizational structure.

(d) Interactive gaming certificate holders and interactive gaming operators acting on behalf of an interactive gaming certificate holder may only offer interactive gaming in this Commonwealth through the interactive gaming certificate holder's webpage or mobile application or the webpage or mobile application of an entity within the interactive gaming certificate holder's organizational structure.

(e) Interactive gaming certificate holders and interactive gaming operators operating an interactive gaming system on behalf of an interactive gaming certificate holder shall obtain Board approval of all interactive gaming skins operated on behalf of the interactive gaming certificate holder for purposes of conducting interactive gaming in this Commonwealth.

(f) To ensure compliance with the act, a slot machine licensee or eligible qualified gaming entity shall petition for and obtain its own interactive gaming certificate to operate interactive gaming operations in this Commonwealth.

(g) Nothing in this section is intended to prohibit interactive gaming certificate holders from entering into interactive gaming operation agreements with multiple licensed interactive gaming operators to offer interactive games the Board has authorized the interactive gaming certificate holder to conduct.

(h) Nothing in this section is intended to prohibit interactive gaming operators from entering into interactive gaming operation agreements with multiple interactive gaming certificate holders to offer interactive games the Board has authorized the interactive gaming certificate holder to conduct.

(i) Nothing in this section is intended to prohibit interactive gaming certificate holders or interactive gaming operators operating an interactive gaming system on behalf of an interactive gaming certificate holder from conducting interactive gaming utilizing players registered in other jurisdictions with which the Commonwealth has entered into a reciprocal agreement permitting interstate interactive gaming.

CHAPTER 819a. INTERACTIVE GAMING PROGRESSIVES

Sec.

819.1. Interactive gaming progressives.
819.2. Interactive gaming wide area progressives.

§ 819a.1. Interactive gaming progressives.

(a) An interactive gaming certificate holder, or interactive gaming operator licensee operating on behalf of an interactive gaming certificate holder, may offer progressive jackpots that meet all of the following requirements:

(1) Increase in value based upon an approved rate of progression.

(2) Are awarded for a specific outcome or event.

(b) An interactive gaming progressive must include the following information:

(1) The rules governing the award of the progressive, which must be readily available to players.

(2) A progressive meter, visible to the players, which must increase in value based upon wagers placed and advise players of the amount which can be won if the player receives the corresponding outcome.

(3) A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid to winning players.

(c) An interactive gaming progressive may not be offered for play until all of the following have been submitted to the Bureau of Gaming Laboratory Operations for review and approval, in accordance with § 461a.4 (relating to submission for testing and approval):

(1) The progressive software, including a mechanism to authenticate and review the software.

(2) The rules governing the progressive, including how they will be displayed to players.

(3) The initial seed and reseed amounts at which the progressive meter will be set.

(4) The proposed rate of progression for each progressive jackpot.

(5) The proposed incrementation rate for a reserve pool, if any, to fund the next reset amount.

(d) A modification to an interactive gaming progressive may not be offered for play until a written explanation of the modification has been submitted to the Bureau of Gaming Laboratory Operations for review and approval granted, in accordance with § 461a.4.

(e) Two or more linked games offering the same progressive jackpot may be of different denominations or have different wagers, or both, required to win the progressive jackpot, provided that the following criteria are met:

(1) The probability of winning the progressive jackpot is directly proportional to the wager required to win that jackpot.

(2) Notice indicating the proportional probability of hitting the interactive gaming progressive jackpot is conspicuously displayed.

(f) Prior to an interactive gaming progressive being offered, the operator shall be required to update its internal controls. The following requirements shall be met:

(1) The internal controls shall provide the procedures by which jackpots are reconciled.

(2) The internal controls shall provide for the procedures for investigating and reporting variances.

(g) In the event of a malfunction, the interactive gaming progressive shall be made unavailable to players. The following measures shall be taken:

(1) The operator shall notify the board in writing within 24 hours of a malfunction.

(2) The operator shall investigate the cause of the malfunction and provide updates to the board.

(3) The operator shall not make the progressive available to players again until board approval of corrective action has been granted.

(h) Interactive gaming progressive jackpot meters may not be turned back to a lesser amount unless one of the following occurs:

(1) The amount indicated has been actually paid to a winning patron and the interactive gaming progressive jackpot amount has been recorded in accordance with the internal controls approved by the board.

(2) With written approval, the interactive gaming progressive jackpot has been transferred to another interactive gaming progressive or interactive gaming wide area progressive system.

(3) The change is necessitated by a malfunction. An explanation shall be provided, and the board consulted prior to the adjustment being made.

(i) An interactive gaming progressive may be transferred or terminated after written notice has been provided to the board subject to the following:

(1) Players shall be given at least 30 days notice, in a manner approved by the board, prior to an interactive gaming progressive being terminated or transferred.

(2) The transfer is to another board-approved interactive gaming progressive, and the board has verified and approved the comparability of the two interactive gaming progressives.

(3) The transfer represents the entire interactive gaming progressive pot.

(4) An interactive gaming progressive may be terminated concurrent with the winning of the progressive jackpot, provided that the progressive was so configured prior to the winning of the jackpot.

§ 819a.2. Interactive gaming wide area progressives.

(a) Two or more interactive gaming certificate holders or interactive gaming operator licensees may, with the prior written approval of the board, operate an interactive gaming wide area progressive system.

(b) An interactive gaming wide area progressive system shall at all times be operated in accordance with the relevant requirements of the act and the board's regulations, including § 819a.1 (relating to interactive gaming progressives).

(c) An interactive gaming wide area progressive system shall be operated and administered by participating certificate holders and licensees in accordance with the terms and conditions of a written agreement executed by the participating certificate holders and licensees. The agreement, to be referred to as an interactive gaming wide area progressive agreement, must be submitted in writing and approved by the board prior to implementation.

(1) The interactive gaming wide area progressive agreement shall include terms covering the operation and administration of the interactive gaming wide area progressive system.

(2) The interactive gaming wide area progressive agreement shall identify and describe with specificity the duties, responsibilities and authority of each participating certificate holder or licensee, or both.

(3) The interactive gaming wide area progressive agreement shall outline the responsibilities for funding and payment of all jackpots, fees and taxes associated with the operation of the interactive gaming wide area progressive system.

(4) The interactive gaming wide area progressive agreement shall detail the process by which significant decisions regarding the operation of the interactive gaming wide area progressive system are approved and implemented by the participating certificate holders or licensees, or both.

(5) The interactive gaming wide area progressive agreement shall outline the responsibilities for maintaining records and notifying the board.

(d) Certificate holders and licensees party to an interactive gaming wide area progressive agreement will be required to update internal controls prior to commencing interactive gaming wide area progressive operations.

(e) An interactive gaming wide area progressive may only be transferred to another game that is available on all interactive gaming wide area progressive agreement participants' sites. A transfer must include the entirety of the progressive jackpot pool, including all seed/re-seed amounts collected.

(f) Each party to an interactive gaming wide area progressive agreement shall be liable for acts, omissions and violations of the act and this part related to its own individual duties and responsibilities under the interactive gaming wide area progressive agreement, unless the slot system agreement specifically provides that the parties will be jointly and severally liable.

CHAPTER 830a. MULTIUSE COMPUTING DEVICE GAMING PROVISIONS

Sec.

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§ 830a.1. Scope.

The purpose of this chapter is to govern the operation of interactive gaming at qualified airports through the use of multiuse computing devices in this Commonwealth. The provisions of 4 Pa.C.S. §§ 1101—1904 (relating to Pennsylvania Race Horse Development and Gaming Act) as amended by the act of October 30, 2017 (P.L. 419, No. 42), and the Board regulations promulgated thereunder shall apply when not in conflict with this chapter.

§ 830a.2. Board authorization required.

(a) Upon petition, the Board may authorize an interactive gaming certificate holder to provide for the conduct of interactive gaming, directly or indirectly through an interactive gaming operator under an interactive gaming agreement, at a qualified airport through the use of multiuse computing devices by eligible passengers in an airport gaming area.

(b) If the interactive gaming certificate holder intends to operate interactive gaming at a qualified airport through the use of multiuse computing devices under an interactive gaming agreement, the interactive gaming operator that is party to the interactive gaming agreement shall have been issued an interactive gaming license or will be issued an interactive gaming license prior to the commencement of operations.

(c) The interactive gaming agreement shall be subject to the review and approval of the Board.

(d) The interactive gaming certificate holder or interactive gaming operator may only offer on the interactive gaming system on the multiuse computing devices the categories of interactive gaming it has been authorized to offer under 4 Pa.C.S. § 13B11(a.2) (relating to authorization to conduct interactive gaming).

§ 830a.3. Airport authority or concession operator agreements.

(a) Prior to petitioning for authorization from the Board an interactive gaming certificate holder or interactive gaming operator on behalf of an interactive gaming certificate holder shall have in place an agreement as follows:

(1) For the conduct of interactive gaming at a qualified airport which is located partially in a county of the first class and partially in a county contiguous to a county of the first class, the written agreement shall be with either the airport authority or its designee or a concession operator, except that, if the written agreement is with a concession operator, the airport authority or its designee must have approved or consented to lawful gaming within the airport gaming area through the concession operator's concession contract, and the airport authority must have received a copy of the written agreement with the certificate holder or the interactive gaming operator.

(2) For the conduct of interactive gaming at a qualified airport which is not located partially within a county of the first class and partially in a county contiguous to a county of the first class, the written agreement shall be with the airport authority or its designee.

(b) The written agreement shall be subject to the review and approval of the Board.

§ 830a.4. Multiuse computing device gaming petition and standards of review.

(a) An interactive gaming certificate holder or interactive gaming operator on behalf of an interactive gaming certificate holder seeking to offer interactive gaming at a qualified airport through the use of multiuse computing devices in this Commonwealth that satisfies the requirements in 4 Pa.C.S. § 13B20 (relating to authorization) may petition the Board for authorization in accordance with this chapter.

(b) The petition filed by an interactive gaming certificate holder or interactive gaming operator on behalf of an interactive gaming certificate holder shall comply with the requirements of 4 Pa.C.S. § 13B20(c) and shall be in a form as proscribed by the Board.

(c) The Board shall approve the petition submitted under subsection (a) upon review and approval of the information submitted under subsection (b) and a determination by the Board by clear and convincing evidence that:

(1) The interactive gaming certificate holder and the interactive gaming operator, if applicable, have paid all required fees and taxes payable.

(2) The interactive gaming certificate holder, or the interactive gaming operator, as the case may be, possesses the necessary funds or has secured adequate financing to commence the conduct of interactive gaming at the qualified airport.

(3) The proposed internal and external security and surveillance measures at the qualified airport and within the airport gaming area are adequate.

(4) Interactive gaming at the qualified airport will be conducted and operated in accordance with this chapter.

§ 830a.5. Multiuse computing device gaming fees and taxes.

(a) Upon authorization from the Board to conduct interactive gaming at a qualified airport through the use of multiuse computing devices, an interactive gaming certificate holder or interactive gaming operator shall pay a one-time, nonrefundable fee, which upon receipt by the Board shall be deposited in the General Fund.

(b) The amount of the authorization fee paid shall be as provided for in 4 Pa.C.S. § 13B20.3 (relating to fee).

(c) If a qualified airport that is not initially determined to be an international airport under this chapter pays the lower fee amount as dictated by § 13B20.3(a)(2)(iv), but later becomes an international airport, the qualified airport shall pay the difference between the lower fee amount and the higher fee amount dictated by § 13B20.3(A)(2)(IV) as a condition of continued offering of interactive gaming through multiuse computing devices.

(d) An interactive gaming certificate holder or interactive gaming operator authorized to conduct interactive gaming at a qualified airport shall report to the Department of Revenue and pay the multiuse gaming device tax and multiuse gaming device local share assessment as required by the Act on the gross interactive airport gaming revenue from multiuse computing devices in qualified airports.

§ 830a.6. Licensure requirements.

(a) Any interactive gaming operator, interactive gaming manufacturer, interactive gaming supplier or interactive gaming service provider seeking to participate in the conduct of interactive gaming through the use of multiuse computing devices by eligible passengers in an airport gaming area shall have been issued a license, certification, registration or other authorization from the Board to participate in interactive gaming in accordance with Chapters 803a and 805a—807a. For purposes of this section, a concession operator shall be licensed as an interactive gaming supplier.

(b) Any interactive gaming principal, interactive gaming key employee or interactive gaming employee seeking to participate in the conduct of interactive gaming through the use of multiuse computing devices by eligible passengers in an airport gaming area shall have been issued a license, permit, registration or other authorization from the Board in accordance with Chapter 808a (relating to interactive gaming principals and key, gaming and nongaming employees).

(c) Any employee of a concession operator as defined in the Act and this subpart whose job duties include oversight, management, maintenance or other tasks involving interactive gaming through multiuse computing devices at a qualified airport, including but not limited to handling player complaints, providing player assistance or supervising play on the multiuse computing devices, must be licensed as an interactive gaming employee.

(d) The Board may, in its discretion, determine at any time that other entities or employees not described in the preceding subparagraphs shall be licensed, permitted, certified, registered or otherwise authorized by the Board.

§ 830a.7. Multiuse computing device and gaming platform requirements.

(a) A multiuse computing device must:

(1) Be located and accessible to eligible passengers only in an airport gaming area.

(2) Allow an eligible passenger to play an authorized interactive game. To ensure the multiuse computing device is operated only by an eligible passenger, the device shall provide for verification of age and passenger status through automated means on the device, unless otherwise approved by the Board.

(3) Be approved by the Board.

(4) Communicate with a server that is in a location approved by the Board.

(5) Have the capability of providing all necessary reports for calculation of gross interactive airport gaming revenue as required by the Department.

(6) Be tethered or otherwise secured in a manner to prevent removal from the airport gaming area.

(7) Offer a player additional functions which includes Internet browsing, the capability of checking flight status, and ordering food or beverages.

(i) An interactive gaming certificate holder, interactive gaming operator or concession operator may restrict access to other interactive gaming web sites in the Internet browsing function on the multiuse computing device.

(ii) An interactive gaming certificate holder, interactive gaming operator or concession operator shall not, acting directly or indirectly in concert with an airport authority or other entity, restrict access to other interactive gaming web sites on public wireless Internet offered to persons at a qualified airport.

(8) Be equipped with software or a program that would allow an authorized onsite interactive gaming employee to temporarily disable the device or terminate an interactive gaming session.

(b) The interactive gaming system and interactive gaming platform used to conduct interactive gaming through the use of multiuse computing gaming devices at a qualified airport shall be subject to the requirements set forth in Chapters 809a and 810a (relating to interactive

gaming platform requirements; and interactive gaming testing and controls) as they relate to the conduct of interactive gaming through the use of multiuse computing devices.

(c) The interactive gaming system and interactive gaming platform used to conduct interactive gaming through the use of multiuse computing devices by eligible passengers at a qualified airport shall not be subject to the requirement of § 809a.7 (relating to geolocation requirements).

§ 830a.8. Multiuse computing device gaming accounting and internal controls; required reports.

(a) The interactive gaming certificate holder or interactive gaming operator offering interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area shall be subject to the requirements of Chapter 811a (relating to interactive gaming accounting and internal controls).

(b) If applicable, the internal controls shall include protocols and procedures for the involvement of a concession operator and its employees in the offering of interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area, including but not limited to licensure of employees, account funding and withdrawals, handling player complaints, providing player assistance, supervising play on the multiuse computing devices or other items the Board may request be included in the internal controls.

(c) The interactive gaming system used to offer interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area shall be designed to generate reports as specified by the Board which comply with the requirements of § 811a.9(a)—(c) (relating to required reports; reconciliation).

§ 830a.9. Eligible passengers; accounts; funding of play; withdrawals.

(a) Prior to engaging in interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area, the player shall be verified as an eligible passenger, as defined in this subpart, by automated means provided on the multiuse computing device, or as otherwise approved by the Board.

(b) An eligible passenger shall create an account with the interactive gaming certificate holder, interactive gaming operator or concession operator, which shall last for the duration of the player's interactive gaming session and the withdrawal of the player's winnings, if applicable.

(i) If a player has established an interactive gaming account under Chapter 812a (relating to interactive gaming player accounts) with an interactive gaming certificate holder or interactive gaming operator who also offers interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area, the player may use his or her established interactive gaming account to engage in interactive gaming on the multiuse computing device.

(c) A player's account may be funded through the use of all of the following:

(1) A player's credit card or debit card, including prepaid cards.

(2) A player's reloadable prepaid card.

(3) Cash complimentaries, promotional credits or bonus credits.

(4) Automated clearing house (ACH) transfer, provided that the interactive gaming certificate holder, interactive gaming operator, or concession operator has security measures and controls to prevent ACH fraud.

(5) Any other means as approved by the Board.

(d) An interactive gaming certificate holder, interactive gaming operator or concession operator shall establish protocols for players to withdraw funds at the end of the player's interactive gaming session in accordance with its approved internal controls.

(e) Funds may be withdrawn from the player's account at the end of the interactive gaming session through the use of all of the following:

(1) The issuance of a check from the interactive gaming certificate holder, interactive gaming operator or concession operator.

(2) Transfer to a player's reloadable prepaid cash card.

(3) Transfer directly to the player's individual account with a bank or other financial institution (banking account) provided that the interactive gaming certificate holder, interactive gaming operator or concession operator verifies the validity of the account with the financial institution.

(4) Any other means approved by the Board.

§ 830a.10. Compulsive and problem gaming; self-exclusion.

(a) Any interactive gaming certificate holder or interactive gaming operator seeking to participate in the conduct of interactive gaming through the use of multiuse computing devices by eligible passengers at a qualified airport in an airport gaming area shall comply with the provisions of Chapters 814a and 815a (relating to compulsive and problem gambling requirements; and interactive gaming self-excluded persons).

§ 830a.11. Commencement of multiuse computing device gaming.

(a) Prior to the commencement of interactive gaming through multiuse computing devices at a qualified airport in an airport gaming area, an interactive gaming certificate holder or interactive gaming operator shall submit all of the required information set forth in § 817a.2(a) (relating to commencement of operations generally), excluding the Geolocation compliance information from § 817a.2(a)(8)(ii).

(b) Prior to commencement of operations, the interactive gaming certificate holder's, interactive gaming operator's or concession operator's interactive gaming principals, interactive gaming key employees or interactive gaming employees shall be appropriately licensed or permitted and trained in the performance of their responsibilities.

(1) At all times when interactive gaming through the use of multiuse computing devices at a qualified airport in an airport gaming area is offered, the interactive gaming certificate holder, interactive gaming operator or concession operator shall have an adequate number of interactive gaming employees onsite, based upon quantity of multiuse computing devices available for use and the dimensions of the airport gaming area, at a number to be approved by the Board to handle matters related to the oversight, management, maintenance or other tasks involving interactive gaming through multiuse computing devices, including but not limited to player complaints, providing player assistance or supervising play on multiuse computing devices.

(2) If at any time it appears or is reported to an interactive gaming employee or employees that the multiuse computing device is being operated in violation of this chapter and this subpart, the interactive gaming employee shall terminate the interactive gaming session, with the procedure for termination to be detailed in the internal controls.

(c) Prior to commencement of operations, the interactive gaming certificate holder, interactive gaming operator or concession operator licensee shall ensure that new and existing employees of the interactive gaming certificate holder or interactive gaming operator, and employees of the concession operator licensed by the Board, are regularly informed about the restrictions in § 808a.1(g) (relating to general provisions), restricting the placement wagers on the interactive gaming sites offered by or associated with the interactive certificate holder, interactive gaming operator or concession operator.

(d) Prior to commencement of operations, the interactive gaming certificate holder or interactive gaming operator shall have successfully completed a test period.

Subpart M. CASINO SIMULCASTING

CHAPTER 1001a. CASINO SIMULCASTING

Sec.

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§ 1001a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Casino simulcasting—The simultaneous transmission of live thoroughbred or harness horse race meetings from an in-State sending track, out-of-State sending track or a satellite facility, regardless of licensure status or whether the horse race meetings originate in this Commonwealth or any other state or jurisdiction, to a simulcasting facility in this Commonwealth by satellite devices, television cables, television lines or any other telecommunications technology for the purposes of conducting pari-mutuel wagering.

Casino simulcasting permit or simulcasting permit—A permit awarded by the Board under section 13F12 of the act (relating to casino simulcasting permit) which authorizes a licensed gaming entity to conduct casino simulcasting.

Casino simulcasting permit holder—A licensed gaming entity that holds a casino simulcasting permit issued by the Board in accordance with section 13F12 of the act.

Commission—The State Horse Racing Commission.

In-State sending track—A racetrack in this Commonwealth which is operated by a licensed racing entity and is permitted to conduct casino simulcasting.

Licensed gaming entity—A person who has been approved for and issued a Category 2 slot machine license, a Category 3 slot machine license or a Category 4 slot machine licensed in accordance with sections 1304, 1305, 1305.1 and 1325 of the act, and who holds a casino simulcasting permit.

Licensed racing entity—A person that has obtained a license to conduct live thoroughbred or harness horse race meetings respectively with pari-mutuel wagering from the Commission under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform).

Out-of-State sending track—An interstate or international racetrack in a state or jurisdiction other than this Commonwealth which is equipped to conduct casino simulcasting and the operator of which is lawfully permitted to conduct horse race meetings and to provide simulcast horse races to slot machine licensees in this Commonwealth.

Pari-mutuel wagering—A form of wagering, including manual, electronic, computerized and other forms as approved by the Commission, on the outcome of a horse racing event in which all wagers are pooled and held by a licensed racing entity or secondary pari-mutuel wagering organization for distribution of the total amount, less the deductions authorized by law, to holders of winning tickets.

Simulcast horse race—A thoroughbred or harness horse race meeting conducted at a racetrack, whether within or outside this Commonwealth, which is simultaneously transmitted by an approved telecommunications technology to racetracks or simulcasting facilities in this Commonwealth in accordance with regulations of the Commission.

Simulcasting facility—An area of a licensed facility established and maintained by a licensed gaming entity for the conduct of casino simulcasting in accordance with this chapter, 3 Pa.C.S. Chapter 93, and regulations of the Board and the Commission.

Totalisator—A computer system used to pool wagers, record sales, calculate payoffs and display wagering data on a display device that is located at a simulcasting facility.

§ 1001a.2. General requirements.

(a) A casino simulcasting permit holder may conduct casino simulcasting in a simulcasting facility in accordance with the act and this chapter.

(b) An application for a casino simulcasting permit shall be submitted on forms or in an electronic format supplied or approved by the Board and contain all of the following information:

(1) The name, business address and contact information of the applicant.

(2) The name and location of the applicant's licensed facility.

(3) The name, business address, job title and a photograph of each principal and key employee of the applicant who will be involved in the conduct of casino simulcasting who is not currently licensed by the Board or the Commission, if known. If the principal and key employee are currently licensed by the Board, the application must specifically identify their participation in the conduct of casino simulcasting.

(4) The estimated number of full-time and part-time employment positions that will be created at the licensed facility if casino simulcasting is authorized and an updated hiring plan under section 1510(a) of the act (relating to labor hiring preferences) which outlines the applicant's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(5) A brief description of the economic benefits expected to be realized by the Commonwealth, the Department of Agriculture and the race horse industry in this Commonwealth if casino simulcasting is authorized at the applicant's licensed facility.

(6) The details of any financing, if applicable, obtained or that will be obtained to fund an expansion or modification of the licensed facility to accommodate casino simulcasting or construct a simulcasting facility or to otherwise fund the cost of commencing casino simulcasting operations.

(7) Information and documentation concerning financial background and resources, as the Board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(8) A copy of or a detailed description of the terms and conditions of any agreement the licensed gaming entity has entered into or will enter into with a licensed racing entity to facilitate the conduct of casino simulcasting.

(9) A detailed description of any financial arrangements between a licensed gaming entity and a licensed racing entity related to the conduct of casino simulcasting.

(10) Detailed site and architectural plans of the proposed simulcasting facility within the applicant's licensed facility.

(11) A statement demonstrating compliance with the Interstate Horseracing Act of 1978 (15 U.S.C.A. §§ 3001—3007).

(12) Any other information as the Board may require.

(c) Upon request of the Board or Board staff, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request or, if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period in the request, the Board may deny the application.

(d) The application, and amendments thereto, and other specific documents designated by the Board shall be filed promptly with the Board.

(e) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 1001a.3. Preliminary application submission review.

(a) Upon receipt, an application will be reviewed to ensure that it contains all of the following:

(1) The applicable application forms and additional information and accompanying documentation required by the act or the Board.

(2) Completed authorization forms, if required, for release of information from governmental agencies and other entities.

(b) If an applicant fails to include any required information, the applicant will be notified and given an opportunity to cure the deficiency in accordance with § 1001a.5 (relating to deficient applications).

§ 1001a.4. Application processing.

(a) Upon a determination that the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

(1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.

(2) Promptly conduct an investigation of the applicant and on any matter relating to the application.

(3) Request the Department to promptly conduct a tax clearance review.

(4) Request the Department of Labor and Industry to perform an Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review.

(5) Request any agencies, entities or persons to provide information to the Board as deemed necessary by the Board.

(b) An application submitted under this subpart and information obtained by Board staff relating to the application will be part of the evidentiary record to be utilized by the Board when deciding to approve, condition, issue or deny a casino simulcasting permit.

§ 1001a.5. Deficient applications.

(a) If an application is found to be deficient, Board staff will notify the applicant of the deficiencies in the application and provide an opportunity for the applicant to cure the deficiencies within a specified time period.

(b) Failure to provide the information necessary to cure the deficiencies required under subsection (a) may result in the denial of the application.

(c) When an application is denied under subsection (b), the applicant will be given written notice of this action.

§ 1001a.6. Application withdrawal.

A request for withdrawal of an application may be made at any time prior to the Board taking action by letter sent to the Office of Hearings and Appeals.

§ 1001a.7. Casino simulcasting permit issuance and statement of conditions.

(a) *Issuance criteria.* In addition to the criteria in the act, the Board will not issue a casino simulcasting permit unless all of the following criteria have been established by the applicant:

(1) The applicant has fulfilled each condition set by the Board or in the act, including the execution of a statement of conditions.

(2) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a casino simulcasting permit.

(b) *Statement of conditions.*

(1) The applicant, as a condition precedent to the issuance of a casino simulcasting permit, shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision in the Statement of Conditions by the applicant.

(2) Failure to fully comply with any provision in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against a casino simulcasting permit holder.

§ 1001a.8. License, registration or permitting of employees.

Except as provided for under section 13F15 of the act (relating to key employees and occupation permits), individuals engaged directly in wagering-related activities at a simulcasting facility, whether employed by the licensed gaming entity or licensed racing entity and all other employees of the licensed gaming entity or licensed racing entity who work or will work in the simulcasting facility, shall be licensed, registered or permitted by the Board in accordance with §§ 433a.8, 435a.2, 435a.3 and 435a.5.

§ 1001a.9. Casino simulcasting agreements.

(a) An agreement between a licensed gaming entity and a licensed racing entity to facilitate casino simulcasting shall be filed with an application for a casino simulcasting permit and shall be approved by the Board and separately by the Commission. An agreement is not effective until approved by the Board and the Commission.

(b) An agreement must include all of the following:

(1) The percentage of the money wagered each racing day at the simulcasting facility and remaining in the wagering pools after the required distributions under 3 Pa.C.S. § 9335 (relating to pari-mutuel pool distribution) that will be paid to the licensed gaming entity. The amount retained by the licensed gaming entity may not exceed 25% of the money retained by the licensed racing entity under 3 Pa.C.S. § 9335.

(2) The times during which a licensed gaming entity may conduct casino simulcasting.

(3) A provision that provides the grounds and mechanisms for modifying or terminating the contract upon approval by the Board and the Commission.

(4) Provisions that contain a mechanism to resolve patron disputes and disputes between the licensed gaming entity and the licensed racing entity.

(5) Design, implementation and amendment of the system of internal controls required under section 13F11 of the act (relating to application for permit and requirements) and this chapter including the financial reporting requirements.

(6) Hiring, terminating, training and promoting of employees and the employment practices attendant thereto.

(7) The payment of local, State and Federal taxes, and slot machine license deposits required under the act and this chapter and any penalties imposed by the Board for violations thereof.

(8) Obtaining and maintaining insurance coverage, including coverage of public liability and property loss or damage.

(9) Selection of the casino simulcasting permit holder's independent auditor which may be the same as the independent auditor employed by the licensed gaming entity.

§ 1001a.10. Simulcasting facilities.

(a) A licensed gaming entity approved for and issued a casino simulcasting permit to operate casino simulcasting shall establish a simulcasting facility as part of its licensed facility.

(b) A simulcasting facility may be adjacent to, but may not be a part of, a room or location in which slot machines or table gaming are operated or conducted.

(c) The space or area required for the establishment of a simulcasting facility may not be used to decrease the number of slot machines or table games in operations at the licensed facility or to reduce the space approved by the Board for the operation of slot machines and the conduct of table games.

(d) A casino simulcasting permit holder shall establish and maintain a simulcasting facility of sufficient square footage to promote:

(1) Efficient operation of the facility.

(2) Viewing of simulcast horse races by patrons in a manner which is not obtrusive to the conduct of gaming within the licensed facility.

(e) Security of the simulcasting facility shall include the installation and maintenance of security and surveillance equipment, including closed circuit television equipment, according to specifications approved by the Board. The Board shall have direct access to the system or its signal.

§ 1001a.11. Hours of operation.

The time during which a licensed gaming entity may conduct casino simulcasting shall be set forth in the licensed gaming entity's casino simulcasting agreement under § 1001a.9 (relating to casino simulcasting agreements).

§ 1001a.12. Rules of Commission.

Except as otherwise provided in the act or this chapter, the standards and rules of racing, simulcasting and the conduct of pari-mutuel wagering in simulcasting facilities are subject to 3 Pa.C.S. Chapter 93 (relating to race horse industry reform), regulations of the Commission promulgated under 3 Pa.C.S. (relating to Agriculture Code), and the Interstate Horseracing Act of 1978 (15 U.S.C.A. §§ 3001—3007).

§ 1001a.13. Wagering limited to simulcasting facility.

Except as provided for in 7 Pa. Code Part VIII (relating to State Horse Racing Commission), wagering on simulcast horse races within the premises of a licensed facility shall be conducted only in a simulcasting facility. Simulcast horse races may be shown in other areas of the licensed facility, but no wagering on a simulcast horse race shall take place in any area that is not a simulcasting facility.

§ 1001a.14. Prohibition of wagering.

A casino simulcasting permit holder shall establish procedures:

(1) To prohibit an individual under 21 years of age from entering a simulcasting facility at a licensed facility, except that an individual 18 years of age or older who is employed by a slot machine licensee, a gaming service provider, the Board, or other regulatory or emergency response agency may enter and remain in that area while engaged in the performance of the individual's employment duties.

(2) To train employees and establish policies to:

(i) Identify and remove individuals who are under 21 years of age and not otherwise authorized to be in the simulcasting facility.

(ii) Immediately notify a casino compliance representative at the licensed facility and the Pennsylvania State Police at a time an individual under 21 years of age is discovered in the simulcasting facility.

(iii) Refuse wagers from an individual under 21 years of age.

(iv) Deny check cashing privileges, extensions of credit, complementary goods and services, and other similar privileges and benefits to an individual under 21 years of age.

(v) Ensure that individuals under 21 years of age do not receive, either from the casino simulcasting permit holder or an agent thereof, targeted mailing, telemarketing promotions or other promotional materials relating to casino simulcasting activity as provided for under 4 Pa.C.S. Chapter 13F (relating to casino simulcasting).

§ 1001a.15. Forfeited winnings.

(a) An individual under 21 years of age may not collect in any manner or in any proceeding, whether personally or through an agent, winnings or recover losses arising as a result of any casino simulcasting activity.

(b) Winnings incurred by an individual under 21 years of age shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

§ 1001a.16. Signage requirements.

(a) A casino simulcasting permit holder shall post signs that include a statement providing the following:

(1) "It is unlawful for any individual under 21 years of age to enter or remain in a simulcasting facility. Individuals violating this prohibition will be removed and may be subject to arrest and criminal prosecution."

(2) "If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER)."

(b) The signs shall be prominently posted at each entrance and exit of the simulcasting facility.

§ 1001a.17. Restricted areas.

(a) A casino simulcasting permit holder who wishes to conduct casino simulcasting shall, unless otherwise approved by the Board, in consultation with the Commission, establish and maintain restricted areas, which are not accessible to the general public, including all of the following:

(1) A satellite cage in its simulcasting facility utilized for conducting pari-mutuel wagering and the counting and recording of assets.

(2) Designated areas for the placement and operation of all of the following:

(i) A totalisator system used to pool wagers, records sales, calculate payoffs and display wagering data on a display device.

(ii) Audio/video equipment utilized to receive and transmit simulcast signals.

(b) A casino simulcasting permit holder shall develop and submit to the Board, as part of the submission required under § 1001a.19 (relating to casino simulcasting accounting controls and audit protocols), procedures for safeguarding and limiting access to the totalisator system and audio/video equipment utilized to transmit simulcast signals.

§ 1001a.18. Transmission and display of live races.

(a) Video display monitors shall be installed in approved areas of a licensed facility to deliver simulcast horse race meetings to patrons on video walls or other video display technology.

(b) A casino simulcasting permit holder shall offer all of the following to patrons at a simulcasting facility:

(1) Audio and video coverage of every race upon which patrons of the simulcasting facility are permitted to wager.

(2) Video coverage of race-related information for every race upon which patrons of the simulcasting facility are permitted to wager.

(c) A simulcasting facility shall be equipped with a system permitting the reception of transmissions of races and race-related information without interference or interception.

(d) All simulcast signals shall be encoded, and a casino simulcasting permit holder may not send the signals anywhere other than the licensed facility authorized in the act or this chapter.

(e) A casino simulcasting permit holder shall develop and implement a security system to protect the equipment being used to receive transmissions of races and race-related information from tampering.

(f) If the reception of the video coverage of a race is interrupted, the audio coverage of the race must continue to be presented.

(g) If the reception of the audio coverage of the race is interrupted, the video coverage of the race must continue to be displayed.

(h) If the reception of the audio and video coverage of a race is interrupted during the running of the race, wagering being conducted on future races at the simulcasting facility shall cease until the transmissions are restored. If the interruption of audio or video coverage, or both, prevents the display of a race at the simulcasting facility, a replay of the interrupted race must be displayed at the simulcasting facility as soon after the restoration as possible.

(i) At least 30 minutes prior to the beginning of wagering at the simulcasting facility, a test of the equipment used to receive and display races and race-related information at the simulcasting facility shall be conducted to ensure that the system is operating properly.

(j) A licensed racing entity which operates interstate or international simulcasting of horse race meetings in this Commonwealth shall have discretion to transmit all or some of the live races conducted at the racetrack to the licensed facility of a licensed gaming entity which has established a simulcasting facility. A race which is transmitted from an in-State sending track may be transmitted to all licensed gaming entities which have established simulcasting facilities.

(k) A licensed gaming entity which establishes a simulcasting facility and conducts casino simulcasting shall, as a condition of continued operation of casino simulcasting, receive all live races which are transmitted by in-State sending tracks.

(l) Casino simulcasting shall be limited to the transmission and display of thoroughbred horse racing and standardbred harness racing permitted under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform).

(m) The Board and the Commission shall have access to the simulcast system or its signal.

§ 1001a.19. Casino simulcasting accounting controls and audit protocols.

(a) At least 90 days before the beginning of casino simulcasting, a casino simulcasting permit holder shall submit to the Board for approval all internal control systems and audit protocols for the casino simulcasting permit holder's casino simulcasting operations.

(b) A casino simulcasting permit holder's internal controls and audit protocols shall:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of casino simulcasting, including reports to the Board and the Commission related to casino simulcasting.

(2) Provide for accurate and reliable financial records related to the conduct of casino simulcasting and the pari-mutuel system of wagering.

(3) Establish procedures and security for the counting, recording and storage of money generated from the conduct of casino simulcasting.

(4) Establish procedures and security standards for the maintenance of telecommunications equipment and video display technology used in connection with the conduct of casino simulcasting.

(5) Establish procedures and rules to govern the conduct of casino simulcasting and the responsibility of employees related to casino simulcasting.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of casino simulcasting, including the roles of the Commission, the Department, licensed racing entities and licensed gaming entities in the collection and recording of the revenue.

(7) Establish reporting procedures and records required to ensure that all money generated from casino simulcasting is accounted for and winners' names, when required under applicable Federal or State law, are filed with the appropriate taxing authorities.

(8) Ensure that the system of pari-mutuel wagering used in the conduct of casino simulcasting is in accordance with 3 Pa.C.S. Chapter 93 (relating to race horse industry reform) and regulations of the Commission promulgated under 3 Pa.C.S. (relating to Agriculture Code).

(9) Ensure, in consultation with the Commission, the proper and timely accounting for and retention of percentages for pari-mutuel pools and the proper and timely distribution of money in any pari-mutuel pool generated from casino simulcasting.

(10) Ensure that all functions, duties and responsibilities related to casino simulcasting are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(11) Permit use of its simulcasting facility by the Board, the Bureau, the Commission and other persons authorized by the Board and the Commission to facilitate their ability to perform regulatory and oversight functions.

(c) The submission required under subsection (a) must include a detailed description of the casino simulcasting permit holders administrative and accounting procedures related to casino simulcasting, including its written system of internal controls. Each written system of internal controls must include all of the following:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in casino simulcasting.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the casino simulcasting permit holder.

(4) The procedure to be utilized to ensure that money generated from the conduct of casino simulcasting is safeguarded, including mandatory counting and recording procedures.

(5) Other items the Board, in consultation with the Commission, may request in writing to be included in the internal controls.

(6) A statement signed by the casino simulcasting permit holder's chief financial officer or other competent person attesting that the signatory believes, in good faith, that the system satisfies the requirements of the act and this section.

(d) Prior to authorizing a casino simulcasting permit holder to begin the conduct of casino simulcasting, the Board, in consultation with the Commission, will review the system of internal controls submitted under subsection (c) to determine whether it conforms to the requirements of this subchapter and whether it provides adequate and effective controls for the conduct of casino simulcasting.

(e) If a casino simulcasting permit holder intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations, in a manner prescribed by the Bureau of Gaming Operations. The casino simulcasting permit holder may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the casino simulcasting permit holder receives written notice tolling the change or amendment in accordance with subsection (f)(2) or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in subsection (e), the Bureau of Gaming Operations, in consultation with the Commission, preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of casino simulcasting or the control of revenue generated from pari-mutuel wagering, the Bureau of Gaming Operations, by written notice to casino simulcasting permit holder, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar-day review period in subsection (f) be tolled and that any internal controls at issue not be implemented until approved.

(g) A submission under this section shall be deemed insufficient and likely to negatively affect the integrity of casino simulcasting and the pari-mutuel system of wagering if the submission:

(1) Fails to provide information sufficient to permit the review of casino simulcasting or the reconstruction of pari-mutuel wagering handle and pari-mutuel wagering pool distributions.

(2) Fails to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Does not include forms or other materials referenced in the submission or required under the act or this chapter.

(4) Would implement operations or accounting procedures not authorized by the act or this subpart.

(5) Is dependent upon the use of equipment or related devices or software not approved by the Board or the Commission, unless the submissions are required as part of an authorized test of the equipment or related device or software.

(h) Whenever a change or amendment has been tolled under subsection (f)(2), the casino simulcasting permit holder may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The casino simulcasting permit holder may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director, in consultation with the Commission, or on the 30th calendar day following the filing of the revision unless the casino simulcasting permit holder receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director, in consultation with the Commission, rejecting the change or amendment.

§ 1001a.20. Casino simulcasting record retention.

(a) For the purposes of this section, "books, records and documents" means any book, record or document pertaining to, prepared in or generated by the operation of the licensed facility including all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records.

(b) As a condition of continued operation, a casino simulcasting permit holder shall agree to maintain all books, records and documents pertaining to casino simulcasting in a manner and location in this Commonwealth as approved by the Board, in consultation with the Commission. All books, records and documents shall:

(1) Be organized in a manner to clearly depict by separate records the total amount of money contributed to every pari-mutuel pool in accordance with the applicable provisions of 3 Pa.C.S. Chapter 93 (relating to race horse industry reform) and any regulation promulgated under 3 Pa.C.S. Chapter 93.

(2) Be segregated by separate accounts within the licensed gaming entity's books, records and documents, except for any books, records and documents that are common to slot machine operations, table game operations and casino simulcasting, as determined by the Board, in consultation with the Commission.

(3) Be immediately available for inspection upon request of the Board, the Commission, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of the casino simulcasting permit holder's simulcasting facility.

(4) Prepared and maintained in a complete, accurate and legible form. Electronic data must be stored in a format that ensures readability, regardless of whether the technology or software that created or maintained it has become obsolete.

(5) Retained in a secure location in the licensed facility that is equipped with a fire suppression system or at another location approved under subsection (d).

(6) Organized and indexed in a manner to provide immediate accessibility to the Board, the Commission, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof.

(7) Destroyed only after expiration of the minimum retention period specified in subsection (c), except that the Board may, in consultation with the Commission, upon the written request of a casino simulcasting permit holder and for good cause shown, permit the destruction at an earlier date.

(c) Original books, records and documents shall be retained by a casino simulcasting permit holder for a minimum of 5 years.

(d) A casino simulcasting permit holder may request, in writing, that the Board's Executive Director, in consultation with the Commission, approve a location outside the licensed facility to store original books, records and documents. The request must include all of the following:

(1) A detailed description of the proposed location, including security and fire suppression systems.

(2) The procedures under which of the Board, the Commission, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof, shall be able to gain access to the original books, records and documents retained at the location outside the licensed facility.

(e) A casino simulcasting permit holder may request, in writing, that the Board's Executive Director, in consultation with the Commission, approve the electronic copying and storage of original books, records and documents. The request must include representations regarding all of the following:

(1) The processing, preservation and maintenance methods which will be employed to ensure that the books, records and documents are available in a format which makes them readily available for review and copying.

(2) The inspection and quality control methods which will be employed to ensure that the electronic books, records and documents exhibit a high degree of legibility and readability when displayed electronically or reproduced on paper.

(3) The availability of a computer and printer for use by the Board, the Commission, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof, at the licensed facility or other location approved by the Board, in consultation with the Commission, and the readiness with which the books, records or documents being stored electronically can be located, read and reproduced.

(4) The availability of a detailed index of all information maintained electronically and arranged in a manner to permit the immediate location of any particular book, record or document.

(f) Nothing herein shall be construed as relieving a casino simulcasting permit holder from meeting any obligation to prepare or maintain any book, record or document required by any Federal, State or local government body, authority or agency.

Subpart N. VIDEO GAMING

CHAPTER 1101a. VIDEO GAMING GENERALLY

Sec.

1101a.1. Scope.
1101a.2. Definitions.

§ 1101a.1. Scope.

The purpose of this subpart is to govern the operation of video gaming terminals in this Commonwealth. Parts I, II and III of 4 Pa.C.S. (relating to amusements generally; gaming; and video gaming) and the Board's regulations promulgated thereunder otherwise apply when not in conflict with this subpart.

§ 1101a.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Applicant—A person who, on his own behalf or on behalf of another, applies for permission to engage in an act or activity that is regulated under this subpart.

Associated equipment—Equipment or a mechanical, electromechanical or electronic contrivance, component or machine used in connection with video gaming terminals or redemption terminals, including replacement parts, hardware and software.

Background investigation—A security, criminal, credit and suitability investigation of a person as provided for in this part that includes the status of taxes owed to the United States, the Commonwealth and political subdivisions.

Bureau—The Bureau of Investigations and Enforcement of the Board.

Bureau of Licensing—The Bureau of Licensing of the Board.

Cash—United States currency and coin.

Cash equivalent—A ticket, token, chip, card or other similar instrument or representation of value that the Board deems a cash equivalent in accordance with this part.

Central control computer—A central site computer controlled by the Department and accessible by the Board to which all video gaming terminals communicate for the purpose of auditing capacity, real-time information retrieval of the details of a financial event that occurs in the operation of a video gaming terminal or redemption terminal, including coin in, coin out, ticket in, ticket out, jackpots, video gaming terminal and redemption terminal door openings and

power failure, and remote video gaming terminal or redemption terminal activation, and disabling of video gaming terminals or redemption terminals.

Cheat—

(i) To defraud or steal from a player, terminal operator licensee, establishment licensee or the Commonwealth while operating or playing a video gaming terminal, including causing, aiding, abetting or conspiring with another person to do so.

(ii) The term also means to alter or causing, aiding, abetting or conspiring with another person to alter the elements of chance, method of selection or criteria that determine any of the following:

(A) The result of a video gaming terminal game.

(B) The amount or frequency of payment in a video gaming terminal game.

(C) The value of a wagering instrument.

(D) The value of a wagering credit.

(iii) The term does not include altering a video gaming terminal or associated equipment for maintenance or repair with the approval of a terminal operator licensee and the Board.

Cheating or thieving device—A device, software or hardware:

(i) Used or possessed with the intent to be used to cheat during the operation or play of a video gaming terminal; or

(ii) Used to alter a video gaming terminal without the terminal operator licensee's and the Board's approval.

Commercial motor vehicle—As defined in 75 Pa.C.S. § 1603 (relating to definitions).

Conduct of video gaming—The licensed placement, operation and play of video gaming terminals under this subpart as authorized and approved by the Board.

Controlling interest—Any of the following:

(i) For a publicly traded domestic or foreign corporation, the term means a person has a controlling interest in a legal entity, applicant or licensee if a person's sole voting rights under state law or corporate articles or bylaws entitle the person to elect or appoint one or more of the members of the board of directors or other governing board or the person holds an ownership or beneficial holding of 5% or more of the securities of the publicly traded

corporation, partnership, limited liability company or other form of publicly traded legal entity, unless this presumption of control or ability to elect is rebutted by clear and convincing evidence.

(ii) For a privately held domestic or foreign corporation, partnership, limited liability company or other form of privately held legal entity, the term means the holding of any securities in the legal entity, unless this presumption of control is rebutted by clear and convincing evidence.

Convenience store—A retail establishment which sells a limited selection of packaged foods, drug store items, food for consumption on or off the premises, and basic supplies for the home and table, which may include the retail sale of liquid fuels.

Conviction—

(i) A finding of guilt or a plea of guilty or nolo contendere, whether or not a judgment of sentence has been imposed as determined by the law of the jurisdiction in which the prosecution was held.

(ii) The term does not include a conviction that has been expunged or overturned or for which an individual has been pardoned or had an order of accelerated rehabilitative disposition entered.

