

205 CMR: MASSACHUSETTS GAMING COMMISSION

UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND INTERNAL CONTROLS

- 138.40: Procedure for acceptance of checks, cash equivalents and credit/debit cards; issuance of counter checks or slot counter checks
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138.40: Procedure for acceptance of checks, cash equivalents and credit/debit cards; issuance of counter checks or slot counter checks

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to the acceptance of checks and cash equivalents presented by patrons, and the issuance of counter checks or slot counter checks to patrons for gaming purposes. These policies and procedures shall include, but not be limited to:

- (1) The specific locations in the gaming establishment where patron deposits may be received;
- (2) The specific form of deposits that will be accepted including cash, personal checks, certified checks and traveler's checks. Provided, procedures shall be included to ensure that the gaming licensee does not accept or cash government-issued checks or third party checks;
- (3) Identification requirements at such time that a patron deposits funds, including controls in place to assure that any cash received on deposit is done so in accordance with required currency transaction reporting and anti-money laundering criteria;
- (4) The permitted uses of funds placed on deposit to include, but not be limited to, in exchange for chips, tokens or other forms of gaming value, to establish a deposit account against which future draws may be made, as payment towards outstanding counter checks;
- (5) Procedures to refund any balance in a patron's deposit account at such time that it is requested;
- (6) Specific procedures for the issuance of counter checks against the patron's deposit account, to include patron identification requirements, and documentation and accountability requirements to request a counter check, issue the counter check (whether at the main cage,

gaming table or such other approved location), and post the counter check transaction to the patron's account and the gaming licensee's books of account;

- (7) Specific procedures for the issuance of slot counter checks, if said procedures differ in any material way from the procedures to issue counter checks for table game purposes, to include the same information set forth in 205 CMR 138.40(6).
- (8) Documentation and accountability requirements up to and including the transfer of completed documents to the accounting department;
- (9) Procedures to ensure that any credit card or automated teller machine operating in the gaming establishment not allow a patron to obtain cash from a government-issued electronic benefits transfer card; and,
- (10) Procedures to ensure that credit card cash transactions and debit card cash transactions are not permitted in the gaming area.

138.41: Redemption, substitution, and consolidation of counter checks or slot counter checks at the cashier's cage; redemption of counter checks at a gaming table

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to the redemption, substitution, and consolidation of counter checks and/or slot counter checks that contain, at a minimum, provisions for the following:

- (1) A listing of the locations in the gaming area at which redemptions may occur, and a listing of the types of cash and cash equivalents that may be accepted in redemption of a counter check;
- (2) A distinction between full redemptions and partial redemptions;
- (3) Detailed procedures to:
  - (a) Process and complete redemptions, substitutions, and consolidations;
  - (b) Verify the patron's identification at the time of completing a redemption;
  - (c) Complete the appropriate forms used to record the redemption, including the specific information contained on said form(s) and the form(s) signature requirements so as to assign responsibility and accountability over the redemption transaction; and
  - (d) Transfer the appropriate documents to the accounting department (or such other department) for accounting purposes.
- (4) A description of permitted redemptions, in full or in part, when made by a third-party other than the gaming patron; and
- (5) A description of the type of checks that may be accepted in substitution of a counter check;

138.42 Acceptance of payments toward outstanding patron checks

- (1) A gaming licensee may, in its discretion, permit the drawer of an undeposited patron check or any person acting for the benefit of such drawer to deposit cash, cash equivalents,

casino checks, slot tokens, gaming chips or gaming plaques with a general cashier for the purpose of having such payment applied to the total or partial redemption of the patron check by the drawer.

- (2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to the acceptance of payments pursuant to 205 CMR 138.42(1) which shall, at a minimum, provide for:
  - (a) A method of documenting or recording the receipt of each such payment, which method shall include, without limitation, the following:
    - (1) The names of the drawer and the person making the payment;
    - (2) All significant details concerning the transaction;
    - (3) The signatures of the person making the payment and the general cashier accepting the payment; and
    - (4) The issuance of a receipt to the person making the payment;
  - (b) The maintenance of the general cashier's imprest inventory; and
  - (c) The notation in the drawer's credit account of the receipt of the payment.
- (3) If any payments received by a gaming licensee pursuant to the procedure referenced in 205 CMR 138.42(2) entitle the drawer of a patron check to redeem the original patron check in its entirety, or if any such payments received in conjunction with the submission of a new patron check by the drawer in a lesser amount entitle the drawer of a patron check to redeem the original patron check in part, the gaming licensee shall return the original patron check to the drawer.
- (4) If the drawer of a patron check fails to redeem it prior to the date on which the patron check must be deposited in accordance with the policy or procedure implemented in accordance with 205 CMR 138.45, the gaming licensee shall deposit the patron check regardless whether any payment has been received. The gaming licensee, after timely depositing the patron check and allowing a commercially reasonable time for the patron check to clear, shall apply any payments received in accordance with priorities established in the system of internal controls submitted by a gaming licensee in accordance with 205 CMR

138.02 .

