



MASSACHUSETTS GAMING COMMISSION MEETING

January 22, 2015

10:30 a.m.

Boston Convention and Exhibition Center

415 Summer Street, Room 102A/B

Boston, MA



Massachusetts Gaming Commission

101 Federal Street, 23rd Floor, Boston, Massachusetts 02110 | TEL 617.979.8400 | FAX 617.725.0258 | www.massgaming.com



NOTICE OF MEETING/HEARING and AGENDA

January 22, 2015

Pursuant to the Massachusetts Open Meeting Law, G.L. c. 30A, §§ 18-25, notice is hereby given of a meeting of the Massachusetts Gaming Commission. The meeting will take place:

Thursday, January 22, 2015

10:30 a.m.

Boston Convention and Exhibition Center
415 Summer Street, Room 102A/B
Boston, MA

PUBLIC MEETING - #143

1. Call to order
2. Regulations Hearing
 - a. 205 CMR 134 Licensing
 - b. 205 CMR 138 Internal Controls
 - c. 205 CMR 149 Race Horse Development Fund
 - d. 205 CMR 14 Supplemental Licensing
3. Approval of Minutes
 - a. January 8, 2015
4. Ombudsman – John Ziemba
 - a. Wynn Design Changes
 - b. Penn National Quarterly Report – R. Day, Executive Director and J. Pinck, Pinck & Co.
5. Administration – Rick Day, Executive Director
 - a. General Update
 - b. Central Management System RFR Follow-up – D. Lennon, CFAO, K. Wells, IEB Director and J. Glennon, CIO - **VOTE**
 - c. Second Half of 2015 Recommendation
6. Workforce, Supplier and Diversity Development – Jill Griffin, Director
 - a. MGM Diversity Report – Draft
7. Legal Division – Catherine Blue, General Counsel
 - a. General Records and Redaction Policy Review – **VOTE**
 - b. Small Business Impact Statement for 205 CMR 129 – Transfer of Interest – D. Holmes, Attorney



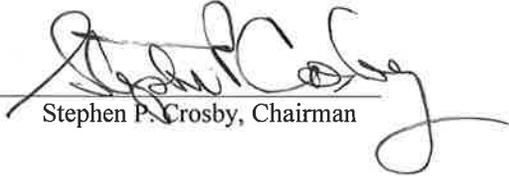
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8. Research and Responsible Gaming – Mark Vander Linden, Director
 - a. Play Management Regulations Proposal Draft
9. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

I certify that on this date, this Notice was posted as “Gaming Commission Meeting” at www.massgaming.com and emailed to: regs@sec.state.ma.us, melissa.andrade@state.ma.us.

1/16/15
(date)


Stephen P. Crosby, Chairman

Date Posted to Website: January 20, 2015 at 10:30 a.m.



Massachusetts Gaming Commission

205 CMR: MASSACHUSETTS GAMING COMMISSION

205 CMR 134.00: LICENSING AND REGISTRATION OF EMPLOYEES, VENDORS, JUNKET ENTERPRISES AND REPRESENTATIVES, AND LABOR ORGANIZATIONS

Section

- 134.01: Key Gaming Employee Licensees
- 134.02: Gaming Employee Licensees
- 134.03: Gaming Service Employees
- 134.04: Vendors
- 134.05: Labor Organizations
- (134.06: Junket Enterprises and Junket Representatives: Reserved)
- 134.07: Forms
- 134.08: Submission of Application
- 134.09: Investigation, Determination, and Appeals for Gaming Establishment Employees and Vendors
- 134.10: Affirmative License Standards for the Licensing of Employees and Vendors of the Gaming Establishment
- 134.11: Affirmative Registration Standards for the Registration of Employees and Vendors of the Gaming Establishment and Labor Organizations
- 134.12: Temporary Licenses
- 134.13: Fingerprinting
- 134.14: Identification
- 134.15: Fees
- 134.16: Term of Licenses
- 134.17: Renewals
- 134.18: Duties of Applicants and Licensees
- 134.19: Disciplinary Action

134.01: Key Gaming Employee Licensees

No individual shall be employed by or perform services for a gaming licensee as a key gaming employee, as defined by M.G.L. c. 23K, § 2, unless the individual has been licensed in accordance with M.G.L. c. 23K, §30 and 205 CMR 134.00. There shall be two categories of key gaming employee licensees: key gaming employee- executive and key gaming employee-standard.

(1) An individual holding one of the following positions at a gaming establishment, and any person in a similar or equivalent position, regardless of job title, whose employment relates to gaming shall be designated as a key gaming employee- executive:

- (a) Assistant General Manager;
- (b) Chief Internal Audit Officer;
- (c) Gaming Manager;
- (d) Chief Financial Officer;
- (e) Chief of Security;
- (f) General Manager;
- (g) Chief Surveillance Officer;
- (h) Chief Compliance Officer;

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- (i) Principal executive Officer;
- (j) Principal operating Officer;
- (k) Principal accounting Officer;
- (l) Chief Information Officer;
- (m) Other executive level employees who are not identified as a key gaming employee-standard in accordance with 205 CMR 134.01(2) as determined by the commission.

(2) An individual holding one of the following positions at a gaming establishment, and any person in a similar or equivalent position, regardless of job title, whose employment relates directly to a gaming establishment shall be designated as a key gaming employee- standard:

- (a) Controller;
- (b) Electronic gaming device or slot machines manager;
- (c) Human resources manager;
- (d) Information technology manager;
- (e) Pit boss;

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- (f) Shift supervisor of table games, of a slot department, credit department, security, surveillance, accounting department, cage, or player development;
- (g) Credit manager;
- (h) Cage manager;
- (i) Hotel Manager;
- (j) Entertainment Director;
- (k) Food & Beverage Manager;
- (l) Other managerial employees who are not identified as a key gaming employee-executive in accordance with 205 CMR 134.01(1), but who are empowered to make discretionary decisions which impact gaming establishment operations, or as determined by the commission.

(3) Any individual who is a qualifier of a gaming licensee but who does not perform any of the duties of the positions identified in 205 CMR 134.01(1)(a) or (b) does not have to become licensed as a key gaming employee. Such individual does have to be approved as a qualifier and issued a positive determination of suitability in accordance with 205 CMR *111.00: Phase I Application Requirements*, *115.00: Phase I Suitability Determination, Standards and Procedures*, and *116.00: Persons Required to Be Licensed or Qualified*. An individual who has been issued a positive determination of suitability in accordance with 205 CMR *111.00: Phase I Application Requirements* and who will be performing the responsibilities requiring licensure as a key gaming employee shall apply for licensure in accordance with 205 CMR 134.08(2) subject to the term limitation of 205 CMR 134.16(4).

134.02: Gaming Employee Licensees

No individual shall be employed by or perform services for a gaming licensee as a gaming employee, as defined by M.G.L. c. 23K, § 2, unless the individual has been licensed in accordance with M.G.L. c. 23K, § 30 and 205 CMR 134.00. An individual holding one of the following positions at a gaming establishment, and any person in a similar or equivalent position, regardless of job title, whose employment relates directly to a gaming establishment shall be designated as a gaming employee:

- (a) Boxpersons;
- (b) Cashiers;
- (c) Change personnel;
- (d) Clerks;
- (e) Count room personnel;
- (f) Data processing personnel;
- (g) Dealers and croupiers;
- (h) Floorpersons;
- (i) Gaming Hosts;
- (j) Internal audit and accounting personnel whose duties include reviewing, verifying, and recording gaming revenue entries, the processing or control of active accounting documents related to gaming activity, or that have access to active accounting documents related to gaming activity;

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- (k) An individual who is directly connected to the operation or maintenance of a slot machine or game taking place in a gaming establishment (whether employed by the gaming licensee or a vendor licensed in accordance with 205 CMR 134.00);
- (l) Personnel authorized to extend complimentary services, including employees performing functions similar to those performed by a junket representative;
- (m) Junket representative employed by the gaming licensee or affiliate of the gaming license or a junket enterprise licensed as a gaming vendor in accordance with 205 CMR 134.00;
- (n) Personnel authorized to issue credit;
- (o) Personnel authorized to issue promotional play including persons who identify patrons or groups of patrons who shall receive complimentary based on actual patron play, authorize such complimentary, or determine the amount of such complimentary;
- (p) Personnel with security administrator access to a slot machine tracking system;
- (q) Security personnel, including guards and game observers, or an employee with knowledge of security procedures of the gaming establishment;

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- (r) Surveillance personnel, including surveillance equipment maintenance and repair technicians (whether employed by the gaming licensee or a vendor licensed in accordance with 205 CMR 134.00);
- (s) Any employee who conducts or participates in the conduct of gaming, who participates in the transfer or handling of chips, tokens or money, or who participates in audit or accounting functions;
- (t) Any employee whose has access to a restricted area of a gaming establishment;
- (u) A person who supervises a person required to be licensed as a gaming employee in accordance with 205 CMR 134.02;
- (v) An employee of a gaming establishment whom the Bureau deems necessary to be licensed to ensure compliance with the M.G.L. c. 23K and 205 CMR and to protect the public and ensure the credibility and integrity of gaming in the Commonwealth.

134.03: Gaming Service Employees

An individual employed in a gaming establishment who is not classified as a key gaming employee in accordance with 205 CMR 134.01, or a gaming employee in accordance with 205 CMR 134.02, shall be designated as a gaming service employee and shall register in accordance with 205 CMR 134.09 prior to engaging in the provision of employment services. An individual employed by a vendor of a gaming establishment for work in a gaming establishment shall be considered a gaming service employee unless otherwise specified in 205 CMR 134.02.

134.04: Vendors

No person shall conduct business with a gaming licensee as a vendor to a gaming establishment unless such person has been licensed as a gaming vendor, as defined by M.G.L. c. 23K, § 2, or registered as a non-gaming vendor, as defined by M.G.L. c. 23K, § 2, in accordance with 205 CMR 134.00. A person shall be considered to be conducting business upon commencement of performance of a contract or provision of a good or service.

A subcontractor to a vendor shall not be required to obtain licensure or registration under 205 CMR 134.00. For purposes of 205 CMR 134.00 a subcontractor shall be considered a person that contracts with a licensed or registered vendor to provide goods or services necessary to fulfill the licensed or registered vendor's contract with a gaming licensee. As part of the application process, vendors shall be required to identify all of its known or anticipated subcontractors and shall have a continuing duty to update the Bureau relative to the identification of any new subcontractors. The Bureau may, at its discretion, require the submission of additional information and documents, including but not limited to the Subcontractor Information Form as provided in 205 CMR 134.07(11).

(1) Gaming Vendors.

- (a) Gaming Vendors- Primary. A person who conducts business with a gaming applicant or gaming licensee on a regular or continuing basis for provision of goods or services which directly relates to gaming, as defined by M.G.L. c. 23K, § 2, including, but not limited to a person who does any of the following, shall be designated as a gaming vendor-primary:

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1. Manufactures, sells, leases, supplies, or distributes devices, machines, equipment (except gaming table layouts), accessories, or items that meet at least one of the following conditions:
 - a. are designed for use in a gaming area as defined by M.G.L. c. 23K, § 2;
 - b. are designed for use in a simulcast wagering area;
 - c. are used in connection with a game in the gaming area;
 - d. have the capacity to affect the calculation, storage, collection, electronic security, or control of the gaming revenues from a gaming establishment.
2. provides maintenance services or repairs gaming or simulcast wagering equipment, including slot machines;
3. acts as a junket enterprise; or
4. provides items or services that the Commission has determined are used in or are incidental to gaming or to an activity of a gaming facility.

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Exception. Any person, by submission of a written petition, may request a determination from the commission that the person providing goods or services deemed by the Bureau to meet a description contained in 205 CMR 134.04(1)(a) need not be licensed as a Gaming Vendor-primary on the grounds that they are not providing services on a regular or continuing basis or that they do not directly relate to gaming.

(b) Gaming Vendors- Secondary. Any person who regularly conducts over \$250,000 in gross sales with any one gaming licensee within a 12 month period or a person who conducts over \$100,000 in gross sales with any one gaming licensee within a three month period, and who does not otherwise qualify for designation as a Gaming Vendor-primary in accordance with 205 CMR 134.04(1)(a)1., may be designated a Gaming Vendor-secondary by the Commission regardless of the type of goods or services being provided. This designation may be made either by virtue of submission of a *Business Entity Disclosure Form- Gaming Vendor-secondary* application by the vendor in anticipation of meeting the monetary threshold, or in accordance with 205 CMR 134.04(3).

(2) Non-gaming Vendors. A person who offers to a gaming establishment or gaming licensee goods or services which are not directly related to gaming, as defined by M.G.L. c. 23K, § 2, including, but not limited to any of the following, shall be designated as a non-gaming vendor:

- (1) construction company;
- (2) vending machine provider;
- (3) linen supplier;
- (4) garbage handler;
- (5) maintenance company;
- (6) limousine service company;
- (7) food purveyor;
- (8) supplier of alcoholic beverages;
- (9) a person that sells, distributes, tests, or repairs antique slot machines as described in M.G.L. c. 271, § 5A;
- (10) suppliers of gaming table layouts.

~~(3) The Division of Licensing shall determine upon review of the agreement submitted in accordance with 205 CMR whether a registered non-gaming vendor has met the conditions provided in 205 CMR 134.04(1)(b). If the Division of Licensing determines that the non-gaming vendor registrant has met the threshold it shall forward notice of such to the vendor of its obligation to submit an application for licensure as a gaming vendor secondary. Within 45 days of service of the notice, the registrant shall either submit a completed *Business Entity Disclosure Form- Gaming Vendor- Secondary* as set forth in 205 CMR 134.07(7) for licensure as a gaming vendor secondary, discontinue providing the goods or services it is contracted to provide, file for an exemption in accordance with 205 CMR 134.04(6), or file a written request to the Division of Licensing for reconsideration from the determination requiring filing of an application for licensure as a gaming vendor secondary on the grounds that they are not providing goods or services on a regular or continuing basis.~~

The Division of Licensing shall determine upon consultation with the gaming licensee, review of the *Disbursement Report* required to be submitted in accordance with 205 CMR 138.06(2), and/or review of the terms of the agreement

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required to be maintained pursuant to 205 CMR 138.06(3) whether a non-gaming vendor has met or is reasonably likely to meet the thresholds provided in 205 CMR 134.04(1)(b). If the Division of Licensing determines that the non-gaming vendor has met or is likely to meet a threshold, it shall forward notice of such to the vendor of its obligation to submit an application for licensure as a gaming vendor-secondary. Within 45 days of service of the notice, the vendor, if already providing goods and/or services to the gaming licensee as a registrant, shall submit a completed *Business Entity Disclosure Form-Gaming Vendor- Secondary* as set forth in 205 CMR 134.07(7) for licensure as a gaming vendor-secondary, discontinue providing the goods and/or services it is contracted to provide, file for an exemption in accordance with 205 CMR 134.04(6), or file a written request to the Division of Licensing for reconsideration from the determination requiring filing of an application for licensure as a gaming vendor-secondary on the grounds that it is not providing goods or services on a regular or continuing basis. If the vendor is not already providing goods and/or services to the gaming licensee as a registrant, it may file for an exemption in accordance with 205 CMR 134.04(6), or file a written request to the Division of Licensing for reconsideration from the determination requiring filing of an application for licensure as a gaming vendor-secondary on the grounds that it will not be providing goods and/or services on a regular or continuing basis.

(4) Gaming Vendor Qualifier.

- (a) The following persons shall be designated as a gaming vendor qualifier and must establish their qualifications for licensure in accordance with 205 CMR 134.09 and 134.10:
1. If the gaming vendor applicant is a sole proprietor: The owner.
 2. If the gaming vendor applicant is a corporation:
 - a. Each officer;
 - b. Each inside director and those outside directors serving on the audit or compliance committees;
 - c. Any person owning more than 5% of the common stock of a company applying for licensure as a gaming vendor as provided by 205 CMR 134.04(1)(a), or a holding, intermediary or subsidiary company of such company;
 - d. Any person who will act as a sales representative or regularly engage in the solicitation of business from a licensed gaming establishment;
 - e. In the judgment of the Bureau any person with significant and substantial responsibility for the applicant's business in the Commonwealth.

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3. If the applicant is a limited liability corporation:
 - a. Each Member;
 - b. Each transferee of a Member's interest;
 - c. Each Manager;
 - d. In the judgment of the Bureau any person with significant and substantial responsibility for the applicant's business in the Commonwealth.
 4. If the applicant is a limited partnership:
 - a. Each General Partner;
 - b. Each Limited Partner;
 - c. In the judgment of the Bureau any person with significant and substantial responsibility for the applicant's business in the Commonwealth.
 5. If the applicant is a partnership:
 - a. Each Partner;
 - b. In the judgment of the Bureau any person with significant and substantial responsibility for the applicant's business in the Commonwealth.
- (b) In all cases, any person who, in the opinion of the commission or Bureau, can exercise control or provide direction to a gaming vendor or applicant for a gaming vendor license or holding, intermediary or subsidiary companies thereof may be designated a Gaming Vendor qualifier.
- (c) Other Qualifiers. The commission or Bureau may, at its discretion, require other persons that have a business association of any kind with the applicant for a gaming vendor license to be licensed as a gaming vendor qualifier. These persons include, but are not limited to an affiliate or holding, intermediary or subsidiary companies of the applicant for a gaming vendor license.
- (d) An applicant may appeal any determination made by the Bureau in accordance with 205 CMR 134.04(4) to the commission by filing a petition on a form prescribed by the commission. The commission shall decide the appeal at a public hearing on the matter at which it may allow representatives of the petitioner and Bureau to testify.
- (5) Waiver. Upon written petition, the commission may waive the requirement to be licensed as a gaming vendor qualifier for:
- (a) institutional investors holding up to 15% of the stock of the gaming vendor or applicant for a gaming vendor license, or holding, intermediary or subsidiary company thereof, upon a showing by the person seeking the waiver that it purchased the securities for investment purposes only and does not have any intention to influence or affect the affairs or operations of the gaming vendor or applicant for a gaming vendor license or a holding, intermediary or subsidiary company thereof. Provided, however, any institutional investor granted a waiver which subsequently determines to influence or affect the affairs or operations of the gaming vendor or applicant for a gaming vendor license, or a holding, intermediary thereof shall provide not less than 30 days' notice to the commission of such intent and shall file an application and be subject to the licensing requirements of 205 CMR 134.00 before taking any action that may influence or affect the affairs of the gaming vendor or applicant for a gaming vendor license or a holding, intermediary or subsidiary company. Any person holding over 15% of a gaming vendor or applicant for a gaming vendor license, or a holding, intermediary or subsidiary company thereof, shall be required to apply for a license before doing business in the Commonwealth; or

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(b) Any person who, in the opinion of the Bureau or the commission, cannot exercise control or provide direction to a gaming vendor or applicant for a gaming vendor license or a holding, intermediary or subsidiary company thereof. Provided, however, a person who is not an institutional investor and who holds more than 5% of the common stock of a company, or holding, intermediary or subsidiary company of such a company may not petition for waiver in accordance with 205 CMR 134.04(5)(b).

(6) Exemptions. For purposes of 205 CMR 134.04 the following persons engaged in the following fields of commerce who provide goods or services to a gaming applicant or gaming licensee, and that are not otherwise required to be licensed as a key gaming employee, gaming employee, or gaming service employee, shall not be deemed to be conducting business for purposes of M.G.L. c. 23K, § 31 and accordingly shall not be required to obtain licensure or registration as a vendor:

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- (a) insurance companies and insurance agencies;
- (b) television, radio, newspaper, internet or other similar media outlets used for advertising purposes;
- (c) transactions with a governmental entity;
- (d) professional legal, accounting, and financial services;
- (e) physicians;
- (f) labor organizations, unions, or affiliates registered in accordance with 205 CMR 134.00;
- (g) utility companies;
- (h) telecommunications companies;
- (i) training seminars, publication subscriptions, conference registration or membership dues for professional associations intended to directly contribute to the work performance or professional development of an employee;
- (j) non-profit charitable corporations or organizations, provided that no consideration is received for the contribution;
- (k) court order or stipulation of settlement or for settlement of guest losses or guest refunds
- (l) payments for freight charges to freight transporters select by the vendor for delivering goods;
- (m) professional entertainers and/or celebrity appearances;
- (n) any other person that, by submission of a written petition, can demonstrate to the commission that registration as a non-gaming vendor is not necessary to protect the public interest.

134.05: Labor Organizations

- (1) Each labor organization, union or affiliate seeking to represent employees who are employed at a gaming establishment shall register with the Commission in accordance with 205 CMR 134.05.
- (2) Within 30 days of the date on which it begins organizing activities directed at the employees who are employed in a gaming establishment, a labor organization, union or affiliate shall file with the Bureau a labor organization registration statement in accordance with 205 CMR 134.08. Organizing activities shall include, without limitation, soliciting membership by means of any direct personal contact, or any public notices such as the posting or distribution of fliers, posters or advertisements.
- (3) Each officer, agent or principal employee of the labor organization, union or affiliate shall file a Labor Organization Individual Disclosure Form in accordance with 205 CMR 134.08 at the time the pertinent labor organization, union or affiliate registers or should register, or within 30 days of the date on which the individual is elected, appointed or hired, whichever is later, or within such additional time as the Bureau may, upon a showing of good cause, permit.
- (4) Notwithstanding 205 CMR 134.05 a Labor Organization Individual Disclosure Form need not be filed by an officer, agent or principal employee of a national or international labor organization who exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matter relating to employees who are employed in a Massachusetts gaming establishment provided that the Bureau may direct such officer to file such

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form or to provide any other information in the same manner and to the same extent as may be required of any other officer of a labor organization which is required to register.

(5) Neither a labor organization, union, or affiliate, nor its officers who are not otherwise licensed or registered as a key gaming employee, gaming employee, gaming service employee, gaming vendor, gaming vendor qualifier, or non-gaming vendor, may hold any financial interest in a gaming establishment whose employees are represented by the labor organization, union, or affiliate.

(134.06: Junket Enterprises and Junket Representatives: Reserved)

134.07: Forms

- (1) Multi-jurisdictional Personal History Disclosure Form for Key Gaming Employees-Executive. The *Multi-jurisdictional Personal History Disclosure Form For Key Gaming Employees- Executive* shall contain the following information:
- (a) Name, including maiden name and any aliases or nicknames and applicable dates of use;
 - (b) Date of birth;
 - (c) Physical description;
 - (d) Current address and residence history;
 - (e) Social Security Number, which information is voluntarily provided in accordance with 5 U.S.C. § 552a;
 - (f) Citizenship and, if applicable, information regarding resident alien status, including information regarding passports;
 - (g) Marital history, spouse, dependents and other family data;
 - (h) The gaming licensee or qualifier, gaming vendor licensee or qualifier or holding company, as applicable, with which the qualifier is affiliated, and the nature of the qualifier's position with or interest in such entity;
 - (i) Telephone number at the current place of employment, and home number;
 - (j) Email address;
 - (k) Employment history of the qualifier and qualifier's immediate family;
 - (l) Education and training;
 - (m) Record of military service;
 - (n) Government positions and offices presently or previously held, and the offices, trusteeships, directorships or fiduciary positions presently or previously held with any business entity;
 - (o) Trusteeships or other fiduciary positions held by the qualifier and the qualifier's spouse, and any denial or suspension of, or removal from, such positions;
 - (p) Current memberships in any social, labor or fraternal union, club or organization;
 - (q) Licenses and other approvals held by or applied for by the qualifier or, where specified, the qualifier's spouse, in the Commonwealth of Massachusetts or any other jurisdiction, as follows:
 - 1. Any professional or occupational license held by or applied for the by the qualifier or the qualifier's spouse;
 - 2. Motor vehicle registrations and operator licenses held by or applied for the by the qualifier or the qualifier's spouse, and any revocation or suspension thereof;
 - 3. Possession or ownership of any pistol or firearm, or any application for any firearm permit, firearm dealer's license, or permit to carry a pistol or firearm;
 - 4. Any license, permit, approval or registration required to participate in any lawful gambling operation in the Commonwealth of Massachusetts or any jurisdiction held by or applied for by the qualifier; and
 - 5. Any denial, suspension or revocation by a government agency of a license, permit or certification held by or applied for by the qualifier or the qualifier's spouse, or any entity in which the qualifier or the qualifier's spouse was a director, officer, partner or any owner of a 5% or greater interest.
 - (r) Any interest in or employment presently or previously held by the qualifier with any entity which has applied for a permit, license, certificate or qualification in connection with any lawful gambling or alcoholic beverage operation in the Commonwealth of Massachusetts or any other jurisdiction; and any current employment or other association by the qualifier's family

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with the gambling or alcoholic beverage industries in the Commonwealth of Massachusetts or
any other jurisdiction;

- (s) Civil, criminal and investigatory proceedings in any jurisdiction, as follows:
1. Any arrest, indictment, charge, or conviction of the applicant;
 2. Any instance where the applicant has been named as a co-conspirator in a criminal proceeding or held as a material witness;
 3. Any appearance before, investigation by or request to take a polygraph examination by any governmental agency, court, committee, grand jury or investigatory body, and any refusal to comply with a request to do so;
 4. Any pardons, dismissals, suspensions or deferrals of any criminal investigation, prosecution, or conviction;
 5. Lawsuits to which the applicant was or is a party;

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6. Any citation or charge for a violation of a statute, regulation or code or any jurisdiction, other than a criminal disorderly persons, petty disorderly persons or motor vehicle violation; and
 7. Any use, distribution, or possession of any narcotic, hallucinogenic, drug, barbiturate, amphetamine or other substance listed in M.G.L. c. 94C other than pursuant to a valid prescription issued by a licensed physician.
- (t) Any exclusion or barring from any casino, gaming establishment or gambling/gaming related entity in any jurisdiction;
- (u) Financial data, as follows:
1. All assets and liabilities of the applicant, and the applicant's spouse and dependent children as indicated on the net worth statement and supporting schedules in a format prescribed by the commission, including cash, bank accounts, notes payable and receivable, real estate and income taxes payable, loans, accounts payable and any other indebtedness, contingent liabilities, securities, real estate interests, real estate mortgages and liens, life insurance, pension funds, vehicles and other assets;
 2. Bank accounts, including any right of ownership in, control over or interest in any foreign bank account, and safe deposit boxes;
 3. Real estate interests held by the applicant or the applicant's spouse or dependent children;
 4. Businesses owned;
 5. Copies of federal tax returns and related information;
 6. Judgments or petitions for bankruptcy, insolvency or liquidation concerning the qualifier or any business entity in which the qualifier held a 5% or greater interest, other than a publicly traded corporation, or in which the qualifier served as an officer or director;
 7. Any business entity in which the qualifier was an owner, director or officer which has been placed under some form of governmental administration or monitoring;
 8. Any garnishment or attachment of wages, charging order or voluntary wage execution, including the amount, court, nature of the obligation and the holder of the obligation;
 9. Any repossessions of real or personal property;
 10. Any guarantees, co-signatures or insuring of payments of financial obligations of any persons or business entities;
 11. Status as executor, administrator or fiduciary of any estate;
 12. Life insurance policies on the applicant's life which name someone other than the applicant's family as a beneficiary;
 13. Positions held, assets held, or interest received in any estate or trust;
 14. Whether the applicant has ever been bonded for any purpose or been denied any type of bond, including the nature of the bond and if applicable, the reason for denial;
 15. Insurance claims in excess of \$100,000.00 by the applicant or the applicant's spouse or dependent children;
 16. Referral or finder's fees in excess of \$10,000.00;
 17. Loans in excess of \$10,000.00 made or received by the applicant, the applicant's spouse or dependent children;
 18. Gifts in excess of \$10,000.00 given or received by the applicant or the applicant's immediate family;
 19. Brokerage or margin accounts with any securities or commodities dealer;
 20. Currency exchanges in an amount greater than \$10,000.00;

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21. Information regarding any instance where the applicant or any entity in which the applicant was a director, officer or holder of a 5% or greater interest has traded in foreign currencies or in a foreign commodities exchange, sold or purchased discounted promissory notes or other commercial paper, or been a party to any leasing arrangements in excess of \$50,000.00; and

22. Information regarding any ownership interest or financial investment by the applicant in any entity which holds or is an applicant for a license issued by the commission, or in any gambling venture which does not require licensure by the commission, including persons providing or reasonably anticipated to provide the applicant with support in the financing of such investment or interest; the extent and nature of the applicant's involvement in the management and operation of the entity; whether the applicant has or has agreed to assign, pledge or hypothecate such interest or investment, the nature and terms of any such transaction and a copy of any such agreement.

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- (v) The name, address, occupation and phone number of persons who can attest to the qualifier's good character and reputation;
 - (w) A signed, dated Statement of Truth affidavit.
- (2) Massachusetts Supplement Form For Key Gaming Employees- Executive. *The Massachusetts Supplement Form For Key Qualifiers Gaming Employees- Executive* shall contain the following information:
- (a) Name, including maiden name and any aliases or nicknames and applicable dates of use;
 - (b) Date of birth;
 - (c) Physical description;
 - (d) Current address, mailing and home, if different;
 - (e) Home, cell, and work telephone numbers;
 - (f) Social Security Number, which information is voluntarily provided in accordance with 5 U.S.C. § 552a;
 - (g) Whether any civil judgments have been obtained against the applicant pertaining to antitrust or security regulation;
 - (h) The gaming license applicant or holding company, as applicable, with which the applicant is affiliated, and the nature of the applicant's position with or interest in such entity;
 - (i) Citizenship and, if applicable, resident alien status, including any employment authorization with expiration date; country of which the applicant is a citizen, place of birth, port of entry to the United States, and name and addresses of sponsor(s) upon the applicant's arrival;
 - (j) Whether during the last ten years any entity in which the applicant has been a director, officer, principal employee or a holder of 5% or more interest has:
 - 1. Made or been charged with (either itself or through third parties acting for it) bribes or kickbacks to any government official, domestic or foreign, to obtain favorable treatment or to any company, employee or organization to obtain a competitive advantage;
 - 2. Held a foreign bank account or has had authority to control disbursements from a foreign bank account;
 - 3. Maintained a bank account or other account, whether domestic or foreign, which is not reflected on the books or records of the business or which is in a name other than the name of the business;
 - 4. Donated, loaned or used funds or property for the use or benefit or in opposing any government, political party, candidate or committee either domestic or foreign;
 - 5. Compensated any of its directors, officers or employees for time and expenses incurred in performing services for the benefit of or in opposing any government or political party domestic or foreign; or
 - 6. Made any loans, donations or other disbursement to its directors, officers or employees for the purpose of making political contributions or reimbursing such individuals for political contributions whether domestic or foreign;
 - 7. Copies of federal and foreign tax returns and related information for the last five years;
 - 8. The name, address, occupation and phone number of persons who can attest to the qualifier's good character and reputation;
 - 9. A signed, dated and notarized release authorization which shall direct all courts, law enforcement agencies, probation departments, military organizations, selective service

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boards, employers, education institutions, banks, financial and other institutions and all governmental agencies, federal, state and local, both foreign and domestic, to release any and all information pertaining to the qualifier as requested by the commission, the bureau or a contractor investigator;

10. A signed, dated Statement of Truth;

11. A waiver of liability as to the Commonwealth of Massachusetts and its instrumentalities and agents for any damages resulting from any disclosure and publication of information acquired during the license or investigation process; and

12. Consent to fingerprinting, photographing, supplying of handwriting exemplars, and any lawful inspection, search, or seizure of the applicant, licensee, or registrant while present in a gaming establishment, and/or their personal effects present in a gaming establishment conducted in accordance with 205 CMR.

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(3) Key Gaming Employee- Standard Application Form. A Key Gaming Employee- Standard Application Form shall contain the following information:

- (a) Name, including maiden name and any aliases or nicknames along with applicable dates of usage;
- (b) Date and place of birth;
- (c) Physical description;
- (d) Current address and telephone number, and residence history for the past ten years;
- (e) Social Security Number, which information is voluntarily provided in accordance with § 7 of the Privacy Act, 5 U.S.C. § 552a;
- (f) Citizenship and, if applicable, resident alien status, including any employment authorization and expiration date, country of which the applicant is a citizen, place of birth, port of entry to the United States, and name and address of sponsor(s) upon the applicant's arrival;
- (g) Reason for filing the Key Gaming Employee- Standard Application Form;
- (h) Marital history and other family data;
- (i) Employment history, including any gaming-related employment, for the past ten years;
- (j) Education and training;
- (k) Record of military service;
- (l) Licenses and other approvals held by or applied for by the applicant or, where specified, the applicant's spouse, in the Commonwealth of Massachusetts or any other jurisdiction, including:
 - 1. Any license, permit, approval or registration required to participate in any lawful gambling operation in the Commonwealth of Massachusetts or any jurisdiction;
 - 2. Any denial, suspension or revocation by a government agency in the Commonwealth of Massachusetts or any other jurisdiction of a license, permit, approval or registration held by or applied for by the applicant or the applicant's spouse; and
 - 3. Motor vehicle registrations and operator licenses held by or applied for by the applicant or the applicant's spouse, and any revocation or suspension thereof.
- (m) Civil, criminal and investigatory proceedings in any jurisdictions, as follows:
 - 1. Any arrest, indictment, charge, or conviction of the applicant;
 - 2. Any appearance before, investigation by or request to take a polygraph examination by any governmental agency, court, committee, grand jury or investigatory body;
 - 3. Lawsuits to which the applicant was or is a party in the past ten years; and
 - 4. Whether any civil judgments have been obtained against the applicant pertaining to antitrust or security regulation.
- (n) Financial data, as follows:
 - 1. All assets and liabilities of the applicant, and the applicant's spouse and dependent children as indicated on the net worth statement and supporting schedules in a format prescribed by the Commission, including cash, bank accounts, notes payable and receivable, real estate and income taxes payable, loans, accounts payable, credit card debt and any other indebtedness, contingent liabilities, securities, real estate interests, real estate mortgages and liens, life insurance, pension funds, vehicles and other assets;
 - 2. Bank accounts, including any right of ownership in, control over or interest in any foreign bank account during the last ten year period as well as with regard to safe deposit boxes;
 - 3. Real estate interests held by the applicant or the applicant's spouse or dependent

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children in the past ten years regardless of whether such interest was held under a recorded or unrecorded instrument;

4. Any business in which the applicant has held an ownership interest for the past 20 years;
5. Copies of federal and state tax returns and related information for the last five years;
6. Judgments or petitions for bankruptcy or insolvency concerning the applicant or any business entity in which the applicant held a 5% or greater interest, other than a publicly traded corporation, in the past 20 years or in which the applicant served as an officer or director;
7. Any garnishment or attachment of wages, charging order or voluntary wage execution, during the past ten-year period including the amount, court, nature of the obligation and the name and address holder of the obligation;
8. Positions held or interest received in any estate or trust during the last ten-year period;

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9. Insurance claims in excess of \$100,000 by the applicant or the applicant's spouse or dependent children filed within the past ten-year period;
 10. Loans in excess of \$10,000 made or received by the applicant, the applicant's spouse or dependent children in the last ten-year period;
 11. During the last five-year period, any gifts in excess of \$10,000, either individually or in the aggregate, given or received, whether tangible or intangible, by the applicant or the applicant's immediate family in any one-year period; and
 12. Referral or finder's fees in excess of \$10,000 in the past ten years.
- (o) The name, address, occupation and phone number of persons who can attest to the applicant's good character and reputation;
 - (p) Consent to fingerprinting, photographing, supplying of handwriting exemplars, and any lawful inspection, search, or seizure of the applicant, licensee, or registrant while present in a gaming establishment, and/or their personal effects present in a gaming establishment conducted in accordance with 205 CMR;
 - (q) A signed, dated and notarized release authorization which shall direct all courts, law enforcement agencies, probation departments, military organizations, selective service boards, employers, education institutions, banks, financial and other institutions and all governmental agencies, federal, state and local, both foreign and domestic, to release any and all information pertaining to the applicant as requested by the commission, the bureau or a contractor investigator; and
 - (r) A signed, dated Statement of Truth.
- (4) Gaming Employee License Form. The *Gaming Employee License Form* shall contain the following information:
- (a) Name and address of the applicant;
 - (b) Detailed employment history;
 - (c) Education and training;
 - (d) Record of military service;
 - (e) Government positions and offices presently or previously held, and offices, trusteeships, directorships or fiduciary positions presently or previously held with any business entity;
 - (f) Licenses, registrations, permits, certification and other approvals held by or applied for in the Commonwealth of Massachusetts or any other jurisdiction;
 - (g) Any denial, suspension or revocation by a governmental agency of a license, registration, permit or certification held by or applied for the applicant or any entity in which the applicant a director, officer, partner or an owner of a 5% or greater interest;
 - (h) Any interest in or employment presently or previously held by the applicant with an entity which has applied for a permit, license, certificate or qualification in connection with any lawful gambling or alcoholic beverage operation in the Commonwealth of Massachusetts or any other jurisdiction;
 - (i) Any arrest, indictment, charge, or conviction of the applicant;
 - (j) Civil litigation history where the applicant was or is a party;
 - (k) Gaming regulatory history;
 - (l) All governmental financial liens or judgments, including state tax liens, delinquent child support obligations, defaulted student loans, unemployment judgments, unpaid motor vehicle surcharges, welfare judgments, bankruptcy or insolvency findings, wage garnishments;
 - (m) Whether any civil judgments have been obtained against the applicant pertaining to

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antitrust or security regulation;

(n) Consent to fingerprinting, photographing, supplying of handwriting exemplars, and any lawful inspection, search, or seizure of the applicant, licensee, or registrant while present in a gaming establishment, and/or their personal effects present in a gaming establishment conducted in accordance with 205 CMR;

(o) A signed, dated and notarized release authorization which shall direct all courts, law enforcement agencies, probation departments, military organizations, selective service boards, employers, education institutions, banks, financial and other institutions and all governmental agencies, federal, state and local, both foreign and domestic, to release any and all information pertaining to the applicant as requested by the commission, the bureau or a contractor investigator; and

(p) A signed, dated and notarized Statement of Truth.

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(5) Gaming Service Employee Registration Form. A *Gaming Service Employee Registration Form* shall contain the following information:

- (a) Name, including maiden name and any aliases and nicknames;
- (b) Date of birth;
- (c) Physical description;
- (d) Current address and residence history for the past five years;
- (e) Social Security Number, which information is voluntarily provided in accordance with § 7 of the Privacy Act, 5 U.S.C. § 552a;
- (f) Citizenship, and, if applicable, resident alien status, including any employment authorization and expiration date; country of which the applicant is a citizen, place of birth, port of entry to the United States and name and address of sponsor(s) upon the applicant's arrival;
- (g) Last three jobs, and any gaming-related employment during the last ten years;
- (h) Any license, permit, approval or registration held by or applied for by the applicant and required to participate in any gaming operation in any jurisdiction;
- (i) Any license, permit, approval or registration held by the applicant to work in the gaming industry that was suspended, revoked or denied or had any disciplinary action taken against in any jurisdiction;
- (j) Any arrest, indictment, charge, or conviction of the applicant;
- (k) All governmental financial liens or judgments, including state tax liens, delinquent child support obligations, defaulted student loans, unemployment judgments, unpaid motor vehicle surcharges, and/or welfare judgments;
- (l) Consent to fingerprinting, photographing, supplying of handwriting exemplars, and any lawful inspection, search, or seizure of the applicant, licensee, or registrant while present in a gaming establishment, and/or their personal effects present in a gaming establishment conducted in accordance with 205 CMR;
- (m) A signed, dated Statement of Truth; and
- (n) A signed, dated and notarized Release Authorization which shall direct all courts, law enforcement agencies, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, federal, state and local both foreign and domestic, to release any and all information pertaining to the applicant as requested by the Commission and/or the Bureau.

(6) Business Entity Disclosure Form - Gaming Vendor- Primary. A *Business Entity Disclosure Form Gaming Vendor- Primary (BED GVP)* shall contain the following information:

- (a) The current or former official and trade names used and the dates of use;
- (b) The current post office address and, if a corporation, the name of the state under the laws of which it was incorporated, the location of its principal place of business and the names and addresses of its directors and stockholders;
- (c) The former business addresses within the last ten-year period and dates of use;
- (d) The business telephone number;
- (e) The name, title and telephone number of the contact person;
- (f) Whether the application is for initial licensure or retention of that license and, if retention, the license number and date of last submission;

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- (g) The business form and, as appropriate, a copy of the certificate of incorporation, charter, bylaws, partnership agreement and all amendments, trust agreement or other documentation relating to the legal organization of the enterprise;
- (h) If a publicly traded corporation, the stock exchange its stock is traded on and its symbol;
- (i) The Federal Employer Identification Number;
- (j) A description of the present and any former business engaged in or intended to be engaged in by the vendor and any parent, holding, intermediary or subsidiary company within the past five years and similar information for former businesses for the past ten years;
- (k) A description of the nature, type, number of shares, terms, conditions, rights and privileges of all classes of stock issued by the vendor, if any, and the amount outstanding of each, or which the vendor plans to issue;

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- (l) The identity of every person having a direct or indirect interest in the business and the nature of such interest; provided, however, that if the disclosed entity is a trust, the application shall disclose the names and addresses of all beneficiaries; provided further, that if the disclosed entity is a partnership, the application shall disclose the names and addresses of all partners, both general and limited; and provided further, that if the disclosed entity is a limited liability company, the application shall disclose the names and addresses of all members;
- (m) The name, address, date of birth (if appropriate), class of non-voting stock, number and percentage of shares held by each person or entity having a beneficial interest in any non-voting stock;
- (n) The name, home address, date of birth, current title or position and, if applicable, number of shares and class of stock and percentage of ownership for the following persons:
 - 1. Each officer, director or trustee;
 - 2. Each partner whether general, limited or otherwise;
 - 3. A sole proprietor;
 - 4. Each natural person or entity that directly or indirectly holds any beneficial or ownership interest of 5% or more of the entity completing the form;
 - 5. Each sales representative or other person who will regularly solicit business from a casino licensee;
 - 6. Each management person who supervises a regional or local office which employs sales or junket representatives or other persons who regularly solicit business from a casino hotel;
 - 7. Any other person not otherwise specified in 205 CMR 134.07(6)(n)1. through 6. who has signed or will sign any agreement with a gaming licensee;
 - 8. Each natural person who indirectly holds any beneficial or ownership interest of 10% or more of an applicant for a junket enterprise license; and
 - 9. If a junket enterprise, each junket representative who will deal directly with gaming licensees and their employees.
- (o) A flow chart which illustrates the ownership of any other vendor which holds an interest in the filing vendor;
- (p) The name, last known address, date of birth, position, dates the position was held, and reason for leaving for any former officers or directors who held such office during the preceding ten years;
- (q) The annual compensation of each partner, officer, director and trustee;
- (r) The name, home address, date of birth, position, length of time employed and the amount of compensation of each person, other than the persons identified in 205 CMR 134.07(6)(m), who is currently expected to receive annual compensation of more than \$300,000;
- (s) A description of all bonus, profit sharing, pension, retirement, deferred compensation or similar plans in existence or to be created by the vendor;
- (t) If the vendor is a partnership, a description of the interest held by each partner, whether limited or general, amount of initial investment, amount of additional contribution, amount and nature of any anticipated future investments, degree of control of each partner, percentage of ownership of each partner, and method of distributing profits to each partner;
- (u) A description of the nature, type, terms, covenants, and priorities of all outstanding debt and the name, address and date of birth of each debt holder or security holder, type and class of debt instrument held, original debt amount and current debt balance;

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- (v) A description of the nature, type, terms and conditions of all securities options;
- (w) Within the last ten years, the following information for each account held by a bank, savings and loan association or other financial institution, whether foreign or domestic, in the name of the vendor or its nominee or which is otherwise under the direct or indirect control of the vendor:
 - 1. The name and address of the financial institution;
 - 2. The type of account;
 - 3. The account numbers; and
 - 4. The dates held.
- (x) A description of the ten highest value contracts or agreements in effect during the preceding 12 months to which it is a party including name, address and nature of the contract or goods or service provided;

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(y) A description of any civil, criminal, administrative and investigatory proceedings in any jurisdiction in which the vendor or its subsidiaries have been involved as follows:

1. Any arrest, indictment, charge or conviction for any criminal or disorderly persons offense;
2. Any criminal proceeding in which the business or its subsidiaries has been a party or has been named as an unindicted co-conspirator;
3. Existing civil litigation if damages are reasonably expected to exceed \$100,000, except for claims covered by insurance;
4. Any judgment, order, consent decree or consent order entered against the vendor pertaining to a violation or alleged violation of the federal antitrust, trade regulation or securities laws or similar laws of any state, province or country; and
5. Any judgment, order, consent decree or consent order entered against the vendor pertaining to a violation or alleged violation of any other state or federal statute, regulation or code which resulted in the imposition of a fine or penalty of \$50,000 or more.