Corporation—The term includes a publicly traded corporation.

Educational institution—A facility that teaches and certifies students in video gaming terminal design, operation, repair or servicing.

Establishment license—A license issued by the Board authorizing a truck stop establishment to permit a terminal operator licensee to place and operate video gaming terminals on the truck stop establishment's premises under this part.

Establishment licensee—A truck stop establishment that holds an establishment license.

Financial backer—An investor, mortgagee, bondholder, noteholder, or other sources of equity or capital provided to an applicant or licensed entity.

Gaming employee—

(i) Any of the following individuals:

(A) An employee of a terminal operator licensee, establishment licensee or supplier licensee that is not a key employee who is involved in the conduct of video gaming, including servicing and maintaining video gaming terminals, redemption terminals, and security and surveillance equipment, and monitoring the conduct of video gaming and patrons in the video gaming area of an establishment licensee.

(B) An employee of a supplier or manufacturer licensee whose duties are directly involved with the repair or distribution of video gaming terminals or associated equipment sold or provided to a terminal operator licensee in this Commonwealth as determined by the Board.

(C) An employee of a gaming service provider who, in connection with the performance of his duties, has access to a video gaming area, video terminals, redemption terminals, and the security and surveillance systems monitoring a video gaming area.

(ii) The term does not include nongaming personnel as determined by the Board or an employee of an establishment licensee who does not have duties involving the conduct or monitoring of video gaming.

Gaming service provider—

(i) A person who is not required to be licensed as a terminal operator, manufacturer, supplier or establishment licensee who provides goods or services to a terminal operator licensee that directly relates to the operation and security of a video gaming terminal or redemption terminal.

(ii) The term does not include a person who supplies goods or services that, at the discretion of the Board, does not impact the integrity of video gaming, video gaming terminals or the connection of video gaming terminals to the central control computer system, including all of the following:

(A) Seating to accompany video gaming terminals.

(B) Structural or cosmetic renovations, improvements or other alterations to a video gaming area.

Gross terminal revenue—

(i) The total of cash or cash equivalents received by a video gaming terminal minus the total of cash or cash equivalents paid out to players as a result of playing a video gaming terminal.

(ii) The term does not include counterfeit cash or cash taken in a fraudulent act perpetrated against a terminal operator licensee for which the terminal operator licensee is not reimbursed.

Incentive—Consideration, including a promotion or prize, provided to a player or potential player as an enticement to play a video gaming terminal.

Inducement—

(i) Any of the following:

(A) Consideration paid directly or indirectly, from a manufacturer, supplier, terminal operator, procurement agent, gaming employee, employee or another person on behalf of an applicant or anyone licensed under this part, to a truck stop establishment, establishment licensee, establishment licensee owner or an employee of the establishment licensee, directly or indirectly, as an enticement to solicit or maintain the establishment licensee or establishment licensee owner's business.

(B) Cash, incentive, marketing and advertising cost, gift, food, beverage, loan, prepayment of gross terminal revenue and other contribution or payment that offsets an establishment licensee's operational costs, or as otherwise determined by the Board.

(ii) The term does not include costs paid by a terminal operator applicant or terminal operator licensee related to making video gaming terminals operate at the premises of an establishment licensee, including for improvements and renovations to the video gaming area, wiring and rewiring, software updates, ongoing video gaming terminal maintenance, redemption terminals, network connections, site controllers and costs associated with communicating with the central control computer system.

Key employee—An individual who is employed by a manufacturer licensee, supplier licensee or terminal operator licensee who is determined by the Board to be a director or department head or otherwise empowered to make discretionary decisions that regulate the conduct of video gaming.

Key employee licensee—An individual who holds a key employee license.

Key employee qualifier—An individual required to be qualified as part of the truck stop establishment, including an individual who is part of an entity that leases a truck stop establishment or operates a truck stop establishment pursuant to a management or other agreement, who is determined by the Board to be a director or department head or otherwise empowered to make discretionary decisions that regulate the conduct of video gaming.

Law enforcement authority—The power to conduct investigations of or to make arrests for criminal offenses.

Licensed entity—A terminal operator licensee, establishment licensee, manufacturer licensee or supplier licensee under this part.

Licensed facility—As defined in section 1103 of the act (relating to definitions).

Licensed gaming entity—As defined in section 1103 of the act.

Licensee—A person listed under this part.

Manufacturer—A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs or otherwise makes modifications to a video gaming terminal, redemption terminal or associated equipment for use or play of video gaming terminals in this Commonwealth for video gaming purposes.

Manufacturer license—A license issued by the Board authorizing a manufacturer to manufacture or produce video gaming terminals, redemption terminals or associated equipment for use in this Commonwealth for video gaming purposes.

Manufacturer licensee—A person that holds a manufacturer license.

Minor—An individual under 21 years of age.

Nongaming employee—An individual who is employed by a terminal operator licensee, manufacturer licensee, supplier licensee, gaming service provider or establishment licensee and whose duties do not involve the conduct of video gaming or the monitoring of a video gaming area, either directly or through surveillance.

Nonkey employee—An individual employed by a terminal operator licensee who, unless otherwise designated by the Board, is not a key employee.

Occupation permit—A permit authorizing an individual to be employed or to work as a gaming employee for a terminal operator licensee, an establishment licensee, a gaming service provider, a supplier licensee or as an employee of a manufacturer who performs duties at the premises of a terminal operator or establishment licensee relating to video gaming terminals or redemption terminals.

Person—A natural person, corporation, foundation, organization, business trust, estate, limited liability company, trust, partnership, limited liability partnership, association or other form of legal business entity.

Player—An individual who wagers cash or a cash equivalent in the play or operation of a video gaming terminal and the play or operation of which may deliver or entitle the individual playing or operating the video gaming terminal to receive cash or a cash equivalent from a terminal operator licensee.

Principal—An officer, director or person who directly holds a beneficial interest in or ownership of the securities of an applicant or licensee under this part as a terminal operator, manufacturer or supplier or who has a controlling interest in an applicant or licensee as a terminal operator, manufacturer or supplier under this part or has the ability to elect a majority of the board of directors of a terminal operator, manufacturer or supplier licensee or to otherwise control anyone licensed under this part, procurement agent, lender or other licensed financial institution of an applicant or a terminal operator, manufacturer or supplier licensee under this part, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant or anyone licensed under this part or other person or employee of a terminal operator licensee, manufacturer licensee or supplier licensee deemed to be a principal by the Board, including a procurement agent.

Principal qualifier—Each owner, officer and director of the truck stop establishment, including each individual or owner, officer and director of an entity that leases a truck stop

establishment or operates a truck stop establishment pursuant to a management or other agreement who is required to be qualified as part of the truck stop establishment application. For purposes of this definition, an owner is each individual who has a direct or indirect ownership or beneficial interest of 10% or more or an entity who has a direct ownership or beneficial interest of 20% or more in the truck stop establishment or other person as determined by the Board. An officer is a president, chief executive officer, a chief financial officer and a chief operating officer, and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

Procurement agent—A person that shares in the gross terminal revenue or is otherwise compensated for the purpose of soliciting or procuring a terminal placement agreement.

Progressive payout—A video game terminal wager payout that increases in a monetary amount based on the amounts wagered in a progressive system.

Progressive system—A computerized system linking video gaming terminals on the premises of an establishment licensee and offering one or more common progressive payouts based on the amounts wagered.

Publicly traded corporation—A person, other than an individual, who:

(i) Has a class or series of securities registered under the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a—78qq).

(ii) Is a registered management company under the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1—80a-64).

(iii) Is subject to the reporting obligations imposed by section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.A. § 78o(d)) by reason of having filed a registration statement that has become effective under the Securities Act of 1933 (15 U.S.C.A. §§ 77a—77aa).

Redemption terminal—The collective hardware, software, communications technology and other ancillary equipment used to facilitate the payment of cash or a cash equivalent to a player as a result of playing a video gaming terminal.

Registrant—A holder of a nongaming registration under this part.

Security—As defined in the Pennsylvania Securities Act of 1972 (70 P.S. §§ 1-101—1-703.1).

Subsidiary—As defined in section 1103 of the act.

Supplier—A person that sells, leases, offers or otherwise provides, distributes or services any video gaming terminal, redemption terminal or associated equipment to a terminal operator licensee for use or play in this Commonwealth.

Supplier license—A license issued by the Board authorizing a supplier to provide products or services related to video gaming terminals, redemption terminals or associated equipment to terminal operator licensees for use in this Commonwealth for the conduct of video gaming.

Supplier licensee—A person that holds a supplier license.

Terminal operator—A person that owns, services or maintains video gaming terminals for placement and operation on the premises of an establishment licensee.

Terminal operator license—A license issued by the Board authorizing a terminal operator to place and operate video gaming terminals in an establishment licensee's premises under this part.

Terminal operator licensee—A person that holds a terminal operator license.

Terminal placement agreement—The formal written agreement or contract between an applicant for a terminal operator license or terminal operator licensee and an applicant for an establishment license or establishment licensee that establishes the terms and conditions regarding the conduct of video gaming.

Truck stop establishment—A premises that:

(i) Is equipped with diesel islands used for fueling commercial motor vehicles.

(ii) Has sold on average 50,000 gallons of diesel or biodiesel fuel each month for the previous 12 months or is projected to sell an average of 50,000 gallons of diesel or biodiesel fuel each month for the next 12 months.

(iii) Has at least 20 parking spaces dedicated for commercial motor vehicles as defined in 75 Pa.C.S. § 1603.

(iv) Has a convenience store.

(v) Is situated on a parcel of land of not less than 3 acres that the truck stop establishment owns or leases.

(vi) Is not located on any property owned by the Pennsylvania Turnpike Commission.

Video gaming area—The area of an establishment licensee's premises where video gaming terminals and redemption terminals are installed for operation and play.

Video gaming employees—The term includes gaming employees, key employees and nonkey employees.

Video gaming terminal—

(i) A mechanical or electrical contrivance, terminal, machine or other device approved by the Board that, upon insertion of cash or cash equivalents, is available to play or operate one or more gambling games, the play of which utilizes a random number generator and:

(A) May award a winning player either a free game or credit that shall only be redeemable for cash or cash equivalents at a redemption terminal.

(B) May utilize video displays.

(C) May use an electronic credit system for receiving wagers and making payouts that are only redeemable at a redemption terminal.

(ii) Associated equipment necessary to conduct the operation of the contrivance, terminal, machine or other device.

(iii) The term does not include a slot machine operated at a licensed facility in accordance with the act or a coin-operated amusement game.

(iv) The term does not include "lottery" as defined in section 302 of the State Lottery Law (72 P.S. § 3761-302).

CHAPTER 1102a. TERMINAL OPERATOR LICENSEES

Sec.

1102a.1. Terminal operator licenses.
1102a.2. Terminal operator license issuance and statement of conditions.
1102a.3. Conditional terminal operator and procurement agent licenses.
1102a.4. Terminal operator licensee change of control.

§ 1102a.1. Terminal operator licenses.

(a) An applicant for a terminal operator license may conduct video gaming upon approval by the Board and in accordance with 4 Pa.C.S. Part III (relating to video gaming) and this chapter.

(b) An applicant shall submit all of the following:

(1) An Enterprise Entity Application and Disclosure Information Form.

(2) The nonrefundable application fee of $25,000 in accordance with 4 Pa.C.S. § 4101(a) (relating to fees).

(3) A diversity plan as set forth in 4 Pa.C.S. § 3307 (relating to diversity).

(4) A current tax lien certificate issued by the Department.

(5) An application for each proposed key employee under Chapter 1105a (relating to key employees) and principal under Chapter 1104a (relating to principals) as specified in the Enterprise Entity Application and Disclosure Information Form.

(6) A statement that the applicant has developed and implemented internal safeguards and policies to prevent a violation of 4 Pa.C.S. § 4305 (relating to political influence) and a copy of the safeguards and policies.

(7) Details of any loans or other financial commitments to fund license costs and costs of operating video gaming.

(8) Information and documentation concerning financial background and resources, as the Board or the Bureau may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(9) A consent authorizing the Board to conduct a background investigation, the scope of which is to be determined by the Bureau, in its discretion consistent with 4 Pa.C.S. Part III (relating to video gaming), and a release signed by all persons subject to investigation of all information required to complete the investigation.

(10) Information concerning maintenance and operation of video gaming terminals in other jurisdictions.

(11) Proof that the applicant has or will establish a place of business in this Commonwealth.

(12) A copy of, or a detailed description of, the terms and conditions of any terminal placement agreement entered into with an establishment licensee applicant or licensee.

(13) Any other information as the Board or the Bureau may require.

(c) Upon request of the Board or the Bureau, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request or, if a time is not specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period as set forth in the request, the Board may deny the application.

(d) The application, and amendments thereto, and other specific documents designated by the Board shall be filed promptly with the application or amendments thereto.

(e) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned.

§ 1102a.2. Terminal operator license issuance and statement of conditions.

(a) Criteria. In addition to the criteria in 4 Pa.C.S. Part III (relating to video gaming), the Board will not issue a terminal operator license unless all of the following criteria have been established by the applicant:

(1) The applicant has fulfilled each condition set by the Board, including the execution of a statement of conditions.

(2) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a terminal operator license.

(b) Statement of conditions.

(1) The applicant, as a condition precedent to the issuance of a terminal operator license, shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision contained in the Statement of Conditions by the applicant.

(2) Failure to fully comply with any provision contained in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation of the license.

§ 1102a.3. Conditional terminal operator licenses.

(a) Upon accepting a terminal operator application for filing, the Board will issue a conditional terminal operator license if requested by the applicant and the applicant has satisfied, as determined by the Board, all of the following:

(1) The applicant has submitted a completed application for a terminal operator license.

(2) The applicant has never had a similar gaming license denied or revoked in another jurisdiction.

(3) The applicant has never been convicted of a felony in any jurisdiction.

(4) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(5) The applicant is current on all State taxes.

(6) The applicant attests by affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure under 4 Pa.C.S. Part III (relating to video gaming).

(b) The Board will issue a conditional terminal operator license within 60 days after the completed application has been received by the Board, and the Board has determined that the criteria in subsection (a) have been satisfied.

(c) If the Board determines that the criteria in subsection (a) have not been satisfied, the Board will give the applicant written notice and explanation of that determination.

(d) A conditional license issued under this section will be valid until:

(1) The Board approves or denies the application for a terminal operator license.

(2) The conditional license is terminated for a violation of the act or this part.

(3) One calendar year has passed since the conditional license has been issued.

(e) The Board may extend the duration of a conditional license for 1 year.

(f) A request for conditional licensure must include a $100 fee in addition to the applicable fee required under 4 Pa.C.S. § 4101 (relating to fees).

§ 1102a.4. Terminal operator licensee change of control.

(a) For purposes of this section, a change of control of a terminal operator licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a terminal operator licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the terminal operator licensee.

(3) Any other interest in a terminal operator licensee which allows the acquirer to control the terminal operator licensee.

(b) A terminal operator licensee shall notify the Bureau and the Bureau of Licensing in a manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the terminal operator licensee.

(c) Prior to acquiring a controlling interest in a terminal operator licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals as required under Chapters 433a and 1104a (relating to principal licenses; and principals) and key employees as required under § 435a.2 (relating to key employee license) and Chapter 1105a (relating to key employees).

(d) A person or group of persons seeking to acquire a controlling interest in a terminal operator licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(e) A person or group of persons may not acquire a controlling interest in a terminal operator licensee until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in a terminal operator licensee and the terminal operator may enter into an agreement of sale that is contingent on Board approval of the petition.

(f) The requirements in this section do not apply to the acquisition of a controlling interest in a terminal operator when all of the following conditions are met:

(1) The acquirer is an existing licensed terminal operator licensee.

(2) The existing licensed terminal operator licensee has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 1103a. ESTABLISHMENT LICENSEES

Sec.

1103a.1. Establishment licenses.
1103a.2. Establishment principal and key employee qualification.
1103a.3. Conditional establishment licenses.
1103a.4. Establishment licensee change of control.

§ 1103a.1. Establishment licenses.

(a) A truck stop establishment in this Commonwealth seeking to offer video gaming terminals through a licensed terminal operator on its premises shall apply for an establishment license by filing a Video Gaming Terminal Establishment License Application with the Board.

(b) To be eligible to file an application for an establishment license, the truck stop establishment must meet all of the following requirements:

(1) Be equipped with diesel islands for the fueling of commercial motor vehicles and have sold on average 50,000 gallons of diesel or biodiesel fuel each month for the previous 12 months or is projected to sell an average of 50,000 gallons of diesel or biodiesel fuel each month for the next 12 months.

(2) Have at least 20 parking spaces dedicated for commercial motor vehicles. For purposes of this paragraph, "parking spaces dedicated for commercial motor vehicles" must be of sufficient size to accommodate vehicles which are 8 feet in width and 53 feet in length or which otherwise have a gross combination weight rating or gross combination weight of 26,000 pounds inclusive of a tow unit with a gross vehicle weight rating or gross vehicle weight of more than 10,000 pounds, whichever is greater.

(3) Have a convenience store.

(4) Be situated on a parcel of land not less than 3 acres and which is not located on property owned by the Pennsylvania Turnpike Commission.

(5) Be licensed as a lottery sales agent under section 305 of the State Lottery Law (72 P.S. § 3761-305).

(c) An applicant for an establishment license shall submit all of the following:

(1) A Video Gaming Terminal Establishment License Application.

(2) The nonrefundable application fee of $1,000 in accordance with 4 Pa.C.S. § 4101(a) (relating to fees).

(3) Documentation to establish its eligibility to apply to be an establishment licensee as set forth in subsection (b).

(4) A to-scale schematic or architectural rendering of the floor plan of the establishment which shows all of the following:

(i) Total square footage of the video gaming area.

(ii) A depiction of the video gaming area where video gaming will be offered in relation to the overall facility.

(iii) Location of the video gaming terminals and redemption terminals, and security and surveillance equipment locations.

(iv) A detailed description of the surveillance to be utilized.

(5) A description of the proposed surveillance and security measures to ensure the security of the proposed video gaming area.

(6) An executed terminal placement agreement between the establishment licensee and terminal operator.

(7) A diversity plan as set forth in 4 Pa.C.S. § 3307 (relating to diversity).

(8) A current tax lien certificate issued by the Department.

(9) Information for each key employee qualifier and principal qualifier as specified in the Video Gaming Terminal Establishment License Application.

(10) The consent to a background investigation by the Bureau of the applicant, its principal qualifiers and key employee qualifiers or other persons required by the Board and a release to obtain the information necessary for the completion of the background investigation.

§ 1103a.2. Establishment principal and key employee qualification.

(a) In addition to the information required under § 1103a.1(c)(8) (relating to establishment licenses), a principal qualifier and key employee qualifier shall apply for qualification as follows:

(1) Submit fingerprints in a manner prescribed by the Bureau.

(2) Consent to a background investigation by the Bureau of the principal qualifier and key employee qualifier and a release to obtain the information necessary for the completion of the background investigation.

(3) Provide any other information required by the Board.

(b) In addition to individuals meeting the definition of principal qualifier and key employee qualifier, the Board may require the submission of fingerprints or any other information required by the Board from a person who holds any direct or indirect ownership or beneficial interest in a truck stop establishment, or has the right to any profits or distributions directly or indirectly, from the truck stop establishment if the Bureau determines that the submission of fingerprints of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(c) Each of the individuals required to submit fingerprints under subsections (a) and (b) must be found qualified by the Board. An individual who is found qualified and is also a gaming or nongaming employee as defined in §§ 401a.3 and 1101a.2 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with § 435a.3 (relating to occupation permit) or a nongaming employee registration in accordance with § 435a.5 (relating to nongaming employee registration) and Chapter 1109a (relating to occupation permits) of this subpart.

§ 1103a.3. Conditional establishment licenses.

(a) Upon accepting an establishment license application for filing, the Board will issue a conditional establishment license if requested by the applicant and the applicant has satisfied, as determined by the Board, all of the following:

(1) The applicant has submitted a completed application for an establishment license.

(2) The applicant has never been convicted of a felony in any jurisdiction.

(3) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(4) The applicant is current on all State taxes.

(5) The applicant attests by affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure under 4 Pa.C.S. Part III (relating to video gaming).

(b) The Board will issue a conditional license within 60 days after the completed application has been received by the Board, and the Board has determined that the criteria in subsection (a) have been satisfied.

(c) If the Board determines that the criteria in subsection (a) have not been satisfied, the Board will give the applicant written notice and explanation of that determination.

(d) A conditional license issued under this section will be valid until:

(1) The Board approves or denies the application for an establishment license.

(2) The conditional license is terminated for a violation of this part.

(3) One calendar year has passed since the conditional license has issued.

(e) The Board may extend the duration of a conditional license for 1 year.

(f) A request for a conditional license must include a $100 fee which shall be in addition to the applicable fee required under 4 Pa.C.S. § 4101 (relating to fees).

§ 1103a.4. Establishment licensee change of control.

(a) For purposes of this section, a change of control of an establishment licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of an establishment licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the establishment licensee.

(3) Any other interest in an establishment licensee which allows the acquirer to control the establishment licensee, including a lease agreement, management agreement, or other agreement that permits the acquirer operational control of the establishment licensee.

(b) An establishment licensee shall notify the Bureau and the Bureau of Licensing in a manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the establishment licensee.

(c) Prior to acquiring a controlling interest or operational control in an establishment licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition, lease agreement or management agreement.

(2) Completed applications for the acquiring company, principal qualifiers and key employee qualifiers as required under this chapter.

(d) A person or group of persons seeking to acquire a controlling interest or operational control in an establishment licensee shall promptly provide any additional information requested

by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(e) A person or group of persons may not acquire a controlling interest or operational control in an establishment licensee until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in an establishment licensee and the establishment may enter into an agreement of sale, lease agreement or management agreement that is contingent on Board approval of the petition.

(f) The requirements in this section do not apply to the acquisition of a controlling interest or operational control in an establishment licensee when all of the following conditions are met:

(1) The acquirer of the controlling interest or operational control is a person or group of persons currently licensed as principal qualifier of an existing licensed establishment licensee.

(2) The person or group of persons currently licensed as principal qualifier of an existing licensed establishment licensee has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition, lease agreement or management agreement at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 1104a. PRINCIPALS

Sec.

1104a.1. Principal licenses.
1104a.2. Conditional procurement agent principal licenses.

§ 1104a.1. Principal licenses.

(a) A principal as defined in this subpart shall apply for licensure as a principal in accordance with § 433a.8 (relating to principal applications).

(b) In addition to information required under § 433a.8, an individual required to be licensed as a principal, unless otherwise directed by the Board, shall file all of the following:

(1) Verification of status as a principal from a terminal operator licensee, a manufacturer licensee or supplier licensee.

(2) A description of responsibilities as a principal.

(3) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(4) The consent to a background investigation by the Bureau of the principal applicant and a release to obtain the information necessary for the completion of the background investigation.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may issue a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity, and is eligible and suitable to be licensed as a principal.

(d) A principal license is not transferable.

(e) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a principal applicant if the Board determines additional time is needed to complete an investigation for licensure.

§ 1104a.2. Conditional procurement agent principal licenses.

(a) Upon accepting a procurement agent's principal application for filing, the Board will issue a conditional procurement agent principal license if requested by the applicant and the applicant has satisfied, as determined by the Board, all of the following:

(1) The applicant has submitted a completed application for a principal license.

(2) The applicant has never had a similar gaming license denied or revoked in another jurisdiction.

(3) The applicant has never been convicted of a felony in any jurisdiction.

(4) The applicant has never been convicted of a gambling law violation in any jurisdiction.

(5) The applicant is current on all State taxes.

(6) The applicant attests by affidavit under penalty of perjury that the applicant is not otherwise prohibited from licensure under 4 Pa.C.S. Part III (relating to video gaming).

(b) The Board will issue a conditional procurement agent principal license within 60 days after the completed application has been received by the Board, and the Board has determined that the criteria in subsection (a) have been satisfied.

(c) If the Board determines that the criteria in subsection (a) have not been satisfied, the Board will give the applicant written notice and explanation of that determination.

(d) A conditional license issued under this section will be valid until:

(1) The Board approves or denies the application for a procurement agent's principal license.

(2) The conditional license is terminated for a violation of the act or this part.

(3) One calendar year has passed since the conditional license has been issued.

(e) The Board may extend the duration of a conditional license for 1 year.

(f) A request for conditional licensure must include a $100 fee in addition to the applicable fee required under 4 Pa.C.S. § 4101 (relating to fees).

CHAPTER 1105a. KEY EMPLOYEES

Sec.

1105a.1. Key employee licenses.

§ 1105a.1. Key employee licenses.

(a) A key employee as defined in this subpart shall apply for licensure as a key employee in accordance with § 435a.2 (relating to key employee license).

(b) In addition to information required under § 435a.2, an individual required to be licensed as a key employee, unless otherwise directed by the Board, shall file all of the following:

(1) Verification of status as a key employee from a terminal operator licensee, an establishment licensee, manufacturer licensee or supplier licensee.

(2) A description of employment responsibilities.

(3) The consent to a background investigation by the Bureau of the applicant, and a release to obtain the information necessary for the completion of the background investigation, including information from governmental agencies, employers and other organizations.

(4) Details relating to a similar license or other authorization obtained in another jurisdiction.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may issue a key employee license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a key employee.

(d) A key employee license is not transferable.

(e) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a key employee applicant if the Board determines additional time is needed to complete an investigation for licensure.

(f) An individual may not perform duties associated with a position that requires a key employee license prior to receiving a temporary or permanent credential unless otherwise authorized by the Board.

CHAPTER 1106a. SUPPLIERS

Sec.

1106a.1. Supplier licenses.

§ 1106a.1. Supplier licenses.

(a) Application for licensure. A supplier as defined in this subpart shall apply for licensure in accordance with § 431a.2 (relating to supplier license applications and standards).

(1) A supplier filing an application for licensure under this chapter shall not be required to file a diversity plan as set forth in § 431a.2(a)(3).

(b) Submittals. In addition to the information submitted under § 431a.2, an applicant for a supplier license shall submit all of the following:

(1) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies, the principals and key employees of each business, and a list of employees and their positions within each business, as well as financial information required by the Board.

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not terminal operator licensees or establishment licensees.

(3) Proof that the applicant has or will establish a place of business in this Commonwealth. A supplier licensee shall maintain a place of business in this Commonwealth to remain eligible for licensure.

(4) The consent to a background investigation by the Bureau of the applicant, its principals and key employees or other persons required by the Board and a release to obtain the information necessary for the completion of the background investigation.

(5) The details of any supplier license issued by the Board to the applicant under section 1317 of the act (relating to supplier licenses) and details of any application for a supplier license that was denied by the board, if applicable.

(6) The details of any equivalent license granted or denied by other jurisdictions where gaming activities similar to those authorized by the act or this part are permitted.

(7) The type of products and services to be supplied and whether those products and services will be provided through purchase, lease, contract or otherwise.

(8) Other information determined by the Board to be appropriate.

(c) Approval and issuance of license. Upon being satisfied that the requirements in subsections (a) and (b) have been met, the Board may approve the application and issue the applicant a supplier license consistent with all of the following:

(1) A licensee shall have an affirmative duty to notify the Board of a change relating to the status of its license or to information in the application materials on file with the Board.

(2) The license is nontransferable.

(3) Other conditions established by the Board.

(d) Considerations. In determining whether an applicant is suitable to be licensed as a supplier under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals and key employees of the applicant are eligible and suitable for licensure.

(3) The integrity of financial backers.

(4) The suitability of the applicant and principals and key employees of the applicant based on the satisfactory results of:

(i) A background investigation of the applicant and its principals and key employees.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

(e) Submittal of agreements. A supplier shall submit to the Bureau of Licensing for review any agreements with a licensed manufacturer or with a terminal operator licensee. The review may include financing arrangements, inventory requirements, warehouse requirements,

warehouse space, technical competency, compensative agreements and other terms or conditions to ensure the financial independence of the supplier licensee from any licensed manufacturer or terminal operator.

(f) Occupation permit or nongaming registration. An employee of a supplier licensee who is a gaming employee or nongaming employee as defined in § 1101a.2 (relating to definitions) shall obtain an occupation permit under § 1109a.1 (relating to gaming employee occupation permits) or a nongaming registration under § 1109a.2 (relating to nongaming employee registrations).

(g) Change of control of a supplier licensee.

(1) For purposes of this subsection, a change of control of a supplier licensee will be deemed to have occurred when a person or group of persons acquires:

(i) More than 20% of a supplier licensee's securities, assets or other ownership interests.

(ii) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the supplier licensee.

(iii) Any other interest in a supplier licensee which allows the acquirer to control the supplier licensee.

(2) A supplier licensee shall notify the Bureau and the Bureau of Licensing in a manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the supplier licensee.

(3) Prior to acquiring a controlling interest in a supplier licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(i) A copy of all documents governing the acquisition.

(ii) Completed applications for the acquiring company, as required under this chapter, principals as required under § 1104a.1 (relating to principal licenses) and key employees as required under § 1105a.1 (relating to key employee licenses).

(iii) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a terminal operator licensee or establishment licensee.

(4) A person or group of persons seeking to acquire a controlling interest in a supplier licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under this subsection.

(5) A person or group of persons may not acquire a controlling interest in a supplier licensee until the petition required under this subsection, has been approved. A person or group of persons seeking to acquire a controlling interest in a supplier licensee and the supplier licensee may enter into a sales agreement that is contingent on Board approval of the petition.

(6) The requirements in this section do not apply to the acquisition of a controlling interest in a supplier licensee when all of the following conditions are met:

(i) The acquirer is an existing licensed supplier licensee.

(ii) The existing licensed supplier licensee has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(iii) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 1107a. MANUFACTURERS

Sec.

1107a.1. Manufacturer licenses.

§ 1107a.1. Manufacturer licenses.

(a) Application for licensure. A manufacturer as defined in this subpart who seeks to manufacture video gaming terminals, redemption terminals and associated equipment for use in this Commonwealth shall apply for licensure in accordance with §§ 427a.1 and 427a.2 (relating to manufacturer general requirements; and manufacturer license applications and standards).

(1) A manufacturer filing an application for licensure under this chapter shall not be required to file a diversity plan as set forth in § 427a.2(a)(3).

(b) Submittals. In addition to the information submitted under § 427a.2 an applicant shall include all of the following:

(1) The name and business address of the applicant and the applicant's affiliates, intermediaries, subsidiaries and holding companies, the principals and key employees of each business, and a list of employees and their positions within each business, as well as financial information required by the Board.

(2) A statement that the applicant and each affiliate, intermediary, subsidiary or holding company of the applicant are not terminal operator licensees or establishment licensees.

(3) The consent to a background investigation by the Bureau of the applicant, its principals and key employees or other persons required by the Board and a release to obtain the information necessary for the completion of the background investigation.

(4) The details of any equivalent manufacturer license granted or denied by other jurisdictions where gaming activities similar to those authorized by this part are permitted.

(5) The details of any manufacturer license issued by the Board to the applicant under section 1317.1 of the act (relating to manufacturer licenses) or details of any application for a manufacturer license that was denied by the Board, if applicable.

(6) The type of video gaming terminals, redemption terminals or associated equipment to be manufactured or repaired.

(7) Other information determined by the Board or the Bureau to be appropriate.

(c) Approval and issuance of license. Upon being satisfied that the requirements in subsections (a) and (b) have been met, the Board may approve the application and issue the applicant a manufacturer license consistent with all of the following:

(1) A licensee shall have an affirmative duty to notify the Board of a change relating to the status of its license or to information in the application materials on file with the Board.

(2) The license shall be nontransferable.

(3) Other conditions established by the Board.

(d) Considerations. In determining whether an applicant is suitable to be licensed as a manufacturer under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the applicant.

(2) If all principals and key employees of the applicant are eligible and suitable for licensure.

(3) The integrity of financial backers.

(4) The suitability of the applicant and principals and key employees of the applicant based on the satisfactory results of:

(i) A background investigation of principals and key employees.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

(e) Submittal of agreements. A manufacturer shall submit to the Bureau of Licensing for review any agreements with a licensed supplier, terminal operator or establishment licensee. The review may include financing arrangements, inventory requirements, warehouse requirements, warehouse space, technical competency, compensative agreements and other terms or conditions to ensure the financial independence of the licensed manufacturer from any licensed supplier, terminal operator or establishment licensee.

(f) Occupation permit or nongaming registration. An employee of a manufacturer licensee who is a gaming employee or nongaming employee as defined in § 1101a.2 (relating to definitions) shall obtain an occupation permit under § 1109a.1 (relating to gaming employee occupation permits) or a nongaming registration under § 1109a.2 (relating to nongaming employee registrations).

(g) Change of control of a manufacturer licensee.

(1) For purposes of this subsection, a change of control of a manufacturer licensee will be deemed to have occurred when a person or group of persons acquires:

(i) More than 20% of a manufacturer licensee's securities, assets or other ownership interests.

(ii) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the manufacturer licensee.

(iii) Any other interest in a manufacturer licensee which allows the acquirer to control the manufacturer licensee.

(2) A manufacturer licensee shall notify the Bureau and the Bureau of Licensing in a manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the manufacturer licensee.

(3) Prior to acquiring a controlling interest in a manufacturer licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(i) A copy of all documents governing the acquisition.

(ii) Completed applications for the acquiring company, as required under this chapter, principals as required under Chapter 433a (relating to principal licenses) and key employees as required under § 435a.2 (relating to key employee license).

(iii) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a terminal operator licensee or establishment licensee and that the acquirer has neither applied for nor holds a terminal operator license or establishment license.

(4) A person or group of persons seeking to acquire a controlling interest in a manufacturer licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (a).

(5) A person or group of persons may not acquire a controlling interest in a manufacturer licensee until the petition required under subsection (g) has been approved. A

person or group of persons seeking to acquire a controlling interest in a manufacturer licensee and the manufacturer licensee may enter into an agreement of sale that is contingent on Board approval of the petition.

(6) The requirements in this section do not apply to the acquisition of a controlling interest in a manufacturer licensee when all of the following conditions are met:

(i) The acquirer is an existing licensed manufacturer licensee.

(ii) The existing licensed manufacturer licensee has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(iii) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 1108a. GAMING SERVICE PROVIDERS

Sec.

1108a.1. Gaming service providers.
1108a.2. Interim authorization.
1108a.3. Emergency gaming service provider.

§ 1108a.1. Gaming service providers.

(a) A gaming service provider providing goods or services to a terminal operator licensee that directly relates to the operation and security of a video gaming terminal or redemption terminal shall apply to the Board to be registered as a gaming service provider.

(b) A gaming service provider seeking registration shall complete a Gaming Service Provider Registration Form. The original copy and the fee toward the cost of the investigation of the applicant posted on the Board's web site shall be submitted to the Bureau of Licensing by the terminal operator applicant or licensee for whom the gaming service provider will provide goods or services unless otherwise directed by the Bureau of Licensing.

(c) In addition to the materials required under subsection (b), an applicant for a gaming service provider registration shall do all of the following:

(1) Submit the nonrefundable application fee posted on the Board's web site.

(2) Submit fingerprints of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the registered gaming service provider applicant. For purposes of this paragraph, “officer” means a president, a chief executive officer, a chief financial officer and a chief operating officer, and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(ii) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the registered gaming service provider applicant.

(iii) Each salesperson of a registered gaming service provider applicant who solicits business from, or has regular contact with, any representatives of a terminal operator applicant or licensee.

(d) A person who holds any direct or indirect ownership or beneficial interest in a registered gaming service provider or applicant for gaming service provider registration, or has the right to any profits or distributions directly or indirectly, from the registered gaming service provider or applicant for gaming service provider registration may be required to submit fingerprints if the Bureau determines that the submission of fingerprints of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(e) Each of the individuals required to submit fingerprints under subsection (b)(2) must be found qualified by the Board.

(f) A gaming service provider registration will not be issued until all fees and costs have been paid.

§ 1108a.2. Interim authorization.

(a) Notwithstanding § 1108a.1 (relating to gaming service providers), the Bureau of Licensing may authorize an applicant for a gaming service provider registration to conduct business with a terminal operator applicant or licensee prior to the registration of the gaming service provider applicant if all of the following criteria are met:

(1) A completed Gaming Service Provider Registration application has been filed by the gaming service provider.

(2) The terminal operator applicant or licensee contracting or doing business with the gaming service provider certifies that it has performed due diligence on the gaming service provider and believes that the applicant meets the qualification to be a gaming service provider under 4 Pa.C.S. Part III (relating to video gaming) and § 1108a.1.

(3) The applicant for gaming service provider registration agrees, in writing, that the grant of interim authorization to conduct business prior to Board approval of registration does not create a right to continue to conduct business if the Board determines that the applicant is not suitable or continued authorization is not in the public interest.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for registration, the Bureau of Licensing may rescind the permission granted to the applicant to conduct business with a terminal operator applicant or licensee under subsection (a). If the permission is rescinded, the applicant for registration shall cease conducting business with the terminal operator applicant or licensee by the date specified in the notice of the rescission by the Bureau of Licensing under subsection (c).

(c) The Bureau of Licensing will notify the applicant and the terminal operator applicant or licensee by registered and electronic mail that permission to conduct business with the

terminal operator applicant or licensee under subsection (a) has been rescinded and that the terminal operator applicant or licensee shall cease conducting business with the applicant by the date specified in the notice.

§ 1108a.3. Emergency gaming service provider.

(a) A terminal operator licensee may utilize a gaming service provider that is not registered when a threat to public health, welfare or safety exists, or circumstances outside the control of the terminal operator licensee require immediate action to mitigate damage or loss to the licensee's video gaming terminals.

(b) When using a gaming service provider that is not registered to conduct business to respond to an emergency, the terminal operator licensee shall do all of the following:

(1) Immediately notify the Board's Bureau of Casino Compliance and Bureau of Licensing of the emergency and the gaming service provider that was selected to provide emergency services.

(2) File a Gaming Service Provider Emergency Notification Form with the Bureau of Licensing within 72 hours after commencement of the gaming service provider's services and a written explanation of the basis for the procurement of the emergency gaming service provider.

(c) If the terminal operator licensee continues to utilize the gaming service provider after the emergency circumstances have passed or if the Bureau of Licensing determines that the circumstances did not necessitate the use of an emergency gaming service provider, the gaming service provider shall comply with the requirements in this chapter.

CHAPTER 1109a. OCCUPATION PERMITS

Sec.

1109a.1. Gaming employee occupation permits.
1109a.2. Nongaming employee registrations.

§ 1109a.1. Gaming employee occupation permits.

(a) A gaming employee as defined in this subpart shall apply for an occupation permit in accordance with § 435a.3 (relating to occupation permit).

(b) In addition to the requirements in subsection (a), a gaming employee applying for an occupation permit shall submit all of the following:

(1) Verification of an offer of employment from, or employment by a terminal operator licensee, an establishment licensee, a manufacturer licensee, a supplier licensee or a gaming service provider and the nature and scope of the proposed duties of the person.

(2) The previous employment history of the person.

(3) The details of an occupation permit or similar license granted or denied to the applicant in other jurisdictions.

(4) A current photograph of the person.

(5) The criminal history record of the person, as well as the person's consent for the Bureau to conduct a background investigation.

(6) Other information as determined by the Board.

(c) After reviewing the application and the results of the applicant’s background investigation, the Board may issue a gaming employee occupation permit if the individual has proven that he is a person of good character, honesty and integrity, and is eligible and suitable to hold an occupation permit.

§ 1109a.2. Nongaming employee registrations.

A person who is employed by an terminal operator licensee, establishment licensee, manufacturer, supplier or gaming service provider and whose duties do not involve monitoring a video gaming area or the conduct of video gaming may be required to apply for a nongaming employee registration in accordance with § 435a.5 (relating to nongaming employee registration) if the Board or the Bureau of Licensing determines that submitting an application and obtaining a registration is required to ensure the integrity of video gaming in this Commonwealth.

CHAPTER 1110a. APPLICATIONS GENERALLY

Sec.

1110a.1. Preliminary application submission review.
1110a.2. Application processing.
1110a.3. Deficient and abandoned applications.
1110a.4. Application withdrawal.

§ 1110a.1. Preliminary application submission review.

(a) Upon receipt, an application will be reviewed to ensure that it contains all of the following:

(1) The applicable application forms and additional information and accompanying documentation required by 4 Pa.C.S. Part III (relating to video gaming) or the Board.

(2) Completed authorization forms, if required, for release of information from governmental agencies and other entities.

(b) If an applicant fails to include any required information, the applicant will be notified and given an opportunity to cure the deficiency.

§ 1110a.2. Application processing.

(a) Upon a determination that the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

(1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.

(2) Promptly conduct an investigation of the applicant and on any matter relating to the application.

(3) Request the Department to promptly conduct a tax clearance review.

(4) Request the Department of Labor and Industry to perform an Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review on any entity.

(5) Request any agencies, entities or persons to provide information to the Board as deemed necessary by the Board.

(b) An application submitted under this part and information obtained by Board staff relating to the application will be part of the evidentiary record to be utilized by the Board when deciding to approve, condition, issue or deny a license.

(c) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

§ 1110a.3. Deficient and abandoned applications.

(a) If an application is found to be deficient, Board staff will notify the applicant of the deficiencies in the application and provide an opportunity for the applicant to cure the deficiencies within a specified time period.

(b) Failure to provide the information necessary to cure the deficiencies required under subsection (a) may result in the denial of the application or in the application being declared abandoned by the Bureau of Licensing under § 423a.4 (relating to deficient and abandoned applications).

(c) When an application is denied or declared abandoned under subsection (b), the applicant will be given written notice of this action.

§ 1110a.4. Application withdrawal.

A request for withdrawal of an application may be made at any time prior to the Board taking action by petition filed with the Office of Hearings and Appeals.

CHAPTER 1111a. LICENSE TERMS AND RENEWALS

Sec.

1111a.1. Terms and renewals.

§ 1111a.1. Terms and renewals.

(a) All licenses, permits and registrations issued under this part will be for a term of 5 years from the date of approval.

(b) An application for renewal of an establishment license shall be submitted at least 6 months prior to the expiration of the license and must include an update of all information in the initial application and any prior renewal applications and any renewal fee.

(c) Except for renewal applications submitted under subsection (b), applications for renewal shall be submitted to the Board at least 180 days prior to the expiration of the license, permit or registration and must include an update of all information in the initial application and any prior renewal applications and the payment of any renewal fee.

(d) A license, permit or registration for which an application for renewal has been timely filed will continue in effect until the Board acts upon the application for renewal.

CHAPTER 1112a. VIDEO GAMING TERMINAL, REDEMPTION TERMINAL AND ASSOCIATED EQUIPMENT TESTING AND CERTIFICATION

Sec.

1112a.1. Definitions.
1112a.2. Protocol requirements.
1112a.3. Testing and approval generally.
1112a.4. Submission for testing and approval.
1112a.5. Video gaming terminal conversions.
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1112a.10. Progressive video gaming terminals.
1112a.11. Video gaming terminal monitoring systems.
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1112a.14. Waivers.
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1112a.16. Testing and software installation in the live video gaming area.
1112a.17. RAM clear.

§ 1112a.1. Definitions.

The following words and terms, when used in this chapter and subsequent chapters, have the following meanings, unless the context clearly indicates otherwise:

Asset number—A unique number assigned to a video gaming terminal by a terminal operator for the purpose of tracking the video gaming terminal, while owned or leased by the terminal operator.

Bill validator—An electronic device designed to interface with a video gaming terminal for the purpose of accepting and validating any combination of United States currency, gaming

vouchers, coupons or other instruments authorized by the Board for incrementing credits on a video gaming terminal.

Conversion—A change or alteration to a video gaming terminal that does not affect the manner or mode of play or operation of the video gaming terminal.

Currency cassette—A container that holds banknotes that are available for dispensing.

Finance department—The department that is responsible for the management of the financial and accounting activities relating to video gaming terminals being utilized in a licensed establishment.

Gaming day—The period of time from 6 a.m. to 5:59 a.m. the following calendar day, corresponding to the beginning and ending times of gaming activities for the purpose of accounting reports and determination of gross terminal revenue.

Gaming voucher—An instrument that upon insertion into a bill validator entitles the patron inserting the gaming voucher to cashable credits on a video gaming terminal corresponding to the value printed on the gaming voucher.

Gaming voucher system—The collective hardware, software, communications technology and other ancillary equipment used to facilitate the issuance of gaming vouchers and the redemption of gaming vouchers by video gaming terminals and automated gaming voucher redemption terminals.

Machine displayed payout percentage—The selectable payout percentage that is set by the terminal operator during the initial configuration or a subsequent reconfiguration of a video gaming terminal and is displayed in the video gaming terminal's service menu during normal operation.

Minimum payout percentage—The lowest aggregate awards expected to be paid out over one cycle of the game divided by the total number of combinations in the cycle of the game.

Modification—

(i) A change or alteration in a video gaming terminal or associated equipment that affects the manner or mode of play or operation of the video gaming terminal or associated equipment.

(ii) The term includes a change to control or graphics programs and to the theoretical hold percentage.

(iii) In the case of video gaming terminals, the term does not include:

(A) A conversion.

(B) Replacement of one approved component with an identical component.

(iv) In the case of a progressive system, the term includes a change in:

(A) A system name or theme.

(B) The odds to win the progressive payout.

(C) The reset amount.

(D) The rate at which a progressive award increases.

(E) The wager necessary to win the progressive payout.

Paytable—A selectable part of a video gaming terminal program that contains video gaming terminal characteristics including the theoretical payout percentage, reel strips and awards.

Progressive awards—The award to be paid out when the event in the progressive game that triggered the award occurs.

Progressive controller—A program or computer system, other than an approved program that controls the operation of the video gaming terminal, which controls, adjusts and displays the amount of the progressive jackpot.

Progressive payout—A video gaming terminal payout that increases in a monetary amount based on the amounts wagered in a progressive system.

Progressive video gaming terminal—A video gaming terminal that offers a jackpot that may increase in value based upon the video gaming terminal wagers placed.

Pseudo random number generator—Software or hardware, or both, that ensures the randomness of video gaming terminal outcomes.

RAM—Random access memory.

RAM clear—A process initiated by a service technician that results in the zeroing out of any meter information, configuration information or data stored in the memory of a video gaming terminal.

Randomness—The observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

Reel strips—Components of a video gaming terminal which display symbols.

Related systems—Systems which interface with video gaming terminals.

Remote system access—Connectivity to terminal operator systems from outside the terminal operator's network.