- (5) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall provide policies and procedures for cash deposit accounts if they will be utilized by the gaming licensee.
- (6) If a patron check is dishonored by the drawer's bank upon presentation for payment and returned to the gaming licensee, any payments received, including payments that have been transferred to a patron cash deposit account pursuant to 205 CMR 138.42(5), that have not been returned to the drawer shall be used to reduce the amount to be collected from the drawer or to be deemed uncollectible pursuant to the provisions of these regulations.
- (7) No junket representative, junket enterprise or employee or agent of a junket enterprise shall, and no gaming licensee or employee or agent of a gaming licensee shall make a payment for the benefit of the drawer of a patron check.

138.43: Procedures for establishing patron credit accounts, and recording checks exchanged, redeemed or consolidated

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of its policies and procedures governing the issuance of credit to a patron to take part in gaming activity at its gaming establishment. A gaming licensee's policies and procedures governing the issuance of credit shall ensure at a minimum that:
  - (a) Prior to issuing credit to a patron the creditworthiness of the patron is established in the context of their ability to repay the amount of credit requested or to be extended; and
  - (b) Credit is not extended to an individual in an amount beyond that which the information reviewed demonstrates that they have a reasonable ability to repay;
  - (c) Credit will only be extended to patrons who qualify for a minimum threshold of \$10,000.00 and will not exceed the amount requested by the patron;
  - (d) Credit will not be offered to any individual who self-identifies as a problem gambler, places themselves on a voluntary credit suspension list in accordance with 205 CMR 138.44, or is on public assistance;
  - (e) Credit requests, including extensions, will not be accepted from or granted to patrons who are visibly intoxicated or exhibiting behaviors suggestive of impaired mental competency;
  - (f) Credit applications will include a problem gambling self-assessment; and
  - (g) Credit officers will obtain verbal verification from credit applicants that they are comfortable losing up to the amount of credit requested and granted.
- (2) In addition to the provisions required in accordance with 205 CMR 138.43(1), the policies and procedures governing the issuance of credit shall contain provisions including, but not limited to, the following:

(a) The creation of a credit file for each patron shall be prepared by a general cage cashier or credit department representative with no incompatible functions either manually or by computer prior to the gaming licensee's approval of a patron's credit limit. All patron credit limits and changes thereto shall be supported by the information contained in the credit file. Such file shall contain a credit application form upon which shall record, at a minimum, the following information provided by the patron:

- (1) The patron's name;
- (2) The address of the patron's residence;
- (3) The telephone number at the patron's residence;
- (4) Banking information including:
  - (a) The name and location of the patron's bank; and
  - (b) 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, Slot Counter Checks and all checks used for substitution, redemption or consolidation will be drawn. Checking accounts of sole proprietorships shall be considered as personal checking accounts. Partnership or corporate checking accounts shall not be considered personal checking accounts.
- (5) The credit limit requested by the patron;
- (6) The approximate amount of all other outstanding indebtedness;
- (7) The amount and source of income and assets in support of the requested credit limit; and
- (8) The patron's signature indicating acknowledgement of the following statement, which shall be included at the bottom of every credit application form containing the information required to be submitted by the patron pursuant to this subsection:  
"I certify that I have reviewed all of the information provided above and that it is true and accurate. I authorize (insert the name of the gaming licensee) to conduct such investigations pertaining to the above information as it deems necessary for the approval of my credit limit. I am aware that this application is required to be prepared in accordance with Massachusetts Gaming Commission regulations and I may be subject to civil or criminal liability if any material information provided by

me is willfully false."

(9) Prior to processing a gaming patron's credit application, a gaming licensee shall clearly and conspicuously provide the patron with the following disclosures on a piece of paper separate and apart from the credit application and any related documents; provided that each statement shall be separately signed, dated, and acknowledged by said patron. Upon signing said disclosures, a copy shall be provided to the gaming patron.