(z) Within the last ten years, for the vendor and any holding or intermediary company, information regarding any judgments or petitions by or against it for bankruptcy or insolvency and any relief sought under any provision of the Federal Bankruptcy Act or any state insolvency law, and any receiver, fiscal agent, trustee, reorganization trustee, or similar officer appointed for the property or business of the vendor or its parent, any holding, intermediary or subsidiary company;

(aa) Within the last ten years, whether the vendor has had any license or certificate denied, suspended or revoked by any government agency in the Commonwealth of Massachusetts or any other jurisdiction, the nature of such license or certificate, the agency and its location, the date of such action, the disposition, the reasons therefore, and the facts related thereto;

(bb) Whether the vendor has ever applied for a license, permit or authorization to participate in any lawful gaming operation in the Commonwealth of Massachusetts or any other jurisdiction, the agency and its location, date of application, the nature of the license permit or authorization, number and expiration date;

(cc) Within the last ten years, whether the vendor or any director, officer, partner, employee or person acting for or on behalf of the vendor has made bribes or kickbacks to any employee, company, organization or government official, foreign or domestic, to obtain favorable treatment or to obtain a competitive advantage;

(dd) The names and addresses of any current or former directors, officers, partners, employees or third parties who would have knowledge or information concerning 205 CMR 124.07(6)(aa);

(ee) A copy of each of the following:

1. Annual reports for the past five years;
2. If the enterprise is a corporation registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, any annual reports prepared within the last five years on Form 10K pursuant to the Securities Exchange Act of 1934;
3. An audited financial statement for the last fiscal year, including, without limitation, an income statement, balance sheet and statement of sources and application of funds, and all notes to such statements and related financial schedules;
4. Copies of all annual financial statements, whether audited or unaudited, prepared in the last five fiscal years, any exceptions taken to such statements by an independent auditor

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and the management response thereto; and an independent audit report of all financial activities and interests including, but not limited to, the disclosure of all contributions, donations, loans or any other financial transactions to or from a gaming entity or operator in the past five years;

5. Any current report prepared due to a change in control of the vendor, an acquisition or disposition of assets, a bankruptcy or receivership proceeding, a change in the vendor's certifying accountant or any other material event, or, if the vendor is registered with the SEC, a copy of the most recently filed Form 8K;

6. The most recent Proxy or Information Statement filed pursuant to § 14 of the Securities Exchange Act of 1934; and

7. Registration Statements filed in the last five years pursuant to the Securities Act of 1933.

(ff) An organizational chart of the vendor, including position descriptions and the name of the person holding each position;

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- (gg) Copies of all Internal Revenue Forms 1120 (corporate income tax return), all Internal Revenue Forms 1065 (partnership return) or all Internal Revenue Forms 1040 (personal return) filed for the last five years;
- (hh) A copy of a business registration certificate or other proof of valid business registration in Massachusetts;
- (ii) A Subcontractor Information Form completed in accordance with 205 CMR 134.07(11), if so authorized by the Bureau;
- (jj) In addition to the information above, a completed BED GVP shall include the following documents, which shall be dated and signed by the president, chief executive officer, partners, general partner, sole proprietor or other authorized person and notarized:
 - 1. A Statement of Truth;
 - 2. A Release Authorization directing all courts, law enforcement agencies, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, federal, state and local, both foreign and domestic, to release any and all information pertaining to the vendor as requested by the Commission; and
 - 3. An acknowledgment of receipt of notice regarding confidentiality, and non-refundability of filing fees.

(7) Business Entity Disclosure Form - Gaming Vendor- Secondary. A *Business Entity Disclosure Form Gaming Vendor- Secondary (BED GVS)* shall contain the following information:

- (a) The current or former official and trade names used and the dates of use;
- (b) The current post office address and, if a corporation, the name of the state under the laws of which it was incorporated, the location of its principal place of business and the names and addresses of its directors and stockholders;
- (c) The former business addresses within the last ten-year period and dates of use;
- (d) The business telephone number;
- (e) The name, title and telephone number of the contact person;
- (f) Whether the application is for initial licensure or retention of that license and, if retention, the license number and date of last submission;
- (g) The business form and, as appropriate, a copy of the certificate of incorporation, charter, bylaws, partnership agreement and all amendments, trust agreement or other documentation relating to the legal organization of the business;
- (h) If a publicly traded corporation, the stock exchange its stock is traded on and its symbol;
- (i) The Federal Employer Identification Number;
- (j) A description of the nature, type, number of shares, terms, conditions, rights and privileges of all classes of stock issued by the vendor, if any, and the amount outstanding of each, or which the vendor plans to issue;
- (k) The identity of every person having a direct or indirect interest in the business and the nature of such interest; provided, however, that if the disclosed entity is a trust, the application shall disclose the names and addresses of all beneficiaries; provided further, that if the disclosed entity is a partnership, the application shall disclose the names and addresses of all partners, both general and limited; and provided further, that if the disclosed entity is a limited liability company, the application shall disclose the names and addresses of all members;

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- (l) The name, home address, date of birth, current title or position and, if applicable, number of shares and class of stock and percentage of ownership for the following persons:
1. Each officer, director or trustee;
 2. Each partner whether general, limited or otherwise;
 3. A sole proprietor;
 4. Each natural person or entity that directly or indirectly holds any beneficial or ownership interest of 5% or more of the entity completing the form;
 5. Each sales representative or other person who will regularly solicit business from a gaming licensee;
 6. Any other person not otherwise specified in 205 CMR 134.07(7)(1)1. through 5. who has signed or will sign any agreement with a gaming licensee.
- (m) The annual compensation of each partner, officer, director and trustee;

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- (n) The name, home address, date of birth, position, length of time employed and the amount of compensation of each person, other than the persons identified in 205 CMR 134.07(7)(1), who is currently expected to receive annual compensation of more than \$300,000;
- (o) If the vendor is a partnership, a description of the interest held by each partner, whether limited or general, amount of initial investment, amount of additional contribution, amount and nature of any anticipated future investments, degree of control of each partner, percentage of ownership of each partner, and method of distributing profits to each partner;
- (p) A description of the nature, type, terms, covenants, and priorities of all outstanding debt and the name, address and date of birth of each debt holder or security holder, type and class of debt instrument held, original debt amount and current debt balance;
- (q) A description of the nature, type, terms and conditions of all securities options;
- (r) Within the last ten years, the following information for each account held by a bank, savings and loan association or other financial institution, whether foreign or domestic, in the name of the vendor or its nominee or which is otherwise under the direct or indirect control of the vendor:
 - 1. The name and address of the financial institution;
 - 2. The type of account;
 - 3. The account numbers; and
 - 4. The dates held.
- (s) A description of any civil, criminal, administrative and investigatory proceedings in any jurisdiction in which the vendor or its subsidiaries have been involved as follows:
 - 1. Any arrest, indictment, charge or conviction for any criminal or disorderly persons offense;
 - 2. Any criminal proceeding in which the business or its subsidiaries has been a party or has been named as an unindicted co-conspirator;
 - 3. Existing civil litigation if damages are reasonably expected to exceed \$100,000, except for claims covered by insurance;
 - 4. Any judgment, order, consent decree or consent order entered against the vendor pertaining to a violation or alleged violation of the federal antitrust, trade regulation or securities laws or similar laws of any state, province or country; and
 - 5. Any judgment, order, consent decree or consent order entered against the vendor pertaining to a violation or alleged violation of any other state or federal statute, regulation or code which resulted in the imposition of a fine or penalty of \$50,000 or more.
- (t) Within the last ten years, for the vendor and any holding or intermediary company, information regarding any judgments or petitions by or against it for bankruptcy or insolvency and any relief sought under any provision of the Federal Bankruptcy Act or any state insolvency law, and any receiver, fiscal agent, trustee, reorganization trustee, or similar officer appointed for the property or business of the vendor or its parent, any holding, intermediary or subsidiary company;
- (u) Within the last ten years, whether the vendor has had any license or certificate denied, suspended or revoked by any government agency in the Commonwealth of Massachusetts or any other jurisdiction, the nature of such license or certificate, the agency and its location, the date of such action, the disposition, the reasons therefore, and the facts related thereto;

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- (v) Whether the vendor has ever applied for a license, permit or authorization to participate in any lawful gaming operation in the Commonwealth of Massachusetts or any other jurisdiction, the agency and its location, date of application, the nature of the license permit or authorization, number and expiration date;
- (w) Within the last ten years, whether the vendor or any director, officer, partner, employee or person acting for or on behalf of the vendor has made bribes or kickbacks to any employee, company, organization or government official, foreign or domestic, to obtain favorable treatment or to obtain a competitive advantage;
- (x) The names and addresses of any current or former directors, officers, partners, employees or third parties who would have knowledge or information concerning 205 CMR 134.07(7)(w);
- (y) A copy of each of the following:
 - 1. Annual reports for the past five years;

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2. If the enterprise is a corporation registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, any annual reports prepared within the last five years on Form 10K pursuant to the Securities Exchange Act of 1934;
 3. An audited financial statement for the last fiscal year, including, without limitation, an income statement, balance sheet and statement of sources and application of funds, and all notes to such statements and related financial schedules;
 4. Copies of all annual financial statements, whether audited or unaudited, prepared in the last five fiscal years, any exceptions taken to such statements by an independent auditor and the management response thereto; and an independent audit report of all financial activities and interests including, but not limited to, the disclosure of all contributions, donations, loans or any other financial transactions to or from a gaming entity or operator in the past five years;
 5. Any current report prepared due to a change in control of the vendor, an acquisition or disposition of assets, a bankruptcy or receivership proceeding, a change in the vendor's certifying accountant or any other material event, or, if the vendor is registered with the SEC, a copy of the most recently filed Form 8K;
 6. The most recent Proxy or Information Statement filed pursuant to § 14 of the Securities Exchange Act of 1934; and
 7. Registration Statements filed in the last five years pursuant to the Securities Act of 1933.
- (z) An organizational chart of the vendor, including position descriptions and the name of the person holding each position;
- (aa) Copies of all Internal Revenue Forms 1120 (corporate income tax return), all Internal Revenue Forms 1065 (partnership return) or all Internal Revenue Forms 1040 (personal return) filed for the last five years;
- (bb) A copy of a business registration certificate or other proof of valid business registration in Massachusetts;
- (cc) A Subcontractor Information Form completed in accordance with 205 CMR 134.07(11), if so authorized by the Bureau;
- (dd) In addition to the information above, a completed BED GVS shall include the following documents, which shall be dated and signed by the president, chief executive officer, partners, general partner, sole proprietor or other authorized person and notarized:
1. A Statement of Truth;
 2. A Release Authorization directing all courts, law enforcement agencies, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, federal, state and local, both foreign and domestic, to release any and all information pertaining to the vendor as requested by the commission; and
 3. An acknowledgment of receipt of notice regarding confidentiality and non-refundability of filing fees.
- (8) Non-gaming Vendor Registration Form. A *Non-gaming Vendor Registration Form* shall contain the following information:
- (a) Any official or trade name used by the non-gaming vendor;
 - (b) The current address and telephone number of the non-gaming vendor;

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- (c) The nature of the non-gaming vendor's business and the type of goods and services to be provided to a gaming licensee;
- (d) The Federal Employer Identification Number;
- (e) The name, residence address, social security number, and date of birth of each of the following persons:
 - 1. The sales representative(s) or other person(s) who solicit(s) business from a gaming licensee or applicant and such person's immediate supervisors; and
 - 2. Any person authorized to sign any agreement with the gaming licensee or applicant on behalf of the vendor; and
 - 3. The name(s), address(es) and percentage of ownership held by each entity or person directly owning more than five percent of the enterprise.
- (f) A Subcontractor Information Form completed in accordance with 205 CMR 134.07(11), if so authorized by the Bureau.
- (g) Consent to fingerprinting, photographing, and the supplying of handwriting exemplars signed by any individual identified in accordant to 205 CMR 134.07(8)(e).

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(h) A Release Authorization directing all courts, law enforcement agencies, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, federal, state and local, both foreign and domestic, to release any and all information pertaining to the vendor as requested by the Commission.

(9) Labor Organization Registration Statement. A *Labor Organization Registration Statement* shall contain the following information:

- (a) The name of the registrant as shown on its charter or in its constitution;
- (b) The current business addresses of the registrant, including the address, telephone and fax numbers of any office where matters pertaining to employees of a gaming licensee will be conducted;
- (c) The name, title, email address, telephone and fax numbers of a primary contact person;
- (d) Whether the submission is an initial or biennial renewal registration;
- (e) The names of the registrant's parent organization and all affiliates of the registrant or its parent organization, whether chartered by the parent organization or governed by the same constitution or bylaws;
- (f) The name and nature of the actual or probable involvement of any affiliate which represents or is seeking to represent employees who are employed in a gaming establishment or which is involved or seeking to be involved in the control or direction of such representation;
- (g) Financial data, including information concerning any financial interests held in a gaming establishment; and
- (h) The name, address and, where applicable, date of birth, title or position and authority or responsibility, of the following persons or entities:
 - 1. Any pension or welfare system maintained by the registrant;
 - 2. Each officer and agent of any pension or welfare system maintained by the registrant;
 - 3. Each officer and officer-elect of the registrant;
 - 4. Each agent authorized to represent the registrant in Massachusetts; and
 - 5. Each principal employee of the registrant.
- (i) A notarized Statement of Truth, which shall be dated and signed by the registrant's president or other authorized officer;
- (j) A waiver of liability as to the Commonwealth of Massachusetts and its instrumentalities and agents for any damages resulting to the registrant from any disclosure or publication of information acquired during the investigation process;

(10) Labor Organization Individual Disclosure Form. A *Labor Organization Individual Disclosure Form* shall contain the following information:

- (a) Name, including maiden name and any aliases or nicknames;
- (b) Title or position with the labor organization;
- (c) Date and place of birth;
- (d) Physical description;
- (e) Current address and home telephone number, email address, and residence history for the past year;
- (f) Social Security Number, which information is voluntarily provided in accordance with § 7 of the Privacy Act, 5 U.S.C. § 552a;
- (g) Citizenship and, if applicable, information concerning resident alien status;

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- (h) Full name of the labor organization represented;
- (i) Telephone number and email address at current place of employment;
- (j) Employment history:
 - 1. All positions held with a labor organization, union or affiliate, whether or not compensated, for the past five years; and
 - 2. Last three jobs, indicating any gaming-related positions;
- (k) Licenses or other approvals held or applied for which are required to participate in any lawful gambling operation in the Commonwealth of Massachusetts or any jurisdiction;
- (l) A signed, dated and notarized Statement of Truth;
- (m) A waiver of liability as to the Commonwealth of Massachusetts and its instrumentalities and agents for any damages resulting to the officer, agent or principal employee from any disclosure or publication of information acquired during the investigation process.

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(11) Subcontractor Information Form. A Subcontractor Information Form shall contain the following information:

- (a) The official or trade name (for purposes of 205 CMR 134.07(11) a subcontractor shall be considered a person that contracts with a licensed or registered vendor to provide goods or services necessary to fulfill the licensed or registered vendor's contract with a gaming licensee);
- (b) The current address, telephone number, email address, and any website for the subcontractor;
- (c) The nature of the subcontractor's business and the type of goods and services to be provided to the vendor including the term and value of the contract;
- (d) The Federal Employer Identification Number of the subcontractor;
- (e) The name, residence address, social security number, and date of birth of each of any person authorized to sign any agreement with the vendor on behalf of the subcontractor; and
- (f) Consent to fingerprinting, photographing, and the supplying of handwriting exemplars signed by any individual identified in accordance with 205 CMR 134.07(11);
- (g) The name(s), address(es) and percentage of ownership held by each entity or person directly owning more than 5% of the enterprise;
- (h) A Release Authorization directing all courts, law enforcement agencies, probation departments, selective service boards, employers, educational institutions, banks, financial and other institutions and all governmental agencies, federal, state and local, both foreign and domestic, to release any and all information pertaining to the subcontractor as requested by the commission.

134.08: Submission of Application

(1) An application for the initial issuance of a key gaming employee license in accordance with 205 CMR 134.01, a gaming employee license in accordance with 205 CMR 134.02, a gaming service employee registration in accordance with 205 CMR 134.03, a gaming vendor license in accordance with 205 CMR 134.04(1), a non-gaming vendor registration in accordance with 205 CMR 134.04(2), a Gaming Vendor qualifier license in accordance with 205 CMR 134.04(1)(c), a Labor Organization registration in accordance with 205 CMR 134.05, and officers, agents, and principal employees of a Labor Organization in accordance with 205 CMR 134.05 shall include all of the following:

- (a) A completed application form as follows:
 1. An applicant for a key gaming employee-executive license shall file a Multi-jurisdictional Personal History Disclosure Form For Key Gaming Employees-executive as set forth in 205 CMR 134.07(1) and a Massachusetts Supplement Form For Key Gaming Employees- executive as set forth in 205 CMR 134.07(2);
 2. An applicant for a key gaming employee- standard license shall file a Key Gaming Employee-standard Application Form as set forth in 205 CMR 134.07(3);
 3. An applicant for a gaming employee license shall file a Gaming Employee License Form as set forth in 205 CMR 134.07(4);
 4. An applicant for a gaming service employee registration shall file a Gaming Service Employee Registration Form as set forth in 205 CMR 134.07(5);
 5. An applicant for a gaming vendor-primary license shall file a Business Entity Disclosure Form- Gaming Vendor-primary as set forth in 205 CMR 134.07(6);

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6. An applicant for a Gaming Vendor-secondary license shall file a Business Entity Disclosure Form- Gaming Vendor-secondary as set forth in 205 CMR 134.07(7);
7. An applicant for a non-gaming vendor registration shall file a Non-gaming Vendor Registration Form as set forth in 205 CMR 134.07(8);
8. A gaming vendor-primary qualifier (individual) shall file a Key Gaming Employee-standard Application Form as set forth in 205 CMR 134.07(2);
9. A gaming vendor-secondary qualifier (individual) shall file a Gaming Employee Application Form as set forth in 205 CMR 134.07(4);
10. A gaming vendor-primary qualifier (entity) shall file a Business Entity Disclosure Form- Gaming Vendor-primary as set forth in 205 CMR 134.07(6);
11. A gaming vendor-secondary qualifier (entity) shall file a Business Entity Disclosure Form – Gaming Vendor-Secondary as set forth in 205 CMR 134.07(7).
12. A Labor Organization shall file a Labor Organization Registration Statement as set forth in 205 CMR 134.07(9);
13. Officers, agents, and principal employees of a Labor Organization shall file a Labor Organization Individual Disclosure Form as set forth in 205 CMR 134.07(10).

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- (b) A passport style photograph of the applicant, taken within the preceding 12 months;
 - (c) Proof of fingerprinting in accordance with 205 CMR 134.13;
 - (d) The documents required for identification by 205 CMR 134.14
 - (e) Any applicable fee required by 205 CMR 134.15.
 - (f) (For Gaming Employees and Gaming Service Employees) Proof of an offer of employment from a gaming licensee pending licensure or registration of the applicant.
- (2) Notwithstanding 205 CMR 134.08(1)(a), a qualifier for a gaming vendor license may, if authorized by the Bureau, file licensing information, including but not limited to, for publicly traded companies, copies of their securities filings and/or audited consolidated financial statements for a period as determined by the Bureau, in *lieu* of the form identified in 205 CMR 134.08(1)(a).
- (3) An applicant for a key gaming employee license who has previously been issued a positive determination of suitability by the Commission as part of an RFA-1 investigation may file supplemental licensing information that updates their previous filing submitted as part of the qualifier suitability investigation as directed by the Division of Licensing in *lieu* of the full application identified in 205 CMR 134.08(1)(a).
- (4) Each applicant shall file a complete application pursuant to 205 CMR 134.08(1) with the Bureau by mail, in person at the address specified on the application form, or via the Commission's website. The Bureau shall not accept an incomplete application.
- (5) Reciprocity for Vendors. If an applicant for a gaming vendor license or non-gaming vendor registration is licensed or registered in another jurisdiction within the United States with comparable license and registration requirements, as determined by the Bureau, and is in good standing in all jurisdictions in which it holds a license or registration, the commission may enter into a reciprocal agreement with the applicant, upon the recommendation of the Bureau, to allow for an abbreviated licensing or registration process and issue a gaming vendor license or registration in accordance with 205 CMR 134.00; provided, however, as part of any such an agreement that the commission shall reserve its rights to investigate the qualifications of an applicant at any time and may require the applicant to submit to a full application for a gaming vendor license or provide further information for registration. The reciprocal agreement shall identify the nature of the investigation to be conducted prior to issuance of the requested license or registration including, but not limited to, such provisos as the review of any investigatory reports from any jurisdictions in which the applicant is approved to conduct business, interviewing of any witnesses, and the filing of all required Massachusetts business filings.
- (6) Scope of Duties. An employee of a gaming establishment may, where otherwise qualified, engage in the following duties without further licensure by the commission:
- (a) A person who is licensed as a Key Gaming Employee-executive may, where otherwise qualified, engage in the performance of duties of a Key Gaming Employee-standard, gaming employee or gaming service employee.
 - (b) A person who is licensed as a Key Gaming Employee-standard may, where otherwise qualified, engage in the performance of duties of a gaming employee or gaming service employee.

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- (c) A person who is licensed as a gaming employee may engage in the performance of duties of a gaming service employee.

134.09: Investigation, Determination, and Appeals for Gaming Establishment Employees and Vendors

(1) Upon receipt of an application for a key gaming employee license in accordance with 205 CMR 134.01, a gaming employee license in accordance with 205 CMR 134.02, a gaming service employee registration in accordance with 205 CMR 134.03, a gaming vendor license in accordance with 205 CMR 134.04(1), a non-gaming vendor registration in accordance with 205 CMR 134.04(4), a gaming vendor qualifier license in accordance with 205 CMR 134.04(4), or a Labor Organization in accordance with 205 CMR 134.05 the Division of Licensing shall conduct a review of each application for administrative completeness and then forward the application to the Bureau which shall conduct an investigation of the applicant. In the event an application is deemed incomplete, the Division of Licensing may either request supplemental information from the applicant or forward the application to the commission with a recommendation that it be denied. For individuals, the investigation shall include obtaining and reviewing criminal offender record information from the Department of Criminal Justice Information Services (DCJIS) and exchanging fingerprint data and criminal history with the Massachusetts Department of State Police and the United States Federal Bureau of Investigation. The investigation shall be conducted for purposes of determining whether the applicant is suitable to be issued a license or registration in accordance with 205 CMR 134.10 and 134.11.

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In determining the weight to be afforded any information bearing on suitability in accordance with 205 CMR 134.10 and 134.11, the Division of Licensing, Bureau, or commission, as applicable, shall consider: the relevance of the information to employment in a gaming establishment or doing business with a gaming establishment in general, whether there is a pattern evident in the information, and whether the applicant is likely to be involved in gaming related activity. Further, the information will be considered in the light most favorable to the applicant unless the information cannot be so viewed pursuant to M.G.L. c. 23K or the information obtained does not otherwise support such view. For purposes of 205 CMR 134.00 and M.G.L. c. 23K, § 16 an adjudication of delinquency shall not be considered a conviction. Such a finding may, however, be considered for purposes of determining the suitability of an applicant. Records of criminal appearances, criminal dispositions, and/or any information concerning acts of delinquency that have been sealed shall not be considered for purposes of making a suitability determination in accordance with 205 CMR 134.00 and M.G.L. c. 23K.

(a) Keys Gaming Employee- Executive, Key Gaming Employee- Standard, and Gaming Employees. Upon completion of the investigation conducted in accordance with 205 CMR 134.09(1) the Bureau shall either approve or deny the application for a key gaming employee- executive license, key gaming employee-standard license or a gaming employee license pursuant to 205 CMR 134.10. If the application for a Key Gaming Employee-standard license or Gaming Employee license is approved, the Bureau shall forward a written approval to the Division of Licensing which shall issue a license to the applicant on behalf of the Commission. If the Bureau approves the application for a Key Gaming Employee-executive, the decision shall be forwarded to the Commission as a recommendation along with the application materials for review and issuance of the license. If the application is denied, the Bureau shall forward the recommendation for denial and reasons therefor to the Division of Licensing which shall issue a written decision to the applicant explaining the reasons for the denial. The decision shall include an advisory to the applicant that they may appeal the decision to the Bureau in accordance with 205 CMR 134.09(2). If the denial is based upon information contained in the individual's criminal record the decision shall also include an advisory that the individual will be provided with a copy of their criminal record upon request and that they may challenge the accuracy of any relevant entry therein. The decision may be served via first class mail or via email to the addresses provided by the applicant on the application.

(b) Gaming Service Employees. The Division of Licensing shall issue a gaming service employee registration to the applicant on behalf of the Commission in accordance with 205 CMR 134.11(1). In the event that the Bureau determines upon completion of the investigation conducted in accordance with 205 CMR 134.09(1) that the applicant should be disqualified from holding a registration or is otherwise unsuitable in accordance with 205 CMR 134.11, it shall forward the results of the investigation to the Division of Licensing which shall issue a written notice to the registrant revoking the registration. The notice shall include an advisory to the applicant that they shall immediately cease employment at the gaming establishment and may request an appeal hearing before the Bureau in accordance with 205 CMR 134.09(2). If the denial is based upon information contained in the individual's criminal record the decision shall also include an advisory that the individual will be provided with a copy of their criminal record upon request and that they may challenge the accuracy of any relevant entry therein. The notice may be served via first class mail or via email to the addresses provided by the applicant on the application.

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(c) Gaming Vendors and Gaming Vendor Qualifiers. Upon completion of the investigation conducted in accordance with 205 CMR 134.09(1) the Bureau shall either approve or deny the application for a gaming vendor license pursuant to 205 CMR 134.10. If the Bureau approves the application for a Gaming Vendor license and any associated applications for Gaming Vendor qualifier licenses, the decisions shall be forwarded to the Commission as a recommendation along with the application materials for review and issuance of the license. If an application for a Gaming vendor qualifier license is approved by the Bureau subsequent to the issuance of the Gaming Vendor license by the commission, the Bureau shall forward a written approval to the Division of Licensing which shall issue a license to the applicant on behalf of the Commission. If the application is denied, the Bureau shall forward the recommendation for denial and reasons therefor to the Division of Licensing which shall issue a written decision to the applicant explaining the reasons for the denial. The decision shall include an advisory to the applicant that they may appeal the decision to

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the Bureau in accordance with 205 CMR 134.09(2). If the denial is based upon information contained in a person's criminal record the decision shall also include an advisory that the person will be provided with a copy of their criminal record upon request and that they may challenge the accuracy of any relevant entry therein. The decision may be served via first class mail or via email to the addresses provided by the applicant on the application.

(d) Non-gaming Vendors. The Division of Licensing shall issue a non-gaming vendor registration to the applicant on behalf of the Commission in accordance with 205 CMR 134.11(1). In the event that the Bureau determines upon completion of the investigation conducted in accordance with 205 CMR 134.09(1) that the applicant should be disqualified from holding a registration or is otherwise unsuitable in accordance with 205 CMR 134.11, it shall forward the results of the investigation to the Division of Licensing which shall issue a written notice to the registrant revoking the registration. The notice shall include an advisory to the applicant that they shall immediately cease doing business with the gaming establishment and may request an appeal hearing before the Bureau in accordance with 205 CMR 134.09(2). If the denial is based upon information contained in the person's criminal record the decision shall also include an advisory that the person will be provided with a copy of their criminal record upon request and that they may challenge the accuracy of any relevant entry therein. The notice may be served via first class mail or via email to the addresses provided by the applicant on the application.

(e) Labor Organizations. The Bureau shall issue a Labor Organization registration to the applicant on behalf of the Commission in accordance with 205 CMR 134.11(1).

(2) If an application for a key gaming employee license, gaming employee license, gaming service employee registration, gaming vendor license, non-gaming vendor registration, or gaming vendor qualifier license is denied or revoked in accordance with 205 CMR 134.09(1) the applicant may appeal the decision and request a hearing before the Bureau within 30 days of service of the decision. The request for an appeal hearing must be in writing on a form provided by the Bureau and contain an explanation of the basis for the appeal.

(3) The Bureau shall appoint a hearing officer to preside over the appeal hearing requested by an applicant in accordance with 205 CMR 134.09(2). The hearing will be conducted in accordance with M.G.L. c. 30A and 801 CMR 1.02: *Informal/Fair Hearing Rules*. An audio recording of the hearing shall be taken. The hearing officer shall issue a written decision to the applicant. The hearing officer may affirm the denial of the application or revocation of the registration, reverse the decision and recommend that the license or registration be issued, or recommend that the license or registration be issued with conditions. The hearing officer may recommend any condition that is reasonably calculated to ensure faithful performance of the employee's duties or vendor's obligations. The decision shall include an advisory to the applicant that they may appeal the decision to the commission in accordance with 205 CMR 134.09(5). The decision may be served via first class mail or via email to the addresses provided by the applicant on the application.

(4) After a hearing conducted in accordance with 205 CMR 134.09(3) the following shall apply:
(a) If the hearing officer recommends that a Key Gaming Employee-standard license, Gaming Employee license, gaming service employee registration, Gaming vendor qualifier, or non-gaming vendor registration be issued, the Division of Licensing shall issue a license or registration to the applicant on behalf of the Commission.

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- (b) If the hearing officer recommends that the application for a Key Gaming Employee-executive or Gaming vendor license be issued, the decision shall be forwarded to the Commission as a recommendation along with the application and appeal materials for review and issuance of the license.
- (5) If an application for a key gaming employee license, gaming employee license, gaming service employee registration, gaming vendor license, non-gaming vendor registration, or gaming vendor qualifier is denied or approved with conditions in accordance with 205 CMR 134.09(3) the applicant may appeal the decision and request a hearing before the commission within 30 days of service of the decision. The request for an appeal hearing must be in writing on a form provided by the commission and contain an explanation of the basis for the appeal. The hearing will be conducted at a public meeting solely on the record of the administrative proceedings conducted by the Bureau in accordance with 205 CMR 134.09(3). The Bureau shall forward a copy of the administrative record of the proceeding to the commission promptly upon receipt of the notice of appeal.

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(6) After the hearing conducted in accordance with 205 CMR 134.09(5) the commission shall issue a written decision to the applicant. The commission may affirm the denial of the application or revocation of the registration, reverse the decision and order that the license or registration be issued, order that the license or registration be issued with conditions or remand the matter to the Bureau for further proceedings. The commission may impose any condition that is reasonably calculated to ensure faithful performance of the employee's duties or vendor's obligations.

(7) In reviewing the Bureau's decision in accordance with 205 CMR 134.09(6), the commission may consider whether the decision or any condition imposed is:

- (a) In excess of the statutory or regulatory authority or jurisdiction of the commission; or
- (b) Based upon an error of law; or
- (c) Made upon unlawful procedure; or
- (d) Unsupported by substantial evidence; or
- (e) Arbitrary or capricious, an abuse of discretion, or otherwise not in accordance with law.

(8) The decision of the commission made in accordance with 205 CMR 134.09(6) and (7) shall be final and an applicant shall not be entitled to further review.

134.10: Affirmative License Standards for the Licensing of Employees and Vendors of the Gaming Establishment

(1) An applicant for a key gaming employee license, gaming employee license, gaming vendor license, and a gaming vendor qualifier license shall establish its individual qualifications for licensure by clear and convincing evidence.

(2) In determining whether an applicant for licensure is suitable for purposes of being issued a key gaming employee license, gaming employee license, gaming vendor license, or gaming vendor qualifier license, or having any of these licenses renewed, the Bureau shall evaluate and consider the overall reputation of the applicant including, without limitation:

- (a) the integrity, honesty, good character and reputation of the applicant; (b) the financial stability, integrity and background of the applicant;
- (c) whether the applicant has a history of compliance with gaming licensing requirements in other jurisdictions;
- (d) whether the applicant, at the time of application, is a defendant in litigation;
- (e) whether the applicant is disqualified from receiving a license under 205 CMR 134.10(3); (f) whether the applicant has been convicted of a crime of moral turpitude;
- (g) whether and to what extent the individual has associated with members of organized crime and other persons of disreputable character;
- (h) the extent to which the individual has cooperated with the Bureau in connection with the background investigation;
- (i) (for vendors) the integrity, honesty, and good character of any subcontractor.

(3) The Bureau and Commission shall deny an application for a key gaming employee license, gaming employee license, gaming vendor license, or gaming vendor qualifier license if the applicant:

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- (a) has been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury;
- (b) submitted an application for a license under M.G.L. c. 23K, § 30 and 205 CMR 134.00 that intentionally contains false or misleading information;
- (c) committed prior acts which have not been prosecuted or in which the applicant was not convicted but form a pattern of misconduct that makes the applicant unsuitable for a license; or
- (d) has affiliates or close associates that would not qualify for a license or whose relationship with the applicant may pose an injurious threat to the interests of the commonwealth in awarding a gaming license to the applicant.

(4) Rehabilitation.

- (a) An applicant for a Key gaming employee license, gaming employee license or a gaming vendor qualifier license may provide proof of rehabilitation from a criminal conviction as part of the application for licensure.

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(b) An applicant for a Key gaming employee license may not appeal a decision made by the Bureau to the Commission in accordance with 205 CMR 134.09(6) that was based upon a disqualifying prior conviction in accordance with 205 CMR 134.10(3)(a) on the basis that they wish to demonstrate rehabilitation.

(c) An applicant for a Gaming employee license or gaming vendor qualifier license may appeal a decision made by the Bureau based upon a disqualifying prior conviction in accordance with 205 CMR 134.10(3)(a) on the basis that they wish to demonstrate rehabilitation only if the conviction occurred before the ten year period immediately preceding the date of submission of the application for licensure or registration.

(d) In its discretion, the Bureau and/or Commission may issue a Gaming employee license or Gaming vendor qualifier license to an applicant who can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant the Bureau and Commission shall consider the following:

1. the nature and duties of the position of the applicant;
2. the nature and seriousness of the offense or conduct;
3. the circumstances under which the offense or conduct occurred;
4. the date of the offense or conduct;
5. the age of the applicant when the offense or conduct was committed;
6. whether the offense or conduct was an isolated or repeated incident;
7. any social conditions which may have contributed to the offense or conduct; and
8. any evidence of rehabilitation, including recommendations and references of persons supervising the applicant since the offense or conduct was committed.

(e) Any applicant may appeal a decision made by the Bureau based upon a conviction for a crime of moral turpitude as set forth in 205 CMR 134.10(2)(f). In its discretion, the Bureau and Commission may issue a Key gaming employee license, Gaming employee license, or gaming vendor qualifier license to an applicant who can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant, the Bureau and Commission shall consider the factors outlined in 205 CMR 134.10(4)(d).

(f) An applicant for a license or registration shall be at least 18 years of age at the time of application.

134.11: Affirmative Registration Standards for the Registration of Employees and Vendors of the Gaming Establishment and Labor Organizations

(1) Upon submission of an administratively complete application for registration as a gaming service employee, non-gaming vendor, or Labor Organization by an applicant the Bureau shall issue the registration on behalf of the Commission in accordance with 205 CMR 134.09(1). A registration may be subsequently revoked if it is determined that the applicant is disqualified in accordance with 205 CMR 134.11(2) or unsuitable for any criteria identified in 205 CMR 134.11(3).

(2) The Bureau and Commission shall deny and/or revoke a registration as a gaming service employee or non-gaming vendor registrant if the individual applicant or individual identified in 205 CMR 134.07(8)(e):

- (a) has been convicted of a felony or other crime involving embezzlement, theft, fraud or perjury;

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- (b) submitted an application for a license under M.G.L. c. 23K, § 30 and 205 CMR 134.00 that intentionally contains false or misleading information;
 - (c) committed prior acts which have not been prosecuted or in which the applicant was not convicted but form a pattern of misconduct that makes the applicant unsuitable; or
 - (d) has affiliates or close associates that would not qualify for a license or whose relationship with the applicant may pose an injurious threat to the interests of the commonwealth in awarding a gaming license to the applicant.
- (3) In determining whether an applicant for registration is suitable for purposes of being issued a gaming service employee registration or non-gaming vendor registration, or having a registration renewed, the Bureau may evaluate and consider the overall reputation of the applicant including, without limitation:
- (a) the integrity, honesty, good character and reputation of the applicant;

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- (b) the financial stability, integrity and background of the applicant;
- (c) whether the applicant has a history of compliance with gaming licensing requirements in other jurisdictions;
- (d) whether the applicant, at the time of application, is a defendant in litigation;
- (e) whether the applicant is disqualified from receiving a license under 205 CMR 134.11(2); (f) whether the applicant has been convicted of a crime of moral turpitude;
- (g) whether and to what extent the individual has associated with members of organized crime and other persons of disreputable character;
- (h) the extent to which the individual has cooperated with the Bureau in connection with the background investigation;
- (i) (for vendors) the integrity, honesty, and good character of any subcontractor.

(4) Rehabilitation.

(a) The holder of a Gaming service employee registration or non-gaming vendor registration may appeal a decision made by the Bureau based upon a disqualifying prior conviction in accordance with 205 CMR 134.11(2) on the basis that they wish to demonstrate rehabilitation only if the conviction occurred before the ten year period immediately preceding application for licensure or registration.

(b) In its discretion, the Bureau and/or Commission may issue a Gaming service employee registration or a non-gaming vendor registration to an applicant who can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant the Bureau and Commission shall consider the following:

1. the nature and duties of the position of the applicant;
2. the nature and seriousness of the offense or conduct;
3. the circumstances under which the offense or conduct occurred;
4. the date of the offense or conduct;
5. the age of the applicant when the offense or conduct was committed;
6. whether the offense or conduct was an isolated or repeated incident;
7. any social conditions which may have contributed to the offense or conduct; and
8. any evidence of rehabilitation, including recommendations and references of persons supervising the applicant since the offense or conduct was committed.

(c) Any applicant may appeal a decision made by the Bureau based upon a conviction for a crime of moral turpitude as set forth in 205 CMR 134.11(3). In its discretion, the Bureau and Commission may issue a Gaming service employee registration or non-gaming vendor registration to an applicant who can affirmatively demonstrate the applicant's rehabilitation. In considering the rehabilitation of an applicant, the Bureau and Commission shall consider the factors outlined in 205 CMR 134.11(4)(b).

(5) An applicant for a registration shall be at least 18 years of age at the time of application. (6)

The Bureau may deny an application for registration as a non-gaming vendor if it determines that the applicant formed the applicant entity for the sole purpose of circumventing 205 CMR 134.04(1)(b).

134.12: Temporary Licenses

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- (1) Upon petition to the Commission by a gaming licensee, the Commission may issue a temporary license to an applicant for a key gaming employee license, a gaming employee license, or a gaming vendor license if:
 - (a) the applicant for a key gaming employee license, a gaming employee license, or a gaming vendor license has filed a completed application with the commission; and
 - (b) the gaming licensee certifies, and the Commission finds, that the issuance of a temporary license is necessary for the operation of the gaming establishment and is not designed to circumvent the normal licensing procedures.

- (2) Unless otherwise stated by the Commission, a temporary license issued in accordance with 205 CMR 134.12 shall expire six months from the date of its issuance and may be renewed, at the discretion of the Commission, for an additional six-month period.

134.12: continued

(3) Standard of Review. A Temporary license may be issued upon a finding that the license is reasonably likely to be issued upon completion of the investigation.

134.13: Fingerprinting

Each applicant for a key gaming employee license, gaming employee license, gaming service employee registration, gaming vendor license, or non-gaming vendor registration shall be fingerprinted under the supervision of the Commission. The Commission may, for good cause shown, permit an applicant to alternatively submit three sets of classifiable fingerprints on fingerprint impression cards provided by the Commission.

134.14: Identification

(1) Every individual applicant for a license or registration shall establish his or her identity to a reasonable certainty.

(2) An individual applicant for a license or registration may establish their identity pursuant to 205 CMR 134.14(1) by providing either:

(a) One of the following authentic documents:

1. A current and valid United States passport;
2. A Certificate of United States Citizenship, or a Certificate of Naturalization, issued by the United States Department of Homeland Security, Citizenship and Immigration Services (USCIS); or
3. A current and valid identification card issued by the USCIS containing a photograph or fingerprints and identifying information such as name, date of birth, sex, height, color of eyes and address; or

(b) A certified copy of a birth certificate issued by a state, county or municipal authority in the United States bearing an official seal, and any one of the following authentic documents:

1. A current and valid driver's license containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address;
2. A current and valid identification card issued to persons who serve in the United States military or their dependents by the United States Department of Defense containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address;
3. A current and valid student identification card containing a photograph, an expiration date, the seal or logo of the issuing institution, and the signature of the card holder;
4. A current and valid identification card issued by a federal, state or local government agency containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address; or

(c) A current and valid foreign passport with an employment authorization issued by the USCIS, and any one of the following authentic documents:

1. A current and valid driver's license containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address;
2. A current and valid identification card issued to persons who serve in the United

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States military or their dependents by the United States Department of Defense containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address;

3. A current and valid student identification card containing a photograph, an expiration date, the seal or logo of the issuing institution, and the signature of the card holder;

4. A current and valid identification card issued by a federal, state or local government agency containing a photograph or identifying information such as name, date of birth, sex, height, color of eyes and address.

(3) Any individual whose current legal name is different from the name on his or her certified birth certificate (for example, maiden name) must show legal proof of the name change. Such proof includes a certified marriage or civil union certificate, divorce decree or court order linking the new name with the previous name, provided that, a divorce decree may be used as authority to resume using a previous name only if it contains the new name and permits a return to use of the previous name.

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134.14: continued

(4) Any individual required to establish his or her identity pursuant to 205 CMR 134.14 who is not a United States citizen shall also be required to demonstrate that he or she is authorized to work in the United States.

(5) Any individual may request that the commission change the name designated on his or her application, license or registration by establishing identity pursuant to 205 CMR 134.14 or by providing a certified copy of certificate of marriage, a divorce decree or court order from this or any other state, which evidences the requested name change.

134.15: Fees

(1) The following non-refundable initial fees shall be paid at the time of application for licensure, registration, or renewal:

(a) Key Gaming Employee. Initial fee: \$1000.00, submitted with the application. The applicant shall be billed for the efforts of the Commission and the Bureau on matters directly related to the applicant that exceed the initial fee at hourly rates to be set by the Commission pursuant to M.G.L.c. 23K, § 30(i) including payment for all unusual or out of pocket expenses incurred by the Commission. Timely Renewal fee: \$1000.00.

(b) Gaming Employee. Initial fee: \$300.00 Renewal fee: \$300.00.

(c) Gaming Service Employee. Initial fee: \$75.00 Renewal fee: \$75.00.

(d) Gaming Vendor-primary. Initial fee: \$15,000.00, submitted with the application. The applicant shall be billed for the efforts of the Commission and the Bureau on matters directly related to the applicant that exceed the initial fee at hourly rates to be set by the Commission pursuant M.G.L. c. 23K, § 30(i) including payment for all unusual or out of pocket expenses incurred by the Commission. Timely Renewal fee: \$15,000.00.

(e) Gaming Vendor-secondary. Initial fee \$5,000.00 Renewal fee \$5,000.00.

(f) Gaming Vendor-qualifier. No individual fee. The fee shall be included as part of the application fee for the Gaming vendor. Any additional fees resulting from the investigation of a gaming vendor qualifier shall be assessed to the gaming vendor in accordance with 205 CMR 134.15(2).

(g) Non-gaming Vendor. Initial fee: \$100.00 Renewal fee: \$100.00.

(h) Labor Organization. Initial fee: \$200.00 Renewal fee: \$200.00.

(i) Replacement/Name or Address Changes. \$10.00.

(j) Late Fee. a 10% late fee will be assessed to the initial application fee if a renewal application is not received by the Commission by the due date.

(2) The application fee for a license or registration may be increased to the extent that the cost of the background investigation relating to an applicant exceeds the application fee set forth in 205 CMR 134.15(1). The commission shall advise the applicant in writing that an additional application fee is required and the manner in which the additional fee was calculated. Once an applicant is directed to submit an additional application fee, the commission will take no additional steps with respect to the application until the increased application fee is paid. In the event that an application fee is not promptly paid without just cause, the application may be denied.

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- (3) All fees must be submitted to the Bureau in the form of a certified check, cashier's check, personal check or electronic funds transfer payable to the Commonwealth of Massachusetts.
- (4) A processing fee of \$30 will be assessed for return of dishonored checks.
- (5) Payroll Deduction. Licensing fees for applicants for a Gaming Employee license in accordance with 205 CMR 134.15(1)(b) and a Gaming Service Employee registration in accordance with 205 CMR 134.15(1)(c) shall be submitted on behalf of the applicant by the gaming establishment or vendor with which the individual is employed. The gaming establishment or vendor may recover the cost of the fee by way of deduction from the individual's periodic salary payment.

134.16: Term of Licenses

(1) Licenses and registrations issued in accordance with 205 CMR 134.00 shall be valid for the following terms:

(a) Key Gaming Employees. Key Gaming employee licenses shall be for an initial term of three years. The initial term of a key gaming employee license shall expire and be renewable on the last day of the month on the third anniversary of the issuance date. Key gaming employee license renewals shall be for a term of three years.

(b) Gaming Employees. Gaming employee licenses shall be for an initial term of three years. The initial term of a gaming employee license shall expire and be renewable on the last day of the month on the third anniversary of the issuance date. Gaming employee license renewals shall be for a term of three years.

(c) Gaming Service Employees. Gaming service employee registrations shall be for an initial term of five years. The initial term of a Gaming service employee registration shall expire and be renewable on the last day of the month on the fifth anniversary of the issuance date. Gaming service employee registration renewals shall be for a term of five years.

(d) Gaming Vendors and Gaming Vendor Qualifiers. Gaming vendor licenses and gaming vendor qualifier licenses shall be for an initial term of three years. The initial term of a Gaming vendor license and gaming vendor qualifier license shall expire and be renewable on the last day of the month on the third anniversary of the issuance date. Gaming vendor license and gaming vendor qualifier license renewals shall be for a term of three years.

(e) Non-gaming Vendors. Non-gaming vendor registration shall be for an initial term of five years. The initial term of a Non-gaming vendor license shall expire and be renewable on the last day of the month on the fifth anniversary of the issuance date. Non-gaming vendor registration renewals shall be for a term of five years.

(f) Labor Organizations. Labor organization registrations shall be for an initial term of one year. The initial term of a Labor organization registration shall expire and be renewable on the last day of the month on the first anniversary of the issuance date.

(2) Notwithstanding 205 CMR 134.16(1), licenses and registrations issued in accordance with 205 CMR 134.00 may be issued with a conditional expiration date to coincide with any employment authorization issued by the United States which is less than the term of the license or registration. A license or registration that is issued with such a conditional expiration date may be extended upon the presentation of proof of United States citizenship or authorization to work in the United States beyond the previous expiration date. Provided, however, no expiration date shall be extended beyond the term for which such a license would have been issued in accordance with 205 CMR 134.16(1).