Reset amount—The award value that a progressive award reverts to after the progressive award is paid out.

Server supported video gaming terminal system—One or more video gaming terminals connected to a video gaming terminal server and an associated computer network.

Theme—A concept, subject matter and methodology of design of a video gaming terminal.

Theoretical payout percentage—The aggregate awards expected to be paid out over one cycle of the game divided by the total number of combinations in the cycle of the game.

Unredeemed gaming voucher—A gaming voucher that has not been redeemed in a ticket redemption unit or a video gaming voucher that has been found and returned to an establishment licensee.

Video gaming terminal bill validator—A component made up of software and hardware that accepts and reads instruments such as bills or vouchers into gaming devices such as video gaming terminals and automated gaming voucher redemption terminals.

Video gaming terminal monitoring system—The collective hardware, software, communications technology and other ancillary equipment used to collect, monitor, interpret, analyze, authorize, report and audit data with regard to activity at video gaming terminals, inclusive of video gaming terminal meter readings, error conditions, video gaming terminal security, accounting, player tracking and productivity analysis.

Video gaming terminal operations department—The department of a terminal operator that is responsible for all operations in any truck stop establishment where video gaming terminals are kept.

Video gaming terminal server—A computer configured to receive, store, authenticate and download to video gaming terminals, Board-approved video gaming terminal game themes and other approved software.

Video gaming terminal system operator—The persons designated in a video gaming terminal system agreement as being responsible for the operation and administration of a wide area progressive system.

Wager—Placing at risk in a video gaming terminal a bill or video gaming voucher.

§ 1112a.2. Protocol requirements.

In accordance with 4 Pa.C.S. §§ 3309 and 3518 (relating to central control computer system; and video gaming accounting controls and audits), manufacturer licensees, supplier licensees and terminal operators are required to ensure all video gaming terminals are enabled to communicate with the Department's central control computer for the purpose of transmitting auditing program information and activating and disabling video gaming terminals.

§ 1112a.3. Testing and approval generally.

(a) In accordance with 4 Pa.C.S. § 3701 (relating to testing and certification of terminals), video gaming terminals and redemption terminals and associated equipment operated in this Commonwealth shall be tested and approved in accordance with § 1112a.4 (relating to submission for testing and approval).

(b) The fees for testing and certification of video gaming terminals, redemption terminals and associated equipment at the Board's testing facility shall be paid by each manufacturer licensee on a quarterly basis based upon the time spent testing and certifying each manufacturer's number of products reviewed according to a fee schedule adopted by the Board.

(c) The Board will require payment of all costs for the testing and approval of video gaming terminals and redemption terminals and associated equipment submitted by manufacturers or gaming related gaming service providers or installed at an establishment licensee's facility based on the actual direct costs incurred by the Board.

(d) The Board will require a manufacturer licensee seeking approval of a video gaming terminal and redemption terminal and associated equipment to pay all costs of transportation, inspection and testing.

§ 1112a.4. Submission for testing and approval.

(a) A video gaming terminal, redemption terminal and associated equipment identified in subsection (c) (collectively referred to as “products” or “equipment, device or software”), or a modification thereto, may not be offered for sale, lease or distribution for ultimate use by a manufacturer or supplier licensee in this Commonwealth unless a prototype identical in all mechanical, electrical, electronic and other respects has been tested by the Bureau of Gaming Laboratory Operations and approved by the Board's Executive Director.

(b) When an applicant for, or holder of a terminal operator license develops software or a system that is functionally equivalent to any of the video gaming system enumerated in subsection (c), that software or system is subject to the testing and approval process of this subpart to the same extent as if the software or system were developed by an applicant for, or holder of, a manufacturer license. A reference in this subpart to the responsibilities of a manufacturer applies to an applicant for, or holder of, a terminal operator license developing software or systems subject to testing and approval under this subpart.

(c) For the purposes of this section, video gaming terminals, redemption terminals and associated equipment that shall be submitted for testing and approval include all of the following:

(1) Video gaming terminals, including bill validators and printers.

(2) Video gaming monitoring systems, to the extent the systems interface with video gaming terminals and related systems.

(3) Progressive systems, including wide area progressive systems.

(4) Gaming voucher systems.

(5) Machines performing gaming voucher payout transactions.

(6) Other related systems.

(d) Video gaming terminal prototypes and modifications thereto, which are subject to testing and approval under this section, will be evaluated by the Bureau of Gaming Laboratory Operations for overall operational integrity and compliance with 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board as published in the Pennsylvania Bulletin and posted on the Board's web site. In addition, with regard to any video gaming terminal or modification thereto, the Bureau of Gaming Laboratory Operations will test for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation, and disabling of slot machines and fully automated electronic gaming tables.

(e) The Bureau of Gaming Laboratory Operations may prescribe a standard product submission checklist, together with supplemental product specific submission checklists for completion by an applicant for, or holder of, a manufacturer license, to facilitate the examination and analysis of a prototype or modification.

(f) The Board may require the chief engineer of the applicant for, or holder of, a manufacturer license or the engineer in charge of the division of the manufacturer responsible for producing the product submitted to attest that the product was properly and completely tested by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations.

(g) When an applicant for, or holder of, a manufacturer license seeks Board approval of a video gaming terminal prototype, associated equipment prototype or any modification thereto as described in subsection (c), the manufacturer shall submit to the Bureau of Gaming Laboratory Operations all of the following:

(1) A prototype of the equipment, device or software accompanied by a written request for testing and approval. The manufacturer shall transport the equipment, device or software at its own expense and deliver it to the Bureau of Gaming Laboratory Operations in accordance with provided instructions.

(2) Certifications required under subsection (f) providing assurances from the manufacturer that the product was properly and completely tested and emulated by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations and that the product, device or software complies with 4 Pa.C.S. Part III, this subpart and technical standards adopted by the Board as published in the Pennsylvania Bulletin and posted on the Board's web site, including applicable requirements related to the central control computer.

(3) An executed copy of a current product submission checklist and any product specific supplemental submission checklists applicable to the submitted equipment, device or software.

(4) A complete, comprehensive and technically accurate description of the equipment, device or software, accompanied by applicable diagrams, schematics and specifications, together with documentation with regard to the manner in which the product was tested and emulated by the manufacturer prior to its submission to the Bureau of Gaming Laboratory Operations.

(5) Any hardware, software and other equipment, inclusive of technical support and maintenance applicable thereto, required by the Bureau of Gaming Laboratory Operations to conduct the testing and approval process contemplated by 4 Pa.C.S. Part III, this subpart and technical standards adopted by the Board as published in the Pennsylvania Bulletin and posted on the Board's web site. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(6) In the case of a video gaming terminal prototype, all of the following additional information:

(i) A copy of all executable software, including data and graphics information, on electronically readable, unalterable media.

(ii) A copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in a video gaming terminal on electronically readable, unalterable media.

(iii) A copy of all graphical images displayed on the video gaming terminal, including reel strips, rules, instructions and paytables.

(iv) A mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy.

(v) Hardware block diagrams of the major subsystems.

(vi) A complete set of schematics for all subsystems.

(vii) A wiring harness connection diagram.

(viii) A technical and an operator manual.

(ix) A description of security methodologies incorporated into the design of the video gaming terminal, including, when applicable, encryption methodology for all alterable media, auto-authentication of software and recovery capability of the video gaming terminal for power interruption.

(x) For meters required by this subpart or technical standards adopted by the Board as published in the Pennsylvania Bulletin and posted on the Board's web site, a cross-reference of product meters to the required meters, if necessary.

(xi) A description of error conditions and the corresponding action required by the operator.

(xii) A description of the use and function of available dip switch settings or configurable options.

(xiii) A description of the pseudo random number generator or generators used to determine game outcome, including a detailed explanation of operational methodology, and a description of the manner by which the pseudo random number generator and random number selection process is impervious to outside influences, interference from electro-magnetic, electrostatic and radio frequencies, and influence from ancillary equipment by means of data communications. Test results in support of representations shall be submitted. For the purposes of this subparagraph, “game outcome” means the results of a wager.

(xiv) Specialized hardware, software or testing equipment, inclusive of technical support and maintenance, needed to complete the evaluation, which may include an emulator for a specified microprocessor, personal computers, extender cables for CPU boards, target reel strips and door defeats. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(xv) A compiler, or reasonable access to a compiler, for the purpose of building applicable code modules.

(xvi) Program storage media including EPROMs, EEPROMs and any type of alterable media for video gaming terminals.

(xvii) Technical specifications for any microprocessor or microcontroller.

(xviii) A complete, comprehensive and technically accurate description of the manner in which the video gaming terminals were tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of video gaming terminals.

(xix) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the video gaming terminals.

(7) In the case of a modification to a video gaming terminal prototype, including a change in theme, all of the following additional information:

(i) A complete, comprehensive and technically accurate description of the proposed modification to the video gaming terminals prototype, accompanied by applicable diagrams, schematics and specifications.

(ii) When a change in theme is involved, a copy of the graphical images displayed on the video gaming terminals including reel strips, rules, instructions and paytables.

(iii) When a change in the manner in which the theoretical payout percentage is achieved is involved, a mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through to the final results of all calculations including bonus pays and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy.

(iv) A complete, comprehensive and technically accurate description of the manner in which the video gaming terminals were tested for compatibility and compliance with the central control computer and protocol specifications approved by the Department including the ability to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval and activation and disabling of video gaming terminals.

(v) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the modification of the video gaming terminals.

(8) In the case of a video gaming terminals monitoring system or automated gaming voucher machine, or any other equipment or system required to be tested and approved under subsection (c), all of the following:

(i) A technical and an operator manual.

(ii) A description of security methodologies incorporated into the design of the machine to include, when applicable, password protection, encryption methodology and its application, auto-authentication, network redundancy, back-up and recovery procedures.

(iii) A complete schematic or network diagram of the machine's major components accompanied by a description of each component's functionality and a software object report. The description must disclose the functions performed by each component.

(iv) A description of the data flow, in narrative and in schematic form, including specifics with regard to data cabling.

(v) A list of computer operating systems and third-party software incorporated into the system together with a description of their interoperability.

(vi) System software and hardware installation procedures.

(vii) A list of available system reports.

(viii) When applicable, features for each machine which may include employee card functions, reconciliation procedures and patron services.

(ix) A description of the interoperability testing including test results for each submitted machine's connection to, as applicable, computerized systems for counting money and vouchers. This list must identify the tested products by manufacturer, model and software identification and version number.

(x) A narrative describing the method used to authenticate software.

(xi) All source code.

(xii) A complete, comprehensive and accurate description, accompanied by applicable diagrams, schematics and specifications, of the creation of a voucher and the redemption options available.

(xiii) Any specialized hardware, software or other equipment, inclusive of technical support and maintenance applicable thereto, required by the Bureau of Gaming Laboratory Operations to conduct the testing and approval process contemplated by 4 Pa.C.S. Part III, this subpart and technical standards adopted by the Board as published in the Pennsylvania Bulletin and posted on the Board's web site. The testing equipment and services required by this paragraph shall be provided at no cost to the Board.

(xiv) Additional documentation requested by the Board related to the equipment or system being tested.

(9) In the case of a modification to any of the systems identified in paragraph (8), all of the following additional information:

(i) A complete, comprehensive and technically accurate description of the proposed modification to the machine, accompanied by applicable diagrams, schematics and specifications.

(ii) A brief narrative disclosing the purpose for the modification.

(iii) Additional documentation requested by the Bureau of Gaming Laboratory Operations relating to the modification.

(h) At the conclusion of testing of a prototype or modification by the Bureau of Gaming Laboratory Operations, but prior to a decision to approve a prototype or modification, the

Board's Executive Director may require a trial period of scope and duration as he deems appropriate to assess the operation of the prototype or modification in a live gaming environment. The conduct of the trial period is subject to compliance by the licensed manufacturer, applicable licensed suppliers, gaming service provider and the terminal operator with specific terms and conditions as may be required by the Board's Executive Director, which may include development and implementation of product specific accounting and internal controls, periodic data reporting to the Board's Executive Director and compliance with technical standards on trial periods or the prototype or modification adopted by the Board as published in the Pennsylvania Bulletin and posted on the Board's web site. The Board's Executive Director may authorize the receipt of compensation by a licensed manufacturer, licensed supplier or gaming service provider during the trial period. The Board's Executive Director may terminate the trial period if he determines that the licensed manufacturer, licensed suppliers, gaming service provider or terminal operator conducting the trial period has not complied with the terms and conditions required by the Board's Executive Director or that the product is not performing as expected.

(i) At the conclusion of testing of a prototype or modification, the Bureau of Gaming Laboratory Operations will report to the Board's Executive Director the results of its testing. Upon receipt of the Bureau of Gaming Laboratory Operations' report, the Board's Executive Director will:

(1) Approve, approve with conditions or reject the submitted prototype or modification.

(2) Require additional testing or a trial period under subsection (h).

(j) The Board's Executive Director approval of a prototype or modification does not constitute a guarantee of the prototype's or modification's safety.

(k) A terminal operator is prohibited from installing in an establishment licensee's facility a video gaming terminal or associated equipment, or modification thereto, that is required to be tested unless the equipment, device or software has been approved by the Board's Executive Director. A terminal operator may not modify, alter or tamper with an approved video gaming terminal or associated equipment. A video gaming terminal or associated equipment installed in an establishment licensees' facility in contravention of this requirement will be subject to seizure by the Board.

(l) Notwithstanding subsection (k), the Board's Executive Director may authorize installation of a modification to a video gaming terminal prototype, or associated equipment prototype on an emergency basis to prevent cheating or malfunction, upon the written request of a licensed manufacturer. The request must expressly detail the name and employer of any persons to be involved in the installation of the modification and the manner in which it is to be effected. Within 15 days of receipt of any authorization to install an emergency modification, the manufacturer shall submit the modification for full testing and approval in accordance with this subpart.

(m) A terminal operator shall immediately notify the Bureau of Casino Compliance of any known or suspected defect or malfunction in any video gaming terminal or associated equipment installed in its licensed facility. The terminal operator shall comply with instructions issued by the Bureau of Gaming Laboratory Operations with regard to the continued operation of the video gaming terminal or associated equipment.

(n) Concurrent with the initial receipt of video gaming terminals, a terminal operator shall file a video gaming terminal master list.

(o) The testing of equipment, devices or software under this subpart may require the dismantling of the product and testing that may result in damage to, or destruction of, one or more systems or components. Once submitted for testing, equipment, devices or software will not be returned to the manufacturer.

§ 1112a.5. Video gaming terminal conversions.

A terminal operator shall do all of the following:

(1) Maintain complete and accurate records of all conversions.

(2) Give prior notice of a video gaming terminal conversion to the Bureau of Casino Compliance in writing.

(3) Notify the Department in accordance with § 463a.4 (relating to notice and connection to the central control computer system).

§ 1112a.6. Revocations and additional conditions.

The Board may revoke the approval of or impose additional conditions on a video gaming terminal prototype or associated equipment prototype, or modification thereto, if the equipment, device or software meets either of the following criteria:

(1) The equipment, device or software is not in compliance with 4 Pa.C.S. Part III (relating to video gaming), this subpart or technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(2) The video gaming terminal, or modification thereto, is not compatible with, or compliant with the central control computer and protocol specifications approved by the Department or is unable to communicate with the central control computer for the purpose of transmitting auditing program information, real time information retrieval, and activation and disabling of video gaming terminal.

§ 1112a.7. Video gaming terminal minimum design standards.

(a) A video gaming terminal may not be set to pay out less than the theoretical payout percentage, which may not be less than 85%, calculated using the lowest possible wager that could be played for any single play, or equal or exceed 100%, calculated using the highest

eligible wager available. The theoretical payout percentage for the total value of video gaming terminal wagers will be calculated using the following:

(1) The defined set of all symbols that will be displayed using spinning reels or video displays, or both.

(2) The finite set of all possible combinations which shall be known as the cycle of the game. All possible combinations in a video gaming terminal cycle must be independent of each other and of all possible combinations from cycles in other video gaming terminal.

(3) The value of each winning combination that corresponds with the set from paragraph (2) which, whether by reason of skill or application of the element of chance, or both, may deliver or entitle the person or persons playing the video gaming terminal to wins.

(4) The odds of any winning combination may not exceed 50 million to 1.

(b) The calculation of the theoretical payout percentage may not include the amount of any progressive wins in excess of the initial or reset amount.

(c) A play offered by a video gaming terminal may not have a theoretical payout percentage which is less than, when calculated to one hundredth of a percentage point, the theoretical payout percentage for any other play offered by that video gaming terminal which is activated by a video gaming terminal wager in a lesser amount than the video gaming terminal wager required for that play. Notwithstanding the foregoing, the theoretical payout percentage of one or more particular plays may be less than the theoretical payout percentage of one or more plays which require a lesser wager provided that:

(1) The aggregate total of the decreases in the theoretical payout percentage for plays offered by the video gaming terminal is not more than 1/2 of 1%.

(2) The theoretical payout percentage for every play offered by the video gaming terminal is equal to or greater than the theoretical payout percentage for the play that requires the lowest possible wager that will activate the video gaming terminal.

(d) The selection from the set of all possible combinations of symbols shall be made applying a pseudo random number generator. At a minimum, a pseudo random number generator must adhere to all of the following criteria:

(1) The random selection process must meet a 95% confidence interval.

(2) A random number generator must pass a standard chi-squared test for goodness of fit.

(3) Each possible video gaming terminal combination which produces winning or losing video gaming terminal outcomes must be available for random selection at the initiation of each play.

(4) A video gaming terminal payout percentage that may be affected by reason of skill must meet the theoretical payout requirements in this subpart when evaluated by the Board using a method of play that will provide the greatest return to the player.

(5) Once a random selection process has occurred, the video gaming terminal must do all of the following:

(i) Display an accurate representation of the randomly selected outcome.

(ii) Not make a secondary decision which affects the result shown to the person playing the video gaming terminal.

(e) A video gaming terminal is prohibited from automatically altering any function of the video gaming terminal based on internal computation of the hold percentage.

(f) The available winning combinations and applicable rules of play for a video gaming terminal must be available at all times the video gaming terminal is idle to the patron playing the video gaming terminal. The award schedule of available winning combinations may not include possible aggregate awards achievable from free plays. A video gaming terminal that includes a strategy choice must provide mathematically sufficient information for a patron to use optimal skill. Information regarding a strategy choice need not be made available for any strategy decisions whenever the patron is not required, in addition to the initial wager, to make an additional wager and, when as a result of playing a strategy choice, the patron cannot lose any credits earned thus far during that game play.

(g) Video gaming terminals approved for use in an establishment licensee's facility must be equipped with all of the following meters that comply with the technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site:

(1) Coin in. A meter that accumulates the total value of all wagers, whether the wager results from the insertion of currency, gaming vouchers, credits won or any other means. This meter must, for multigame and multidenomination/multigame video gaming terminal, monitor the information necessary, on a per paytable basis, to calculate a weighted average actual payout percentage.

(2) Coin out. A meter that accumulates the total value of all amounts directly paid by the video gaming terminal as a result of winning wagers, whether the payout is made directly from the printer by issuance of a gaming voucher, directly to a credit meter or by any other means. This meter may not record amounts awarded as the result of a progressive payout.

(3) Attendant paid cancelled credits. A meter that accumulates the total value of all amounts paid by an attendant resulting from a player initiated cash-out that exceeds the physical or configured capability of the video gaming terminal.

(4) Bill in. A meter that accumulates the total value of currency accepted. The video gaming terminal must also have a specific meter for each denomination of currency accepted that records the number of bills accepted for each denomination.

(5) Voucher in—cashable/value. A meter that accumulates the total value of cashable gaming vouchers accepted by the video gaming terminal.

(6) Voucher in—cashable/count. A meter that accumulates the total number of cashable gaming vouchers accepted by a video gaming terminal.

(7) Voucher out—cashable/value. A meter that accumulates the total value of cashable gaming vouchers issued by the video gaming terminal.

(8) Voucher out—cashable/count. A meter that records the total number of cashable gaming vouchers issued by a video gaming terminal.

(9) Video gaming terminal paid progressive payout. A meter that accumulates the total value of credits paid as a result of progressive awards paid directly by the video gaming terminal. This meter may not record awards paid as a result of an external bonusing system.

(10) Attendant paid progressive payout. A meter that accumulates the total value of credits paid by a video gaming terminal attendant as a result of progressive awards that are not capable of being paid by the video gaming terminal. This meter may not include awards paid as a result of an external bonusing system.

(11) Additional requirements. Other meters required by technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(h) A video gaming terminal that does not meter one or more of the events required to be metered under subsection (g) may be approved when a terminal operator's system of internal controls establishes that the meter is not required to capture all critical transactions occurring on the video gaming terminal.

(i) The meters required under subsection (g) must continuously and automatically increment in units equal to the denomination of the video gaming terminal or, in the case of a video gaming terminal configured for multidenomination play, must display the required information in dollars and cents.

(j) A video gaming terminal approved for use in an establishment licensee's must be equipped with all of the following noncumulative meters:

(1) Credits wagered. A meter, visible from the front exterior of a video gaming terminal, known as a credit wagered meter that advises the patron of the total value of amounts wagered in a particular game or round of video gaming.

(2) Win meter. A meter, visible from the front exterior of the video gaming terminal, known as a win meter that advises the patron of the total value of amounts won in the immediately concluded game or round of video gaming play.

(3) Credits paid. A meter, visible from the front exterior of the video gaming terminal, known as a credits paid meter that advises the patron of the total value of the last:

(i) Cash out initiated by the patron.

(ii) Attendant paid cancelled credit.

(4) Credit meter. A meter, visible from the front exterior of the video gaming terminal and specifically labeled as a credit meter, which advises the patron as to the number of credits or monetary value available for wagering on the video gaming terminal.

(k) A video gaming terminal must have a meter which stores the number of games played, in the manner and for a duration specified in this subpart or in technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site, since the following events:

(1) Power reset.

(2) Door close.

(3) Game initialization (RAM clear).

(l) A video gaming terminal must be equipped with a device, mechanism or method for retaining the total value of all meters required under subsection (g) for 72 hours subsequent to a power loss.

(m) The required meters on a video gaming terminal must be accessible and legible without access to the interior of the video gaming terminal.

(n) A video gaming terminal must be equipped with a tower light capable of effectively communicating the status of the video gaming terminal in accordance with technical standards on tower lights and error conditions.

(o) A video gaming terminal must be equipped with a device, mechanism or method for detecting, displaying and communicating to a video gaming terminal monitoring system error conditions. The error conditions detected, displayed and communicated by a video gaming terminal, and the method to be utilized to clear the message with regard to the error condition, must be in accordance with technical standards on tower lights and error conditions.

(p) A video gaming terminal must, in accordance with 4 Pa.C.S. § 3309 (relating to central control computer system), comply with the comprehensive protocol specifications necessary to enable the video gaming terminal to communicate with the Department's central control computer as that protocol is amended or supplemented, for the purpose of transmitting auditing program information, real time information retrieval and slot machine activation and disabling.

(q) Printers incorporated into a video gaming terminal must be:

(1) Designed to allow the video gaming terminal to detect and report a low paper level, paper out, presentation error, printer failure and paper jams.

(2) Mounted inside a lockable compartment within the video gaming terminal.

(r) Seating made available by a terminal operator licensee for use during video gaming play may be fixed and stationary or nonfixed. When fixed and stationary seating is used, it shall be installed in a manner that effectively precludes its ready removal by a patron but permits controlled removal, for example for American With Disabilities Act of 1990 (42 U.S.C.A. §§ 12101—12213) purposes. When nonfixed seating is used, the terminal operator shall maintain a minimum aisle width of 48 inches, measured from the seat back to a wall, divide or another seat back when the nonfixed seating is vacant and is touching or is as close as possible to the video gaming terminal at which the nonfixed seating is being used.

(s) Unless a terminal operator's video gaming terminal monitoring system is configured to automatically record all of the information required by this subsection, the terminal operator is required to physically house in each video gaming terminal all of the following entry authorization logs:

(1) A machine entry authorization log that documents each time a video gaming terminal or any device connected thereto which may affect the operation of the video gaming terminal is opened. The log must contain, at a minimum, the date, time, purpose for opening the video gaming terminal or device, and the signature and license or permit number of the person opening and entering the video gaming terminal or device. Each log must have recorded thereon a sequence number and the manufacturer's serial number or the asset number corresponding to the video gaming terminal in which it is housed.

(2) A progressive entry authorization log that documents each time a progressive controller not housed within the cabinet of the video gaming terminal is opened. The log must contain, at a minimum, the date, time, purpose for accessing the progressive controller, and the signature and license or permit number of the person accessing the progressive controller. Each log must be maintained in the progressive controller unit and have recorded thereon a sequence number and the manufacturer's serial number of the progressive controller.

(t) A video gaming terminal must be equipped with a lock controlling access to the card cage door securing the microprocessor, the key to which must be different from any other key securing access to the video gaming terminal's components including its belly door or main door, bill validator or video gaming terminal cash storage box. Access to the key securing the microprocessor shall be limited to an employee of a terminal operator who possesses a valid gaming occupation permit, unless another person is specifically authorized to possess a key by the Board's Executive Director.

(u) A video gaming terminal must be equipped with a mechanism for detecting and communicating to a video gaming terminal monitoring system any activity with regard to access to the card cage door securing its microprocessor.

(v) A video gaming terminal that does not require a full-time attendant for operation must be equipped with a service button designed to allow the player of a video gaming terminal to request assistance or report a terminal malfunction. The service button must:

(1) Be visible to and within easy reach of the player of the video gaming terminal.

(2) Communicate directly or through the video gaming terminal to the video gaming terminal's tower light which will provide a signal that is in compliance with the technical standards on video gaming terminal tower lights.

(w) A video gaming terminal on the gaming floor must have a label on the top of the video gaming terminal and on the front of the video gaming terminal near the bill validator that displays the asset number and the gaming floor plan location number of the video gaming terminal. The labels must have white lettering on a black background or other color combination approved by the Bureau of Casino Compliance, may not be easily removed and must be easily visible to surveillance cameras. The label on the top of the slot machine must be at least 1.5 inches by 5.5 inches and the label on the front of the video gaming terminal must be a least 1 inch by 2.5 inches or other sizes approved by the Bureau of Casino Compliance.

§ 1112a.8. Gaming vouchers.

(a) A terminal operator may utilize gaming vouchers and a gaming voucher system that has been tested and approved by the Board under § 461a.4 (relating to submission for testing and approval).

(b) The design specifications for a gaming voucher, the voucher verification methodologies utilized and any limitation on the value of a gaming voucher must be in compliance with technical standards on gaming vouchers.

(c) The design specifications for a gaming voucher system must be in compliance with technical standards on gaming voucher systems.

(d) Prior to issuing a gaming voucher, a terminal operator shall establish a system of internal controls for the issuance and redemption of gaming vouchers. The internal controls shall be submitted and approved by the Board and address all of the following:

(1) Procedures for assigning an asset number and identifying other redemption locations in the system, and enabling and disabling voucher capabilities for video gaming terminal and redemption locations.

(2) Procedures for issuance, modification and termination of a unique system account for each user.

(3) Procedures used to configure and maintain user passwords.

(4) Procedures for restricting special rights and privileges, such as administrator and override capabilities.

(5) The duties and responsibilities of the information technology, internal audit, video gaming terminal operations and finance departments, respectively, and the level of access for each position with regard to the gaming voucher system.

(6) A description of physical controls on all critical hardware such as locks and surveillance, including the location and security protocols applicable to each piece of equipment.

(7) Procedures for the backup and timely recovery of critical data in accordance with technical standards.

(8) Logs used to document and maintain the details of Board-approved hardware and software modifications upon implementation.

(9) Procedures for the retention, tracking and payment of the value of unredeemed gaming vouchers to the State Treasurer as required under Article XIII.1 of The Fiscal Code (72 P.S. §§ 1301.1—1301.29), regarding the disposition of abandoned and unclaimed property.

(e) The system of internal controls required to be submitted and approved by the Board under subsection (d) must also include the procedures to be applied in all of the following instances:

(1) The procedures used by the terminal operator to pay a patron the value of a video gaming voucher when the gaming voucher system is inoperable.

(2) The procedures used by the terminal operator to pay a patron the value of a video gaming voucher when the redemption terminal is inoperable.

(f) At the end of each gaming day, the video gaming voucher system must generate reports and the reports must be provided to the terminal operator, either directly by the system or through the information technology department. The report, at a minimum, must contain all of the following information:

(1) A report of all gaming vouchers that have been issued which includes the asset number and the serial number of the video gaming terminal, and the value, date and time of issuance of each gaming voucher.

(2) A report of all gaming vouchers that have been redeemed and cancelled by redemption location, including the asset number of the video gaming terminal, the serial number, the value, date and time of redemption for each voucher, and the total value of all vouchers redeemed.

(3) The unredeemed liability for gaming vouchers.

(4) The readings on gaming voucher related video gaming terminal meters and a comparison of the readings to the number and value of issued and redeemed video gaming vouchers, as applicable.

(5) Exception reports and audit logs.

(g) A terminal operator shall immediately report to the Board evidence that a video gaming voucher has been counterfeited, tampered with or altered in any way which would affect the integrity, fairness, reliability or suitability of the voucher.

(h) Upon presentation of a gaming voucher for redemption at a video gaming terminal, the total value of which gaming voucher cannot be completely converted into an equivalent value of credits that match the denomination of the video gaming terminal, the video gaming terminal must perform one of the following procedures:

(1) Automatically issue a new gaming voucher containing the value that cannot be completely converted.

(2) Not redeem the gaming voucher and immediately return the gaming voucher to the patron.

(3) Allow for the additional accumulation of credits on an odd cents meter or a meter that displays the value in dollars and cents.

(i) A terminal operator that utilizes a system or a video gaming terminal that does not print a test gaming voucher that is visually distinguishable from a valid gaming voucher whenever the video gaming terminal is tested on the video gaming floor must have in place internal controls approved by the Board for the issuance of test currency and the return and reconciliation of the test currency and any gaming vouchers printed during the testing process.

(j) Except as provided by the approved internal controls procedures outlined in § 1114a.1(c)(8) (relating to video gaming accounting and internal controls) with regard to employee redemption of gaming vouchers, a gaming voucher shall be redeemed by a patron for a specific value of cash through a redemption terminal on the premises of the establishment licensee or at a video gaming terminal. Notwithstanding the forgoing, a terminal operator may not permit a gaming voucher that is presented for redemption to be redeemed if it knows, or has reason to know, that the gaming voucher:

(1) Is materially different from the sample of the gaming voucher approved by the Board.

(2) Was previously redeemed.

(3) Was printed as a test gaming voucher.

(k) Gaming vouchers redeemed at automated gaming voucher redemption terminals shall be retained by the terminal operator representatives with no incompatible functions shall perform, at a minimum, all of the following:

(1) On a weekly basis, or other period approved by the Board:

(i) Compare gaming voucher system report data to any redemption terminal report data available to ensure proper electronic cancellation of the gaming voucher.

(ii) Calculate the unredeemed liability for gaming vouchers, either manually or by means of the gaming voucher system.

(2) On a weekly basis, compare appropriate video gaming terminal meter readings to the number and value of issued and redeemed gaming vouchers per the gaming voucher system. Meter readings obtained through a video gaming terminal monitoring system may be utilized to complete this comparison.

(l) A terminal operator shall provide written notice to the Bureau of Casino Compliance of any adjustment to the value of any gaming voucher. The notice shall be made prior to, or concurrent with, the adjustment.

(m) A gaming voucher system must be configured to alert a terminal operator to any malfunction. Following a malfunction of a system, a terminal operator shall notify the Bureau of Casino Compliance within 24 hours of the malfunction and may not utilize the system until the malfunction has been successfully eliminated. Notwithstanding the foregoing, the Bureau of Casino Compliance may permit a terminal operator to utilize the system prior to its being successfully restored, for a period not to exceed 72 hours, provided all of the following apply:

(1) The malfunction is limited to a single storage media device, such as a hard disk drive.

(2) In addition to the malfunctioning storage media device, the system contains a backup storage media device not utilized in the normal operation of the system. The backup device must immediately and automatically replace the malfunctioning device to permit a complete and prompt recovery of all information in the event of an additional malfunction.

(3) Continued use of the malfunctioning system would not inhibit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.

(n) Other than a modification to a gaming voucher system required on an emergency basis to prevent cheating or malfunction and approved by the Board, a modification to a gaming voucher system may not be installed without the gaming voucher system having undergone the testing and approval process required under § 1112a.4 (relating to submission for testing and approval).

§ 1112a.9. Redemption terminals.

(a) A terminal operator shall utilize an automated redemption terminal that has been tested and approved by the Board under § 1112a.4 (relating to submission for testing and approval).

(b) Redemption terminals must be located in the video gaming area of an establishment licensee and subject to surveillance coverage as approved by the Board. Each redemption terminal must have a label on the top of the redemption terminal and on the front of the redemption terminal that displays the asset number of the redemption terminal. The labels must have white lettering on a black background or other color combination approved by the Bureau of Casino Compliance and may not be easily removed. The label on the top of the redemption terminal must be at least 1.5 inches by 5.5 inches and the label on the front of the redemption terminal must be at least 1 inch by 2.5 inches or other sizes approved by the Bureau of Casino Compliance.

(c) A redemption terminal must have the capability of establishing the validity of a gaming voucher by comparing the instrument's unique serial number, automatically generated by the respective gaming voucher system in accordance with this subpart and technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site with electronic records within the gaming voucher system.

(d) The methods utilized to comply with the requirements in subsection (c) shall be submitted to and approved by the Board under § 1112a.4 in the context of the testing of a gaming voucher system.

(e) A redemption terminal may function as a bill breaker changing bills of one denomination into bills of a smaller denomination.

(f) A redemption terminal must contain a lockable gaming voucher and currency storage box which retains any gaming vouchers or currency accepted by the machine. The gaming voucher and currency storage box located inside the terminal must also have imprinted, affixed or impressed thereon the asset identification number of the corresponding terminal.

(g) A redemption terminal must have, at a minimum, all of the following:

(1) One lock securing the compartment housing the storage box and one lock securing the storage box within the compartment.

(2) One lock securing the compartment housing the currency cassettes.

(3) One lock securing the contents of the storage box.

(4) The four keys that control the four locks described in paragraphs (1)—(3) must be different from each other.

(h) A redemption terminal shall be designed to resist forced illegal entry.

(i) A redemption terminal's currency cassettes shall be designed to preclude access to its interior.

(j) Access controls relating to the operating system or applications of the redemption terminal, and ancillary systems, applications and equipment associated with the reconciliation thereof, must employ security measures that require authentication of the user and recording and maintaining of data regarding access and modifications made. Authentication must be in accordance with this subpart and technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(k) A gaming voucher accepted by a redemption terminal shall be cancelled immediately upon exchange in a manner that effectively prevents its subsequent redemption by the same or another redemption terminal or its acceptance in a video gaming terminal bill validator. The methods utilized to comply with this requirement must be in accordance with this subpart and technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(l) A redemption terminal shall be designed to be impervious to outside influences, interference from electro-magnetic, electro-static and radio frequencies, and influence from ancillary equipment.

(m) A redemption terminal must include a means to protect against transaction failure and data loss due to power loss.

(n) A redemption terminal machine must detect, display and record electronically power reset, door open, door just closed and system communication loss error conditions. These error conditions may be automatically cleared by the redemption terminal when the condition no longer exists and upon completion of a new transaction.

(o) A redemption terminal must detect, display and record electronically all of the following error conditions that disable the redemption terminal and prohibit new transactions:

(1) Failure to make payment, if the gaming voucher is not returned and a receipt is not issued.

(2) Failure to make complete payment if a receipt for the unpaid amount is not issued.

(3) Bill validator failure.

(4) Printer failure due to printer jam or lack of paper.

(p) A redemption terminal shall be designed to evaluate whether sufficient funds are available before stacking the voucher and completing the transaction.

(q) A redemption terminal must be capable of maintaining synchronization between its real-time clock and that of the gaming voucher system.

(r) A redemption terminal must be equipped with electronic digital storage meters. The information must be readily available through system reports. When a value is maintained, the value must be in dollars and cents. A redemption terminal must accumulate all of the following information:

(1) Physical coin out. The total value, by denomination, of coins paid by the redemption terminal.

(2) Voucher in—value. The value of cashable gaming vouchers accepted.

(3) Voucher in—count. The number of cashable gaming vouchers accepted.

(4) Bill in. The value of currency accepted by the redemption terminal. A redemption terminal must also have specific meters for each denomination of currency accepted that records the number of bills accepted.

(5) Bill out. The total value of currency dispensed. A redemption terminal must also provide for specific meters for each denomination of currency dispensed that record the number of bills dispensed.

(6) Additional requirements. Other meters as may be required by technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(s) A redemption terminal must have the capacity to record and retain, in an automated transaction log, all critical transaction history for at least 30 days. Transaction history must include records with the date, time, amount and disposition of each complete and incomplete transaction, error conditions, logical and physical access, and attempted access to the redemption terminal. If a redemption terminal is capable of redeeming multiple vouchers in a single transaction, the transaction history must include a breakdown of the transaction with regard to the individual gaming vouchers.

(t) A redemption terminal or ancillary systems, applications and equipment associated with the reconciliation thereof, must be capable of producing all of the following reports upon request:

(1) Gaming voucher transaction report. The report must include the disposition (paid, partial pay and unpaid) of gaming vouchers accepted by a redemption terminal which must include the validation number, the date and time of redemption, amount requested and the amount dispensed. This information must be available by reconciliation period which may be by day, shift or drop cycle.

(2) Reconciliation report. The report must include all of the following:

(i) Report date and time.

(ii) Unique asset identification number of the redemption terminal.

(iii) Total cash balance of the currency cassettes.

(iv) Total count of currency accepted by denomination.

(v) Total dollar amount of vouchers accepted.

(vi) Total count of gaming vouchers accepted.

(3) Gaming voucher and currency storage box report. The report must be generated, at a minimum, whenever a gaming voucher, and currency storage box is removed from a redemption terminal. The report must include all of the following:

(i) Report date and time.

(ii) Unique asset identification number of the machine.

(iii) Unique identification number for each storage box in the machine.

(iv) Total value of currency accepted.

(v) Total number of bills accepted by denomination.

(vi) Total count of gaming vouchers accepted.

(4) Transaction report. The report must include all critical patron transaction history including the date, time, amount and disposition of each complete and incomplete transaction. If a redemption terminal is capable of redeeming multiple vouchers in a single transaction, the transaction history must include a breakdown of the transaction with regard to the individual gaming vouchers accepted.

§ 1112a.10. Progressive video gaming terminals.

(a) A progressive video gaming terminal may stand alone or be linked with other progressive video gaming terminals in the same establishment licensee's facility.

(b) Each video gaming terminal that offers a progressive jackpot must have all of the following:

(1) A progressive meter, visible from the front of the video gaming terminal, which may increase in value based upon wagers, that advises the player of the amount which can be won if the player receives the combination on the video gaming terminal that awards the progressive jackpot.

(2) A video gaming terminal paid progressive payout meter.

(3) A cumulative progressive payout meter that continuously and automatically records the total value of progressive jackpots paid directly by the video gaming terminal.

(4) A key and key switch or other reset mechanism to reset the progressive meter or meters.

(5) A key locking the compartment housing the progressive meter or meters or other means by which to preclude any unauthorized alterations to the progressive meters. The key or alternative security method must be different than the key or reset mechanism in paragraph (4).

(6) If the progressive controller is not secured in a video gaming terminal, the progressive controller:

(i) Must be maintained in a secure area approved by the Bureau of Casino Compliance.

(ii) Must be dual key controlled with one key controlled by the terminal operator's operations department and the other key controlled by a different designated department with no incompatible functions, as specified in the licensee's internal controls.

(iii) May not be accessed until the Bureau of Gaming Laboratory Operations is electronically notified.

(c) In addition to the requirements in subsection (b), a video gaming terminal that is connected to a common progressive meter for the purpose of offering the same progressive jackpot on two or more video gaming terminals must:

(1) Have the same probability of hitting the combination that will award the progressive jackpot as every other video gaming terminal linked to the common progressive meter.

(2) Require that the same amount in wager be invested to entitle the player to a chance at winning the progressive jackpot and that each increase in wager increment the progressive meter by the same rate of progression as every other video gaming terminal linked to the common progressive meter.

(d) Notwithstanding the provisions of subsection (c), two or more linked video gaming terminals offering the same progressive jackpot may be of different denominations or have different wagers, or both, required to win the progressive jackpot, provided that all of the following apply:

(1) The probability of winning the progressive jackpot is directly proportional to the wager required to win that jackpot.

(2) Notice indicating the proportional probability of hitting the progressive jackpot on the linked progressive system is conspicuously displayed on each linked video gaming terminal.

(e) A terminal operator seeking to utilize a linked video gaming terminal shall submit for approval in accordance with § 1112a.4 (relating to submission for testing and approval) the location and manner of installing any progressive meter display mechanism.

(f) A video gaming terminal that offers a progressive jackpot may not be placed in the video gaming area until the terminal operator has submitted all of the following to the Bureau of Casino Compliance for review and approval in accordance with § 1112a.4:

(1) The initial and reset amounts at which the progressive meter or meters will be set.

(2) The proposed system for controlling the keys and applicable logical access controls to the video gaming terminal.

(3) The proposed rate of progression for each progressive jackpot.

(4) The proposed limit for the progressive jackpot, if any.

(5) The calculated probability of winning each progressive jackpot. The probability may not exceed 50 million to 1.

(g) A video gaming terminal that offers either a new progressive jackpot or undergoes a modification or RAM clear of an existing progressive jackpot may not be made available for play by the public until the video gaming terminal has been tested and certified by the Bureau of Gaming Laboratory Operations. For purposes of this subsection, a modification includes any change in the software, hardware, including controllers, and any associated equipment that relates to progressive functionality.

(h) Progressive jackpot meters may not be turned back to a lesser amount unless one of the following occurs:

(1) The amount indicated has been actually paid to a winning patron and the progressive jackpot amount has been recorded in accordance with a system of internal controls.

(2) With written approval, the progressive jackpot has been transferred to another progressive video gaming terminal in accordance with subsection (k)(4).

(3) The change is necessitated by a video gaming terminal or meter malfunction. An explanation for the change shall be entered on the progressive video gaming terminal summary required under this subpart and the Bureau of Gaming Laboratory Operations shall be notified of the resetting in writing.

(i) Once an amount appears on a progressive meter, the probability of hitting the combination that will award the progressive jackpot may not be decreased unless the progressive jackpot has been won by a patron, has been transferred to another progressive video gaming terminal or has been removed in accordance with subsection (k).

(j) When a video gaming terminal has a progressive meter with digital limitations on the meter, the terminal operator shall set a limit on the progressive jackpot not to exceed the display capability of the progressive meter.

(k) A terminal operator may limit, transfer or terminate a progressive jackpot offered in a video gaming area only under the following circumstances:

(1) A terminal operator shall establish a payout limit for a progressive jackpot of $1,000.

(2) A terminal operator may terminate a progressive jackpot concurrent with the winning of the progressive jackpot provided its video gaming terminal program or progressive controller was configured prior to the winning of the progressive jackpot to establish a fixed reset amount with no progressive increment.

(3) A terminal operator may immediately and permanently remove one or more linked video gaming terminal from a gaming floor, provided that the terminal operator retains at least one video gaming terminal offering the same progressive jackpot in its video gaming area.

(4) A terminal operator may transfer a progressive jackpot amount on a standalone video gaming terminal or the common progressive jackpot on an entire link of video gaming terminal with a common progressive meter from a video gaming area provided the terminal operator receives written approval from the Bureau of Gaming Laboratory Operations prior to the transfer and the accrued amount minus the seed amount of the progressive jackpot is:

(i) Transferred in its entirety.

(ii) Transferred to one of the following:

(A) The progressive meter for a video gaming terminal with the same or similar probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot and the same type of progressive jackpot.

(B) The progressive meters of two separate video gaming terminals provided that each video gaming terminal to which the jackpot is transferred individually satisfies the requirements in clause (A).

(iii) Notice of intent to transfer the progressive jackpot is conspicuously displayed on the front of each video gaming terminal for at least 30 days.

(5) If a transfer cannot be made in accordance with paragraph (4) or with good cause shown, a terminal operator may remove progressive functionality, change the game theme or permanently remove a standalone progressive video gaming terminal, or an entire link of video gaming terminal with a common progressive jackpot from a video gaming area, provided all of the following:

(i) Notice of intent to remove the progressive video gaming terminals is conspicuously displayed on the front of each video gaming terminal for at least 30 days.

(ii) Prior to posting the notice of intent required under subparagraph (i), the terminal operator licensee receives written approval from the Bureau of Gaming Laboratory Operations to remove the progressive video gaming terminal.

(l) Progressive video gaming terminal removed from the video gaming area in accordance with subsection (k)(5) may not be returned to the gaming floor for 90 days.

(m) The amount indicated on the progressive meter or meters and coin in meter on each video gaming terminal governed by subsection (b) must be recorded on a progressive video gaming terminal summary report at least once every 7 calendar days and each report shall be signed by the preparer. If not prepared by the terminal operator's finance department, the progressive video gaming terminal summary report shall be forwarded to the finance department by the end of the gaming day on which it is prepared. A representative of the finance department shall be responsible for calculating the correct amount that should appear on a progressive meter. If an adjustment to the progressive meters is necessary, the adjustment shall be made by a member of the video gaming terminal operations department as follows:

(1) Supporting documentation shall be maintained to explain any addition or reduction in the registered amount on the progressive meter. The documentation must include the date, asset number of the video gaming terminal, the amount of the adjustment, and the signatures of the finance department member requesting the adjustment and of the video gaming terminal operations department member making the adjustment.

(2) The adjustment shall be effectuated within 48 hours of the meter reading.

(n) Except as otherwise authorized by this section, a video gaming terminal offering a progressive jackpot that is temporarily removed from the video gaming area shall be returned to active play or replaced in the video gaming area within 5 gaming days. The amount on the progressive meter or meters on the returned or replacement video gaming terminal may not be less than the amount on the progressive meter or meters at the time of removal.

(o) When a video gaming terminal is located adjacent to a video gaming terminal offering a progressive jackpot, the terminal operator shall conspicuously display a notice advising patrons that the video gaming terminal is not participating in the progressive jackpot of the adjacent video gaming terminal.

§ 1112a.11. Video gaming terminal monitoring systems.

(a) A terminal operator may utilize a video gaming terminal monitoring system which has an interface between it and video gaming terminals and related systems that has been tested and approved by the Board under § 1112a.4 (relating to submission for testing and approval).