(a) *"You are receiving a credit extension from [name of licensee], facilitated through a personal check or 'marker' on your bank account. If you fail to repay [name of licensee] by the date specified in this agreement, [name of licensee] will attempt to recover this amount from your bank account. If there are insufficient funds in your account, [name of licensee] may initiate debt collection proceedings against you. Failure to timely repay your debt to [name of licensee] may result in criminal and/or civil legal consequences, and will likely have a negative effect on your credit."*

(b) *"If you are concerned that you may have difficulty managing your gambling, or wish for any reason to exclude yourself from receiving credit from a gaming establishment in Massachusetts, you may add yourself to the gaming credit suspension list. Massachusetts gaming establishments are prohibited from providing credit to individuals appearing on this list. To sign up for the list, please visit [www.massgaming.com/selfexclusion](http://www.massgaming.com/selfexclusion) or call [toll-free number]."*

(b) Recording by a general cage cashier or credit department representative of the information required in accordance with 205 CMR 138.43 in the credit file prior to the gaming licensee's approval of a patron's credit limit.

(c) Prior to the gaming licensee's approval of the patron's credit limit, a general cage cashier or credit department representative with no ability to grant credit or credit limit increases shall:

(1) Verify the address of the patron's residence;

(2) Verify the patron's current gaming credit limits and outstanding balances which shall include the following:

(a) The date the patron's credit account(s) was established;

(b) The amount of the current approved credit limit at each casino or gaming establishment; and

(c) The current balance and status of the patron's credit account at each gaming establishment including checks deposited by gaming licensees that have

not yet cleared the bank and derogatory information;

- (3) Verify the patron's outstanding indebtedness;
- (4) Verify the patron's personal checking account information which shall include, but not be limited to, the following:
  - (a) Type of account (personal or sole proprietorship);
  - (b) Account number;
  - (c) Date the account was opened;
  - (d) Average balance of the account for the last twelve months, if available (if this information is not available, this shall be noted in the credit file);
  - (e) Current balance in the account;
  - (f) Whether the patron can sign individually on the account; and
  - (g) Name and title of the person supplying the information; and
- (5) Verify that the patron's name is not designated on the list of individuals who have voluntarily requested suspension of credit privileges pursuant to 205 CMR 138.44 or placed their name on the voluntary self-exclusion list pursuant to 205 CMR 133.00.

(d) All verifications performed by a general cage cashier or the credit department in accordance with 205 CMR 138.43(2)(c) shall be recorded in the credit file and accompanied by the signature of the general cage cashier or credit department representative who performed the required verifications or filed the relevant information. The date and time of the signature of the general cage cashier or credit department representative shall be recorded either mechanically or manually contemporaneously with the transaction. The general cage cashier or gaming licensee's credit department shall fulfill the requirements of (c) above as follows:

- (1) Verification of the address of the patron's residence, as required by 205 CMR 138.43(2)(c)(1), 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 will not provide the information, the gaming licensee may use an alternative source which shall not include any identification credentials required in 205 CMR 138.43(2)(a) or other documentation presented by the patron at the gaming establishment. The gaming licensee shall record the source of verification and the

method by which such verification was performed in the patron's credit file.

Verification of the patron's address may be performed telephonically.

- (2) Verification of the patron's current casino credit limits and outstanding balances, as required by 205 CMR 138.43(2)(c)(2), shall be performed through a casino credit bureau and, if appropriate, through direct contact with other casinos. The gaming licensee shall record the source of verification and the method by which such verification was performed in the patron's credit file. If no casino credit information relating to the patron is available from these sources, this shall be noted in the patron's credit file. The verification may be performed telephonically prior to the credit approval provided the gaming licensee requests written documentation of all such information as soon as possible and includes such written documentation in the patron's credit file. All requests for written documentation shall be maintained in the patron's credit file until such documentation is obtained.
- (3) Verification of the patron's outstanding indebtedness, as required by 205 CMR 138.43(2)(c)(3), shall be performed by contacting a consumer credit bureau which is reasonably likely to possess information concerning the patron, to the extent such consumer credit bureau is available, and a casino credit bureau to determine whether the applicant has any liabilities or if there is any derogatory information concerning the applicant's credit history. Such contact shall be considered a verification of the outstanding indebtedness provided by the patron. If such contact is not immediately possible, the gaming licensee may use an alternative source which has made the required contact. The gaming licensee shall record the source of verification and the method by which such verification was performed in the patron's credit file. If either one or both of these credit bureaus do not have information relating to a patron's outstanding indebtedness this shall be recorded in the patron's credit file. The verification may be performed telephonically prior to the credit approval provided the gaming licensee requests written documentation of all information obtained as soon as possible and includes such written documentation in the patron's credit file. All requests for written documentation shall be maintained in the patron's credit file until such documentation is obtained.



