



PENNSYLVANIA GAMING CONTROL BOARD
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PAUL RESCH
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April 23, 2012

Chairman
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Sent via Electronic and U.S. Mail

Mr. John Gutkowski
Revenue Audit Supervisor
Mohegan Sun at Pocono Downs
1280 Highway 315
Wilkes-Barre, PA 18702

Re: Submission of Internal Controls for Certain Gift Card/Certificate Programs

Dear Mr. Gutkowski:

At its April 11, 2012 meeting, the Pennsylvania Gaming Control Board decided a petition before it relating to a gift card/gift certificate program established by Downs Racing, LP. Of particular focus in the matter was Downs Racing's ability to issue gift cards or gift certificates purchased using a credit card, but redeemable for cash.

In approving Downs Racing's program, in part, the Board imposed certain conditions on Downs Racing's program which can be instructive to all licensees seeking to put in place a similar program. Based upon the Board's order in the Downs Racing matter, specific parameters on any program offered by slot machine licensees that permit the purchase of a gift card or gift certificate using a credit card and subsequent redemption by the recipient for cash must have the following limitations:

- The purchaser and recipient of any gift card or gift certificate redeemable for cash, which is purchased using a credit card, must be different persons and the name of the recipient must be clearly displayed on the gift card or gift certificate;
- The maximum value of a gift card or gift certificate purchased using a credit card and redeemable for cash shall be \$200.00;
- A person may only redeem a maximum of \$200.00 in cash per month (30 day period) in gift cards or gift certificates purchased using a credit card;
- A gift card or gift certificate purchased using a credit card cannot be redeemed for cash until 24 hours have expired from the time of its purchase; and

- Any redemption of a gift card or gift certificate for cash must occur at the casino cage.

Pursuant to 4 Pa.C.S. § 1322(c)(8), the Pennsylvania Gaming Control Board may require a slot machine licensee to submit as part of its internal controls any item that it may require in its discretion. Consistent with the aforementioned statutory authority, licensees that currently offer or would like to offer a gift card or gift certificate program as described above must submit an internal control amendment via the Board's internal controls and table games online submission form.

Procedures for implementation of a gift card or gift certificate program involving the purchase by credit card and redemption for cash should be submitted as an amendment to Internal Control Section 465a.22 - Cash Equivalents. Please note that if your gift card or gift certificate program does not permit purchases by credit card and redemption for cash, an internal control amendment is not required. If an internal control submission is not received, it will be assumed that you have elected not to offer gift card or gift certificates for purchase by credit card and subsequent redemption for cash.

If you have any questions, please contact Compliance Manager Patricia Gustavson at (717) 214-9290.

Sincerely,

A handwritten signature in black ink that reads "Paul Resch". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Paul Resch
Director of Gaming Operations

cc: Kevin O'Toole, Executive Director, PGCB
R. Douglas Sherman, Chief Counsel, PGCB
Cyrus Pitre, Chief Enforcement Counsel, PGCB
Gerald Stoll, Director of Casino Compliance, PGCB
Patricia Gustavson, Compliance Manager, PGCB