(b) A video gaming terminal monitoring system must comply with 4 Pa.C.S. (relating to amusements), this subpart and technical standards on video gaming terminal monitoring systems adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

§ 1112a.12. Remote system access.

(a) In emergency situations or as an element of technical support, an employee of a licensed manufacturer may perform analysis of, or render technical support with regard to, a terminal operator's video gaming terminal monitoring system, gaming voucher system or other Board-approved system from a remote location.

(b) Remote system access shall be performed in accordance with the provisions on remote system access under § 461a.19 (relating to remote system access).

(c) Prior to granting remote system access, a terminal operator shall establish a system of internal controls applicable to remote system access. The internal controls shall be submitted to and approved by the Board under § 465a.2 (relating to internal control systems and audit protocols). The internal control procedures submitted by the terminal operator shall be designed to protect the physical integrity of the systems in subsection (a) and the related data and be capable of limiting the remote access to the system or systems requiring technical support.

§ 1112a.13. Video gaming terminals and associated equipment utilizing alterable storage media.

(a) Definition. The following term, when used in this section, has the following meaning, unless the context clearly indicates otherwise:

Alterable storage media—

(i) Memory or other storage medium, such as an EEPROM, flash, optical or magnetic storage device, that is contained in a video gaming terminal or associated equipment subject to approval under § 461a.4 (relating to submission for testing and approval), that allows the modification of programs or data on the storage media during the normal operation of the video gaming terminal or associated equipment.

(ii) The term does not include the following:

(A) Memory or other storage medium typically considered to be alterable but through either software or hardware means approved by the Board have been rendered unalterable and remain verifiable by the central control computer system.

(B) Associated equipment using alterable storage media that the Board determines are incapable of influencing the integrity or outcome of game play.

(b) Use of alterable storage media. Any use of alterable storage media in a video gaming terminal or associated equipment must be in compliance with 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards on alterable storage media adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

§ 1112a.14. Waivers.

(a) The Board may, on its own initiative, waive one or more of the requirements in this chapter or the technical standards applicable to video gaming terminal and associated equipment adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site upon a determination that the nonconforming video gaming terminal or associated equipment or modification as configured meets the operational integrity requirements in 4 Pa.C.S. Part III (relating to video gaming), this subpart and technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(b) A manufacturer may submit a written request to the Board for a waiver for one or more of the requirements in this chapter or the technical standards applicable to video gaming terminal and associated equipment adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site. The request must:

(1) Be submitted as a petition under § 493a.4 (relating to petitions generally).

(2) Include supporting documentation demonstrating how the video gaming terminal or associated equipment for which the waiver has been requested will still meet the operational integrity requirements in 4 Pa.C.S. Part III, this subpart and technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(3) Be approved by the Board.

§ 1112a.15. Disputes.

(a) If a dispute arises with a patron, the terminal operator shall attempt to resolve the dispute. If the dispute cannot be resolved, the terminal operator shall notify the Bureau of Casino Compliance who will attempt to resolve the dispute. If the dispute is not resolved, the Bureau of Casino Compliance will provide the patron with a Board Patron Dispute/Complaint Form and Instructions for Submitting a Patron Dispute/Complaint and assist the patron in completing the Board Patron Dispute/Complaint Form.

(b) When a patron files a complaint, the Bureau will conduct an investigation of the complaint.

§ 1112a.16. Testing and software installation in the live video gaming area.

(a) Prior to the testing of video gaming terminals, associated equipment and displays in a live video gaming area during a terminal operator's normal hours of operation, the terminal operator shall notify the Bureau of Casino Compliance in writing at least 72 hours prior to the test date and receive the required approvals from the Bureau of Gaming Laboratory Operations prior to beginning testing. The notification must include all of the following:

(1) A detailed narrative description of the type of testing to be conducted, including the reason for the testing, a list of individuals conducting the testing and the terminal operator's procedures for conducting the testing.

(2) The date, time and approximate duration of the testing.

(3) The model, video gaming terminals location number and asset number of the video gaming terminals to be tested.

(4) The location within the licensed facility where the testing will occur.

(b) A terminal operator shall notify the Bureau of Casino Compliance at least 72 hours prior to the installation of any new software or the installation of any change in previously approved software and receive the required approvals prior to the installation of any of the following:

(1) Automated gaming voucher redemption terminals.

(2) Video gaming terminals monitoring systems.

(3) Additional automated bill breaker machines, automated gaming voucher redemption terminals and automated teller machines in the video gaming area.

(4) Gaming voucher systems.

(c) The notification required under subsection (b) must include all of the following:

(1) A description of the reasons for the new installation or change in previously approved software.

(2) A list of the current computer components, software identifications or versions that are to be modified or replaced.

(3) A list of the proposed computer components, software identifications or versions that will modify or replace the existing components or software.

(4) The method to be used to complete the proposed installation.

(5) The date and time that the proposed modification will be installed and the estimated time for completion.

(6) The name, title and employer of the persons performing the installation.

(7) The plan to handle disruptions, if any, to the video gaming area.

(8) The approximate length of time the video gaming area or systems will be disrupted.

(9) Plans for system backup prior to any proposed installation.

§ 1112a.17. RAM clear.

(a) When a terminal operator becomes aware of a nonresponsive video gaming terminals, and communication between the video gaming terminals and the central control computer cannot be re-established, the terminal operator shall immediately notify the Department's operator of the central control computer and the Bureau of Casino Compliance. The terminal operator may not do a RAM clear on the affected video gaming terminals or associated equipment until the information on the financial meters has been accurately recorded and provided to the Bureau of Casino Compliance.

(b) For planned RAM clears, the terminal operator shall provide notice to the Department's operator of the central control computer and the Bureau of Casino Compliance at least 48 hours prior to the scheduled RAM clear. A second notice shall be provided to the Department's operator of the central control computer and the Bureau of Casino Compliance immediately prior to actually conducting the RAM clear.

CHAPTER 1113a. POSSESSION OF VIDEO GAMING TERMINALS

Sec.

1113a.1. Possession of video gaming terminals generally.
1113a.2. Transportation of video gaming terminals into, within and out of this Commonwealth.
1113a.3. Video gaming terminals location in video gaming area.
1113a.4. Notice and connection to the central control computer system.
1113a.5. Video gaming terminal master lists.
1113a.6. Off-premises storage of video gaming terminals.

§ 1113a.1. Possession of video gaming terminals generally.

(a) Except as otherwise provided in this section and 18 Pa.C.S. § 5513 (relating to gambling devices, gambling, etc.), a person may not possess any video gaming terminals in this Commonwealth that may be used for gambling activity.

(b) The following persons and any employee or agent acting on their behalf may possess video gaming terminals in this Commonwealth for the purposes described herein provided that video gaming terminals located outside of a establishment licensee's facility may not be used for gambling activity:

(1) A terminal operator, for the purpose of maintaining for use, training or operating video gaming terminals in an establishment licensee's facility.

(2) The holder of a manufacturer license for the purpose of manufacturing, exhibiting, demonstrating, training or preparing for transfer to a supplier licensee or terminal operator.

(3) The holder of a manufacturer or supplier license for the purpose of distributing, repairing, servicing, exhibiting or demonstrating video gaming terminals and any training with regard thereto.

(4) An educational institution for the purpose of teaching video gaming terminals design, operation, repair or servicing.

(5) A manufacturer or supplier of video gaming terminals not licensed in this Commonwealth for the limited purpose of temporary exhibition or demonstration.

(6) A common carrier, for the purpose of transporting video gaming terminals in accordance with § 1113a.2 (relating to transportation of video gaming terminals into, within and out of this Commonwealth).

(7) An employee or agent of the Board, the Department, the Pennsylvania State Police or any law enforcement agency of this Commonwealth for the purpose of fulfilling official duties or responsibilities.

(8) Other persons upon a finding that the possession of video gaming terminals by those persons in this Commonwealth is not contrary to the goals and objectives of 4 Pa.C.S. (relating to amusements).

(c) Persons seeking to possess video gaming terminals under subsection (b)(4), (5) and (8) shall submit a petition to the Board as required under § 493a.4 (relating to petitions generally). The petition to the Board must contain all of the following:

(1) The purpose for having the video gaming terminals.

(2) The proposed location of the video gaming terminals.

(3) The time period for which the video gaming terminals will be kept.

(4) How the video gaming terminals will be secured.

(d) Requests approved by the Board may be subject to specific terms and conditions imposed by the Board.

(e) A person authorized to possess video gaming terminals under subsection (d) who wishes to store the video gaming terminals at a location other than the location specified in subsection (c)(2) shall obtain approval from the Board's Executive Director prior to storing the video gaming terminals at the other location.

§ 1113a.2. Transportation of video gaming terminals into, within and out of this Commonwealth.

(a) In furtherance of 4 Pa.C.S. § 4502 (relating to declaration of exemption from Federal laws prohibiting video gaming terminals), prior to the transport or movement of a video gaming

terminals, into, within or out of this Commonwealth, from one person authorized to possess video gaming terminals under § 1113a.1 (relating to possession of video gaming terminals generally) to another person, the persons causing the video gaming terminals to be transported or moved shall notify the Bureau of Casino Compliance in writing or in an electronic format approved by the Bureau of Casino Compliance. The notice shall be submitted no later than the day the video gaming terminals is transported and must include all of the following information:

(1) The name and address of the person shipping or moving the video gaming terminals.

(2) The name and address of the person who owns the video gaming terminals if different from the person shipping or moving the video gaming terminals.

(3) The name and address of a new owner if ownership is being changed in conjunction with the shipment or movement.

(4) The method of shipment or movement and the name and address of the common carrier or carriers, if applicable.

(5) The name and address of the person to whom the video gaming terminals is being sent and the destination of the video gaming terminals if different from that address.

(6) The quantity of video gaming terminals being shipped or moved and the manufacturer's serial number of each machine.

(7) The expected date and time of delivery to, or removal from, any authorized location in this Commonwealth.

(8) The port of entry, or exit, if any, of the video gaming terminals if the origin or destination of the video gaming terminals is outside the continental United States.

(9) The reason for transporting or moving the video gaming terminals.

(b) In addition to the requirements in subsection (a), if a terminal operator is shipping video gaming terminals to or from the terminal operator's approved, off-premises storage location, the terminal operator shall comply with the requirements in subsection (a) and record the movement in the terminal operator's movement log as required under § 1113a.5(e) (relating to video gaming terminal master lists).

(c) If a video gaming terminal is being transported to the establishment licensee's facility from the terminal operator's approved, off-premises storage location, the terminal operator shall specify in the notice required under subsection (a) whether the video gaming terminals will be placed directly onto the video gaming area or stored off the video gaming area in a restricted area within the establishment licensee's facility.

(d) If a video gaming terminal is being transported to the Bureau of Gaming Laboratory Operations, the notice required under subsection (a) shall also be provided to the Bureau of Gaming Laboratory Operations.

§ 1113a.3. Video gaming terminals location in video gaming area.

(a) A video gaming area must consist of one area within an establishment licensee's premises approved by the Board or Executive Director for the placement and operation of all video gaming terminals.

(b) The location of each video gaming terminal must correspond to a specifically identified space in the video gaming area identified numerically and listed on the master list with the identifying asset and serial number of the corresponding video gaming terminal.

§ 1113a.4. Notice and connection to the central control computer system.

(a) Prior to utilization for gambling activity, unless otherwise authorized by the Board's Executive Director, a video gaming terminal in a video gaming area must be connected or linked to a central control computer system having the capabilities and in compliance with the terms of 4 Pa.C.S. § 3309 (relating to central control computer system).

(b) To ensure activation or disabling, as appropriate, in the central control computer system and the retrieval of real time meter information from the video gaming terminal in conjunction with the movement of a video gaming terminal, the terminal operator shall provide the Department with written notice of the video gaming terminal movement, prior to any of the following:

(1) Placement of a video gaming terminal in a video gaming area.

(2) Movement of a video gaming terminal location in the video gaming area.

(3) Removal of a video gaming terminal from the video gaming area.

§ 1113a.5. Video gaming terminal master lists.

(a) Prior to the commencement of operations at an establishment licensee's facility, a terminal operator shall file all of the following with the Bureau of Casino Compliance in an electronic format approved by the Bureau of Casino Compliance:

(1) Video Gaming Area Video Gaming Terminal Master List.

(2) Restricted Area/Off Premises Video Gaming Terminal Master List.

(b) A Video Gaming Area Video Gaming Terminal Master List must list all video gaming terminals located in the video gaming area in consecutive order by the device location number under § 1113a.3 (relating to video gaming terminals location in video gaming area) and contain all of the following:

(1) The date the list was prepared.

(2) A description of each video gaming terminal that includes all of the following:

(i) The location number.

(ii) The asset number.

(iii) The manufacturer's serial number.

(iv) The base denomination, or if configured for multiple denominations, a list of the denominations.

(v) The game software/program ID.

(vi) The operating system/base ROM.

(vii) The manufacturer.

(viii) The video gaming terminal model.

(ix) The model type (reel or video), if applicable.

(x) The game themes/description.

(xi) The minimum payout percentage, if applicable.

(xii) The machine displayed payout percentage, if applicable.

(xiii) The paytable ID.

(xiv) If the video gaming terminal is a progressive, the type of progressive, the progressive controller type and the progressive software.

(xv) The fund transfer/voucher system software.

(c) If a video gaming terminal is configured to allow a patron to select from multiple games or game themes, each game or game theme, minimum and machine displayed payout percentages, if applicable, and paytable ID must be listed in the Video Gaming Area Video Gaming Terminal Master List. Instead of listing each game or game theme, minimum and machine displayed payout percentage and paytable ID for a video gaming terminal configured to offer multiple game themes with the video gaming terminal, a terminal operator may use a unique generic code for the game theme and attach an appendix which lists the game themes, minimum and machine displayed payout percentages and paytable IDs that correspond to each unique generic game theme code.

(d) A Restricted Area/Off Premises Video Gaming Terminal Master List must include all video gaming terminals located off the video gaming area in an approved restricted area within the establishment licensee's facility, or in storage locations in this Commonwealth off the premises of the establishment licensee approved under § 1113a.6 (relating to off-premises storage of video gaming terminals) grouped by the location where the video gaming terminal are located. A Restricted Area/Off Premises Video Gaming Terminal Master List must include all of the following information:

(1) The date the list was prepared.

(2) A description of each video gaming terminal that includes all of the following:

(i) The location of the video gaming terminal.

(ii) The asset number.

(iii) The manufacturer's serial number.

(iv) The game software/program ID.

(v) The operating system/base ROM.

(vi) The game theme/description.

(vii) The manufacturer.

(viii) The video gaming terminal model.

(ix) The model type (reel or video), if applicable.

(e) Once a video gaming terminal has been placed in an authorized location in the video gaming area, stored in a restricted area off the video gaming area but within the establishment licensee's facility approved under this section or in a location in this Commonwealth off the premises of the establishment licensee's facility approved under § 1113a.6, all subsequent movements of that video gaming terminal shall be recorded by a terminal operator employee in a video gaming terminal movement log which includes all of the following:

(1) The asset number and model and manufacturer's serial number of the moved video gaming terminal.

(2) The date and time of movement.

(3) The location from which the video gaming terminal was moved.

(4) The location to which the video gaming terminal was moved.

(5) The date and time of any required notice to the Department in connection with activation or disabling of the video gaming terminal in the central control computer system.

(6) The signature of a key employee of the terminal operator verifying the movement of the video gaming terminal in compliance with this section.

(f) Documentation summarizing video gaming terminal movements, as described in subsection (e), shall be submitted to the Bureau of Casino Compliance in an electronic format approved by the Bureau of Casino Compliance on a weekly basis.

(g) On the first Tuesday of each month a terminal operator shall file an updated Video Gaming Area Video Gaming Terminal Master List and an updated Restricted Area/Off Premises Video Gaming Terminal Master List containing the information required under subsections (b)—(d). The Video Gaming Area Video Gaming Terminal Master List and the Restricted Area/Off Premises Video Gaming Terminal Master List shall be filed in an electronic format with the Bureau of Casino Compliance.

(h) Persons authorized by the Board to possess video gaming terminals under § 1113a.1(c) (relating to possession of video gaming terminals generally) shall file with the Bureau of Casino Compliance, in an electronic format approved by the Bureau of Casino Compliance, a complete list of video gaming terminals possessed by the person. The list must comply with all of the following:

(1) Be denoted as a Video Gaming Terminal Master List.

(2) Be filed within 3 business days of the initial receipt of video gaming terminals.

(3) Contain all of the following information:

(i) The date on which the list was prepared.

(ii) A description of each video gaming terminal including all of the following:

(A) The manufacturer.

(B) The manufacturer's serial number.

(C) The video gaming terminals model.

(D) The model type (reel or video), if applicable.

(E) Whether or not the video gaming terminal is a progressive, and if it is, the type of progressive.

(i) On the first Tuesday of each month following the initial filing of a Video Gaming Terminal Master List, the persons enumerated in subsection (h) shall file with the Bureau of Casino Compliance, in an electronic format approved by the Bureau of Casino Compliance, an updated Video Gaming Terminals Master List containing all of the information required under subsection (h).

§ 1113a.6. Off-premises storage of video gaming terminals.

(a) A terminal operator may not store video gaming terminals off the premises of an establishment licensee's facility without prior approval from the Board's Executive Director.

(b) A terminal operator seeking to store video gaming terminals off the premises of an establishment licensee's facility shall submit a written request to the Bureau of Casino Compliance for off premise storage. The written request must include all of the following:

(1) The location and a physical description of the proposed storage facility.

(2) A description of the type of surveillance system that has been or will be installed at the proposed storage facility.

(3) The plan to provide 24-hour, 7-day a week security at the proposed storage facility.

(4) The anticipated number of video gaming terminals that may be stored at the proposed storage facility.

(c) Before the Board's Executive Director will act on a request for off premise storage of video gaming terminals, the Bureau of Casino Compliance will inspect the proposed storage facility.

(d) The Board's Executive Director will approve or disapprove requests within 60 days. Requests approved by the Board's Executive Director may be subject to specific terms and conditions imposed by the Board's Executive Director.

CHAPTER 1114a. ACCOUNTING AND INTERNAL CONTROLS

Sec.

1114a.1. Video gaming accounting and internal controls.

§ 1114a.1. Video gaming accounting and internal controls.

(a) At least 90 days before the commencement of video gaming, a terminal operator licensee or an applicant for a terminal operator license shall submit to the Board for approval all internal control systems and audit protocols for the video gaming operations.

(b) A terminal operator licensee's internal controls and audit protocols must include all of the following:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of video gaming, including reports to the Board related to video gaming.

(2) Provide for accurate and reliable financial records related to the conduct of video gaming.

(3) Establish procedures and security for the recordation of wagering, winnings, gross terminal revenue and taxation.

(4) Establish procedures and security standards for the maintenance of video gaming terminals and associated equipment used in connection with the conduct of video gaming.

(5) Establish procedures and rules to govern the conduct of video gaming and the responsibility of employees related to video gaming.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of video gaming.

(7) Establish reporting procedures and records required to ensure that all money generated from video gaming is accounted for.

(8) Ensure that all functions, duties and responsibilities related to video gaming are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(9) Permit access to the establishment licensee premises and terminal operator premises used in connection with video gaming for the Board, the Bureau, the Department and the Pennsylvania State Police to facilitate the ability to perform regulatory oversight and law enforcement functions, respectively.

(c) The submission required under subsection (a) must include a detailed description of the terminal operator's administrative and accounting procedures related to video gaming, including its written system of internal controls which must include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in video gaming.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the terminal operator.

(4) The procedure to be utilized to ensure that money generated from the conduct of video gaming is safeguarded, including mandatory counting and recording procedures.

(5) An overview and description of the video gaming terminal monitoring system used by the terminal operator licensee, including:

(i) The name of the system being utilized, and the gaming equipment connected to the system.

(ii) The procedures and reports utilized by the terminal operator to calculate gross terminal revenue.

(6) The procedures and controls for ensuring that video gaming terminals directly provide and communicate all required activities and financial details to the central control computer system as established by the Board.

(7) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(8) Procedures to be utilized by an employee of a terminal operator and establishment licensee in the event of a malfunction of a video gaming terminal that fails to dispense a redemption ticket, or of a redemption terminal which fails to dispense cash upon redemption of the ticket.

(9) Procedures to be utilized by an establishment to prevent minors from entering the video gaming area, which include acceptable documentation relating to proof of age and the examination of these documents by a responsible employee.

(10) Other items the Board may request in writing to be included in the internal controls.

(d) Prior to authorizing a terminal operator licensee to commence the conduct of video gaming, the Board will review the system of internal controls and audit protocols submitted under subsection (a) to determine whether it conforms to the requirements in this chapter and whether it provides adequate and effective controls for the conduct of video gaming.

(e) If a terminal operator licensee intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations in a manner prescribed by the Bureau of Gaming Operations. The terminal operator licensee may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the terminal operator licensee receives written notice tolling the change or amendment in accordance with subsection (f) or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in subsection (e), the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of video gaming or the control of revenue generated from video gaming, the Bureau of Gaming Operations, by written notice to the terminal operator licensee, will do all of the following:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in subsection (e) be tolled and that any internal controls at issue not be implemented until approved.

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of video gaming include the following:

(1) Submissions that fail to provide information sufficient to permit the review of video gaming.

(2) Submissions that fail to provide for the segregation of incompatible functions so that an employee is not in a position to commit an error or perpetrate a fraud and conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under 4 Pa.C.S. (relating to amusements) or this part.

(4) Submissions that would implement operations or accounting procedures not authorized by 4 Pa.C.S. or this part.

(5) Submissions that are dependent upon the use of equipment or related devices or software not approved by the Board unless the submissions are required as part of an authorized test of the equipment or related device or software.

(h) Whenever a change or amendment has been tolled under subsection (f), the terminal operator licensee may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The terminal operator licensee may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the terminal operator licensee receives written notice tolling the change or amendment in accordance with subsection (f) or written notice from the Board's Executive Director rejecting the change or amendment.

CHAPTER 1115a. RECORD RETENTION

Sec.

1115a.1. Video gaming record retention.

§ 1115a.1. Video gaming record retention.

(a) For the purposes of this section, "books, records and documents" means any book, record or document pertaining to, prepared in or generated by the operation of video gaming by a terminal operator licensee or an establishment licensee including all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records.

(b) As a condition of continued operation, a terminal operator licensee or an establishment licensee shall agree to maintain all books, records and documents pertaining to the conduct of video gaming in a manner and location in this Commonwealth as approved by the Board. All books, records and documents must meet all of the following:

(1) Be organized in a manner to clearly depict by separate records the total amount of money wagered and paid as winnings in all video gaming activity.

(2) Be segregated by separate accounts within the terminal operator licensee or establishment licensee's books, records and documents.

(3) Be immediately available for inspection upon request of the Board, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof, during all hours of operation of video gaming by a terminal operator licensee or establishment licensee.

(4) Be prepared and maintained in a complete, accurate and legible form. Electronic data must be stored in a format that ensures readability, regardless of whether the technology or software that created or maintained it has become obsolete.

(5) Be retained in a secure location by a terminal operator licensee or establishment licensee that is equipped with a fire suppression system or in a fire proof location on the premises.

(6) Be organized and indexed in a manner to provide immediate accessibility to the Board, the Bureau, the Department, the Pennsylvania State Police or the Attorney General, or agents thereof.

(7) Be destroyed only after expiration of the minimum retention period of 5 years, unless the Board, upon the written request of a terminal operator licensee or an establishment licensee and for good cause shown, permits the destruction at an earlier date.

CHAPTER 1116a. CONDUCT OF VIDEO GAMING

Sec.

1116a.1. Video gaming area.
1116a.2. Video gaming terminals.
1116a.3. Redemption terminals.
1116a.4. Automated teller machines.
1116a.5. Commencement of video gaming generally.
1116a.6. Establishment licensee restrictions.
1116a.7. Terminal operator licensee restrictions.
1116a.8. Restriction on wagering.
1116a.9. Surveillance system standards.

§ 1116a.1. Video gaming area.

(a) A video gaming area must be within an establishment licensee's premises and it must be separate and distinct through the installation of a physical barrier from a convenience store or other amenity available to patrons under 21 years of age.

(b) An establishment licensee shall notify and receive approval of the Board, the Bureau or designated staff of the Board prior to making any modification to the video gaming area.

(c) An establishment licensee shall provide all of the following:

(1) The entrance to the video gaming area and the conduct of video gaming are visible to at least one employee of the establishment licensee who holds an occupation permit.

(2) The video gaming area must have one entrance point which serves as the exit point.

(3) The video gaming area must be separated from the remaining establishment premises by a physical barrier which may consist of a wall, partition, gate or other barrier which may not obstruct the view of the conduct of video gaming by an employee who holds an occupation permit.

(4) The video gaming area shall, at all times, be monitored, either directly or through live monitoring of video surveillance, by an employee of the establishment licensee who is at least 18 years of age, holds an occupation permit and has completed mandatory training relating to compulsive and problem gambling.

(5) Every employee of the establishment licensee who has a valid occupation permit issued by the Board and who has duties which include monitoring the video gaming area of an establishment licensee shall display the Board-issued occupation permit credential on the outer clothing in a manner clearly visible to patrons and security and surveillance cameras.

(6) Every employee of a terminal operator who has a valid occupation permit issued by the Board and who has duties which require him to enter a video gaming area of an establishment licensee shall, while on the premises of an establishment licensee, display the Board-issued occupation permit credential on the outer clothing in a manner clearly visible to patrons and security and surveillance cameras.

(d) A video gaming area must have at least one redemption terminal which must be the sole and exclusive method to exchange a redemption ticket for cash.

(e) An establishment licensee shall prominently display in a place and manner conspicuous to all patrons entering and exiting the video gaming area signs containing the following statement printed in bold lettering of sufficient size to be visible and readable: “The video gaming area including the entrance and exit is subject to surveillance and video recording.”

(f) A video gaming area must comply with §§ 1118a.1 and 1118a.2 (relating to signage requirements; and problem gambling information).

(g) A video gaming area must have a sign prominently displayed that sets forth the maximum wager amount and maximum prize per individual game as set forth in the act.

§ 1116a.2. Video gaming terminals.

(a) A terminal operator licensee may place up to five video gaming terminals in the video gaming area of an establishment licensee.

(b) A video gaming terminal may not be made available for use prior to being tested and certified by the Board as meeting the requirements in 4 Pa.C.S. § 3701 (relating to testing and certification of terminals).

(c) Video gaming terminals may not have the ability to dispense cash, tokens or anything of value, except redemption tickets which shall only be exchangeable at a redemption terminal or reinserted into another video gaming terminal in the same video gaming area.

§ 1116a.3. Redemption terminals.

(a) A terminal operator licensee shall place at least one redemption terminal in the video gaming area of an establishment licensee.

(b) A redemption terminal in a video gaming area must be equipped with an integrated camera which must record the image of all persons using the redemption terminal and maintain those images for a minimum period of 30 days, or the surveillance system utilized in the video gaming area must have camera coverage of the redemption terminal that makes it possible to identify the individual using the redemption terminal.

(c) A redemption terminal may not be made available for use prior to being tested and certified by the Board as meeting the requirements in 4 Pa.C.S. § 3701 (relating to testing and certification of terminals).

(d) The redemption terminal must only accept redemption tickets from video gaming terminals in the same video gaming area.

(e) Redemption tickets shall only be exchanged for cash through a redemption terminal located within the same video gaming area.

§ 1116a.4. Automated teller machines.

(a) Automated teller machines may be placed at any location within an establishment licensee's facility. Automated teller machines that offer credit card advances may not be placed in the video gaming area.

(b) An automated teller machine in a video gaming area must be equipped with an integrated camera which must record the image of all persons using the automated teller machine and maintain those images for a minimum period of 30 days, or the surveillance system utilized in the video gaming area must have camera coverage of the automated teller machine that makes it possible to identify the individual using the automated teller machine.

(c) An automated teller machine located in the video gaming area must have a label on the top and front of the automated teller machine that displays a unique identification number of the automated teller machine. The labels must have white lettering on a dark-colored background, may not be easily removed and must be easily visible by surveillance equipment. The label on the top of the automated teller machine must be at least 1.5 inches by 5.5 inches and the label on the front of the automated teller machine must be at least 1 inch by 2.5 inches.

(d) Automated teller machines located within a video gaming area may not accept ACCESS/Electronic Benefits Transfer Cards.

§ 1116a.5. Commencement of video gaming generally.

(a) Prior to offering video gaming terminals, a terminal operator shall demonstrate all of the following:

(1) The video gaming area complies in all respects with 4 Pa.C.S. Part III (relating to video gaming), this subpart and any technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(2) Video gaming terminals utilized in the conduct of video gaming have been tested and approved by the Board in compliance with 4 Pa.C.S. Part III, this subpart and technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(3) The video gaming area has been approved by the Board in compliance with 4 Pa.C.S. Part III, this subpart and technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(4) The terminal operator licensee's internal control systems and audit protocols have been approved by the Board in compliance with 4 Pa.C.S. Part III, this subpart and technical standards adopted by the Board and published in the Pennsylvania Bulletin and posted on the Board's web site.

(5) The terminal operator licensee is prepared to implement necessary management controls, surveillance and security precautions to insure the efficient conduct of video gaming.

(6) The terminal operator licensee and establishment licensee's employees are licensed or permitted by the Board and trained in the performance of their responsibilities.

(b) Upon a terminal operator licensee and an establishment licensee meeting the criteria in subsection (a), the Board may authorize the date and time at which the establishment licensee may commence video gaming in the video gaming area.

§ 1116a.6. Establishment licensee restrictions.

(a) An establishment licensee may not permit a person under 21 years of age to play a video gaming terminal or enter the video gaming area.

(b) An establishment licensee may not offer or provide an incentive to a person to engage in video gaming activity.

(c) An establishment licensee may not permit a visibly intoxicated person to play a video gaming terminal.

(d) An establishment licensee may not extend credit or accept a credit card or debit card for play of a video gaming terminal.

(e) An establishment licensee may not make structural alterations or significant renovations to a video gaming area unless the establishment licensee has notified the terminal operator licensee and obtained prior approval from the Board.

(f) An establishment licensee may not move a video gaming terminal or redemption unit after installation by a terminal operator licensee.

§ 1116a.7. Terminal operator licensee restrictions.

(a) No more than five video gaming terminals may be placed on the premises of an establishment licensee.

(b) Redemption tickets may only be redeemed for cash through a ticket redemption terminal located in the same video gaming area or reinserted into another video gaming terminal in the same video gaming area for continued play.

(c) Video gaming terminals located in the video gaming area of an establishment licensee must be placed and operated under a terminal placement agreement approved by the Board.

(d) A terminal operator licensee may not offer or provide an incentive to a person to engage in video gaming activity.

(e) A terminal operator licensee may not extend credit or accept a credit card or debit card for play of a video gaming terminal.

(f) A terminal operator licensee may not give or offer to give, directly or indirectly, any type of inducement to a truck stop establishment to secure or maintain a terminal operator placement agreement. For purposes of this subsection, an “inducement” may not include payment by a terminal operator licensee for the actual costs of renovating an existing area of the footprint of the truck stop establishment for the purpose of making the video gaming area and associated areas available for the conduct of video gaming. The term, as used in this subsection, does not include making the area operate at the premises including wiring, rewiring, software updates, ongoing video gaming terminal maintenance, redemption terminals, network connections, site controllers and costs associated with communicating with the central control computer system, as well as renovations to include flooring, lighting and barriers. Nothing in this section shall preclude a truck stop establishment from making further modifications to its facility to accommodate video gaming terminal.

(g) A terminal operator licensee may not give an establishment licensee a percentage of gross terminal revenue other than 15% of the gross terminal revenue of the video gaming terminals operating in the establishment licensee's premises.

(h) A terminal operator licensee may not operate, install or otherwise make available for public use a video gaming terminal or redemption terminal that has not been obtained from a manufacturer licensee or supplier licensee.

(i) A terminal operator licensee may not make structural alterations or significant renovations to a video gaming area unless the terminal operator licensee has notified the establishment licensee and obtained prior approval from the Board.

(j) A terminal operator licensee may not move a video gaming terminal or redemption unit after installation unless prior approval of the Board is obtained.

§ 1116a.8. Restriction on wagering.

(a) An individual who holds a license, occupation permit or registration and is currently employed by or is a principal associated with an establishment licensee may not wager at a video gaming terminal in the establishment where the individual is employed or associated.

(b) An individual who holds a license, occupation permit or registration and is currently employed by or is a principal associated with a terminal operator licensee, manufacturer licensee or supplier licensee may not wager at any video gaming terminal in a truck stop establishment at which the individual operates, services, or installs video gaming terminals or associated equipment.

§ 1116a.9. Surveillance system standards.

(a) In accordance with § 1116.5(a)(5) (relating to commencement of video gaming generally), the terminal operator licensee or establishment licensee shall implement all necessary surveillance systems in each establishment in which video gaming is offered prior to the commencement of video gaming.

(b) The surveillance systems implemented in each establishment shall, at a minimum, provide for all of the following:

(1) Must operate on a 24-hours per day, 7-days per week basis.

(2) Must be capable of recording all activity in images clearly displaying facial detail of players, as well as details of the video gaming terminals, redemption terminals, automated teller machines and all other areas as require by Board regulation.

(3) Must be capable of recording and storing all images by each surveillance camera for a minimum of 30 days in a format that may be easily accessed for investigative purposes. If a proprietary video player for the recording and playback of surveillance footage is used, a terminal operator shall provide the necessary program files to the Board or Bureau upon request of surveillance footage for investigative purposes.

(4) Must provide the Board and the Bureau with remote access to the surveillance system to view surveillance footage in real-time.

(5) Must be capable of clearly and accurately displaying the time and date, synchronized and set correctly, which shall not significantly obscure the surveillance footage.

(6) Must be capable of operating under normal lighting conditions, with the entire area covered by the surveillance system having lights on 24-hours per day, 7-days per week.

(7) Must be capable of producing a clear, still photograph or video in digital format that can be provided in unaltered form within 2 business days following a request by the Board or the Bureau.

(8) Must undergo quarterly maintenance inspections to ensure that any repairs, alterations or upgrades to the surveillance system are made for the proper operation of the system.

(c) If a terminal operator or establishment licensee has been notified by the Board, the Bureau, or law enforcement of a pending criminal or administrative investigation for which a recording may contain relevant information, the terminal operator or establishment licensee shall retain an unaltered copy of the recording until the investigation or proceeding is closed or the entity conducting the investigation or proceeding notifies the terminal operator or establishment licensee that it is not necessary to retain the recording.

(d) A terminal operator or establishment licensee shall make available to the Board or its authorized agents, upon request, a current list of authorized employees and service employees or contractors who may have access to any of the surveillance areas.

(e) A terminal operator may have a centralized location for the server and surveillance room for the establishments in which video gaming is operated if the terminal operator also places the necessary equipment in each establishment so that the surveillance footage may also be viewed onsite.

(f) The terminal operator may provide remote, real-time access to the surveillance system to the owner or operator of the establishment.

(g) The terminal operator or establishment licensee shall notify the Bureau of Casino Compliance within 1 hour of any incident of equipment failure within the surveillance system, including the time and cause of the malfunction, if known.

(h) If at any time surveillance coverage of the video gaming area cannot be maintained, the video gaming area shall be closed, unless approved by the Board.

CHAPTER 1117a. VIDEO TERMINAL PLACEMENT AGREEMENTS

Sec.

1117a.1. Board approval of video terminal placement agreements.
1117a.2. Minimum standards for terminal placement agreements.

§ 1117a.1. Board approval of video terminal placement agreements.

A terminal operator licensee may not place and operate video gaming terminals on the premises of an establishment licensee unless under a terminal placement agreement approved by the Board.

§ 1117a.2. Minimum standards for terminal placement agreements.

(a) A terminal placement agreement submitted to the Board for approval must include all of the following:

(1) A provision that the term of the terminal placement agreement shall be valid for a minimum of 60 months and may not exceed 120 months.

(2) A provision that renders the terminal placement agreement invalid if either the terminal operator license or terminal operator application or the establishment license or the establishment license application is denied, revoked, not renewed, withdrawn or surrendered.

(3) A provision that provides the establishment licensee shall receive 15% of gross terminal revenue from each video gaming terminal located on the premises of the establishment licensee.

(4) The identity of the person who solicited the terminal placement agreement on behalf of a terminal operator licensee or applicant.

(5) Signatures of a representative authorized to bind an applicant for an establishment license or an establishment licensee and a representative authorized to bind an applicant for a terminal operator license or a terminal operator licensee.

(6) A provision acknowledging that a terminal placement agreement may not be transferred or assigned without prior notice to the Board and verification that the individual or entity making the assignment is either a terminal operator applicant or terminal operator licensee and the individual or entity receiving the assignment of the terminal placement agreement is either a terminal operator applicant or terminal operator licensee.

(b) A terminal placement agreement entered into by a truck stop establishment prior to October 31, 2017, with a person or entity for the placement, operation, service or maintenance of video gaming terminals, including an agreement granting a person or entity the right to enter into an agreement or match any offer made after October 31, 2017, is void and will not be approved by the Board.

CHAPTER 1118a. COMPULSIVE AND PROBLEM GAMING

Sec.

1118a.1. Signage requirements.
1118a.2. Problem gambling information.
1118a.3. Problem gambling training.
1118a.4. Advertising.
1118a.5. Penalties.

§ 1118a.1. Signage requirements.

(a) An establishment licensee shall conspicuously post signs that include a statement providing all of the following:

(1) “If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER).”

(2) At least one sign as provided in paragraph (1) shall be posted within the video gaming area and at least one sign shall be posted above or below the cash dispensing opening on each automated teller machine within the establishment licensee's premises.

(b) An establishment licensee shall post signs that include a statement providing all of the following:

(1)It is unlawful for any individual under 21 years of age to enter. Individuals violating this prohibition will be removed and may be subject to arrest and criminal prosecution.”

(2) The sign as provided in paragraph (1) shall be prominently posted at the entrance to a video gaming area.

§ 1118a.2. Problem gambling information.

An establishment licensee shall make available materials provided by the Board regarding compulsive and problem gaming as approved by the Board. The material shall be displayed conspicuously within the video gaming area of each establishment licensee.

§ 1118a.3. Problem gambling training.

(a) The Board will provide a mandatory training program addressing responsible gaming and compulsive and problem gambling issues for employees and management of an establishment licensee who oversee the establishment licensee's video gaming area.

(b) Establishment licensees shall pay a fee assessed by the Board to reimburse the Board for the cost of annual training to establishment licensee's employees and management subject to the training.

(c) At least one employee of the establishment licensee who holds a valid occupation permit and has successfully completed the training program shall be located on the premises and supervising the video gaming area during all times the video gaming terminals are available for play.

(d) Employees are required to receive the training at least once every calendar year.

(e) Employee Training Verification:

(1) The Office of Compulsive and Problem Gambling will provide a verification form template to each terminal operator licensee or may allow for another approved method of verification.

(2) Verifications will be maintained by the establishment licensee or the terminal operator licensee. The training verification must be completed by employee who receives the training.

(3) Each employee must provide the date of training completion, the employee's name and signature verifying the employee received the training.

§ 1118a.4. Advertising.

(a) Advertisements related to video gaming used by a terminal operator or establishment licensee or its agent may not:

(1) Contain false or misleading information.

(2) Fail to disclose conditions or limiting factors associated with the advertisement.

(3) Use a font, type size, location, lighting, illustration, graphic depiction or color obscuring conditions or limiting factors associated with the advertisement or the statement required under subsection (b).

(b) Advertisements must contain a gambling assistance message that is similar to one of the following:

(1) If you or someone you know has a gambling problem, help is available. Call (toll free telephone number).

(2) Gambling Problem? Call (toll free telephone number).

(3) The text of the gambling assistance message and the font to be used for the statement must comply with in § 501a.7(e) (relating to advertising).

(c) A terminal operator or establishment licensee or its agent shall discontinue as expeditiously as possible the use of a particular advertisement upon receipt of written notice that the Board's Office of Compulsive and Problem Gaming has determined that the use of the particular advertisement in this Commonwealth could adversely impact the public or the integrity of video gaming.

§ 1118a.5. Penalties.

An establishment licensee that fails to fulfill any of the requirements in this chapter shall be assessed an administrative penalty and may have its establishment license suspended or revoked by the Board, or may have a renewal of its licensed denied.

CHAPTER 1119a. SELF-EXCLUSION

Sec.

1119a.1. Scope.
1119a.2. Definitions.
1119a.3. Requests for video gaming self-exclusion.
1119a.4. Video gaming self-exclusion list.
1119a.5. Duties of video gaming establishment licensees.
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1119a.7. Exceptions for individuals on the video gaming self-exclusion list.
1119a.8. Disclosures of information related to persons on the self-exclusion list.

§ 1119a.1. Scope.

The purpose of this chapter is to provide players with a process to self-exclude from video gaming activities in this Commonwealth and detail the process by which individuals may self-exclude themselves from video gaming activity and restore their ability to participate in video gaming activity in this Commonwealth.

§ 1119a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

OCPG—The Office of Compulsive and Program Gambling of the Board.

Video gaming activity—The play of video gaming terminals at the premises of an establishment licensee.

Video gaming related activity—An activity related to the play of video gaming terminals including applying for player club memberships or credit, cashing checks, or accepting a

complimentary gift, service, promotional item or other thing of value at an establishment licensee's premises.

Video gaming self-excluded person—A person whose name and identifying information is included, at the person's own request, on the video gaming self-exclusion list maintained by the Board.

Video gaming self-exclusion list—A list of names and identifying information of persons who, under this chapter, have voluntarily agreed to all of the following:

(i) Excluded from the video gaming area where video gaming activity is conducted.

(ii) Excluded from engaging in all video gaming related activities at an establishment licensee's facility.

(iii) Prohibited from collecting any winnings or recovering any losses resulting from video gaming activity.

Winnings—Any money or thing of value received from, or owed by, an establishment licensee or terminal operator licensee as a result of a fully executed video gaming transaction.

§ 1119a.3. Requests for video gaming self-exclusion.

(a) A person requesting placement on the video gaming self-exclusion list shall submit a completed Request for Voluntary Self-Exclusion from Gaming Activities Form to the Board by one of the following methods:

(1) Electronically on the Board's web site.

(2) In person by scheduling an appointment at the Board's Harrisburg office, one of the Board's other offices or at a licensed facility. To make an appointment, a person shall contact the OCPG at (717) 346-8300 or problemgambling@pa.gov.

(b) A request for video gaming self-exclusion must include all of the following identifying information:

(1) Name, including any aliases or nicknames.

(2) Date of birth.

(3) Address of current residence.

(4) Telephone number.

(5) Social Security number, or the last 4 digits of the individual's Social Security number, when voluntarily provided in accordance with section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(6) Physical description of the person, including height, gender, hair color, eye color and any other physical characteristic that may assist in the identification of the person.

(c) The information provided in subsection (b) shall be updated by the video gaming self-excluded person within 30 days of a change. Updated information shall be submitted on a Change of Information Form to the following address, or submitted online in the "update my information" webform on the Board's web site. A copy of the form can be obtained by calling the OCPG at (717) 346-8300, by e-mail at problemgambling@pa.gov or by writing to:

PENNSYLVANIA GAMING CONTROL BOARD
OFFICE OF COMPULSIVE AND
PROBLEM GAMBLING
P.O. BOX 69060
HARRISBURG, PA 17106-9060

(d) The length of video gaming self-exclusion requested by a person must be one of the following:

(1) One year (12 months).

(2) Five years.

(3) Lifetime.

(e) A request for self-exclusion from video gaming activities in this Commonwealth must include a signed release which:

(1) Acknowledges that the request for video gaming self-exclusion has been made voluntarily.

(2) Certifies that the information provided in the request for video gaming self-exclusion is true and accurate.

(3) Acknowledges that the individual requesting video gaming self-exclusion is or may be a problem gambler.

(4) Acknowledges that a person requesting a lifetime exclusion may only request removal from the video gaming self-exclusion list in accordance with the procedures set forth in § 1119a.6 (relating to removal from the video gaming self-exclusion list) and that a person requesting a 1-year or 5-year exclusion will remain on the video gaming self-exclusion list until the period of exclusion expires, unless removed from the list pursuant to the provisions of § 1119a.6(b).

(5) Acknowledges that if the individual is discovered participating in video gaming that individual's winnings will be subject to confiscation and remittance to support compulsive and problem gambling programs.

(6) Releases, indemnifies, holds harmless and forever discharges the Commonwealth, the Board and all terminal operator licensees and establishment licensees from claims, damages, losses, expenses or liability arising out of, by reason of or relating to the self-excluded person or to any other party for any harm, monetary or otherwise, which may arise as a result of one or more of the following:

(i) The failure of a terminal operator licensee or establishment licensee to withhold video gaming privileges from or restore video gaming privileges to a video gaming self-excluded person.

(ii) Otherwise permitting or not permitting a video gaming self-excluded person to engage in video gaming activities in this Commonwealth while on the list of video gaming self-excluded persons.

(iii) Confiscation of the individual's winnings.

(f) A person submitting a video gaming self-exclusion request shall present or submit electronically a copy of that person's valid government-issued identification containing the person's signature and photograph when the person submits the request, or if the person does not possess a valid government-issued identification, some other documentation to verify the identity of the person (for example, a utility or other bill in the person's name at the same address provided).

(g) A person requesting video gaming self-exclusion under this chapter shall have a photograph taken by the Board, or agent thereof, upon submission of the request to be on the list.

(h) A person requesting video gaming self-exclusion electronically on the Board's web site shall submit a copy of a recent passport-style photograph of the person upon submission of the request to be on the list.

§ 1119a.4. Video gaming self-exclusion list.

(a) The Board will maintain the video gaming self-exclusion list and will make all necessary additions or deletions of individuals removed from the list under § 1119a.6 (relating to removal from video gaming self-exclusion list) within 5 business days of the verification of the information received under § 1119a.3 (relating to requests for video gaming self-exclusion) and shall make the video gaming self-exclusion list available to terminal operator licensees and establishment licensees electronically by the Board's self-exclusion system.

(b) The information made available to terminal operator licensees and establishment licensees by the Board's self-exclusion system will include the following information concerning a person who has been added to the video gaming self-exclusion list:

(1) Name, including any aliases or nicknames.

(2) Date of birth.

(3) Address of current residence.

(4) Telephone number.