(4) Verification of the patron's personal checking account information, as required by 205 CMR 138.43(2)(c)(4), shall be performed by the gaming licensee or a bank verification service directly with the patron's bank. A bank verification service utilized by a gaming licensee may make use of another bank verification service to make direct communication with the patron's bank. If such information is not immediately available, the gaming licensee may use an alternative source. The gaming licensee shall record the source of verification and the method by which such verification was performed in the patron's credit file. The verification may be performed telephonically prior to the credit approval provided the gaming licensee or bank verification service requests written documentation of all information obtained as soon as possible and such written documentation is included in the patron's credit file. All requests for written documentation shall be maintained in the patron's credit file until such documentation is obtained. No bank verification service may be used by a gaming licensee or another bank verification service to perform the verifications required by this section unless the bank verification service has filed a completed application for an appropriate casino service industry license under the commissions regulations. If a bank verification service is used as a primary source of verification, either directly by a gaming licensee or by another bank verification service, each service and the licensee shall, in addition to complying with any other requirement imposed by this section, record the date that the patron's personal checking account information was obtained from the bank by the service.

(e) Any Massachusetts gaming licensee requesting information from another Massachusetts gaming licensee concerning a credit patron shall represent to the requested gaming licensee that the patron has a credit line or has applied for credit and shall provide the patron's name, address of the patron's residence and the name and location of the patron's bank. Upon receipt of this information, the requested Massachusetts gaming licensee shall be required to furnish to the requesting Massachusetts gaming licensee any information in its possession concerning a patron as required by 205 CMR 138.43(2)(c).

(f) The credit limit, and any changes thereto, must be approved by any one or more of the individuals holding the positions of credit manager, assistant credit manager, credit shift

manager, credit executive, or a key gaming employee in a direct reporting line above the gaming manager or credit manager, or a credit committee composed of key gaming employees which may approve credit as a group, but whose members may not approve credit individually unless such person is included in the job positions referenced above.

The approval shall be recorded in the credit file and shall include:

- (1) Any other information used to support the credit limit and any changes thereto, including the source of the information, if such information is not otherwise recorded pursuant to 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 signature, on the manual credit file, of the employee approving the credit limit together with the date and time of such authorization, which signature, date and time shall be recorded before any actual extension of credit; and
- (5) If a computerized credit file is utilized, the authorization code of the employee approving the credit limit together with the date and time of the activation in the system, which authorization code, date and time shall be recorded by the system before any actual extension of credit.

(g) Prior to approving a credit limit increase, a representative of the gaming licensee's credit department shall:

- (1) Obtain a written request from the patron which shall include:
  - (a) Date and time of the patron's request;
  - (b) Amount of credit limit increase requested by the patron; and
  - (c) Signature of the patron.
- (2) Verify the patron's current casino credit limits and outstanding balances, as required by 205 CMR 138.43(2)(c)(2) and 205 CMR 138.43(2)(c)(3), unless such verification has performed earlier that same gaming day;
- (3) Verify the patron's outstanding indebtedness as required by 205 CMR 138.43(2)(c)(3), unless such procedure has been performed within the previous 24 months;

- (4) Verify the patron's personal checking account information, as required by 205 CMR 138.43(2)(c)(4), unless such procedure has been performed within the previous 24 months;
- (5) 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. The patron's player rating shall be readily available to representatives of the gaming licensee's credit department prior to their approving a patron's request for a credit limit increase.
- (6) For table game play, the information for the patron's player rating shall be recorded on a player rating form by gaming supervisors or put directly into the gaming licensee's computer system and shall include, but not be limited to, the following:
  - (a) Patron's name;
  - (b) Game and table number;
  - (c) Average bet;
  - (d) Approximate length of time played;
  - (e) Rating as determined by supervisor or approved computer system;
  - (f) Signature and license number of the gaming supervisor responsible for providing the patron's player rating information; and
  - (g) Date of observations.
- (7) For slot play, the information for the patron's player rating shall be recorded on a player rating form by slot department supervisors or, put directly into the gaming licensee's computer system or generated by insertion of a card by a patron into a card reader attached to a slot machine. Such ratings shall include, but not be limited to, the following:
  - (a) Patron's name;
  - (b) A designation indicating it is for slots;
  - (c) Rating as determined by supervisor or approved computer system;
  - (d) Signature and license number of the slot supervisor responsible for providing the patron's player rating information; if manually prepared; and
  - (e) Date of play.