(3) If a licensee or registrant has, in accordance with 205 CMR 134.17, made timely and sufficient application for a renewal, their license or registration shall not expire and the applicant shall remain in good standing until the Bureau has issued a decision on the application. If a renewal application is received after the renewal date and the license expires before the Commission issues a new license, the person shall not be employable nor conduct business with the gaming establishment until a new license is issued.

(4) A license for a person for whom a positive determination of suitability was issued in accordance with 205 CMR 115.05(3) as part of the RFA-1 process and who filed an application in

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accordance with 205 CMR 134.08(2) in *lieu* of the complete application for the position for which they seek licensure shall be issued nunc pro tunc to the date of the suitability finding.

(5) All licenses and registrations issued in accordance with 205 CMR 134.00 shall be valid for employment with any Massachusetts gaming licensee.

134.17: Renewals

(1) At a minimum of 150 days prior to expiration, each Key gaming employee licensee, gaming employee licensee, gaming vendor licensee, and gaming vendor qualifier licensee shall submit a new and updated application in accordance with 205 CMR 134.08.

(2) At a minimum of 30 days prior to expiration, each gaming service employee registrant and non-gaming vendor registrant shall submit a new and updated application in accordance with 205 CMR 134.08.

134.17: continued

(3) It shall be the responsibility of the licensee or registrant to ensure that their license or registration is current.

134.18: Duties of Applicants and Licensees

(1) All applicants, licensees, and registrants shall have the continuing duty to provide any assistance or information required by the commission or the Bureau and to cooperate in any inquiry or investigation conducted by the commission or the Bureau. Refusal to answer or produce information, evidence or testimony by an applicant, licensee, or registrant may result in denial of the application or suspension or revocation of the license or registration.

(2) No applicant, licensee, registrant shall willfully withhold information from, or knowingly give false or misleading information to, the commission or the Bureau. If the commission or Bureau determines that an applicant, or a close associate of an applicant, has willfully provided false or misleading information, such applicant shall not be eligible to receive a license or registration under 205 CMR 134.00. Any licensee or registrant who willfully provides false or misleading information shall have its license conditioned, suspended or revoked by the commission.

(3) Notification of changes by employees. Each key gaming employee applicant or licensee, gaming employee applicant or licensee, and gaming service employee registrant shall have a continuing duty to notify and update the commission, in writing, within ten (10) days of the occurrence of the following:

- (a) Any denial, suspension or revocation by a government agency in any jurisdiction of a license, registration, certification, permit or approval held by or applied for by the individual;
- (b) Any discipline imposed upon the individual by a government agency in any jurisdiction;
- (c) Any arrest, indictment, charge or criminal conviction of the individual in any jurisdiction;
- (d) Any reports, complaints or allegations of which the individual is or should be aware involving conduct of that individual that could lead to potential criminal charges, including but not limited to allegations of theft or embezzlement; and
- (e) Any exclusion or barring of the individual from any casino, gaming establishment or gambling/gaming related entity in any jurisdiction.

(4) Notification of changes by Gaming Vendors. Each gaming vendor applicant or licensee shall have a continuing duty to promptly notify and update the commission, in writing, within ten (10) days of the occurrence of the following:

- (a) The proposed appointment, appointment, proposed nomination, nomination, election, hiring, intended resignation, resignation, removal, firing, incapacitation or death of any person required to be a qualifier under 205 CMR 134.04(4);
- (b) Any denial, suspension or revocation by a government agency of a license, registration, certification, permit or approval held by or applied for by the vendor or any qualifying entity or individual;
- (c) Any indictment, charge or criminal conviction of the vendor or any qualifying entity or individual;

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- (d) Any civil litigation in which the vendor is named as a party if damages are reasonably expected to exceed \$100,000, except for claims covered by insurance; and
- (e) Any judgments or petitions by or against the vendor, any qualifying entity or individual or any holding or intermediary company of the vendor for bankruptcy or insolvency.

(5) Notification of changes by Non-Gaming Vendors. Each non-gaming vendor registrant shall have a continuing duty to notify the commission, in writing, of the name, residence address, social security number, and date of birth of each relevant person within ten (10) days of the occurrence of the following:

- (a) Any denial, suspension or revocation by a government agency of a license, registration, certification, permit or approval held by or applied for by the vendor or any qualifying individual;
- (b) Any indictment, charge or criminal conviction of the vendor or any qualifying individual;
- (c) The sales representative(s) or other person(s) who solicit(s) business from a gaming licensee; and
- (d) Any person authorized to sign any agreement with the gaming licensee on behalf of the vendor.

(6) Notification of change of ownership of vendor entities. Each gaming vendor applicant or licensee and each non-gaming vendor registrant shall have a continuing duty to promptly notify and update the commission, in writing, prior to or immediately upon becoming aware of any proposed or contemplated change of ownership which involves more than 5% of the vendor. This duty includes without limitation the duty to specify whether the transaction involving the change in ownership will result in a consolidation involving the vendor and another entity, including by merger or acquisition.

(7) Commission referral to IEB. Upon receipt of a notice under 205 CMR 134.18(3) through (6), the commission shall refer the matter to the IEB for appropriate handling, which may include, without limitation, a notice to the applicant, licensee or registrant requiring the filing of an appropriate application or information and the subsequent investigation of that application or information.

134.19: Disciplinary Action

(1) Grounds for Disciplinary Action. Any license or registration issued under 205 CMR 134.00 may be conditioned, suspended, or revoked, if the commission finds that a licensee or registrant has:

- (1) been arrested or convicted of a crime while employed by a gaming establishment and failed to report the charges or the conviction to the commission;
- (2) failed to comply with M.G.L. c. 23K, § 13; or
- (3) failed to comply with any provision of M.G.L. c. 23K or 205 CMR pertaining to licensees and registrants.

(2) Complaints. Any person may file a complaint against any person licensed or registered in accordance with 205 CMR 134.00. All complaints relative to a licensee or registrant must be in writing on a form provided by the Commission. All complaints must be received by the Commission within one year of the date of the alleged wrongdoing. The Commission or Bureau may itself initiate a complaint at any time notwithstanding the date of the alleged wrongdoing.

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(3) Basis of Complaint. A complaint must allege wrongdoing by a licensee or registrant in the form of a violation of 205 CMR 134.19(1) and/or M.G.L. c. 23K.

(4) Review and Investigation of Complaints. Every complaint filed shall be reviewed by the commission or its designee. A hearing may be convened, the complaint may be forwarded to the Bureau, or the complaint may be dismissed in the discretion of the commission or its designee. The Bureau may, if it elects, investigate a complaint prior to scheduling a hearing. In its discretion, the Bureau may resolve informal patron complaints without formal investigation, notification of parties, or convening a hearing. Failure of a complainant to cooperate in the investigation may be grounds for dismissal of a complaint.

(5) Notice of Hearing. If the Bureau determines that a hearing shall be held to resolve a complaint, reasonable notice shall be provided to the complainant and the licensee or registrant. Mailing of notice to the address on record with the Commission, or emailing the notice to the address provided by the licensee or registrant on their application for licensure or registration, shall be deemed satisfactory notice. The notice of hearing shall contain:

- (a) The name of the complainant;
- (b) The date, time and place of said hearing;
- (c) The location of the incident giving rise to the complaint.

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134.19: continued

(6) Hearing. Hearings convened pursuant to 205 CMR 134.19 shall be conducted pursuant to 801 CMR 1.02: *Informal/Fair Hearing Rules* and M.G.L. c. 30A. Any party may be represented by legal counsel. All parties shall be permitted to present an opening statement, testify on their own behalf, cross-examine all witnesses, present any relevant witness testimony, present any relevant documentary evidence, and offer a closing argument. The Bureau may question any witness and include any records kept by the commission as exhibits. The Bureau may conclude the hearing at any time and issue a decision based on the evidence presented.

If a licensee or registrant does not appear for the hearing, the Bureau may conduct a hearing in his or her absence and render a decision based upon the evidence presented, but only after making a finding that the licensee was provided notice as required by 205 CMR 134.19(5).

The Bureau may designate a hearing officer to convene a hearing and either make a recommendation or issue a decision on its behalf.

(7) Subpoenas. The Bureau may issue a subpoena in accordance with M.G.L. c. 30A, § 12 requiring the attendance and testimony of witnesses and the production of any evidence, including books, records, correspondence or documents, relating to any matter in question in the proceeding.

(8) Decisions and Discipline of License and Registration Holders. The Bureau shall issue a written decision after the hearing. Decisions shall be issued in a reasonably prompt manner. The Bureau may suspend a license or registration for a fixed period of time, revoke a license or registration permanently, or issue a reprimand the licensee or registrant. In conjunction with or in lieu of these disciplinary measures, the Bureau may assess a fine pursuant to M.G.L. c. 23K, § 36, and recoup the costs of investigation. Any license or registration that is suspended or revoked shall be forwarded to the Bureau immediately. A person whose license is revoked may apply in writing to the commission for reinstatement no sooner than five years from the date of the revocation.

(9) Appeals.

(a) Any person aggrieved by a decision of the hearing officer may, in writing, request review of said decision by the commission. The filing of such a petition shall not serve to stay any disciplinary action taken by the hearing officer.

(b) The commission may review such decision at its discretion. Such review is an administrative review that shall be based solely on the administrative record and is not to be construed as a second hearing on the same complaint(s). After review, the commission may either deny the petition or remand the matter to the hearings officer for further proceedings as directed. The filing of an appeal with the commission shall serve to toll the timing provisions of M.G.L. c. 30A, § 14 until such time as a final decision is rendered by the commission.

(c) Any person aggrieved by a decision of the hearings officer or the commission may appeal such decision in conformance with M.G.L. c. 30A, § 14.

REGULATORY AUTHORITY

205 CMR 134.00: M.G.L. c. 23K, §§ 3, 12, 16, 30 and 31.

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UNIFORM STANDARDS OF ACCOUNTING PROCEDURES
AND INTERNAL CONTROLS

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138.01: Definitions

As used in 205 CMR 138.00 the following words and phrases shall have the following meanings unless the context clearly indicates otherwise:

Annuity jackpot means any slot machine jackpot offered by a gaming licensee, wide area progressive or multi-state progressive slot system whereby a patron wins the right to receive cash payments at specified intervals in the future.

Asset number means a unique number permanently assigned to a slot machine and a slot cash storage box for purposes of tracking that machine and storage box while owned by a gaming licensee.

Authorized instrument means a cash equivalent, a casino check, a casino affiliate check, an annuity jackpot trust check or a replacement check.

Automated coupon redemption machine means any mechanical, electrical or other device which operates independently of a slot machine and which, upon insertion of a valid casino coupon or currency, dispenses an amount of coin or slot tokens equivalent to the face value of the coupon or currency, and which immediately upon exchange cancels the coupon.

Bank is defined in M.G.L. c.167B, §1.

Cage supervisor means any person who supervises personnel and functions within the cashiers' cage.

Cash means currency or coin.

Cash equivalent means a certified check, cashier's check, treasurer's check, personal checks, travelers' check, or money order.

Check is defined in M.G.L. c.106, section 3-104.

Chief gaming executive means the individual employed by a gaming establishment who is responsible for the daily conduct of a gaming licensee's gaming business. Unless the chief gaming executive also serves as the chief executive officer of the gaming licensee, the chief gaming executive shall report directly to the chief executive officer of the gaming licensee.

Closer means the original of the Table Inventory Slip upon which each table inventory is recorded at the end of each shift.

Credit card cash transaction means a transaction in which a patron obtains cash, chips, plaques, or slot tokens from a cashier by presenting a recognized credit card.

Debit card cash transaction means a transaction in which a patron obtains cash, chips, plaques, or slot tokens from a cashier by presenting a recognized debit card.

Derogatory information means issues that have a negative bearing on one's casino credit including such things as a patron credit account being partially or completely uncollectible,

checks returned unpaid by the patron's bank, settlements, liens, judgments, other credit problems of the patron, or any other information provided by a gaming licensee's security or surveillance department.

Electronic fund transfer is defined in M.G.L. c.167B, §1.

Handle means the total value of coins, slot tokens, including foreign slot tokens, currency, coupons, gaming vouchers, and electronic credits invested by a patron to activate the play of a slot machine or other electronic gaming device.

Identification Credential means government issued photo identification which contains the person's signature.

Imprest means the basis on which cashiers' cage and slot booth funds are replenished from time to time in exactly the value of the net of expenditures made from the funds and value received.

Incompatible function means a function that places any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of their duties. For example, anyone recording transactions and having access to assets ordinarily would be considered to be in a position to perpetrate errors or irregularities. Persons may have incompatible functions if such persons are members of departments which have supervisors not independent of each other.

Master Game Report means a record of the computation of the win or loss or, for the game of poker, the poker revenue, for each gaming table, each game, and each gaming day.

Multi-state jackpot means any progressive slot machine jackpot offered by one or more gaming licensees in conjunction with a licensee from another jurisdiction pursuant to a multi-state progressive slot system agreement.

Opener means the duplicate copy of the table inventory slip upon which each table inventory is recorded at the end of each shift and serves as the record of each table inventory at the beginning of the next succeeding shift.

Outstanding patron check means any Counter Check, Slot Counter Check or replacement check that is not due for deposit or presentation pursuant to 205 CMR 138.45 and has not in fact been deposited or presented for payment or redeemed by the drawer.

Patron deposit means the total value of cash, cash equivalents, complimentary cash gifts, slot tokens, prize tokens, gaming chips or plaques deposited with a gaming licensee by a patron for his or her subsequent use pursuant to 205 CMR 138.38.

Patron check means a Counter Check, a Slot Counter Check or a replacement check.

Poker revenue means the total value of rake charged to patrons at all poker tables pursuant to 205 CMR.

Registered electronic funds transfer company means an organization that:

- (1) Verifies, upon request from a merchant, the validity and account sufficiency of a recognized credit card in the normal course of its business;
- (2) Is authorized to perform the verification for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and
- (3) A gaming licensee has identified in its internal controls as a company that will be used to verify recognized credit cards that are presented in credit card cash or chip transactions.

Scan means to attempt to verify a gaming voucher or coupon in a gaming voucher system or coupon acceptance system by utilizing a device that can read its bar code, or by manually inputting the serial number of the coupon or the validation number of the gaming voucher into the system.

Slot machine drop means the total value of coins, slot tokens, and foreign slot tokens in a slot drop bucket or a slot drop box, the total value of currency, gaming vouchers and coupons in a slot cash storage box, and the total value of electronic credits withdrawn from patron accounts, if applicable.

Slot machine win means the value of the drop less any jackpots paid less any change to the hopper inventory.

Supervisor means a key gaming employee or gaming employee employed in the operation of a gaming establishment in a supervisory capacity or empowered to make discretionary decisions which regulate gaming operations, including but not limited to, boxpersons, floorpersons, pit bosses, poker shift supervisors, table games shift managers, the gaming manager, and the assistant gaming manager.

Suspicious gaming voucher means any gaming voucher that appears to have been counterfeited, tampered with or altered in any way that would affect its integrity, suitability, validity or value.

Table game drop means the sum of the total value of currency, coin, or coupons deposited in the drop box at a gaming table.

Table game win or loss means the amount of table game drop minus the change in the tables chip inventory, including chips issued during fills and chips removed during credits for tables other than poker tables.

Third party check means a check endorsed by its payee to another party who becomes the holder in due course.

Unscanned gaming voucher means any gaming voucher that a gaming licensee elects to redeem when its gaming voucher system or any component thereof is inoperable and, as a result, the system is unable to determine the validity of the voucher.

Unsecured currency, unsecured gaming voucher, unsecured ticket, and unsecured coupon means currency, a voucher, ticket, or coupon found inside a bill changer but outside a bill validator box.

Unverified gaming voucher means any gaming voucher, other than a suspicious gaming voucher, that the gaming voucher system fails to verify and electronically cancel in the system when it is presented for redemption and scanned.

Wire transfer means a transfer of funds by means of the Federal Reserve Bank wire system in accordance with the requirements of 12 C.F.R. 210.25 *et. seq.*

138.02: Licensee's system of internal controls

- (1) At least 60 days prior to commencing operations a gaming licensee shall submit to the commission its proposed minimum system of internal procedures and administrative and accounting controls (hereinafter, "internal controls") in accordance with 205 CMR 138.02(4). Gaming operations may not be commenced until the submission is approved in accordance with 205 CMR 138.02(2).
- (2) The commission shall refer the proposal submitted in accordance with 205 CMR 138.02(1) to the Executive Director who shall review the submission for compliance with M.G.L. c.23K, 205 CMR 138.00 and other applicable sections of 205 CMR referenced therein. Upon completion of review the Executive Director shall either approve the submission or advise the gaming licensee in writing of any deficiency, and may include any other recommendations and/or required changes intended to ensure that a robust system of internal controls is implemented. The gaming licensee may either accept a recommendation in writing or advise the Executive Director in writing as to the reason for its disagreement. The gaming licensee may dispute any determination or recommendation made by the Executive Director to the commission which shall resolve the issue. The commission or the Executive Director may revisit any provision of the internal controls at any time and direct adjustment if necessary, and provide for a reasonable implementation period, to ensure that a robust system of internal controls is in effect. Upon approval by the Executive Director and/or commission the gaming licensee shall be issued a writing evidencing the approval of its internal controls including any associated conditions.
- (3) At least 15 business days prior to changing any provision of the approved internal controls a gaming licensee shall submit the proposed change, including an explanation therefor, and new certifications from its chief legal and financial officers consistent with 205 CMR 138.02(4)(i) and (j), to the commission for approval. The commission shall refer the proposed change to the Executive Director who shall review the proposal to determine whether it complies with 205 CMR 138.00. Changes to the system of internal controls will generally be permitted if the proposed change does not lessen the applicable administrative, accounting, or physical control. Upon completion of review the Executive Director shall either approve the proposed change or advise the gaming licensee in writing as to why the proposal does not comply with 205 CMR 138.00. The gaming licensee may appeal the Executive Director's determination to the commission which shall resolve the issue.

Modifications to internal controls may not be implemented until approved by the Executive Director or the commission. Provided, however, if the Executive Director does not object or otherwise respond to the submission in writing within 15 business days of receipt of the submission, the gaming licensee may make the proposed change subject to further direction by the Executive Director in accordance with 205 CMR 138.02(3).

- (4) The internal controls shall include the following:
- (a) Administrative controls which include, as their primary objective, policies and procedures designed to assure that all activities and transactions of the gaming licensee are instituted and completed in accordance with the applicable policy and/or procedure.
 - (b) Accounting controls, as detailed in 205 CMR, which include, as their primary objective, procedures to assure that all activities and transactions of the gaming licensee are accurately reported and recorded in accordance with generally accepted accounting principles.
 - (c) Reporting controls which shall include policies and procedures for the timely reporting of economic and social impact reports, and standard financial and statistical reports and information in accordance with 205 CMR.
 - (d) Surveillance controls as detailed in 205 CMR.
 - (e) Physical controls which include, as their primary objective, the safeguarding of company assets to include safeguards in the form of organizational safeguards, such as segregation of duties between incompatible functions, and physical safeguards such as restricted access to assets and routine security devices such as cameras and locking doors.
 - (f) A network security plan as described in 205 CMR.
 - (g) A plan to ensure compliance with 205 CMR: *Gross Gaming Revenue and Tax Remittance and Reporting*.
 - (h) All applicable policies and procedures required pursuant to 205 CMR 138.04-138.70.
 - (i) A certification by the gaming licensee's chief legal officer that the submitted procedures conform to M.G.L. c.23K, 205 CMR 138.00, and any applicable regulations referenced therein; and
 - (j) A certification by the gaming licensee's chief financial officer that the submitted procedures provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls, and conform to generally accepted accounting principles and 205 CMR.
- (5) Nothing in 205 CMR 138.00 shall be interpreted so as to limit a gaming licensee's use of technology, provided that, if the gaming licensee intends to utilize any new technology not identified in its initial proposal, it shall submit for commission approval the changes to its system of internal controls to incorporate the use of any such new technology in accordance with 205 CMR 138.02(3).
- (6) If a gaming licensee desires to incorporate a provision in its internal controls that is not in conformance with 205 CMR 138.00, or to exclude a provision required by 205 CMR 138.00, it may petition to do so by including its proposal in its internal controls filing along with a citation to the applicable provision of 205 CMR 138.00 and a written explanation as to why the variance is being requested. The Executive Director may allow the variance upon a finding that the proposal is at least equivalent to the relevant provision contained in 205 CMR 138.00 and that the proposal is likely to achieve the same outcome as if the provision contained in 205 CMR 138.00 were incorporated. Such variance shall be identified in the written approval issued in accordance with 205 CMR 138.02(2).
- (7) Upon approval in accordance with 205 CMR 138.02(2) and (3), the gaming licensee shall implement and abide by its system of internal controls. The commission may take any steps necessary to determine whether the internal controls are being following and to enforce compliance. The gaming licensee shall periodically compare its approved system of internal

controls, as written, to the system actually in place and operating for the purpose of identifying areas of non-compliance, if any, so as to take immediate corrective action. The periodic comparison shall be performed by either independent auditors or internal auditors.

- (8) The gaming licensee shall maintain in its records and at all times a complete set of its system of internal controls in effect at that time.
- (9) When possible, all filings and records required to be submitted to the commission in accordance with 205 CMR 138.00 shall be done electronically unless otherwise directed by the commission.

138.03: Records regarding company ownership

All records regarding ownership, as described in 205 CMR, shall be maintained at a location as determined by the gaming licensee provided that the commission is notified of such location where the records are to be stored. The commission shall be granted prompt and unfettered access to all such records upon request.

138.04: Gaming licensee's organization

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include tables of organization, which shall provide for:
 - (a) 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;
 - (b) The segregation of incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties;
 - (c) Primary and secondary supervisory positions which permit the authorization or supervision of necessary transactions at all relevant times; and
 - (d) Areas of responsibility which are not so extensive as to be impractical for one person to monitor.
- (2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions detailing the structure, function, and area of responsibility for the following mandatory departments and supervisory positions, with each of the mandatory departments and supervisors cooperating with, yet performing independently of, all other mandatory departments and supervisors of the gaming licensee as follows:
 - (a) A surveillance department supervised by an executive who shall be responsible for the management of the surveillance department. The chief surveillance executive shall be subject to the reporting requirements specified in 205 CMR 138.04(4). The surveillance department monitoring room shall be supervised by an individual licensed as a key gaming employee in accordance with 205 CMR 134.00 who shall be present in the room at all times or, if not present, be within immediate contact and at a known location at the gaming establishment.

- (b) An internal audit department supervised by an audit department executive. The audit department executive shall be subject to the reporting requirements specified in 205 CMR 138.04(4).
 - (c) An IT department supervised by an executive who shall be responsible for the management of the IT department.
 - (d) A casino games department supervised by an executive who shall be responsible for the management of the casino games department. The chief casino games executive shall be responsible for the operation and conduct of all authorized games and gaming devices in a gaming establishment
 - (e) A security department supervised by an executive who shall be responsible for the management of the security department.
 - (f) A gaming accounting department supervised by an executive who shall be responsible for the management of the gaming accounting department. The chief gaming accounting executive shall be responsible for all gaming related accounting control functions.
 - (g) A compliance committee consisting of at least 3 members, one of whom shall be independent of the gaming licensee. The compliance committee may consist of less than 3 members on a temporary basis upon a showing of good cause by the gaming licensee, but, under all circumstances, a compliance committee must include at least 1 independent member. The compliance committee may be created at either the gaming licensee level or at the level of a holding or intermediary company. The compliance committee shall provide its policies and procedures to the commission, which policies and procedures shall provide for, at a minimum, the following:
 - (1) The monitoring of policies, procedures, material transactions and proposed transactions for purposes of avoiding impropriety or the appearance thereof;
 - (2) The review of payments to individuals and entities with business associations and the provision of services, gifts or anything of value to or on behalf of any public official;
 - (3) The review of political contributions;
 - (4) Ensuring compliance with all applicable Federal, State and local laws and regulatory requirements;
 - (5) Protecting against unethical or unlawful behavior by employees;
 - (6) The conduct of due diligence reviews and investigations of directors, officers, executive level employees and those entities and individuals having material associations with the gaming licensee; and
 - (7) Providing the commission with the minutes of its meetings with 45 days of the conduct of those meetings.
 - (h) An independent audit committee consisting of at least 3 members provided, however, that the independent audit committee may be comprised of less than 3 members on a temporary basis upon a showing of good cause to the commission. The independent audit committee may be created at either the gaming licensee level or at the level of a holding or intermediary company. The Committee shall provide the commission with the minutes of its meetings within 45 days of the conduct of those meetings.
- (3) Each mandatory department shall be supervised at all times by at least one individual who has been licensed as a key gaming employee in accordance with 205 CMR 134.00.

- (4) The chief executives of the surveillance and internal audit departments required by 205 CMR 138.04(2) shall comply with the following reporting requirements:
 - (a) Each executive shall report directly to the chief gaming executive of the gaming licensee regarding administrative matters and daily operations provided, however, a gaming licensee may allow each of these executives to report directly to a management executive of the licensee other than the chief gaming executive if that management executive reports directly to the chief gaming executive.
 - (b) Each executive shall report directly to one of the following persons or entities regarding matters of policy, purpose, responsibility, and authority. The hiring, termination, and salary of each executive shall also be controlled by one of the following persons or entities:
 - (1) The independent audit committee of the gaming licensee's board of directors;
 - (2) The independent audit committee of the board of directors of any holding company of the gaming licensee which has absolute authority to direct the operations of the gaming licensee;
 - (3) The senior surveillance or internal audit executive of any holding company included in 205 CMR 138.04(4)(b)(2) if such executive reports directly to the independent audit committee of the board of directors of the holding company; or
 - (4) For gaming licensees or holding companies which are not corporate entities, the non-corporate equivalent of any of the persons or entities listed in 205 CMR 138.04(4)(b)(1) through (3).
- (5) In the event of a vacancy in the chief executive officer position, the chief gaming executive, or in any executive position responsible for management of one of the mandatory departments set forth in 205 CMR 138.04(2)(a) through (f), the gaming licensee shall:
 - (a) Provide written notice to the commission no later than five days from the date of the vacancy, advising of the following:
 - (1) The vacant position;
 - (2) The date on which the position became vacant; and
 - (3) The date on which it is anticipated that the vacancy will be filled on a permanent basis.
 - (b) Within 30 days, the gaming license shall either fill the vacant position described in 205 CMR 138.04(5) on a permanent basis or designate an individual to assume the duties and responsibilities of the vacant position on a temporary basis, which appointment shall not exceed 120 days, subject to extension upon approval by the commission. An individual temporarily designated shall not simultaneously function as the department supervisor for any department identified in 205 CMR 138.04(2) and such individual's areas of responsibility shall not be so extensive as to be impractical for one individual to monitor.
 - (c) Within five days of filling any vacancy, whether on a temporary or permanent basis, the gaming licensee shall provide written notice to the commission advising of the following:

- (1) The position;
 - (2) The name of the person designated;
 - (3) The date that the vacancy was filled; and
 - (4) An indication of whether the position has been filled on a temporary or permanent basis.
- (6) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include, and a gaming licensee shall maintain on file, a current table of organization delineating the lines of authority for all personnel engaged in the operation of the gaming establishment, which shall, for each department and division, include direct and indirect lines of authority within the department or division.
- (7) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all gaming employees employed in the gaming establishment are properly trained in their respective professions. Proper training of a gaming employee in the respective field for which the gaming employee is or shall be employed by the gaming licensee may be established as follows:
- (a) Satisfactory completion by the employee of a course of instruction in the employee's respective field provided by a person recognized by the commission as a certified training school in accordance with 205 CMR 137.00;
 - (b) Satisfactory completion by the employee of a course of instruction or on the job training program provided by the gaming licensee in the employee's respective field;
 - (c) Relevant prior work experience of the employee in the employee's respective field; or
 - (d) Other relevant training or experience.

138.05: System for Ensuring Employees are Properly Licensed or Registered

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all individuals employed in the gaming establishment are properly licensed or registered in accordance with 205 CMR 134.01, 134.02, and 134.03. The system of internal controls shall include without limitation the following:
- (a) Procedures for assuring that only properly licensed and/or registered individuals are employed in each position for which a license or registration is required;
 - (b) Procedures to prepare and submit petitions for temporary licenses to individuals for employment in the gaming establishment pursuant to 205 CMR 134.12;
 - (c) Procedures to assure the timely renewal of licenses and registrations of individuals employed in the gaming establishment;
 - (d) Procedures for terminating or suspending the employment of individuals licensed or registered pursuant to 205 CMR 134.01, 134.02, and 134.03 within 24 hours of notification from the commission that the license, registration, or application of such individual has been revoked, suspended, or denied; and
 - (e) Procedures for compliance with the employee reporting information required to be submitted to the commission on a bi-monthly basis in accordance with 205 CMR 138.05(2).

(2) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for reporting the following to the commission on a bi-monthly basis and in a format as directed by the commission. For each individual licensed or registered in accordance with 205 CMR 134.00:

- (a) License or registration number;
- (b) Last name, first name, middle initial;
- (c) Date of birth;
- (d) Position or job title, represented by a job code that corresponds with a position or job title in the gaming licensee's job compendium;
- (e) Initial hire date;
- (f) Effective date of any change in individual's position or job title;
- (g) Access code, if any, assigned to the individual, designating the restricted areas that the individual is permitted to enter;
- (h) For each individual who has been suspended or terminated since the most recent prior report was submitted to the commission:
 - (1) The information in 205 CMR 138.05(2)(a) through (g), and
 - (2) The effective date of suspension or termination.
- (i) A record of any and all designations to describe categories of employees, including without limitation, "full time," "part time" or "seasonal;" the number of individuals in each category; and the total number of individuals in all categories.
- (j) The date on which the information submitted in the report was compiled.

138.06: System for Business Dealings with Vendors

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all persons conducting business with a gaming licensee as a vendor to a gaming establishment are properly licensed or registered in accordance with 205 CMR 134.04. The system of internal controls shall include without limitation the following:

- (a) Procedures for assuring that only properly licensed and/or registered vendors are conducting business with a gaming licensee;
- (b) Procedures to prepare and submit petitions for temporary licenses of vendors pursuant to 205 CMR 134.12;
- (c) Procedures to assure the timely renewal of licenses and registrations of vendors; and
- (d) Procedures for terminating or suspending the conduct of business with a vendor licensed or registered pursuant to 205 CMR 134.04 within 24 hours of notification from the Commission that the license, registration, or application of such vendor has been revoked, suspended, or denied.

(2) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for providing a *Disbursement Report* to the Commission on a bi-monthly basis and in a format as directed by the Commission. The *Disbursement Report* shall reflect, for each vendor licensed or registered in accordance with 205 CMR 134.04, the following information:

- (a) Name of vendor;
- (b) Vendor license or registration number;
- (c) The amount of each individual disbursement drawn by the gaming licensee to the vendor, and the amount of each individual disbursement drawn by the vendor to the gaming licensee;
- (d) The date of each disbursement;
- (e) The total of all disbursements made during the reporting period by vendor; and
- (f) The date and amount of any payment to or from a vendor subsequently voided or corrected.

(3) Agreements with vendors. Each gaming licensee shall maintain a fully signed copy of every written agreement and records with respect to every unwritten agreement to which it is a party which provide, at a minimum, the terms of the agreement, the parties to the agreement, a description of the goods and/or services to be provided under the agreement, and details regarding the exchange of direct compensation under the agreement, including but not limited to dollar amounts, for any person doing business for the benefit of the gaming licensee and/or the gaming establishment, any person doing business relating to the construction, maintenance, renovation, and/or expansion of the gaming establishment, and any person doing business on the premises of the gaming establishment.

138.07: Floor plans of the gaming area, gaming establishment simulcasting facility and restricted areas

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include proposed floor plans of the gaming establishment's gaming area, simulcasting facility, if any, and any restricted areas.
- (2) Each floor plan required by 205 CMR 138.07(1) shall accurately depict the entire layout, including equipment positioning, in the gaming area and support areas, shall be drawn to at least one-eighth inch scale (1/8 inch = one foot), shall have received any necessary approvals, and shall depict, at a minimum, the location of the following:
 - (a) The gaming area, and any simulcasting facility, including, at a minimum, the proposed total square footage thereof and a clear delineation of the respective perimeter of each;
 - (b) Each gaming pit, its pit location number, and any alternate configurations;
 - (c) Each table game, noting its pit and table game location number;
 - (d) Each CCTV camera, noting its type and camera number;
 - (e) Each slot booth, noting its booth number;
 - (f) Each cashier's cage and its component offices and areas;
 - (g) Each separate master coin bank;
 - (h) Each window at the cashiers' cage, noting its window number;
 - (i) Each count room;
 - (j) Each slot zone, its slot zone location letter or number and the total number of authorized slot machine locations within that slot zone, and at the gaming licensee's option, a

maximum of four alternate configurations or locations for that slot zone and the alternate slot zone location number for each (for example, Slot Zone 2A);

- (k) Each authorized slot machine or other gaming device location, which location shall contain no more than one slot machine and bill changer at a time, noting its slot machine location number and any slot zone location letter or number;
 - (l) Each slot stool authorized for use, if any;
 - (m) Each automated coupon redemption machine, noting its location number;
 - (n) Each automated jackpot payout machine, noting its location number;
 - (o) Each gaming voucher redemption machine, noting its location number;
 - (p) Each satellite cage and its component offices and areas;
 - (q) Each coin vault;
 - (r) Each area approved for the storage of gaming chips or plaques;
 - (s) Each room or area approved for the storage of dice or playing cards;
 - (t) Each other room or area that is accessible directly from the gaming area;
 - (u) For those establishments with a simulcasting facility:
 - (1) Each simulcast counter and any ancillary simulcast counter, along with their component offices, areas and equipment;
 - (2) Each credit voucher machine, noting its location number;
 - (3) Each self-service pari-mutuel machine, noting its location number; and
 - (4) Each other area or room designated by the commission.
- (3) A gaming licensee, after obtaining the commission's approval of its floor plans submitted as part of its internal controls, shall not commence gaming or simulcast wagering in the areas depicted on the floor plan until, subject to 205 CMR 138.50, a copy thereof that has been delivered to the commission's IEB office in the establishment, an electronic copy has been sent to the IEB's main office, and a printed copy thereof has been delivered to each of the following:
- (a) The gaming licensee's security podium; and
 - (b) The gaming licensee's monitoring rooms

138.08: Accounting records

- (1) A gaming licensee shall maintain complete, accurate, and legible records of all transactions pertaining to the revenues and costs for the gaming establishment including those required in accordance with 205 CMR: *Continuing Disclosure and Reporting Obligations of Gaming Licensees and Qualifiers* and 205 CMR: *Gross Gaming Revenue Tax Remittance and Reporting*.
- (2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accrual basis. Detailed, supporting, subsidiary records sufficient to meet the requirements of 205 CMR shall also be maintained.

138.09: Retention, storage and destruction records

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a records retention schedule, and provisions related to the storage and destruction of records that at a minimum incorporates the following provisions:
- (a) The following records shall be retained indefinitely unless permission for destruction is requested by the gaming licensee and approved by the commission:
 - (1) Corporate records required by 205 CMR 138.02;
 - (2) Records of corporate and due diligence investigations and associated procedures;
 - (3) Current employee personnel files; and
 - (4) A record of any record destroyed, identifying the particular record, the period of retention and the date of destruction.
 - (b) All financial, accounting, contract, payroll, personnel, employee and budget documents shall be retained for the periods prescribed in sections D and E of the *Massachusetts Statewide Records Retention Schedule, 02-11*. (References in the *Schedule* to the state comptroller, state accounting system and other similar terms shall be read to refer to the Licensee and its accounting systems).
 - (c) All tax return filings and related records referenced in section *L3 Tax Filing #1* of the *Massachusetts Statewide Records Retention Schedule, 02-11* shall be retained for 6 years.
 - (d) All tax revenue accounting records referenced in section *L5 Tax Collection #12* of the *Massachusetts Statewide Records Retention Schedule, 02-11* shall be retained in accordance with the periods prescribed in the *Schedule*.
 - (e) In addition to those records referenced in 205 CMR 138.09(1)(a) through (d), the Licensee's records retention schedule shall include provisions by category relative to:
 - (1) All gaming related records
 - (2) Security related records
 - (3) Surveillance related records
 - (4) Records relative to junkets
 - (5) Records relative to vendors
- (2) (a) A gaming licensee may petition the commission at any time for approval of a facility off the site of the gaming establishment to be used to generate or store records. Such petition shall include:
- (1) A detailed description of the proposed off-site facility, including security and fire safety systems; and
 - (2) The procedures pursuant to which commission agents will be able to gain access to the records retained at the off-site facility.
- (b) A gaming license may store any records electronically or via other suitable medium.
- (3) A gaming licensee shall, except as otherwise provided, notify the commission in writing at least 15 days prior to the scheduled destruction of any record. Such notice shall list each type of record scheduled for destruction, including a description sufficient to identify the records included; the retention period; and the date of destruction.
- (4) The commission may prohibit the destruction of any record by so notifying the gaming licensee in writing within 15 days of receipt of the notice of destruction pursuant to 205 CMR 138.09(3) or within the specified retention period. Such original record may thereafter

be destroyed only upon notice from the commission, the IEB, or by order of the commission upon the petition of the gaming licensee or by the commission on its own initiative.

- (5) The gaming licensee may utilize the services of a disposal company for the destruction of any records except those related to credit. Any cash complimentary coupons to be destroyed by a disposal company shall be cancelled with a void stamp, hole punch or similar device, or must contain a clearly marked expiration date which has expired.
- (6) Nothing herein shall be construed as relieving a gaming 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.

138.10: Jobs compendium submission

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a jobs compendium detailing job descriptions, chains of command, and lines of authority for all personnel engaged in the operation of the gaming establishment. The licensee shall maintain and update the jobs compendium on a regular basis.
- (2) A jobs compendium shall include the following sections, in the order listed:
 - (a) An alphabetical table of contents listing the position title and job code for each job description included in 205 CMR 138.10(1) and the page number on which the corresponding job description may be found;
 - (b) A table of organization for each department and division, including all positions, and illustrating by position title, direct and indirect lines of authority within the department or division. Each page of a table of organization shall specify the following:
 - (1) The date of its submission;
 - (2) The date of the previously submitted table of organization which it supersedes; and
 - (3) A unique title or other identifying designation for that table of organization.
 - (c) A description of each employee position which accurately corresponds to the position title as listed in the table of organization and in the alphabetical table of contents. Each position description shall be contained on a separate page, organized by departments or divisions, and shall include, at a minimum, the following:
 - (1) Position title and corresponding department;
 - (2) Job duties and responsibilities;
 - (3) Detailed descriptions of experiential or educational requirements;
 - (4) Proposed registration or license rank consistent with 205 CMR 134.01 through 134.03;
 - (5) The date of submission of each employee position job description and the date of any prior job description it supersedes; and
 - (6) The date of submission and page number of each table of organization on which the employee position title is included.
- (3) A proposed amendment to a previously approved jobs compendium, including any amendment to a table of organization, may be implemented by the gaming licensee without the prior approval of the commission in accordance with 205 CMR 138.02(3), provided that:
 - (a) The amendment is immediately recorded in the jobs compendium maintained by the licensee on its premises; and
 - (b) The amendment is submitted to the commission by the end of the business day on the

date of implementation, including at a minimum, the following:

- (1) A detailed cover letter listing by department each position title to which modifications have been made, a brief summary of each change, instructions regarding any changes in page numbers and the date of implementation; and
 - (2) The proposed changes to the information required by 205 CMR 138.10(2), including the corresponding job descriptions and tables of organization, contained on pages which may be used to substitute for those sections of the jobs compendium previously approved by the commission.
- (4) A gaming licensee shall not be required to comply with the filing requirements of 205 CMR 138.10(3) for amendments to job descriptions for positions which require a gaming service employee registration, provided that the gaming licensee files with the commission a notice of any addition, deletion or amendment to any position that requires gaming service employee registration. Such notice shall include the title, department, job code, salary grade and table of organization on which that position is identified.
 - (5) Notwithstanding any other requirement of 205 CMR, each gaming licensee shall submit a complete and up-to-date jobs compendium in accordance with 205 CMR 138.02 to the commission 18 months after approval of its system of internal controls in accordance with 205 CMR 138.02 and every two years thereafter, unless otherwise directed by the commission.
 - (6) Each gaming licensee shall maintain on its premises a complete, updated copy, which may be maintained electronically, of its jobs compendium.
 - (7) No provision of 205 CMR 138.00 shall be construed so as to limit a gaming licensee's discretion in utilizing a particular job title for any position in its jobs compendium.

138.11: Personnel assigned to the operation and conduct of gaming

Each gaming licensee shall be required to employ the following personnel in the operation of its gaming establishment regardless of the position titles assigned to such personnel by the gaming licensee in its approved jobs compendium:

- (1) Each gaming licensee shall at all times maintain a level of staffing that ensures the proper operation and effective supervision of all authorized games and simulcast wagering in the gaming establishment and simulcasting facility.
- (2) Each gaming licensee shall be required to employ a gaming manager. The gaming manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of a gaming licensee's casino games department including, without limitation, the hiring and terminating of all gaming establishment employees and the creation of high employee morale and good customer relations, all in accordance with the policies and practices established by the gaming licensee's board of directors or non-corporate equivalent.
 - (a) In the absence of the gaming manager and the assistant gaming manager, should the gaming establishment have an assistant gaming manager, a table games shift manager or slot shift manager, as applicable, who is employed within the casino games department shall be designated by the gaming licensee as the person responsible for the overall operation of the casino games department and such person shall have the authority of a gaming manager.

- (b) Notwithstanding 205 CMR 138.11(2), if a gaming licensee chooses to establish an independent slot department, the independent slot department shall be supervised and managed by a slot department manager in accordance with 205 CMR 138.11(4)(h)(5).
- (3) The following personnel shall be used to operate the table games in a gaming establishment:
- (a) Gaming clerk shall be the employee located at a desk in the pit to prepare documentation required for the operation of table games including, without limitation, Requests for Fills, Requests for Credits, Counter Checks and documents that evidence the exchange of gaming chips or plaques as part of credit or debit card chip transactions.
 - (b) Dealers shall be the employees assigned to each table game to directly operate and conduct the game.
 - (c) Stickperson shall be the dealer assigned to each craps table to control the dice and may be responsible for the proposition wagers made at the craps table. A stickperson may also be assigned to a mini-craps table, in addition to the required dealer, to control the dice and may be responsible for the proposition wagers made at the mini-craps table.
 - (d) Boxperson shall be the first level supervisor assigned the responsibility of directly participating in and supervising the operation and conduct of the craps game.
 - (e) Floorperson shall be the second level supervisor assigned the responsibility for directly supervising the operation and conduct of a craps game, and the first level supervisor assigned the responsibility for directly supervising the operation and conduct of all other table games.
 - (f) Pit boss shall be the third level supervisor assigned the responsibility for the overall supervision of the operation and conduct of a craps game and the second level supervisor assigned the responsibility for the overall supervision of the operation and conduct of all other table games other than poker.
 - (g) Poker shift supervisor shall be the supervisor assigned with the responsibility for directly supervising all activities related to the operation and conduct of poker. A poker shift supervisor may also supervise table games other than poker in lieu of a pit boss.
 - (h) Table games shift manager shall be the supervisor assigned to each shift with the responsibility for the supervision of table games conducted in the gaming establishment provided, however, that:
 - (1) If a gaming licensee chooses to establish an independent slot department a gaming manager may personally perform the required duties of a table games shift manager when the gaming manager is present in the gaming establishment; and
 - (2) A gaming licensee may, as part of its revised supervision plan as set forth in 205 CMR 138.11(6), permit its table games shift manager to provide a break, for a reasonable period of time, for a pit boss on duty during the hours of 12:00 a.m. to 12:00 p.m.
- (4) Each gaming licensee shall maintain the following minimum levels of staffing:
- (a) One gaming clerk shall be assigned to the entire gaming establishment;
 - (b) One dealer shall be assigned to each table for any table game other than craps and baccarat;
 - (c) Three dealers shall be assigned to each craps and baccarat table;
 - (d) One boxperson shall be assigned to each craps table;
 - (e) One floorperson shall supervise not more than:

- (1) Six tables comprised of any combination of table games excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR), craps, mini-craps, automated craps and pai gow; or
- (2) One baccarat table; or
- (3) As to the game of minibaccarat, when using the dealing procedure in 205 CMR:
 - (a) Two minibaccarat tables using the dealing procedure in 205 CMR; or
 - (b) One minibaccarat table using the dealing procedure in 205 CMR and one table of any other table game excluding baccarat, mini-craps and pai gow (unless the pai gow table has continuous, dedicated surveillance camera coverage); or
- (4) As to the game of craps:
 - (a) Two craps tables; or
 - (b) One craps table and one table of any other table game excluding baccarat, mini-craps and pai gow; or
 - (c) One mini-craps table; or
 - (d) Two automated craps games; or
 - (e) One automated craps table and two other table games, excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR), craps, mini-craps and pai gow; or
- (5) As to the game of pai gow:
 - (a) One pai gow table; or
 - (b) Two pai gow tables if the tables are in a side-by-side configuration and continuous, dedicated surveillance camera coverage is maintained for the pai gow tables; or
 - (c) One pai gow table with continuous, dedicated surveillance camera coverage and one table of any other table game excluding baccarat, craps and mini-craps; or
- (6) As to the game of poker:
 - (a) Six poker tables if the poker shift supervisor is supervising both poker tables and table games other than poker; or
 - (b) Ten poker tables if the poker shift supervisor is supervising only poker tables; or
 - (c) Twelve poker tables if the poker shift supervisor is supervising only poker tables and no floorperson assigned to poker by a gaming licensee has any responsibilities for seating players.
- (f) One pit boss shall supervise not more than 24 gaming tables, provided that all of the tables are within view of each other; and
- (g) One poker shift supervisor shall supervise all open poker tables; provided, however, that the poker shift supervisor may supervise a total of not more than 16 poker tables and table games other than poker (in lieu of a pit boss) if fewer than 16 poker tables are open.
 - (1) Notwithstanding the provisions of 205 CMR 138.11(4)(g):
 - (a) If a gaming licensee has six or fewer poker tables open for gaming activity, no poker floorperson shall be required and the poker tables may be supervised by the poker shift supervisor, provided that the poker shift supervisor is not supervising any other table games; and

- (b) If a gaming licensee has at least one but fewer than four poker tables open for gaming activity, the poker shift supervisor may supervise any combination of not more than four poker tables and table games other than poker (in lieu of a pit boss) and no floorperson shall be required to supervise the poker tables provided that the floorperson supervision requirements for games other than poker are satisfied.
- (2) Notwithstanding the provisions of 205 CMR 138.11(4)(g), a gaming licensee may implement a plan for revised supervision by floorpersons, poker shift supervisors, pit bosses or slot shift managers. A plan for revised supervision of table games shall not include any gaming tables at which the cards shall be used for more than 24 hours pursuant to 205 CMR. In any plan for revised supervision:
 - (a) One floorperson may supervise not more than 8 tables comprised of any combination of table games excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR, craps, mini-craps, automated craps, pai gow and blackjack when offering the streak wager permitted under 205 CMR;
 - (b) One pit boss may supervise not more than 36 gaming tables, provided that all of the tables are within view of each other;
 - (c) One poker shift supervisor may supervise a total of not more than 30 poker tables and gaming tables other than poker (in lieu of a pit boss), provided that:
 - (1) The poker shift supervisor is supervising all poker tables which are open to the public; and
 - (2) One floorperson may supervise not more than 8 poker tables;
 - (d) One floorperson may supervise two craps tables and one additional table of any other table game excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR, mini-craps, automated craps and pai gow);
 - (e) One floorperson may supervise one craps table and two additional tables comprised of any combination of table games excluding baccarat, minibaccarat, mini-craps, automated craps and pai gow;
 - (f) One floorperson assigned to poker may supervise not more than 12 poker tables if the poker shift supervisor is supervising only poker tables; and
 - (g) One floorperson assigned to poker may supervise not more than 14 poker tables if the poker shift supervisor is supervising only poker tables and no floorperson assigned to poker has any responsibilities for seating players.
- (h) The following personnel shall be used to maintain and operate the slot machines, electronic gaming equipment, and bill changers in an establishment:
 - (1) Slot mechanics shall be the persons assigned the responsibility for repairing and maintaining slot machines, electronic gaming equipment, and bill changers in proper operating condition and participating in the filling of payout reserve containers.
 - (2) Slot attendants shall be the persons assigned the responsibility for the operation of slot machines and bill changers, including, but not limited to, participating in manual jackpot payouts and filling payout reserve containers.
 - (3) Slot supervisors shall be the first level supervisors assigned the responsibility for directly supervising the operation of slot machines and bill changers.