(5) Social Security number, or the last 4 digits of the individual's Social Security number, when voluntarily provided by the person requesting video gaming self-exclusion under section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(6) Physical description of the person, including height, gender, hair color, eye color and other physical characteristic, that may assist in the identification of the person.

(7) A copy of the photograph taken by the Board or submitted electronically under § 1119a.3.

(c) The information made available to terminal operator licensees and establishment licensees by the Board concerning a person whose name has been removed from the video gaming self-exclusion list will include the name and date of birth of the person.

(d) A terminal operator licensee and establishment licensee shall maintain a copy of the video gaming self-exclusion list and establish procedures to ensure that the copy of the video gaming self-exclusion list is updated at least every 2 business days with the information made available by the Board's self-exclusion system and that all appropriate employees and agents of the establishment licensee are notified of any additions to or deletions from the list.

(e) Information furnished to or obtained by the Board under this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter.

(f) Terminal operator licensees and establishment licensees, employees or agents thereof may not disclose the name of, or any information about, a person who has requested self-exclusion from video gaming to anyone other than employees and agents of the terminal operator licensee or establishment licensee whose duties and functions require access to the information. Notwithstanding the foregoing, a terminal operator licensee or establishment licensee may disclose the identity of a video gaming self-excluded person to appropriate employees of affiliated gaming entities in this or other jurisdictions for the limited purpose of assisting in the proper administration of responsible gaming programs.

(g) A video gaming self-excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any video gaming activity for the entire period of time that the person is on the Board's video gaming self-exclusion list.

(h) Winnings incurred by a video gaming self-excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(i) For the purposes of this section, winnings issued to, found on or about or redeemed by a video gaming self-excluded person shall be presumed to constitute winnings subject to remittance to the Board.

§ 1119a.5. Duties of video gaming establishment licensees.

(a) An establishment licensee shall train its employees and establish procedures to do all of the following:

(1) Identify a video gaming self-excluded person when present in the video gaming area and, upon identification, immediately notify employees of the establishment licensee whose duties include the removal of video gaming self-excluded persons.

(2) Deny video gaming related activities to a video gaming self-excluded person.

(3) Ensure that video gaming self-excluded persons do not receive, either from the video gaming establishment licensee or any agent thereof, targeted advertisements of video gaming activities at its premises.

(4) Notify the Pennsylvania State Police and the Bureau of the presence of a video gaming self-excluded person in the video gaming area.

(5) Prepare a report of the presence of a video gaming self-excluded person in a video gaming area on a form provided by the Board and to submit that completed form to the OCPG and the Bureau within 24 hours for each occurrence of a video gaming self-excluded person being present in a video gaming area, which may be submitted by the terminal operator.

(6) Make available to patrons written materials provided by the OCPG explaining the video gaming self-exclusion program.

(b) The list of video gaming self-excluded persons is confidential, and any distribution of the list to an unauthorized source constitutes a violation of 4 Pa.C.S. Part III (relating to video gaming).

(c) Under section 3903 of the act (relating to self-exclusion), establishment licensees and employees thereof may not be liable for damages in any civil action, which is based on the following:

(1) Failure to withhold video gaming privileges from or restore video gaming privileges to a video gaming self-excluded person.

(2) Permitting or not permitting a video gaming self-excluded person to gamble.

(3) Good faith disclosure of the identity of a video gaming self-excluded person to someone, other than those authorized by this chapter, for the purpose of complying with this chapter.

(d) An establishment licensee shall report the discovery of a video gaming self-excluded person that did or attempted to engage in video gaming related activities to the director of the OCPG within 24 hours.

§ 1119a.6. Removal from the video gaming self-exclusion list.

(a) For individuals who are on the video gaming self-exclusion list for 1 year or 5 years, upon the conclusion of the period of self-exclusion, the individual will be removed from the video gaming self-exclusion list without further action on the individual's part.

(b) For individuals who have elected to be video gaming self-excluded for less than lifetime but has not yet reached the date of completion of the selected self-exclusion period, the individual may be removed from the video gaming self-exclusion list if all of the following has occurred:

(1) The individual has filed a petition with the Board's Office of Hearings and appeals requesting to be removed from the video gaming self-exclusion list.

(2) The individual has presented facts and circumstances which, in the Board's discretion, demonstrate a compelling reason for the Board to grant early removal from the video gaming self-exclusion list.

(3) The Board has found by a preponderance of the evidence that the person should be removed from the video gaming self-exclusion list and issues an order to that effect.

(c) For individuals who selected lifetime video gaming self-exclusion under § 1119a.3(d)(3) (relating to requests for video gaming self-exclusion):

(1) After being on the video gaming self-exclusion list for a period of 10 years, the individual may petition the Board to be removed from the video gaming self-exclusion list.

(2) The petition shall be filed with the Board in writing, and shall be accompanied by all of the following:

(i) Documentation from a treatment provider who is certified by the International Gambling Counselor Certification Board or who has received a Problem Gambling Endorsement from the Pennsylvania Certification Board to conduct problem gambling assessments that the individual has completed a problem gambling assessment.

(ii) Documentation from a treatment provider that the individual has completed the treatment recommendation, if any, made after the assessment by the state-funded problem gambling treatment provider.

(3) After the petition is filed, OCPG will provide documentation to the Office of Enforcement Counsel regarding whether the individual has been known to engage in or attempt to engage in video gaming while self-excluded, including dates and times.

(4) The petition shall be handled in accordance with the procedures for petitions found in Subpart H of the Board's regulations, including all confidentiality provisions.

(5) As the petitioner, the video gaming self-excluded individual filing the petition for removal from the video gaming self-exclusion list bears the burden of proof in showing that removal from the list would not be detrimental to the individual's physical or mental well-being and would not have a negative impact on gaming in the Commonwealth.

(6) If the Board:

(i) Grants the petition, it shall deliver to the individual by first class mail an Order approving the petition for removal from the video gaming self-exclusion list, and provide to the individual the contact information for the OCPG for information on how to complete the removal process.

(ii) Denies the petition, it shall deliver to the individual by first class mail an Order denying the petition for removal from the video gaming self-exclusion list, which shall notify the individual that he or she shall remain on the video gaming self-exclusion list and include the reason for denial.

(7) Any petitioner whose petition is denied by the Board shall be prohibited from filing a subsequent petition for removal from the lifetime video gaming self-exclusion list for a period of 5 years from the date of denial.

§ 1119a.7. Exceptions for individuals on the video gaming self-exclusion list.

The prohibition against allowing video gaming self-excluded persons to engage in activities related to video gaming does not apply to an individual who is on the video gaming self-exclusion list if all of the following apply:

(1) The individual is carrying out the duties of employment or incidental activities related to employment.

(2) The individual does not otherwise engage in any video gaming activities.

§ 1119a.8. Disclosures of information related to persons on the self-exclusion list.

(a) The Board may periodically release to the public demographics and general information regarding the video gaming self-exclusion lists such as the total number of individuals on the list, gender breakdown and age range.

(b) The Board may make selected data available, upon request, for the limited purpose of assisting in the proper administration of responsible gaming programs.

(c) The Board will not disclose identifying information or confirm or deny the existence of an individual's name on the Board's video gaming self-exclusion list.

CHAPTER 1120a. EXCLUSION OF PERSONS FROM VIDEO GAMING

Sec.

1120a.1. Definitions.
1120a.2. Maintenance and distribution of the exclusion list.
1120a.3. Criteria for exclusion or ejection.
1120a.4. Duties of the Bureau and the Office of Enforcement Counsel.
1120a.5. Placement on the exclusion list.
1120a.6. Demand for hearing on the exclusion of a person.
1120a.7. Board review.
1120a.8. Duties of establishment licensees.
1120a.9. Petition to remove name from the exclusion list.

§ 1120a.1. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Career or professional offender—A person, who for the purpose of economic gain, engages in activities that are deemed criminal violations under 18 Pa.C.S. (relating to Crimes Code) or equivalent criminal violations in other jurisdictions, or engages in unlawful activities in section 1518(a) of the act (relating to prohibited acts; penalties).

Excluded person—A person who has been placed upon the exclusion list and who is required to be excluded or ejected from an establishment licensee facility.

Exclusion list—A list of names of persons who are required to be excluded or ejected from an establishment licensee's facility.

OCPG—The Office of Compulsive and Problem Gambling of the Board.

§ 1120a.2. Maintenance and distribution of the exclusion list.

(a) The Board will maintain a list of persons to be excluded or ejected from an establishment licensee facility.

(b) The exclusion list will be distributed to every terminal operator licensee and establishment licensee in this Commonwealth, who shall acknowledge receipt thereof in writing or electronically.

(c) All of the following information will be provided to the terminal operator licensee and establishment licensee for each person on the exclusion list:

(1) The full name and all aliases the person is believed to have used.

(2) A description of the person's physical appearance, including height, weight, type of build, color of hair and eyes, and other physical characteristics which may assist in the identification of the person.

(3) The person's date of birth.

(4) The date the person was added to the list.

(5) A recent photograph, if available.

(6) The last known address of record.

(7) Other identifying information available to the Board.

(8) The reason for placement on the excluded persons list.

§ 1120a.3. Criteria for exclusion or ejection.

(a) The exclusion list may include a person who meets one or more of the following criteria:

(1) A career or professional offender whose presence in an establishment licensee's facility would, in the opinion of the Board, be inimical to the interest of the Commonwealth or of licensed video gaming therein, or both.

(2) An individual with a known relationship or connection with a career or professional offender whose presence in an establishment licensee's facility would be inimical to the interest of the Commonwealth or of licensed video gaming therein, or both.

(3) A person who has been convicted of a criminal offense under the laws of any state, or of the United States, which is punishable by 1 year or more in prison, or who has been convicted of any crime or offense involving moral turpitude, and whose presence in a

establishment licensee facility would be inimical to the interest of the Commonwealth or of licensed video gaming therein, or both.

(4) A person whose presence in a establishment licensee facility would be inimical to the interest of the Commonwealth or of licensed gaming therein, or both, including:

(i) Persons who cheat.

(ii) Persons whose gaming privileges have been suspended by the Board.

(iii) Persons whose Board permits, licenses, registrations, certifications or other approvals have been revoked.

(iv) Persons who pose a threat to the safety of the patrons, employees or persons on the property of an establishment licensee's facility.

(v) Persons with a history of conduct involving the disruption of the gaming operations within a licensed facility or establishment licensee facility.

(vi) Persons subject to an order of a court of competent jurisdiction in this Commonwealth excluding those persons from licensed facilities or establishment licensee facilities.

(vii) Persons who have been charged, indicted or convicted of a gambling crime or a crime related to the integrity of gaming operations in this Commonwealth or another jurisdiction.

(viii) Persons who have performed an act or have a notorious or unsavory reputation that would adversely affect public confidence and trust in gaming.

(b) For purposes of subsection (a), a person's presence may be considered inimical to the interest of the Commonwealth or of licensed video gaming therein, or both if known attributes of the person's character and background meet one or more of the following criteria:

(1) Are incompatible with the maintenance of public confidence and trust in the credibility, integrity and stability of the operation of a establishment licensee facility.

(2) May reasonably be expected to impair the public perception of, and confidence in, the strict regulatory process created by 4 Pa.C.S. Part III (relating to video gaming).

(3) Create or enhance a risk of the fact or appearance of unsuitable, unfair or illegal practices, methods or activities in the conduct of gaming or in the business or financial arrangements incidental thereto.

(c) A finding of inimicality may be based upon the following:

(1) The nature and notoriety of the character or background of the person.

(2) The history and nature of the involvement of the person with licensed gaming in this Commonwealth or another jurisdiction.

(3) The nature and frequency of contacts or associations of the person with an establishment licensee.

(4) Other factors reasonably related to the maintenance of public confidence in the efficacy of the regulatory process and the integrity of video gaming operations.

(d) A person's race, color, creed, national origin or ancestry, or sex will not be a reason for placing the name of a person upon the exclusion list.

§ 1120a.4. Duties of the Bureau and the Office of Enforcement Counsel.

(a) The Bureau will, on its own initiative, or upon referral by a law enforcement agency or an establishment licensee, investigate a person to determine whether the person meets the criteria for exclusion provided in 4 Pa.C.S. § 3901 (relating to exclusion or ejection of certain persons) and § 1119a.3 (relating to requests for video gaming self-exclusion).

(b) If, upon completion of an investigation, the Bureau determines that an individual should be placed on the exclusion list, the Office of Enforcement Counsel will file a petition for exclusion with the Clerk identifying the candidate and setting forth a factual basis for the petition. The petition must include information demonstrating that the individual satisfies the criteria for exclusion or ejection under 4 Pa.C.S. § 3901 or this chapter.

§ 1120a.5. Placement on the exclusion list.

(a) A person may be placed on the exclusion list upon any of the following:

(1) Entry of an order of the Board.

(2) Receipt of an order from a court of competent jurisdiction in this Commonwealth, excluding or ejecting the person from establishment licensee facilities in this Commonwealth.

(b) The placement of a person on the exclusion list shall have the effect of requiring the exclusion or ejection of the excluded person from establishment licensee facilities.

(c) An excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any gaming activity for the entire period of time that the person is on the Board's exclusion list.

(d) Winnings incurred by an excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(e) For the purposes of this section, any winnings issued to, found on or about, or redeemed by an excluded person shall be presumed to constitute winnings subject to remittance to the Board.

§ 1120a.6. Demand for hearing on the exclusion of a person.

(a) Upon the filing of a petition for exclusion, the Office of Enforcement Counsel will serve the petition upon the person by personal service or certified mail at the last known address of the person. The notice will inform the person of the right to a hearing under 4 Pa.C.S. § 3901(h) (relating to exclusion or ejection of certain persons) and include a copy of the petition.

(b) Upon service of the petition, the person subject to the petition shall have 30 days to demand a hearing before the Board or presiding officer. Failure to demand a hearing within 30 days after service will be deemed an admission of all matters and facts alleged in the Office of Enforcement Counsel's petition for exclusion and preclude the person from having an administrative hearing.

(c) If a formal hearing is demanded by the person named in the petition for exclusion, a hearing will be scheduled as provided in § 491a.8 (relating to hearings generally). At the hearing, the Office of Enforcement Counsel will have the burden of proof to demonstrate that the person named in the petition for exclusion satisfies the criteria for exclusion in 4 Pa.C.S. § 3901 or § 1120a.3 (relating to criteria for exclusion or ejection). Unless the matter is heard directly by the Board, the presiding officer will prepare a report and recommendation as provided in § 494a.4 (relating to report or report and recommendation of the presiding officer) for consideration by the Board.

§ 1120a.7. Board review.

After a hearing, or if a hearing was not requested and the facts in the petition are deemed admitted, the Board may:

(1) Issue an order placing the person's name on the exclusion list.

(2) Issue an order removing or denying the placement of the person's name on the exclusion list.

(3) Refer the matter to a presiding officer for further hearing.

§ 1120a.8. Duties of establishment licensees.

(a) Establishment licensees shall establish procedures to prevent violations of this chapter and submit a copy of the procedures to the Director of OCPG 30 days prior to initiation of gaming activities at the establishment licensee's facility. An establishment licensee will be notified in writing of any deficiencies in the plan and may submit revisions to the plan to the Director of OCPG. The establishment licensee may not commence operations until the Director of OCPG approves the procedures. Amendments to these procedures shall be submitted to and approved by the Director of OCPG prior to implementation.

(b) Establishment licensees shall distribute copies of the exclusion list to the appropriate employees. Additions, deletions or other updates to the list shall be distributed by an establishment licensee to its employees within 2 business days of the establishment licensee's receipt of the updates from the Board.

(c) An establishment licensee shall exclude or eject from its establishment licensee facility all of the following:

(1) An excluded person.

(2) A self-excluded person.

(d) If an excluded person enters, attempts to enter or is in an establishment licensee facility and is recognized by employees of the establishment licensee, the establishment licensee shall do all of the following:

(1) Immediately notify law enforcement with jurisdiction over the establishment licensee's facility.

(2) Notify the Director of OCPG and the Bureau in writing within 24 hours.

(e) The establishment licensee has the continuing duty to inform the Bureau, in writing, of the names of persons the establishment licensee believes are appropriate for placement on the exclusion list.

§ 1120a.9. Petition to remove name from the exclusion list.

(a) An excluded person may file a petition with the Clerk to request a hearing for removal of his name from the exclusion list at any time after 5 years from the placement of his name on the exclusion list.

(b) The petition shall be signed by the excluded person, contain supporting affidavits and state the specific grounds believed by the petitioner to constitute good cause for removal from the exclusion list. Upon receipt of the petition, the Office of Enforcement Counsel may file an answer in accordance with § 493a.5 (relating to answers to complaints, petitions, motions and other filings requiring a response).

(c) An excluded person who is barred from requesting a hearing concerning his removal from the exclusion list by the 5-year period of exclusion in subsection (a) may petition the Board for early consideration at any time. An excluded person may not, within the 5-year period of exclusion, file more than one petition for early consideration.

(d) A petition for early consideration must contain the information required under subsection (b). Upon receipt of the petition, the Office of Enforcement Counsel may file an answer in accordance with § 493a.5.

(e) The Board will consider, when making its decision on a petition for early consideration, the nature of the facts and circumstances giving rise to the person's placement on the exclusion list, and whether there are extraordinary facts and circumstances warranting early consideration of the excluded person's request for removal from the exclusion list.

SUBPART O. FANTASY CONTESTS

CHAPTER 1201a. FANTASY CONTESTS GENERALLY

Sec.

1201a.1. Scope.
1201a.2. Definitions.

§ 1201a.1. Scope.

The purpose of this subpart is to implement and govern the operation and conduct of fantasy contests in this Commonwealth as provided for in 4 Pa.C.S. Chapter 3 (relating to fantasy contests).

§ 1201a.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Applicant—A person who, on his own behalf or on behalf of another, is applying for permission to engage in any act or activity which is regulated under this subpart. If the applicant is a person other than an individual, the Board will determine the associated persons whose qualifications are necessary as a precondition to the licensing of the applicant.

Beginner—A participant who has entered fewer than 51 contests offered by a single licensed operator or who does not meet the definition of "highly-experienced player."

Entry fee—The cash or cash equivalent paid by a participant to a licensed operator to participate in a fantasy contest.

Fantasy contest—

(i) An online fantasy or simulated game or contest with an entry fee and a prize or award in which all of the following apply:

(A) The value of all prizes or awards offered to winning participants is established and made known to participants in advance of the contest and the value is not determined by the number of participants or the amount of any fees paid by those participants.

(B) All winning outcomes reflect the relative knowledge and skill of participants and are determined by accumulated statistical results of the performance of individuals, including athletes in the case of sports events.

(C) The winning outcome is not based on the score, point spread or performance of a single actual team or combination of teams, or solely on a single performance of an individual athlete or player in a single actual event.

(ii) The term does not include social fantasy contests.

Fantasy contest account—The formal electronic system implemented by a licensed operator to record a participant's entry fees, prizes or awards and other activities related to participation in the licensed operator's fantasy contests.

Fantasy contest license—A license issued by the Board authorizing a person to offer fantasy contests in this Commonwealth in accordance with this subpart.

Fantasy contest terminal—A computerized or electronic terminal or similar device within a licensed facility that allows participants to do all of the following:

(i) Register for a fantasy contest account.

(ii) Pay an entry fee.

(iii) Select athletes for a fantasy contest.

(iv) Receive winnings.

(v) Otherwise participate in a fantasy contest.

Highly experienced player—

(i) Any participant who has done one of the following:

(A) Entered more than 1,000 fantasy contests.

(B) Won more than three fantasy contest prizes or awards valued at $1,000 or more.

(ii) Once a participant is classified as a highly-experienced player, a player shall remain classified as a highly-experienced player.

Key employee—An individual who is employed by an applicant for a fantasy contest license or a licensed operator in a director or department head capacity or who is empowered to make discretionary decisions that regulate fantasy contest operations as determined by the Board.

Licensed entity representative—A person, including an attorney, agent or lobbyist, acting on behalf of or authorized to represent the interest of any applicant, licensee, or other person authorized by the Board to engage in any act or activity which is regulated under the provisions of this subpart regarding any matter before, or which may reasonably be expected to come before, the Board.

Licensed facility—

(i) The physical land-based location at which a licensed gaming entity is authorized to place and operate slot machines and, if authorized by the Board, to conduct table games.

(ii) The term includes any of the following:

(A) An area of a licensed racetrack at which was previously authorized under section 1207(17) (relating to regulatory authority of board) of the act to operate slot machines prior to April 28, 2018.

(B) A Board-approved interim facility or temporary facility.

(C) An area of a hotel which the Board determines is suitable to conduct table games.

(D) An area of a licensed facility where casino simulcasting is conducted, as approved by the Board.

Licensed operator—A person who holds a fantasy contest license.

Participant—An individual who participates in a fantasy contest, whether the individual is located in this Commonwealth or another jurisdiction.

Person—A natural person, corporation, publicly traded corporation, foundation, organization, business trust, estate, limited liability company, licensed corporation, trust, partnership, limited liability partnership, association or any other form of legal business entity.

Principal—An officer, director or person who directly holds a beneficial interest in or ownership of the securities of an applicant for a fantasy contest license or a licensed operator, a person who has a controlling interest in an applicant for a fantasy contest license or a licensed operator or who has the ability to elect a majority of the board of directors of a licensed operator or to otherwise control a licensed operator, lender or other licensed financial institution of an applicant for a fantasy contest license or a licensed operator, other than a bank or lending institution which makes a loan or holds a mortgage or other lien acquired in the ordinary course of business, underwriter of an applicant for a fantasy contest license or a licensed operator or other person or employee of an applicant for a fantasy contest license or a licensed operator deemed to be a principal by the Board.

Prize or *award*—Anything of value worth $100 or more, or any amount of cash or cash equivalents.

Publicly traded corporation—A person, other than an individual, who:

(i) Has a class or series of securities registered under the Securities Exchange Act of 1934 (15 U.S.C.A. §§ 78a—78qq).

(ii) Is a registered management company under the Investment Company Act of 1940 (15 U.S.C.A. §§ 80a-1—80a-64).

(iii) Is subject to the reporting requirements under section 15(d) of the Securities Exchange Act of 1934 (15 U.S.C.A. § 78o(d)) by reason of having filed a registration statement that has become effective under the Securities Act of 1933 (15 U.S.C.A. §§ 77a—77aa).

Script—A list of commands that a fantasy contest related computer software program can execute that is created by a participant or third party not approved by the licensed operator to automate processes on a licensed operator's fantasy contest platform.

Season-long fantasy contest—A fantasy contest offered by a licensed operator that is conducted over an entire sports season.

Social fantasy contest—A fantasy contest which meets one or more of the following criteria:

(i) Nothing is offered to participants other than game-based virtual currency that cannot be redeemed for cash, merchandise or anything of value outside the context of game play.

(ii) The contest is free to all participants.

(iii) The entity offering the contest does not receive compensation other than an administrative fee for the maintenance of statistical information in connection with the contest.

(iv) The winnings offered are of no greater value than the lowest individual fee charged to a single participant for entering or participating in the contest.

(v) The contest encompasses an entire season of the activity in which the underlying competition is being conducted and the winnings offered, if any, are determined by agreement of the participants only to distribute fully the participants' contributions to a fund established to grant the winnings for the contest.

Suspicious transaction—A transaction between a licensed operator or an employee of a licensed operator and an individual that involves the acceptance or redemption by a person of cash or cash equivalent involving or aggregating $5,000 or more which a licensed operator or employee of a licensed operator knows, suspects or has reason to believe:

(i) Involves funds derived from illegal activities or is intended or conducted to conceal or disguise funds or assets derived from illegal activities.

(ii) Is part of a plan to violate or evade a law or regulation to avoid a transaction reporting requirement under the laws or regulations of the United States or the Commonwealth, including a plan to structure a series of transactions to avoid a transaction reporting requirement under the laws of the United States or the Commonwealth.

(iii) Has no apparent lawful purpose or is not the type of transaction in which a person would normally be expected to engage and the licensed operator or employee knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

CHAPTER 1202a. APPLICATION REQUIREMENTS

Sec.

1202a.1. General licensing requirements.
1202a.2. Fantasy contest licenses.
1202a.3. Principals.
1202a.4. Key employees.
1202a.5. Gaming service providers.

§ 1202a.1. General licensing requirements.

A fantasy contest license holder may conduct fantasy contests in this Commonwealth in accordance with 4 Pa.C.S. Chapter 3 (relating to fantasy contests) and this subpart.

§ 1202a.2. Fantasy contest licenses.

(a) An application for a fantasy contest license shall be submitted on forms or in an electronic format supplied or approved by the Board and must contain all of the following information:

(1) The identity of the applicant as follows:

(i) If the applicant is an individual, the name, social security number, contact information and address of the applicant.

(ii) If the applicant is a corporation, the name and business address of the corporation, Federal employer identification number, the state of its incorporation, and the full name, contact information and business address of each officer and director thereof.

(iii) If the applicant is a foreign corporation, the name and business address of the corporation, whether it is qualified to do business in this Commonwealth, and the full name, contact information and business address of each officer and director thereof.

(iv) If the applicant is a partnership or joint venture, the name, contact information and business address of each officer thereof.

(2) The name and location of the applicant's licensed facility, if applicable.

(3) The name, contact information and business address of the person having custody of the applicant's financial records.

(4) The name and business address, job title, fingerprints and a photograph of each principal and key employee of the applicant who will be involved in fantasy contests and who is not currently licensed by the Board, if known. If the principal and key employee are currently licensed by the Board, the application must specifically identify their participation in offering fantasy contests.

(5) Information and documentation concerning financial background and resources, as the Board may require, to establish by clear and convincing evidence the financial stability, integrity and responsibility of the applicant.

(6) A copy of any agreement or agreements the applicant has entered into or a detailed description of the terms and conditions of any agreement the applicant will enter into to facilitate the operation or conduct of fantasy contests.

(7) Any other information the Board may require.

(b) Upon request of the Board or Board staff, the applicant shall cooperate and provide supplemental information in support of its application. The applicant shall provide requested documents, records, supporting data and other information within the time period specified in the request or, if no time is specified, within 30 days of the date of the request. If the applicant fails to provide the requested information within the required time period in the request, the Board may deny the application.

(c) The application, and amendments thereto, and other specific documents designated by the Board shall be filed promptly with the Board with the applicable application fee.

(d) An application and related materials that have been submitted to the Board will become the property of the Board and will not be returned to the applicant.

(e) An abbreviated application for a fantasy contest license by an applicant that is also a licensed gaming entity may be submitted on forms or in an electronic format supplied or

approved by the Board, and the applicant shall not be required to submit the information required under subsection (a) if the applicant has previously provided the information to the Board in conjunction with a prior application to become a licensed gaming entity.

§ 1202a.3. Principals.

(a) A principal as defined in this subpart shall apply for licensure as a principal in accordance with § 433a.8 (relating to principal applications).

(b) In addition to information required under § 433a.8, an individual required to be licensed as a principal, unless otherwise directed by the Board, shall submit all of the following:

(1) The nonrefundable application fee posted on the Board's web site.

(2) A description of responsibilities as a principal.

(3) Details relating to a similar license, permit or other authorization obtained in another jurisdiction.

(4) The consent to a background investigation by the Bureau and a release to obtain the information necessary for the completion of the background investigation.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may approve a principal license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity, and is eligible and suitable to be licensed as a principal.

(d) A principal license is not transferable.

(e) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a principal if the Board determines additional time is needed to complete an investigation for licensure.

§ 1202a.4. Key employees.

(a) A key employee as defined in this subpart shall apply for licensure as a key employee in accordance with § 435a.2 (relating to key employee license).

(b) In addition to information required under § 435a.2, an individual required to be licensed as a key employee, unless otherwise directed by the Board, shall submit all of the following:

(1) The nonrefundable application fee posted on the Board's web site.

(2) A description of employment responsibilities.

(3) The consent to a background investigation by the Bureau and a release to obtain the information necessary for the completion of the background investigation.

(4) Details relating to a similar license or other authorization obtained in another jurisdiction.

(5) Other information required by the Board.

(c) Following review of the application and background investigation, the Board may approve a key employee license if the applicant has proven by clear and convincing evidence that the applicant is a person of good character, honesty and integrity, and is eligible and suitable to be licensed as a key employee.

(d) A temporary credential, which may be valid up to 270 days, may be issued by the Board to a key employee if the Board determines additional time is needed to complete an investigation for licensure.

(e) An individual may not perform duties associated with a position that requires a key employee license prior to receiving a temporary or permanent credential unless otherwise authorized by the Board.

§ 1202a.5. Gaming service providers.

The Board may, in its discretion, require a licensed operator who is not a licensed gaming entity to apply for a certificate or registration as a gaming service provider to provide fantasy contests to, or on behalf of, a licensed gaming entity under 4 Pa.C.S. § 342 (relating to licensed gaming entities).

CHAPTER 1203a. APPLICATION PROCESS

Sec.

1203a.1. Application review and processing.
1203a.2. Application withdrawal.
1203a.3. Renewals.
1203a.4. Licensed entity representatives.

§ 1203a.1. Application review and processing.

(a) The Board will review applications submitted under this subpart to ensure compliance with 4 Pa.C.S. Chapter 3 (relating to fantasy contests) and Board regulations.

(b) If an applicant fails to include any required documentation or information, the applicant will be notified and given an opportunity to cure the deficiency.

(c) Upon a determination that the prerequisites for filing have been met, the application will be accepted for filing and Board staff, if applicable, will:

(1) Obtain information as may be necessary to determine the qualifications of the applicant and any matter relating to the application.

(2) Promptly conduct an investigation of the applicant and on any matter relating to the application, if applicable.

(3) Request the Department to promptly conduct or update a tax clearance review.

(4) Request the Pennsylvania State Police or Federal Bureau of Investigation to conduct or update a criminal history review.

(5) Request any agencies, entities or persons to provide information to the Board as deemed necessary by the Board.

(d) An application submitted under this subpart and information obtained by Board staff relating to the application will be part of the evidentiary record to be utilized by the Board when deciding to approve, condition, issue or deny a fantasy contest license.

(e) A determination as to the merit of the applicant to receive a fantasy contest license will be made within 120 days. If the license is not approved, the Board will provide the applicant with the justification for not issuing the fantasy contest license.

§ 1203a.2. Application withdrawal.

(a) A request for withdrawal of an application may be made at any time prior to the Board taking action on the application in accordance with all of the following requirements:

(1) A request for withdrawal of an entity applying for a license, certification or registration, or an individual applying for a principal license shall be made by filing a petition with the Board in accordance with § 493a.4 (relating to petitions generally).

(2) A request for withdrawal of an individual applying for a key employee license shall be made on a form supplied by the Bureau of Licensing. If Board staff objects to the request for withdrawal, the person filing the form will be notified and may be required to file a petition for withdrawal with the Board in accordance with § 493a.4.

(b) The petition or form must set forth the reasons for the withdrawal.

(c) When rendering a decision on a petition for withdrawal, the Board may set the conditions of withdrawal and may deny or grant the request with or without prejudice.

(d) Unless the Board otherwise directs, fees or other payments relating to an application, license, registration or certification are not refundable by reason of the withdrawal.

§ 1203a.3. Renewals.

(a) Licenses and registrations issued under this subpart will be for a term of 5 years from the date of issuance.

(b) An application for renewal of a license or registration shall be submitted at least 180 days prior to the expiration of the license or registration and must include an update of the information in the initial application and any prior renewal applications.

(c) A license or registration for which an application for renewal has been timely filed will continue in effect until the Board acts upon the application for renewal.

§ 1203a.4. Licensed entity representatives.

(a) A licensed entity representative shall register with the Board in a manner prescribed by the Board. The registration must include the name, employer or firm, business address and business telephone number of the licensed entity representative and any licensed operator, applicant for licensure or other person being represented.

(b) A licensed entity representative has an affirmative duty to update its registration information on an ongoing basis. Failure to update a registration is punishable by the Board.

CHAPTER 1204a. FANTASY CONTEST LICENSES

Sec.

1204a.1. Fantasy contest license issuance and statement of conditions.
1204a.2. Licensed fantasy contest operator change of ownership or control.

§ 1204a.1. Fantasy contest license issuance and statement of conditions.

(a) *Issuance criteria.* In addition to the criteria in 4 Pa.C.S. Chapter 3 (relating to fantasy contests), the Board will issue or renew a fantasy contest license if all of the following criteria have been established by the applicant:

(1) The applicant has fulfilled each condition set by the Board or contained in 4 Pa.C.S. Chapter 3, including the execution of a statement of conditions.

(2) The applicant is found suitable consistent with the laws of the Commonwealth and is otherwise qualified to be issued a fantasy contest license.

(b) *Statement of conditions.*

(1) The applicant, as a condition precedent to the issuance of a fantasy contest license, shall execute a Statement of Conditions in the manner and form required by the Board. Execution of the Statement of Conditions constitutes the acceptance of each provision in the Statement of Conditions by the applicant.

(2) Failure to fully comply with any provision in an executed Statement of Conditions constitutes a violation and may result in Board-imposed administrative sanctions, up to and including revocation, against a licensee.

§ 1204a.2. Licensed fantasy contest operator change of ownership or control.

(a) A licensed fantasy contest operator shall notify the Board upon becoming aware of any proposed change of ownership of the licensed fantasy contest operator by a person or group of persons acting in concert which involves any of the following:

(1) more than 15% of a licensed fantasy contest operator's securities or other ownership interests.

(2) the sale, other than in the ordinary course of business, of a licensed fantasy contest operator's assets.

(3) any other transaction or occurrence deemed by the Board to be relevant to fantasy contest license qualifications.

(b) Notwithstanding the provisions of subsection (a), a licensed fantasy contest operator shall not be required to notify the Board of any acquisition by an institutional investor under subsection (a)(1) or (2) if the institutional investor holds less than 10% of the securities or other ownership interests referred to in subsection (a)(1) or (2), the securities or interests are publicly traded securities and its holdings of such securities were purchased for investment purposes only and the institutional investor files with the Board a certified statement to the effect that the institutional investor has no intention of influencing or affecting, directly or indirectly, the affairs of the licensed fantasy contest operator. However, the institutional investor may vote on matters put to the vote of the outstanding security holders. Notice to the Board shall be required prior to completion of any proposed or contemplated change of ownership of a licensed fantasy contest operator that meets the criteria of this section.

(c) For purposes of this section, a change of control of a licensed fantasy contest operator will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a licensed fantasy contest operator's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the licensed fantasy contest operator.

(3) Any other interest in a licensed fantasy contest operator which allows the acquirer to control the licensed fantasy contest operator.

(d) A licensed fantasy contest operator shall notify the Bureau and the Bureau of licensing by filing a notification of proposed transfer of interest form immediately upon becoming aware of any proposed or contemplated change of control of the licensed fantasy contest operator.

(e) Prior to acquiring a controlling interest in a licensed fantasy contest operator, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter, principals and key employees.

(f) A person or group of persons seeking to acquire a controlling interest in a licensed fantasy contest operator shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(g) A person or group of persons may not acquire a controlling interest in a licensed fantasy operator until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in a licensed fantasy contest operator and the licensed fantasy contest operator may enter into an agreement of sale that is contingent on Board approval of the petition.

(h) The requirements in this section do not apply to the acquisition of a controlling interest in a licensed fantasy contest operator when all of the following conditions are met:

(1) The acquirer is an existing licensed fantasy contest operator.

(2) The existing licensed fantasy contest operator has provided the Bureau and the Bureau of licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of licensing determine that the filing of a petition is not required.

CHAPTER 1205a. FANTASY CONTESTS

Sec.

1205a.1. Fantasy contests generally.
1205a.2. Procedures to govern the conduct of fantasy contests.
1205a.3. Fantasy contest accounts.
1205a.4. Fantasy contest licensed operator duties.
1205a.5. Fantasy contest licensed operator restrictions.
1205a.6. Licensed gaming entities.
1205a.7. Record and data retention.

§ 1205a.1. Fantasy contests generally.

A fantasy contest licensee may offer a fantasy contest only under all of the following conditions:

(1) The value of all prizes or awards offered to winning participants is established and made known in advance of the fantasy contest.

(2) The value of the prize or award is not determined by the number of participants or the amount of fees paid by the participants.

(3) The winning outcome reflects the relative knowledge and skill of the participant.

(4) The winning outcome is not based on the score, point spread or performance of a single actual team or combination of teams, or solely on a single performance of an individual athlete or player in a single actual event.

(5) The winning outcome is based on statistical results accumulated from fully completed athletic sports contests or events, except that participants may be credited for

statistical results accumulated in a suspended or shortened sports event which has been partially completed on account of weather or other natural or unforeseen event.

§ 1205a.2. Procedures to govern the conduct of fantasy contests.

(a) Each fantasy contest license holder shall establish and implement procedures governing the conduct of fantasy contests, as approved by the Board.

(b) The governing procedures must include, at a minimum, all of the following:

(1) A participant may not be eligible to engage in a fantasy contest by a licensed operator without first establishing a fantasy contest account, unless the fantasy contest is through a fantasy contest terminal in a licensed facility.

(2) Prior to a participant engaging in a fantasy contest or making a deposit in a fantasy contest account, the licensed operator shall verify the age, location and identity of the participant. A person under 18 years of age located in this Commonwealth may not engage in a fantasy contest by a licensed operator. If the participant is utilizing a fantasy contest terminal in a licensed facility, the participant shall be 21 years of age or older to engage in a fantasy contest.

(3) Each time a participant enters his registered fantasy account, he shall enter his unique username and password, or other means as approved by the Board, to verify his identity.

(4) Prior to accepting of a participant's entry fee for a specific fantasy contest, all Board-approved rules, prizes and award values must be posted on the specific fantasy contest homepage in a clear and decipherable manner.

(5) Provisions to prohibit a participant who is not a beginner from participating in beginner fantasy contests, except as provided by 4 Pa.C.S. § 325(4.1)(ii) (relating to conditions of licensure). If a participant who is not a beginner attempts to and successfully enters a beginner contest, the participant's contest entry shall be voided, the participant's account shall be temporarily suspended from all further fantasy contest participation for 15 days and the licensed operator shall ban the participant from further participation in beginner fantasy contests offered by the licensed operator.

(6) Provisions to prohibit a highly experienced player from participating in fantasy contests that exclude highly experienced players. In accordance with 4 Pa.C.S. § 325(4.2) if a participant who is a highly experienced player attempts to and successfully enters a fantasy contest for which the participant is ineligible, the participant's contest entry shall be voided, the participant's account shall be suspended and the licensed operator shall ban the individual from further participation in fantasy contests offered by the licensed operator.

(7) Upon the creation of a fantasy contest account or the engagement of a fantasy contest terminal in a licensed facility, the licensed operator shall require the participant to identify any professional sports in which he currently engages in and which are subject to a fantasy contest and shall limit the participant's account from entering into contests of that sport.

(8) Allowing a person to restrict himself from entering a fantasy contest or accessing a fantasy contest account for a specific period of time as determined by the participant and implement procedures to prevent the person from participating in the licensed operator's fantasy contests.

(9) Allowing a person to restrict the total amount of deposits that the participant may pay to the licensed operator for a specific time period established by the participant and implement procedures to prevent the participant from exceeding the limit.

(10) Establishing procedures to monitor for and prevent the use of scripts.

(11) Establishing procedures determining when a fantasy contest locks and when no further entries or substitutions can be made. The procedures must require that the prize stipulated in the entry rules is available and can be demonstrated upon request of the Board.

(12) A process for a fantasy contest operator to receive and respond to participant complaints and reconciling a participant's fantasy contest account.

§ 1205a.3. Fantasy contest accounts.

(a) A participant may only enter a fantasy contest by a licensed operator by first establishing a fantasy contest account with the fantasy contest operator, unless the fantasy contest is through a fantasy contest terminal in a licensed facility.

(b) The licensed operator shall perform all of the following with respect to each participant account:

(1) Verify the age, location and identity of participants in a fantasy contest prior to accepting an entry in a fantasy contest by the participant account holder.

(2) Assure the participant has funds on account sufficient to pay the fantasy contest entry fee at the time of entry.

(3) Require that each time a participant enters his registered fantasy account, the participant shall enter his unique username and password to verify his identity.

(4) Provide the account holder the option to:

(i) Restrict the participant from entering a fantasy contest or accessing a fantasy contest account for a specific period of time as determined by the account holder.

(ii) Restrict the total amount of deposits that the participant may pay to the licensed operator for a specific time period established by the participant.

(iii) Restrict the total amount of entry fees that the participant may pay to the licensed operator for a specific time period established by the participant.

(iv) Restrict the number of fantasy contests the participant may enter for a specific time period as determined by the account holder.

(v) With respect to subparagraphs (i)—(iv), a participant may make his limits more restrictive at any time but any increase to these limits must become effective only after the time-period of the previous limit has expired and the player reaffirms the requested increase.

(5) Prevent unauthorized withdrawals from a fantasy contest account.

(6) Establish protocols for participants to withdraw funds whether the account is open or closed.

(7) Establish procedures for closing accounts and paying balances.

(8) Establish procedures for the disbursement of unclaimed prizes.

§ 1205a.4. Fantasy contest licensed operator duties.

(a) A licensed operator shall comply with the conditions of licensure in 4 Pa.C.S. Chapter 3 (relating to fantasy contests) and the Board's regulations.

(b) A licensed operator shall continually monitor fantasy contests for conduct which violates the provisions and restrictions of 4 Pa.C.S. Chapter 3 and the Board's regulations, and immediately take steps to report this conduct to the Bureau upon discovery.

(c) A licensed operator shall implement measures to ensure the confidentiality of participants' personal, financial and account information, and to prevent the public disclosure of this information except as provided by law.

(d) A licensed operator shall timely remit all taxes and assessments to the Department as provided for in 4 Pa.C.S. Chapter 3.

(e) A licensed operator shall cooperate with the Board, the Bureau, the Department and law enforcement authorities performing any function or duties related to monitoring, investigating or enforcing 4 Pa.C.S. Chapter 3 or regulations relating to fantasy contest-related activities.

(f) A licensed operator shall permit access to the licensee's premises and fantasy contest terminal premises used in connection with the conduct of fantasy contests for the Board, the Bureau, the Department and the Pennsylvania State Police to facilitate the ability to perform regulatory oversight and law enforcement functions.

(g) A licensed operator shall maintain a record of all participant complaints along with a description of how the complaint was resolved and reconciled, which shall be made available to the Board upon request.

(h) A licensed operator shall submit to the Bureau a record of any suspicious transactions as provided in 4 Pa.C.S. § 325(4.5) (relating to conditions of licensure) within 2 business days of having reason to know that a suspicious transaction has occurred.

(i) Each licensed operator shall maintain an office, place of business, or registered agent for service of process in this Commonwealth and shall file with the Board the address and contact information for a person or representative in this Commonwealth authorized to receive service of process, documents and requests issued by the Board. If the Board makes a request for information or delivers documents or a notice to that address, it shall constitute receipt of those documents or requests by the licensed operator or applicant. If the Board will require access to the database for the licensed operator, this information shall be kept and be made available to the Board at the Pennsylvania office, place of business, or registered agent address, or at the offices of the Board.

§ 1205a.5. Fantasy contest licensed operator restrictions.

A licensed operator shall not do any of the following:

(1) Permit an individual under 18 years of age in this Commonwealth to participate in a fantasy contest.

(2) Permit an individual under 21 years of age to participate in a fantasy contest which is conducted within a licensed facility.

(3) Offer a fantasy contest based in whole or in part on collegiate or high school events or players.

(4) Permit a participant to enter a fantasy contest prior to establishing a fantasy contest account, unless the licensed operator is also a licensed gaming entity and the participant enters the fantasy contest through a fantasy contest terminal located within the licensed gaming entities licensed facility.

(5) Establish a fantasy contest account for a person who is not an individual.

(6) Alter the rules established for a fantasy contest after a participant has entered the fantasy contest.

(7) Issue credit to a participant to establish or fund a fantasy contest account.

(8) Permit the use of scripts by participants. A licensed operator shall implement technologies to prevent the use of scripts.

(9) Knowingly market to a participant during a time period in which the participant has self-excluded from the licensed operator's fantasy contests.

(10) Knowingly allow a self-excluded person to collect, keep or retain a prize or award.

(11) Knowingly accept a deposit or entry in excess of a limit established by a participant for
the specific time period established by the participant.

(12) Share confidential information that could affect fantasy contest play with third parties until the information is made publicly available.

(13) Knowingly permit a principal, an employee of a licensed operator or a relative living in the same household of an employee, or a principal of a licensed operator to become a participant in a fantasy contest offered by any licensed operator in which the licensed operator offers a prize or award.

§ 1205a.6. Licensed gaming entities.

(a) A licensed gaming entity which holds a fantasy contest license may petition the Board for authority to place and operate fantasy contest terminals within the licensed gaming entity's licensed facility.

(b) A licensed gaming entity may not place a fantasy contest terminal on its approved gaming floor. The Board's Executive Director will approve the placement of terminals within the licensed facility.

(c) A participant entering a fantasy contest through a fantasy contest terminal is not required to establish an account with the licensed gaming entity prior to entering the fantasy contest.

(d) A licensed gaming entity which offers a fantasy contest through a fantasy contest terminal may offer slot machine promotional play or table game match play to a participant who is at least 21 years of age or older as a prize or award or for participating in a fantasy contest conducted by the licensed gaming entity, as approved by the Board.

(e) A licensed gaming entity which obtains authorization from the Board to conduct fantasy contests through fantasy contest terminals is subject to all requirements and restrictions, except for those relating to prior account establishment, in this chapter and Chapters 1206a—1209a.

§ 1205a.7. Record and data retention.

(a) A licensed operator shall retain account information for a 5-year period, including records of deposits into and out of a fantasy contest account, winnings, payouts and withdrawals, and record of participant play of fantasy contests.

(b) A licensed operator shall retain records of each fantasy contest conducted by the licensed operator for a 5-year period.

(c) A licensed operator shall retain copies of all advertisements for at least 2 years from the date of the last use of the advertisement and shall retain records to identify where advertisements were placed.

CHAPTER 1206a. ACCOUNTING AND INTERNAL CONTROLS

Sec.

1206a.1. Fantasy contest accounting and internal controls.

§ 1206a.1. Fantasy contest accounting and internal controls.

(a) At least 45 days prior to commencing fantasy contests under this subpart, a fantasy contest licensee or an applicant for a fantasy contest license shall submit to the Board for approval all internal control systems and audit protocols for the fantasy contest operations.