- (8) Include the information and documentation required by 205 CMR 138.43(2)(g)(1) through (3) and the patron's player rating indicated at the time the credit increase is approved in the patron's credit file.
- (h) Credit limit increases may be approved without performing the requirements of 205 CMR 138.43(2)(g)(2) through (4) if the increases are temporary and are noted as being for this trip only in the credit file. Temporary increases shall be limited to one during any thirty day period and the amount of the temporary increase shall not exceed 25 percent of the currently approved credit limit.
- (i) The gaming licensee's credit department shall:
- (1) Comply with the requirements of either 205 CMR 138.43(2)(i)(2) or (3) whenever any derogatory information is received by a gaming licensee's credit department relating to the patron's continued creditworthiness other than a returned check subject to the provisions of 205 CMR 138.43(2)(j).
  - (2) Re-verify the patron's address, current casino credit limits, outstanding balances, outstanding indebtedness, and personal checking account information, as required by 205 CMR 138.43(2)(c)(1) through (4).
  - (3) Follow the procedures required by 205 CMR 138.43(2)(c)(1) through (4), before a patron's credit privileges are reinstated if the patron's credit privileges have been suspended.
  - (4) Verify the information required by 205 CMR 138.43(2)(a)(2) and (4), in accordance with the procedures in 205 CMR 138.43(2)(d) whenever the gaming licensee has reason to believe that this information has changed.
  - (5) Verify the patron's address, current casino credit limits and outstanding balances, outstanding indebtedness, personal check cashing information, confirm that the patron is not on the list of patrons who have requested suspension of their credit privileges, and confirm that the patron is not on the list of patrons who have placed themselves on the voluntary self-exclusion list, as required by 205 CMR 138.43(2)(c)(1) through (5) prior to the issuance of credit to a patron whose credit file has been inactive for a 12 month period.
- (j) All derogatory information concerning a patron's credit account shall be reported by each gaming licensee on a daily basis to a casino credit bureau used by Massachusetts gaming

licensees. Each Massachusetts gaming licensee shall request written documentation of any derogatory information pertaining to its patrons to be reported to that gaming licensee on a daily basis by a casino credit bureau used by Massachusetts gaming licensees. All documentation obtained from the casino credit bureau shall be maintained in the patron's credit file. Any gaming licensee desiring to continue the patron's credit privileges on the basis of a satisfactory explanation having been obtained for the returned check may do so if the gaming licensee records the explanation for its decision in the credit file before accepting any further checks from the patron along with the signature of the credit department supervisor accepting the explanation.

- (k) All transactions affecting a patron's outstanding indebtedness to the gaming licensee shall be recorded in chronological order in the patron's credit file and credit transactions shall be segregated from the safekeeping deposit transactions. The following information shall be included:
- (1) The date, amount and check number of each Counter Check or Slot Counter Check initially accepted from the patron;
  - (2) The date, amount and check number of each consolidation check and the check numbers of the checks returned to the patron;
  - (3) The date, method, amount and check number of each redemption transaction and the check number of the check returned to the patron;
  - (4) The date, amount and check number of each substitution transaction and the check number of the check returned to the patron;
  - (5) The date, amount and check number of each check deposited;
  - (6) The date, amount and check number of each check returned to the gaming licensee by the patron's bank and the reason for its return;
  - (7) The outstanding balance after each transaction; and
  - (8) The date, amount and check number of any checks which have been partially or completely written off by the gaming licensee and a brief explanation of the reason for such write off.
- (l) A log of all Counter Checks and Slot Counter Checks exchanged and of all checks received for redemption, consolidation or substitution shall be prepared, manually or by computer, on a daily basis, by check cashiers and such log shall include, at a minimum, the

following:

- (1) The balance of the checks on hand in the cashiers cage at the beginning of each shift;
- (2) For checks initially accepted and for checks received for consolidation, redemption, or substitution:
  - (a) The date of the check;
  - (b) The name of the drawer of the check;
  - (c) The amount of the check;
  - (d) The Counter Check and Slot Counter Check serial number(s) for Counter Check(s) and Slot Counter Check(s) received; and
  - (e) An indication as to whether the check was initially accepted or received in a redemption, consolidation or substitution.
- (3) For checks deposited, redeemed by patrons for cash, cash equivalents, complimentary cash gifts, gaming chips and plaques, or any combination thereof, consolidated or replaced:
  - (a) The date on which the check was deposited, redeemed, consolidated or replaced;
  - (b) The name of the drawer of the check;
  - (c) The amount of the check;
  - (d) The Counter Check and Slot Counter Check serial number(s) for Counter Check(s) and Slot Counter Check(s) deposited, redeemed, consolidated or replaced; and
  - (e) An indication as to whether the check was deposited, redeemed, consolidated or replaced.
- (4) The balance of the checks on hand in the cashiers' cage at the end of each shift.
- (m) A list of all Counter Checks and Slot Counter Checks on hand, and of all checks received for redemption, consolidation or substitution shall be prepared, manually or by computer, on a monthly basis, at a minimum, and shall include the following:
  - (1) The date of the check;
  - (2) The name of the drawer of the check;
  - (3) The amount of the check; and

- (4) The Counter Check and Slot Counter Check serial number(s) for Counter Check(s) and Slot Counter Check(s) received.

(n) At the end of each gaming day, at a minimum, the following procedures shall be performed:

- (1) The daily total of the amounts of checks initially recorded as described in 205 CMR 138.43(2)(1)(2) shall be agreed to the daily total of Counter Checks and Slot Counter Checks issued;
- (2) The daily total of the checks indicated as deposited on a log required by 205 CMR 138.43(2)(1)(3) shall be agreed by employees with no incompatible functions to the bank deposit slips corresponding to such check; and
- (3) The balance required by 205 CMR 138.43(2)(1)(4) shall be agreed to the total of the checks on hand in the cashiers' cage.

(o) A patron may not be issued a Counter Check until the operator has established a signature file for the patron.

#### 138.44 Patron request for suspension of credit privileges

(1) Any person may voluntarily suspend his or her credit privileges at all gaming establishments by submitting a written request to the commission in accordance with 205 CMR 138.44. Such requests may be submitted in person at the commission's headquarters or at the commission's office within a gaming establishment, or by mailing the request to the commission's headquarters. An individual requesting suspension of credit privileges in person shall present valid identification credentials containing the person's signature and either a photograph or a general description of that person. An individual requesting suspension of credit privileges by mail shall provide a signed, notarized form attesting to the identity of the person making the request.

(2) A request for suspension of credit privileges shall be submitted on a form prescribed by the commission, which shall include the following:

- (a) The name of the person requesting suspension of credit privileges;
- (b) The address of the person's residence;
- (c) The person's date of birth;
- (d) The name of each gaming establishment where the person currently has an approved line of credit;

- (e) The signature of the person requesting suspension of credit privileges acknowledging the following statement: "I certify that the information which I have provided above is true and accurate. I am aware that my signature below authorizes the Massachusetts Gaming Commission to direct all Massachusetts gaming licensees to suspend my credit privileges for a minimum period of 30 days from the date of this request and indefinitely thereafter, until such time as I submit a written request to the Commission for the reinstatement of any such credit privileges.";
- (f) If the request for suspension of credit privileges is made in person:
- (1) The type of identification credentials examined containing the person's signature, and whether said credentials included a photograph or general description of the person; and
  - (2) The signature of a commission employee authorized to accept such request, indicating that the signature of the person requesting suspension of credit privileges appears to agree with that contained on his or her identification credentials and that any physical description or photograph of the person appears to agree with his or her actual appearance; and
- (g) If the request for suspension of credit privileges is made by mail, a certificate of acknowledgement executed by a notary public or other person empowered by law to take oaths attesting to the identity of the person who is making the request for suspension of credit privileges.
- (3) The commission shall maintain an updated master list of all persons who have requested suspension of credit privileges pursuant to 205 CMR 138.44, and shall notify the credit department of each gaming licensee in writing of any additions to or deletions from the list. The gaming licensee shall date and time stamp any such notice immediately upon receipt.
- (a) Each gaming licensee shall suspend the credit privileges of any listed individual, effective immediately upon receipt of notice that such individual's name has been added to the list.
  - (b) An updated master list of individuals who have requested suspension of credit privileges shall be maintained by the credit department of each gaming licensee.
  - (c) Each gaming licensee shall note any suspension or reinstatement of credit privileges pursuant to 205 CMR 138.44 in any existing credit file for the affected patron, including



the following:

- (1) A copy of any applicable commission notice of the suspension or reinstatement of credit privileges;
  - (2) The date, time and signature of the credit department representative making the suspension or reinstatement entry in the credit file.
- (4) Any person whose credit privileges have been suspended pursuant to 205 CMR 138.44 may, no sooner than 30 days after the request for suspension of credit privileges, request reinstatement of his or her credit privileges by submitting a written request to the commission in accordance with the procedures specified in 205 CMR 138.44(1)(a).
- (a) Such request shall be in a form prescribed by the commission, which shall include the following:
- (1) The information specified in 205 CMR 138.44; and
  - (2) The signature of the person requesting reinstatement of credit privileges, indicating acknowledgement of the following statement: "I certify that the information which I have provided above is true and accurate. I am aware that my signature below constitutes a revocation of my previous request for suspension of credit privileges, and authorizes the Massachusetts Gaming Commission to permit any Massachusetts gaming licensee to reinstate my credit privileges."
- (b) The commission shall delete such individual's name from the list established pursuant to 205 CMR 138.44, and so notify the credit department of each gaming licensee, no later than three days from submission of the written request for reinstatement of credit privileges. The gaming licensee shall date and time stamp any such notice immediately upon receipt.
- (c) Upon receipt of notice that such individual's name has been deleted from the list, a gaming licensee may reinstate such person's credit upon reverification of the information required by 205 CMR 138.43, or may extend credit to such person in accordance with the procedures set forth in 205 CMR 138.43.
- (5) Information furnished to or obtained by the commission pursuant to 205 CMR 138.44 shall be securely maintained. No gaming licensee shall divulge any information relative to the placement of an individual's name on the master list other than to authorized credit department employees or other Massachusetts gaming establishment personnel whose duties and functions

require access to such information.

138.45: Procedure for depositing checks received from gaming patrons

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of its policies and procedures governing the depositing of checks received from gaming patrons which incorporate, at a minimum, the following:

- (1) Unless redeemed or consolidated sooner, all checks received from gaming patrons shall be deposited in the gaming licensee's bank account or presented directly to the patron's bank no later than:
  - (a) The banking day after the date of the check for a non-gaming check; or
  - (b) A timeframe prescribed by the gaming licensee as part of its policy, submitted in accordance with 205 CMR 138.02, not to exceed 30 days from the date of the initial check.
- (2) All checks received for purposes of consolidating outstanding counter checks or redeeming counter checks shall be deposited in the gaming licensee's bank account or presented directly to the patron's bank within a timeframe prescribed by the gaming licensee as part of its policy, submitted in accordance with 205 CMR 138.02, not to exceed 30 days from the date of the initial check.
- (3) In computing a time period prescribed by 205 CMR 138.45, a gaming licensee shall reference 205 CMR 102.05.
- (4) In the event of a series of consolidation or redemption transactions with a patron, the initial check shall be the earliest dated check returned to the patron in the first of the series of consolidation or redemption transactions.
- (5) Any check deposited into a bank will not be considered clear until a reasonable time, as identified by the gaming licensee in its written protocol, has been allowed for such check to clear the bank.
- (6) A gaming licensee may present a patron check directly to the patron's bank for payment. A patron check presented in this manner shall be considered paid in full when honored and paid by the patron's bank. If a gaming licensee intends to do so, it shall include a procedure for:
  - (a) Documenting the release of the patron check from the cashiers' cage to a key gaming employee of the gaming licensee or to an attorney, for the purpose of presentment to the patron's bank.

- (b) Prompt deposit of the proceeds of the check to the gaming licensee's bank account via a wire transfer or a check drawn by the patron's bank and made payable only to the gaming licensee, if the patron's check is honored and paid;
  - (c) Notice to the gaming licensee that the check has been paid in full by the patron's bank.
- (7) If a gaming licensee determines, prior to the deposit or presentment of a Counter Check or Slot Counter Check that the bank name, the bank routing number, the patron's bank account number or the micro-encoding number contained on the check are incorrect due to a data entry error (e.g., a misspelling, a wrong number or a transposition of numbers), a check bank cashier may correct the erroneous entry. Such procedure shall include:
- (a) A description of the manner in which the error will be corrected by the check bank cashier;
  - (b) The creation of documentation that will permit both the check bank cashier and the casino accounting department to identify and compare a copy of the uncorrected check that was originally issued and the corresponding corrected check that was deposited or redeemed;
  - (c) The written approval of a cage supervisor prior to the alteration of any check by a check bank cashier; and
  - (d) A prohibition against using 205 CMR 138.45(8) to change the verified bank account on which the Counter Check or Slot Counter Check was originally drawn.