- (4) Slot shift manager shall be the second level supervisor with the responsibility for the overall supervision of the slot machine and bill changer operation for each shift.
 - (5) If a gaming licensee chooses to establish an independent slot department the slot department manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of the gaming licensee's slot machines, electronic gaming equipment, and bill changers. In the absence of the slot department manager, the slot shift manager shall have the authority of the slot department manager.
- (5) Nothing in 205 CMR 138.11 shall be construed to limit a gaming licensee from utilizing personnel in addition to those described herein nor shall anything in 205 CMR 138.11 be construed to limit the discretion of the commission to order the utilization of additional personnel by the gaming licensee as necessary.
 - (6) The gaming manager or table games shift manager shall notify the IEB no later than 24 hours in advance of implementing or changing any plan for revised supervision for table games, and the slot shift manager, provided, however, that notice may be provided less than 24 hours in advance in circumstances which are emergent or may otherwise not reasonably be anticipated.
 - (a) Any notice of a plan for revised supervision of table games shall include, without limitation, the following information:
 - (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 and the proposed variance therefrom;
 - (4) The start date and time, and the duration, of the revised supervision; and
 - (5) The basis for the request to revise the number of supervisory personnel, which shall include any relevant factors which demonstrate that proper operation and effective supervision of the affected gaming tables will be maintained, such as, as applicable, a showing:
 - (a) That the revised supervision is justified by a reduced volume of play at the specified times and gaming tables in the gaming establishment;
 - (b) That the particular dealers or supervisors assigned to the affected tables possess a degree of skill and experience indicative of sufficient ability to operate the affected tables with revised supervision, in which case a record of the personnel assigned to such tables during the period of revised supervision shall be maintained;
 - (c) That a reduced number of gaming tables will be operating in the affected pits, which are in a configuration to ensure proper supervision and operation; or
 - (d) Any other facts or circumstances which establish that a revision in the number of supervisory personnel is appropriate.
 - (b) The commission may, at any time upon 12 hours notice, direct that the plan for revised supervision be terminated and that the licensee maintain standard staffing levels as defined in 205 CMR 138.11.

138.12: Alcoholic Beverage Control

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A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures designed to ensure compliance with 205 CMR: *Sale and Distribution of Alcoholic Beverages at Gaming Establishments* including, at a minimum, procedures designed to ensure proper training of employees involved in the service of alcoholic beverages, and procedures designed to prevent serving alcoholic beverages to underage or visibly intoxicated individuals.

138.13: Complimentary services or items and promotional gaming credits

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a detailed complimentary distribution program consistent with M.G.L. c.23K, §28 and a description of its proposed use and distribution of promotional gaming credits.
- (2) The gaming licensee's complimentary distribution program shall be such that reasonable assurance is provided that any complimentary services or items, as defined by M.G.L. c.23K, §2, whether provided directly to the patron and the patron's guests by the gaming licensee or indirectly to the patron and the patron's guests on behalf of a third party, are:
 - (a) Issued by employees authorized for such purposes in accordance with the program;
 - (b) In accordance with M.G.L. c.23K, §28(c), valued in an amount based upon the retail price normally charged by the gaming licensee for the service or item. The value of a complimentary service or item not normally offered for sale by a gaming licensee or provided by a third party on behalf of a gaming licensee shall be the cost to the gaming licensee of providing the service or item, as determined under rules adopted by the commission; and
 - (c) Recorded, compiled and maintained in such a way so as to allow a system of reporting in accordance with M.G.L. c.23K, §28(b) that can report complimentaries by date, issuer, recipient, type, and value.
- (3) A gaming licensee may include in its policy and procedure provisions for the discretionary discounting of the amount of an outstanding Counter Check or Slot Counter Check to be redeemed by a patron for any marketing related reason.

138.14 Internal control procedures for security department

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions describing the duties and operation of its security department.

138.15: Internal control procedures for access badge system and issuance of temporary license

credentials, and restricted areas

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions related to credentials. All key gaming employees, gaming employees, and gaming service employees, while engaged in the performance of their duties on the premises of the gaming establishment, shall visibly display a credential issued by the commission on his or her person at all times.

The system of internal controls related to credentials shall at a minimum incorporate the following credentialing system:

- (a) A – Access shall apply to individuals in the following positions: Chief Executive Officer, Chief Operating Officer, President, Audit Committee, Vice Presidents, Directors, General Counsel, Associate General Counsel, Security Employees, Surveillance Employees, and Internal Audit Employees. Only those Vice Presidents and Directors directly related to gaming operations, Finance or Administration shall be assigned an "A" access code. All non-gaming related Vice Presidents and Directors shall be required to have a security escort to gain access to restricted areas.

All employees designated with the "A" access code shall have access to all restricted areas, with limitations on access to the count rooms, surveillance room. Access may be permitted to count rooms while a count is not in progress with a valid reason and permission of the IEB Agent on duty. Access to the surveillance room and catwalks for non-surveillance employees must be with permission of the Director of Surveillance.

- (b) M – access shall apply to MIS Employees. All employees designated with the "M" access code shall have access to the MIS computer room. They have access to all other restricted areas with valid reason and prior approval of restricted area department manager. (Access to the count rooms requires permission of the IEB Agent on duty.)

- (c) C – access shall apply to Cashiers, Cage Employees, Slot Coin Cage Employees, Collection Employees, Credit Employees, Pit Clerks, Income Control, All Accounting /Finance Employees, Hard Count Room Employees, Soft Count Room Employees, Impressionment Employees, and Simulcast Employees.

All employees designated with the "C" access code shall have access to cashiers cage, satellite cashiers cage, master coin bank, slot booths, runways, simulcast counters, and pit areas with valid reason and prior approval of the restricted area department manager. Also, they shall have access to the count rooms to perform functions previously approved in their internal control submissions and with permission of the IEB Agent on duty.

- (d) CS – access shall apply to slot attendant supervisors who supervise slot coin cashiers, and slot coin cashiers who report to slot attendant supervisors. All employees designated with the "CS" access code shall have access to slot booths, runways, slot repair room, and to the cashiers cage only when necessary to pass through the cashiers

cage to access a slot coin booth. A “CS” badged employee shall not have access to the master coin bank.

- (e) P – access shall apply to Casino Games Employees, Poker Games Employees, and Gaming Table Maintenance Employees. All employees designated with the "P" access code shall have access to the casino pit and poker pit areas.
- (f) S – access shall apply to Slot Department Employees. All employees designated with the "S" access code shall have access to the slot repair room.
- (g) V – access shall apply to all visitors to restricted areas. All visitors to restricted areas shall be designated with the "V" access code and shall have access to restricted areas only when such entry is authorized by an employee designated with "A" access code and the restricted area supervisor. Further, if such entry is so authorized, a visitor may enter a restricted area only when accompanied by an "A" employee or by a security officer, and by notification of the IEB Agent on duty. Visitors may access the surveillance room/catwalks only with the permission of the Director of Surveillance and an IEB agent.

(2) The commission shall issue an official credential that shall bear the inscription “Massachusetts Gaming Commission,” the official seal of the commission, the signature of the chair of the commission or his or her designee, as well as a photograph of the licensee or registrant and specific identification information for the person to whom the credential is issued.

The information shall include:

- (a) License or registration number,
- (b) Name, and
- (c) Access code.

(3) The credential format shall be in a shape and legibility that will enhance surveillance capability and visual acuity.

(4) Notwithstanding 205 CMR 138.15(1), the Director of the IEB or his or her designee, may, upon written request by a gaming licensee, and upon a showing of good cause, exempt certain positions, titles, or persons from the requirements of 205 CMR 138.15(1).

(5) Commission employees, agents or contractors or employees of agencies authorized to conduct regulatory or regulatory related activities pursuant to M.G.L. c.23K at a gaming establishment shall carry their agency credentials on their person at all times while engaged in the performance of their duties. Credentials may not be utilized for unofficial, social, or non-employment related access, purpose, or presence within any gaming establishment.

(6) A temporary credential shall only be issued by the security department if the following criteria are verified:

- (a) The employee to whom the credential is to be issued is listed in the gaming licensee's current employee status report;
- (b) The employee holds a current license or registration issued in accordance with 205 CMR 134.00;
- (c) The employee is authorized by his or her supervisor to possess the specific credential to be working in the designated or restricted area authorized by such credential; and
- (d) The employee has not been issued more than 12 temporary credentials within the preceding 12 month period from the issuance of the first temporary credential.

(7) The temporary credentials may be issued to an employee only for a 24 hour period and shall contain the following information:

- (a) A prominent space to allow the insertion of the name of the specific employee to whom it is issued;
- (b) The date and time of issuance by the security department;
- (c) Name and credential number of issuing security officer;
- (d) The conspicuous notation that the credential is "VOID AFTER 24 HOURS"; and
- (e) A sequential number reflecting the number of temporary credentials issued at that gaming establishment that is to be recorded in both an onsite IEB and security department bound log book or database.

(8) The IEB shall approve the design of the temporary credentials. The gaming licensee's security department shall secure the temporary credentials until needed for issuance in compliance with 205 CMR 138.15(7). The security department shall provide a monthly report to the IEB identifying the number, names, departments and frequency of temporary credentials issued as well as any missing, stolen, destroyed, or replaced credentials. The IEB may require additional information regarding any credential issuance or utilization and the gaming licensee shall provide all such information in a timely fashion.

138.16: Access to public and restricted areas

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to access to restricted areas. No gaming licensee shall permit any individual to have access to any restricted area in its gaming establishment unless such access is permitted in accordance with the gaming licensee's internal controls. Restricted areas shall, at a minimum, include the following areas:

- (a) Cashiers cage, satellite cashiers cage, master coin bank, slot booths, and runways. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.15(1), may enter these restricted areas. Employees designated with the "M" access code have access with the limitations described under their access letter. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. The cage secretary and/or a cage area cleaner may enter the cashier's cage without a security escort to complete their job function; however these individuals must

have the permission of the cage area supervisor and are the sole responsibility of that supervisor. Employees designated with the "CS" access code, as provided by 205 CMR 138.15(1), may enter the slot booths and runways. They may enter the cashier's cage only when access is needed to gain entrance to a slot coin booth. A "CS" access code shall not have access to the master coin bank.

- (b) Count rooms. All employees designated with the "C" access code, as provided by 205 CMR 138.15(1), whose duties require access may enter this restricted area. Employees designated with the "A" and "M" access codes, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.
- (c) Cashiers cage, satellite cashiers cage, master coin bank, slot booths, and runways. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.15(1), may enter these restricted areas. Employees must be listed on the cage access list to gain access to the cage. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. The cage secretary and/or a cage area cleaner may enter the cashier's cage without a security escort to complete their job function; however these individuals must have the permission of the cage area supervisor and are the sole responsibility of that supervisor. All employees designated with the "CS" access code, as provided by 205 CMR 138.15(1), may enter the slot booths, and runways. They may enter the cashier's cage only when access is needed to gain entrance to a slot coin booth. At no time shall a "CS" access code, as provided by 205 CMR 138.15(1), have access to the master coin bank.
- (d) Slot repair room. All employees designated with the "A", "CS", and "S" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.
- (e) Simulcast counters. All employees designated with the "A" and "C" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.
- (d) Computer room. All employees designated with the "A" and "M" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. A MIS secretary and/or computer room area cleaner may enter the computer room without a security escort to complete their job function, however these individuals must have the permission of the computer room supervisor and shall be the sole responsibility of that

supervisor. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.

- (f) Card and dice storage room. All employees designated with the "A" access code, as provided by 205 CMR 138.15(1), and those games/poker department employees who hold the position of casino/poker shift manager or above may enter this restricted area. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.
 - (g) Card and dice destruction room. All employees designated with "A" access code, as provided by 205 CMR 138.15(1), may enter this restricted area.
 - (h) Pit areas. All employees designated with the "A" and "P" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Employees designated with the "M", and "C" access codes, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a "valid" reason and permission of the restricted area supervisor.
 - (e) Surveillance room and catwalks. All employees designated with the "A" access code, as provided by 205 CMR 138.15(1), who are surveillance room employees may enter this restricted area. All other employees designated with the "A" access code may have access with the limitations described under their access letter. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Anyone who enters this restricted area, who is not a surveillance room employee or a member of the IEB, must sign the surveillance room entry log prior to entering the restricted area. The surveillance room secretary and/or surveillance room area cleaner may enter the surveillance room without a security escort to complete their job function, however these individuals must have the permission of the surveillance room area supervisor and are the sole responsibility of that supervisor. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.
 - (i) Access to restricted area for employees who do not hold a gaming employee license. All employees who would not otherwise be afforded access to a restricted area in accordance with 205 CMR 138.15(1) may be granted access to restricted areas with a valid reason, a security escort, and permission of the restricted area's department manager with limitations on the count rooms, surveillance room. Access may be granted to the count rooms while the counts are not in progress and with permission of the IEB Agent on duty. Access to the surveillance room/catwalks may be granted only with a valid work related reason and permission of the Director of Surveillance.
- (2) A gaming licensee may deny or limit access to any public areas of the gaming establishment for any reason necessary to ensure public safety and/or the integrity of the gaming operations, including, but not limited to, the following reasons:

- (a) Persons excluded in accordance with 205 CMR 133.00: *Voluntary Self Exclusion* or M.G.L. c.23K, §45;
- (b) Underage persons in a prohibited area;
- (c) Players required by a gaming licensee to leave the game of poker in accordance with 205 CMR.

(3) Nothing in 205 CMR 138.16 or a gaming licensee's system of internal controls shall limit the authority of commission employees or agents from obtaining access to restricted areas in the performance of their respective duties and responsibilities.

138.17: Searches of employees and the workplace by the gaming licensee

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include internal policies and procedures for the gaming licensee's security department to conduct searches of employees, including screening for drugs and alcohol, and employee workplaces, workspaces, and personal receptacles, specifically describing the policies and procedures with respect to searches conducted at random and based upon reasonable suspicion. Examples of "workspaces" include, but are not limited to, desks, closets, lockers, and drawers located within the gaming establishment.
- (2) If the policies and procedures referenced in 205 CMR 138.17(1) are approved by the commission, such policies and procedures shall be set forth in writing, prior to implementation, as a portion of the gaming licensee's employee personnel policy manual. The content of this manual shall include a requirement that the employee consents to searches conducted in the described workplace areas and subject to the described circumstances as a condition of employment with the gaming licensee. This manual shall be distributed to all employees. Each employee shall acknowledge in writing, by way of the employee's signature, receipt of the manual and an understanding of its contents, and specifically an understanding that the employee consents to the policy and understands it. The gaming licensee shall maintain the written acknowledgements in a central repository.

138.18: Vendor access badges

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions related to vendor access badges. Access badges may be issued to personnel of a gaming vendor and non-gaming vendor licensed or registered in accordance with 205 CMR 134.00 who in the course of providing their goods or services require access to a restricted area of the gaming establishment. Access badges shall be issued by the security department of the gaming licensee upon a verification of the identification of the specific employee with at least two forms of identification, at least one of which must be a government issued photo identification, and the employee's work schedule. Each access badge shall be effective only for the term of the service to be provided, issued on a daily basis after confirmation of identity, and shall be surrendered to the security department at the end of each day.
- (2) The access badge shall contain the following information:

- (a) A prominent space to allow the insertion of the name of the specific person to whom it is issued and identify the vendor employer;
- (b) The date and time of issuance by the security department;
- (c) Name and access badge number of issuing security officer; and
- (d) A sequential number reflecting the number of total badges issued at that gaming establishment that is to be recorded in both an onsite IEB and security department access badge log book or database.

138.19: Count rooms; physical characteristics; count protocols

- (1) A gaming licensee shall have one or more rooms to be known as a "count room" specifically designated, designed, and used for counting the contents of table drop boxes, slot cash storage boxes, slot drop buckets and slot drop boxes. If a gaming licensee's system of internal controls provides for counts of the contents of slot drop buckets and slot drop boxes in a different room from the room where the table drop boxes and slot cash storage boxes are counted, that latter shall be known as the "soft count room," and the former shall be known as the "hard count room."
- (2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of all equipment used in the counting and recording process and all other systems used for purposes related to the counting of gross revenue and shall otherwise comport with the requirements of 205 CMR 138.19.
- (3) A gaming licensee shall design and construct each count room to provide maximum security with, at a minimum, the following security measures:
 - (a) A metal door installed on each entrance and exit equipped with a lock which shall be maintained and controlled by the security department;
 - (b) An alarm device, which audibly signals the surveillance, security departments, and the on-site IEB office whenever a count room door is opened;
 - (c) A light system, which illuminates one or more lights in the surveillance department and at each count room door, for purposes of maintaining constant surveillance on the entrance and exits to the count room;
 - (d) Closed circuit television cameras wired to the surveillance department capable of, but not limited to, the following:
 - (1) Video monitoring of the entire count process; and
 - (2) Continuous video-monitoring of the interior of the count room, including storage cabinets or trolleys used to store drop boxes, slot cash storage boxes, slot drop buckets, and emergency drop boxes; and
 - (e) For the soft count room only, microphones wired to the surveillance department for audio monitoring of the entire count process.
- (4) In addition to the requirements of 205 CMR 138.19(3), a count room used to count coin slot drop boxes and buckets shall have:
 - (a) A fixed-door type or a hand-held metal detector used by a security department member to inspect all persons exiting the hard count room; and
 - (b) A separate light system or other device approved by the IEB which shall provide a

continuous visual signal at the count room door, whenever any access door to the count room is opened while the system is activated. The light system or device shall:

- (1) Maintain the visual signal until the system is reset or deactivated; and
- (2) Be designed so as to permit its activation, deactivation or resetting only by a member of the security department.

- (5) In addition to 205 CMR 138.19(3), the soft count room shall have:
 - (a) A table constructed of clear glass or similar material for the emptying, counting, and recording of the contents of drop boxes and slot cash storage boxes which shall be known as the "count table;"
 - (b) A table constructed of clear glass or similar material for the stacking of the contents of table drop boxes and slot cash storage boxes which have been counted, prior to the recount and acceptance by the cage cashier or cashier supervisor. The table shall be known as the "banking table;" and
 - (c) A locked accounting box, the key to which shall be maintained and controlled by a supervisor in the casino accounting department with no incompatible functions.
- (6) The count room doors shall be secured at all times except when opened for the following authorized purposes:
 - (a) To allow one or more members of the count team to change shifts or take a work break;
 - (b) To permit access to equipment by authorized IT department employees;
 - (c) To permit table drop boxes or slot cash storage boxes to be secured in the count room;
 - (d) To permit empty table drop boxes, slot cash storage boxes, emergency table game drop boxes or emergency slot cash storage boxes that were not part of the current count to be removed from the count room;
 - (e) To allow a main bank cashier or cage supervisor to enter the count room to recount and accept the drop;
 - (f) To allow the count team to exit the room at the conclusion of the count; or
 - (g) In the event of an emergency.
- (7) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a workflow diagram that shall indicate, at a minimum, the location of all equipment in a count room, all equipment used in the counting process and the flow of all currency, coupons, gaming vouchers and paperwork from the start of the count to the conclusion of the count.
- (8) The count team may simultaneously count the contents of the table drop boxes and the slot cash storage boxes provided that the contents of the table drop boxes remain segregated from the contents of the slot cash storage boxes throughout the count and acceptance by the main bank cashier or cage supervisor.
- (9) Except during an emergency, with the exception of the count team and agents of the IEB, prior to anyone entering or leaving a count room during the soft count process, all contents that have been removed from either a drop bucket, drop box or slot cash storage box shall be counted at least once and secured. Any trolleys that contain uncounted drop boxes or slot cash storage boxes shall be secured.
- (10) The opening, counting, and recording of the contents of table drop boxes, slot cash

storage boxes, slot drop buckets, and slot drop boxes shall be performed in the presence of a count room supervisor. The count shall be performed by at least three employees ("count team"), which shall include the count room supervisor. The counting and recording process shall be discontinued where the minimum number of count room personnel is not present or are not capable of performing their responsibilities.

- (11) All persons present in the count room during the counting process, except agents of the IEB, shall:
 - (a) Wear as outer garments, only a full-length, one-piece, pocketless garment with openings only for the arms, feet, and neck;
 - (b) Not be permitted to wear a long sleeve garment under the outer garment; and
 - (c) Not be permitted to carry a bag, pocketbook or other container unless it is transparent.
- (12) Access to the count room during the counting process shall be limited to the count team, internal audit personnel, other persons authorized by the IEB, or agents of the IEB. No count room employee shall, during the soft count process, enter a storage area for table drop boxes or slot cash storage boxes adjacent to the count room to perform any function not directly related to the counting process.
- (13) No person shall remove his or her hands from or return them to a position on or above the count table, banking table or counting equipment unless the backs and palms of his or her hands are first held straight out and displayed to other members of the count team and surveillance cameras. In addition, whenever any person enters or leaves the count room during the counting process, any employee remaining in the count room shall be required to step away from the count table, banking table and counting equipment until the person has entered or left the countroom.
- (14) Immediately prior to the commencement of the count, doors to the count room shall be securely locked and remain locked at all times, except when opened for an authorized purpose in 205 CMR 138.19(6). A count team member shall notify surveillance that the count is about to begin, after which surveillance shall make a continuous video and, if applicable, audio recording, with the time and date inserted thereon, of the entire counting process. A count room member shall also notify surveillance whenever a count room door will be opened during the count.
- (15) Once all currency, gaming vouchers, coupons, coin and/or slot tokens have been counted and the final count totals have been obtained, no employee shall be permitted to leave the count room, except in an emergency, until the recount and acceptance of the drop is completed by a cage cashier or cashier supervisor.
- (16) The count room supervisor shall prepare a record of the names and credential or license numbers of each employee who was present in the count room during any part of the count process. Such record shall be forwarded to the accounting department at the conclusion of the count.

138.20: Possession of firearms

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a policy prohibiting any person from possessing a firearm within or

upon the premises of a gaming establishment. Persons violating this policy shall be removed from the gaming establishment by the gaming licensee or law enforcement personnel.

- (2) Notwithstanding 205 CMR 138.20(1), the following individuals may, in the course of their official duties, possess a firearm within or upon the premises of a gaming establishment:
 - (a) A member of the Massachusetts State Police assigned to the Gaming Enforcement Unit;
 - (b) A law enforcement officer of the host community police department assigned to work at the gaming establishment pursuant to the memorandum of agreement required to be executed in accordance with M.G.L. c. 23K, §6(f);
 - (c) An official who is specifically authorized to do so by the commission or the IEB; and
 - (d) A federal law enforcement officer.
- (3) Any law enforcement officer in possession of a firearm, other than a member of the Massachusetts State Police assigned to the Gaming Enforcement Unit, shall provide notification to an official within the on-site office of the State Police Gaming Enforcement Unit at the gaming establishment prior to arrival or upon arrival at the gaming establishment. This notification shall be documented with the onsite office of the State Police Gaming Enforcement Unit.
- (4) The gaming licensee shall post in a conspicuous location at each entrance to the gaming establishment a legible sign that states:

“No firearms are allowed within or upon the premises of this gaming establishment. This prohibition extends to all areas of this facility: public, non-public, restricted, and non-restricted areas. Persons violating this restriction will be removed from the premises and subject to further investigation and, if appropriate, prosecution. If you have any questions about this prohibition, please request to see an official from the Massachusetts Gaming Commission Office before proceeding.

Certain law enforcement officers may be exempt from this prohibition; however they must notify the Massachusetts State Police of their presence by either visiting the Massachusetts State Police Gaming Enforcement Unit Office on site or by calling the State Police Gaming Enforcement Unit at [insert phone number].”

138.21: Protection of minors

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include internal policies and procedures including, at minimum, the following:

- (1) that the gaming licensee’s security and surveillance department, or equivalent personnel, perform regular checks of the parking areas of the gaming establishment for purposes of locating any minors left unattended in motor vehicles and for the immediate report any such incidents to the local and state police in the municipality where the gaming establishment is located; and
- (2) security procedures for ensuring the safety of minors on the premises of a gaming establishment.

138.22: Critical incident preparedness plan

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a detailed critical incident preparedness plan to enhance the prevention of, preparedness for, and response to critical incidents, including without limitation natural disasters, workplace violence, dangerous substance, and active shooter crisis incidents. This plan shall include a training component which is designed to enhance awareness of pre-incident indicators and describe actions to take to prevent and prepare for potential crisis incidents. This plan also shall include an action plan that describes the gaming establishment's pre-planning and coordination for a series of activities and procedures involving the gaming licensee's management and security personnel; the commission on-site officials; the onsite responding Massachusetts State Police personnel; the responding local, county, state law enforcement personnel; EMS and other first responder personnel, all in response to potential or actual critical incidents. The gaming licensee shall review its crisis preparedness plan annually. The gaming licensee's submission shall be evaluated in terms of its adequacy to assure that reasonable preparation and steps have been taken to ensure public safety, inter-agency crisis communication, tactical coordination, site facility identification and pre-staging, which as a whole, shall serve to maximize the protections afforded to the public, patrons, employees, law enforcement officers, and first responders and maximize the efficacy of first responder actions in emergent critical incident situations.

138.23: Drop boxes for table games and electronic table games; gaming table slot cash storage boxes

RESERVED

138.24: Cashiers' cage; satellite cages; master coin bank; coin vaults

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to the cashiers' cage, satellite, cages, master coin banks (if any), and coin vaults (if any) that incorporate, at a minimum, the following:

- (1) Each establishment shall have on or immediately adjacent to the gaming area a physical structure known as a cashiers' cage ("cage") to house the cashiers and to serve as the central location in the gaming area for the following:
 - (a) The custody of the cage inventory comprising currency including cash, patrons' deposits, coin, patron checks, gaming chips and plaques, and of forms, documents, and records normally associated with the operation of a cage;
 - (b) The approval, exchange, redemption, and consolidation of patron checks received for the purposes of gaming;
 - (c) The receipt, distribution, sale and redemption of gaming chips and plaques
 - (d) The issuance, receipt and reconciliation of imprest funds used by slot attendants in the acceptance of currency and coupons from patrons in exchange for currency;
 - (e) The issuance, receipt and reconciliation of imprest chip funds and currency used by chippersons in the acceptance of coin, currency, slot tokens and coupons from seated

- poker patrons in exchange for chips; and
(f) Such other functions normally associated with the operation of a cage.

(2) If a gaming establishment will make use of coins or tokens in its gaming operation it shall have within the cage or in such other area as approved by the commission a physical structure known as a master coin bank to house master coin bank cashiers. The master coin bank shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein and serve as the central location in the gaming establishment for the following:

- (a) The custody of currency, coin, prize tokens, slot tokens, forms, documents and records normally generated or utilized by master coin bank cashiers, slot cashiers, changepersons, and slot attendants;
- (b) The exchange of currency, coin, coupons, prize tokens and slot tokens for supporting documentation;
- (c) The responsibility for the overall reconciliation of all documentation generated by master coin bank cashiers, slot cashiers, changepersons, and slot attendants;
- (d) The receipt of coin and slot tokens from the hard count room; and
- (e) Such other functions normally associated with the operation of the master coin bank.

(3) The cage shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein; such design and construction shall, at a minimum, include the following features and specifications:

- (a) It shall be fully enclosed except for openings through which materials such as gaming chips and plaques, slot tokens and prize tokens, patron checks, cash, records, and documents can be passed to service the public, gaming tables, and slot booths;
- (b) It shall have a manually triggered silent alarm system for the cage, ancillary office space, and any related vault, which systems shall be connected directly to the monitoring rooms of the closed circuit television system, IEB office and the security department office;
- (c) It shall have double door entry and exit system (MAN-TRAP) that will not permit an individual to pass through the second door until the first door is securely locked. In addition:
 - (1) The first door adjacent to the gaming floor of the double door entry and exit system shall be controlled by the security department. The second door of the double door entry and exit system shall be controlled by the cashiers' cage;
 - (2) The system shall have closed circuit television coverage which shall be monitored by the security department or surveillance department; and
 - (3) Any entrance to the cage that is not a double door entry and exit system shall be an alarmed emergency exit door only.
- (d) It shall have separate locks on each door of the double door entry and exit system, the keys to which shall be different from each other.

(4) Each master coin bank located outside the cage shall meet all the requirements of 205 CMR 138.24(3).

(5) Each gaming establishment may have separate areas for the storage of coin, prize tokens and

slot tokens ("coin vaults") in locations outside the cage or master coin bank.

(6) Each coin vault shall be designed, constructed and operated to provide maximum security for the materials housed and activities performed therein, and shall include at least the following:

- (a) A fully enclosed room, located in an area not open to the public;
- (b) A metal door with one key that shall be maintained and controlled by the main bank or master coin bank, which shall establish a sign-in and sign-out procedure for removal and replacement of that key;
- (c) An alarm device that signals the monitors of the gaming licensee's close circuit television system whenever the door to the coin vault is opened; and
- (d) Closed circuit television cameras capable of accurate visual monitoring and taping of any activities in the coin vault.

(7) Each gaming establishment may also have one or more "satellite cages" separate and apart from the cashiers' cage, but in or adjacent to a gaming area or simulcasting facility, established to maximize security, efficient operations, or patron convenience and comfort and designed and constructed in accordance with this regulation. Subject to commission approval, a satellite cage may perform any or all of the functions of the cashiers' cage. The functions which are conducted in a satellite cage shall be subject to the applicable accounting controls set forth in 205 CMR.

(8) Each gaming licensee shall file with the commission the names of all persons possessing the combination or keys to the locks securing the entrance to the cage, any satellite cages, master coin bank and coin vaults; as well as all persons possessing the ability to operate alarm systems for the cage, any satellite cages, master coin bank and coin vaults.

(9) Notwithstanding 205 CMR 138.24(2), each gaming licensee may, with prior commission approval, operate its cashiers' cage without the master coin bank, provided that the main bank serves as the central location in the gaming establishment for the transactions enumerated in 205 CMR 138.24(2)(a) through (e), and provided further, that the references therein and elsewhere in 205 CMR 138.00 to:

- (a) "Master coin bank cashiers" shall apply instead to the main bank cashiers assigned the duties and performing the functions that would otherwise be assigned to or performed by master coin bank cashiers; and
- (b) The "master coin bank" shall apply instead to the main bank, but only insofar as it is authorized to perform master coin bank functions.

(10) Whenever the approved internal controls of a gaming licensee require or authorize documents to be transported from the cashiers' cage to a satellite cage or from a satellite cage to the cashiers' cage or another satellite cage, the gaming licensee shall, unless specified otherwise, transport the documents through the use of a pneumatic tube system or a casino security department representative.

138.25: Simulcast counter

RESERVED

138.26: Keys for dual locks; gaming licensee-controlled keys and locks; notice to the IEB and surveillance department upon malfunction and repair, maintenance or replacement

- (1) Any key, locking mechanism or locking system that is required by 205 CMR 138.00 shall be patented. Such key shall be legally duplicable only by the manufacturer or an agent or successor thereof, and shall be capable of unlocking the locking device on no more than one type of secure box, compartment or location used or maintained within the gaming establishment.
- (2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a process for inventorying and identifying each controlled key, locking mechanism, or locking system and setting forth the procedure by which the key, locking mechanism, or locking system shall be controlled. Such internal controls shall, at a minimum, include an enumeration of those incidents or events which, if they occurred, would compromise the security of the gaming licensee's locking systems and require it to immediately comply with the provisions herein.
- (3) The types of secure boxes, compartments or locations that require a unique key, locking mechanism, or locking system shall include, without limitation, the following:
 - (a) Drop boxes;
 - (b) Slot cash storage boxes;
 - (c) Trolleys to transport drop boxes from gaming tables to a secure location;
 - (d) Trolleys or cabinets used to transport or store, respectively, slot cash storage boxes;
 - (e) Count room entrance and exit doors;
 - (f) Compartments housing slot drop buckets;
 - (g) Slot drop boxes;
 - (h) Compartments housing slot drop boxes;
 - (i) Areas in which slot cash storage boxes are located;
 - (j) Compartments housing microprocessors or other control units controlling progressive meter(s) for progressive slot machines;
 - (k) Locations housing a computer that controls a progressive payout wager system for gaming tables offering a progressive payout wager; and
 - (l) Storage cabinets or trolleys for unattached slot drop boxes.
- (4) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include inventory procedures for any key required to be controlled and maintained by a gaming licensee and for any corresponding locking device including, without limitation, any key and locking device required by 205 CMR 138.00 for a dual control locking system. The key and locking device inventory controls of each gaming licensee shall include, at a minimum, procedures for:
 - (a) Maintenance of inventory ledgers by identified, authorized personnel for purposes of documenting:
 - (1) The requisitioning of keys and locking devices from vendors;
 - (2) The receipt of blank key stock;

- (3) The storage and issuance of keys and locking devices;
 - (4) Any loss, removal from service, and subsequent replacement of keys and locking devices;
 - (5) The destruction of keys and locking devices; and
 - (6) The results of physical inventories;
- (b) The storage of duplicate keys and locking devices, including a physical description of any storage location and the identification of authorized personnel in control of such location;
 - (c) The destruction of keys and locking devices, including documentation detailing in whose presence any destruction shall occur; and
 - (d) Physical inventories of all keys and locking devices at least once every 12 months.
- (5) A gaming licensee shall notify the IEB and its surveillance department immediately upon becoming aware of any malfunction of any alarm system or alarmed door, and upon any emergency service to restore their proper function. In addition, a gaming licensee shall provide the IEB and its surveillance department with at least 24 hours written notice prior to effecting any non-emergency repair, maintenance or replacement of any such alarm system or alarmed door including, without limitation:
- (a) Alarm systems for any emergency exit from the gaming floor or simulcasting facility;
 - (b) Alarm systems for the cage, its ancillary office space and any related vault;
 - (c) Alarm systems for any master coin bank located outside the cage;
 - (d) Alarmed emergency exit door(s) for the cage;
 - (e) Alarmed doors to vaults signaling the closed circuit television system;
 - (f) Alarmed doors to count rooms signaling the monitoring rooms and the security department;
 - (g) Alarm systems providing for a continuous visual signal whenever any access door to the count room is open; and
 - (h) Alarm systems for any slot cashier window in a slot booth.

138.27:
RESERVED

138.28: Gaming day

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall specify what the 'gaming day' will be for accounting purposes. Each gaming licensee may establish a gaming day for slot machines which is different from its gaming day for table games; provided, however, that no gaming day shall be longer than 24 hours.

138.29: Accounting controls for the cashiers' cage, satellite cages, master coin bank and coin vaults

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include detailed protocols and procedures for the function of the cashiers' cage, satellite cages, master coin bank, and coin vaults, if any.

138.30: Accounting controls within the simulcast counter

RESERVED

138.31: Procedure for accepting cash and coupons at gaming tables

RESERVED

138.32: Table game drop boxes, transport to and from gaming tables; storage boxes

RESERVED

138.33: Removal of slot drop buckets, slot drop boxes and slot cash storage boxes; Unsecured currency; recording of meter readings for slot machine drop

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures and protocols relative to the removal of slot drop boxes, slot cash storage boxes, unsecured currency, and the recording of meter readings for slot machine drop that, at a minimum, incorporates the following requirements:

- (1) A gaming licensee shall file with the IEB a schedule setting forth the specific times at which the slot drop buckets, slot drop boxes and slot cash storage boxes ("slot drop containers") will be brought to or removed from the slot machines. The schedule shall include the number of slot drop containers to be removed each day by zone or other designation.
- (2) All slot drop containers which are not actively in use shall be stored in the count room or other secure area outside the count room as approved by the IEB. In addition, slot drop boxes and slot cash storage boxes shall be stored in an enclosed storage cabinet or trolley, secured by a key maintained and controlled by the security department.
- (3) Slot drop containers shall be removed from a slot machine by at least three employees, two of whom shall be members of the casino security department and one of whom shall be a member of the accounting department ("the slot drop team"). Other than the security department members, all employees participating in the removal of slot drop containers shall wear as outer garments only a full-length, one-piece pocketless garment with openings only for the hands, feet and neck.

- (4) The slot drop team supervisor shall notify the surveillance department at the commencement of the slot drop process. Surveillance shall make a continuous video recording, with the time and date inserted thereon, of the entire slot drop container removal process.
- (5) All slot drop containers removed from the slot machines shall be transported directly to, and secured in, the count room by a casino security department member and a member of the accounting department.
- (6) A full or inoperable slot drop box or slot cash storage box that must be replaced outside of the slot drop schedule shall be replaced with an empty emergency slot drop box or slot cash storage box by a security department member and a slot or cage supervisor as follows:
 - (a) A security department member shall notify the surveillance department which shall monitor and record the transaction. If more than one slot drop box or slot cash storage box is being removed, such notification shall include the sequence in which the boxes will be removed and replaced;
 - (b) The security department member shall complete an emergency box form documenting the replacement of the slot drop box or slot cash storage box. The form shall include at a minimum:
 - (1) The date and time;
 - (2) The asset and location number;
 - (3) The reason for the removal; and
 - (4) The signatures of the security department member and slot or cage supervisor participating in the process;
 - (c) The emergency box form shall be distributed by the security department member as follows:
 - (1) The original affixed to the emergency slot drop box or slot cash storage box;
 - (2) The duplicate placed in a locked accounting box; and
 - (3) The triplicate delivered within 24 hours of preparation to the IEB's onsite office;
 - (d) A slot department member, in the presence of a casino security department member and the slot or cage supervisor, shall remove the full or inoperable slot drop box or slot cash storage box from the slot machine and replace it with the empty emergency slot drop box or slot cash storage box;
 - (e) The slot drop box or slot cash storage box removed from the slot machine shall be transported by the casino security department member and slot or cage supervisor to the count room and secured in an emergency drop box cabinet or trolley; and
 - (f) For each full or inoperable slot drop box or slot cash storage box exchanged, the casino security department member or slot or cage supervisor shall record on an emergency box log, to be maintained with the emergency drop box cabinet or trolley, the following:
 - (1) The date and time the slot drop box or slot cash storage box was secured in the cabinet or trolley;
 - (2) The slot drop box or slot cash storage box location and asset number; and

- (3) The signatures of the casino security department member and cage or slot supervisor participating in the emergency slot drop box or slot cash storage box process;
- (7) Whenever currency, a gaming voucher, or a coupon is found inside a bill changer but outside of the slot cash storage box ("unsecured drop") during the collection of slot cash storage boxes, a count team member and a member of the casino security department shall complete and sign a form which includes the asset number in which the unsecured drop was found, the date the unsecured drop was found, and the total value of the unsecured drop. The unsecured drop and the original form shall be transported to the count room and counted and recorded with the contents removed from the corresponding slot cash storage box. The duplicate of the form shall be placed in a locked accounting box. Upon completion of the count, the original form shall be placed in a locked accounting box located in the count room. The accounting department will retrieve the original form and reconcile it to the duplicate.
- (8) Whenever unsecured drop is found at times other than the collection of slot cash storage boxes, a slot department member shall notify the surveillance department and complete and sign the form referenced in 205 CMR 138.33(7). The unsecured drop and the original form shall be transported by the slot department member, escorted by a security department member, to the cashiers' cage where a cashier shall sign the form. The unsecured drop and original shall be retained by the cashier, and the slot department member shall place the duplicate form in a locked accounting box. The accounting department shall reconcile the original form to the duplicate.
- (9) Upon receipt of an unsecured gaming voucher or coupon, the cage cashier in the presence of the slot department member shall deface the gaming voucher or coupon, to the extent necessary, so as to prevent subsequent redemption.
- (10) At the end of the gaming day, at a minimum, the original unsecured drop forms and as applicable, gaming vouchers and coupons, shall be forwarded to the accounting department. The accounting department shall reconcile the original and duplicate forms and record the appropriate amount on the Slot Win Report.
- (11) In conjunction with the removal of any slot drop container, a gaming licensee shall manually read, or cause an approved slot monitoring system to record, the in-meter, drop meter, out-meter, attendant paid jackpots meter, attendant paid cancelled credits meter, bill meters and handle pull meter. In addition, the following meters shall be read and recorded:
 - (a) If the slot machine accepts gaming vouchers, the numerical and value cashable gaming voucher meters, and the numerical and value non-cashable gaming voucher meters;
 - (b) If the slot machine accepts coupons enrolled in the gaming voucher system, the numerical and value cashable coupon meters and numerical and value non-cashable coupon meters;
 - (c) If the slot machine accepts promotional credits, the electronic cashable credit meter and the electronic non-cashable credit meter; and
 - (d) If the slot machine accepts funds from an account based wagering system, the wagering account transfer-in meter and the wagering account transfer out meter.
- (12) The slot monitoring system shall provide a report to the accounting department for a comparison of the meter readings to the count room reports and the calculation of each slot

machine's payout percentage. Only members of the accounting department shall have the authority to adjust meter readings subsequent to the count.

- (13) Nothing in 205 CMR 138.00 or a gaming licensee's internal controls shall preclude the IEB from requiring a gaming licensee to read a slot machine meter manually as a remedial measure in the event of a malfunction or as it may otherwise deem necessary to ensure the integrity of gaming and the accurate reporting of gross revenue.

138.34: Procedures for acceptance of tips or gratuities from patrons

- (1) In accordance with M.G.L. c.23K, §25(g), no key gaming employee or any other gaming employee who serves in a supervisory position shall solicit or accept a tip or gratuity from a player or patron in the gaming establishment where the employee is employed.
- (2) In accordance with M.G.L. c.23K, §25(g), a dealer may accept tips or gratuities from a patron at the table game where such dealer is conducting play provided, however, that such tips or gratuities shall be placed in a pool for distribution among other dealers. A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the manner in which tips and gratuities shall be set aside for the dealer pool as well as the manner of distribution among dealers, which shall, at a minimum, incorporate the following principles:
 - (a) At their election, the dealers shall be responsible for the collection, counting, and distribution of the tips and gratuities;
 - (b) The gaming licensee shall cooperate in the collection, counting, and distribution process undertaken by the dealers, and shall provide surveillance, cashier, payroll and other systems necessary for the administration and security of the process;
 - (c) Tips shall be calculated on a weekly basis unless the dealers specifically elect to calculate the tips on a daily basis;
 - (d) The policies and procedures shall be subject to approval by the dealers in a manner provided by the dealers; and
 - (e) The policies and procedures shall be in accord with M.G.L. c.149, §152A and other applicable law of the commonwealth.
- (3) The policies and procedures required in accordance with 205 CMR 138.34(2) shall, at a minimum, include:
 - (a) The method utilized by a dealer for acceptance of the tip or gratuity;
 - (b) The physical characteristics of the transparent locked box utilized for purposes of depositing such tips or gratuities;
 - (c) The method for ensuring that any non-value chips received as a tip at any table game authorized by the commission to utilize non-value chips for play, is expeditiously converted into value chips and deposited in a the locked box reserved for that purpose; and
 - (d) The method of collecting, accounting for and placing such tips and gratuities in a common pool for distribution pro-rata among all dealers in accordance with standards established by the commission.