(b) An applicant for a fantasy contest license who is conducting fantasy contests in this Commonwealth prior to the effective date of 4 Pa.C.S. Chapter 3 (relating to fantasy contests) shall submit a copy of its internal control systems and audit protocols for the fantasy contest operations simultaneously with its application for a fantasy contest license.

(c) A fantasy contest licensed operator's internal controls and audit protocols must include all of the following:

(1) Provide for reliable records, accounts and reports of any financial event that occurs in the conduct of fantasy contests, including reports to the Board related to fantasy contests.

(2) Provide for accurate and reliable financial records related to the conduct of fantasy contests, including by or through participants located in this Commonwealth.

(3) Establish procedures and security for the recordation of wagering, winnings, and fantasy contest adjusted revenue and taxation.

(4) Establish procedures and security standards for the maintenance of fantasy contests and associated equipment used in connection with the conduct of fantasy contests.

(5) Establish procedures and rules to govern the conduct of fantasy contests and the responsibility of employees related to fantasy contest.

(6) Establish procedures for the collection, recording and deposit of revenue from the conduct of fantasy contests by or through participants located in this Commonwealth.

(7) Establish reporting procedures and records required to ensure that all money generated from fantasy contests by or through participants located in this Commonwealth is accounted for.

(8) Ensure that all functions, duties and responsibilities related to fantasy contests are appropriately segregated and performed in accordance with sound financial practices by qualified employees.

(9) Ensure the confidentiality of the participant's personal and financial information.

(10) Ensure the segregation of participant funds from operational funds in separate accounts and maintain a reserve in the form of cash, cash equivalents, security deposits held by banks and processors, an irrevocable letter of credit, payment processor reserves and receivables, a bond or a combination thereof in an amount sufficient to pay all prizes and awards offered to winning participants.

(d) The submissions required under subsections (a) and (b) must include a detailed description of the fantasy contest license operator's administrative and accounting procedures related to fantasy contests, including its written system of internal controls. Each written system of internal controls must include all of the following:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in fantasy contests.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) A detailed narrative description of the administrative and accounting procedures to satisfy the requirements in 4 Pa.C.S. § 325 (relating to conditions of licensure).

(4) The record retention policy of the licensed operator.

(5) The procedure to be utilized to ensure that money generated from the conduct of fantasy contests is safeguarded, including mandatory counting and recording procedures.

(6) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(7) Procedures to be utilized by an employee of a licensed operator in the event of a malfunction of a fantasy contest terminal or other equipment used in the conduct of fantasy contests.

(8) Procedures to be utilized by a licensed operator to prevent individuals under the age of 18 or fantasy contest self-excluded individuals from entering fantasy contests.

(9) Other items the Board may request in writing to be included in the internal controls.

(10) A statement signed by the chief financial officer of the proposed licensed operator or other competent person and the chief executive officer of the proposed licensed operator or other competent person attesting that the officer believes, in good faith, that the system satisfies the requirements in 4 Pa.C.S. § 325.

(e) Prior to authorizing a licensed operator to begin the conduct of fantasy contests, the Board will review the system of internal controls and audit protocols submitted under subsections (a) and (b) to determine whether it conforms to the requirements in this chapter and whether it provides adequate and effective controls for the conduct of fantasy contests.

(f) If a licensed operator intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment electronically to the Bureau of Gaming Operations in a manner prescribed by the Bureau of Gaming Operations. The licensed operator may implement the change or amendment upon receipt of approval or on the 30th calendar day following the filing of a complete submission unless the fantasy contest licensee receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

(g) If during the 30-day review period in subsection (f), the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of fantasy contests or the control of revenue generated from fantasy contests, the Bureau of Gaming Operations, by written notice to the licensed operator, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in subsection (f) be tolled and that any internal controls at issue not be implemented until approved under subsection (i).

(h) A submission under this section shall be deemed insufficient and likely to negatively affect the integrity of fantasy contests if the submission:

(1) Fails to provide information sufficient to permit the review of fantasy contests.

(2) Fails to provide for the segregation of incompatible functions so that no employee is in a position to commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Does not include forms or other materials referenced in the submission or required under 4 Pa.C.S. Chapter 3 or this subpart.

(4) Would implement operations or accounting procedures not authorized by 4 Pa.C.S. Chapter 3 or this subpart.

(i) When a change or amendment has been tolled under subsection (g), the licensed operator may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The licensed operator may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the licensed operator receives written notice tolling the change or amendment in accordance with subsection (g) or written notice from the Board's Executive Director rejecting the change or amendment.

CHAPTER 1207a. ADVERTISING

Sec.

1207a.1. Fantasy contest advertising.

§ 1207a.1. Fantasy contest advertising.

(a) Advertisements related to fantasy contests used by a licensed operator through any form of media, Internet application, or fantasy contest terminal or its agent may not do any of the following:

(1) Contain false or misleading information. An advertisement will be considered misleading if it makes representations about average winnings without equally prominently representing the average net winnings of all players and that not all players will achieve the results referenced.

(2) Portray participation in sporting events by minors (other than professional athletes who may be minors), students, schools, colleges or their settings.

(3) Represent endorsements by minors, college athletes, colleges or college athletic associations.

(4) Appear in a publication that is aimed exclusively or primarily at minors, or individuals attending an elementary or secondary school or school-related event.

(5) Fail to disclose conditions or limiting factors associated with the advertisement.

(b) A licensed operator may not directly market to a person on the Board's fantasy contest self-exclusion list.

(c) Any advertisement directed specifically towards participants in this Commonwealth shall include a statement providing the following: “If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER).”

(d) A licensed operator or fantasy contest terminal operator or its agent shall discontinue as expeditiously as possible the use of a particular advertisement in this Commonwealth or directed to residents in this Commonwealth upon receipt of written notice that the Board's Office of Compulsive and Problem Gaming has determined that the use of the particular advertisement in this Commonwealth could adversely impact the public or the integrity of fantasy gaming.

CHAPTER 1208a. COMPULSIVE AND PROBLEM GAMING

Sec.

1208a.1. Signage requirements.
1208a.2. Problem gambling information.

§ 1208a.1. Signage requirements.

(a) A fantasy contest licensee shall conspicuously post notices on the licensee's web site, including on the account registration and access page, a statement providing the following: “If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER).”

(b) The operator of any fantasy contest terminal shall conspicuously post notice on the front of the fantasy contest terminal and notices on the opening screen and on an account registration or access screen, if applicable, a statement providing the following: “If you or someone you know has a gambling problem, help is available. Call (1-800-GAMBLER).”

§ 1208a.2. Problem gambling information.

A licensed operator shall make available through its web site a Responsible Gaming page, as approved by the Board's Office of Compulsive and Problem Gaming (Office), containing links to compulsive and problem gaming treatment information and provider sites and materials provided by the Office regarding compulsive and problem gaming.

CHAPTER 1209a. FANTASY CONTEST SELF-EXCLUSION

Sec.

1209a.1. Fantasy contest self-exclusion definitions.
1209a.2. Fantasy contest self-exclusion procedure.
1209a.3. Fantasy contest self-exclusion list.
1209a.4. Duties of fantasy contest licensees.
1209a.5. Removal from fantasy contest self-exclusion list.

§ 1209a.1. Fantasy contest self-exclusion definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Fantasy contest activity—The play of fantasy contests at any location in this Commonwealth.

Fantasy contest related activity—An activity related to the play of fantasy contests including creating a player account, funding a player account or withdrawing funds on account.

Fantasy contest self-excluded person—A person whose name and identifying information is included, at the person's request, on the fantasy contest self-exclusion list maintained by the Board.

Fantasy contest self-exclusion list—A list of names and identifying information of persons who, under this chapter, have voluntarily agreed to be excluded from the conduct of fantasy contests for a period of time as selected by the person.

Winnings—Any money or thing of value received from, or owed by, a fantasy contest licensee as a result of a fully executed fantasy contest transaction.

§ 1209a.2. Fantasy contest self-exclusion procedure.

(a) A person requesting to be self-excluded from fantasy contest activity shall submit a completed Request for Voluntary Self-Exclusion from Fantasy Contest Activities Form to the Board by one of the following methods:

(1) Electronically on the Board's web site.

(2) In person by scheduling an appointment at the Board's Harrisburg office, one of the Board's other offices or at a licensed facility. To make an appointment, a person may contact the Office of Compulsive and Problem Gaming at (717) 346-8300 or problemgambling@pa.gov.

(b) When requesting fantasy contest self-exclusion, the person shall do all of the following:

(1) Provide all of the following information:

(i) The individual's complete name, including any aliases or nicknames.

(ii) Current address.

(iii) Telephone number.

(iv) E-mail address.

(v) Age.

(vi) Date of birth.

(vii) Social security number, or the last 4 digits of the individual's social security number, when voluntarily provided in accordance with section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552a).

(2) Identify the period of time in years for which the individual seeks to self-exclude, which shall not be less than 1 year.

(3) Agree that, during any period of voluntary self-exclusion, the person may not collect any winnings or recover any losses resulting from any fantasy contest activity.

(4) Agree to release, indemnify, hold harmless and forever discharge the Commonwealth, the Board and all fantasy contest licensees from claims, damages, losses, expenses or liability arising out of, by reason of or relating to the fantasy contest self-excluded

person or to any other party for any harm, monetary or otherwise, which may arise as a result of one or more of the following:

(i) The failure of a fantasy contest licensee to withhold fantasy contest privileges from or restore fantasy contest privileges to a fantasy contest self-excluded person.

(ii) Otherwise permitting or not permitting a fantasy contest self-excluded person to engage in fantasy contest activity while on the list of fantasy contest self-excluded persons.

(iii) Confiscation of the individual's winnings.

(5) Agree to other conditions established by the Board.

(c) A link to the form to be used to request placement on the fantasy contest self-exclusion list must be available on the responsible gaming webpage of each fantasy contest licensed operator's web site.

(d) The information provided in subsection (b) shall be updated by the fantasy contest self-excluded person within 30 days of a change. Updated information shall be submitted on a change of information form to the following address, or submitted online in the "Update My Information" webform on the Board's web site. a copy of the form can be obtained by calling the OPCG at (717) 346-8300, by e-mail at problemgambling@pa.gov, or by writing to:

PENNSYLVANIA GAMING CONTROL BOARD
OFFICE OF COMPULSIVE AND
PROBLEM GAMBLING
P.O. BOX 69060
HARRISBURG, PA 17106-9060

§ 1209a.3. Fantasy contest self-exclusion list.

(a) The Board will maintain the official fantasy contest self-exclusion list and shall make the fantasy contest self-exclusion list available to each licensed operator by means of the Board's self-exclusion system.

(b) The information made available to licensed operators by the Board will include all of the following information concerning a person who has been added to the fantasy contest self-exclusion list:

(1) The individual's complete name, including any aliases or nicknames.

(2) Current address.

(3) Telephone number.

(4) E-mail address.

(5) Age.

(6) Date of birth.

(7) Social security number, or the last 4 digits of the individual's social security number, when voluntarily provided in accordance with section 7 of the Privacy Act of 1974 (5 U.S.C.A. § 552A).

(c) A licensed operator shall establish procedures to ensure that its database of self-excluded persons is updated to correspond with the Board's current fantasy contest self-exclusion list.

(d) A licensed operator shall maintain a copy of the fantasy contest self-exclusion list and establish procedures to ensure that the copy of the fantasy contest self-exclusion list is updated at least every 2 business days with the information made available to licensed operators by means of the Board's self-exclusion system and that all appropriate employees and agents of the licensed operator are notified of the updates to the fantasy contest self-exclusion list.

(e) Information furnished to or obtained by the Board under this chapter will be deemed confidential and will not be disclosed except in accordance with this chapter and 4 Pa.C.S. § 325(6)(ii) (relating to conditions of licensure).

(f) Except as provided in 4 Pa.C.S. § 325(6)(ii), licensed operators and employees or agents thereof may not disclose the name of, or any information about, a person who has requested fantasy contest self-exclusion to anyone other than employees and agents of the licensed operator whose duties and functions require access to the information.

(g) A fantasy contest self-excluded person may not collect in any manner or in any proceeding any winnings or recover any losses arising as a result of any gaming activity for the entire period of time that the person is on the fantasy contest self-exclusion list.

(h) Winnings incurred by a fantasy contest self-excluded person shall be remitted to the Board to support compulsive and problem gambling programs of the Board.

(i) For the purposes of this section, winnings issued to or redeemed by a fantasy contest self-excluded person will be presumed to constitute winnings subject to remittance to the Board.

§ 1209a.4. Duties of fantasy contest licensees.

(a) A fantasy contest licensee shall do all of the following:

(1) Deny fantasy contest related activities to a fantasy contest self-excluded person.

(2) Ensure that a fantasy contest self-excluded persons may not establish an account or deposit money in an established account while the person is on the fantasy contest self-exclusion list.

(3) Retain a record of any attempts of a fantasy contest self-excluded person to engage in fantasy contest related activity and to provide the record to the Board's Office of Compulsive and Problem Gaming (Office) in a form and manner as approved by the Office. The record must include the name of the self-excluded person, the date of the occurrence and a description of the attempted fantasy contest related activity.

(4) Notify the Office within 24 hours of identifying that an individual on the self-exclusion list has gained access to the individual's account or has entered a fantasy contest.

(5) Make available to patrons materials explaining the fantasy contest self-exclusion program.

(b) The list of fantasy contest self-excluded persons is confidential, and any distribution of the list to an unauthorized source constitutes a violation of 4 Pa.C.S. Chapter 3 (relating to fantasy contests).

§ 1209a.5. Removal from fantasy contest self-exclusion list.

An individual who has elected to self-exclude from fantasy contest related activity will remain on the self-exclusion list for the duration of the period selected and will be removed from the fantasy contest self-exclusion list only upon the conclusion of the period of self-exclusion.

Subpart Q. SPORTS WAGERING

CHAPTER 1401a. GENERAL SPORTS WAGERING PROVISIONS

Sec.

1401a.1. Scope.
1401a.2. Definitions.
1401a.3. Initial and renewal authorization and license fees.
1401a.4. Sports wagering certificate petition and standards.
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1401a.6. Permitted sports wagering activities.
1401a.7. Prohibited and restricted sports wagering activities.
1401a.8. Persons prohibited from engaging in sports wagering activities.
1401a.9. Physical characteristics of sports wagering areas; security and surveillance of sports wagering area; other requirements.

§ 1401a.1. Scope.

(a) The purpose of this subpart is to govern the operation of sports wagering in this Commonwealth. The purpose of this chapter is to establish definitions for this subpart and create the process by which a slot machine licensee can seek approval to conduct sports wagering. The act and the Board's regulations promulgated thereunder shall otherwise apply when not in conflict with this subpart.

(b) Any sports wagering certificate holder or sports wagering operator who offers interactive or mobile sports wagering as a form of interactive gaming shall also comply with all applicable provisions in Subpart L (relating to interactive gaming) as it pertains to the

development, implementation, and use of interactive or mobile sports wagering system operations, specifically Chapters 809a—815a.

§ 1401a.2. Definitions.

The following words and terms, when used in this subpart, have the following meanings, unless the context clearly indicates otherwise:

Associated equipment—Any equipment or mechanical, electromechanical or electronic contrivance, component or machine used in connection with sports wagering, including equipment which affects the proper reporting and counting of gross sports wagering revenue and computerized systems for controlling and monitoring sports wagering.

Authorized trader—An entity who has been authorized by a sports wagering certificate holder or sports wagering operator to place a layoff wager pursuant to a layoff wager agreement.

Bureau—The Bureau of Investigations and Enforcement.

Cash equivalent—An asset that is readily convertible to cash, including any of the following:

(i) Chips or tokens.

(ii) Travelers checks.

(iii) Foreign currency and coin.

(iv) Certified checks, cashier's checks and money orders.

(v) Personal checks or drafts.

(vi) A negotiable instrument applied against credit extended by a certificate holder, an interactive gaming operator, sports wagering operator or a financial institution.

(vii) A prepaid access instrument.

(viii) Any other instrument or representation of value that the Board deems a cash equivalent.

Gaming day—The period of time from 6 a.m. to 5:59:59 a.m. the following calendar day, corresponding to the beginning and ending times of sports wagering activities for the purpose of accounting reports and determination of gross sports wagering revenue.

Gaming employee—An employee of any of the following who the Board determines, after a review of the work to be performed, requires a gaming employee permit for the protection of the integrity of sports wagering within this Commonwealth:

(i) A sports wagering certificate holder, interactive gaming operator or sports wagering operator.

(ii) A sports wagering manufacturer.

(iii) A sports wagering supplier.

(iv) A sports wagering gaming service provider.

(v) Any other person as determined by the Board.

Gross sports wagering revenue—

(i) The total of cash or cash equivalents received from sports wagering minus the total of:

(A) Cash or cash equivalents paid to players as a result of sports wagering.

(B) Cash or cash equivalents paid to purchase annuities to fund prizes payable to players over a period of time as a result of sports wagering.

(C) The actual cost paid by the sports wagering certificate holder for any personal property distributed to a player as a result of sports wagering. This clause does not include travel expenses, food, refreshments, lodging or services.

(ii) The term does not include any of the following:

(A) Counterfeit cash or chips.

(B) Coins or currency of other countries received as a result of sports wagering, except to the extent that the coins or currency are readily convertible to cash.

(C) Cash taken in a fraudulent act perpetrated against a sports wagering certificate holder for which the sports wagering certificate holder is not reimbursed.

Interactive or Mobile Sportsbook—An authorized sports wagering web site or mobile application offered to registered players in this Commonwealth by a sports wagering certificate holder or sports wagering operator.

Interactive or mobile sports wagering—Sports wagering offered to registered players in this Commonwealth by a sports wagering certificate holder or sports wagering operator by means of an authorized sports wagering web site or mobile application.

Key employee—All of the following:

(i) An individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate sports wagering operations or systems, including the director of sports wagering or other similar job classifications associated with sports wagering.

(ii) An employee who is not otherwise designated as a gaming employee and who supervises the operations or systems of the sports wagering department or to whom the sports wagering department directors or sports wagering department heads report.

(iii) Other positions not otherwise designated or defined under this subpart which the Board determines based on detailed analyses of job descriptions as provided in the internal controls of the sports wagering certificate holder or sports wagering operator as approved by the Board.

Layoff wager—

(i) A wager placed by a sports wagering certificate holder or sports wagering operator with another sports wagering certificate holder or sports wagering operator located in this Commonwealth for the purposes of offsetting patron wagers.

(ii) A wager sought and accepted by a sports wagering certificate holder or sports wagering operator placed by an authorized trader for the purposes of offsetting patron wagers.

Layoff wager agreement—An agreement entered into between a sports wagering certificate holder or sports wagering operator and an authorized trader which governs the terms and conditions for the placement of layoff wagers.

Player—An individual wagering cash, a cash equivalent or other thing of value on a sporting event, combination of sporting events or the individual performance statistics of an athlete in a sporting event, including during a contest or tournament, the act of which may deliver or entitle the individual to receive cash, a cash equivalent or other thing of value from another player or sports wagering certificate holder, interactive gaming operator or sports wagering operator.

Registered player—An individual who has entered into a sports wagering account agreement with a sports wagering certificate holder or sports wagering operator offering interactive or mobile sports wagering.

Retail sportsbook—Sports wagering activities conducted by means of self-service kiosks or point of sale system in the sports wagering areas of a sports wagering certificate holder's approved locations.

Sporting event—A professional or collegiate sports or athletic event or a motor race event, including international team and international individual athletic events.

Sports wagering—

(i) The business of accepting wagers on sporting events or on the individual performance statistics of athletes in a sporting event or combination of sporting events by any system or method of wagering, including at a retail sportsbook or over the Internet through web sites and mobile applications when authorized by the Board. The term includes exchange wagering, parlays, over-under, moneyline, pools and straight bets. The term does not include the other forms of gaming or wagering listed in section 13C01 of the act (relating to definitions).

Sports wagering area—

(i) The physical land-based location at which a certificate holder is authorized, under Chapter 13C of the act (relating to sports wagering), to conduct retail sports wagering. The area must be:

(A) A designated area within the certificate holder's slot machine licensed facility, as approved by the Board.

(B) A Board-approved temporary facility that is physically connected to, attached to or adjacent to the certificate holder's slot machine licensed facility for a period not to exceed 18 months.

(C) A nonprimary location of a Category 1 slot machine licensee under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform) upon Board approval in consultation with the State Horse Racing Commission.

(D) At a Category 4 licensed facility, if the holder of the Category 4 slot machine license also holds a Category 1, 2 or 3 slot machine licensed and has acquired a sports wagering certificate under that Category 1, 2 or 3 license.

(ii) The term does not include a redundancy facility or an interactive gaming or interactive or mobile sports wagering restricted area which is not located on the premises of a licensed facility as approved by the Board and which is maintained and operated by a certificate holder, interactive gaming operator or sports wagering operator in connection with sports wagering.

Sports wagering certificate—A certificate awarded by the Board under this subpart that authorizes a slot machine licensee to conduct sports wagering in accordance with this subpart.

Sports wagering certificate holder—A slot machine licensee to whom the Board has awarded a sports wagering certificate.

Sports wagering device—Any mechanical, electrical or computerized contrivance, terminal, machine or other device, apparatus, equipment or supplies approved by the Board and used to conduct sports wagering.

Sports wagering gaming service provider—A person that is not required to be licensed as a sports wagering operator, interactive gaming operator, sports wagering manufacturer, sports wagering supplier, interactive gaming manufacturer or interactive gaming supplier and:

(i) Provides goods or services to a sports wagering certificate holder, interactive gaming operator or sports wagering operator for the operation of sports wagering.

(ii) Is determined to be a sports wagering gaming service provider by the Board.

Sports wagering interactive system—All hardware, software and communications that comprise a type of server-based sports wagering system for the purpose of offering authorized interactive or mobile sports wagering in this Commonwealth when authorized by the Board.

Sports wagering manufacturer—A person who manufactures, builds, rebuilds, fabricates, assembles, produces, programs, designs, sells, leases, offers or otherwise makes modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes.

Sports wagering manufacturer license—A license issued by the Board authorizing a sports wagering manufacturer to manufacture, build, rebuild, fabricate, assemble, produce, program, design, sell, lease, offer or otherwise make modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes.

Sports wagering operator—A person licensed by the Board to offer sports wagering at a retail sportsbook or offer interactive or mobile sports wagering through the provision of a sports wagering platform on behalf of a sports wagering certificate holder. The term includes an interactive gaming operator applicant or licensee that seeks to operate retail sports wagering or interactive or mobile sports wagering system on behalf of sports wagering certificate holder.

Sports wagering platform—The combination of hardware and software or other technology designed and used to manage, conduct and record retail and interactive or mobile sports wagering activity as approved by the Board. The term includes any emerging or new technology deployed to advance the conduct and operation of retail and interactive or mobile sports wagering activity as approved through regulation by the Board.

Sports wagering restricted area—Any room or area, as approved by the Board, used by a sports wagering certificate holder, interactive gaming operator or sports wagering operator to manage, control and operate sports wagering, including, when approved by the Board, redundancy facilities and remote gaming server locations.

Sports wagering supplier—A person who provides, distributes or services any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes that is not otherwise required to be licensed as a sports wagering manufacturer or sports wagering gaming service provider.

Sports wagering supplier license—A license issued by the Board authorizing a sports wagering supplier to provide products or services related to any authorized sports wagering device or associated equipment to a sports wagering certificate petitioner or holder or sports wagering operator for use or operation in this Commonwealth for sports wagering purposes.

§ 1401a.3. Initial and renewal authorization and license fees.

(a) Prior to the Board issuing a sports wagering certificate, sports wagering operator license or renewal thereof, the sports wagering certificate holder or sports wagering operator shall pay the authorization or license fee.

(b) If an interactive gaming operator licensee, licensed in accordance with the provisions of Subpart L (relating to interactive gaming), has already remitted the required licensing fee, the Board will not assess an additional fee for the interactive gaming operator licensee to acquire a sports wagering operator license.

§ 1401a.4. Sports wagering certificate petition and standards.

(a) A slot machine licensee seeking to offer sports wagering in this Commonwealth may petition the Board for a sports wagering certificate.

(b) A petitioner for a sports wagering certificate shall submit all of the following to the Board:

(1) The name, business address and contact information of the slot machine licensee petitioning for a sports wagering certificate.

(2) The name, business address and contact information of any affiliate, sports wagering operator or other person that will be a party to an agreement with the sports wagering certificate petitioner related to the operation of sports wagering on behalf of the sports wagering certificate petitioner and a description of the services to be provided.

(3) The name and business address, job title and a photograph of each principal and key employee of the sports wagering petitioner who will be involved in the conduct of sports wagering and whether or not the principal or key employee is currently licensed by the Board.

(4) A statement identifying what types of sports wagering, including the sporting events, the sports wagering certificate petitioner intends to offer.

(5) A statement identifying whether the sports wagering petitioner intends to offer retail sports wagering, interactive or mobile sports wagering, or a combination thereof.

(6) A statement identifying whether the sports wagering petitioner intends to utilize a temporary facility for its retail sports wagering operations or system.

(7) If the petitioner is a Category 1 slot machine licensee, a statement identifying whether the sports wagering petitioner intends to offer retail sports wagering in any nonprimary locations.

(8) The estimated number of full-time and part-time employment positions that will be created as a result of sports wagering if a sports wagering certificate is issued.

(9) An updated hiring plan under section 1510(a) of the act (relating to labor hiring preferences) which outlines the sports wagering certificate petitioner's plan to promote the representation of diverse groups and Commonwealth residents in the employment positions.

(10) A brief description of the economic benefits expected to be realized by the Commonwealth if a sports wagering certificate is issued.

(11) The details of any financing obtained or that will be obtained to fund an expansion or modification of the sports wagering certificate petitioner's licensed facility to accommodate sports wagering and to otherwise fund the cost of commencing sports wagering.

(12) Information and documentation concerning financial background and resources to establish the financial stability, integrity and responsibility of the sports wagering certificate petitioner.

(13) Information and documentation concerning the terms of any agreement with a sports wagering operator.

(14) Information and documentation to establish that the sports wagering certificate petitioner has sufficient business ability and experience to conduct a successful sports wagering operation, including the sports wagering certificate petitioner's history in slot machine and table game operations, employment data and capital investment in casino operations.

(15) Information and documentation that the sports wagering certificate petitioner has or will have the financial ability to pay the sports wagering authorization fee.

(16) Detailed site plans identifying the proposed sports wagering area and sports wagering restricted area, including security and surveillance plans and plans relative to compliance with the Clean Indoor Air Act (35 P.S. §§ 637.1—637.11).

(17) An overview of all of the following:

(i) The sports wagering certificate petitioner's initial system of internal and accounting controls applicable to sports wagering including the areas described in paragraph (16).

(ii) The sports wagering certificate petitioner's proposed standards to protect, with a reasonable degree of certainty, the privacy and security of its registered players.

(iii) The sports wagering devices and associated equipment and interactive or mobile sports wagering system, or both, that the sports wagering certificate petitioner plans to or will utilize to manage, administer or control its sports wagering operations or systems as well as the identity of any third parties providing these devices and associated equipment.

(18) A description of accounting systems, including accounting systems for all of the following:

(i) Sports wagering accounts.

(ii) Per wager charges, if applicable.

(iii) Transparency and reporting to the Board and the Department.

(iv) Ongoing auditing and internal control compliance reviews.

(19) A description outlining the impact that sports wagering petitioner's plans will have on the number of slot machines and table games in operation at its licensed facility.

(20) An overview of any necessary additions to the petitioner's Compulsive and Problem Gambling Plan necessitated by sports wagering.

(c) The Board will approve a sports wagering petition if the petitioner establishes all of the following by clear and convincing evidence:

(1) The petitioner's slot machine license and table game operation certificate are in good standing with the Board.

(2) The conduct of sports wagering at the petitioner's licensed facility will increase revenues and employment opportunities.

(3) The petitioner possesses adequate funds or has secured adequate financing to:

(i) Fund any necessary expansion or modification of the petitioner's licensed facility to accommodate the conduct of sports wagering.

(ii) Pay the authorization fee in accordance with section 13C61 of the act (relating to sports wagering authorization fee).

(iii) Commence sports wagering operations or system at its licensed facility.

(4) The petitioner has the financial stability, integrity and responsibility to conduct sports wagering.

(5) The petitioner has sufficient business ability and experience to create and maintain a successful sports wagering operation.

(6) The petitioner's proposed internal and external security and proposed surveillance measures within the area of the licensed facility where the petitioner seeks to conduct sports wagering are adequate.

(7) The petitioner has satisfied the petition requirements.

§ 1401a.5. Conduct of sports wagering generally.

(a) Sports wagering may only be conducted in this Commonwealth by a sports wagering certificate holder or a sports wagering operator on behalf of a sports wagering certificate holder. A sports wagering operator may be a licensed interactive gaming operator and provide interactive gaming and sports wagering services.

(b) Sports wagering conducted in this Commonwealth by a sports wagering certificate holder or a sports wagering operator may only be offered to players as follows:

(1) At a designated, clearly identified sports wagering area, at the sports wagering certificate holder's licensed facility.

(2) At a temporary facility that is physically connected to, attached to or adjacent to the sports wagering certificate holder's slot machine licensed facility for a period not to exceed 18 months.

(3) At a nonprimary location of a Category 1 slot machine licensee under 3 Pa.C.S. Chapter 93 (relating to race horse industry reform).

(4) At a Category 4 licensed facility, if the holder of the Category 4 slot machine license also holds a Category 1, 2 or 3 slot machine license and has acquired a sports wagering certificate under that Category 1, 2 or 3 license.

(5) Through a single interactive sports wagering web site or mobile application that clearly and prominently displays the name of the sports wagering certificate holder.

(c) Sports wagering certificate holders may employ the services of a sports wagering operator to assist its sports wagering operations through any or all of the means identified in subsection (b).

(i) A sports wagering certificate holder may employ the services of two sports wagering operators only if one sports wagering operator provides services related to retail sports wagering and the other provides services related to interactive or mobile sports wagering.

(ii) A sports wagering certificate holder may only offer one sports wagering web site and one sports wagering mobile application.

(d) A sports wagering certificate holder or a sports wagering operator may not permit the following individuals to engage in sports wagering activities:

(1) Individuals under 21 years of age.

(2) Individuals on the Board's sports wagering exclusion list.

(3) Individuals on the Board's casino self-exclusion list for retail sports wagering or the interactive gaming self-exclusion list for interactive or mobile sports wagering.

(4) Individuals located outside of Pennsylvania.

(e) A sports wagering certificate holder or a sports wagering operator seeking to offer interactive or mobile sports wagering shall have a server or other equipment located in this Commonwealth that is capable of receiving sports wagering bets and that conforms with the requirements set forth by the Board in Subpart L (relating to interactive gaming).

(f) A sports wagering certificate holder or a sports wagering operator seeking to offer interactive or mobile sports wagering shall utilize geolocation tools to ensure players placing sports wagering bets are located in this Commonwealth.

(g) As set forth in § 1408a.9 (relating to integrity monitoring), a sports wagering certificate holder or a sports wagering operator shall employ the services of a third-party integrity monitor that is certified by the Board as required under § 1405a.1(a)(4) (relating to general sports wagering gaming service provider requirements) to assist the sports wagering certificate holder or a sports wagering operator in protecting against and identifying suspicious or illegal sports wagering activities, or otherwise demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.

(h) As set forth in § 1408a.8 (relating to risk management), a sports wagering certificate holder or sports wagering operators shall employ the services of a third-party risk manager that is certified by the Board as required under § 1405a.1(a)(4) to assist the certificate holder or a sports wagering operator to manage the risk and liabilities associated with operating a sportsbook, or otherwise demonstrate to the Board's satisfaction that it has established an in-house unit capable of performing this function with appropriate segregation of functions and reporting duties.

(i) A sports wagering certificate holder or a sports wagering operator may not commence sports wagering operations through any of the means identified in subsection (b) to players in this Commonwealth until the Board approves all necessary associated applications, including applications of key employees, gaming employees, manufacturers, suppliers and gaming service providers.

(j) A sports wagering certificate holder or a sports wagering operator shall comply with all applicable Federal laws governing the conduct of sports wagering and interstate commerce.

§ 1401a.6. Permitted sports wagering activities.

(a) A sports wagering certificate holder or sports wagering operator shall submit to the Board for approval the events and types of wagers it proposes offering to players prior to accepting any sports wagering bets.

(b) The Board may permit a sports wagering certificate holder or sports wagering operator to offer wagering on any of the following sporting events:

(1) Professional athletic events.

(2) Collegiate athletic events.

(3) Professional motor race events.

(4) International team and international individual athletic events.

(5) Any other sporting events as approved by the Board.

(c) The Board may permit a sports wagering certificate holder or sports wagering operator to offer any of the following types of wagers on the sporting events or on the individual performance statistics of athletes in a sporting event enumerated in subsection (b):

(1) Exchange wagering—A marketplace which permits patrons to bet with or against each other through a gaming platform operated and managed by a sports wagering certificate holder or sports wagering operator.

(2) In-game wagers—Wagers placed on the outcome of a sporting event or proposition wagers made after the athletic event has started and can continue during the course of live play of the athletic event.

(3) Parlay wagers—A wager on two or more outcomes in which all outcome wagers must win or cover for the patron to win or, a series of three or more teams in 2-team parlays.

(4) Proposition wagering—Wagers placed on the occurrence or nonoccurrence of a specific outcome of events within a game not directly involving the game's final outcome.

(5) Straight wagers—A pre-game or pre-match wager on a single game or single event that will be determined by a point spread, money line or total score.

(6) Other types of wagers as approved by the Board.

(d) A sports wagering certificate holder or a sports wagering operator shall make available to patrons a clear explanation of all types of wagers permitted by the Board and events on which those wagers are permitted.

(e) A sports wagering certificate holder or sports wagering operator may place a layoff wager with another sports wagering certificate holder or sports wagering operator located in this Commonwealth for the purpose of offsetting patron wagers made under this subpart provided that the following occurs:

(1) The sports wagering certificate holder or sports wagering operator placing the layoff wager discloses its identity to the sports wagering certificate holder or sports wagering operator receiving the layoff wager.

(2) The receiving sports wagering certificate holder or sports wagering operator agrees to accept the layoff wager after receiving notification of the identity of the sports wagering certificate holder or sports wagering operator placing the layoff wager.

(f) A sports wagering certificate holder or sports wagering operator acting may seek and accept layoff wagers from an authorized trader under a layoff wager agreement submitted under subsection (f)(1)(B)(i) for the purposes of offsetting patron wagers.

(1) The sports wagering certificate holder or sports wagering operator seeking and accepting the layoff wagers has set forth in its internal controls under Chapter 1408a (relating to sports wagering accounting and internal controls) all of the following:

(A) Procedures for initiating a request for a layoff wager from an authorized trader.

(B) Procedures for entering a layoff wager agreement with an authorized trader.

(i) All layoff wager agreements entered into between a sports wagering certificate holder or sports wagering operator and an authorized trader must be provided to the Board with the internal controls submission.

(C) Procedures for recording a layoff wager.

(D) Procedures for auditing layoff wagers.

(2) An entity acting as an authorized trader under a layoff wager agreement must be licensed or certified by a regulatory oversight body in the area of banking, securities or insurance, and documentation of the licensure or certification shall be provided to the Board with the layoff wager agreement submitted under subsection (f)(1)(B)(i).

(3) A layoff wager placed by an authorized trader may be done in person at a sports wagering certificate holder or sports wagering operator's retail sportsbook or by way of an interactive or mobile sports wagering system.

(4) All layoff wagers placed by an authorized trader using a sports wagering certificate holder's or sports wagering operator's interactive or mobile sports wagering platform must be executed by means of the authorized trader's sports wagering account, and the individual placing the wager must be physically present in this Commonwealth.

§ 1401a.7. Prohibited and restricted sports wagering activities.

(a) The following sports wagering activity is prohibited:

(1) Wagering on high school sporting events governed by the Pennsylvania Interscholastic Athletic Association or a similar governing body.

(2) Wagering on amateur sporting events that have not otherwise been specifically approved by the Board.

(3) Wagering on the account of or on behalf of any other person, or any other form of proxy wagering.

(4) Any other sports wagering activity as prohibited by the Board.

(b) A sports wagering certificate holder or sports wagering operator is prohibited from:

(1) Knowingly accepting wagers from athletes on sporting events of the type in which the athlete participates as well as sporting events governed by the same governing body under which the athlete competes.

(2) Knowingly accepting wagers from a person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting event, or a person professionally connected to a sporting event or governing body including referees, officials, coaches, managers, handlers, athletic trainers or a person with access to certain types of exclusive information on any sporting event overseen by the governing body.

(3) Knowingly accepting wagers from a person the certificate holder or operator has reason to believe or suspect is placing the wager on behalf of or for the benefit of another individual that is prohibited from participating in sports wagering under these regulations or other applicable State or Federal law.

(4) Knowingly accepting wagers from a person the sports wagering certificate holder or sports wagering operator has reason to believe or suspect is attempting to place multiple wagers or structure wagers in any manner that is an attempt to evade or circumvent these regulations or other applicable State or Federal law.

(5) Knowingly accepting or holding cash or cash equivalents with the understanding that the money will be used to place a wager upon the occurrence of a specified future contingency unless a sports wagering ticket/voucher detailing the wager is immediately issued upon the sports wagering certificate holder's and sports wagering operator's acceptance of the money.

(6) Knowingly accepting any wagers other than those permitted by the Board.

(7) Knowingly accepting wagers on events and odds other than those posted or otherwise available to the public by the sports wagering certificate holder or sports wagering operator.

(8) Knowingly accepting a wager from or making payment to a person acting behalf of any other person, or any other form of proxy wagering.

(9) Knowingly allowing a person to make a wager utilizing the account of another person.

(c) If an athlete or person who holds a position of authority or influence sufficient to exert influence over the participants in a sporting event, or a person professionally connected to a sporting event or governing body including coaches, managers, handlers, athletic trainers, team physicians or other physicians providing medical consultation or treatment of an athletic participant or a person with access to certain types of exclusive information on any sporting event overseen by the governing body owns a 10% or more direct or indirect ownership interest in or control of a sports wagering certificate holder or a sports wagering operator, the certificate holder or operator shall not accept wagers on any sporting events in which the athlete, person, or team or governing body the individual is professionally connected to participates.

(d) If a sports wagering certificate holder or sports wagering operator owns a 10% or more direct or indirect ownership interest in or control of an athletic team, organization or governing body of athletic teams or organizations, the certificate holder or operator shall not accept wagers on any sporting events in which that team or organization participates, or on any sporting event overseen by that governing body of athletic teams or organizations.

§ 1401a.8. Persons prohibited from engaging in sports wagering activities.

(a) No person under 21 years of age of may engage in sports wagering with a sports wagering certificate holder or sports wagering operator.

(b) No collegiate, amateur or professional athlete, referee, official, coach, manager, handler or athletic trainer or employee or contractor of a team or athletic organization who has access to nonpublic or exclusive information concerning an athlete or team may engage in sports wagering on a sporting event or the performance of an individual in a sporting event in which the person or team is participating.

(c) No collegiate, amateur or professional athlete, referee, official, coach, manager, handler, athletic trainer or employee of a team or athletic organization who has access to nonpublic or exclusive information concerning an athlete or team may engage in sports wagering on a sporting event or the performance of an individual in sporting events in the sport or league in which the person is involved.

(d) No person identified in subsections (a)—(c) may collect any winnings or recoup any losses from a sports wagering certificate holder or sports wagering operator as a result of engaging in sports wagering in violation of this section.

(e) Winnings of a person prohibited from engaging in sports wagering under this section shall be confiscated and retained by the sports wagering certificate holder or sports wagering operator and shall properly be accounted for in all necessary reports.

(f) An athletic team or the governing body or league of an athletic team may provide to the Board a list of all persons within the team's organization as well as all league officials or referees prohibited from engaging in sports wagering under this section, along with the specific

type of sporting events from which the person is prohibited from participating in sports wagering activities. The Board shall provide that list of persons identified by the athletic team or governing body or league to sports wagering certificate holders and sports wagering operators to facilitate these prohibitions on sports wagering activities.

§ 1401a.9. Physical characteristics of sports wagering areas; security and surveillance of sports wagering area; other requirements.

(a) A sports wagering certificate holder or sports wagering operator shall establish a physical, land-based retail sportsbook in one of the locations set forth in § 1401a.5(b)(1)—(4) (relating to conduct of sports wagering generally).

(b) A sports wagering area shall be a single area of dedicated public space with clearly established walls or defined borders. Satellite sports wagering areas located within a permitted location under § 1401a.5(b)(1)—(4) shall also be permitted upon approval by the Board.

(c) A sports wagering area shall include a restricted sports wagering area for conducting sports wagering transactions that:

(1) Shall be designed and constructed to provide maximum security for the materials stored and the activities performed therein, with the design and construction approved by the Board.

(2) Includes one or more ticket writer windows, each of which shall contain:

(i) A writer's drawer and terminal through which financial transactions related to sports wagering will be conducted. Writers shall not commingle funds with other sources and shall not transfer funds directly with another writer.

(ii) A permanently affixed number, which shall be visible to surveillance.

(iii) Windows, as approved by the Board, which shall be fully enclosed and designed to prevent direct access to the materials stored and activities performed therein.

(iv) Manually triggered silent alarms, which shall be connected directly to surveillance and security.

(v) Surveillance coverage capable of accurate visual monitoring and recording of any activities, including the capturing of a patron's facial image when conducting transactions at the counter.

(vi) An alarm for each exit door that is not a mantrap.

(vii) A secure location, such as a vault, for the purpose of storing funds issued by the cage to be used in the operation of sports wagering. The secure location shall:

(A) Be located in an area not open to the public.

(B) Have surveillance cameras capable of accurate visual monitoring and recording of any activities in the area.

(c) A sports wagering area shall have an operating balance of no more than $1 million.

(1) Whenever a retail sportsbook accumulates funds in excess of $1 million, the excess funds shall be transferred to the cage no later than at the end of each shift.

(2) The funds shall be transferred with appropriate licensed employee and container shall be accompanied by a security officer.

(3) Prior to transporting the funds, security shall notify the surveillance department that the transfer will take place.

(d) A sports wagering area may have slot machines or other authorized games with the approval of the Board, unless the sports wagering area is in a nonprimary location of a Category 1 slot machine licensee.

(e) A sports wagering certificate holder or sports wagering operator shall include signage in the sports wagering area that displays “If you or someone you know has a gambling problem, call 1-800-GAMBLER,” or comparable language approved by the Board, including in print advertisements or other media advertising the sports wagering operations of the sports wagering certificate holder or sports wagering operator.

CHAPTER 1402a. SPORTS WAGERING OPERATORS

Sec.

1402a.1. Sports wagering operator requirements.
1402a.2. Sports wagering operator application and standards.
1402a.3. Sports wagering operator license term and renewal.
1402a.4. Sports wagering operator change of control.

§ 1402a.1. Sports wagering operator requirements.

A person seeking to operate sports wagering on behalf of a sports wagering certificate holder in this Commonwealth may apply with the Board for a sports wagering operator license.

§ 1402a.2. Sports wagering operator application and standards.

(a) An applicant for a sports wagering operator license shall submit all of the following:

(1) An Entity Enterprise Application and Disclosure Information Form unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Application and Disclosure Information Form.

(b) In determining whether an applicant is suitable to be licensed as a sports wagering operator under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the sports wagering operator license applicant.

(2) If all principals of the sports wagering operator license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the sports wagering operator license applicant and the principals of the sports wagering operator license applicant based on the satisfactory results of all of the following:

(i) The background investigation of the principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 1402a.3. Sports wagering operator license term and renewal.

(a) A sports wagering operator license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a sports wagering operator license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering operator license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 1402a.4. Sports wagering operator change of control.

(a) For purposes of this section, a change of control of a sports wagering operator will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a sports wagering operator's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the sports wagering operator.

(3) Any other interest in a sports wagering operator which allows the acquirer to control the sports wagering operator.

(b) A sports wagering operator shall notify the Bureau and the Bureau of Licensing in a form or manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the sports wagering operator.

(c) Prior to acquiring a controlling interest in a sports wagering operator, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under § 1402a.2 (relating to sports wagering operator application and standards) and an application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and any identified key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering operator shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering operator until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in a sports wagering operator and the sports wagering operator may enter into an agreement of sale that is contingent on Board approval of the petition.

(f) The requirements in this section do not apply to the acquisition of a controlling interest in a sports wagering operator when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine licensee, table game certificate holder, interactive gaming operator or sports wagering operator.

(2) The existing licensed slot machine licensee, table game certificate holder, interactive gaming operator or sports wagering operator has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 1403a. SPORTS WAGERING MANUFACTURER

Sec.

1403a.1. Sports wagering manufacturer license requirements.
1403a.2. Sports wagering manufacturer license application and standards.
1403a.3. Sports wagering manufacturer license term and renewal.
1403a.4. Sports wagering manufacturer abbreviated license process.
1403a.5. Sports wagering manufacturer licensee responsibilities.
1403a.6. Sports wagering manufacturer licensee change of control.

§ 1403a.1. Sports wagering manufacturer license requirements.

(a) A person seeking to manufacture, build, rebuild, fabricate, assemble, produce, program, design, sell, lease, offer or otherwise make modifications to any authorized sports wagering device or associated equipment for use or operation in this Commonwealth for sports wagering purposes shall apply to the Board for a sports wagering manufacturer license.

(b) In accordance with section 1317.1(e)(3) of the act (relating to manufacturer licenses), an applicant for or the holder of a sports wagering manufacturer license or any of the applicant's or holder's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or sports wagering supplier license.

§ 1403a.2. Sports wagering manufacturer license application and standards.

(a) An applicant for a sports wagering manufacturer license shall submit all of the following:

(1) An Enterprise Entity Application and Disclosure Information Form for the applicant and each of the applicant's principal affiliates unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and key employee under Chapter

435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the sports wagering manufacturer license applicant nor any of its affiliates, intermediaries, subsidiaries or holding companies is an applicant for or holder of a slot machine license and that the sports wagering manufacturer license applicant has neither applied for nor holds a sports wagering supplier license.

(b) In addition to the materials required under subsection (a), an applicant for a sports wagering manufacturer license shall do all of the following:

(1) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) Demonstrate that the sports wagering manufacturer license applicant has the ability to manufacture, build, rebuild, repair, fabricate, assemble, produce, program, design or otherwise make modifications to authorized sports wagering devices or associated equipment which meet one or more of the following criteria:

(i) Are specifically designed for use in the operation of sports wagering or a sports wagering device or associated equipment.