138.46 Procedure for collecting and recording checks returned to the gaming establishment after deposit

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of its policies and procedures governing the collection and recording of checks returned to the gaming establishment after deposit which incorporate, at a minimum, the following:

- (1) All dishonored checks returned by a bank after deposit shall be returned directly to, and controlled by, accounting department employees and shall be maintained by check bank cashiers. Such employees shall have no incompatible functions.
- (2) All debt collection practices must be conducted in accordance with 940 CMR 7.00: *Debt*

*Collection Regulations.* Provided, further, that a gaming licensee's debt collection policy shall not allow for placement of a lien on a patron's primary residence.

- (3) Debt collection shall be limited to key gaming employees or an attorney acting directly on behalf of a gaming licensee; provided, however, that a key gaming employee shall not make any such collections if that employee serves as a junket representative for the gaming licensee. Such procedure shall ensure that any key gaming employee engaged in debt collections does not have any incompatible functions. Any verbal or written communication with patrons regarding collection efforts shall be made with the full knowledge of the collection employees and shall be documented.
- (4) Continuous records of all returned checks shall be maintained by accounting department employees with no incompatible functions. Such records shall include, at a minimum, the following:
  - (a) The date of the check;
  - (b) The name and address of the drawer of the check;
  - (c) The amount of the check;
  - (d) The date(s) the check was dishonored;
  - (e) The Counter Check or Slot Counter Check serial number for Counter Checks or Slot Counter Checks; and
  - (f) The date(s) and amount(s) of any collections received on the check after being returned by a bank, including the date(s) and amount(s) of any complimentary cash gifts applied as payment on the check after being returned by a bank.
- (5) If a gaming licensee determines that a Counter Check or Slot Counter Check was returned by a bank because the bank name, the bank routing number, the patron's bank account number or the micro-encoding number contained on the check was incorrect due to a data entry error (e.g., a misspelling, a wrong number or a transposition of numbers), a check bank cashier may, correct the erroneous entry and cause the check to be redeposited. Any such procedure shall, at a minimum, include:
  - (a) A description of the manner in which the error will be corrected by the check bank cashier;
  - (b) The creation of documentation and control procedures that will permit both the check

bank cashier and the casino accounting department to identify and compare a copy of the uncorrected check that was originally deposited and the corresponding corrected check that was redeposited;

(c) The written approval of a cage supervisor prior to the alteration of any check by a check bank cashier; and

(d) A prohibition against using 205 CMR 138.46(5) as a basis to change the verified bank account on which the Counter Check or Slot Counter Check was originally drawn.

(6) Statements shall be sent to patrons, by accounting department employees with no incompatible functions, immediately upon initial receipt of a returned check or immediately upon receipt of a check returned for a second time if the check was immediately redeposited pursuant to 205 CMR 138.46(5), and such statements shall include, but not be limited to, the following:

(1) The name and address of the drawer;

(2) The date of the check;

(3) The amount of the check; and

(4) The date(s) and amount(s) of any collections received on the check after being returned by the bank.

(7) Patrons to whom statements are sent shall be advised of a return address and department to which replies shall be sent.

(8) Employees with no incompatible functions shall receive directly and shall initially record all collections.

(9) Copies of statements and other documents supporting collection efforts shall be maintained and controlled by accounting department employees.

(10) A record of all collection efforts shall be recorded and maintained by the collection area within the accounting department.

(11) Listings of uncollectible checks shall be approved in writing by, at a minimum, the chief executive officer or the chief gaming executive, a key gaming employee identified and approved by the commission as part of the gaming licensee's system of internal controls, and the controller or the person to whom the controller directly reports; provided that, with the

exception of the chief executive officer and chief gaming executive, none of the foregoing persons shall also have the authority to approve credit. All such uncollectible checks and listings shall be maintained and controlled by accounting department employees. A continuous trial balance of all uncollectible checks shall be maintained by employees of the accounting department. The continuous trial balance shall be adjusted for any subsequent collections.

138.47 Automated Teller Machines (ATM)

- (1) Use and operation of an Automated Teller Machine (“ATM”) or electronic branch, as defined by G.L. c.167B, §1, is governed by M.G.L. c.167B and 209 CMR.
- (2) No ATM or electronic branch, as defined by G.L. c.167B, §1, shall be located closer than 15 feet from the gaming area in a gaming establishment.