- (4) If a gaming licensee offers the game of poker the policies and procedures required in accordance with 205 CMR 138.34(2) may provide for a separate common pool for tips and gratuities received by poker dealers to be established. A gaming licensee may also designate a percentage of the prize pool or other such amounts as designated in a poker tournament submission, as approved by the commission, to be withheld for distribution to the tournament dealers on a pro-rata basis.
- (5) A tip or gratuity may be provided electronically to a dealer upon initiation and authorization by a patron. A gaming licensee shall include in its internal controls the method utilized for the distribution of electronic tips or gratuities and ensure that a report listing all electronic tips shall be available from the system where the transaction occurred.

138.35: Table inventory; table inventory container; chip reserve compartment

RESERVED

138.36: Procedures for counting table inventory, opening tables for gaming, shift changes at gaming tables, and closing gaming tables

RESERVED

138.37: Procedure for distributing and removing gaming chips, coins and plaques to gaming tables

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to distributing and removing gaming chips, coins, and plaques to and from gaming tables that must include participation of personnel from at least three departments with incompatible functions.

138.38: Procedures for acceptance, accounting for, withdrawal and refund of patron deposits

RESERVED

138.39: Procedures for accepting, verifying and accounting for wire transfers and electronic fund transfers; wire transfer and electronic fund transfer fees; Procedures for sending funds by wire transfer or electric fund transfer

RESERVED

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, traveler's checks, wire transfers, money orders, and cash advances initiated at ATMs outside of the gaming area. 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 to be initiated within 15 feet of 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 outstanding 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) The signature of the employee accepting the payment; and
 - (3) 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 by virtue of complete payment of the outstanding total, 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 due to such partial payment, 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.

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 during the credit application process, places themselves on a voluntary credit suspension list in accordance with 205 CMR 138.44, or is on public assistance;
 - (e) Credit requests, including increases, will not be accepted from or granted to patrons who are visibly intoxicated or exhibiting behaviors suggestive of impaired mental competency;
 - (f) Credit applications require patrons to acknowledge that they have reviewed a problem gambling self-assessment and indicate a desire to proceed with the process; 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 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 the following minimum information provided by the patron shall be recorded:

- (1) The patron's name;
- (2) The address of the patron's residence;
- (3) The patron's telephone number;
- (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 even if a patron is individually authorized to draw on the account.
- (5) The credit limit requested by the patron;
- (6) The approximate amount of all other outstanding indebtedness including outstanding counter checks or slot counter checks at other casinos or gaming establishments;
- (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 205 CMR 138.43(2)(a): *"I certify that I have reviewed all of the information provided above and that it is true and accurate. I authorize (name of the gaming licensee) to conduct such investigations pertaining to the above information in accordance with applicable federal and state laws and as it deems necessary for the approval of my credit limit. Such investigation may include verification of the information you have provided with a credit bureau, a casino credit bureau, your bank, and/or a bank verification service. 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 gaming licensee] by [the date specified in this agreement], [name of licensee] will attempt to recover the amount identified on the personal check or 'marker' from your bank account. If there are insufficient funds in your account, [name of gaming licensee] may initiate debt collection proceedings against you. Failure to timely repay your debt to [name of gaming licensee] may result in 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 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 outstanding balances which shall include the following:
 - (a) The date the patron's credit account(s) was established; and
 - (b) The current balance and status of the patron's credit account at each casino and 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 (provided, that if any information is unavailable relative to international accounts this shall be noted in the credit file):
 - (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;
 - (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 205 CMR 138.43(2)(c) 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 at which the patron indicated on the credit application that they have a credit limit or outstanding balance. 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 and shall be deemed to satisfy the verification requirement. The verification may be performed telephonically, via email, or any medium 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 or other similar organizations which is reasonably likely to possess information concerning the patron, 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. 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 available relative to an international account, the gaming licensee may use an alternative source or note the unavailability of the information in the file in which case the verification requirement shall be deemed satisfied. 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 via email, or any medium 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.

- (e) A gaming licensee may rely upon information compiled and verified by an affiliate in another jurisdiction relative to the credit application of a patron in satisfaction of a provision of 205 CMR 138.43(1) through (2)(d) if said verification was performed within 60 days of a counter check or slot counter check being issued to the same patron at a gaming establishment.
- (f) 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).
- (g) 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.

- (h) 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 60 days;
 - (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 60 days;
- (i) 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 provided that the increase is approved during a single trip to the gaming establishment consisting of consecutive gaming days and the amount of the temporary increase does not exceed 25 percent of the currently approved credit limit.
- (j) The gaming licensee's credit department shall:
- (1) Comply with the requirements of either 205 CMR 138.43(2)(h)(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)(i).
 - (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 6 month period.
- (k) 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 all 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 all Massachusetts gaming licensees. All documentation obtained from the casino credit bureau relative to a patron account 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.

- (l) 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.
- (m) 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.
- (n) 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.
- (o) 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)(m) 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)(m) 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)(m) shall be agreed to the total of the checks on hand in the cashiers' cage.
- (p) A patron may not be issued a Counter Check until the operator has established a signature file for the patron.
- (3) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions for the maintenance of a patron identification file and the methodology the gaming licensee will utilize for verifying a patron's identity or signature for purposes of establishing a credit account which shall include, at a minimum, the following:
- (a) The patron's name;
 - (b) The patron's address;
 - (c) The patron's signature;
 - (d) The type of identification credentials examined;
 - (e) The date and time that the patron identification file was established; and
 - (f) The name and signature of the gaming establishment employee who examined the identification credentials of the patron and established the patron identification file.

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 shall be submitted to a designated agent as described in accordance with 205 CMR 138.44(3). An individual requesting suspension of credit privileges shall present a valid government issued photo identification.

- (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 duration for which they wish to have their credit privileges suspended. An individual may select any of the following time periods as a minimum length of suspension:
 - (1) Six months;
 - (2) One year;
 - (3) Three years;
 - (4) Five years; or
 - (5) Lifetime.
 - (f) 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 six months 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."; and
 - (g) If the request for suspension of credit privileges is made in person:
 - (1) The type of government issued photo identification examined; 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 government issued photo identification and that the photograph of the person appears to agree with his or her actual appearance.
- (3)
 - (a) An application for suspension of credit privileges may only be accepted by a designated agent. An individual may only become a designated agent by successfully completing a course of training approved and administered by the commission or its designee. The course of training shall include, at a minimum, instruction on completion of the application, information relative to problem gambling and available resources, and an understanding of 205 CMR 138.40-46. A designated agent must be a licensed, certified, or registered health or mental health professional or employee thereof, or an employee of a gaming licensee, the commission, a gaming licensee, or other government entity. The commission may refuse to offer training to any individual whose service as a designated agent it determines would be contrary to the aims of 205 CMR 138.40-46.
 - (b) Upon submission of an application, a designated agent shall review the application with the applicant. If the application is complete, the designated agent shall sign the application

- indicating that the review has been performed and the application has been accepted.
- (c) A designated agent may not sign an application if any required information is not provided.
 - (d) The designated agent shall forward the signed application for suspension of credit to the commission within 48 hours of completion in a manner directed by the commission.
 - (e) Upon receipt of an application, the commission, or its designee, shall review it for completeness. If the application meets all requirements of 205 CMR 138.40-46 the application shall be approved, and the individual's name shall be added to the credit suspension list. If the application is incomplete, the commission, or its designee, may deny the application and make efforts to contact the applicant advising them of such.
 - (f) If the gaming licensee utilizes an internal management system to track individuals on the credit suspension list, they shall update that system at least every 72 hours with names of individuals being added or removed from the list.
- (4) 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 update the master list in the database.
- (a) Each gaming licensee shall suspend the credit privileges of any listed individual, promptly upon receipt of notice that such individual's name has been added to the list.
 - (b) 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.
- (5) Any person whose credit privileges have been suspended pursuant to 205 CMR 138.44 may, no sooner than six months 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) 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 remove such individual's name from the list established pursuant to 205 CMR 138.44, and update the master list in the.
 - (c) Upon receipt of notice that such individual's name has been removed from the list, a gaming licensee may reinstate such person's credit upon re-verification 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.
- (6) 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 at the gaming establishment or an affiliate 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 90 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 90 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.
- (8) A gaming licensee may include in its policy and procedure provisions in accordance with 205 CMR 138.13 for the discretionary discounting of the amount of an outstanding Counter Check or Slot Counter Check to be redeemed by a patron for any marketing related reasons.

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* and M.G.L. c.93, §49. Provided, further, that a gaming licensee's debt collection policy shall not allow for placement of a lien on a patron's primary residence and shall also prohibit the commencement of criminal proceedings or other use of criminal process unless the gaming licensee can show that there were insufficient funds in the patron's account at the time the patron issued the check to the licensee.
- (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 re-deposited. 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 re-deposited;
 - (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 and the collections department at the gaming establishment, by accounting department employees with no incompatible functions, in a reasonably prompt manner upon initial receipt of a returned check or immediately upon receipt of a check returned for a second time if the check was immediately re-deposited 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.

138.48: Procedure for opening, counting and recording contents of table drop boxes and slot cash storage boxes

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to opening, counting, and recording contents of table drop boxes and slot cash storage boxes that include, at a minimum, the following provisions:

- (1) Immediately prior to the commencement of the count process, a count room supervisor shall:
 - (a) Obtain a preliminary master game report which shall list forms and documents related to the table drop box count that were entered into the computer system at the time of preparation;
 - (b) Reconcile the number of boxes recorded on the drop box verification form to the number of boxes secured in the trolley;
 - (c) Remove the emergency drop box log and reconcile the log to the boxes removed from the emergency drop box cabinet or trolley; and
 - (d) Document any unresolved discrepancies on a two-part Drop Variance Report, the original of which shall be delivered to the Division and the duplicate placed in the locked accounting box.
- (2) A gaming licensee shall open, count and record the contents of each drop box in the soft count room except that an emergency slot cash storage box may be held and counted on the regularly scheduled count for the slot machine from which it originated. For currency, gaming vouchers, and coupons, a gaming licensee shall perform a second count to obtain the aggregate total of each denomination of currency and coupon, and the total number of gaming vouchers counted. The counts shall be independent of each other and access to the result of the first count shall not be available to the employee performing the second count until completion of the second count. At the completion of the second count, a comparison of the two counts shall be made and any discrepancies resolved by the count team supervisor.
- (3) A gaming licensee shall use a counting machine, to be identified in the internal controls, to count currency, gaming vouchers, and coupons. An alternative procedure shall be provided

in the event that a counting machine cannot be used due to mechanical failure or other emergent situation.

- (a) A gaming licensee may use one counting machine that automatically provides the counts required in 205 CMR 138.48(2) of the items at different stages of the counting process. If the counts are not in agreement, the machine shall document the discrepancy and cease operation until the discrepancy is resolved by a count team member.
 - (b) If a gaming licensee does not use a counting machine described in 205 CMR 138.48(3)(a), two different counting machines shall be used. Upon completion of the count using the first machine, the cash storage bins or cassettes shall be emptied and displayed to the full view of a closed circuit television camera to assure that the contents have been emptied. The second machine count shall be performed to verify the totals of the first machine. If the counts are not in agreement, the count team shall resolve the discrepancy before continuing the second count.
 - (c) Each machine shall generate a report at the completion of its count documenting the following:
 - (1) The total of each denomination of currency;
 - (2) The total of all currency;
 - (3) The total number of gaming vouchers;
 - (4) The total number and amount of coupons for which the count machine can determine the value of the coupon ("machine count coupons"); and
 - (5) The total number of coupons for which the count machine cannot determine the value of the coupon ("manual count coupons").
- (4) A test count shall be conducted prior to the start of the first use of each counting machine, each gaming day, and prior to each count. The count room supervisor shall:
- (a) Verify that the counting machine has a zero balance on its display and cause a receipt to be printed which denotes 0 cash, gaming vouchers or coupons on hand, and 0 notes, gaming vouchers or coupons in the machine, or other approved means to indicate that the machine has been cleared of all currency, gaming vouchers and coupons;
 - (b) Visually check the counting machine to be sure there are no bills, gaming vouchers or coupons remaining in the various compartments of the machine;
 - (c) Supervise a count team member who shall select a drop box or slot cash storage box. If slot storage boxes are being counted that day, a slot cash storage box must be selected and it must contain currency, and if issued by the gaming licensee, gaming vouchers and coupons. The count team member shall place the entire contents of the table drop box or slot cash storage box into the first counting machine, which shall count the currency by denomination as well as any gaming vouchers and coupons. Any soiled or off-sorted bills, gaming vouchers or coupons shall be re-fed into the machine. Any items which the counting machine is not able to count automatically, such as coins, tokens, gaming chips or mutilated or torn currency, gaming vouchers, and coupons shall be manually counted, recorded either manually or entered into the counting machine, and segregated from items which the counting machine was able to count automatically. The count team member shall cause the counting machine, in conjunction with the gaming voucher system, to produce one or more test receipts of the count, and the count shall not be shown to anyone until completion of the final verification process;

- (d) Supervise a second count team member, independent of the team member performing the initial count, who shall manually count or use a second counting machine to count and summarize the items on test receipts;
 - (e) Compare the totals on the test receipts for agreement. If the totals are in agreement, the count room supervisor shall sign and date the test receipts and place them in the locked accounting box to be forwarded to the casino accounting department at the end of the count process. If the totals do not agree, the test count procedures shall be repeated. The test count procedures shall be repeated until the totals are in agreement or a determination is made that the count machine cannot be used. The count room supervisor shall not permit a counting machine to be used until these totals are in agreement;
 - (f) Supervise a count team member who, at the conclusion of the test procedure shall display the cash bin or storage cassettes to the full view of a closed circuit television camera to assure that the contents have been emptied prior to replacing cassettes into the counting machine; and
 - (g) Verify that the counting machine has a zero balance in accordance with 205 CMR 138.48(4)(a).
- (5) Procedures for the count of boxes shall be as follows:
- (a) The contents shall be segregated and counted so as to permit the contents to be recorded for the box from which it was removed. Each box shall be individually:
 - (1) placed on the count table at which time one count team member shall verbalize, in a tone of voice to be heard by all persons present and to be recorded by the surveillance audio recording device, the game and table number marked thereon for table drop boxes, or the asset or unique identification number marked thereon for slot cash storage boxes; and
 - (2) unlocked and the contents emptied on the count table. The inside of the box shall be held up to the full view of a closed circuit television camera to assure all contents of the drop box or slot cash storage box have been removed, after which the drop box or slot cash storage box shall be locked and placed in the storage area for drop boxes and slot cash storage boxes;
 - (b) A count team member shall segregate:
 - (1) Currency, machine count coupons, and gaming vouchers;
 - (2) Coin, tokens, gaming chips, manual count coupons and any mutilated or torn items; and
 - (3) Forms and documents;
 - (c) A count team member shall attempt to match pieces of mutilated or torn items which shall be processed as follows:
 - (1) Mutilated or torn currency shall be 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;
 - (2) 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; and

(3) All mutilated or torn coupons and gaming vouchers shall be recorded as revenue regardless of condition;

(d) The value and number of coin, tokens, gaming chips, manual count coupons (by denomination) and any mutilated or torn items shall be manually entered into the counting machine for each drop box or slot cash storage box;

(e) Currency, machine count coupons and gaming vouchers shall be placed in a counting machine. The counting machine shall count and calculate the value of the currency. The value of each gaming voucher or coupon shall be obtained from the counting machine or an approved gaming voucher system, as applicable;

(f) Upon completion of the machine count:

(1) For each drop box, the counting machine shall generate the report required by 205 CMR138.48(3)(c);

(2) The currency, table game coupons, coin, tokens, and gaming chips counted shall be placed on the banking table; and

(3) Any drop box coupon which has not already been cancelled upon acceptance or during the count shall be cancelled prior to the conclusion of the count;

(g) The forms and documents shall be compared to the preliminary master game report for accuracy by a count team member who shall not simultaneously have access to currency. Any discrepancies shall be recorded on the preliminary master game report to be resolved by the casino accounting department. The forms and documents and preliminary master game report shall be placed in the locked accounting box to be forwarded to the accounting department at the end of the count process; and

(h) The count team supervisor shall prepare a detailed written report describing all count room incidents that may have negatively impacted the opening, counting and recording of the drop boxes (for example, a computer interface problem, dropped basket). The report shall include a description of any corrective action taken and shall be electronically filed with the IEB at the conclusion of the count.

(6) As the contents of each table drop box are counted, if not already recorded in the computer system used to create the Master Game Report and supporting documentation, a count team member shall manually record or cause a computer system to record, the following information by game and table number:

(a) The value of each denomination of currency counted;

(b) The value of coin, tokens and/or gaming chips counted;

(c) The total value of currency, coin, tokens and gaming chips counted;

(d) The value of each denomination and total value of coupons other than match play coupons;

(e) The value of each denomination and total value of match play coupons and table game wager coupons;

(f) Fifty percent of the total value of match play coupons and table game wager coupons;

(g) The amount recorded on each document and the total of all documents evidencing a

credit card chip transaction;

(h) The amount recorded on each document and the total of all documents evidencing a debit card chip transaction;

(i) The amount of the Opener;

(j) The amount of the Closer;

(k) The serial number and amount of each Counter Check and the total amount of all Counter Checks;

(l) The serial number and amount of each Pit Redemption Form and the total of all Pit Redemption Forms;

(m) The serial number and amount of each Fill and the total amount of all Fills;

(n) The serial number and amount of each Credit and the total amount of all Credits;

(o) The amount recorded on each Complimentary Vigorish Form and the total amount of all Complimentary Vigorish Forms;

(p) The table game win or loss or, for poker, the poker revenue; and

(q) The table game win or loss percentage.

(a) In addition to the requirements of 205 CMR 138.48(6), the Master Game Report shall include:

(a) The gaming date of the items recorded;

(b) The grand total for items in 205 CMR 138.46(6)(c) through (q);

(c) The total number of drop boxes opened and counted; and

(d) The date and time prepared.

(8) If the gaming licensee offers the game of poker, the count room supervisor shall review the Master Game Report to ensure that negative poker revenue has not been reported for any poker table. If negative poker revenue has been reported for a poker table, the count room supervisor shall initial the Master Game Report for each such poker table and immediately notify the surveillance department of the poker table(s) and corresponding negative poker revenue reported thereon.

(9) As the contents of each slot cash storage box are counted, if not already recorded in the computer system used to create the Slot Cash Storage Box Report and supporting documentation, a count team member shall manually record or cause a computer system to record, the following information by asset number:

(a) The asset number of the bill changer to which the slot cash storage box contents correspond;

(b) The value of each denomination and total value of currency counted;

(c) The number and value of each cashable coupon counted, and if a gaming voucher system is used to redeem coupons, the validation number and value of each coupon counted, and total number and value of all cashable coupons;

(d) The number and value of each non-cashable coupon counted, and if a gaming voucher system is used to redeem such coupons, the validation number and value of each coupon counted, and total number and value of all non-cashable coupons;

(e) A listing of the validation number and value of each gaming voucher counted, and total number and value of all gaming vouchers; and

- (f) Any additional information on the Slot Cash Storage Box Report as may be required by the IEB.
- (10) In addition to the requirements of 205 CMR 138.46(9), the Slot Cash Storage Box Report shall include:
- (a) The gaming date of the items recorded;
 - (b) The grand total for items in 205 CMR 138.46(9)(b) through (e);
 - (c) The total number of drop boxes opened and counted;
 - (d) The date and time prepared.
- (11) After preparation of the Master Game Report or the Slot Cash Storage Box Report, the count room supervisor shall compare the total number of boxes counted to the number of boxes, including any emergency boxes, collected and recorded on the box reconciliation form. Any unresolved discrepancy shall be documented on the Drop Variance Report which shall be filed with the Division.
- (12) All suspected counterfeit currency shall be counted and recorded as drop on the Master Game Report or Slot Cash Storage Box Report. The counterfeit currency shall be segregated from all other currency and placed in a transparent container. A count room supervisor shall complete a Department of Treasury Counterfeit Note Report and place the container and report on the banking table.
- (13) A count team member designated as the banker shall count each denomination of currency, table game coupons, tokens, and gaming chips, and verbalize the amounts. The count room supervisor shall verify the amount verbalized to the amount recorded on the Master Game Report or Slot Cash Storage Box Report. The banker and count team supervisor shall sign the report(s) attesting to the accuracy of the information recorded thereon. The information recorded thereon shall not be accessible to any person outside the count room until after the main bank cashier or cage supervisor ("cashier") has verified and accepted the drop unless otherwise authorized by the IEB.
- (14) All other count team members shall sign the Master Game Report and/or the Slot Cash Storage Box Report as evidence of their participation in the counting of the drop boxes and/or slot cash storage boxes.
- (15) After the contents of the boxes have been counted and recorded on the Master Game Report and/or Slot Cash Storage Box Report, the count room supervisor shall notify the main cage. A cashier shall enter the count room and not have any access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report. The cashier, in the presence of the banker, shall count the currency, table game coupons, coins, tokens, gaming chips, and mutilated or torn items.
- (a) Currency, table game coupons, coin, tokens, and gaming chips shall be presented in the count room by the banker to a main bank cashier or cage supervisor (cashier). Prior to having access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report, the cashier, in the presence of the banker, shall count the items in accordance with the following requirements:

- (1) The cashier shall have physical access to all items presented for counting and no currency or table game coupons presented for counting shall be wrapped or placed in any sealed bag or container until the entire count has been completed and the Master Game Report or the Slot Cash Storage Box Report has been signed by the cashier;
 - (2) The cashier shall bulk count all strapped currency and table game coupons. The cashier shall count all partial straps, loose currency and table game coupons, mutilated or torn currency and coupons, coin, tokens, and gaming chips either by hand or with an approved counting machine. If a discrepancy in an individual denomination is discovered during the initial count, the cashier shall recount the currency of that denomination either by hand or with an approved counting machine;
 - (3) The cashier shall randomly count the currency within at least 10 percent of the total number of straps. The count shall be by hand or with an approved counting device; and
 - (4) The cashier shall randomly sample the table game coupons for intermixed denominations and proper cancellation.
- (b) If the total currency or total coupons counted by the cashier do not agree with a total on the Master Game Report or Slot Cash Storage Box Report and the discrepancy cannot be resolved, a Drop Variance Report shall be completed by the count room supervisor. The original shall be delivered to the IEB and the duplicate placed in the locked accounting box in the count room. The report shall include, at a minimum, the following:
- (1) The date of preparation;
 - (2) The source of the variance (currency and/or coupon);
 - (3) The denomination(s) of the source of the variance;
 - (4) The amount of the variance;
 - (5) The measures taken to detect the source of the variance;
 - (6) The name and signature of the count room supervisor; and
 - (7) The name and signature of the cashier.
- (c) Upon completion of the cashier's count, the cashier shall attest by signature on the Master Game Report and/or Slot Cash Storage Box Report, that the amount of cash from drop boxes counted, and the amount of coupons from table drop boxes counted as recorded on these documents, and if applicable, the Drop Variance Report, agree with the total amounts of cash and coupons counted by the count team. Upon attestation, all items other than coupons and vouchers shall be under the exclusive control of the cashier and shall not be handled by a count team member.
- (16) Once all required signatures have been obtained, a copy of the totals page of the original Master Game Report, Slot Cash Storage Box Report and disc(s) detailing all gaming vouchers and coupons counted, shall be delivered to the IEB. In addition, an electronic copy of the Master Game Report and/or Slot Cash Storage Box Report shall be filed with the IEB within 48 hours of the completion of the drop.
- (17) Each copy of an original Master Game Report or Slot Cash Storage Box Report which is not part of a multi-part form shall be stamped with the word "copy" by the count room supervisor prior to its distribution.

- (18) Any coupons and gaming vouchers for which the value could not be determined by the count machine or the gaming voucher system shall be segregated and placed in the locked accounting box for review.
- (19) The original Master Game Report and Slot Cash Storage Box Report, after signing, and any other supporting documentation shall be placed in the locked accounting box located in the count room. A member of the casino accounting department with no incompatible functions shall retrieve the contents of the locked accounting box and the gaming vouchers and coupons which were processed during the count immediately after the cashier verifies, accepts, and removes the drop from the count room.
- (20) For each trolley scheduled for the next drop, the count team supervisor shall determine that the number of empty boxes on the trolley is correct. The count team supervisor shall prepare and sign a drop box verification form as required by these regulations, with the following:
 - (a) The trolley number;
 - (b) The pit number and number of empty boxes by pit, if applicable;
 - (c) The slot zone and number of empty boxes by zone, if applicable; and
 - (d) The total boxes in the trolley.
- (21) A count room employee shall conduct a thorough inspection of the entire count room and all counting equipment located therein to verify that no cash, tokens, gaming chips, gaming vouchers, or coupons remain in the room and shall certify the foregoing in a writing which shall be filed with the IEB.

138.49: Procedure for opening, counting and recording the contents of bill validator boxes, gaming voucher redemption machines, determination of gross revenue deduction

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to opening, counting, and recording contents of bill validator boxes, gaming voucher redemption machines, and determination of gross revenue deduction that include, at a minimum, the following provisions:

- (1) At least once every seven days, a gaming licensee shall coordinate the removal of the bill validator boxes from all gaming voucher redemption machines and the insertion of empty, replacement bill validator boxes into the machines (the "bill validator drop").
- (2) Prior to the bill validator drop, a gaming accounting supervisor shall count the number of empty bill validator boxes to be exchanged as part of the bill validator drop and confirm, in writing on a bill validator drop form, that the count equals the number of boxes scheduled to be collected. Prior to the drop, the form shall include at a minimum:
 - (a) The date;
 - (b) The gaming voucher redemption machine number(s) or location(s);
 - (c) The number of boxes to be dropped; and
 - (d) The signature of the accounting supervisor.

(3) A casino security department member and an accounting department member shall obtain the keys necessary to perform the bill validator drop from their respective departments.

(4) In the presence of the casino security department member, the accounting department member shall:

- (a) Place the appropriate number of empty bill validator boxes required for the bill validator drop into a secure cart;
- (b) Transport the cart and the boxes to the gaming area;
- (c) Unlock the cabinet(s) housing the bill validator boxes;
- (d) Exchange the bill validator boxes; and
- (e) Place the boxes removed in the secure cart.

(5) Immediately upon removal of each bill validator box, the gaming voucher redemption machine shall generate a receipt (Bill Validator Receipt) that documents the total value of each item (gaming vouchers, coupons and/or currency) in the bill validator box. Such receipt shall be placed into a locked accounting box by the accounting department member.

(6) Prior to the movement of the collected boxes, the accounting department member shall verify and confirm in writing by signing the bill validator drop form, that the number of boxes being transported from the gaming area equals the number of boxes in 205 CMR 138.49(2)(c). Any discrepancies shall be immediately reported to the surveillance department and in writing to the IEB in-house office.

(7) Accompanied by an accounting department member and a casino security department member, the locked cart containing the bill validator boxes shall be transported to:

- (a) The cashiers' cage for counting or a secure area approved by the IEB under the control of the main bank or master coin bank and stored there until counted; or
- (b) The count room for counting only when the count of table game drop boxes or slot machine drop containers is not in progress.

(8) The contents of the bill validator boxes shall be counted as follows:

(a) If the boxes are counted in the cashiers' cage, a main bank or master coin bank cashier shall document their contents, by item and amount, on a two-part Balance Receipt.

- (1) The cashier who documents the contents of boxes shall retain the original Balance Receipt as an inventory document until forwarded directly to the casino accounting department with the main bank or master coin bank end-of-day paperwork.
- (2) The cashier shall place the duplicate Balance Receipt in a locked accounting box.

(b) If the boxes are counted in the count room, the casino accounting department member(s) performing the count shall document the count for each individual bill validator box on a Balance Receipt. If the counting equipment documents the count of each individual bill validator box, the gaming vouchers, coupons and currency need only be documented for the entire bill validator drop and not for each individual bill validator box. At the completion of the count, a main bank or master coin bank cashier shall verify the contents on the Balance Receipt.

- (1) The accounting department member(s) shall transport the gaming vouchers and coupons directly to the accounting department together with the original Balance Receipt and the supporting documentation for each bill validator box.
- (2) The main bank or master coin bank cashier shall transport the currency directly to the main bank or master coin bank together with the duplicate Balance Receipt.

(9) A gaming licensee shall generate reports necessary to reconcile the funds placed into and dispensed by the gaming voucher redemption machines.

138.50: Temporary amendments for pit and slot zone configurations or reconstitutions

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to the temporary configurations, reconfigurations, or reconstitutions for pit and slot zones that include, at a minimum, the provisions contained in 205 CMR 138.07, and the following:

- (1) A gaming licensee may temporarily reconfigure one or more pits or slot zones by filing a notice with the commission at the IEB office in the gaming establishment to temporarily reconfigure for each pit or slot zone specified in the notice, which shall be filed at least 24 hours prior to implementing such alternate configuration. If the gaming licensee does not receive a response to the petition within that 24 hour period, the gaming licensee may proceed with the reconfiguration or reconstitution.
- (2) Each such reconfigured pit shall not:
 - (a) Exceed the dimensions approved for the pit that existed immediately prior to the reconfiguration; nor
 - (b) Include any change requiring the approval of a building official without having first obtained that approval and the approval of the commission.
- (3) Each pit operating under an approved configuration shall have an alarm system, approved by the commission, which enables a pit clerk or a pit supervisor to transmit a signal that is audibly and visually reproduced in each of the following locations whenever there is an emergency in the pit:
 - (a) The surveillance monitoring rooms; and
 - (b) The casino security department.

138.51: Accounting controls for gaming voucher redemption machines

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing a computerized gaming voucher system for the redemption of gaming vouchers that comports with 205 CMR and for the reconciliation of the contents of the redemption machines.

138.52: Slot Machines and bill changers; coin and token containers; slot cash storage boxes; entry authorization logs

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to slot machines and bill changers that include, at a minimum, the following provisions:

- (1) Each slot machine which accepts coin or tokens shall have:
 - (a) A container, to be known as a payout reserve container ("hopper"), in which coins or slot tokens are retained by the slot machine to automatically dispense coins or slot tokens to pay jackpots or credits remaining on a slot machine, or to automatically replenish another hopper in the slot machine with coins or slot tokens. The slot machine shall be designed to divert accepted coins or slot tokens that exceed the amount of the initial hopper fill from the hopper to the slot drop bucket or, if applicable, the slot drop box;
 - (b) A container, known as a slot drop bucket or slot drop box, to collect coins or slot tokens that are retained by the slot machine and are not used to make change or automatic jackpot payouts. Each slot drop bucket or slot drop box shall be identified by a number which corresponds to the asset number of the slot machine, and which is permanently imprinted on or affixed to the outside of the slot drop bucket or slot drop box in numerals. The number shall be conspicuous and clearly visible to persons involved in removing or replacing the slot drop bucket or slot drop box in the slot machine and through the gaming licensee's CCTV system. In addition to bearing an asset number, each slot drop bucket or slot drop box may also be identified by a bar code label that is securely affixed thereto. Each bar code label affixed to a slot drop bucket or slot drop box shall:
 - (1) Be encoded, at a minimum, with the asset number of the slot machine in which the slot drop bucket or slot drop box is housed; and
 - (2) Require the completion of a Bar Code Label Request Form that is signed by the requester and the preparer; provided, however, that a bar code label prepared by a member of the count team shall be tested and verified by a count room supervisor or representative of the accounting department other than a member of the count team, prior to the label being attached to the slot drop bucket or slot drop box; and
 - (c) On those slot machines which include a bill changer, a secure, tamper-resistant container known as a slot cash storage box, in which shall be deposited all currency, gaming vouchers and coupons inserted into the bill changer. If the slot machine does not contain a hopper, the slot cash storage box shall be accessible only by a dedicated bill changer drop door that can be opened without opening the slot machine's main door or any other compartment of the slot machine.
- (2) A slot drop bucket shall be housed in a secure compartment separate from any other compartment of the slot machine. Access to the compartment shall be by two keys, both of which are different from each other and different from the keys utilized to secure all other compartments of the slot machine. One key shall be maintained and controlled by the casino security department and the other key shall be maintained by the accounting department in a

- secure area within that department. Access to the key may be gained only by a supervisor of the department and shall require the use of a sign-in and sign-out procedure.
- (3) Any slot machine equipped to accept slot tokens in denominations of \$25.00 or more shall utilize a slot drop box, rather than a slot drop bucket.
 - (4) A slot drop box shall have:
 - (a) A slotted opening through which coins and slot tokens can be deposited;
 - (b) A device that will automatically close and lock the slotted opening upon removal of the slot drop box from the slot machine; and
 - (c) A key securing the contents of the slot drop box which is different from the keys utilized to secure all other compartments of the slot machine. The key shall be maintained and controlled by the accounting department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure.
 - (5) A slot drop box shall be housed in a locked compartment separate from any other compartment of the slot machine. The compartment in which the slot drop box is located shall be secured by a key, which shall be different from the key securing the contents of the slot drop box and any other compartment of the slot machine. The compartment key shall be maintained and controlled by the casino security department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure.
 - (6) Each slot cash storage box shall:
 - (a) Have a key securing the contents of the slot cash storage box which is different from the keys utilized to secure all other compartments of the slot machine. The key shall be maintained and controlled by the accounting department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure;
 - (b) Have a slot opening through which currency, gaming vouchers and coupons can be inserted into the slot cash storage box;
 - (c) 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 is removed from the bill changer;
 - (d) Be fully enclosed, except for such openings as may be required for the operation of the bill changer or the slot cash storage box; provided, however, that the location and size of such openings shall not affect the security of the slot cash storage box, its contents or the bill changer; and
 - (e) Have an asset number that is permanently imprinted, affixed or impressed on the outside of the slot cash storage box which corresponds to the asset number of the slot machine to which the bill changer has been attached. In lieu of the asset number, a gaming licensee may develop and maintain a system for assigning a unique identification number to its slot cash storage boxes. 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 in the bill changer and through the gaming licensee's CCTV system. In addition to bearing an asset number or unique identification number, each slot cash storage box may also be identified by a bar code label that is securely affixed thereto. Each bar code label affixed to a slot cash storage box shall be:

- (1) Encoded, at a minimum, with the asset number of the slot machine in which the slot cash storage box is housed; and
 - (2) Prepared in accordance with a gaming licensee's internal controls, which controls shall require, without limitation, the completion of a Bar Code Label Request Form that is signed by the requester and the preparer; provided, however, that a bar code label prepared by a member of the count team shall be tested and verified by a count room supervisor or representative of the accounting department other than a member of the count team, prior to the label being attached to the slot cash storage box.
- (7) The area in which the slot cash storage box is located shall be secured by a key and separate from and accessible independently of any other compartment of the slot machine, the slot drop bucket or the slot drop box. The key to the lock securing the area where the slot cash storage box is located shall be different from the key securing the contents of the slot cash storage box. The compartment key shall be maintained and controlled by the casino security department or the slot department in a secure area within that department. Access to the key may be gained only by a supervisor in that department; provided, however, if the slot department controls the key, the slot department supervisor may issue the key to a casino security department supervisor, who may give it to appropriate casino security department personnel only for the purpose of participating in the transportation of slot cash storage boxes. Access to the key shall require the use of a sign-in and sign-out procedure.
- (8) Except as otherwise provided, keys to each slot machine, or any device connected thereto which may affect the operation of the slot machine, including, without limitation, keys that activate a jackpot-to-credit-meter switch, shall be maintained in a secure place and controlled by the slot department. Access to the keys shall require the use of a sign-in and sign-out procedure.
- (9) Any key removed from a department's secure area pursuant to 205 CMR 138.52(2), (4), (5), (6), or (7), shall be returned no later than the end of the shift of the department member to whom the key was issued, and the department shall establish a sign-out and sign-in procedure for all such keys removed.
- (10) The following entry authorization logs shall be maintained by the gaming licensee unless the information is recorded electronically:
- (a) Whenever a slot machine, or any device connected thereto which may affect the operation of the slot machine, is opened, with the exception of a bill changer, certain information shall be recorded on a "Machine Entry Authorization Log." The information shall include, at a minimum, the date, time, purpose of opening the machine or device, and the signature of the authorized employee opening the machine or device. The Machine Entry Authorization Log shall be maintained in the slot machine and shall have recorded thereon a sequential number and a manufacturer's serial number or the asset number of that slot machine;
 - (b) Whenever a progressive controller not housed within the cabinet of a slot machine is opened, the information specified in 205 CMR 138.52(10)(a) shall be recorded on a "Progressive Entry Authorization Log." The Progressive Entry Authorization Log shall be maintained in the progressive unit and shall have recorded thereon a sequential number and serial number of the progressive controller;

- (c) With the exception of the transportation of slot cash storage boxes, whenever a bill changer, other than a separate slot cash storage box compartment, is opened, certain information shall be recorded on a "Bill Changer Log." The information shall include, at a minimum, the date, time, purpose of opening the bill changer, and the signature of the authorized employee opening the bill changer. The Bill Changer Log shall be maintained in the bill changer and shall have recorded thereon a sequential number and the serial number or asset number of the bill changer. If the bill changer is contained completely within the cabinet of a slot machine and there is no separate access to the bill changer unit, the information may be recorded on the Machine Entry Authorization Log required by 205 CMR 138.52(10)(a), provided that any information that concerns the opening of the bill changer may be distinguished from any information that concerns the opening of the slot machine or any other device connected thereto; and
- (d) Whenever a printer for an approved gaming voucher system is accessed, the date, time, purpose of such access, and the signature of the authorized employee shall be recorded in the log required by either 205 CMR 138.52(10)(a) or (c), or a separate log.

138.53: Progressive slot machines

If a gaming licensee offers one or more progressive jackpots that increase in value as the machine is played based upon a set rate of progression and awarded when a player achieves a specific game outcome, the system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and protocols as provided by 205 CMR 143.02.

138.54: Linked slot machines interconnected in more than one gaming establishment; slot system operator; computer monitor

Prior to participation by a gaming licensee in a multi-casino progressive slot system the gaming license shall submit a system of internal controls in accordance with 205 CMR 138.02 specifying the manner in which the participating gaming licensees and slot system operators will satisfy the provisions of 205 CMR 143.02.

138.55: Inspection of slot machine jackpots

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the inspection of slot machines and electronic gaming devices including, at a minimum, the following provisions:

- (1) For all slot machine and other electronic gaming device jackpots over \$75,000 in cash, merchandise, or cash equivalent value, or any jackpot where there is evidence of a malfunction, the gaming licensee shall notify the IEB that a jackpot has been registered and permit the IEB to inspect any slot machine, progressive equipment or related equipment; and

- (2) Policies with respect to the payment of jackpots if an inspection is pending, but not yet completed, or an inspection is performed and the results are such that the jackpot may have been the result of an impropriety.

138.56: Attendant paid jackpots and credit meter payouts

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the payment of jackpots and credit meter redemptions if and when the payment is not automatically disbursed from a slot machine or electronic gaming device in the form of a gaming voucher if these practices will be utilized at the gaming establishment.

138.57:

RESERVED

138.58: Alternate forms of jackpot payments

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the offer and payment of alternate forms of jackpots to include, but not be limited to:

- (1) If the jackpot is in the form of an annuity or other non-cash instrument, the terms and conditions on which that jackpot will be authorized, awarded and accounted for;
- (2) If the jackpot is in the form of merchandise, the terms and conditions on which that jackpot will be authorized, awarded and accounted for; and
- (3) That appropriate tax forms are completed.

138.59: Procedure for filling payout reserve containers of slot machines and hopper storage areas

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures for filling payout reserve containers of slot machines and hopper storage areas, if utilized.

138.60: Procedure governing the removal of coin, slot tokens and slugs from a slot machine

hopper

If a gaming licensee uses slot machines at the gaming establishment that accept coins, the system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures governing the removal of coin, slot tokens, and slugs from a slot machine hopper.

138.61: Slot accounting requirements; electronic table games which accept gaming vouchers or coupons redeemed by gaming voucher system

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include slot accounting procedures designed to ensure that the gaming licensee's slot activities are accurately and timely recorded and reported. Specifically, the policies and procedures shall include, but not be limited to:

- (1) Identification of the specific types of gaming devices from which the revenue is considered slot revenue for reporting purposes.
- (2) The specific reports, by content and frequency, generated by the licensee's automated slot monitoring system, including the distribution thereof and the controls in place to maintain the integrity of the information contained therein.
- (3) The specific procedures utilized by the accounting department to review reports generated by the slot monitoring system and compare the information contained therein to supporting documents to include, but not be limited to:
 - (a) Records of currency, coupons and gaming vouchers inserted for credit.
 - (b) Records of wagering activities from account based wagering reports.
 - (c) Records of wagering activities from electronic fund sources.
 - (d) Records of fills.
 - (e) Records of jackpot and credit meter payouts.
 - (f) Records of voucher payouts.
 - (g) The contents, as counted, of slot cash storage boxes.
 - (h) Variances reported in the slot cash storage box count process.
 - (i) Such other documents that support the reported activity of a slot machine or other electronic gaming device.
- (4) Its detailed procedures to investigate and resolve differences, identified by the accounting department, resulting from the comparisons identified in 205 CMR 138.61(3), including supervisory approval thereof.
- (5) Its detailed procedures to audit and account for the activities of its slot machines on a manual basis, in the event that the automated slot monitoring system is not functional.
- (6) The form and frequency of its completed slot revenue reports to include the specific information contained therein (for example, revenue by machine, revenue by denomination, etc.), in a manner that is consistent with other reporting requirements.

138.62: Payment of table game progressive payout wagers; supplemental wagers not paid from

the table inventory

RESERVED

138.63: Slot machines and bill changers; authorized locations; movements

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the movement and placement of slot machines and bill changers that, at a minimum, comport with 205 CMR 145.00.

138.64: Accounting controls for chip persons and chips

RESERVED

138.65: Cashless wagering systems

RESERVED

138.66: Master lists of approved table games, movements of gaming equipment; amendments of operation certificates upon filing updated master list

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to the movements of gaming equipment that incorporate, at a minimum, the following provisions:

- (1) Prior to the issuance of an operation certificate and the commencement of gaming or simulcast wagering, each gaming licensee shall file with the IEB office in the gaming establishment comprehensive lists of the table games in its gaming establishment (the Table Games Master List), if any.
- (2) At a minimum, each Table Game Master List shall contain the following information:
 - (a) The date on which the list was prepared;
 - (b) A description of each table by:
 - (1) Type of authorized game;
 - (2) Location number; and
 - (3) Serial and table number;and
 - (c) Such other information as the commission may require.
- (3) Whenever a gaming licensee proposes that gaming tables be brought into, removed from or moved within a gaming establishment, as applicable, the gaming licensee shall first:
 - (a) Obtain any amendment to its operation certificate; and
 - (b) Provide an authorized agent of the IEB with written notice at least 72 hours prior to the actual movement of each gaming table, slot machine and bill changer.

- (4) The gaming manager or his or her designee shall notify in writing the accounting department, the security department and the IEB, 72 hours in advance of all movements and removals of gaming tables. The notification shall include at a minimum:
 - (a) The date and time of movement or removal;
 - (b) The gaming table(s) or asset number(s) of slot machines, as applicable;
 - (c) Whether a movement or removal;
 - (d) The location from which gaming table or slot machine will be moved;
 - (e) The location to which the gaming table or slot machine will be moved; and
 - (f) The signature of a gaming manager or designee.
- (5) Prior to moving or removing a gaming table:
 - (a) The table inventory shall be credited from the table; and
 - (b) The table drop box shall be removed during a scheduled drop box pick-up and a replacement box not placed on the table.
- (6) Immediately after each gaming table is brought into, removed from or moved within a gaming establishment, the gaming licensee completing the move shall file and serve, in accordance with 205 CMR 138.66(1), updated master lists of its table games to the extent that the move causes a change in the information contained on the most recent version of the applicable list on file with the IEB.
- (7) The number of each type of authorized game included in the gaming licensee's operation certificate or any approved amendments thereto shall be amended, upon the filing of an updated Table Games Master List to conform to the correct number of each type of authorized game that is specified in the applicable list.

138.67: Employee Signatures

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to signatures required in accordance with the internal controls and 205 CMR in general that incorporate the following provisions:

- (1) Signatures shall, at a minimum, comply with either of the following requirements:
 - (a) If written, they shall be, at a minimum, the signer's first initial, last name, and legible credential number, written by the signer, and be immediately adjacent to or above the title of the signer; or
 - (b) If electronic, they shall be the employee's name and identification number or other computer identification code issued to the employee by the gaming licensee, if the document to be signed is authorized to be generated by computer; and
 - (c) They shall signify that the signer has personally prepared forms, records, and documents, and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with the internal controls.
- (2) Written signature records shall be prepared for each employee required to sign records and documents and shall include specimens of signatures, titles of signers and the date the signature was obtained. Such signature records shall be maintained alphabetically by last name

either on a company-wide or departmental basis. The signature records shall be adjusted on a timely basis to reflect changes of personnel.

- (3) Signature records shall either be:
 - (a) Securely stored in the accounting department; or
 - (b) Stored in electronic form and maintained by the IT Department in a secure format so that such signature records can be promptly retrieved in the event of a computer failure.

138.68: Expiration of gaming-related obligations owed to patrons; payment to the Massachusetts Gaming Control Fund

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the expiration of gaming-related obligations that provide, at a minimum, that:
 - (a) Any money that is owed to a patron by a gaming licensee as a result of a gaming transaction must be claimed within one year of the date of the gaming transaction or the obligation of the gaming licensee to pay the patron will expire. Upon expiration of the obligation, the involved funds must be transferred to Massachusetts Gaming Control Fund in accordance with M.G.L. c.23K, §57.
 - (b) A gaming licensee shall maintain a record of all gaming-related obligations that have expired.
- (2) Before the end of each calendar month the gaming licensee shall report the total value of gaming debts owed to its patrons that expired during the preceding calendar month in a format prescribed by the commission.
- (3) Each gaming licensee shall submit a check with its monthly report payable to the Massachusetts Gaming Control Fund in accordance with M.G.L. c.23K, §57 in the amount of the gaming debts owed to its patrons that expired during the preceding month as stated in the report.
- (4) Upon the payment of the expired debt, the gaming licensee shall post the payment and remove the amount from its records as an outstanding debt.
- (5) Failure to make the payment to the Massachusetts Gaming Control Fund by the due date shall result in the imposition of penalties and interest as prescribed by 205 CMR.
- (6) Nothing in 205 CMR 138.68 shall preclude the gaming licensee from, in its discretion, issuing cash or other form of complimentary to a patron to compensate the patron for a gaming debt that has expired.