(ii) Are needed to conduct authorized sports wagering.

(iii) Have the capacity to determine the outcome of the sports wagering activity.

(iv) Have the capacity to affect the calculation, storage, collection or control of gross sports wagering gaming revenue.

(c) In determining whether an applicant is suitable to be licensed as a sports wagering manufacturer under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the sports wagering manufacturer license applicant.

(2) If all principals of the sports wagering manufacturer license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the sports wagering manufacturer license applicant and the principals of the sports wagering manufacturer license applicant based on the satisfactory results of all of the following:

(i) The background investigation of the principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 1403a.3. Sports wagering manufacturer license term and renewal.

(a) A sports wagering manufacturer license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a sports wagering manufacturer license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering manufacturer license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 1403a.4. Sports wagering manufacturer abbreviated license process.

(a) The Board may use an abbreviated licensing process if the sports wagering manufacturer license applicant holds a license issued by the Board to manufacture slot machines, table games, table game devices, interactive games, video gaming terminals or associated equipment and all of the following shall apply:

(1) The license was issued by the Board and is currently in good standing.

(2) The entity to whom the manufacturer license was issued affirms there has been no material change in circumstances relating to the licensee.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining a sports wagering manufacturer license through the application process in this Commonwealth.

§ 1403a.5. Sports wagering manufacturer licensee responsibilities.

(a) A holder of a sports wagering manufacturer license has a continuing duty to do all of the following:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded sports wagering manufacturer licensees, provide notification of all SEC filings or, if the sports wagering manufacturer licensee is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(b) An employee of a licensed sports wagering manufacturer who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401a.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406a.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406a.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

§ 1403a.6. Sports wagering manufacturer licensee change of control.

(a) For purposes of this section, a change of control of a sports wagering manufacturer licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a sports wagering manufacturer licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the sports wagering manufacturer licensee.

(3) Any other interest in a sports wagering manufacturer licensee which allows the acquirer to control the sports wagering manufacturer licensee.

(b) A sports wagering manufacturer licensee shall notify the Bureau and the Bureau of Licensing in a form or manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the sports wagering manufacturer licensee.

(c) Prior to acquiring a controlling interest in a sports wagering manufacturer licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter and an application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and any identified key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee or sports wagering certificate holder and that the acquirer has neither applied for nor holds a sports wagering supplier license.

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering manufacturer licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering manufacturer licensee until the petition required under subsection (c) has been approved. A person or group of persons seeking to acquire a controlling interest in a sports wagering manufacturer licensee and the sports wagering manufacturer licensee may enter into an agreement of sale that is contingent on Board approval of the petition.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a sports wagering manufacturer licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game, interactive gaming, sports wagering or video gaming terminal manufacturer.

(2) The existing licensed sports wagering manufacturer has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 1404a. SPORTS WAGERING SUPPLIER

Sec.

1404a.1. Sports wagering supplier license requirements.
1404a.2. Sports wagering supplier application and standards.
1404a.3. Sports wagering supplier license term and renewal.
1404a.4. Sports wagering supplier abbreviated license process.
1404a.5. Sports wagering supplier licensee responsibilities.
1404a.6. Sports wagering supplier change of control.

§ 1404a.1. Sports wagering supplier license requirements.

(a) A person seeking to sell, lease, offer or otherwise provide, distribute or service sports wagering devices or associated equipment to a sports wagering certificate holder or sports wagering operator in this Commonwealth shall apply to the Board for a sports wagering supplier license.

(b) In accordance with sections 1317 and 1317.1 of the act (relating to supplier licenses; and manufacturer licenses), an applicant for or the holder of a sports wagering supplier license or any of the sports wagering supplier applicant's or licensee's affiliates, intermediaries, subsidiaries or holding companies may not apply for or hold a slot machine license or a sports wagering manufacturer license.

§ 1404a.2. Sports wagering supplier application and standards.

(a) An applicant for a sports wagering supplier license shall submit all of the following:

(1) An Enterprise Entity Application and Disclosure Information Form for the sports wagering supplier applicant and each of the sports wagering supplier applicant's principal affiliates unless otherwise directed by the Board.

(2) The nonrefundable application fee posted on the Board's web site.

(3) A diversity plan as set forth in section 1325(b) of the act (relating to license or permit issuance) and Chapter 481a (relating to diversity).

(4) An application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(5) An affirmation that neither the sports wagering supplier license applicant nor any of its affiliates, intermediaries, subsidiaries or holding companies is an applicant for or holder of a slot machine license and that the sports wagering supplier license applicant has neither applied for nor holds a sports wagering manufacturer license.

(b) In addition to the materials required under subsection (a), an applicant for a sports wagering supplier license shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) In determining whether a sports wagering supplier license applicant is suitable to be licensed as a sports wagering supplier under this section, the Board will consider all of the following:

(1) The financial fitness, good character, honesty, integrity and responsibility of the sports wagering supplier license applicant.

(2) If all principals of the sport wagering supplier license applicant are eligible and suitable under the standards of section 1311.1 of the act (relating to licensing of principals).

(3) The integrity of all financial backers.

(4) The suitability of the sport wagering supplier license applicant and the principals of the applicant based on the satisfactory results of all of the following:

(i) The background investigation of the principals.

(ii) A current tax clearance review performed by the Department.

(iii) A current Unemployment Compensation Tax clearance review and a Workers Compensation Tax clearance review performed by the Department of Labor and Industry.

§ 1404a.3. Sports wagering supplier license term and renewal.

(a) A sports wagering supplier license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(b) A renewal application for a sports wagering supplier license shall be filed at least 6 months prior to the expiration of the current license.

(c) A sports wagering supplier license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

§ 1404a.4. Sports wagering supplier abbreviated license process.

(a) The Board may use an abbreviated licensing process if the sports wagering supplier license applicant holds a license issued by the Board to supply slot machines, table games, table game devices, interactive gaming devices, video gaming terminal or associated equipment and all of the following apply:

(1) The license was issued by the Board and is currently in good standing.

(2) The entity to whom the supplier license was issued affirms there has been no material change in circumstances relating to the license.

(3) The Board determines, in its sole discretion, that there has been no material change in circumstances relating to the licensee applying for the sports wagering supplier license that necessitates that the abbreviated process not be used.

(b) This section may not be construed to waive any fees associated with obtaining a sports wagering supplier license through the application process in this Commonwealth.

§ 1404a.5. Sports wagering supplier licensee responsibilities.

(a) A holder of a sports wagering supplier license has a continuing duty to do all of the following:

(1) Comply with the general requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(2) For publicly traded sports wagering supplier licensees, provide notification of all SEC filings or, if the sports wagering supplier licensee is publicly traded on a foreign exchange, a copy of all filings submitted to the securities regulator that has jurisdiction over the foreign publicly traded corporation. The notification or copies of the filings shall be submitted to the Bureau of Licensing within 30 days after the date of filing with the SEC or securities regulator that has jurisdiction over the foreign publicly traded corporation.

(b) An employee of a licensed sports wagering supplier who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401a.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406a.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406a.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

§ 1404a.6. Sports wagering supplier change of control.

(a) For purposes of this section, a change of control of a sports wagering supplier licensee will be deemed to have occurred when a person or group of persons acquires:

(1) More than 20% of a sports wagering supplier licensee's securities, assets or other ownership interests.

(2) More than 20% of the securities or other ownership interests of a corporation or other form of business entity that owns directly or indirectly at least 20% of the voting or other securities or other ownership interests of the sports wagering supplier licensee.

(3) Any other interest in a sports wagering supplier licensee which allows the acquirer to control a sports wagering supplier licensee.

(b) A sports wagering supplier licensee shall notify the Bureau and the Bureau of Licensing in a form or manner prescribed by the Bureau of Licensing immediately upon becoming aware of any proposed or contemplated change of control of the sports wagering supplier licensee.

(c) Prior to acquiring a controlling interest in a sports wagering supplier licensee, the acquirer shall file a petition in accordance with § 493a.4 (relating to petitions generally) requesting Board approval of the acquisition. The petition must include all of the following:

(1) A copy of all documents governing the acquisition.

(2) Completed applications for the acquiring company, as required under this chapter and an application from every principal under Chapter 433a (relating to principal licenses) and § 1406a.2 (relating to sports wagering principals) and any identified key employee under Chapter 435a (relating to key, gaming and nongaming employees; Board-issued credentials) and § 1406a.3 (relating to sports wagering key employees) as specified by the Enterprise Entity Application and Disclosure Information Form and other persons as determined by the Board.

(3) An affirmation that neither the acquirer nor any of its affiliates, intermediaries, subsidiaries or holding companies is a slot machine licensee or sports wagering certificate petitioner or holder and that the acquirer has neither applied for nor holds a sports wagering manufacturer license.

(d) A person or group of persons seeking to acquire a controlling interest in a sports wagering supplier licensee shall promptly provide any additional information requested by the Board and Board staff and cooperate with the Bureau in any investigations related to the petition filed under subsection (c).

(e) A person or group of persons may not acquire a controlling interest in a sports wagering supplier licensee until the petition, required under subsection (c), has been approved. A person or group of persons seeking to acquire a controlling interest in a sports wagering supplier licensee and the sports wagering supplier licensee may enter into a sales agreement that is contingent on Board approval of the petition.

(f) The requirements of this section do not apply to the acquisition of a controlling interest in a sports wagering supplier licensee when all of the following conditions are met:

(1) The acquirer is an existing licensed slot machine, table game, interactive gaming, sports wagering or video gaming terminal supplier.

(2) The existing licensed sports wagering supplier has provided the Bureau and the Bureau of Licensing notification and a copy of all documents governing the acquisition at least 60 days prior to the acquisition.

(3) After reviewing the documentation, the Bureau and the Bureau of Licensing determine that the filing of a petition is not required.

CHAPTER 1405a. SPORTS WAGERING GAMING SERVICE PROVIDERS

Sec.

1405a.1. General sports wagering gaming service provider requirements.
1405a.2. Sports wagering gaming service provider certification applications.
1405a.3. Sports wagering gaming service provider registration applications.
1405a.4. Qualification of individuals and entities of certified sports wagering gaming service providers.
1405a.5. Sports wagering gaming service provider registration and certification term and renewal.
1405a.6. Authorized gaming service providers list; prohibited gaming service providers.
1405a.7. Permission to conduct business prior to certification or registration.
1405a.8. Emergency sports wagering gaming service provider.
1405a.9. Duty to investigate.

§ 1405a.1. General sports wagering gaming service provider requirements.

(a) Except as provided in § 1405a.8 (relating to emergency sports wagering gaming service provider), a sports wagering gaming service provider or person seeking to conduct business with a sports wagering certificate holder or sport wagering operator shall apply to the Board for certification, unless explicitly exempted by the Board, if the sports wagering gaming service provider or person does any of the following:

(1) Meets the definition of a certified gaming service provider under §§ 437a.1 and 1401a.2 (relating to general gaming service provider requirements; and definitions).

(2) Meets the definition of a certified interactive gaming service provider under § 807a.1 (relating to general interactive gaming service provider requirements).

(3) Provides odds or raw data to sports wagering certificate holders or sports wagering operators that is used to conduct sports wagering in this Commonwealth.

(i) An athletic team, organization or governing body of an athletic team or organization who partners with or otherwise contracts with a sports wagering certificate holder or sports wagering operator to provide raw data that is used to conduct sports wagering shall not be required to be a certified sports wagering gaming service provider.

(ii) A sports wagering certificate holder or sports wagering operator who partners with or otherwise contracts with an athletic team, organization or governing body of an athletic team or organization under subparagraph (i) shall file a Notification with the Board in a manner prescribed by the Bureau of Licensing.

(4) Provides risk management services or integrity monitoring services to sports wagering certificate holders or sports wagering operators.

(5) Any other person as determined by the Board.

(b) Except as provided in § 1405a.8, a sports wagering gaming service provider or person seeking to conduct business with a sports wagering certificate holder or sport wagering gaming operator shall apply to the Board for a registration if the sports wagering gaming service provider or person is providing goods or services related to sports wagering and the person is not required to be certified as a sports wagering gaming service provider. This subsection applies to all of the following:

(1) Persons who meet the definition of a registered gaming service provider under §§ 437a.1 and 1401a.2.

(2) Persons who meet the definition of a registered interactive gaming service provider under § 807a.1.

(3) Any other person as determined by the Board.

(c) A holder of a gaming service provider registration or certification or the holder of an interactive gaming service provider registration or certification seeking to provide the same or similar services to a sports wagering certificate holder or sports wagering operator will not be required to file a new application for registration or certification and will not be required to submit additional licensing fees.

(d) A holder of a sports wagering gaming service provider certification, registration or authorization has a continuing duty to comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

§ 1405a.2. Sports wagering gaming service provider certification applications.

(a) A person seeking a sports wagering gaming service provider certification, not otherwise excluded under § 1405a.1(c) (relating to general sports wagering gaming service provider requirements), shall submit a Certification Application and Disclosure Form. The application and fee toward the cost of the investigation of the sports wagering gaming service provider applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the sports wagering gaming service provider applicant unless otherwise directed by the Bureau of Licensing.

(b) In addition to the requirements of subsection (a), an applicant for a sports wagering gaming service provider certification shall do all of the following:

(1) Submit applications and release authorizations for each individual required to be qualified under § 1405a.4 (relating to qualification of individuals and entities of certified sports wagering gaming service providers).

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) An applicant for a sports wagering gaming service provider certification shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(d) A sports wagering gaming service provider certification will not be issued until all fees and costs have been paid.

§ 1405a.3. Sports wagering gaming service provider registration applications.

(a) A sports wagering gaming service provider or person seeking registration, not otherwise excluded under § 1405a.1(c) (relating to general sports wagering gaming service provider requirements), shall submit a Gaming Service Provider Registration Form. The application and fee toward the cost of the investigation of the sports wagering gaming service provider applicant, as posted on the Board's web site, shall be submitted to the Bureau of Licensing by the sports wagering gaming service provider unless otherwise directed by the Bureau of Licensing.

(b) In addition to the materials required under subsection (a), an applicant for a sports wagering gaming service provider registration shall do all of the following:

(1) Submit release authorizations for each individual required to be qualified under § 1405a.4 (relating to qualification of individuals and entities of certified sports wagering gaming service providers).

(2) Comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(3) Submit fingerprints of all of the following individuals in a manner prescribed by the Bureau:

(i) Each officer and director of the registered sports wagering gaming service provider applicant. For purposes of this subparagraph, “officer” means a president, chief executive officer, a chief financial officer and a chief operating officer, and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(ii) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the registered sports wagering gaming service provider applicant.

(iii) Each salesperson of a registered sports wagering gaming service provider who solicits business from, or has regular contact with, any representatives of a certificate holder or licensee or any employee of a registered sports wagering gaming service provider applicant who will be engaging in that conduct.

(c) A person who holds any direct or indirect ownership or beneficial interest in a registered sports wagering gaming service provider or has the right to any profits or distributions directly or indirectly, from the registered sports wagering gaming service provider or applicant for sports wagering gaming service provider registration may be required to submit fingerprints if the Bureau determines that the submission of fingerprints of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth.

(d) Each of the individuals required to submit fingerprints under subsection (b)(3) shall be found qualified by the Board.

(e) An individual who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401a.2 (relating to definitions) shall obtain a gaming employee occupation permit in accordance with §§ 435a.3 and 1406a.4 (relating to occupation permit; and sports wagering gaming employees) or a nongaming employee registration in accordance with §§ 435a.5 and 1406a.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

(f) An applicant for a sports wagering gaming service provider registration shall reimburse the Board for costs incurred in conducting the investigation of the applicant.

(g) A sports wagering gaming service provider registration will not be issued until all fees and costs have been paid.

§ 1405a.4. Qualification of individuals and entities of certified sports wagering gaming service providers.

(a) The following individuals are required to submit a Pennsylvania Personal History Disclosure Form and be found qualified by the Board:

(1) Each officer and director of a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification. For the purposes of this paragraph, "officer" means a president, chief executive officer, a chief financial officer and a chief operating officer and any person routinely performing corresponding functions with respect to an organization whether incorporated or unincorporated.

(2) Each individual who has a direct or indirect ownership or beneficial interest of 10% or more in the certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification. A certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification shall provide information or documentation requested by the Board necessary to determine compliance with this paragraph.

(3) Each salesperson of a certified sports wagering gaming service provider who solicits business from, or has regular contact with, any representatives of a certificate holder or operator or any employee of a certified sports wagering gaming service provider or applicant for interactive gaming service provider certification who will be engaging in that conduct.

(b) Each entity that directly owns 20% or more of the voting securities of a certified sports wagering gaming service provider or person applying for sports wagering gaming service provider certification shall file a Certification Form—Holding Company with the Bureau of Licensing and be found qualified by the Board.

(c) The following persons may be required to submit a Certification Form—Holding Company or a Pennsylvania Personal History Disclosure Form and be found qualified by the Board if the Bureau of Licensing determines that the qualification of the person is necessary to protect the public interest or to enhance the integrity of gaming in this Commonwealth:

(1) An intermediary or holding company of a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification not otherwise required to be qualified.

(2) An officer or director of an intermediary or holding company of a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification.

(3) An employee of a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification.

(4) A person who holds any direct or indirect ownership or beneficial interest in a certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification, or has the right to any profits or distribution, directly or indirectly, from the certified sports wagering gaming service provider or applicant for sports wagering gaming service provider certification.

(5) A trustee of a trust that is required to be found qualified under this section.

(d) The Bureau of Licensing may issue a temporary credential to an individual who is required to be qualified by the Board under this section if:

(1) The individual's presence in a restricted gaming area is needed.

(2) The company with which the individual is associated is on the authorized Gaming Service Provider List.

(e) Upon request, the Bureau of Licensing will issue a credential to an individual who has been found qualified under this section if the sports wagering gaming service provider has been certified.

(f) An employee of a certified sports wagering gaming service provider who is a gaming or nongaming employee as defined in §§ 401a.3 and 1401a.2 (relating to definitions) shall obtain a permit under §§ 435a.3 and 1406a.4 (relating to occupation permit; and sports wagering gaming employees) or registration under §§ 435a.5 and 1406a.5 (relating to nongaming employee registration; and sports wagering nongaming employees).

§ 1405a.5. Sports wagering gaming service provider registration and certification term and renewal.

(a) Sports wagering gaming service provider certifications, registrations and renewals issued under this subpart will be valid for 5 years from the date of Board approval.

(b) Registered and certified sports wagering gaming service providers shall submit to the Board a completed renewal application or form and renewal fee at least 6 months prior to the expiration of a certification, registration or authorization.

(c) A certification or registration for which a completed renewal application and fee has been received by the Bureau of Licensing will continue to be in effect until the Board sends written notification to the holder of the certification or registration that the Board has approved or denied the certification or registration.

§ 1405a.6. Authorized gaming service providers list; prohibited gaming service providers.

(a) The Board will maintain a list of authorized gaming service providers and a list of prohibited gaming service providers. The authorized list will contain the names of persons or entities who:

(1) Have been registered or certified.

(2) Are currently authorized to conduct business with sports wagering certificate holders or sports wagering operators under § 1405a.7 (relating to permission to conduct business prior to certification or registration).

(b) Except as permitted under § 1405a.8 (relating to emergency sports wagering gaming service provider), a sports wagering certificate holder or sports wagering operator may not purchase goods or services from a sports wagering gaming service provider unless the sports wagering gaming service provider is on the authorized gaming service provider list. A sports wagering certificate holder or sports wagering operator or any affiliate, intermediary, subsidiary or holding company thereof acting on behalf of the sports wagering certificate holder or sports wagering operator may not enter into an agreement or continue to do business with a sports wagering gaming service provider on the Prohibited Gaming Service Providers List.

(c) The Board may place a person or provider on the Prohibited Gaming Service Provider List if:

(1) The sports wagering gaming service provider has failed to comply with this chapter.

(2) The sports wagering gaming service provider has failed to cooperate with Board staff in its review and investigation of the sports wagering gaming service provider's application.

(3) The sports wagering gaming service provider's application for certification or registration has been denied or withdrawn with prejudice or the sports wagering gaming service provider has had its sports wagering gaming service provider certification or registration suspended or revoked.

(4) The sports wagering gaming service provider has failed to provide information to a sports wagering certificate holder or sports wagering operator that is necessary for the sports wagering certificate holder or sports wagering operator to comply with this chapter.

(d) A person or provider seeking to be removed from the Prohibited Gaming Service Providers List shall file a petition for removal in accordance with § 493a.4 (relating to petitions generally) and shall be responsible for all costs associated with the person's petition for removal from the Prohibited Gaming Service Providers List. The petition must state the specific grounds believed by the petitioner to constitute good cause for removal from the Prohibited Gaming Service Providers List and how the sports wagering gaming service provider has cured any deficiencies that led to the sports wagering gaming service provider being placed on the Prohibited Gaming Service Providers List.

(e) The Board may impose a monetary penalty or other appropriate sanction in connection with the removal of a person or provider from the Prohibited Gaming Service Providers List, or attach any reasonable condition to the removal of a person or provider from the Prohibited Gaming Service Providers List.

§ 1405a.7. Permission to conduct business prior to certification or registration.

(a) Notwithstanding § 1405a.1 (relating to general sports wagering gaming service provider requirements), the Bureau of Licensing may authorize an applicant for a sports wagering gaming service provider certification or registration to conduct business with a sports wagering certificate holder or sports wagering operator prior to the certification or registration of the sports wagering gaming service provider applicant if all of the following criteria are met:

(1) A completed Gaming Service Provider Registration Form or a completed Gaming Service Provider Certification Application and Disclosure Information Form has been filed by the certificate holder or licensee in accordance with this chapter.

(2) The sports wagering certificate holder or sports wagering operator certifies that it has performed due diligence on the sports wagering gaming service provider applicant.

(3) The applicant for a sports wagering gaming service provider registration or certification agrees, in writing, that the grant of permission to conduct business prior to registration or certification does not create a right to continue to conduct business and that the Bureau of Licensing may rescind, at any time, the authorization granted under this section, with or without prior notice to the applicant, if the Bureau of Licensing is informed that the suitability of the applicant may be at issue or the applicant fails to cooperate in the application or investigatory process.

(b) If the Office of Enforcement Counsel issues a Notice of Recommendation for Denial to an applicant for certification or registration, the Bureau of Licensing may rescind the permission granted to the applicant for certification or registration to conduct business with a sports wagering certificate holder or sports wagering operator under subsection (a). If the permission is rescinded, the applicant for certification or registration shall cease conducting business with the sports wagering certificate holder or sports wagering operator by the date specified in the notice of the rescission by the Bureau of Licensing under subsection (c).

(c) The Bureau of Licensing will notify the applicant for certification or registration and the sports wagering certificate holder or sports wagering operator by registered mail or e-mail, or both, that permission for the applicant for certification or registration to conduct business with the sports wagering certificate holder or sports wagering operator under subsection (a) has been rescinded and that the sports wagering certificate holder or sports wagering operator shall cease conducting business with the applicant for certification or registration by the date specified in the notice.

§ 1405a.8. Emergency sports wagering gaming service provider.

(a) A sports wagering certificate holder or sports wagering operator may utilize a sports wagering gaming service provider that is not registered, certified or authorized to conduct business in accordance with § 1405a.6 (relating to authorized gaming service providers list; prohibited gaming service providers) when a threat to public safety exists or circumstances outside the control of the sports wagering certificate holder or sports wagering operator create an urgency of need which does not permit the delay involved in using the formal method of sports wagering gaming service provider certification or registration. A sports wagering certificate holder or sports wagering operator may not use a sports wagering gaming service provider on the Prohibited Gaming Service Provider List.

(b) When using a sports wagering gaming service provider that is not registered, certified or authorized to conduct business to respond to an emergency, the sports wagering certificate holder or sports wagering operator shall do all of the following:

(1) Immediately notify the Bureau of Licensing of the emergency and the sports wagering gaming service provider that was selected to provide emergency services.

(2) File a Sports Wagering Gaming Service Provider Emergency Notification Form with the Bureau of Licensing within 72 hours after commencement of the sports wagering gaming service provider's services and a written explanation of the basis for the procurement of the emergency sports wagering gaming service provider.

(c) An employee of the emergency sports wagering gaming service provider who is providing emergency services that requires access to restricted area shall obtain a temporary access credential in accordance with § 1406a.7 (relating to emergency and temporary credentials) prior to performing any work.

(d) If the sports wagering certificate holder or sports wagering operator continues to utilize the sports wagering gaming service provider after the emergency circumstances have passed or if the Bureau of Licensing determines that the circumstances did not necessitate the use of an emergency sports wagering gaming service provider that was not registered, certified or on the authorized list, the sports wagering certificate holder or sports wagering operator and sports wagering gaming service provider shall comply with the requirements in this chapter.

§ 1405a.9. Duty to investigate.

(a) A sports wagering certificate holder or sports wagering operator shall investigate the background and qualifications of the applicants for sports wagering gaming service provider registration or certification with whom it intends to have a contractual relationship or enter into an agreement.

(b) A sports wagering certificate holder or sports wagering operator has an affirmative duty to avoid agreements or relationships with persons applying for a sports wagering gaming service provider registration or certification whose background or associations are injurious to the public health, safety, morals, good order and general welfare of the people of this Commonwealth, or who threaten the integrity of gaming in this Commonwealth.

(c) A sports wagering certificate holder or sports wagering operator has a duty to inform the Board of an action by an applicant for or holder of a sports wagering gaming service provider registration or certification, which the sports wagering certificate holder or sports wagering operator believes would constitute a violation of the act or this subpart.

CHAPTER 1406a. SPORTS WAGERING PRINCIPALS AND KEY, GAMING AND NONGAMING EMPLOYEES

Sec.

1406a.1. General provisions.
1406a.2. Sports wagering principals.
1406a.3. Sports wagering key employees.
1406a.4. Sports wagering gaming employees.
1406a.5. Sports wagering nongaming employees.
1406a.6. Board credentials.
1406a.7. Emergency and temporary credentials.
1406a.8. Loss, theft or destruction of credentials.

§ 1406a.1. General provisions.

(a) An individual seeking a principal license, key employee license, gaming employee occupation permit or nongaming employee registration to participate in sports wagering in this Commonwealth shall apply to the Board as follows:

(1) Principal and key employee applicants shall submit a completed Multi-Jurisdictional Personal History Disclosure Form as well as a completed Principal/Key Employee Form—Pennsylvania Supplement to the Multi-Jurisdictional Personal History Disclosure Form.

(2) Gaming employee occupation permit applicants and nongaming employee registration applicants shall submit the Gaming Employee or Nongaming Employee Registration Application using the SLOTSLink Electronic Application system.

(3) All applicants shall submit the nonrefundable application fee posted on the Board's web site.

(b) In addition to the materials required in subsection (a), an applicant shall comply with the general application requirements in Chapters 421a and 423a (relating to general provisions; and applications; statement of conditions; wagering restrictions).

(c) The holder of a principal license, key employee license, gaming employee occupation permit or nongaming employee registration shall provide an updated photograph at the request of Board staff.

(d) An applicant for a gaming employee occupation permit or nongaming employee registration shall be at least 18 years of age.

(e) After reviewing the application and the results of the applicant's background investigation, the Board may issue a principal license, key employee license, gaming employee occupation permit or nongaming employee registration if the individual has proven that he is a person of good character, honesty and integrity and is eligible and suitable to be licensed as a principal, key employee, gaming employee or nongaming employee.

(f) All sports wagering certificate holders and sports wagering operators that hire an individual who holds a key employee license, gaming employee occupation permit or registration issued by the Board shall contact the Bureau of Licensing to confirm that the individual's key employee license, gaming employee occupation permit or registration is in good standing prior to allowing the individual to perform work associated with sports wagering in this Commonwealth.

(g) An individual who holds a principal license, key employee license, gaming employee occupation permit or registration is subject to all of the following wagering restrictions relative to sports wagering:

(1) An individual who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering certificate holder may not place wagers at the sports wagering certificate holder's retail sports wagering locations.

(2) If the job duties of the individual who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering certificate holder include sports wagering, the individual may not place wagers through the web site or mobile application offered by or associated with the sports wagering certificate holder.

(3) The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed by the sports wagering certificate holder in a position that includes sports wagering job duties before the individual may wager at the sports wagering certificate holder's retail sports wagering location or through the web site or mobile application offered by or associated with the sports wagering certificate holder.

(4) An individual who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering operator may not wager anywhere the sports wagering operator operates a retail sports wagering location or through the web site or mobile application offered by or associated with the sports wagering operator.

(5) The licensed, permitted or registered individual shall wait at least 30 days following the date that the individual is no longer employed by the sports wagering operator before the individual may wager at the sports wagering operator's retail sports wagering location

or through the web site or mobile application offered by or associated with the sports wagering operator.

(6) An individual whose job duties include sports wagering and who holds a license, permit or registration and is currently employed by or is a principal of a sports wagering manufacturer or sports wagering supplier may not wager at any retail sports wagering location or through the web site or mobile application offered by or associated with the sports wagering certificate holder or sports wagering operator that offers games, services or uses equipment manufactured, supplied, developed or programmed by the sports wagering manufacturer or sports wagering supplier.

§ 1406a.2. Sports wagering principals.

(a) Principals and principal entities, as defined in §§ 401a.3 and 433a.1 (relating to definitions), shall submit an application for licensure as described in § 1406a.1 (relating to general provisions).

(b) A principal license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a principal license shall be filed at least 6 months prior to expiration of the current license.

(d) A principal license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(e) A principal license issued under this subpart will only be valid for the licensed or certified entity with which the principal is associated.

§ 1406a.3. Sports wagering key employees.

(a) Key employees, as defined in §§ 401a.3 and 1401a.2 (relating to definitions), shall submit an application for licensure as described in § 1406a.1 (relating to general provisions).

(b) A key employee license and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(c) A renewal application for a key employee license shall be filed at least 6 months prior to expiration of the current license.

(d) A key employee license for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(e) A key employee license issued under this subpart will be valid for employment with any licensed or certified entity.

§ 1406a.4. Sports wagering gaming employees.

(a) Gaming employees, as defined in §§ 401a.3 and 1401a.2 (relating to definitions), shall submit an application for licensure as described in § 1406a.1 (relating to general provisions).

(b) In addition to the materials required to be submitted under this subpart, gaming employee occupation permit applicants shall submit verification of an offer of employment from a licensed or certified entity.

(c) A gaming employee occupation permit and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a gaming employee occupation permit shall be filed at least 6 months prior to expiration of the current permit.

(e) A gaming employee occupation permit for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a gaming employee occupation permit under this subpart may authorize an applicant for or holder of a sports wagering certificate, sports wagering operator license, sports wagering manufacturer license, sports wagering supplier license, or sports wagering gaming service provider certification or registration to file an application on the individual's behalf.

(g) A gaming employee occupation permit issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 1406a.5. Sports wagering nongaming employees.

(a) Nongaming employees, as defined in § 401a.3 (relating to definitions), shall submit an application for registration as described in this section.

(b) In addition to the materials required to be submitted under this subpart, nongaming employee registration applicants shall submit verification of an offer of employment from a licensed or certified entity.

(c) A nongaming employee registration and the renewal thereof is valid for 5 years from the date of approval of the application by the Board.

(d) A renewal application for a nongaming employee registration shall be filed at least 6 months prior to expiration of the current registration.

(e) A nongaming employee registration for which a completed renewal application and fee has been received by the Board will continue in effect until acted upon by the Board.

(f) An individual who wishes to receive a nongaming employee registration under this subpart may authorize an applicant for or holder of a sports wagering certificate, sports wagering

operator license, sports wagering manufacturer license, sports wagering supplier license, or sports wagering gaming service provider certification or registration to file an application on the individual's behalf.

(g) A nongaming employee registration issued under this chapter will be valid for employment with any licensed, certified or registered entity.

§ 1406a.6. Board credentials.

The individuals required to be licensed, permitted or registered under this subpart shall obtain a Board credential as described in § 435a.6 (relating to Board credentials) if it is determined by the Bureau of Licensing that a credential is necessary to perform the individual's job functions.

§ 1406a.7. Emergency and temporary credentials.

The individuals required to be licensed, permitted or registered under this subpart may obtain an emergency or temporary Board credential as described in §§ 435a.7, 435a.8 and 435a.9a (relating to emergency credentials; temporary credentials; and gaming service provider employee temporary access credentials).

§ 1406a.8. Loss, theft or destruction of credentials.

(a) As soon as possible, but no later than 24 hours following the loss, theft or destruction of a Board credential, emergency credential or temporary credential, the person to whom the credential was issued shall notify the Bureau of Licensing.

(b) The sports wagering licensee, on behalf of an employee whose Board-issued credential was lost, stolen or destroyed, may request a replacement Board credential by submitting a Request for Duplicate PGCB Credential Form and the fee established by the Board to the Bureau of Licensing.

CHAPTER 1407a. SPORTS WAGERING TESTING AND CONTROLS

Sec.

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§ 1407a.1. Scope.

To ensure the integrity and security of sports wagering operations in this Commonwealth, the requirements of this chapter apply to all sports wagering certificate holders and sports wagering operators seeking to offer sports wagering to patrons in this Commonwealth. The requirements in this chapter supplement, where not in conflict with and where applicable, existing Board regulations in Subparts E and L (relating to slot machine, table game and associated equipment testing and control; accounting and internal controls; and interactive gaming) applicable to slot machine licensees, interactive gaming certificate holders and interactive gaming operators unless the context clearly indicates otherwise.

§ 1407a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Authentication process—A method used by a system to verify the validity of software. The method requires calculation of an output digest, which is compared to a secure embedded value. The minimum output digest shall be of 128-bit complexity. Software shall be deemed to have been authenticated if the calculated digest equals the secure embedded value.

Communication technology—The methods used and the components employed to facilitate the transmission of information including transmission and reception systems based on wire, cable, radio, microwave, light, optics or computer data networks.

Point of sale system—All the hardware, software and communications that comprises a stand-alone or integrated system capable of accepting sports wagers by means of terminals attended to by a cashier and is located at a sports wagering certificate holder's approved locations.

Self-service kiosks—Unattended self-service booths or self-standing structure with computers, including touch-screen computers, at which a patron can place sports wagers and that dispenses sports wagering tickets/vouchers.

Sports wagering account—Electronic account that may be established by a patron for the purpose of sports wagering by means of a sports wagering certificate holder's or sports wagering operator's interactive sports wagering web site or interactive sports wagering mobile application under these regulations.

Sports wagering communication—The transmission of a wager between a point of origin and a point of reception by aid of a communications technology.

Sports wagering device and associated equipment—A self-service kiosk, point of sale system or other device, including associated equipment, used to accept sports wagering as permitted for use in this Commonwealth by the Board.

Sports wagering interactive system—All hardware, software and communications that comprise a type of server-based sports wagering system for the purpose of offering authorized interactive or mobile sports wagering in this Commonwealth when authorized by the Board.

Sports wagering system—All sports wagering devices, equipment, communication technology, software and hardware approved by the Board to conduct sports wagering in this Commonwealth.

Ticket/voucher redemption device—Unattended self-service booths or self-standing structures with computers, including touch-screen computers, at which a patron can redeem sports wagering tickets/vouchers and that dispense winnings in the form of cash or cash equivalent.

§ 1407a.3. Testing and approval generally.

(a) Prior to operating a retail sportsbook or a sportsbook through a web site or mobile application as a form of interactive gaming, all sports wagering devices and software used in conjunction with these operations must be submitted to the Board's Office of Gaming Laboratory Operations for review and testing and be approved by the Board.

(b) For purposes of this section, sports wagering devices and software that shall be submitted for testing and approval include:

(1) Self-service kiosks.

(2) Point of sale systems.

(3) Ticket/voucher redemption devices.

(4) Sports wagering interactive system components, including all hardware, software and associated equipment that comprise a type of server-based sports wagering system for the purpose of offering authorized sports wagering, mobile sports wagering or interactive sports wagering.

(5) Other related devices or systems as required by the Board.

(c) The Board shall require the payment of all costs for the testing and approval of sports wagering devices and software used in conjunction with the operation of a retail sportsbook or an interactive or mobile sportsbook as a form of interactive gaming.

(d) Submissions to the Office of Gaming Laboratory Operations of sports wagering devices and software used in conjunction with the operation of a retail sportsbook or an interactive or mobile sportsbook shall adhere to the requirements in § 461a.4 (relating to submission for testing and approval) where applicable.

§ 1407a.4. Wagering device requirements generally.

(a) Wagering device programs shall contain sufficient information to identify the software and revision level of the information stored on the wagering device.

(b) Wagering devices shall have the ability to authenticate that all critical components being utilized are valid upon installation of the software, each time the software is loaded for use and on demand as required by the Board. Critical components may include wagering information, elements that control the communications with the sports wagering system or other components that are needed to ensure proper operation of the wagering device. In the event of a failed authentication (that is, program mismatch or authentication failure), the wagering device shall cease all wagering operations and display an appropriate error message. The sports wagering system shall have the ability to disable the wagering device upon any unsuccessful authentication.

(c) Wagering devices shall be capable of performing the following functions:

(1) Creating wagers.

(2) Settling wagers.

(3) Voiding wagers.

(4) Cancelling wagers.

(d) Wagering devices that offer in-game wagers shall be capable of the following:

(1) The accurate and timely update of odds for in-game wagers.

(2) The ability to notify the patron of any change in odds after placement of a wager is attempted.

(3) The ability for a patron to confirm the wager after notification of the change in odds.

(4) The ability to freeze or suspend the offering of wagers, when necessary.

(e) Wagering devices shall be capable of recording all of the following information for each wager made:

(1) Description of event.

(2) Event number.

(3) Wager selection.

(4) Type of wager.

(5) Amount of wager.

(6) Amount of potential payout.

(7) Date and time of wager.

(8) Identity of cashier accepting the wager.

(9) Unique wager identifier.

(10) Expiration date of the sports wagering ticket, which shall be no sooner than 1 year from the conclusion of the event in the case of a single wager, or the conclusion of the last event of a multiple wager ticket (that is, parlay or round robin wagers).

(11) Patron name, if known.

(12) Date, time, amount and description of the settlement.

(13) Location of where the wager was placed.

(14) Identity of the ticket writer settling the wager, if applicable.

(f) For lost or stolen tickets that are redeemed, a wagering device shall record and maintain the following information:

(1) Date and time of redemption.

(2) Employee responsible for redeeming the ticket.

(3) Name of patron redeeming the ticket.

(4) Unique ticket identifier.

(5) Location of the redemption.

(g) When a sports wager is voided or cancelled, the system shall clearly indicate that the sports wagering ticket is voided or cancelled, render it nonredeemable other than for the return of the value of the original wager, and make an entry in the system indicating the void or cancellation and identify the cahier or automated process.

(h) Wagering devices shall prevent past posting of wagers and the voiding or cancellation of wagers after the outcome of the event is known.

(i) In the event a person has a pending sports wager and then is excluded or self-excludes, the wager shall be cancelled and the funds returned to the patron.

(j) Wagering devices shall have controls in place to review the accuracy and timeliness of any data feeds used to offer or settle wagers. In the event that an incident or error occurs that results in incorrect or loss of communication with data feeds used to offer or redeem wagers, the errors shall be reported in accordance with reporting requirements under § 1408a.8 (relating to risk management).

§ 1407a.5. Self-service kiosks and point of sale system requirements.

(a) Self-service kiosks and point of sale devices shall have an identification badge affixed to the exterior of the device by the manufacturer. The identification badge shall not be removable without leaving evidence of tampering. This badge shall include all of the following minimum information:

(1) The complete name of the manufacturer or some appropriate abbreviation for same.

(2) A unique serial number.

(3) The self-service kiosk or point of sale device model number.

(4) The date of manufacture.

(b) Self-service kiosks and point of sale devices shall meet all of the following basic hardware requirements:

(1) Identification for any printed circuit board (PCB) that impacts the integrity of the self-service kiosk or point of sale device shall include all of the following:

(i) Each PCB shall be clearly identifiable by an alphanumeric identification and, when applicable, a revision number.

(ii) If track cuts, patch wires or other circuit alterations are introduced to the PCB, then a new revision number shall be assigned.

(2) If the self-service kiosk or point of sale device contains switches or jumpers, or both, they shall be fully documented for evaluation by the Board's Office of Gaming Laboratory.

(3) The self-service kiosk or point of sale device shall be designed so that power and data cables into and out of the self-service kiosk or point of sale device can be routed so that they are not accessible to the general public.

(4) Wired communication ports shall be clearly labeled and must be securely housed within the self-service kiosk or point of sale device to prevent unauthorized access to the ports or their associated cable connectors.

(b) Self-service kiosks and point of sale devices shall meet all of the following basic power requirements:

(1) The self-service kiosk and point of sale device shall not be adversely affected, other than resets, by surges or dips of ± 20% of the supply voltage. It is acceptable for the self-service kiosk or point of sale device to reset provided no damage to the equipment or loss or corruption of data is experienced.

(2) The power supply used in a self-service kiosk or point of sale device must be appropriately fused or protected by circuit breakers. The amperage rating of all fuses and circuit breakers must be clearly stated on or near the fuse or the breaker.

(3) An on/off switch that controls the electrical current supplied to the self-service kiosk or point of sale device shall be located in a place which is readily accessible within the interior of the self-service kiosk or point of sale device. The on/off positions of the switch shall be clearly labeled.

(c) Self-service kiosks and point of sale device shall meet all of the following basic security requirements:

(1) A self-service kiosk or point of sale device shall be robust enough to resist forced entry into any secured doors, areas or compartments. In the event that extreme force is applied to the cabinet materials causing a potential breach in self-service kiosk or point of sale

device security, evidence of tampering must be conspicuous. “Secured areas” or “secured compartments” shall include the external doors such as the main door, cash compartment doors such as a drop box door, peripheral device access areas, or other sensitive access areas of the self-service kiosk or point of sale device.

(2) The following requirements apply to the self-service kiosk's or point of sale device's external doors:

(i) External doors shall be manufactured of materials that are suitable for allowing only legitimate access to the inside of the self-service kiosk cabinet or point of sale device. Doors and their associated hinges shall be capable of withstanding determined and unauthorized efforts to gain access to the interior of the self-service kiosk or point of sale device and shall leave conspicuous evidence of tampering if an attempt is made.

(ii) The seal between the self-service kiosk cabinet or point of sale device and the door of a locked area shall be designed to resist the entry of objects. It shall not be possible to insert an object into the self-service kiosk or point of sale device that disables a door open sensor when the self-service kiosk's or point of sale device's door is fully closed, without leaving conspicuous evidence of tampering.

(iii) External doors shall be secure and support the installation of locks.

(iv) Doors that provide access to secure areas of the self-service kiosk or point of sale device shall be monitored by a door access detection system.

(A) The detection system shall register a door as being open when the door is moved from its fully closed and locked position, provided power is supplied to the self-service kiosk or point of sale device.

(B) When any door that provides access to a secured area or secured compartment registers as open, the self-service kiosk or point of sale device shall cease wagering operations and display an appropriate error message.

(d) Self-service kiosks and point of sale devices shall meet all of the following basic critical nonvolatile memory requirements:

(1) Critical nonvolatile memory shall be used to store all data elements that are considered vital to the continued operation of the self-service kiosk or point of sale device, including self-service kiosk configuration and point of sale device data and state of operations.

(2) Critical nonvolatile memory shall not store sensitive information outside of self-service kiosk and point of sale device operations; however, critical nonvolatile memory may be maintained by any component of the sports wagering system.

(3) The self-service kiosk or point of sale device must have a backup or archive capability, which allows the recovery of critical nonvolatile memory should a failure occur.

(4) Critical nonvolatile memory storage shall be maintained by a methodology that enables errors to be identified. This methodology may involve signatures, check sums, redundant copies, database error checks or other methods approved by the Board.

(5) Comprehensive checks of critical nonvolatile memory data elements shall be made on startup. Nonvolatile memory that is not critical to self-service kiosk or point of sale device integrity is not required to be checked.

(6) An unrecoverable corruption of critical nonvolatile memory shall result in an error. Upon detection, the self-service kiosk and point of sale device software shall cease to function. Additionally, the critical nonvolatile memory error shall cause any communication external to the self-service kiosk to cease.

(e) Self-service kiosk and point of sale device software, after a program interruption, shall recover to the state it was in immediately prior to the interruption occurring. Any communications to an external device shall not begin until the program resumption routine, including any self-test, is completed successfully.

(f) On a scheduled basis, a sports wagering certificate holder or sports wagering operator shall remove the bill validator boxes in the self-service kiosks.

(1) The self-service kiosk drop shall be monitored and recorded by surveillance.

(2) The sports wagering certificate holder or sports wagering operator shall submit the self-service kiosk drop schedule to the Board, with the schedule to include:

(i) The time that a drop is scheduled to commence.

(ii) The number and locations of the self-service kiosks in the sports wagering area or on the gaming floor of a licensed facility.

(g) A security department member and a finance department member shall obtain the keys necessary to perform the self-service kiosk drop or currency cassette replacement, or both, in accordance with the sports wagering certificate holder or sports wagering operator's key sign-out procedures.

(1) The security department shall control the keys to the outer door of the self-service kiosks.

(2) The finance department shall control the keys to the bill validator boxes or currency cassettes, or both.

(h) A finance department member with no incompatible job functions shall place empty bill validator boxes needed for the self-service kiosk drop into a secured cart which shall be transported in the presence of a member of the security department at all times.

(i) A sports wagering certificate holder or sports wagering operator shall reconcile the self-service kiosks on a scheduled basis under internal controls.

(1) Any variance of $500 or more shall be documented by the accounting department and reported in writing to the Office of Sports Wagering and Bureau of Casino Compliance within 72 hours of the end of the gaming day which the variance was discovered.

(2) The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.

(j) A sports wagering certificate holder or sports wagering operator shall include in its internal controls required under § 1408a.3 (relating to internal controls) the set of self-service kiosk key controls and accounting protocols, including the procedures for the drop and count of self-service kiosk funds, and all point of sale devices.

§ 1407a.6. Ticket/voucher requirements.

(a) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall include all of the following general information:

(1) Name and address of the party issuing the ticket/voucher.

(2) A barcode or similar symbol or marking, as approved by the Board, corresponding to a unique wager identifier.

(3) Method of redeeming a winning ticket/voucher by means of mail.

(4) Identification of the self-service kiosk or cashier at the point of sale device that generated the ticket/voucher.

(b) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall include all of the following specific information:

(1) Amount of ticket/voucher.

(2) Date, time and location of issuance.