138.69: Entertainment, filming or photography within the gaming establishment

- (1) No entertainment, filming or photography shall be offered or conducted within the gaming establishment, or shall be significantly visible or audible from or in the gaming establishment, unless the gaming licensee files a written notice with the IEB, at least 24 hours prior to the commencement of such entertainment, filming or photography, which notice shall include, at a minimum, the following information:
 - (a) The date and time of the scheduled entertainment, filming or photography;

- (b) A detailed description of the type of entertainment, filming or photography to be offered;
 - (c) The number of persons involved in the entertainment, filming or photography;
 - (d) The exact location of the entertainment, filming or photography in the gaming establishment;
 - (e) A description of any additional security measures that will be implemented as a result of the entertainment, filming or photography; and
 - (f) A certification from the supervisors of the gaming licensee's security, gaming operations, and surveillance departments that the proposed entertainment, filming or photography will not adversely affect the security and integrity of gaming operations.
- (2) The IEB may at any time require the gaming licensee to immediately cease any entertainment, filming or photography offered within the gaming establishment, if the entertainment, filming or photography provided is in any material manner different from the description contained in the submission filed pursuant to 205 CMR 138.69(1) or in any way compromises the security or integrity of gaming operations.
- (3) In reviewing the initial or continued suitability of an entertainment, filming or photography proposal, the IEB shall consider the extent to which the entertainment, filming or photography proposal may unduly disrupt or interfere with:
- (a) Efficient gaming operations;
 - (b) The security of the gaming establishment or any portion thereof;
 - (c) Surveillance operations; or
 - (d) The security or integrity of gaming operations or any authorized game.

138.70: Technical standards for count room equipment

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall identify all equipment used in the counting process of the contents of drop boxes, slot cash storage boxes, slot drop buckets, and slot drop boxes that include, at a minimum, the following provisions:

- (1) A detailed description of the design and use of the computer equipment and any communication interfaces related to the counting process;
- (2) Names of all revenue files and who has access and what type of access they have to these files; and
- (3) Procedures for controlling changes to computer equipment, communication interfaces, configuration, and software which provide for, at a minimum, written or electronic notification in accordance with 205 CMR.

205 CMR 138: M.G.L. c. 23K, §§4(28), 5, and 25(d).



Via Electronic Mail

January 16, 2015

Mr. Todd Grossman, Deputy Counsel
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

Dear Mr. Grossman:

On behalf of IGT, I would like to thank the Massachusetts Gaming Commission (“Commission”) for the opportunity to submit comments on the Uniform Standards of Accounting Procedures and Internal Controls (205 CMR 138-00). IGT respectfully submits the following observations and suggestions for the Commission consideration:

205 CMR 138.01 Authorized Instrument Definition states that an “annuity jackpot trust check” is an “Authorized instrument” which implies that a trust will be required for annuity jackpots. It is common industry practice for jurisdictions to require that certain financial and reporting requirements be met by demonstrating the ability to finance a stream of payments rather than requiring an annuity trust. In the spirit of seeking efficiencies and promulgating standardized practices, IGT requests that the Commission consider alternate means to secure the jackpot funds.

205 CMR 138.10 details the requirements of a jobs compendium submission. IGT notes that the initial submission and ongoing maintenance associated with supporting a jobs compendium requirement is quite laborious. IGT suggests removal of this requirement and believes that any concerns of employee suitability should be resolved through employee licensing.

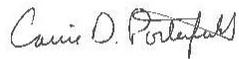
205 CMR 138.52(1)(c) states that if a slot machine has no hopper, the “slot cash storage box” shall be accessible only by a dedicated drop door that can be opened without opening the slot machine’s main door or any other compartment of the slot machine. IGT observes that as written this requirement will limit the placement of slot cabinets that exist today that offer the enhanced security and controls associated with placement of the “slot cash storage box” behind the security of the main cabinet door or other compartments. IGT suggests

consideration that if a slot machine cabinet design complies with “GLI 11 Gaming Devices in Casinos” standard that it is acceptable for approval by the Commission.

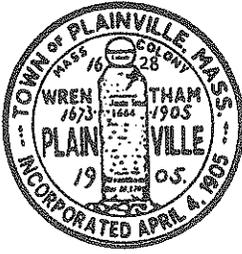
205 CMR 138.52(7) states that the “slot cash storage box” accessibility shall be independent of any other compartment of the slot machine. IGT notes the same observation and suggestion as 205 CMR 138.52 (1)(c) above and requests consideration for the additional layer of security should the main slot door need to be opened first prior to accessing the slot cash storage box.

Should you have any questions or wish to discuss, please contact Carrie Porterfield at (702) 669-8966 or Carrie.Porterfield@IGT.com.

Sincerely,



Carrie Porterfield
IGT Manager Regulatory Development



TOWN OF PLAINVILLE

Office of the
BOARD OF SELECTMEN

January 15, 2015

Stephen Crosby, Chairman
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110

RE: Draft Regulation 205 CMR 138.00
VIA Electronic Mail: mgcccomments@state.ma.us

Dear Chairman Crosby and Fellow Commissioners:

Thank you for the opportunity to comment on the Commission's proposed regulations concerning accounting procedures, internal controls and the location of automatic teller machines (ATM's). I will defer to those who are better prepared to comment on the efficacy (or lack thereof) of your proposed accounting and internal control regulations. Instead, I am prompted to comment in support of your proposed position on the access of ATM services within gaming facilities.

Before, during, and since the passage of the Gaming Act in 2011, a common thread of discourse and consideration has been the concept of competitive advantage. Without casting aspersions, Massachusetts is relatively late to the gaming industry. Our goal now must be to win back the patronage of our own citizens and indeed attract visitors from neighboring states. These nearby gaming facilities have had years to fine tune their venues by offering their customers conveniences such as ATM's. Without your proposed regulation, we are only adding to the difficulty of regaining our own patrons.

I applaud you for recognizing the need to level the playing field as we embark on this new venture in Massachusetts. I urge you to ward off any effort that leaves us vulnerable to competing jurisdictions.

As always, thank you for your ongoing efforts!

Sincerely,

Joseph E. Fernandes
Town Administrator

ROBERT L. RIZZI
President

SANDRA WILLIAMS
Executive Vice-President

JAMES M. HOWARD
Secretary-Treasurer

ROBERT SCHILLING
Recording Secretary

DAVE TOWERS
Sergeant-At-Arms

NORFOLK COUNTY CENTRAL LABOR COUNCIL

AFL-CIO

222 Forbes Road - Suite 208
Braintree, Massachusetts 02184
TEL. 774-230-0510

Email: norfolklabor@comcast.net



Vice-Presidents
HARRY BRETT
MARK BURNS
HUGH CAMERON
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JAMES CONNOR
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Trustees
BRIAN BROUSSEAU
BRIAN CUMMINS
SCOTT CURRY

January 15, 2015

Mr. Stephen Crosby,
Chairman
The Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110

RE: DRAFT REGULATION 205 CMR 138.00
VIA ELECTRONIC MAIL, mgccomments@state.ma.us

Dear Mr. Chairman,

We write in strong support of the Commission's proposed draft regulations relative to accounting procedures, internal controls and the location of automatic teller machines (ATM's.)

The Norfolk County Central Labor Council AFL-CIO representing 35 Unions and over 35,000 members believes that the proposed regulations are a thoughtful approach which balance access, convenience and the competitive realities that the nascent gaming industry in the Commonwealth faces from its neighbors next door.

We note that ATM's are readily available to patrons visiting gaming facilities in Rhode Island and Connecticut. As an organization with many constituents who overwhelmingly supported the expanded gaming law in Massachusetts we consider it part of our responsibility to assure that brand new job and revenue creating facilities in Massachusetts are not competitively disenfranchised. Your proposal protects the consumer and competition for which you should be applauded.

Thank you for your consideration of our comments. We urge you to promulgate the regulations as proposed and hope you will not hesitate to contact us should you have any questions.

Sincerely,

Robert L. Rizzi
President

James M. Howard
Secretary / Treasurer

From: [Wayne Perry COMMBuys state procurement](#)
To: [MGCcomments \(MGC\)](#)
Cc: wayneperry@comm-pass-statebidconsulting.com
Subject: draft regulation comment
Date: Friday, January 09, 2015 4:51:04 PM

Dear Sirs;

Concerning the placement on ATM in gambling establishments I recommend to have the ATM located 3 floors away from the gaming area.

Waiting for the elevator will allow time for reflection and the body to reabsorb the adrenalin rush.

Wayne Perry

Wayne Perry COMMBuys bid consultant

GCC

State Procurement Consultant

wayneperry@comm-pass-statebidconsulting.com

781-817-3711

http://www.graphiccommunicationconsulting.com/COMMBUYS_main_page.htm

Share the Commonwealth talk show host

<http://urbusinessnetwork.com/category/share-the-commonwealth-radio-show-and-podcast-with-wayne-perry/>



January 19, 2015

**RE: Comments Regarding Regulations Pertaining to Internal Controls,
Including ATM Locations**

To the Massachusetts Gambling Commission:

On behalf of Stop Predatory Gambling, a 501c3 non-profit organization based in Washington, DC with an office in Massachusetts, I am writing in response to the Gambling Commission's invitation for comments regarding its draft regulations 205 CMR 138.00

The Commission's regulations reference the "protection of minors" in section 138.21. Our comments today specifically focus on the protection and welfare of Massachusetts children and we have three recommendations we urge the MGC to adopt.

Many children who have been abandoned while their parents gamble inside regional casinos, like those proposed for Massachusetts, are not simply the victims of "bad parents." Often, these parents have had no prior issues with state child protection service programs. What is it about casinos that lead many parents and other guardians of children to act so irrationally that they leave their kids behind, alone, for hours in casino parking lots, hotel rooms and homes? How often does the local Massachusetts movie cinema have incidences of children being left behind in the cinema parking lot while the mother or father is inside the theater watching a movie? Very rarely, if ever.

By taking the following three actions, the MGC can meaningfully make a difference in protecting the lives of tens of thousands of Massachusetts children who otherwise, will become victims of regional casinos through no choice of their own.

- 1) **Eliminate "free play" offers from casinos.** Predatory casino marketing practices regularly offer "free slots play" to citizens to lure them into losing their money inside casinos far more often than they would without such marketing. Casinos understand that many citizens, once they burn through "the free play" given to them, citizens will then tap into their own savings and credit using slot machines mathematically guaranteed to take all their money the longer they use them.

- 2) **Require slot machine design to reduce the speed and duration of play.** The most respected scholar in the nation about the design and technology of slot machines, MIT's Natasha Schull, has prominently written and testified about how many frequent users of modern slot machines find the machines virtually impossible to stop using. If those who oversee casinos are intent on dramatically reducing the number of instances of child neglect that casinos create, then it starts with swiftly addressing machine design.

- 3) **Prohibit ATMs on the premises of casinos.** Only the uninformed and willfully ignorant can examine the nation's primary provider of ATMs inside casinos, Global Cash Access (GCA), and conclude that their business practices are in the best interest of the state's citizens, especially their children. Dr. Schull's book Addiction By Design reported that gamblers who manage to follow "responsible gaming codes of conduct" *contribute a mere 4% of gambling revenues*. Casino ATMs represent the primary means that a person chases one's losses. Chasing, as you likely know by now, is a leading indicator of problem gambling behavior. This kind of addictive behavior is what leads everyday people to do things, like abandon their kids, they would never do otherwise.

Thank you for your serious consideration of these recommendations. Please contact me for any additional information about this critical issue.

Sincerely,



Les Bernal
National Director
Stop Predatory Gambling



PENN NATIONAL
GAMING, INC.

January 19, 2015

Mr. Rick Day
Executive Director
Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109

RE: Comments on Draft Rule 205 CMR 138.47, Automated Teller Machines

Dear Executive Director Day:

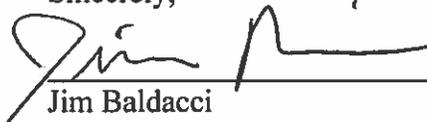
We have reviewed the ATM provision (138.47) in draft regulation 205 CMR 138 titled: "*Uniform Standard of Accounting Procedures and Internal Controls*" and are writing in support of the language of that provision as currently written.

We believe the 15 feet provision strikes a reasonable balance between the responsible gaming goals of the Commonwealth and casino patrons while still allowing such patrons the convenience of being able to access their personal funds at the casino site. The provision will also allow Massachusetts casinos to operate on a level playing field with other regional casinos.

Penn National Gaming Inc. and Plainridge Park Casino thanks the Commission for the chance to share our experience and to express our support for rule 138.47 as currently proposed.

If you have any questions or would like to discuss further, feel free to contact me at 610-401-2946.

Sincerely,



Jim Baldacci
Deputy Chief Compliance Officer

JED M. NOSAL
Counsel

Direct Dial: 617.856.8272
Direct Fax: 617.289.0708

E-Mail: jnosal@brownrudnick.com
<http://www.brownrudnick.com>

One
Financial
Center
Boston
Massachusetts
02111
tel 617.856.8200
fax 617.856.8201

January 16, 2015

VIA EMAIL

Massachusetts Gaming Commission
84 State Street
Boston, MA 02109

RE: Blue Tarp reDevelopment Comments on 205 CMR 138.00

To Whom It May Concern:

In response to the Massachusetts Gaming Commission's ("Commission") publication of 205 CMR 138.00, *Uniform Standards of Accounting Procedures and Internal Controls* ("IC Regulations"), for public comment and hearing pursuant to G.L. c. 30A, Blue Tarp reDevelopment, LLC ("MGM Springfield") submits the following comments and accompanying redline to the Commission. These comments supplement MGM Springfield's October 23, 2014 and November 10, 2014 initial comments which we request be incorporated by reference into the Commission's record. MGM Springfield appreciates the opportunity to provide comments on the regulations.

At the outset, MGM Springfield recognizes the significant changes to the IC Regulations that have occurred over the last several months. Prior to final promulgation, MGM Springfield offers some additional changes to the IC Regulations that accomplish the following: (i) provide greater flexibility for operators to propose alternative controls where justified; (ii) better align certain procedures with current operating practices; (iii) provide clarification of the establishment and verification of credit; and (iv) update certain terms. These changes are more specifically summarized below and, for the Commission's convenience, the changes are incorporated into the attached redline version of the current IC Regulations.

Comments on 205 CMR 138.00: Uniform Standards of Accounting Procedures and Internal Controls

205 CMR 138.01: Definitions

- We have added a definition for "Replacement Check" to avoid any confusion regarding this term.

205 CMR 138.02(6): Licensee's system of internal controls

- Subsection (6) is amended to allow the Executive Director to approve a variance from the internal controls regulations upon the finding that a proposal is “at least equivalent” **or** “is likely to achieve the same outcome”. A variance, by its nature, may not be an exact equivalent yet it can be designed to achieve the same desired outcome, which is the paramount purpose of these regulations. This change will provide the necessary flexibility in the regulations for licensees to propose alternatives that will result in better, more efficient controls without necessitating an amendment to the regulation.

205 CMR 138.26(1): Keys for dual locks; gaming licensee-controlled keys and locks; notice to the IEB and surveillance department upon malfunction and repair, maintenance or replacement

- Changes to subsection (1) will add flexibility for the licensee to quickly address situations where a key is damaged, without any negative impact to the integrity of the gaming operations, and removes a patent requirement that is not likely to be met. More specifically on the latter, it is unlikely that new technology would be patented contemporaneously when it comes to market given that the patenting process before the USPTO ordinarily takes several years. In addition, computer based technology is not necessarily patentable (although software can be copyrighted).

205 CMR 138.33: Removal of slot drop buckets, slot drop boxes and slot cash storage boxes; Unsecured currency; recording of meter readings for slot machine drop

- Revisions are made to this section to both strengthen and clarify specific operational procedures as well as update the procedures to reflect current practices and technologies and, again, provide operational flexibility to the gaming licensee without any negative impact to the integrity of the gaming operations. In subsection (2) additional language was added to recognize electronic key control systems. Key systems can be configured to require PINs as well as fingerprint or entire hand scans to gain access to sensitive keys.
- Subsection (6) is amended to recognize that a slot drop container may be removed for reasons other than inoperability, e.g., movement of a machine, resolution of a patron complaint or taking a slot machine out of service.
- Subsection (6) is amended to further clarify what personnel, documentation and surveillance are required for emergency drop box procedures.

205 CMR 138.40: Procedure for acceptance of checks, cash equivalents and credit/debit cards; issuance of counter checks

- Revisions are made to this section to clarify how credit is established and the use of checks and counter checks. Overall, the changes to this section preserve consumer protections while recognizing modern credit procedures. The reference to “slot counter check” included throughout the regulation should be eliminated. There is no distinction between counter

checks for areas of play. All counter checks have identical language and signature requirements regardless of where they are issued (i.e. slots, table games, cage, etc.).

- The forms of deposit listed in subsection (2) that a patron may utilize are expanded to include chips, plaques, slot tokens, jackpots, tournament winnings, and casino checks. Casino winnings may also be placed on deposit, which may be in the form of chips, a jackpot slip, tournament winnings or a casino check. Customers may request a check after winning a large jackpot, then decide that they would like to place the check on deposit. A further change to subsection (2) is made to ensure that third party wire transfers should have the same level of control as third party checks.
- A change to subsection (6) eliminates that checks must be issued “against the patron’s deposit account”. The phrase “against the patron’s deposit account” suggests that a customer must post security in connection with the issuance of a counter check. Many customers are issued credit solely on the strength of their credit history without any requirement that security be posted.
- Subsection (8) should be struck in its entirety. In practice, counter checks that are paid are returned to the customer, rather than transferred. “Live” counter checks are transferred to the cage, so that they are readily available for a customer and secured. We also note that the regulations should track and designate where all parts of a counter check (a form with an original and several copies) are routed within a gaming licensee’s operations.

205 CMR 138.41: Redemption, substitution, and consolidation of counter checks

- As with section 138.40 above, reference to slot counter checks should be eliminated.
- A new subsection (3) is added for processing mail and wire transfers. Customers may send payments to the casino, or wire funds to clear their balances.
- Subsection 4(b) is amended by recognizing that a patron’s “agent” can make redemptions, substitutions and consolidations as authorized. Customers may have another individual deliver payment to the casino on their behalf. For AML purposes, with cash payments or checks of \$3,000 or greater, the gaming licensee must identify this individual.

205 CMR 138.42: Acceptance of payments toward outstanding patron checks

- Subsection (4) is amended to allow a patron check to be completed and considered a negotiable instrument. Paper personal checks are becoming obsolete. The credit agreement executed by a patron will authorize the gaming licensee to add routing and bank account information to a counter check to make the instrument negotiable so that the counter check may be timely deposited as will be required under the proposed regulations. Under Nevada law, a casino may add such information to a counter check without the express authority or consent of the patron. Recognizing that there is not a similar provision in Massachusetts law,

making the counter check negotiable will be a matter of contract between the gaming licensee and the patrons for whom it extends credit.

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

- Subsection 1(d) is amended to recognize any limitations that a gaming licensee may have on obtaining public assistance data.
- Subsection (2)(a) is amended and strengthened to recognize a separation of responsibilities between those who are required to document credit decisions and those who make credit decisions.
- This section is further enhanced by adding a new subsection (2)(a)(2) that requires a patron's proof of identity as part of the application process. This will also provide an opportunity to compare signatures on the application to the ID.
- Subsection (2)(a)(9) is amended by adding to the patron's certification and affirmation that they release the gaming licensee from any all liability in connection with conducting a credit related investigation.
- Subsection (2)(a)(10)(a) is amended to recognize that the patron is applying for credit at the time the disclaimer is provided, not "receiving" credit.
- Subsection (2)(c) is amended to recognize that one or more of the steps listed in connection with establishing a credit limit may not be practicable depending on limits of available information, for example in the case of a foreign customer where information on debts in a foreign jurisdiction may not be ascertainable.
- Subsection (2)(m) is amended to reflect that a licensee will print the counter check and a patron signs the counter check.

205 CMR 138.44 Patron request for suspension of credit privileges

- Subsection (1) is clarified to require identification where the request is made in person consistent with subsection (g).

205 CMR 138.45: Procedure for depositing checks received from gaming patrons

- As with section 138.40 above, reference to slot counter checks should be eliminated.

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

- Subsection (1) is clarified to distinguish between the responsibilities of the accounting and collections department.
- Subsection (2) is amended to make the operative act the signing of the check for purposes of initiating a lien process or criminal prosecution.
- Subsection (3) is amended to allow a casino marketing personnel licensed to the level of key gaming employee to discuss outstanding patron checks.
- As with section 138.40 above, reference to slot counter checks should be eliminated.

Thank you for your attention to this matter. We are happy to provide additional information regarding these comments and the enclosed redline version of the regulations.

Sincerely,

BLUE TARP REDEVELOPMENT, LLC

by its Attorney,

BROWN RUDNICK LLP



Jed M. Nosal

cc: Catherine Blue, General Counsel
Todd Grossman, Deputy General Counsel
John Ziemba, Ombudsman

205 CMR: MASSACHUSETTS GAMING COMMISSION
UNIFORM STANDARDS OF ACCOUNTING PROCEDURES
AND INTERNAL CONTROLS

Section

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- 138.02: Licensee's system of internal controls
- 138.03: Records regarding company ownership
- 138.04: Gaming licensee's organization
- 138.05: System for Ensuring Employees are Properly Licensed or Registered
- 138.06: System for Business Dealings with Vendors
- 138.07: Floor plans of the gaming area, gaming establishment simulcasting facility and restricted areas
- 138.08: Accounting records
- 138.09: Retention, storage and destruction records
- 138.10: Jobs compendium submission
- 138.11: Personnel assigned to the operation and conduct of gaming
Patron Identification/Patron Complimentaries
- 138.12: RESERVED
- 138.13: Complimentary services or items and promotional gaming credits
- 138.14 Internal control procedures for security department
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- 138.16: Access to public and restricted areas
- 138.17: Searches of employees and the workplace by the gaming licensee
- 138.18: Vendor access badges
- 138.19: Count rooms; physical characteristics; count protocols
- 138.20: Possession of firearms
- 138.21: Protection of minors

- 138.22: Critical incident preparedness plan
- 138.23: Drop boxes for table games and electronic table games; gaming table slot cash storage boxes
- 138.24: Cashiers' cage; satellite cages; master coin bank; coin vaults
- 138.25: Simulcast counter
- 138.26: Keys for dual locks; gaming licensee-controlled keys and locks; notice to the IEB and surveillance department upon malfunction and repair, maintenance or replacement
- 138.27: RESERVED
- 138.28: Gaming day
- 138.29: Accounting controls for the cashiers' cage, satellite cages, master coin bank and coin vaults
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- 138.31: Procedure for accepting cash and coupons at gaming tables
- 138.32: Table game drop boxes, transport to and from gaming tables; storage boxes
- 138.33: Removal of slot drop buckets, slot drop boxes and slot cash storage boxes; Unsecured currency; recording of meter readings for slot machine drop
- 138.34: Procedures for acceptance of tips or gratuities from patrons
- 138.35: Table inventory; table inventory container; chip reserve compartment
- 138.36: Procedures for counting table inventory, opening tables for gaming, shift changes at gaming tables, and closing gaming tables
- 138.37: Procedure for distributing and removing gaming chips, coins and plaques to gaming tables
- 138.38: Procedures for acceptance, accounting for, withdrawal and refund of patron deposits
- 138.39: Procedures for accepting, verifying and accounting for wire transfers and electronic fund transfers; wire transfer and electronic fund transfer fees; Procedures for sending funds by wire transfer or electric fund transfer
- 138.40: Procedure for acceptance of checks, cash equivalents and credit/debit cards; issuance of

counter checks ~~or slot counter checks~~

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~~

138.42: Acceptance of payments toward outstanding patron checks

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

138.44: Patron request for suspension of credit privileges

138.45: Procedure for depositing checks received from gaming patrons

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

138.47: Automatic Teller Machines (ATM)

138.48: Procedure for opening, counting and recording contents of table drop boxes and slot cash storage boxes

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138.01: Definitions

As used in 205 CMR 138.00 the following words and phrases shall have the following meanings unless the context clearly indicates otherwise:

Annuity jackpot means any slot machine jackpot offered by a gaming licensee, wide area progressive or multi-state progressive slot system whereby a patron wins the right to receive cash payments at specified intervals in the future.

Asset number means a unique number permanently assigned to a slot machine and a slot cash storage box for purposes of tracking that machine and storage box while owned by a gaming licensee.

Authorized instrument means a cash equivalent, a casino check, a casino affiliate check, an annuity jackpot trust check or a replacement check.

Automated coupon redemption machine means any mechanical, electrical or other device which operates independently of a slot machine and which, upon insertion of a valid casino coupon or currency, dispenses an amount of coin or slot tokens equivalent to the face value of the coupon or currency, and which immediately upon exchange cancels the coupon.

Bank is defined in M.G.L. c.167B, §1.

Cage supervisor means any person who supervises personnel and functions within the cashiers' cage.

Cash means currency or coin.

Cash equivalent means a certified check, cashier's check, treasurer's check, personal checks, travelers' check, ~~or~~ money order or other instrument deemed a cash equivalent by the Commission.

Check is defined in M.G.L. c.106, section 3-104.

Chief gaming executive means the individual employed by a gaming establishment who is responsible for the daily conduct of a gaming licensee's gaming business. Unless the chief gaming executive also serves as the chief executive officer of the gaming licensee, the chief gaming executive shall report directly to the chief executive officer of the gaming licensee.

Closer means the original of the Table Inventory Slip upon which each table inventory is recorded at the end of each shift.

Credit card cash transaction means a transaction in which a patron obtains cash, chips, plaques, or slot tokens from a cashier by presenting a recognized credit card.

Debit card cash transaction means a transaction in which a patron obtains cash, chips, plaques, or slot tokens from a cashier by presenting a recognized debit card.

Derogatory information means issues that have a negative bearing on one's casino credit including such things as a patron credit account being partially or completely uncollectible, checks returned unpaid by the patron's bank, settlements, liens, judgments, other credit problems of the patron, or any other information provided by a gaming licensee's security or surveillance department.

Electronic fund transfer is defined in M.G.L. c.167B, §1.

Handle means the total value of coins, slot tokens, including foreign slot tokens, currency, coupons, gaming vouchers, and electronic credits invested by a patron to activate the play of a slot machine or other electronic gaming device.

Identification Credential means government issued photo identification which contains the person's signature.

Imprest means the basis on which cashiers' cage and slot booth funds are replenished from time to time in exactly the value of the net of expenditures made from the funds and value received.

Incompatible function means a function that places any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of their duties. For example, anyone recording transactions and having access to assets ordinarily would be considered to be in a position to perpetrate errors or irregularities. Persons may have incompatible functions if such persons are members of departments which have supervisors not independent of each other.

Master Game Report means a record of the computation of the win or loss ~~or, for the game of poker, the poker revenue,~~ for each gaming table, each game, and each gaming day; except that, for the game of poker, poker revenue is recorded.

Multi-state jackpot means any progressive slot machine jackpot offered by one or more gaming licensees in conjunction with a licensee from another jurisdiction pursuant to a multi-state progressive slot system agreement.

Opener means the duplicate copy of the table inventory slip upon which each table inventory is recorded at the end of each shift and serves as the record of each table inventory at the beginning of the next succeeding shift.

Outstanding patron check means any Counter Check, ~~Slot Counter Check~~ or replacement check that is not due for deposit or presentation pursuant to 205 CMR 138.45 and has not in fact been deposited or presented for payment or redeemed by the drawer.

Patron deposit means the total value of cash, cash equivalents, complimentary cash gifts, slot tokens, prize tokens, gaming chips or plaques deposited with a gaming licensee by a patron for his or her subsequent use pursuant to 205 CMR 138.38.

Patron check means a Counter Check, ~~a Slot Counter Check~~ or a replacement check.

Poker revenue means the total value of rake charged to patrons at all poker tables pursuant to 205 CMR.

Registered electronic funds transfer company means an organization that:

- (1) Verifies, upon request from a merchant, the validity and account sufficiency of a recognized credit card in the normal course of its business;
- (2) Is authorized to perform the verification for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and
- (3) A gaming licensee has identified in its internal controls as a company that will be used to verify recognized credit cards that are presented in credit card cash or chip transactions.

Replacement check means a counter check which replaces one or more previously issued counter checks.

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Scan means to attempt to verify a gaming voucher or coupon in a gaming voucher system or coupon acceptance system by utilizing a device that can read its bar code, or by manually inputting the serial number of the coupon or the validation number of the gaming voucher into the system.

Slot machine drop means the total value of coins, slot tokens, and foreign slot tokens in a slot drop bucket or a slot drop box, the total value of currency, gaming vouchers and coupons in a slot cash storage box, and the total value of electronic credits withdrawn from patron accounts, if applicable.

Slot machine win means the value of the drop less any jackpots paid less any change to the hopper inventory.

Supervisor means a key gaming employee or gaming employee employed in the operation of a gaming establishment in a supervisory capacity or empowered to make discretionary decisions which regulate gaming operations, including but not limited to, boxpersons, floorpersons, pit bosses, poker shift supervisors, table games shift managers, the gaming manager, and the assistant gaming manager.

Suspicious gaming voucher means any gaming voucher that appears to have been counterfeited, tampered with or altered in any way that would affect its integrity, suitability, validity or value.

Table game drop means the sum of the total value of currency, coin, or coupons deposited in the drop box at a gaming table.

Table game win or loss means the amount of table game drop minus the change in the tables chip inventory, including chips issued during fills and chips removed during credits for tables other than poker tables.

Third party check means a check endorsed by its payee to another party who becomes the holder in due course.

Unscanned gaming voucher means any gaming voucher that a gaming licensee elects to redeem when its gaming voucher system or any component thereof is inoperable and, as a result, the system is unable to determine the validity of the voucher.

Unsecured currency, unsecured gaming voucher, unsecured ticket, and unsecured coupon means currency, a voucher, ticket, or coupon found inside a bill changer but outside a bill validator box.

Unverified gaming voucher means any gaming voucher, other than a suspicious gaming voucher, that the gaming voucher system fails to verify and electronically cancel in the system when it is presented for redemption and scanned.

Wire transfer means a transfer of funds by means of the Federal Reserve Bank wire system in accordance with the requirements of 12 C.F.R. 210.25 *et. seq.*

138.02: Licensee's system of internal controls

- (1) At least 60 days prior to commencing operations a gaming licensee shall submit to the commission its proposed minimum system of internal procedures and administrative and accounting controls (hereinafter, "internal controls") in accordance with 205 CMR 138.02(4). Gaming operations may not be commenced until the submission is approved in accordance with 205 CMR 138.02(2).
- (2) The commission shall refer the proposal submitted in accordance with 205 CMR 138.02(1) to the Executive Director who shall review the submission for compliance with M.G.L. c.23K, 205 CMR 138.00 and other applicable sections of 205 CMR referenced therein. Upon completion of review the Executive Director shall either approve the submission or advise the gaming licensee in writing of any deficiency, and may include any other recommendations and/or required changes intended to ensure that a robust system of internal controls is implemented. The gaming licensee may either accept a recommendation in writing or advise the Executive Director in writing as to the reason for its disagreement. The gaming licensee may dispute any determination or recommendation made by the Executive Director to the commission which shall resolve the issue. The commission or the Executive Director may revisit any provision of the internal controls at any time and direct adjustment if necessary, and provide for a reasonable implementation period, to ensure that a robust system of internal controls is in effect. Upon approval by the Executive Director and/or commission the gaming licensee shall be issued a writing evidencing the approval of its internal controls including any associated conditions.
- (3) At least 15 business days prior to changing any provision of the approved internal controls a gaming licensee shall submit the proposed change, including an explanation therefor, and new certifications from its chief legal and financial officers consistent with 205 CMR 138.02(4)(i) and (j), to the commission for approval. The commission shall refer the proposed change to the Executive Director who shall review the proposal to determine whether it complies with 205 CMR 138.00. Changes to the system of internal controls will generally be permitted if the proposed change does not lessen the applicable administrative, accounting, or physical control. Upon completion of review the Executive Director shall either approve the proposed change or advise the gaming licensee in writing as to why the proposal does not comply with 205 CMR 138.00. The gaming licensee may appeal the Executive Director's determination to the commission which shall resolve the issue.

Modifications to internal controls may not be implemented until approved by the Executive Director or the commission. Provided, however, if the Executive Director does not object or otherwise respond to the submission in writing within 15 business days of receipt of the submission, the gaming licensee may make the proposed change subject to further direction by the Executive Director in accordance with 205 CMR 138.02(3).

- (4) The internal controls shall include the following:
- (a) Administrative controls which include, as their primary objective, policies and procedures designed to assure that all activities and transactions of the gaming licensee are instituted and completed in accordance with the applicable policy and/or procedure.
 - (b) Accounting controls, as detailed in 205 CMR 139.02, which include, as their primary objective, procedures to assure that all activities and transactions of the gaming licensee are accurately reported and recorded in accordance with generally accepted accounting principles.
 - (c) Reporting controls which shall include policies and procedures for the timely reporting of economic and social impact reports, and standard financial and statistical reports and information in accordance with 205 CMR 139.03.
 - (d) Surveillance controls as detailed in 205 CMR 141.00
 - (e) Physical controls which include, as their primary objective, the safeguarding of company assets to include safeguards in the form of organizational safeguards, such as segregation of duties between incompatible functions, and physical safeguards such as restricted access to assets and routine security devices such as cameras and locking doors.
 - (f) A network security plan as described in 205 CMR 143.12.
 - (g) A plan to ensure compliance with 205 CMR 140.00: *Gross Gaming Revenue and Tax Remittance and Reporting*.
 - (h) All applicable policies and procedures required pursuant to 205 CMR 138.04-138.70.
 - (i) A certification by the gaming licensee's chief legal officer that the submitted procedures conform to M.G.L. c.23K, 205 CMR 138.00, and any applicable regulations referenced therein; and
 - (j) A certification by the gaming licensee's chief financial officer that the submitted procedures provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls, and conform to generally accepted accounting principles and 205 CMR 139.00.
- (5) Nothing in 205 CMR 138.00 shall be interpreted so as to limit a gaming licensee's use of technology, provided that, if the gaming licensee intends to utilize any new technology not identified in its initial proposal, it shall submit for commission approval the changes to its system of internal controls to incorporate the use of any such new technology in accordance with 205 CMR 138.02(3).
- (6) If a gaming licensee desires to incorporate a provision in its internal controls that is not in conformance with 205 CMR 138.00, or to exclude a provision required by 205 CMR 138.00, it may petition to do so by including its proposal in its internal controls filing along with a citation to the applicable provision of 205 CMR 138.00 and a written explanation as to why the variance is being requested. The Executive Director may allow the variance upon a finding that the proposal is at least equivalent to the relevant provision contained in 205 CMR 138.00 or ~~and~~ that the proposal is likely to achieve the same outcome as if the

provision contained in 205 CMR 138.00 were incorporated. Such variance shall be identified in the written approval issued in accordance with 205 CMR 138.02(2).

- (7) Upon approval in accordance with 205 CMR 138.02(2) and (3), the gaming licensee shall implement and abide by its system of internal controls. The commission may take any steps necessary to determine whether the internal controls are being following and to enforce compliance. The gaming licensee shall periodically compare its approved system of internal controls, as written, to the system actually in place and operating for the purpose of identifying areas of non-compliance, if any, so as to take immediate corrective action. The periodic comparison shall be performed by either independent auditors or internal auditors.
- (8) The gaming licensee shall maintain in its records and at all times a complete set of its system of internal controls in effect at that time.
- (9) When possible, all filings and records required to be submitted to the commission in accordance with 205 CMR 138.00 shall be done electronically unless otherwise directed by the commission.

138.03: Records regarding company ownership

All records regarding ownership, as described in 205 CMR 139.01, shall be maintained at a location as determined by the gaming licensee provided that the commission is notified of such location where the records are to be stored. The commission shall be granted prompt and unfettered access to all such records upon request.

138.04: Gaming licensee's organization

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include tables of organization, which shall provide for:
 - (a) 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;
 - (b) The segregation of incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties;
 - (c) Primary and secondary supervisory positions which permit the authorization or supervision of necessary transactions at all relevant times; and
 - (d) Areas of responsibility which are not so extensive as to be impractical for one person to monitor.
- (2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions detailing the structure, function, and area of responsibility for the following mandatory departments and supervisory positions, with each of the mandatory departments and supervisors cooperating with, yet performing independently of, all other mandatory departments and supervisors of the gaming licensee as follows:
 - (a) A surveillance department supervised by an executive who shall be responsible for the management of the surveillance department. The chief surveillance executive shall be

subject to the reporting requirements specified in 205 CMR 138.03(4). The surveillance department monitoring room shall be supervised by an individual licensed as a key gaming employee in accordance with 205 CMR 134.00 who shall be present in the room at all times or, if not present, be within immediate contact and at a known location at the gaming establishment.

- (b) An internal audit department supervised by an audit department executive. The audit department executive shall be subject to the reporting requirements specified in 205 CMR 138.03(4).
- (c) An IT department supervised by an executive who shall be responsible for the management of the IT department.
- (d) A casino games department supervised by an executive who shall be responsible for the management of the casino games department. The chief casino games executive shall be responsible for the operation and conduct of all authorized games and gaming devices in a gaming establishment
- (e) A security department supervised by an executive who shall be responsible for the management of the security department.
- (f) A gaming accounting department supervised by an executive who shall be responsible for the management of the gaming accounting department. The chief gaming accounting executive shall be responsible for all gaming related accounting control functions.
- (g) A compliance committee consisting of at least 3 members, one of whom shall be independent of the gaming licensee. The compliance committee may consist of less than 3 members on a temporary basis upon a showing of good cause by the gaming licensee, but, under all circumstances, a compliance committee must include at least 1 independent member. The compliance committee may be created at either the gaming licensee level or at the level of a holding or intermediary company. The compliance committee shall provide its policies and procedures to the commission, which policies and procedures shall provide for, at a minimum, the following:
 - (1) The monitoring of policies, procedures, material transactions and proposed transactions for purposes of avoiding impropriety or the appearance thereof;
 - (2) The review of payments to individuals and entities with business associations and the provision of services, gifts or anything of value to or on behalf of any public official;
 - (3) The review of political contributions;
 - (4) Ensuring compliance with all applicable Federal, State and local laws and regulatory requirements;
 - (5) Protecting against unethical or unlawful behavior by employees;
 - (6) The conduct of due diligence reviews and investigations of directors, officers, executive level employees and those entities and individuals having material associations with the gaming licensee; and
 - (7) Providing the commission with the minutes of its meetings within 45 days of the conduct of those meetings.
- (h) An independent audit committee consisting of at least 3 members provided, however, that the independent audit committee may be comprised of less than 3 members on a temporary basis upon a showing of good cause to the commission. The independent audit committee may be created at either the gaming licensee level or at the level of a

holding or intermediary company. The Committee shall provide the commission with the minutes of its meetings within 45 days of the conduct of those meetings.

- (3) Each mandatory department shall be supervised at all times by at least one individual who has been licensed as a key gaming employee in accordance with 205 CMR 134.00.
- (4) The chief executives of the surveillance and internal audit departments required by 205 CMR 138.03(2) shall comply with the following reporting requirements:
 - (a) Each executive shall report directly to the chief gaming executive of the gaming licensee regarding administrative matters and daily operations provided, however, a gaming licensee may allow each of these executives to report directly to a management executive of the licensee other than the chief gaming executive if that management executive reports directly to the chief gaming executive.
 - (b) Each executive shall report directly to one of the following persons or entities regarding matters of policy, purpose, responsibility, and authority. The hiring, termination, and salary of each executive shall also be controlled by one of the following persons or entities:
 - (1) The independent audit committee of the gaming licensee's board of directors;
 - (2) The independent audit committee of the board of directors of any holding company of the gaming licensee which has absolute authority to direct the operations of the gaming licensee;
 - (3) The senior surveillance or internal audit executive of any holding company included in 205 CMR 138.03(4)(b)(2) if such executive reports directly to the independent audit committee of the board of directors of the holding company; or
 - (4) For gaming licensees or holding companies which are not corporate entities, the non-corporate equivalent of any of the persons or entities listed in 205 CMR 138.03(4)(b)(1) through (3).
- (5) In the event of a vacancy in the chief executive officer position, the chief gaming executive, or in any executive position responsible for management of one of the mandatory departments set forth in 205 CMR 138.03(2)(a) through (f), the gaming licensee shall:
 - (a) Provide written notice to the commission no later than five days from the date of the vacancy, advising of the following:
 - (1) The vacant position;
 - (2) The date on which the position became vacant; and
 - (3) The date on which it is anticipated that the vacancy will be filled on a permanent basis.
 - (b) Within 30 days, the gaming license shall either fill the vacant position described in 205 CMR 138.03(5) on a permanent basis or designate an individual to assume the duties and responsibilities of the vacant position on a temporary basis, which appointment shall not exceed 120 days, subject to extension upon approval by the commission. An individual temporarily designated shall not simultaneously function as the department supervisor

for any department identified in 205 CMR 138.03(2) and such individual's areas of responsibility shall not be so extensive as to be impractical for one individual to monitor.

(c) Within five days of filling any vacancy, whether on a temporary or permanent basis, the gaming licensee shall provide written notice to the commission advising of the following:

- (1) The position;
- (2) The name of the person designated;
- (3) The date that the vacancy was filled; and
- (4) An indication of whether the position has been filled on a temporary or permanent basis.

(6) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include, and a gaming licensee shall maintain on file, a current table of organization delineating the lines of authority for all personnel engaged in the operation of the gaming establishment, which shall, for each department and division, include direct and indirect lines of authority within the department or division.

(7) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all gaming employees employed in the gaming establishment are properly trained in their respective professions. Proper training of a gaming employee in the respective field for which the gaming employee is or shall be employed by the gaming licensee may be established as follows:

- (a) Satisfactory completion by the employee of a course of instruction in the employee's respective field provided by a person recognized by the commission as a certified training school in accordance with 205 CMR 137.00;
- (b) Satisfactory completion by the employee of a course of instruction or on the job training program provided by the gaming licensee in the employee's respective field;
- (c) Relevant prior work experience of the employee in the employee's respective field; or
- (d) Other relevant training or experience.

138.05: System for Ensuring Employees are Properly Licensed or Registered

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all individuals employed in the gaming establishment are properly licensed or registered in accordance with 205 CMR 134.01, 134.02, and 134.03. The system of internal controls shall include without limitation the following:

- (a) Procedures for assuring that only properly licensed and/or registered individuals are employed in each position for which a license or registration is required;
- (b) Procedures to prepare and submit petitions for temporary licenses to individuals for employment in the gaming establishment pursuant to 205 CMR 134.12;
- (c) Procedures to assure the timely renewal of licenses and registrations of individuals employed in the gaming establishment;
- (d) Procedures for terminating or suspending the employment of individuals licensed or registered pursuant to 205 CMR 134.01, 134.02, and 134.03 within 24 hours of notification

from the commission that the license, registration, or application of such individual has been revoked, suspended, or denied; and

(e) Procedures for compliance with the employee reporting information required to be submitted to the commission on a bi-monthly basis in accordance with 205 CMR 138.05(2).

(2) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for reporting the following to the commission on a bi-monthly basis and in a format as directed by the commission. For each individual licensed or registered in accordance with 205 CMR 134.00:

- (a) License or registration number;
- (b) Last name, first name, middle initial;
- (c) Date of birth;
- (d) Position or job title, represented by a job code that corresponds with a position or job title in the gaming licensee's job compendium;
- (e) Initial hire date;
- (f) Effective date of any change in individual's position or job title;
- (g) Access code, if any, assigned to the individual, designating the restricted areas that the individual is permitted to enter;
- (h) For each individual who has been suspended or terminated since the most recent prior report was submitted to the commission:
 - (1) The information in 205 CMR 138.05(2)(a) through (g), and
 - (2) The effective date of suspension or termination.
- (i) A record of any and all designations to describe categories of employees, including without limitation, "full time," "part time" or "seasonal;" the number of individuals in each category; and the total number of individuals in all categories.
- (j) The date on which the information submitted in the report was compiled.

138.06: System for Business Dealings with Vendors

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all persons conducting business with a gaming licensee as a vendor to a gaming establishment are properly licensed or registered in accordance with 205 CMR 134.04. The system of internal controls shall include without limitation the following:

- (a) Procedures for assuring that only properly licensed and/or registered vendors are conducting business with a gaming licensee;
- (b) Procedures to prepare and submit petitions for temporary licenses of vendors pursuant to 205 CMR 134.12;
- (c) Procedures to assure the timely renewal of licenses and registrations of vendors; and
- (d) Procedures for terminating or suspending the conduct of business with a vendor licensed or registered pursuant to 205 CMR 134.04 within 24 hours of notification from the Commission that the license, registration, or application of such vendor has been revoked, suspended, or denied.

(2) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for providing a *Disbursement Report* to the Commission on a bi-monthly basis and in a format as directed by the Commission. The *Disbursement Report* shall reflect, for each vendor licensed or registered in accordance with 205 CMR 134.04, the following information:

- (a) Name of vendor;
- (b) Vendor license or registration number;
- (c) The amount of each individual disbursement drawn by the gaming licensee to the vendor, and the amount of each individual disbursement drawn by the vendor to the gaming licensee;
- (d) The date of each disbursement;
- (e) The total of all disbursements made during the reporting period by vendor; and
- (f) The date and amount of any payment to or from a vendor subsequently voided or corrected.

(3) Agreements with vendors. Each gaming licensee shall maintain a fully signed copy of every written agreement and records with respect to every unwritten agreement to which it is a party which provide, at a minimum, the terms of the agreement, the parties to the agreement, a description of the goods and/or services to be provided under the agreement, and details regarding the exchange of direct compensation under the agreement, including but not limited to dollar amounts, for any person doing business for the benefit of the gaming licensee and/or the gaming establishment, any person doing business relating to the construction, maintenance, renovation, and/or expansion of the gaming establishment, and any person doing business on the premises of the gaming establishment.

138.07: Floor plans of the gaming area, gaming establishment simulcasting facility and restricted areas

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include proposed floor plans of the gaming establishment's gaming area, simulcasting facility, if any, and any restricted areas.
- (2) Each floor plan required by 205 CMR 138.07(1) shall accurately depict the entire layout, including equipment positioning, in the gaming area and support areas, shall be drawn to at least one-eighth inch scale (1/8 inch = one foot), shall have received any necessary approvals, and shall depict, at a minimum, the location of the following:
 - (a) The gaming area, and any simulcasting facility, including, at a minimum, the proposed total square footage thereof and a clear delineation of the respective perimeter of each;
 - (b) Each gaming pit, its pit location number, and any alternate configurations;
 - (c) Each table game, noting its pit and table game location number;
 - (d) Each CCTV camera, noting its type and camera number;
 - (e) Each slot booth, noting its booth number;
 - (f) Each cashier's cage and its component offices and areas;
 - (g) Each separate master coin bank;

- (h) Each window at the cashiers' cage, noting its window number;
 - (i) Each count room;
 - (j) Each slot zone, its slot zone location letter or number and the total number of authorized slot machine locations within that slot zone, and at the gaming licensee's option, a maximum of four alternate configurations or locations for that slot zone and the alternate slot zone location number for each (for example, Slot Zone 2A);
 - (k) Each authorized slot machine or other gaming device location, which location shall contain no more than one slot machine and bill changer at a time, noting its slot machine location number and any slot zone location letter or number;
 - (l) Each slot stool authorized for use, if any;
 - (m) Each automated coupon redemption machine, noting its location number;
 - (n) Each automated jackpot payout machine, noting its location number;
 - (o) Each gaming voucher redemption machine, noting its location number;
 - (p) Each satellite cage and its component offices and areas;
 - (q) Each coin vault;
 - (r) Each area approved for the storage of gaming chips or plaques;
 - (s) Each room or area approved for the storage of dice or playing cards;
 - (t) Each other room or area that is accessible directly from the gaming area;
 - (u) For those establishments with a simulcasting facility:
 - (1) Each simulcast counter and any ancillary simulcast counter, along with their component offices, areas and equipment;
 - (2) Each credit voucher machine, noting its location number;
 - (3) Each self-service pari-mutuel machine, noting its location number; and
 - (4) Each other area or room designated by the commission.
- (3) A gaming licensee, after obtaining the commission's approval of its floor plans submitted as part of its internal controls, shall not commence gaming or simulcast wagering in the areas depicted on the floor plan until, subject to 205 CMR 138.50, a copy thereof that has been delivered to the commission's IEB office in the establishment, an electronic copy has been sent to the IEB's main office, and a printed copy thereof has been delivered to each of the following:
- (a) The gaming licensee's security podium; and
 - (b) The gaming licensee's monitoring rooms

138.08: Accounting records

- (1) A gaming licensee shall maintain complete, accurate, and legible records of all transactions pertaining to the revenues and costs for the gaming establishment including those required in accordance with 205 CMR 139.00: *Continuing Disclosure and Reporting Obligations of Gaming Licensees and Qualifiers* and 205 CMR 140.00: *Gross Gaming Revenue Tax Remittance and Reporting*.
- (2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accrual basis. Detailed, supporting, subsidiary records

sufficient to meet the requirements of 205 CMR 139.00 shall also be maintained.

138.09: Retention, storage and destruction records

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a records retention schedule, and provisions related to the storage and destruction of records that at a minimum incorporates the following provisions:
 - (a) The following records shall be retained indefinitely unless permission for destruction is requested by the gaming licensee and approved by the commission:
 - (1) Corporate records required by 205 CMR 138.02;
 - (2) Records of corporate and due diligence investigations and associated procedures;
 - (3) Current employee personnel files; and
 - (4) A record of any record destroyed, identifying the particular record, the period of retention and the date of destruction.
 - (b) All financial, accounting, contract, payroll, personnel, employee and budget documents shall be retained for the periods prescribed in sections D and E of the *Massachusetts Statewide Records Retention Schedule, 02-11*. (References in the *Schedule* to the state comptroller, state accounting system and other similar terms shall be read to refer to the Licensee and its accounting systems).
 - (c) All tax return filings and related records referenced in section *L3 Tax Filing #1* of the *Massachusetts Statewide Records Retention Schedule, 02-11* shall be retained for 6 years.
 - (d) All tax revenue accounting records referenced in section *L5 Tax Collection #12* of the *Massachusetts Statewide Records Retention Schedule, 02-11* shall be retained in accordance with the periods prescribed in the *Schedule*.
 - (e) In addition to those records referenced in 205 CMR 138.09(1)(a) through (d), the Licensee's records retention schedule shall include provisions by category relative to:
 - (1) All gaming related records
 - (2) Security related records
 - (3) Surveillance related records
 - (4) Records relative to junkets
 - (5) Records relative to vendors
- (2) (a) A gaming licensee may petition the commission at any time for approval of a facility off the site of the gaming establishment to be used to generate or store records. Such petition shall include:
 - (1) A detailed description of the proposed off-site facility, including security and fire safety systems; and
 - (2) The procedures pursuant to which commission agents will be able to gain access to the records retained at the off-site facility.(b) A gaming license may store any records electronically or via other suitable medium.
- (3) A gaming licensee shall, except as otherwise provided, notify the commission in writing at least 15 days prior to the scheduled destruction of any record. Such notice shall list each type

of record scheduled for destruction, including a description sufficient to identify the records included; the retention period; and the date of destruction.

- (4) The commission may prohibit the destruction of any record by so notifying the gaming licensee in writing within 15 days of receipt of the notice of destruction pursuant to 205 CMR 138.09(3) or within the specified retention period. Such original record may thereafter be destroyed only upon notice from the commission, the IEB, or by order of the commission upon the petition of the gaming licensee or by the commission on its own initiative.
- (5) The gaming licensee may utilize the services of a disposal company for the destruction of any records except those related to credit. Any cash complimentary coupons to be destroyed by a disposal company shall be cancelled with a void stamp, hole punch or similar device, or must contain a clearly marked expiration date which has expired.
- (6) Nothing herein shall be construed as relieving a gaming 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.

138.10: Jobs compendium submission

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a jobs compendium detailing job descriptions, chains of command, and lines of authority for all personnel engaged in the operation of the gaming establishment. The licensee shall maintain and update the jobs compendium on a regular basis.
- (2) A jobs compendium shall include the following sections, in the order listed:
 - (a) An alphabetical table of contents listing the position title and job code for each job description included in 205 CMR 138.10(1) and the page number on which the corresponding job description may be found;
 - (b) A table of organization for each department and division, including all positions, and illustrating by position title, direct and indirect lines of authority within the department or division. Each page of a table of organization shall specify the following:
 - (1) The date of its submission;
 - (2) The date of the previously submitted table of organization which it supersedes; and
 - (3) A unique title or other identifying designation for that table of organization.
 - (c) A description of each employee position which accurately corresponds to the position title as listed in the table of organization and in the alphabetical table of contents. Each position description shall be contained on a separate page, organized by departments or divisions, and shall include, at a minimum, the following:
 - (1) Position title and corresponding department;
 - (2) Job duties and responsibilities;
 - (3) Detailed descriptions of experiential or educational requirements;
 - (4) Proposed registration or license rank consistent with 205 CMR 134.01 through 134.03;
 - (5) The date of submission of each employee position job description and the date of any prior job description it supersedes; and
 - (6) The date of submission and page number of each table of organization on which the employee position title is included.
- (3) A proposed amendment to a previously approved jobs compendium, including any

amendment to a table of organization, may be implemented by the gaming licensee without the prior approval of the commission in accordance with 205 CMR 138.02(3), provided that:

- (a) The amendment is immediately recorded in the jobs compendium maintained by the licensee on its premises; and
 - (b) The amendment is submitted to the commission by the end of the business day on the date of implementation, including at a minimum, the following:
 - (1) A detailed cover letter listing by department each position title to which modifications have been made, a brief summary of each change, instructions regarding any changes in page numbers and the date of implementation; and
 - (2) The proposed changes to the information required by 205 CMR 138.10(2), including the corresponding job descriptions and tables of organization, contained on pages which may be used to substitute for those sections of the jobs compendium previously approved by the commission.
- (4) A gaming licensee shall not be required to comply with the filing requirements of 205 CMR 138.10(3) for amendments to job descriptions for positions which require a gaming service employee registration, provided that the gaming licensee files with the commission a notice of any addition, deletion or amendment to any position that requires gaming service employee registration. Such notice shall include the title, department, job code, salary grade and table of organization on which that position is identified.
- (5) Notwithstanding any other requirement of 205 CMR, each gaming licensee shall submit a complete and up-to-date jobs compendium in accordance with 205 CMR 138.02 to the commission 18 months after approval of its system of internal controls in accordance with 205 CMR 138.02 and every two years thereafter, unless otherwise directed by the commission.
- (6) Each gaming licensee shall maintain on its premises a complete, updated copy, which may be maintained electronically, of its jobs compendium.
- (7) No provision of 205 CMR 138.00 shall be construed so as to limit a gaming licensee's discretion in utilizing a particular job title for any position in its jobs compendium.

138.11: Personnel assigned to the operation and conduct of gaming

Each gaming licensee shall be required to employ the following personnel in the operation of its gaming establishment regardless of the position titles assigned to such personnel by the gaming licensee in its approved jobs compendium:

- (1) Each gaming licensee shall at all times maintain a level of staffing that ensures the proper operation and effective supervision of all authorized games and simulcast wagering in the gaming establishment and simulcasting facility.
- (2) Each gaming licensee shall be required to employ a gaming manager. The gaming manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of a gaming licensee's casino games department including, without limitation, the hiring and terminating of all gaming establishment employees and the creation of high employee morale and good customer relations, all in accordance with the policies and practices established by the gaming licensee's board of directors or non-corporate equivalent.
 - (a) In the absence of the gaming manager and the assistant gaming manager, should the gaming establishment have an assistant gaming manager, a table games shift manager or

slot shift manager, as applicable, who is employed within the casino games department shall be designated by the gaming licensee as the person responsible for the overall operation of the casino games department and such person shall have the authority of a gaming manager.

- (b) Notwithstanding 205 CMR 138.11(2), if a gaming licensee chooses to establish an independent slot department, the independent slot department shall be supervised and managed by a slot department manager in accordance with 205 CMR 138.11(4)(h)(5).
- (3) The following personnel shall be used to operate the table games in a gaming establishment:
 - (a) Gaming clerk shall be the employee located at a desk in the pit to prepare documentation required for the operation of table games including, without limitation, Requests for Fills, Requests for Credits, Counter Checks and documents that evidence the exchange of gaming chips or plaques as part of credit or debit card chip transactions.
 - (b) Dealers shall be the employees assigned to each table game to directly operate and conduct the game.
 - (c) Stickperson shall be the dealer assigned to each craps table to control the dice and may be responsible for the proposition wagers made at the craps table. A stickperson may also be assigned to a mini-craps table, in addition to the required dealer, to control the dice and may be responsible for the proposition wagers made at the mini-craps table.
 - (d) Boxperson shall be the first level supervisor assigned the responsibility of directly participating in and supervising the operation and conduct of the craps game.
 - (e) Floorperson shall be the second level supervisor assigned the responsibility for directly supervising the operation and conduct of a craps game, and the first level supervisor assigned the responsibility for directly supervising the operation and conduct of all other table games.
 - (f) Pit boss shall be the third level supervisor assigned the responsibility for the overall supervision of the operation and conduct of a craps game and the second level supervisor assigned the responsibility for the overall supervision of the operation and conduct of all other table games other than poker.
 - (g) Poker shift supervisor shall be the supervisor assigned with the responsibility for directly supervising all activities related to the operation and conduct of poker. A poker shift supervisor may also supervise table games other than poker in lieu of a pit boss.
 - (h) Table games shift manager shall be the supervisor assigned to each shift with the responsibility for the supervision of table games conducted in the gaming establishment provided, however, that:
 - (1) If a gaming licensee chooses to establish an independent slot department a gaming manager may personally perform the required duties of a table games shift manager when the gaming manager is present in the gaming establishment; and
 - (2) A gaming licensee may, as part of its revised supervision plan as set forth in 205 CMR 138.11(6), permit its table games shift manager to provide a break, for a reasonable period of time, for a pit boss on duty during the hours of 12:00 a.m. to 12:00 p.m.
- (4) Each gaming licensee shall maintain the following minimum levels of staffing:
 - (a) One gaming clerk shall be assigned to the entire gaming establishment;
 - (b) One dealer shall be assigned to each table for any table game other than craps and baccarat;
 - (c) Three dealers shall be assigned to each craps and baccarat table;

- (d) One boxperson shall be assigned to each craps table;
- (e) One floorperson shall supervise not more than:
 - (1) Six tables comprised of any combination of table games excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR), craps, mini-craps, automated craps and pai gow; or
 - (2) One baccarat table; or
 - (3) As to the game of minibaccarat, when using the dealing procedure in 205 CMR:
 - (a) Two minibaccarat tables using the dealing procedure in 205 CMR; or
 - (b) One minibaccarat table using the dealing procedure in 205 CMR and one table of any other table game excluding baccarat, mini-craps and pai gow (unless the pai gow table has continuous, dedicated surveillance camera coverage); or
 - (4) As to the game of craps:
 - (a) Two craps tables; or
 - (b) One craps table and one table of any other table game excluding baccarat, mini-craps and pai gow; or
 - (c) One mini-craps table; or
 - (d) Two automated craps games; or
 - (e) One automated craps table and two other table games, excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR), craps, mini-craps and pai gow; or
 - (5) As to the game of pai gow:
 - (a) One pai gow table; or
 - (b) Two pai gow tables if the tables are in a side-by-side configuration and continuous, dedicated surveillance camera coverage is maintained for the pai gow tables; or
 - (c) One pai gow table with continuous, dedicated surveillance camera coverage and one table of any other table game excluding baccarat, craps and mini-craps; or
 - (6) As to the game of poker:
 - (a) Six poker tables if the poker shift supervisor is supervising both poker tables and table games other than poker; or
 - (b) Ten poker tables if the poker shift supervisor is supervising only poker tables; or
 - (c) Twelve poker tables if the poker shift supervisor is supervising only poker tables and no floorperson assigned to poker by a gaming licensee has any responsibilities for seating players.
- (f) One pit boss shall supervise not more than 24 gaming tables, provided that all of the tables are within view of each other; and
- (g) One poker shift supervisor shall supervise all open poker tables; provided, however, that the poker shift supervisor may supervise a total of not more than 16 poker tables and table games other than poker (in lieu of a pit boss) if fewer than 16 poker tables are open.
 - (1) Notwithstanding the provisions of 205 CMR 138.11(4)(g):
 - (a) If a gaming licensee has six or fewer poker tables open for gaming activity, no poker floorperson shall be required and the poker tables may be supervised by

- the poker shift supervisor, provided that the poker shift supervisor is not supervising any other table games; and
- (b) If a gaming licensee has at least one but fewer than four poker tables open for gaming activity, the poker shift supervisor may supervise any combination of not more than four poker tables and table games other than poker (in lieu of a pit boss) and no floorperson shall be required to supervise the poker tables provided that the floorperson supervision requirements for games other than poker are satisfied.
- (2) Notwithstanding the provisions of 205 CMR 138.11(4)(g), a gaming licensee may implement a plan for revised supervision by floorpersons, poker shift supervisors, pit bosses or slot shift managers. A plan for revised supervision of table games shall not include any gaming tables at which the cards shall be used for more than 24 hours pursuant to 205 CMR. In any plan for revised supervision:
- (a) One floorperson may supervise not more than 8 tables comprised of any combination of table games excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR, craps, mini-craps, automated craps, pai gow and blackjack when offering the streak wager permitted under 205 CMR);
 - (b) One pit boss may supervise not more than 36 gaming tables, provided that all of the tables are within view of each other;
 - (c) One poker shift supervisor may supervise a total of not more than 30 poker tables and gaming tables other than poker (in lieu of a pit boss), provided that:
 - (1) The poker shift supervisor is supervising all poker tables which are open to the public; and
 - (2) One floorperson may supervise not more than 8 poker tables;
 - (d) One floorperson may supervise two craps tables and one additional table of any other table game excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR, mini-craps, automated craps and pai gow);
 - (e) One floorperson may supervise one craps table and two additional tables comprised of any combination of table games excluding baccarat, minibaccarat, mini-craps, automated craps and pai gow;
 - (f) One floorperson assigned to poker may supervise not more than 12 poker tables if the poker shift supervisor is supervising only poker tables; and
 - (g) One floorperson assigned to poker may supervise not more than 14 poker tables if the poker shift supervisor is supervising only poker tables and no floorperson assigned to poker has any responsibilities for seating players.
- (h) The following personnel shall be used to maintain and operate the slot machines, electronic gaming equipment, and bill changers in an establishment:
- (1) Slot mechanics shall be the persons assigned the responsibility for repairing and maintaining slot machines, electronic gaming equipment, and bill changers in proper operating condition and participating in the filling of payout reserve containers.
 - (2) Slot attendants shall be the persons assigned the responsibility for the operation of slot machines and bill changers, including, but not limited to, participating in manual jackpot payouts and filling payout reserve containers.

- (3) Slot supervisors shall be the first level supervisors assigned the responsibility for directly supervising the operation of slot machines and bill changers.
 - (4) Slot shift manager shall be the second level supervisor with the responsibility for the overall supervision of the slot machine and bill changer operation for each shift.
 - (5) If a gaming licensee chooses to establish an independent slot department the slot department manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of the gaming licensee's slot machines, electronic gaming equipment, and bill changers. In the absence of the slot department manager, the slot shift manager shall have the authority of the slot department manager.
- (5) Nothing in 205 CMR 138.11 shall be construed to limit a gaming licensee from utilizing personnel in addition to those described herein nor shall anything in 205 CMR 138.11 be construed to limit the discretion of the commission to order the utilization of additional personnel by the gaming licensee as necessary.
- (6) The gaming manager or table games shift manager shall notify the IEB no later than 24 hours in advance of implementing or changing any plan for revised supervision for table games, and the slot shift manager, provided, however, that notice may be provided less than 24 hours in advance in circumstances which are emergent or may otherwise not reasonably be anticipated.
- (a) Any notice of a plan for revised supervision of table games shall include, without limitation, the following information:
- (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 and the proposed variance therefrom;
 - (4) The start date and time, and the duration, of the revised supervision; and
 - (5) The basis for the request to revise the number of supervisory personnel, which shall include any relevant factors which demonstrate that proper operation and effective supervision of the affected gaming tables will be maintained, such as, as applicable, a showing:
 - (a) That the revised supervision is justified by a reduced volume of play at the specified times and gaming tables in the gaming establishment;
 - (b) That the particular dealers or supervisors assigned to the affected tables possess a degree of skill and experience indicative of sufficient ability to operate the affected tables with revised supervision, in which case a record of the personnel assigned to such tables during the period of revised supervision shall be maintained;
 - (c) That a reduced number of gaming tables will be operating in the affected pits, which are in a configuration to ensure proper supervision and operation; or
 - (d) Any other facts or circumstances which establish that a revision in the number of supervisory personnel is appropriate.

(b)The commission may, at any time upon 12 hours notice, direct that the plan for revised supervision be terminated and that the licensee maintain standard staffing levels as defined in 205 CMR 138.11.

138.12:

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138.13: Complimentary services or items and promotional gaming credits

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a detailed complimentary distribution program consistent with M.G.L. c.23K, §28 and a description of its proposed use and distribution of promotional gaming credits.
- (2) The gaming licensee's complimentary distribution program shall be such that reasonable assurance is provided that any complimentary services or items, as defined by M.G.L. c.23K, §2, whether provided directly to the patron and the patron's guests by the gaming licensee or indirectly to the patron and the patron's guests on behalf of a third party, are:
 - (a) Issued by employees authorized for such purposes in accordance with the program;
 - (b) In accordance with M.G.L. c.23K, §28(c), valued in an amount based upon the retail price normally charged by the gaming licensee for the service or item. The value of a complimentary service or item not normally offered for sale by a gaming licensee or provided by a third party on behalf of a gaming licensee shall be the cost to the gaming licensee of providing the service or item, as determined under rules adopted by the commission; and
 - (c) Recorded, compiled and maintained in such a way so as to allow a system of reporting in accordance with M.G.L. c.23K, §28(b) that can report complimentaries by date, issuer, recipient, type, and value.
- (3) A gaming licensee may include in its policy and procedure provisions for the discretionary discounting of the amount of an outstanding Counter Check ~~or Slot Counter Check~~ to be redeemed by a patron for any marketing related reason.

138.14 Internal control procedures for security department

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions describing the duties and operation of its security department.

138.15: Internal control procedures for access badge system and issuance of temporary license credentials, and restricted areas

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions related to credentials. All key gaming employees, gaming

employees, and gaming service employees, while engaged in the performance of their duties on the premises of the gaming establishment, shall visibly display a credential issued by the commission on his or her person at all times.

The system of internal controls related to credentials shall at a minimum incorporate the following credentialing system:

- (a) A – Access shall apply to individuals in the following positions: Chief Executive Officer, Chief Operating Officer, President, Audit Committee, Vice Presidents, Directors, General Counsel, Associate General Counsel, Security Employees, Surveillance Employees, and Internal Audit Employees. Only those Vice Presidents and Directors directly related to gaming operations, Finance or Administration shall be assigned an "A" access code. All non-gaming related Vice Presidents and Directors shall be required to have a security escort to gain access to restricted areas.

All employees designated with the "A" access code shall have access to all restricted areas, with limitations on access to the count rooms, surveillance room. Access may be permitted to count rooms while a count is not in progress with a valid reason and permission of the IEB Agent on duty. Access to the surveillance room and catwalks for non-surveillance employees must be with permission of the Director of Surveillance.

- (b) M – access shall apply to MIS Employees. All employees designated with the "M" access code shall have access to the MIS computer room. They have access to all other restricted areas with valid reason and prior approval of restricted area department manager. (Access to the count rooms requires permission of the IEB Agent on duty.)

- (c) C – access shall apply to Cashiers, Cage Employees, Slot Coin Cage Employees, Collection Employees, Credit Employees, Pit Clerks, Income Control, All Accounting /Finance Employees, Hard Count Room Employees, Soft Count Room Employees, Impressionment Employees, and Simulcast Employees.

All employees designated with the "C" access code shall have access to cashiers cage, satellite cashiers cage, master coin bank, slot booths, runways, simulcast counters, and pit areas with valid reason and prior approval of the restricted area department manager. Also, they shall have access to the count rooms to perform functions previously approved in their internal control submissions and with permission of the IEB Agent on duty.

- (d) CS – access shall apply to slot attendant supervisors who supervise slot coin cashiers, and slot coin cashiers who report to slot attendant supervisors. All employees designated with the "CS" access code shall have access to slot booths, runways, slot repair room, and to the cashiers cage only when necessary to pass through the cashiers cage to access a slot coin booth. A "CS" badged employee shall not have access to the master coin bank.

- (e) P – access shall apply to Casino Games Employees, Poker Games Employees, and Gaming Table Maintenance Employees. All employees designated with the "P" access code shall have access to the casino pit and poker pit areas.
 - (f) S – access shall apply to Slot Department Employees. All employees designated with the "S" access code shall have access to the slot repair room.
 - (g) V – access shall apply to all visitors to restricted areas. All visitors to restricted areas shall be designated with the "V" access code and shall have access to restricted areas only when such entry is authorized by an employee designated with "A" access code and the restricted area supervisor. Further, if such entry is so authorized, a visitor may enter a restricted area only when accompanied by an "A" employee or by a security officer, and by notification of the IEB Agent on duty. Visitors may access the surveillance room/catwalks only with the permission of the Director of Surveillance and an IEB agent.
- (2) The commission shall issue an official credential that shall bear the inscription “Massachusetts Gaming Commission,” the official seal of the commission, the signature of the chair of the commission or his or her designee, as well as a photograph of the licensee or registrant and specific identification information for the person to whom the credential is issued. The information shall include:
- (a) License or registration number,
 - (b) Name, and
 - (c) Access code.
- (3) The credential format shall be in a shape and legibility that will enhance surveillance capability and visual acuity.
- (4) Notwithstanding 205 CMR 138.15(1), the Director of the IEB or his or her designee, may, upon written request by a gaming licensee, and upon a showing of good cause, exempt certain positions, titles, or persons from the requirements of 138.15(1).
- (5) Commission employees, agents or contractors or employees of agencies authorized to conduct regulatory or regulatory related activities pursuant to M.G.L. c.23K at a gaming establishment shall carry their agency credentials on their person at all times while engaged in the performance of their duties. Credentials may not be utilized for unofficial, social, or non-employment related access, purpose, or presence within any gaming establishment.
- (6) A temporary credential shall only be issued by the security department if the following criteria are verified:
- (a) The employee to whom the credential is to be issued is listed in the gaming licensee’s current employee status report;
 - (b) The employee holds a current license or registration issued in accordance with 205 CMR 134.00;

- (c) The employee is authorized by his or her supervisor to possess the specific credential to be working in the designated or restricted area authorized by such credential; and
- (d) The employee has not been issued more than 12 temporary credentials within the preceding 12 month period from the issuance of the first temporary credential.

(7) The temporary credentials may be issued to an employee only for a 24 hour period and shall contain the following information:

- (a) A prominent space to allow the insertion of the name of the specific employee to whom it is issued;
- (b) The date and time of issuance by the security department;
- (c) Name and credential number of issuing security officer;
- (d) The conspicuous notation that the credential is "VOID AFTER 24 HOURS"; and
- (e) A sequential number reflecting the number of temporary credentials issued at that gaming establishment that is to be recorded in both an onsite IEB and security department bound log book or database.

(8) The IEB shall approve the design of the temporary credentials. The gaming licensee's security department shall secure the temporary credentials until needed for issuance in compliance with 205 CMR 138.15(7). The security department shall provide a monthly report to the IEB identifying the number, names, departments and frequency of temporary credentials issued as well as any missing, stolen, destroyed, or replaced credentials. The IEB may require additional information regarding any credential issuance or utilization and the gaming licensee shall provide all such information in a timely fashion.

138.16: Access to public and restricted areas

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to access to restricted areas. No gaming licensee shall permit any individual to have access to any restricted area in its gaming establishment unless such access is permitted in accordance with the gaming licensee's internal controls. Restricted areas shall, at a minimum, include the following areas:

- (a) Cashiers cage, satellite cashiers cage, master coin bank, slot booths, and runways. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.15(1), may enter these restricted areas. Employees designated with the "M" access code have access with the limitations described under their access letter. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. The cage secretary and/or a cage area cleaner may enter the cashier's cage without a security escort to complete their job function; however these individuals must have the permission of the cage area supervisor and are the sole responsibility of that supervisor. Employees designated with the "CS" access code, as provided by 205 CMR 138.15(1), may enter the slot booths and runways. They may enter the cashier's cage

only when access is needed to gain entrance to a slot coin booth. A “CS” access code shall not have access to the master coin bank.

- (b) Count rooms. All employees designated with the "C" access code, as provided by 205 CMR 138.15(1), whose duties require access may enter this restricted area. Employees designated with the "A" and "M" access codes, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.
- (c) Cashiers cage, satellite cashiers cage, master coin bank, slot booths, and runways. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.15(1), may enter these restricted areas. Employees must be listed on the cage access list to gain access to the cage. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. The cage secretary and/or a cage area cleaner may enter the cashier’s cage without a security escort to complete their job function; however these individuals must have the permission of the cage area supervisor and are the sole responsibility of that supervisor. All employees designated with the “CS” access code, as provided by 205 CMR 138.15(1), may enter the slot booths, and runways. They may enter the cashier’s cage only when access is needed to gain entrance to a slot coin booth. At no time shall a “CS” access code, as provided by 205 CMR 138.15(1), have access to the master coin bank.
- (d) Slot repair room. All employees designated with the "A", “CS”, and "S" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.
- (e) Simulcast counters. All employees designated with the "A" and "C" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.
- (d) Computer room. All employees designated with the "A" and "M" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. A MIS secretary and/or computer room area cleaner may enter the computer room without a security escort to complete their job function, however these individuals must have the permission of the computer room supervisor and shall be the sole responsibility of that supervisor. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.

- (f) Card and dice storage room. All employees designated with the "A" access code, as provided by 205 CMR 138.15(1), and those games/poker department employees who hold the position of casino/poker shift manager or above may enter this restricted area. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.
 - (g) Card and dice destruction room. All employees designated with "A" access code, as provided by 205 CMR 138.15(1), may enter this restricted area.
 - (h) Pit areas. All employees designated with the "A" and "P" access code, as provided by 205 CMR 138.15, may enter this restricted area. Employees designated with the "M", and "C" access codes, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a "valid" reason and permission of the restricted area supervisor.
 - (e) Surveillance room and catwalks. All employees designated with the "A" access code, as provided by 205 CMR 138.15(1), who are surveillance room employees may enter this restricted area. All other employees designated with the "A" access code may have access with the limitations described under their access letter. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Anyone who enters this restricted area, who is not a surveillance room employee or a member of the IEB, must sign the surveillance room entry log prior to entering the restricted area. The surveillance room secretary and/or surveillance room area cleaner may enter the surveillance room without a security escort to complete their job function, however these individuals must have the permission of the surveillance room area supervisor and are the sole responsibility of that supervisor. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.
 - (i) Access to restricted area for employees who do not hold a gaming employee license. All employees who would not otherwise be afforded access to a restricted area in accordance with 205 CMR 138.15(1) may be granted access to restricted areas with a valid reason, a security escort, and permission of the restricted area's department manager with limitations on the count rooms, surveillance room. Access may be granted to the count rooms while the counts are not in progress and with permission of the IEB Agent on duty. Access to the surveillance room/catwalks may be granted only with a valid work related reason and permission of the Director of Surveillance.
- (2) A gaming licensee may deny or limit access to any public areas of the gaming establishment for any reason necessary to ensure public safety and/or the integrity of the gaming operations, including, but not limited to, the following reasons:
- (a) Persons excluded in accordance with 205 CMR 133.00: *Voluntary Self Exclusion* or M.G.L. c.23K, §45;
 - (b) Underage persons in a prohibited area;

(c) Players required by a gaming licensee to leave the game of poker in accordance with 205 CMR.

(3) Nothing in 205 CMR 138.16 or a gaming licensee's system of internal controls shall limit the authority of commission employees or agents from obtaining access to restricted areas in the performance of their respective duties and responsibilities.

138.17: Searches of employees and the workplace by the gaming licensee

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include internal policies and procedures for the gaming licensee's security department to conduct searches of employees, including screening for drugs and alcohol, and employee workplaces, workspaces, and personal receptacles, specifically describing the policies and procedures with respect to searches conducted at random and based upon reasonable suspicion. Examples of "workspaces" include, but are not limited to, desks, closets, lockers, and drawers located within the gaming establishment.
- (2) If the policies and procedures referenced in 205 CMR 138.17(1) are approved by the commission, such policies and procedures shall be set forth in writing, prior to implementation, as a portion of the gaming licensee's employee personnel policy manual. The content of this manual shall include a requirement that the employee consents to searches conducted in the described workplace areas and subject to the described circumstances as a condition of employment with the gaming licensee. This manual shall be distributed to all employees. Each employee shall acknowledge in writing, by way of the employee's signature, receipt of the manual and an understanding of its contents, and specifically an understanding that the employee consents to the policy and understands it. The gaming licensee shall maintain the written acknowledgements in a central repository.

138.18: Vendor access badges

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions related to vendor access badges. Access badges may be issued to personnel of a gaming vendor and non-gaming vendor licensed or registered in accordance with 205 CMR 134.00 who in the course of providing their goods or services require access to a restricted area of the gaming establishment. Access badges shall be issued by the security department of the gaming licensee upon a verification of the identification of the specific employee with at least two forms of identification, at least one of which must be a government issued photo identification, and the employee's work schedule. Each access badge shall be effective only for the term of the service to be provided, issued on a daily basis after confirmation of identity, and shall be surrendered to the security department at the end of each day.
- (2) The access badge shall contain the following information:
 - (a) A prominent space to allow the insertion of the name of the specific person to whom it is issued and identify the vendor employer;
 - (b) The date and time of issuance by the security department;

- (c) Name and access badge number of issuing security officer; and
- (d) A sequential number reflecting the number of total badges issued at that gaming establishment that is to be recorded in both an onsite IEB and security department access badge log book or database.

138.19: Count rooms; physical characteristics; count protocols

- (1) A gaming licensee shall have one or more rooms to be known as a "count room" specifically designated, designed, and used for counting the contents of table drop boxes, slot cash storage boxes, slot drop buckets and slot drop boxes. If a gaming licensee's system of internal controls provides for counts of the contents of slot drop buckets and slot drop boxes in a different room from the room where the table drop boxes and slot cash storage boxes are counted, that latter shall be known as the "soft count room," and the former shall be known as the "hard count room."
- (2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of all equipment used in the counting and recording process and all other systems used for purposes related to the counting of gross revenue and shall otherwise comport with the requirements of 205 CMR 138.19.
- (3) A gaming licensee shall design and construct each count room to provide maximum security with, at a minimum, the following security measures:
 - (a) A metal door installed on each entrance and exit equipped with a lock which shall be maintained and controlled by the security department;
 - (b) An alarm device, which audibly signals the surveillance, security departments, and the on-site IEB office whenever a count room door is opened;
 - (c) A light system, which illuminates one or more lights in the surveillance department and at each count room door, for purposes of maintaining constant surveillance on the entrance and exits to the count room;
 - (d) Closed circuit television cameras wired to the surveillance department capable of, but not limited to, the following:
 - (1) Video monitoring of the entire count process; and
 - (2) Continuous video-monitoring of the interior of the count room, including storage cabinets or trolleys used to store drop boxes, slot cash storage boxes, slot drop buckets, and emergency drop boxes; and
 - (e) For the soft count room only, microphones wired to the surveillance department for audio monitoring of the entire count process.
- (4) In addition to the requirements of 205 CMR 138.19(3), a count room used to count coin slot drop boxes and buckets shall have:
 - (a) A fixed-door type or a hand-held metal detector used by a security department member to inspect all persons exiting the hard count room; and
 - (b) A separate light system or other device approved by the IEB which shall provide a continuous visual signal at the count room door, whenever any access door to the count room is opened while the system is activated. The light system or device shall:
 - (1) Maintain the visual signal until the system is reset or deactivated; and

- (2) Be designed so as to permit its activation, deactivation or resetting only by a member of the security department.
- (5) In addition to 205 CMR 138.19(3), the soft count room shall have:
- (a) A table constructed of clear glass or similar material for the emptying, counting, and recording of the contents of drop boxes and slot cash storage boxes which shall be known as the "count table;"
 - (b) A table constructed of clear glass or similar material for the stacking of the contents of table drop boxes and slot cash storage boxes which have been counted, prior to the recount and acceptance by the cage cashier or cashier supervisor. The table shall be known as the "banking table;" and
 - (c) A locked accounting box, the key to which shall be maintained and controlled by a supervisor in the casino accounting department with no incompatible functions.
- (6) The count room doors shall be secured at all times except when opened for the following authorized purposes:
- (a) To allow one or more members of the count team to change shifts or take a work break;
 - (b) To permit access to equipment by authorized IT department employees;
 - (c) To permit table drop boxes or slot cash storage boxes to be secured in the count room;
 - (d) To permit empty table drop boxes, slot cash storage boxes, emergency table game drop boxes or emergency slot cash storage boxes that were not part of the current count to be removed from the count room;
 - (e) To allow a main bank cashier or cage supervisor to enter the count room to recount and accept the drop;
 - (f) To allow the count team to exit the room at the conclusion of the count; or
 - (g) In the event of an emergency.
- (7) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a workflow diagram that shall indicate, at a minimum, the location of all equipment in a count room, all equipment used in the counting process and the flow of all currency, coupons, gaming vouchers and paperwork from the start of the count to the conclusion of the count.
- (8) The count team may simultaneously count the contents of the table drop boxes and the slot cash storage boxes provided that the contents of the table drop boxes remain segregated from the contents of the slot cash storage boxes throughout the count and acceptance by the main bank cashier or cage supervisor.
- (9) Except during an emergency, with the exception of the count team and agents of the IEB, prior to anyone entering or leaving a count room during the soft count process, all contents that have been removed from either a drop bucket, drop box or slot cash storage box shall be counted at least once and secured. Any trolleys that contain uncounted drop boxes or slot cash storage boxes shall be secured.
- (10) The opening, counting, and recording of the contents of table drop boxes, slot cash storage boxes, slot drop buckets, and slot drop boxes shall be performed in the presence of a count room supervisor. The count shall be performed by at least three employees ("count team"), which shall include the count room supervisor. The counting and recording process

shall be discontinued where the minimum number of count room personnel is not present or are not capable of performing their responsibilities.

- (11) All persons present in the count room during the counting process, except agents of the IEB, shall:
 - (a) Wear as outer garments, only a full-length, one-piece, pocketless garment with openings only for the arms, feet, and neck;
 - (b) Not be permitted to wear a long sleeve garment under the outer garment; and
 - (c) Not be permitted to carry a bag, pocketbook or other container unless it is transparent.
- (12) Access to the count room during the counting process shall be limited to the count team, internal audit personnel, other persons authorized by the IEB, or agents of the IEB. No count room employee shall, during the soft count process, enter a storage area for table drop boxes or slot cash storage boxes adjacent to the count room to perform any function not directly related to the counting process.
- (13) No person shall remove his or her hands from or return them to a position on or above the count table, banking table or counting equipment unless the backs and palms of his or her hands are first held straight out and displayed to other members of the count team and surveillance cameras. In addition, whenever any person enters or leaves the count room during the counting process, any employee remaining in the count room shall be required to step away from the count table, banking table and counting equipment until the person has entered or left the countroom.
- (14) Immediately prior to the commencement of the count, doors to the count room shall be securely locked and remain locked at all times, except when opened for an authorized purpose in 205CMR 138.19(6). A count team member shall notify surveillance that the count is about to begin, after which surveillance shall make a continuous video and, if applicable, audio recording, with the time and date inserted thereon, of the entire counting process. A count room member shall also notify surveillance whenever a count room door will be opened during the count.
- (15) Once all currency, gaming vouchers, coupons, coin and/or slot tokens have been counted and the final count totals have been obtained, no employee shall be permitted to leave the count room, except in an emergency, until the recount and acceptance of the drop is completed by a cage cashier or cashier supervisor.
- (16) The count room supervisor shall prepare a record of the names and credential or license numbers of each employee who was present in the count room during any part of the count process. Such record shall be forwarded to the accounting department at the conclusion of the count.

138.20: Possession of firearms

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02(1) shall include a policy prohibiting any person from possessing a firearm within or upon the premises of a gaming establishment. Persons violating this policy shall be removed from the gaming establishment by the gaming licensee or law enforcement personnel.
- (2) Notwithstanding 205 CMR 138.20(1), the following individuals may, in the course of their official duties, possess a firearm within or upon the premises of a gaming establishment:

- (a) A member of the Massachusetts State Police assigned to the Gaming Enforcement Unit;
 - (b) A law enforcement officer of the host community police department assigned to work at the gaming establishment pursuant to the memorandum of agreement required to be executed in accordance with M.G.L. c. 23K, §6(f);
 - (c) An official who is specifically authorized to do so by the commission or the IEB; and
 - (d) A federal law enforcement officer.
- (3) Any law enforcement officer in possession of a firearm, other than a member of the Massachusetts State Police assigned to the Gaming Enforcement Unit, shall provide notification to an official within the on-site office of the State Police Gaming Enforcement Unit at the gaming establishment prior to arrival or upon arrival at the gaming establishment. This notification shall be documented with the onsite office of the State Police Gaming Enforcement Unit.
- (4) The gaming licensee shall post in a conspicuous location at each entrance to the gaming establishment a legible sign that states:

“No firearms are allowed within or upon the premises of this gaming establishment. This prohibition extends to all areas of this facility: public, non-public, restricted, and non-restricted areas. Persons violating this restriction will be removed from the premises and subject to further investigation and, if appropriate, prosecution. If you have any questions about this prohibition, please request to see an official from the Massachusetts Gaming Commission Office before proceeding.

Certain law enforcement officers may be exempt from this prohibition; however they must notify the Massachusetts State Police of their presence by either visiting the Massachusetts State Police Gaming Enforcement Unit Office on site or by calling the State Police Gaming Enforcement Unit at [insert phone number].”

138.21: Protection of minors

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include internal policies and procedures including, at minimum, the following:

- (1) that the gaming licensee’s security and surveillance department, or equivalent personnel, perform regular checks of the parking areas of the gaming establishment for purposes of locating any minors left unattended in motor vehicles and for the immediate report any such incidents to the local and state police in the municipality where the gaming establishment is located; and
- (2) security procedures for ensuring the safety of minors on the premises of a gaming establishment.

138.22: Critical incident preparedness plan

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a detailed critical incident preparedness plan to enhance the prevention of, preparedness for, and response to critical incidents, including without limitation natural disasters, workplace violence, dangerous substance, and active shooter crisis incidents. This plan shall

include a training component which is designed to enhance awareness of pre-incident indicators and describe actions to take to prevent and prepare for potential crisis incidents. This plan also shall include an action plan that describes the gaming establishment's pre-planning and coordination for a series of activities and procedures involving the gaming licensee's management and security personnel; the commission on-site officials; the onsite responding Massachusetts State Police personnel; the responding local, county, state law enforcement personnel; EMS and other first responder personnel, all in response to potential or actual critical incidents. The gaming licensee shall review its crisis preparedness plan annually. The gaming licensee's submission shall be evaluated in terms of its adequacy to assure that reasonable preparation and steps have been taken to ensure public safety, inter-agency crisis communication, tactical coordination, site facility identification and pre-staging, which as a whole, shall serve to maximize the protections afforded to the public, patrons, employees, law enforcement officers, and first responders and maximize the efficacy of first responder actions in emergent critical incident situations.

138.23: Drop boxes for table games and electronic table games; gaming table slot cash storage boxes

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138.24: Cashiers' cage; satellite cages; master coin bank; coin vaults

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to the cashiers' cage, satellite, cages, master coin banks (if any), and coin vaults (if any) that incorporate, at a minimum, the following:

- (1) Each establishment shall have on or immediately adjacent to the gaming area a physical structure known as a cashiers' cage ("cage") to house the cashiers and to serve as the central location in the gaming area for the following:
 - (a) The custody of the cage inventory comprising currency including cash, patrons' deposits, coin, patron checks, gaming chips and plaques, and of forms, documents, and records normally associated with the operation of a cage;
 - (b) The approval, exchange, redemption, and consolidation of patron checks received for the purposes of gaming;
 - (c) The receipt, distribution, sale and redemption of gaming chips and plaques
 - (d) The issuance, receipt and reconciliation of imprest funds used by slot attendants in the acceptance of currency and coupons from patrons in exchange for currency;
 - (e) The issuance, receipt and reconciliation of imprest chip funds and currency used by chippersons in the acceptance of coin, currency, slot tokens and coupons from seated poker patrons in exchange for chips; and
 - (f) Such other functions normally associated with the operation of a cage.
- (2) If a gaming establishment will make use of coins or tokens in its gaming operation it shall

have within the cage or in such other area as approved by the commission a physical structure known as a master coin bank to house master coin bank cashiers. The master coin bank shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein and serve as the central location in the gaming establishment for the following:

- (a) The custody of currency, coin, prize tokens, slot tokens, forms, documents and records normally generated or utilized by master coin bank cashiers, slot cashiers, changepersons, and slot attendants;
- (b) The exchange of currency, coin, coupons, prize tokens and slot tokens for supporting documentation;
- (c) The responsibility for the overall reconciliation of all documentation generated by master coin bank cashiers, slot cashiers, changepersons, and slot attendants;
- (d) The receipt of coin and slot tokens from the hard count room; and
- (e) Such other functions normally associated with the operation of the master coin bank.

(3) The cage shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein; such design and construction shall, at a minimum, include the following features and specifications:

- (a) It shall be fully enclosed except for openings through which materials such as gaming chips and plaques, slot tokens and prize tokens, patron checks, cash, records, and documents can be passed to service the public, gaming tables, and slot booths;
- (b) It shall have a manually triggered silent alarm system for the cage, ancillary office space, and any related vault, which systems shall be connected directly to the monitoring rooms of the closed circuit television system, IEB office and the security department office;
- (c) It shall have double door entry and exit system (MAN-TRAP) that will not permit an individual to pass through the second door until the first door is securely locked. In addition:
 - (1) The first door adjacent to the gaming floor of the double door entry and exit system shall be controlled by the security department. The second door of the double door entry and exit system shall be controlled by the cashiers' cage;
 - (2) The system shall have closed circuit television coverage which shall be monitored by the security department or surveillance department; and
 - (3) Any entrance to the cage that is not a double door entry and exit system shall be an alarmed emergency exit door only.
- (d) It shall have separate locks on each door of the double door entry and exit system, the keys to which shall be different from each other.