(3) Unique voucher identifier.

(4) Expiration date of the ticket.

(5) Date, time and location of redemption, if applicable based upon the method of redemption.

(c) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall be capable of being processed and redeemed if lost, stolen, destroyed or otherwise mutilated.

(d) Tickets/vouchers generated by a self-service kiosk or by a point of sale system shall be capable of clearly indicating that a ticket/voucher is voided or cancelled and rendered nonredeemable or is expired in the case of a sports wagering ticket when redemption is attempted.

(e) A sports wagering voucher shall not expire in accordance with the provisions of § 461b.3(a) (relating to gaming vouchers).

(f) A winning sports wagering ticket may expire, with the expiration date to be no less than 1 year from the conclusion of the event in the case of a single wager, or the conclusion of the last event of a multiple wager ticket (that is, parlay or round robin wagers).

(g) A sports wagering certificate holder or sports wagering operator shall include in its internal controls required under § 1408a.3 (relating to internal controls):

(1) The sports wagering ticket expiration policy and procedures that will be implemented, including the procedures for the handling of funds from expired sports wagering tickets and the reporting of those funds for revenue purposes.

(2) The policies and procedures for paying or writing tickets, or both, that are over the set limits, voiding tickets, and issuing corrections to tickets.

§ 1407a.7. Ticket/voucher redemption requirements.

(a) Winning sports wagering tickets/vouchers shall be redeemed by a writer or a self-service kiosk after verifying the validity of the wagering ticket through the sports wagering system. The writer or a self-service kiosk shall cause the sports wagering system to electronically redeem and cancel the wagering ticket upon redemption.

(b) A patron may redeem by mail a winning sports wagering ticket/voucher to the address provided thereon in accordance with the sports wagering certificate holder's or sports wagering operator's internal controls.

(c) A patron may redeem a winning sports wagering ticket/voucher issued at a sports wagering certificate holder's main retail sportsbook at any of the sports wagering certificate holder's non-primary sports wagering locations or at sports wagering area of a Category 4 licensed facility, and vice versa.

(d) Self-service kiosks shall be capable of recognizing payment limitations or payment errors such as bill out jams and insufficient funds. When a payment limitation or error occurs, the self-service kiosk shall be designed to electronically record the payout limitation or error and perform all of the following:

(1) Reject the transaction.

(2) Issue an error receipt.

(3) Issue a replacement sports wagering ticket/voucher.

(e) When an error receipt is issued from a self-service kiosk, the self-service kiosk or receipt shall advise the patron or employee to see a point of sale cashier for payment. Error receipts shall be designed to include all of the following, at a minimum:

(1) The time and date.

(2) Identification of the issuing self-service kiosks.

(3) Specifies the amount of money that the self-service kiosks failed to dispense.

(f) When used to redeem sports wagering tickets/vouchers, self-service kiosks shall work in conjunction with an approved sports wagering system and shall be designed to:

(1) Accurately obtain the unique identification number of the item presented for redemption and cause the information to be accurately and securely relayed to the sports wagering system for the purpose of redemption.

(2) Issue currency or a sports wagering ticket/voucher, or both, in exchange for the item presented only if the sports wagering system has authorized and recorded the transaction.

(3) Return a sports wagering ticket/voucher to the patron when it cannot be validated by the sports wagering system or is otherwise unredeemable.

(g) When used to redeem sports wagering tickets/vouchers, the self-service kiosk or kiosk computer system shall be capable of generating a “Sports Wagering Ticket/Voucher Redemption Machine Report” for each gaming day. The report shall include the ticket/voucher's unique identifier, the date and time of redemption and the value of the ticket/voucher.

§ 1407a.8. Sports wagering interactive system requirements.

(a) Sports wagering platforms must adhere to the requirements in Chapter 809a (relating to interactive gaming platform requirements) of these regulations.

(b) Sports wagering interactive systems must adhere to the requirements in Chapter 810a (relating to interactive gaming testing and controls) of the Board's regulations.

§ 1407a.9. Sports wagering system general requirements.

(a) A sports wagering system shall, at least once every 24 hours, perform a self-authentication process on all software used to offer, record and process wagers to ensure there have been no unauthorized modifications. In the event of an authentication failure, at a minimum, the sports wagering system shall immediately notify the certificate holder's or operator's sports wagering manager and the Board within 24 hours. The results of all self-

authentication attempts shall be recorded by the system and maintained for a period of not less than 90 days.

(b) The sports wagering certificate holder or sports wagering operator operating the sports wagering system shall provide to the Board real time in-person administrative access and remote access to wagering transaction and related data as deemed necessary in a manner approved by the Board. A sports wagering certificate holder or sports wagering operator shall include in its internal controls required under § 1408a.3 (relating to internal controls) the policies and procedures that will be implemented regarding real time in-person administrative read-only access and remote read-only access to the sports wagering system by the Board.

(c) A sports wagering system shall be capable of preventing any sports wager in excess of $10,000 or making a payout in excess of $10,000 until authorized by the sports wagering manager. A sports wagering certificate holder or sports wagering operator shall include in its internal controls required under § 1408a.3 the policies and procedures that will be implemented regarding those wagers and payouts.

CHAPTER 1408a. SPORTS WAGERING ACCOUNTING AND INTERNAL CONTROLS

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§ 1408a.1. Scope.

To ensure the integrity and security of sports wagering operations in this Commonwealth, the requirements of this chapter apply to all sports wagering certificate holders and sports wagering operators seeking to offer sports wagering to patrons in this Commonwealth. The requirements in this chapter supplement, where not in conflict with and where applicable, existing Board regulations in Subparts E and L (relating to slot machine, table game and associated equipment testing and control; accounting and internal controls; and interactive gaming) and Chapter 465a (relating to accounting and internal controls) applicable to slot machine licensees, interactive gaming certificate holders and interactive gaming operators unless the context clearly indicates otherwise.

§ 1408a.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Integrity monitoring—Observing sports wagering to identify suspicious wagering activity or unusual wagering activity to then report the activities to required parties.

Personal identifiable information—Any data or information that can be used, on its own or with other data or information, to identify, contact or otherwise locate a player or registered player, including a player's or registered player's name, address, date of birth and social security number.

Risk management—Processes and tools that sports wagering certificate holders or sports wagering operators use to manage the risk and liabilities associated with sports wagering.

Sports wagering device and associated equipment—Self-service kiosk, point of sale system or other device, including associated equipment, used to accept sports wagering as permitted for use in this Commonwealth by the Board.

Sports wagering system—Sports wagering devices, equipment, communication technology, software and hardware approved by the Board to conduct sports wagering in this Commonwealth.

Suspicious wagering activity—Unusual wagering activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information or other prohibited activity.

Unusual wagering activity—Abnormal wagering activity exhibited by patrons and deemed by the sports wagering certificate holder or sports wagering operator as a potential indicator of suspicious activity which may include the size of a patron's wager or increased wagering volume on a particular event or wager type.

§ 1408a.3. Internal controls.

(a) At least 90 days prior to commencing sports wagering under this subpart, a sports wagering certificate holder or sports wagering operator shall submit to the Board for approval internal controls for all aspects of sports wagering, including retail sportsbooks, interactive sportsbook operations through a web site or mobile application and nonprimary location sportsbook operations, prior to implementation and any time a change is made thereafter. The internal controls shall include detailed procedures for system security, operations, accounting, and other information as required by the Board.

(b) Notwithstanding subsection (a), the procedures and controls may be implemented by a sports wagering certificate holder or sports wagering operator upon the filing of the procedures and controls with the Board and written approval to commence operations by the Executive Director. Each procedure or control submission shall contain both narrative and diagrammatic representations of the system to be utilized and shall include the following:

(1) Provide for reliable accounting controls, including the standardization of forms and definition of terms to be utilized in the retail sports wagering and interactive or mobile sports wagering operations.

(2) Procedures, forms and, where appropriate, details as to the reconciliation of assets and documents contained in the retail sports wagering cashier drawers. These procedures shall provide for the reporting of any overage or shortage.

(3) Job descriptions and the system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in sports wagering operations, including employees of a sports wagering operator and identifying primary and secondary management and supervisory positions for areas of responsibility.

(4) Procedures for the registration of players and establishment of sports wagering accounts, including a procedure for authenticating the age, identity and physical address of an applicant for a sports wagering account and whether the applicant is a person prohibited from establishing or maintaining an account under applicable laws or regulations.

(5) Procedures for terminating a registered player's sports wagering account and the return of any funds remaining in the sports wagering account to the registered player.

(6) Procedures for suspending or terminating a dormant sports wagering account and the return of any funds remaining in the dormant sports wagering account to the registered player.

(7) Procedures for the logging in and authentication of a registered player to enable the player to commence sports wagering and the logging off of the registered player when the registered player has completed play, including a procedure to automatically log a registered player out of the registered player's sports wagering account after a specified period of inactivity.

(8) Procedures for the crediting and debiting of a registered player's sports wagering account.

(9) Procedures for cashing checks, receiving electronic negotiable instruments and for redeeming cash equivalents.

(10) Procedures for withdrawing funds from a sports wagering account by the registered player.

(11) Procedures for the protection of a registered player's funds, including the segregation of a registered player's funds from operating funds of the sports wagering certificate holder or sports wagering operator.

(12) Procedures for recording transactions pertaining to sports wagering.

(13) Procedures for the security and sharing of personal identifiable information of a registered player, funds in a sports wagering account and other information as required by the Board. The procedures shall include the means by which a sports wagering certificate holder or sports wagering operator will provide notice to a registered player related to the sharing of personal identifiable information.

(14) Procedures and security for the calculation and recordation of revenue.

(15) Procedures for the security of the sports wagering platform, sports wagering interactive system, sports wagering devices and associated equipment.

(16) Procedures and security standards as to receipt, handling and storage of sports wagering devices and associated equipment.

(17) Procedures and security standards to protect and respond to suspected or actual hacking or tampering by any person with the sports wagering certificate holder's or sports wagering operator's interactive sports wagering web site, mobile application and sports wagering devices and associated equipment.

(18) Procedures to verify each registered player's physical location each time a registered player logs into his or her sports wagering account and at appropriate intervals thereafter as determined by the Board.

(19) Procedures and appropriate measures implemented to deter, detect and, to the extent possible, to prevent cheating, including collusion and use of cheating devices, including the use of software programs that make wagers according to algorithms.

(20) Procedures to govern emergencies, including suspected or actual cyber-attacks, hacking or tampering with the sports wagering certificate holder's or sport wagering operator's interactive sports wagering platform, interactive sports wagering web site or mobile application and sports wagering devices and associated equipment. The procedures shall include the process for the reconciliation or repayment of a registered player's sports wagering account.

(21) If any athlete or person who holds a position of authority or influence sufficient to exert influence over the participants in sporting event, as fully described in § 1401a.7(c) (relating to prohibited and restricted sports wagering activities) of this subpart, has less than 10% direct or indirect ownership interest in or control of a sports wagering certificate holder or a sports wagering operator, procedures for the following shall be included:

(i) Providing notice to the Board of the identity of the owner, and if known, the ownership interest in the sports wagering certificate holder or sports wagering operator.

(ii) Implementing appropriate measures to prevent an athlete or a person from participating in the management or operations of sports wagering activities of a sports wagering certificate holder or a sports wagering operator.

(iii) Obtaining a certification from the owner acknowledging that the less than 10% direct or indirect owner is not permitted to be a customer of the sports wagering certificate holder or operator under § 1401a.7(b)(2), not permitted participate in the management or operations of the sports wagering certificate holder or sports wagering operator, and in the

instance of an owner of an athletic team, not permitted to engage in sports wagering activity on any team in the league as that in which he has an ownership interest.

(c) The submission required under subsections (a) and (b) shall include a detailed description of the sports wagering certificate holder's or sports wagering operator's administrative and accounting procedures related to sports wagering, including its written system of internal controls. Each written system of internal controls shall include:

(1) An organizational chart depicting appropriate functions and responsibilities of employees involved in sports wagering.

(2) A description of the duties and responsibilities of each position shown on the organizational chart.

(3) The record retention policy of the sports wagering certificate holder or sports wagering operator.

(4) The procedure to be utilized to ensure that money generated from the conduct of sports wagering is safeguarded and accounted for.

(5) Procedures to ensure that recorded accountability for assets is compared with actual assets at intervals required by the Board and appropriate action is taken with respect to discrepancies.

(6) Procedures to be utilized by an employee of a sports wagering certificate holder or sports wagering operator in the event of a malfunction of a sports wagering certificate holder's interactive sports wagering platform, interactive sports wagering web site or mobile application and sports wagering devices and associated equipment used in the conduct of sports wagering.

(7) Procedures to be utilized by the sports wagering certificate holder or sports wagering operator to prevent persons under 21 years of age, self-excluded or involuntary excluded individuals, individuals who are prohibited from wagering in accordance with § 1401a.8 (relating to persons prohibited from engaging in sports wagering activities) and players outside this Commonwealth from engaging in sports wagering.

(8) Other items the Board may request in writing to be included in the internal controls.

(d) Prior to authorizing a sports wagering certificate holder or sports wagering operator to commence the conduct of sports wagering, the Board shall review and approve the system of internal controls, security protocols and audit protocols submitted under this chapter to determine whether they conform to the requirements of this chapter and whether they provide adequate and effective controls for the conduct of sports wagering.

(e) If a sports wagering certificate holder or sports wagering operator intends to make a change or amendment to its system of internal controls, it shall submit the change or amendment

electronically to the Bureau of Gaming Operations, in a manner prescribed by the Bureau of Gaming Operations. The sports wagering certificate holder or sports wagering operator may implement the change or amendment on the 30th calendar day following the filing of a complete submission unless the sports wagering certificate holder or sports wagering operator receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(f) If during the 30-day review period in this chapter, the Bureau of Gaming Operations preliminarily determines that a procedure in a submission contains an insufficiency likely to negatively affect the integrity of sports wagering or the control of revenue generated from sports wagering, the Bureau of Gaming Operations, by written notice to the sports wagering certificate holder or sports wagering operator, will:

(1) Specify the nature of the insufficiency and, when possible, an acceptable alternative procedure.

(2) Direct that the 30-calendar day review period in this chapter to be tolled and that any internal controls at issue not be implemented until approved under this chapter.

(g) Examples of submissions that may contain an insufficiency likely to negatively affect the integrity of sports wagering may include any of the following:

(1) Submissions that fail to provide information sufficient to permit the review of sports wagering activities by the Board.

(2) Submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) Submissions that do not include forms or other materials referenced in the submission or required under the act or this subpart.

(4) Submissions that would implement operations or accounting procedures not authorized by the act or this subpart.

(h) Whenever a change or amendment has been tolled under this chapter, the sports wagering certificate holder or sports wagering operator may submit a revised change or amendment within 30 days of receipt of the written notice from the Bureau of Gaming Operations. The sports wagering certificate holder or sports wagering operator may implement the revised change or amendment upon receipt of written notice of approval from the Board's Executive Director or on the 30th calendar day following the filing of the revision unless the sports wagering certificate holder or sports wagering operator receives written notice tolling the change or amendment in accordance with this chapter or written notice from the Board's Executive Director rejecting the change or amendment.

(i) A sports wagering certificate holder or sports wagering operator shall submit to the Board for approval a Catalog of Events and Wagers, which shall include a description of the events and wagers intended to be offered and shall include the following:

(1) Sport.

(2) Competition or league.

(3) Governing body.

(4) Games or matches.

(5) Description of the type of events that it intends to accept wagers on as well as the type of wagers it intends to accept.

(j) A sports wagering certificate holder or sports wagering operator shall submit for approval any revision to the Catalog of Events and Wagers at least 72 hours in advance of implementation of these changes. A sports wagering certificate holder or sports wagering operator must maintain a catalog of all prior and current events and the types of wagers it offered on the events.

(k) The Board reserves the right to prohibit the acceptance of wagers and may order the cancellation or discontinuation of wagering, and require refunds on any event which may have an impact on the public or the integrity of sports wagering operations.

(l) A sports wagering certificate holder or sports wagering operator shall only accept wagers on sporting events for which:

(1) The outcome can be verified.

(2) The outcome can be generated by a reliable and independent process.

(3) The outcome is not affected by any wagers placed.

(4) The event is conducted in conformity with all applicable laws or regulations.

(m) A sports wagering certificate holder or sports wagering operator shall not unilaterally rescind or cancel any wager made under this chapter without prior approval of the Board.

(n) The available wagers, including the event number, odds and a brief description of the event, shall be displayed to the public, the sports wagering certificate holder or sports wagering operator's closed circuit television system, interactive sports wagering web site and mobile application.

(o) Winning sports wagering tickets shall be redeemed through the sports wagering system, and a ticket writer or self-service kiosk shall cause the winning ticket to be reflected as claimed or redeemed in the sports wagering system upon redemption.

§ 1408a.4. Terms and conditions.

(a) A sports wagering certificate holder or sports wagering operator shall develop terms and conditions for sports wagering which shall be included in the internal controls. The terms and conditions and any changes thereto must be acknowledged by the player and the acknowledgment must be date and time-stamped by the sports wagering system.

(b) The terms and conditions must address all aspects of the sports wagering operation, including all of the following:

(1) Name of the party or parties with whom the player is entering into a contractual relationship, including any sports wagering certificate holder or sports wagering operator.

(2) Player's consent to have the sports wagering certificate holder or sports wagering operator confirm the player's age, identity and, for purposes of interactive sports wagering, location.

(3) Rules and obligations applicable to the player other than rules of sports wagering including all of the following:

(i) Prohibition from allowing any other person to access or use his or her sports wagering account.

(ii) Prohibition from engaging in sports wagering activity, unless the player is physically located in this Commonwealth.

(iii) Consent to the monitoring and recording by the sports wagering certificate holder, the sports wagering operator or the Board, or both, of any wagering communications and geographic location information.

(iv) Consent to the jurisdiction of this Commonwealth to resolve any disputes arising out of sports wagering.

(v) Prohibition against utilizing automated computerized software or other equivalent mechanism to engage in sports wagering.

(4) Full explanation of fees and charges imposed upon a player related to sports wagering transactions.

(5) Availability of account statements detailing sports wagering account activity.

(6) Privacy policies, including information access and use of customer data.

(7) Legal age policy, including a statement that it is a criminal offense to allow a person who is under 21 years of age to participate in sports wagering and a player who does so shall be prohibited from participating in sports wagering.

(8) Notification that if the player's sports wagering account remains dormant for a period of 2 years any funds remaining on deposit and any pending wagers may be forfeited under applicable State and Federal laws.

(9) Player's right to set responsible gaming limits and self-exclude.

(10) Player's right to suspend his or her sports wagering account for a period of no less than 72 hours.

(11) Actions that will be taken in the event a player becomes disconnected from the sports wagering system during active betting.

(12) Notice that a malfunction voids all transactions.

(13) Estimated time-period for withdrawal of funds from the sports wagering account.

(14) Detailed information regarding compulsive and problem gaming and self-exclusion to be displayed on a player protection page.

(15) Method for changing or retrieving a password or other approved access security feature and the ability to choose “strong authentication” log in protection.

(16) Method for filing a complaint with the sports wagering certificate holder or sports wagering operator and method for filing with the Board an unresolved complaint after all reasonable means to resolve the complaint with the sports wagering certificate holder or sports wagering operator have been exhausted.

(17) Method for obtaining a copy of the terms and conditions agreed to when establishing a sports wagering account.

(18) Method for the player to obtain account and wagering history from the sports wagering certificate holder or sports wagering operator.

(19) Notification of Federal prohibitions and restrictions regarding sports wagering activity, specifically, any limitations upon sports wagering activity as set forth in The Wire Act (18 U.S.C.A. §§ 1081—1084) and the Unlawful Internet Gaming Enforcement Act (31 U.S.C.A. §§ 5361—5367). The notice shall explicitly state that it is a Federal offense for persons physically located outside of this Commonwealth to engage in sports wagering activity through a sports wagering certificate holder or sports wagering operator, unless explicitly authorized by State or Federal law.

(20) Any other information as required by the Board.

§ 1408a.5. Information to be displayed/provided.

A sports wagering certificate holder or sports wagering operator shall provide for the prominent display of the following information at the certificate holder's retail sportsbook and on a page which, by virtue of the construction of the web site or mobile application, registered players must access before beginning a sports wagering session:

(a) The full name of the sports wagering certificate holder and, as applicable, the sports wagering operator and address from which it carries on business.

(b) A logo, to be provided by the Board for display on the certificate holder's or licensee's online sportsbook, indicating that the sports wagering certificate holder, and as applicable, the sports wagering operator is authorized to operate sports wagering in this Commonwealth.

(c) The license number of the sports wagering certificate holder, and as applicable, the sports wagering operator.

(d) A statement that persons under 21 years of age are not permitted to engage in sports wagering.

(e) Readily available information at the certificate holder's retail sportsbook or active links on the sports wagering certificate holder's or sports wagering operator's sports wagering web site or mobile application that contains all of the following:

(1) Information explaining how disputes are resolved.

(2) Problem gaming information that is designed to offer information pertaining to responsible gaming.

(3) Board's contact information.

(4) Information that allows for a patron to choose to be excluded from engaging in sports wagering.

(5) Comprehensive house rules governing wagering transactions with patrons. The house rules must be immediately available to patrons at a licensed facility's retail and interactive or mobile application sportsbooks, and must be included in a sports wagering certificate holder's or sports wagering operator's internal controls required under § 1408a.3 (relating to internal controls). The rules must include all of the following:

(i) Method for calculation and payment of winning wagers.

(ii) Description of the process for handling incorrectly posted events, odds, wagers or results.

(iii) Effect of schedule changes.

(iv) Method of notifying patrons of odds or proposition changes.

(v) Acceptance of wagers at other than posted terms.

(vi) Expiration of any winning ticket.

(vii) Method of contacting the operator for questions and complaints.

(viii) Description of person prohibited from engaging in sports wagering.

(ix) A statement regarding the policy and methods for limiting the maximum amount that a patron can win on any particular wager; however, the policy will not preclude a patron from collecting a payout in excess of the purported amount if the system allows the patron to place a valid wager that pays more than the stated maximum amount.

(x) Methods of funding a sports wager.

§ 1408a.6. Segregation of bank accounts.

(a) A sports wagering certificate holder or sports wagering operator shall maintain a domestic bank account for player's funds separate from all other operating accounts to ensure the security of funds held in the player's sports wagering accounts.

(b) The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all player sports wagering accounts and unpaid wagers.

(c) A sports wagering certificate holder or sports wagering operator shall have unfettered access to all player sports wagering account and transaction data to ensure the amount of funds held in its independent account is sufficient. A sports wagering certificate holder's or sports wagering operator's Chief Financial Officer shall file a quarterly attestation with the Board, unless otherwise directed by the Board, that the funds have been safeguarded under this section.

§ 1408a.7. Sports wagering certificate holder's or sports wagering operator's organization.

(a) A sports wagering certificate holder's or sports wagering operator's systems of internal controls must include organization charts depicting segregation of functions and responsibilities and descriptions of the duties and responsibilities for each position shown on each organization chart. Sports wagering certificate holder or sports wagering operator shall be permitted, except as otherwise provided in this section, to tailor organizational structures to meet the needs or policies of a particular management philosophy. A sports wagering certificate holder's or sports wagering operator's organization charts must provide for:

(1) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility.

(2) The segregation of incompatible functions, duties and responsibilities so that no employee is in a position to both commit an error or perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties.

(3) The performance of all functions, duties and responsibilities in accordance with sound financial practices by qualified personnel.

(4) The areas of responsibility which are not so extensive as to be impractical for an individual to monitor.

(b) In addition to other positions required as part of a sports wagering certificate holder's or sports wagering operator's internal controls, a sports wagering certificate holder or sports wagering operator must maintain an information technology department supervised by an individual and licensed as a key employee who functions, for regulatory purposes, as the information technology director. A sports wagering certificate holder or sports wagering operator shall employ an information technology security officer and, if the certificate holder or licensee offers interactive or mobile sports wagering, an interactive gaming manager, both of whom shall be licensed as a key employee.

(c) The information technology director shall be responsible for the integrity of all data, the quality, reliability and accuracy of all computer systems and software used by the sports wagering certificate holder or sports wagering operator in the conduct of sports wagering activities, whether the data and software are located within or outside the certificate holder's or operator's facility, including, without limitation, specification of appropriate computer software, hardware, and procedures for security, physical integrity, audit and maintenance of:

(1) Access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Monitoring logs of user access, security incidents and unusual transactions.

(3) Logs used to document and maintain the details of any hardware and software modifications.

(4) Computer tapes, disks or other electronic storage media containing data relevant to sports wagering operations.

(5) Computer hardware, communications equipment and software used in the conduct of sports wagering.

(d) The information technology security officer shall report to the information technology director and be responsible for:

(1) Maintaining access codes and other computer security controls used to insure appropriately limited access to computer software and data.

(2) Reviewing logs of user access, security incidents and unusual transactions.

(3) Coordinating the development of the sports wagering certificate holder's or sports wagering operator's information security policies, standards and procedures.

(4) Coordinating the development of an education and training program on information security and privacy matters for employees and other authorized users.

(5) Ensuring compliance with all State and Federal information security policies and rules.

(6) Preparing and maintaining security-related reports and data.

(7) Working with internal and external audit personnel to ensure all findings are addressed in a timely and effective manner.

(8) Developing and implementing an Incident Reporting and Response System to address security breaches, policy violations and complaints from external parties.

(9) Serving as the official contact for information security and data privacy issues, including reporting to law enforcement.

(10) Developing and implementing an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation and overseeing the testing of those methods.

(11) Remaining current with the latest information technology security and privacy legislation, rules, advisories, alerts, and vulnerabilities to ensure the sports wagering certificate holder's security program and security software is effective.

(e) The interactive gaming manager shall report to the information technology director, or other department manager as approved by the Board, and be responsible for ensuring the proper operation and integrity of interactive or mobile sports wagering and reviewing all reports of suspicious behavior. The interactive gaming manager shall immediately notify the Bureau upon detecting any person participating in interactive or mobile sports wagering who is:

(1) Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.

(2) A self-excluded person.

(3) A person that is prohibited by the sports wagering certificate holder or sports wagering operator from sports wagering.

§ 1408a.8. Risk management.

(a) A sports wagering certificate holder or sports wagering operator must implement risk management procedures. These procedures may be provided in-house by a unit capable of performing this function with appropriate segregation of functions and reporting duties, or by an independent third party certified by the Board as required under § 1405a.4(a)(4) (relating to qualification of individuals and entities of certified sports wagering gaming service providers).

(b) A sports wagering certificate holder's or sports wagering operator's internal controls must contain a description of its risk management framework including all of the following:

(1) Automated and manual risk management procedures.

(2) User access controls for all sportsbook personnel.

(3) Information regarding segregation of duties.

(4) Information regarding fraud detection.

(5) Controls ensuring regulatory compliance.

(6) Description of anti-money laundering compliance standards.

(7) Description of all software applications that comprise the sports wagering system.

(8) Description of all types of wagers available to be offered by the sports wagering system.

(9) Description of all integrated third-party systems.

(10) Description of the policies and procedures to be followed in the event that an error occurs in the offering of an event or wager, including cancellation of the wagers placed due to error, which shall be subject to Board approval.

(11) Any other information required by the Board.

(c) A sports wagering certificate holder or sports wagering operator shall file with the Office of Sports Wagering, in a manner and form developed by the Board, a report of any error that occurs in offering an event or wager or if an unapproved event or wager is offered to the public.

(1) Reports shall be filed no later than 5 calendar days after a sports wagering certificate holder or sports wagering operator initially detects or discovers facts that constitute the basis of filing a report.

(2) In situations involving activity that requires immediate attention, a sports wagering certificate holder or sports wagering operator shall immediately notify the Office of Sports Wagering in addition to the timely filing of a report.

(d) A sports wagering certificate holder or sports wagering operator shall maintain a copy of any report filed with the Board and the original or business record equivalent of any supporting documentation for a period of 5 years from the date the report was filed.

(1) Supporting documentation shall be identified and maintained by a sports wagering certificate holder or sports wagering operator as such, and shall be deemed to have been filed with the report.

(2) A sports wagering certificate holder or sports wagering operator shall make all supporting documentation available to the Board upon request.

§ 1408a.9. Integrity monitoring.

(a) A sports wagering certificate holder or sports wagering operator must implement integrity monitoring procedures. These procedures may be provided in-house by a unit capable of performing this function with appropriate segregation of functions and reporting duties or by an independent third party certified by the Board as required under § 1405a.1(a)(4) (relating to general sports wagering gaming service provider requirements).

(b) A sports wagering certificate holder or sports wagering operator must share information of unusual wagering activity or other suspicious wagering activity regarding sports wagering in this Commonwealth with:

(1) Other sports wagering certificate holders or sports wagering operators.

(2) The Board.

(c) A sports wagering certificate holder or sports wagering operator must submit a yearly report to the Board detailing its integrity monitoring services and summarizing any unusual wagering activity or other suspicious wagering activity notifications issued during that time period.

(d) A sports wagering certificate holder or sports wagering operator receiving a report of unusual wagering activity or suspicious wagering activity is permitted to suspend wagering on events related to the report and may only cancel related wagers under procedures previously approved by the Board.

(e) A sports wagering certificate holder or sports wagering operator must provide the Board with remote access to its integrity monitoring system which shall provide at a minimum:

(1) Reports of unusual wagering activity.

(2) If the activity was determined to be suspicious.

(3) The actions taken by the sports wagering certificate holder or sports wagering operator.

(f) A sports wagering certificate holder or sports wagering operator shall file with the Office of Sports Wagering, in a manner and form developed by the Board, a report of any unusual wagering activity or suspicious wagering activity.

(1) Reports shall be filed no later than 5 calendar days after a sports wagering certificate holder or sports wagering operator initially detects or discovers facts that constitute the basis of filing a report.

(2) In situations involving activity that requires immediate attention, a sports wagering certificate holder or sports wagering operator shall immediately notify the Office of Sports Wagering in addition to the timely filing of a report.

(g) A sports wagering certificate holder or sports wagering operator shall maintain a copy of any report filed with the Board and the original or business record equivalent of any supporting documentation for a period of 5 years from the date the report was filed.

(1) Supporting documentation shall be identified and maintained by a sports wagering certificate holder or sports wagering operator as such, and shall be deemed to have been filed with the report.

(2) A sports wagering certificate holder or sports wagering operator shall make all supporting documentation available to the Board upon request.

§ 1408a.10. Mandatory logging.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the mandatory logging requirements in Subpart L (relating to interactive gaming) of the Board's regulations.

§ 1408a.11. Records/data retention requirements.

A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the record/data retention requirements in Chapter 465a (relating to accounting and internal controls) and Subpart L (relating to interactive gaming) of the Board's regulations.

§ 1408a.12. Required reports.

(a) Nothing in this section shall be interpreted to prohibit an retail sportsbook from accepting anonymous sports wagers at self-service kiosks or point of sale terminals. These wagers should be included in the required reports detailed in this section and identified as “anonymous player” or a similar identifier.

(b) A sports wagering certificate holder's or sports wagering operator's sports wagering system must comply with the reporting requirements in Subpart L (relating to interactive gaming) of the Board's regulations as it pertains to interactive sports wagering through a web site or mobile application.

(c) A sports wagering certificate holder or sports wagering operator must generate reports specific to its sports wagering operations as specified by the Board that shall include, at a minimum:

(1) The report title.

(2) The date or time period of activity, or description "as of" a point in time.

(3) The date and time the report was generated.

(4) Page numbering, indicating the current page and total number of pages.

(5) Subtotals and grand totals as required by the Board.

(6) A description of any filters applied to the data presented in the document.

(7) Column and row titles, if applicable.

(8) The name of the sports wagering certificate holder or sports wagering operator.

(d) All required reports shall be generated by the sports wagering certificate holder or sports wagering operator, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(e) The sports wagering certificate holder or sports wagering operator shall provide a mechanism to export the data generated for any report to a format approved by the Board and as often as required by the Board.

(f) For retail sports wagering operations, a sports wagering system shall generate, at a minimum, all of the following daily reports:

(1) A "Sports Wagering Intake Summary Report" which shall include:

(i) Tickets sold.

(ii) Tickets paid.

(iii) Tickets voided.

(iv) Each ticket cancelled.

(v) Sports wagering voucher issued.

(vi) Sports wagering voucher redeemed.

(vii) Over or short amount to writer's drawer.

(viii) Grand total of each transaction type for all writers.

(2) A "Sports Wagering Results Summary Report" which shall include for each event type (that is, NFL, NHL, MLB, NCCA by sports, parlay, and the like):

(i) Ticket sales.

(ii) Tickets paid.

(iii) Tickets voided.

(iv) Tickets cancelled.

(v) Expired tickets.

(vi) Net sports wagering gross revenue.

(vii) Grand total of each transaction type for all events.

(3) A "Sports Wagering Ticket Expiration Detail Report" which shall include:

(i) Ticket identification number.

(ii) Date and time of issuance.

(iii) Event.

(iv) Wager description.

(v) Bet amount.

(vi) Payout amount.

(4) A "Sports Wagering Voided Ticket Report" which shall include:

(i) Ticket number.

(ii) Date and time of issuance.

(iii) Event.

(iv) Wager description.

(v) Bet amount.

(vi) Writer name or identification number.

(vii) Reason for void.

(5) A "Sports Wagering Cancelled Ticket Report" which shall include all of the following:

(i) Ticket number.

(ii) Date and time of issuance.

(iii) Event.

(iv) Wager description.

(v) Bet amount.

(vi) Reason for cancelation.

(6) A "Sports Wagering Ticket Liability Report" which shall include all of the following:

(i) Ticket number.

(ii) Date and time of issuance.

(iii) Event.

(iv) Wager description.

(v) Amount.

(vi) Status (pending or complete).

(7) A "Sports Wagering Voucher Liability Report" which shall include all of the following:

(i) Voucher number.

(ii) Date and time of issuance.

(iii) Amount.

(g) The Sports Wagering Results Summary Report shall be reconciled with the Sports Wagering Intake Summary Report, and any discrepancy shall be reported to the Board.

(h) For retail sports wagering and interactive or mobile sports wagering, a sports wagering system shall generate, at a minimum, all of the following daily reports:

(1) A "Sports Wagering Detail Report" which shall include all of the following:

(i) Transaction time.

(ii) Patron account identifier, for interactive or mobile sports wagering.

(iii) Wager identification number.

(iv) Event type.

(v) Wager description.

(vi) Event date.

(vii) Wager placed amount.

(viii) Wager paid amount.

(ix) Voided wager amount.

(x) Cancelled wager amount.

(xi) Resettled wager adjustment amount.

(xii) Transaction impact on sports wagering revenue.

(2) A "Sports Wagering Voided Wager Report" which shall include all of the following:

(i) Transaction time.

(ii) Patron account identifier, for interactive or mobile sports wagering.

(iii) Ticket wager identification number.

(iv) Date and time of issuance.

(v) Time of void.

(vi) Event type.

(vii) Wager description.

(viii) Event date.

(ix) Wager amount.

(x) Cashier employee name or identification number.

(xi) Reason for void.

(3) A "Sports Wagering Cancelled Wager Report" which shall include all of the following:

(i) Transaction time.

(ii) Patron account identifier, for interactive or mobile sports wagering.

(iii) Ticket wager identification number.

(iv) Date and time of issuance.

(v) Event type.

(vi) Wager description.

(vii) Event date.

(viii) Wager amount.

(ix) Reason for cancellation.

(4) A "Sports Wagering Resettlement Report" which shall include all of the following:

(i) Patron account identifier, for interactive or mobile sports wagering.

(ii) Wager identification number.

(iii) Event type.

(iv) Wager description.

(v) Date and time of initial settlement.

(vi) Date and time of resettlement.

(vii) Unsettled amount.

(viii) Resettlement amount.

(ix) Net adjustment.

(i) For retail sports wagering and interactive or mobile sports wagering, a sports wagering system shall generate on a monthly basis on the last day of each calendar month a "Retail Sports Wagering Liability Report" and an "Interactive or Mobile Sports Wagering Liability Report" which shall include all of the following:

(1) Date generated.

(2) Patron account identifier, for interactive or mobile sports wagering.

(3) Wager identification number.

(4) Event type.

(5) Wager description.

(6) Date and time of issuance.

(7) Event date.

(8) Amount.

(9) Status (that is, pending or complete).

§ 1408a.13. Accounting controls for the sports wagering area.

(a) The assets for which each ticket writer is responsible shall be maintained on an imprest basis. A ticket writer shall not permit any other person to access his or her imprest inventory.

(b) A ticket writer shall begin a shift with an imprest amount of currency and coin to be known as the "sports wagering inventory." No funds shall be added to or removed from the sports wagering inventory during the shift, except:

(1) In collection of sports wagering wagers.

(2) To make change for a patron buying a sports wagering ticket.

(3) In collection for the issuance of sports wagering vouchers.

(4) In payment of winning or properly cancelled or refunded sports wagering tickets.

(5) In payment of sports wagering vouchers.

(6) In exchanges with the cage, a satellite cage or sports wagering area vault supported by proper documentation, which documentation shall be sufficient for accounting reconciliation purposes.

(c) A "sports wagering count sheet" shall be completed and signed by the sports wagering shift supervisor, and the following information, at a minimum, shall be recorded thereon at the commencement of shift:

(1) The date, time and shift of preparation.

(2) The denomination of currency of coin in the sports wagering inventory issued to the ticket writer.

(3) The total amount of each denomination in the sports wagering inventory issued to the ticket writer.

(4) The sports wagering window number to which the ticket writer has been assigned.

(5) The signature of the sports wagering shift supervisor.

(d) A ticket writer assigned to a ticket window shall count and verify the sports wagering inventory in an area out of view of the public, and shall agree the count to the sports wagering count sheet. The ticket writer shall sign the count sheet attesting to the accuracy of the information recorded thereon. The sports wagering inventory shall be placed in the ticket writer's drawer and transported directly to the appropriate sports wagering area window by the ticket writer.

(e) At the conclusion of a ticket writer's shift, the ticket writer's drawer and its contents shall be transported to an area out of view of the public, where the ticket writer shall perform a blind count of the contents of the drawer and record the following information, at a minimum, on the sports wagering count sheet:

(1) The date, time and shift of preparation.

(2) The denomination of cash or cash equivalents in the drawer.

(3) The total amount of each denomination of cash or cash equivalents in the drawer.

(4) The signature of the ticket writer.

(f) A sports wagering supervisor, or above, shall compare the ticket writer net for the shift generated by the terminal and if it agrees with the sports wagering count sheet total plus the

sports wagering inventory, shall agree the count to the sports wagering count sheet and shall sign the sports wagering count sheet attesting to the accuracy.

(g) If the sports wagering window net for the shift as generated by the system does not agree with the sports wagering count sheet total plus the sports wagering inventory, the sports wagering supervisor, or above, shall record any overage or shortage. If the count does not agree, the ticket writer and the sports wagering supervisor, or above, shall attempt to determine the cause of the discrepancy with the count.

(h) If the discrepancy cannot be resolved by the ticket writer and sports wagering supervisor, or above, the discrepancy shall be reported in writing to the sports wagering manager or department supervisor in charge at the time. Any discrepancy in excess of $500 shall be reported to the Office of Sports Wagering and Bureau of Casino Compliance, with a report that shall include the following:

(1) Date.

(2) Shift.

(3) Name of the ticket writer.

(4) Name of the sports wagering supervisor, or above.

(5) Window number.

(6) Amount of the discrepancy.

§ 1408a.14. Sports wagering accounts.

A sports wagering certificate holder's or sports wagering operator's sports wagering system shall comply with the player account requirements in Subpart L (relating to interactive gaming) of the Board's regulations as it pertains to sports wagering accounts used by a patron to participate in interactive or mobile sports wagering.

CHAPTER 1409a. SPORTS WAGERING ADVERTISEMENTS, PROMOTIONS AND TOURNAMENTS

Sec.

1409a.1. General requirements.
1409a.2. Sports wagering contests, tournaments, pools or other organized events.

§ 1409a.1. General requirements.

A sports wagering certificate holder or sports wagering operator must comply with the advertisement and promotions requirements of Subparts C—E, I and L regarding its retail and interactive or mobile sportsbooks, including those provisions that require sports wagering certificate holders or sports wagering operators to submit all information to the Board as required by Subparts C—E, I and L.

§ 1409a.2. Sports wagering contests, tournaments, pools or other organized events.

(a) A sports wagering certificate holder or sports wagering operator may offer a sports wagering contest, tournament, pool or other organized event in which a player purchases entry and engages in competitive play against other players, subject to the following:

(1) Prior to offering a sports wagering contest, tournament, pool or other organized event, a sports wagering certificate holder or sports wagering operator shall file with the Office of Sports Wagering Operations notification of the terms and conditions of the contest, tournament, pool or other organized event at least 2 business days prior to the start of the contest, tournament, pool or other organized event.

(2) The terms and conditions for the contest, tournament, pool or other organized contest shall not be altered by the sports wagering certificate holder or sports wagering operator after notification to the Office of Sports Wagering Operation without filing an additional notification, and shall include, at a minimum, all of the following:

(i) A description of the sports wagering contest, tournament, pool or other organized event.

(ii) The dates and times in which the sports wagering contest, tournament, pool or other organized event will be conducted.

(iii) Rules concerning sports wagering contest, tournament, pool or other organized event play and participation.

(iv) Participation eligibility requirements, including all of the following:

(A) The minimum and maximum number of participants.

(B) Entry fees charged.

(C) The monetary amount and description of the prizes to be awarded.

(v) All conditions registered players shall meet to qualify for entry into, and advancement though, a sports wagering contest, tournament, pool or other organized event.

(vi) Funding source amounts comprising the prize pool (for example, the sports wagering entry fees).

(vii) Prize structure on payouts.

(viii) Methodology for determining winners of the sports wagering contest, tournament, pool or other organized event.

(ix) Any other information required by the Board.

(3) The terms and conditions for all sports wagering contests, tournaments, pools or other organized events shall be posted on the interactive sports wagering web site or mobile application or, if applicable, in the sports wagering area of a retail sports book, and shall be stated in a clear and concise manner using plain language.

(4) The terms and conditions of each sports wagering contest, tournament, pool or other organized event must be readily accessible to players on the interactive sports wagering web site or mobile application and remain available for review by players until the completion of the sports wagering contest, tournament, pool or other organized event.

(5) A sports wagering contest, tournament, pool or other organized event may not accept real money from any source nor pay out real money in any way during a contest, tournament, pool or other organized event, and must utilize contest, tournament, pool or other organized event specific points or credits which do not have cash value.

(b) Entry fees collected, less cash prizes paid, are to be included in the calculation of gross sports wagering revenue. In determining the amount to be included in the event that cash prizes paid out to players exceed entry fees collected, the sports wagering certificate holder or sports wagering operator shall be deemed to have paid the fees for the players.

(c) After completion of a sports wagering contest, tournament, pool or other organized event, the results shall be made available on the interactive sports wagering web site or mobile application or, if applicable, in the sports wagering area of a retail sportsbook, for the players to review. Subsequent to posting, the results shall be recorded and be made available upon request, with the recording including all of the following:

(1) The name of the sports wagering contest, tournament, pool or other organized event.

(2) Date or dates of the sports wagering contest, tournament, pool or other organized event.

(3) Total number of entries.

(4) Total amount of entry fees collected.

(5) Total prize pool.

(6) Amounts paid for each winning category.

(d) Immediately upon notification from the Board's Executive Director, a sports wagering certificate holder or sports wagering operator licensee shall discontinue a sports wagering contest, tournament, pool or other organized event when it has been determined that the conduct of a sports wagering contest, tournament, pool or other organized event could adversely impact the public or the integrity of gaming.

(e) A sports wagering contest, tournament, pool or other organized event may only be comprised of sporting events and wagers contained in the sports wagering certificate holder or sports wagering operator's approved Catalog of Events and Wagers under § 1408a.3(i) (relating to internal controls).

(f) All software and sports wagering devices and associated equipment used in conjunction with sports wagering contests, tournaments, pools or other organized events are subject to requirements set forth in § 1407a.3 (relating to testing and approval generally).

(g) Sports wagering contests, tournaments, pools or other organized events that do not require payment of an entry fee by a player are not subject to notification to the Office of Sports Wagering, but shall be considered a promotion and submitted as a notification to the Office of Sports Wagering under § 813a.3 (relating to promotions).

(h) When conducting a sports wagering contest, tournament, pool or other organized event, a sports wagering certificate holder or sports wagering operator shall comply with the

provisions of § 811a.9 (relating to required reports; reconciliation). In addition to the reports contained therein, the sports wagering certificate holder or sports wagering operator shall maintain and make available to the Board upon request the following information for sports wagering contests, tournaments, pools or other organized events:

(1) Name of the sports wagering contest, tournament, pool or other organized event.

(2) Start date of the sports wagering contest, tournament, pool or other organized event.

(3) End date of the sports wagering contest, tournament, pool or other organized event.

(4) Total number of entrants.

(5) Total number of entries.

(6) Total amount of entry fees.

(7) Fees collected.

(8) Total prize pool.

(9) Patron's wagering selections.

(10) Contest, tournament, pool or other organized event results.

(11) Amounts paid for each winning category.

(i) A sports wagering certificate holder or sports wagering operator licensee shall maintain records related to the conduct of sports wagering contests, tournaments, pools or other organized events in accordance with § 465a.6(c) (relating to retention, storage and destruction of books, records and documents) which shall be made available to Board staff and the Department upon request.

CHAPTER 1410a. SPORTS WAGERING COMPULSIVE AND PROBLEM GAMBLING REQUIREMENTS

Sec.

1410a.1. General requirements.

§ 1410a.1. General requirements.

(a) A sports wagering certificate holder or sports wagering operator must comply with the compulsive and problem gambling provisions of Subparts I and L (relating to compulsive and problem gambling; and interactive gaming) regarding its retail and interactive or mobile sportsbooks.

(b) A sports wagering certificate holder or sports wagering operator shall amend its current compulsive gaming plans and programs to include sports wagering activities.

CHAPTER 1411a. SPORTS WAGERING SELF-EXCLUDED PERSONS

Sec.

1411a.1. General requirements.

§ 1411a.1. General requirements.

(a) A sports wagering certificate holder or sports wagering operator must comply with the self-exclusion provisions of Subparts I and L (relating to compulsive and problem gambling; and interactive gaming) regarding its retail and interactive or mobile sportsbooks.

(b) A sports wagering certificate holder or sports wagering operator shall amend its current self-exclusion plans and programs to include sports wagering activities.