(4) Each master coin bank located outside the cage shall meet all the requirements of 205 CMR 138.24(3).

(5) Each gaming establishment may have separate areas for the storage of coin, prize tokens and slot tokens ("coin vaults") in locations outside the cage or master coin bank.

(6) Each coin vault shall be designed, constructed and operated to provide maximum security for the materials housed and activities performed therein, and shall include at least the following:

- (a) A fully enclosed room, located in an area not open to the public;
- (b) A metal door with one key that shall be maintained and controlled by the main bank or master coin bank, which shall establish a sign-in and sign-out procedure for removal and replacement of that key;
- (c) An alarm device that signals the monitors of the gaming licensee's close circuit television system whenever the door to the coin vault is opened; and
- (d) Closed circuit television cameras capable of accurate visual monitoring and taping of any activities in the coin vault.

(7) Each gaming establishment may also have one or more "satellite cages" separate and apart from the cashiers' cage, but in or adjacent to a gaming area or simulcasting facility, established to maximize security, efficient operations, or patron convenience and comfort and designed and constructed in accordance with this regulation. Subject to commission approval, a satellite cage may perform any or all of the functions of the cashiers' cage. The functions which are conducted in a satellite cage shall be subject to the applicable accounting controls set forth in 205 CMR.

(8) Each gaming licensee shall file with the commission the names of all persons possessing the combination or keys to the locks securing the entrance to the cage, any satellite cages, master coin bank and coin vaults; as well as all persons possessing the ability to operate alarm systems for the cage, any satellite cages, master coin bank and coin vaults.

(9) Notwithstanding 205 CMR 138.24(2), each gaming licensee may, with prior commission approval, operate its cashiers' cage without the master coin bank, provided that the main bank serves as the central location in the gaming establishment for the transactions enumerated in 205 CMR 138.24(2)(a) through (e), and provided further, that the references therein and elsewhere in 205 CMR 138.00 to:

- (a) "Master coin bank cashiers" shall apply instead to the main bank cashiers assigned the duties and performing the functions that would otherwise be assigned to or performed by master coin bank cashiers; and
- (b) The "master coin bank" shall apply instead to the main bank, but only insofar as it is authorized to perform master coin bank functions.

(10) Whenever the approved internal controls of a gaming licensee require or authorize documents to be transported from the cashiers' cage to a satellite cage or from a satellite cage to the cashiers' cage or another satellite cage, the gaming licensee shall, unless specified otherwise, transport the documents through the use of a pneumatic tube system or a casino security department representative.

138.25: Simulcast counter

RESERVED

138.26: Keys for dual locks; gaming licensee-controlled keys and locks; notice to the IEB and surveillance department upon malfunction and repair, maintenance or replacement

(1) Any key, ~~locking mechanism or locking system that is~~ required by 205 CMR 138.00 ~~shall be patented. Such key~~ shall be legally duplicable only by the manufacturer or an agent, ~~or~~ successor thereof or by an employee of a gaming licensee with no incompatible functions, and shall be capable of unlocking the locking device on no more than one type of secure box, compartment or location used or maintained within the gaming establishment.

Comment [1]: The change allows the gaming licensee the flexibility to quickly address situations where a key is damaged.

Comment [2]: It is unlikely that new technology would be patented when it comes to market given that the patenting process before the USPTO ordinarily takes several years. In addition, computer based technology is not necessarily patentable (although software can be copyrighted).

(2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a process for inventorying and identifying each controlled key, locking mechanism, or locking system and setting forth the procedure by which the key, locking mechanism, or locking system shall be controlled. Such internal controls shall, at a minimum, include an enumeration of those incidents or events which, if they occurred, would compromise the security of the gaming licensee's locking systems and require it to immediately comply with the provisions herein.

(3) The types of secure boxes, compartments or locations that require a unique key, locking mechanism, or locking system shall include, without limitation, the following:

- (a) Drop boxes;
- (b) Slot cash storage boxes;
- (c) Trolleys to transport drop boxes from gaming tables to a secure location;
- (d) Trolleys or cabinets used to transport or store, respectively, slot cash storage boxes;
- (e) Count room entrance and exit doors;
- (f) Compartments housing slot drop buckets;
- (g) Slot drop boxes;
- (h) Compartments housing slot drop boxes;
- (i) Areas in which slot cash storage boxes are located;
- (j) Compartments housing microprocessors or other control units controlling progressive meter(s) for progressive slot machines;
- (k) Locations housing a computer that controls a progressive payout wager system for gaming tables offering a progressive payout wager; and
- (l) Storage cabinets or trolleys for unattached slot drop boxes.

(4) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include inventory procedures for any key required to be controlled and maintained by a gaming licensee and for any corresponding locking device including, without limitation, any key and locking device required by 205 CMR 138.00 for a dual control locking system. The key and locking device inventory controls of each gaming licensee shall include, at a minimum, procedures for:

- (a) Maintenance of inventory ledgers by identified, authorized personnel for purposes of documenting:
 - (1) The requisitioning of keys and locking devices from vendors;
 - (2) The receipt of blank key stock;
 - (3) The storage and issuance of keys and locking devices;
 - (4) Any loss, removal from service, and subsequent replacement of keys and locking devices;
 - (5) The destruction of keys and locking devices; and

- (6) The results of physical inventories;
 - (b) The storage of duplicate keys and locking devices, including a physical description of any storage location and the identification of authorized personnel in control of such location;
 - (c) The destruction of keys and locking devices, including documentation detailing in whose presence any destruction shall occur; and
 - (d) Physical inventories of all keys and locking devices at least once every 12 months.
- (5) A gaming licensee shall notify the IEB and its surveillance department immediately upon becoming aware of any malfunction of any alarm system or alarmed door, and upon any emergency service to restore their proper function. In addition, a gaming licensee shall provide the IEB and its surveillance department with at least 24 hours written notice prior to effecting any non-emergency repair, maintenance or replacement of any such alarm system or alarmed door including, without limitation:
- (a) Alarm systems for any emergency exit from the gaming floor or simulcasting facility;
 - (b) Alarm systems for the cage, its ancillary office space and any related vault;
 - (c) Alarm systems for any master coin bank located outside the cage;
 - (d) Alarmed emergency exit door(s) for the cage;
 - (e) Alarmed doors to vaults signaling the closed circuit television system;
 - (f) Alarmed doors to count rooms signaling the monitoring rooms and the security department;
 - (g) Alarm systems providing for a continuous visual signal whenever any access door to the count room is open; and
 - (h) Alarm systems for any slot cashier window in a slot booth.

138.27:
RESERVED

138.28: Gaming day

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall specify what the 'gaming day' will be for accounting purposes. Each gaming licensee may establish a gaming day for slot machines which is different from its gaming day for table games; provided, however, that no gaming day shall be longer than 24 hours.

138.29: Accounting controls for the cashiers' cage, satellite cages, master coin bank and coin vaults

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include detailed protocols and procedures for the function of the cashiers' cage, satellite cages, master coin bank, and coin vaults, if any.

138.30: Accounting controls within the simulcast counter

RESERVED

138.31: Procedure for accepting cash and coupons at gaming tables

RESERVED

138.32: Table game drop boxes, transport to and from gaming tables; storage boxes

RESERVED

138.33: Removal of slot drop buckets, slot drop boxes and slot cash storage boxes; Unsecured currency; recording of meter readings for slot machine drop

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures and protocols relative to the removal of slot drop boxes, slot cash storage boxes, unsecured currency, and the recording of meter readings for slot machine drop that, at a minimum, incorporates the following requirements:

- (1) A gaming licensee shall file with the IEB a drop schedule setting forth the specific times at which the slot drop buckets, slot drop boxes and slot cash storage boxes ("slot drop containers") will be brought to or removed from the slot machines. The schedule shall include the number of slot drop containers to be removed each day by zone or other designation.
- (2) All slot drop containers which are not actively in use shall be stored in the count room or other secure area outside the count room as approved by the IEB to prevent unauthorized access. In addition, slot drop ~~boxes and slot cash storage boxes~~ containers in use shall be stored in an enclosed storage cabinet or trolley, secured by a key. The key must have restricted access and may be maintained and controlled by either the security department or by means of an electronic key control system which documents the date, time, and electronic signature of any person signing out/in the aforementioned keys. Such electronic key control system also must have the ability to restrict access and ensure keys are released only when the properly authorized individual(s) are present. An electronic signature shall include a unique employee PIN and key card swipe, or PIN and employee biometric identification.
- ~~(2)~~(3) The slot drop shall be staffed by ~~containers shall be removed from a slot machine by~~ at least three employees, two of whom shall be members of the casino security department and one of whom shall be a member of the accounting department ("the slot drop team"). Other than the security department members, all employees participating in the removal of slot drop

Comment [3]: Key systems can be configured to require PINs as well as fingerprint or entire hand scans to gain access to sensitive keys.

containers shall wear as outer garments only a full-length, one-piece pocketless garment with openings only for the hands, feet and neck.

~~(3)~~(4) ~~The slot drop team supervisor shall notify~~ The surveillance department shall be notified at the commencement of the slot drop process by a member of the drop team. Surveillance shall make a continuous video recording, with the time and date inserted thereon, of the entire slot drop ~~container removal~~ process.

(5) All slot drop containers removed from the slot machines shall be transported directly to, and secured in, the count room by a casino security department member and another member of the ~~accounting department~~ drop team.

(6) ~~Emergency drop procedures to remove a~~ Emergency drop procedures to remove a full or inoperable slot drop ~~container~~ box or for removal for other legitimate reasons ~~or slot cash storage box that must be replaced~~ outside of the slot drop schedule shall require at least three employees (two of whom shall have no incompatible functions and one of whom shall be licensed as a Key Gaming Employee), be replaced with an empty emergency slot drop container of the same type if the slot machine is to remain available for play by patrons ~~box or slot cash storage box by a security department member and a slot or cage supervisor~~, and include at a minimum the procedures as follows:

Comment [4]: Changes have been made to this subsection to recognize that a slot drop container may be removed for reasons other than inoperability, e.g., movement of a machine, resolution of a patron complaint or taking a slot machine out of service.

(a) A security department member shall notify the surveillance department which shall monitor and record the transaction. If more than one slot drop ~~container~~ box or slot cash storage box is being removed, such notification shall include the sequence in which the ~~containers~~ boxes will be removed and replaced;

(b) A separate report (“emergency box form”) is to be prepared and maintained documenting ~~The security department member shall complete an emergency box form documenting the replacement of the slot drop box or slot cash storage box. The form shall include~~ at a minimum:

- (1) The date and time;
- (2) The machine asset and location number;
- (3) The reason for the removal; and
- (4) The manual signatures or electronic signatures of ~~the all employees security department member and slot or cage supervisor~~ participating in the process;

(c) The emergency box form shall be distributed by a member of the emergency drop team ~~the security department member~~ as follows:

- (1) The original affixed to the emergency slot drop ~~container~~ box or slot cash storage box;
- (2) The duplicate placed in a locked accounting box; and
- (3) The triplicate delivered to the cage to so that it can be routed within 24 hours of preparation to the IEB’s onsite office;

(d) A slot department member, in the presence of the other members of the emergency drop team ~~a casino security department member and the slot or cage supervisor~~, shall remove the ~~full or inoperable~~ slot drop ~~container~~ box or slot cash storage box from the slot machine and replace it with the empty emergency slot drop container if the slot machine is to remain available for play by patrons ~~box or slot cash storage box~~;

- (e) The slot drop ~~box or slot cash storage box~~ container removed from the slot machine shall be transported by a minimum of two members of the emergency drop team ~~the casino security department member and slot or cage supervisor~~ to the count room where it must be and secured in an emergency drop box cabinet or trolley; and
- (f) For each ~~full or inoperable slot drop container~~ ~~drop box or slot cash storage box~~ ~~exchanged removed~~, must have an emergency drop team participant ~~the casino security department member or slot or cage supervisor shall~~ must record on an emergency box log, to be maintained with the emergency drop box cabinet or trolley, the following:
- (1) The date and time the slot drop box ~~or slot cash storage box~~ was secured in the cabinet or trolley;
 - (2) The slot drop box ~~or slot cash storage box~~ location and asset number; and
 - (3) The signatures of at least two members of the emergency drop team ~~the casino security department member and cage or slot supervisor~~ participating in the emergency slot drop ~~container~~ ~~box or slot cash storage box~~ process;
- (7) Whenever currency, a gaming voucher, or a coupon is found inside a bill changer but outside of the slot cash storage box ("unsecured drop") during the collection of slot cash storage boxes, a count team member and a member of the casino security department shall complete and sign a form which includes the asset number in which the unsecured drop was found, the date the unsecured drop was found, and the total value of the unsecured drop. The unsecured drop and the original form shall be transported to the count room and counted and recorded with the contents removed from the corresponding slot cash storage box. The duplicate of the form shall be placed in a locked accounting box. Upon completion of the count, the original form shall be placed in a locked accounting box located in the count room. The accounting department will retrieve the original form and reconcile it to the duplicate.
- (8) Whenever unsecured drop is found at times other than the collection of slot cash storage boxes, a slot department member shall notify the surveillance department and complete and sign the form referenced in 205 CMR 138.33(7). The unsecured drop and the original form shall be transported by the slot department member, escorted by a security department member, to the cashiers' cage where a cashier shall sign the form. The unsecured drop and original shall be retained by the cashier, and the slot department member shall place the duplicate form in a locked accounting box. The accounting department shall reconcile the original form to the duplicate.
- (9) Upon receipt of an unsecured gaming voucher or coupon, the cage cashier in the presence of the slot department member shall deface the gaming voucher or coupon, to the extent necessary, so as to prevent subsequent redemption.
- (10) At the end of the gaming day, at a minimum, the original unsecured drop forms and as applicable, gaming vouchers and coupons, shall be forwarded to the accounting department. The accounting department shall reconcile the original and duplicate forms and record the appropriate amount on the Slot Win Report.
- (11) In conjunction with the removal of any slot drop container, a gaming licensee shall manually read, or cause an approved slot monitoring system to record, the in-meter, drop meter, out-meter, attendant paid jackpots meter, attendant paid cancelled credits meter, bill meters and handle pull meter. In addition, the following meters shall be read and recorded:

- (a) If the slot machine accepts gaming vouchers, the numerical and value cashable gaming voucher meters, and the numerical and value non-cashable gaming voucher meters;
 - (b) If the slot machine accepts coupons enrolled in the gaming voucher system, the numerical and value cashable coupon meters and numerical and value non-cashable coupon meters;
 - (c) If the slot machine accepts promotional credits, the electronic cashable credit meter and the electronic non-cashable credit meter; and
 - (d) If the slot machine accepts funds from an account based wagering system, the wagering account transfer-in meter and the wagering account transfer out meter.
- (12) The slot monitoring system shall provide a report to the accounting department for a comparison of the meter readings to the count room reports and the calculation of each slot machine's payout percentage. Only members of the accounting department shall have the authority to adjust meter readings subsequent to the count.
- (13) Nothing in 205 CMR 138.00 or a gaming licensee's internal controls shall preclude the IEB from requiring a gaming licensee to read a slot machine meter manually as a remedial measure in the event of a malfunction or as it may otherwise deem necessary to ensure the integrity of gaming and the accurate reporting of gross revenue.

138.34: Procedures for acceptance of tips or gratuities from patrons

- (1) In accordance with M.G.L. c.23K, §25(g), no key gaming employee or any other gaming employee who serves in a supervisory position shall solicit or accept a tip or gratuity from a player or patron in the gaming establishment where the employee is employed.
- (2) In accordance with M.G.L. c.23K, §25(g), a dealer may accept tips or gratuities from a patron at the table game where such dealer is conducting play provided, however, that such tips or gratuities shall be placed in a pool for distribution among other dealers. A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the manner in which tips and gratuities shall be set aside for the dealer pool as well as the manner of distribution among dealers, which shall, at a minimum, incorporate the following principles:
 - (a) At their election, the dealers shall be responsible for the collection, counting, and distribution of the tips and gratuities;
 - (b) The gaming licensee shall cooperate in the collection, counting, and distribution process undertaken by the dealers, and shall provide surveillance, cashier, payroll and other systems necessary for the administration and security of the process;
 - (c) Tips shall be calculated on a weekly basis unless the dealers specifically elect to calculate the tips on a daily basis; ~~and~~
 - (d) The policies and procedures shall be subject to approval by the dealers in a manner provided by the dealers; and
 - (e) The policies and procedures shall be in accord with M.G.L. c.149, §152A and other applicable law of the commonwealth.

- (3) The policies and procedures required in accordance with 205 CMR 138.34(2) shall, at a minimum, include:
- (a) The method utilized by a dealer for acceptance of the tip or gratuity;
 - (b) The physical characteristics of the transparent locked box utilized for purposes of depositing such tips or gratuities;
 - (c) The method for ensuring that any non-value chips received as a tip at any table game authorized by the commission to utilize non-value chips for play, is expeditiously converted into value chips and deposited in a the locked box reserved for that purpose; and
 - (d) The method of collecting, accounting for and placing such tips and gratuities in a common pool for distribution pro-rata among all dealers in accordance with standards established by the commission.
- (4) If a gaming licensee offers the game of poker the policies and procedures required in accordance with 205 CMR 138.34(2) may provide for a separate common pool for tips and gratuities received by poker dealers to be established. A gaming licensee may also designate a percentage of the prize pool or other such amounts as designated in a poker tournament submission, as approved by the commission, to be withheld for distribution to the tournament dealers on a pro-rata basis.
- (5) A tip or gratuity may be provided electronically to a dealer upon initiation and authorization by a patron. A gaming licensee shall include in its internal controls the method utilized for the distribution of electronic tips or gratuities and ensure that a report listing all electronic tips shall be available from the system where the transaction occurred.

138.35: Table inventory; table inventory container; chip reserve compartment

RESERVED

138.36: Procedures for counting table inventory, opening tables for gaming, shift changes at gaming tables, and closing gaming tables

RESERVED

138.37: Procedure for distributing and removing gaming chips, coins and plaques to gaming tables

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to distributing and removing gaming chips, coins, and plaques to and from gaming tables that must include participation of personnel from at least three departments with incompatible functions.

138.38: Procedures for acceptance, accounting for, withdrawal and refund of patron deposits

RESERVED

138.39: Procedures for accepting, verifying and accounting for wire transfers and electronic fund transfers; wire transfer and electronic fund transfer fees; Procedures for sending funds by wire transfer or electric fund transfer

RESERVED

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, chips, plaques, slot tokens, jackpots, tournament winnings, casino checks, personal checks, certified checks, traveler's checks, wire transfers, money orders, ~~and~~ cash advances initiated at ATMs outside of the gaming area and other cash equivalents. Provided, procedures shall be included to ensure that the gaming licensee does not accept or cash government-issued checks or third party checks or cashier/official checks where the remitter is not the same individual as the patron for whom the funds are intended, and third party wire transfers;
- (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 check;
- (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).~~

Comment [5]: There is no distinction between counter checks for areas of play. All counter checks have identical language and signature requirements regardless of where they are issued (i.e. slots, table games, cage, etc.).

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Comment [6]: Casino winnings may also be placed on deposit, which may be in the form of chips, a jackpot slip, tournament winnings or a casino check. Customers may request a check after winning a large jackpot, then decide that they would like to place the check on deposit.

Comment [7]: Third party wire transfers should have the same level of control as third party checks.

Comment [8]: The terminology "against the patron's deposit account" suggest that a customer must post security in connection with the issuance of a counter check. Many customers are issued credit solely on the strength of their credit history without any requirement that security be posted.

Comment [9]: All counter checks should be issued in the same manner, regardless of geographical location within the casino.

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- ~~(8)~~ Documentation and accountability requirements up to and including the transfer of completed documents to the accounting department;
- ~~(9)~~(7) Procedures to ensure that any credit card or automated teller machine operating in the gaming establishment does not allow a patron to obtain cash from a government-issued electronic benefits transfer card; and,
- ~~(10)~~(8) Procedures to ensure that credit card cash transactions and debit card cash transactions are not permitted to be initiated within 15 feet of the gaming area.

Comment [10]: Counter checks that are paid are returned to the customer, rather than transferred. "Live" counter checks are transferred to the cage, so that they are readily available for a customer and secured. Issuance and Payment portions of the counter check are transferred to accounting, but all transfers and pieces should be defined.

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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 and third party instruments that may be accepted in redemption of a counter check;
- (2) A distinction between full redemptions and partial redemptions;
- ~~(3)~~ Detailed procedures for processing payments received through the mail and wire transfers;
- ~~(3)~~(4) Detailed procedures to:
 - (a) Process and complete redemptions, substitutions, and consolidations;
 - (b) Verify the patron's or agent's identification at the time of completing a redemption in person;
 - (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.

Comment [11]: Customers may send payments to the casino, or wire funds to clear their balances.

Comment [12]: Customers may have another individual deliver payment to the casino on their behalf. For AML purposes, with cash payments or checks of \$3,000 or greater, the gaming licensee must identify this individual.

~~(4)~~(5) A description of permitted redemptions, in full or in part, when made by a third-party other than the gaming patron; and

~~(5)~~(6) 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 outstanding 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) The signature of the employee accepting the payment; and
 - (3) 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 by virtue of complete payment of the outstanding total, 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 due to such partial payment, 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. [Prior to deposit, the gaming licensee or a person acting on behalf of the gaming licensee may complete the patron check to be presented for payment, including entering on the patron check the account number of the patron's personal checking account and other necessary information for the patron check to be a negotiable instrument.](#) 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.

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

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Comment [13]: NRS 463.368 Credit instruments: Validity; enforcement; redemption; penalties; regulations.

1. A credit instrument accepted on or after June 1, 1983, and the debt that the credit instrument represents are valid and may be enforced by legal process.
2. A licensee or a person acting on behalf of a licensee may accept an incomplete credit instrument which:
 - (a) Is signed by a patron; and
 - (b) States the amount of the debt in figures, and may complete the instrument as is necessary for the instrument to be presented for payment.
3. A licensee or person acting on behalf of a licensee:
 - (a) May accept a credit instrument that is payable to an affiliated company or may complete a credit instrument in the name of an affiliated company as payee if the credit instrument otherwise complies with this subsection and the records of the affiliated company pertaining to the credit instrument are made available to agents of the Board upon request.
 - (b) May accept a credit instrument either before, at the time or after the patron incurs the debt. The credit instrument and the debt that the credit instrument represents are enforceable without regard to whether the credit instrument was accepted before, at the time or after the debt is incurred.
4. This section does not prohibit the establishment of an account by a deposit of cash, recognized traveler's check, or any other instrument which is equivalent to cash.
5. If a credit instrument is lost or destroyed, the debt represented by the credit instrument may be enforced if the licensee or person if acting on behalf of the licensee can prove the existence of the credit instrument.
6. A patron's claim of having a mental or behavioral disorder involving gambling:
 - (a) Is not a defense in any action by a licensee or a person acting on behalf of a licensee to enforce a credit instrument or the debt that the credit instrument represents.
 - (b) Is not a valid counterclaim to such an action.
7. Any person who violates the provisions of this section is subject only to the penalties provided in [NRS 463.310 to 463.318](#), inclusive. The failure of a person to comply with the provisions of this section or the regulations of the Commission does not invalidate a credit instrument or affect the ability to enforce the credit instrument or the debt that the credit instrument represents.
8. The Commission may adopt regulations prescribing the conditions under which a credit instrument may be redeemed or presented to a bank or credit union for collection or payment. (Added to NRS by 1983, 828; A [1985, 798](#); [1989, 400](#); [1991, 817](#); [1995, 1499](#); [1999, 1500](#))

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 during the credit application process, places themselves on a voluntary credit suspension list in accordance with 205 CMR 138.44, or the gaming licensee knows or has reason to know is on public assistance;
- (e) Credit requests, including increases, will not be accepted from or granted to patrons who are visibly intoxicated or exhibiting behaviors suggestive of impaired mental competency;
- (f) Credit applications require patrons to acknowledge that they have reviewed a problem gambling self-assessment and indicate a desire to proceed with the process; and
- (g) Credit officers will obtain either written or verbal verification from credit applicants that they are comfortable losing up to the amount of credit requested and granted.

Comment [14]: MA public assistance information may be more readily available than that from other states and jurisdictions.

(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 ability to grant credit or credit limit increases incompatible functions 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 the following minimum information provided by the patron shall be recorded:

(1) The patron's name;

~~(+)~~(2) Patron's identification credential, credential number, place of issuance, and expiration date;

~~(2)~~(3) The address of the patron's residence;

~~(3)~~(4) The patron's telephone number;

~~(4)~~(5) 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 even if a patron is individually authorized to draw on the account.

~~(5)~~(6) The credit limit requested by the patron;

~~(6)~~(7) The approximate amount of all other outstanding indebtedness including outstanding credit balances ~~counter checks or slot counter checks~~ at other casinos

Comment [15]: Patron identification should be part of the application process. It is also an opportunity to compare signatures on the application to the ID.

or gaming establishments;

~~(7)~~(8) The amount and source of income and assets in support of the requested credit limit; and

~~(8)~~(9) 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 205 CMR 138.43(2)(a): *"I certify that I have reviewed all of the information provided above and that it is true and accurate. I authorize (name of the gaming licensee) to conduct such investigations pertaining to the above information in accordance with applicable federal and state laws and as it deems necessary for the approval of my credit limit. Such investigation may include verification of the information you have provided with a credit bureau, a casino credit bureau, your bank, and/or a bank verification service. I hereby release (name of the gaming licensee) from any all liability in connection with conducting such an investigation. 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)~~(10) 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~~ applying for a credit extension from [name of gaming licensee], that may be facilitated through a personal check or counter check (also known as a ~~or~~ 'marker') on your bank account. If you fail to repay [name of gaming licensee] by [the date specified in this agreement], [name of gaming licensee] will attempt to recover the amount identified on the personal check or 'marker' from your bank account. If there are insufficient funds in your account, [name of gaming licensee] may initiate debt collection proceedings against you. Failure to timely repay your debt to [name of gaming licensee] may result in 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 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

Comment [16]: Since this must be given prior to processing the application, the word "receiving" is should be deleted.

or credit department representative with no ability to grant credit or credit limit increases shall to the extent reasonably practicable:

Comment [17]: For example, foreign customers or debts in foreign jurisdictions may not be available.

- (1) Verify the address of the patron's residence;
 - (2) Verify the patron's outstanding balances which shall include the following:
 - (a) The date the patron's credit account(s) was established; and
 - (b) The current balance and status of the patron's credit account at each casino and 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 (provided, that if any information is unavailable relative to international accounts this shall be noted in the credit file):
 - (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;
 - (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 205 CMR 138.43(2)(c) 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 at which the patron indicated on the credit application that they have a credit limit or outstanding balance. 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 and shall be deemed to satisfy the verification requirement. The verification may be performed telephonically, via email, or any medium 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 or other similar organizations which is reasonably likely to possess information concerning the patron, 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. 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 available relative to an international account, the gaming licensee may use an alternative source or note the unavailability of the information in the file in which case the verification requirement shall be deemed satisfied. 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 via email, or any medium 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.

(f) A gaming licensee may rely upon information compiled and verified by an affiliate in another jurisdiction relative to the credit application of a patron in satisfaction of a provision of 205 CMR 138.43(1) through (2)(d) if said verification was performed within 60 days of a counter check ~~or slot counter check~~ being issued to the same patron at a gaming establishment.

(g) Any Massachusetts gaming licensee requesting information from another Massachusetts gaming licensee concerning a credit patron shall represent to the requested gaming

Comment [18]: (e) is missing - numbering goes d then f.

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).

- (h) 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.
- (i) 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 60 days;
 - (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 60 days;
- (j) 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 provided that the increase is approved during a single trip to the gaming establishment consisting of consecutive gaming days and the amount of

the temporary increase does not exceed 25 percent of the currently approved credit limit.

(k) 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 6 month period.

(l) 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 all 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 all Massachusetts gaming licensees. All documentation obtained from the casino credit bureau relative to a patron account 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.

(m) 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~~ signed by 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

Comment [19]: Casino prints the counter check "marker," customer signs 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.
- (n) 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.
- (o) 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.
- (p) 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.

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

(3) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions for the maintenance of a patron identification file and the methodology the gaming licensee will utilize for verifying a patron's identity or signature for purposes of establishing a credit account which shall include, at a minimum, the following:

- (a) The patron's name;
- (b) The patron's address;
- (c) The patron's signature;
- (d) The type of identification credentials examined;
- (e) The date and time that the patron identification file was established; and
- (f) The name and signature of the gaming establishment employee who examined the identification credentials of the patron and established the patron identification file.

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 shall be submitted to a designated agent as described in accordance with 205 CMR 138.44(3). An individual requesting suspension of credit privileges shall present a valid government issued photo identification if the request is made in person.

(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 duration for which they wish to have their credit privileges suspended. An individual may select any of the following time periods as a minimum length of suspension:
 - (1) Six months;
 - (2) One year;
 - (3) Three years;
 - (4) Five years; or
 - (5) Lifetime.

Comment [20]: See (g)(1) below states "if the request. . . ."

- (f) 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 six months 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."; and
- (g) If the request for suspension of credit privileges is made in person:
- (1) The type of government issued photo identification examined; 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 government issued photo identification and that the photograph of the person appears to agree with his or her actual appearance.
- (3)
- (a) An application for suspension of credit privileges may only be accepted by a designated agent. An individual may only become a designated agent by successfully completing a course of training approved and administered by the commission or its designee. The course of training shall include, at a minimum, instruction on completion of the application, information relative to problem gambling and available resources, and an understanding of 205 CMR 138.40-46. A designated agent must be a licensed, certified, or registered health or mental health professional or employee thereof, or an employee of a gaming licensee, the commission, a gaming licensee, or other government entity. The commission may refuse to offer training to any individual whose service as a designated agent it determines would be contrary to the aims of 205 CMR 138.40-46.
 - (b) Upon submission of an application, a designated agent shall review the application with the applicant. If the application is complete, the designated agent shall sign the application indicating that the review has been performed and the application has been accepted.
 - (c) A designated agent may not sign an application if any required information is not provided.
 - (d) The designated agent shall forward the signed application for suspension of credit to the commission within 48 hours of completion in a manner directed by the commission.
 - (e) Upon receipt of an application, the commission, or its designee, shall review it for completeness. If the application meets all requirements of 205 CMR 138.40-46 the application shall be approved, and the individual's name shall be added to the credit suspension list. If the application is incomplete, the commission, or its designee, may deny the application and make efforts to contact the applicant advising them of such.
 - (f) If the gaming licensee utilizes an internal management system to track individuals on the credit suspension list, they shall update that system at least every 72 hours with names of individuals being added or removed from the list.
- (4) 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 update the master list in the database.
- (a) Each gaming licensee shall suspend the credit privileges of any listed individual, promptly upon receipt of notice that such individual's name has been added to the list.

- (b) 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.
- (5) Any person whose credit privileges have been suspended pursuant to 205 CMR 138.44 may, no sooner than six months 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) 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 remove such individual's name from the list established pursuant to 205 CMR 138.44, and update the master list in the.
 - (c) Upon receipt of notice that such individual's name has been removed from the list, a gaming licensee may reinstate such person's credit upon re-verification 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.
- (6) 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 at the gaming establishment or an affiliate 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 90 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 90 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.
- (8) A gaming licensee may include in its policy and procedure provisions in accordance with 205 CMR 138.13 for the discretionary discounting of the amount of an outstanding Counter Check ~~or Slot Counter Check~~ to be redeemed by a patron for any marketing related reasons.

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, the~~ accounting department, which will notify the collections department and provide copies of the returned item(s). The original returned check will be given to the check bank cashier who will control the item. ~~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* and M.G.L. c.93, §49. Provided, further, that a gaming licensee's debt collection policy shall not allow for placement of a lien on a patron's primary residence and shall also prohibit the commencement of criminal proceedings or other use of criminal process unless the gaming licensee can show that there were insufficient funds in the patron's account at the time the patron ~~signed~~issued the check ~~to the licensee.~~
- (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. Nothing herein shall be construed to prohibit casino marketing personnel licensed to the level of a key gaming employee from discussing with a patron the status of the patron's outstanding patron checks provided that any such communication is with full knowledge of the collection employees and is 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 re-deposited. 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;

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- (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 re-deposited;
 - (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 and the collections department at the gaming establishment, by accounting department employees with no incompatible functions, in a reasonably prompt manner upon initial receipt of a returned check or immediately upon receipt of a check returned for a second time if the check was immediately re-deposited 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.

138.48: Procedure for opening, counting and recording contents of table drop boxes and slot cash

storage boxes

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to opening, counting, and recording contents of table drop boxes and slot cash storage boxes that include, at a minimum, the following provisions:

- (1) Immediately prior to the commencement of the count process, a count room supervisor shall:
 - (a) Obtain a preliminary master game report which shall list forms and documents related to the table drop box count that were entered into the computer system at the time of preparation;
 - (b) Reconcile the number of boxes recorded on the drop box verification form to the number of boxes secured in the trolley;
 - (c) Remove the emergency drop box log and reconcile the log to the boxes removed from the emergency drop box cabinet or trolley; and
 - (d) Document any unresolved discrepancies on a two-part Drop Variance Report, the original of which shall be delivered to the Division and the duplicate placed in the locked accounting box.
- (2) A gaming licensee shall open, count and record the contents of each drop box in the soft count room except that an emergency slot cash storage box may be held and counted on the regularly scheduled count for the slot machine from which it originated. For currency, gaming vouchers, and coupons, a gaming licensee shall perform a second count to obtain the aggregate total of each denomination of currency and coupon, and the total number of gaming vouchers counted. The counts shall be independent of each other and access to the result of the first count shall not be available to the employee performing the second count until completion of the second count. At the completion of the second count, a comparison of the two counts shall be made and any discrepancies resolved by the count team supervisor.
- (3) A gaming licensee shall use a counting machine, to be identified in the internal controls, to count currency, gaming vouchers, and coupons. An alternative procedure shall be provided in the event that a counting machine cannot be used due to mechanical failure or other emergent situation.
 - (a) A gaming licensee may use one counting machine that automatically provides the counts required in 205 CMR 138.48(2) of the items at different stages of the counting process. If the counts are not in agreement, the machine shall document the discrepancy and cease operation until the discrepancy is resolved by a count team member.
 - (b) If a gaming licensee does not use a counting machine described in 205 CMR 138.48(3)(a), two different counting machines shall be used. Upon completion of the count using the first machine, the cash storage bins or cassettes shall be emptied and displayed to the full view of a closed circuit television camera to assure that the contents have been emptied. The second machine count shall be performed to verify the totals of the first machine. If the counts are not in agreement, the count team shall resolve the discrepancy before continuing the second count.
 - (c) Each machine shall generate a report at the completion of its count documenting the following:
 - (1) The total of each denomination of currency;
 - (2) The total of all currency;

- (3) The total number of gaming vouchers;
 - (4) The total number and amount of coupons for which the count machine can determine the value of the coupon ("machine count coupons"); and
 - (5) The total number of coupons for which the count machine cannot determine the value of the coupon ("manual count coupons").
- (4) A test count shall be conducted prior to the start of the first use of each counting machine, each gaming day, and prior to each count. The count room supervisor shall:
- (a) Verify that the counting machine has a zero balance on its display and cause a receipt to be printed which denotes 0 cash, gaming vouchers or coupons on hand, and 0 notes, gaming vouchers or coupons in the machine, or other approved means to indicate that the machine has been cleared of all currency, gaming vouchers and coupons;
 - (b) Visually check the counting machine to be sure there are no bills, gaming vouchers or coupons remaining in the various compartments of the machine;
 - (c) Supervise a count team member who shall select a drop box or slot cash storage box. If slot storage boxes are being counted that day, a slot cash storage box must be selected and it must contain currency, and if issued by the gaming licensee, gaming vouchers and coupons. The count team member shall place the entire contents of the table drop box or slot cash storage box into the first counting machine, which shall count the currency by denomination as well as any gaming vouchers and coupons. Any soiled or off-sorted bills, gaming vouchers or coupons shall be re-fed into the machine. Any items which the counting machine is not able to count automatically, such as coins, tokens, gaming chips or mutilated or torn currency, gaming vouchers, and coupons shall be manually counted, recorded either manually or entered into the counting machine, and segregated from items which the counting machine was able to count automatically. The count team member shall cause the counting machine, in conjunction with the gaming voucher system, to produce one or more test receipts of the count, and the count shall not be shown to anyone until completion of the final verification process;
 - (d) Supervise a second count team member, independent of the team member performing the initial count, who shall manually count or use a second counting machine to count and summarize the items on test receipts;
 - (e) Compare the totals on the test receipts for agreement. If the totals are in agreement, the count room supervisor shall sign and date the test receipts and place them in the locked accounting box to be forwarded to the casino accounting department at the end of the count process. If the totals do not agree, the test count procedures shall be repeated. The test count procedures shall be repeated until the totals are in agreement or a determination is made that the count machine cannot be used. The count room supervisor shall not permit a counting machine to be used until these totals are in agreement;
 - (f) Supervise a count team member who, at the conclusion of the test procedure shall display the cash bin or storage cassettes to the full view of a closed circuit television camera to assure that the contents have been emptied prior to replacing cassettes into the counting machine; and
 - (g) Verify that the counting machine has a zero balance in accordance with 205 CMR 138.48(4)(a).

(5) Procedures for the count of boxes shall be as follows:

(a) The contents shall be segregated and counted so as to permit the contents to be recorded for the box from which it was removed. Each box shall be individually:

- (1) placed on the count table at which time one count team member shall verbalize, in a tone of voice to be heard by all persons present and to be recorded by the surveillance audio recording device, the game and table number marked thereon for table drop boxes, or the asset or unique identification number marked thereon for slot cash storage boxes; and
- (2) unlocked and the contents emptied on the count table. The inside of the box shall be held up to the full view of a closed circuit television camera to assure all contents of the drop box or slot cash storage box have been removed, after which the drop box or slot cash storage box shall be locked and placed in the storage area for drop boxes and slot cash storage boxes;

(b) A count team member shall segregate:

- (1) Currency, machine count coupons, and gaming vouchers;
- (2) Coin, tokens, gaming chips, manual count coupons and any mutilated or torn items; and
- (3) Forms and documents;

(c) A count team member shall attempt to match pieces of mutilated or torn items which shall be processed as follows:

- (1) Mutilated or torn currency shall be 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;
- (2) 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; and
- (3) All mutilated or torn coupons and gaming vouchers shall be recorded as revenue regardless of condition;

(d) The value and number of coin, tokens, gaming chips, manual count coupons (by denomination) and any mutilated or torn items shall be manually entered into the counting machine for each drop box or slot cash storage box;

(e) Currency, machine count coupons and gaming vouchers shall be placed in a counting machine. The counting machine shall count and calculate the value of the currency. The value of each gaming voucher or coupon shall be obtained from the counting machine or an approved gaming voucher system, as applicable;

(f) Upon completion of the machine count:

- (1) For each drop box, the counting machine shall generate the report required by 205 CMR138.48(3)(c);
- (2) The currency, table game coupons, coin, tokens, and gaming chips counted shall be placed on the banking table; and
- (3) Any drop box coupon which has not already been cancelled upon acceptance or during the count shall be cancelled prior to the conclusion of the count;

(g) The forms and documents shall be compared to the preliminary master game report for accuracy by a count team member who shall not simultaneously have access to currency. Any discrepancies shall be recorded on the preliminary master game report to be resolved by the casino accounting department. The forms and documents and preliminary master game report shall be placed in the locked accounting box to be forwarded to the accounting department at the end of the count process; and

(h) The count team supervisor shall prepare a detailed written report describing all count room incidents that may have negatively impacted the opening, counting and recording of the drop boxes (for example, a computer interface problem, dropped basket). The report shall include a description of any corrective action taken and shall be electronically filed with the IEB at the conclusion of the count.

(6) As the contents of each table drop box are counted, if not already recorded in the computer system used to create the Master Game Report and supporting documentation, a count team member shall manually record or cause a computer system to record, the following information by game and table number:

- (a) The value of each denomination of currency counted;
- (b) The value of coin, tokens and/or gaming chips counted;
- (c) The total value of currency, coin, tokens and gaming chips counted;
- (d) The value of each denomination and total value of coupons other than match play coupons;
- (e) The value of each denomination and total value of match play coupons and table game wager coupons;
- (f) Fifty percent of the total value of match play coupons and table game wager coupons;
- (g) The amount recorded on each document and the total of all documents evidencing a credit card chip transaction;
- (h) The amount recorded on each document and the total of all documents evidencing a debit card chip transaction;
- (i) The amount of the Opener;
- (j) The amount of the Closer;
- (k) The serial number and amount of each Counter Check and the total amount of all Counter Checks;
- (l) The serial number and amount of each Pit Redemption Form and the total of all Pit Redemption Forms;
- (m) The serial number and amount of each Fill and the total amount of all Fills;
- (n) The serial number and amount of each Credit and the total amount of all Credits;
- (o) The amount recorded on each Complimentary Vigorish Form and the total amount of all Complimentary Vigorish Forms;
- (p) The table game win or loss or, for poker, the poker revenue; and
- (q) The table game win or loss percentage.

(a) In addition to the requirements of 205 CMR 138.48(6), the Master Game Report shall include:

- (a) The gaming date of the items recorded;
 - (b) The grand total for items in 205 CMR 138.46(6)(c) through (q);
 - (c) The total number of drop boxes opened and counted; and
 - (d) The date and time prepared.
- (8) If the gaming licensee offers the game of poker, the count room supervisor shall review the Master Game Report to ensure that negative poker revenue has not been reported for any poker table. If negative poker revenue has been reported for a poker table, the count room supervisor shall initial the Master Game Report for each such poker table and immediately notify the surveillance department of the poker table(s) and corresponding negative poker revenue reported thereon.
- (9) As the contents of each slot cash storage box are counted, if not already recorded in the computer system used to create the Slot Cash Storage Box Report and supporting documentation, a count team member shall manually record or cause a computer system to record, the following information by asset number:
- (a) The asset number of the bill changer to which the slot cash storage box contents correspond;
 - (b) The value of each denomination and total value of currency counted;
 - (c) The number and value of each cashable coupon counted, and if a gaming voucher system is used to redeem coupons, the validation number and value of each coupon counted, and total number and value of all cashable coupons;
 - (d) The number and value of each non-cashable coupon counted, and if a gaming voucher system is used to redeem such coupons, the validation number and value of each coupon counted, and total number and value of all non-cashable coupons;
 - (e) A listing of the validation number and value of each gaming voucher counted, and total number and value of all gaming vouchers; and
 - (f) Any additional information on the Slot Cash Storage Box Report as may be required by the IEB.
- (10) In addition to the requirements of 205 CMR 138.46(9), the Slot Cash Storage Box Report shall include:
- (a) The gaming date of the items recorded;
 - (b) The grand total for items in 205 CMR 138.46(9)(b) through (e);
 - (c) The total number of drop boxes opened and counted;
 - (d) The date and time prepared.
- (11) After preparation of the Master Game Report or the Slot Cash Storage Box Report, the count room supervisor shall compare the total number of boxes counted to the number of boxes, including any emergency boxes, collected and recorded on the box reconciliation form. Any unresolved discrepancy shall be documented on the Drop Variance Report which shall be filed with the Division.
- (12) All suspected counterfeit currency shall be counted and recorded as drop on the Master Game Report or Slot Cash Storage Box Report. The counterfeit currency shall be segregated

from all other currency and placed in a transparent container. A count room supervisor shall complete a Department of Treasury Counterfeit Note Report and place the container and report on the banking table.

- (13) A count team member designated as the banker shall count each denomination of currency, table game coupons, tokens, and gaming chips, and verbalize the amounts. The count room supervisor shall verify the amount verbalized to the amount recorded on the Master Game Report or Slot Cash Storage Box Report. The banker and count team supervisor shall sign the report(s) attesting to the accuracy of the information recorded thereon. The information recorded thereon shall not be accessible to any person outside the count room until after the main bank cashier or cage supervisor ("cashier") has verified and accepted the drop unless otherwise authorized by the IEB.
- (14) All other count team members shall sign the Master Game Report and/or the Slot Cash Storage Box Report as evidence of their participation in the counting of the drop boxes and/or slot cash storage boxes.
- (15) After the contents of the boxes have been counted and recorded on the Master Game Report and/or Slot Cash Storage Box Report, the count room supervisor shall notify the main cage. A cashier shall enter the count room and not have any access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report. The cashier, in the presence of the banker, shall count the currency, table game coupons, coins, tokens, gaming chips, and mutilated or torn items.
 - (a) Currency, table game coupons, coin, tokens, and gaming chips shall be presented in the count room by the banker to a main bank cashier or cage supervisor (cashier). Prior to having access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report, the cashier, in the presence of the banker, shall count the items in accordance with the following requirements:
 - (1) The cashier shall have physical access to all items presented for counting and no currency or table game coupons presented for counting shall be wrapped or placed in any sealed bag or container until the entire count has been completed and the Master Game Report or the Slot Cash Storage Box Report has been signed by the cashier;
 - (2) The cashier shall bulk count all strapped currency and table game coupons. The cashier shall count all partial straps, loose currency and table game coupons, mutilated or torn currency and coupons, coin, tokens, and gaming chips either by hand or with an approved counting machine. If a discrepancy in an individual denomination is discovered during the initial count, the cashier shall recount the currency of that denomination either by hand or with an approved counting machine;
 - (3) The cashier shall randomly count the currency within at least 10 percent of the total number of straps. The count shall be by hand or with an approved counting device; and
 - (4) The cashier shall randomly sample the table game coupons for intermixed denominations and proper cancellation.
 - (b) If the total currency or total coupons counted by the cashier do not agree with a total on the Master Game Report or Slot Cash Storage Box Report and the discrepancy cannot be

resolved, a Drop Variance Report shall be completed by the count room supervisor. The original shall be delivered to the IEB and the duplicate placed in the locked accounting box in the count room. The report shall include, at a minimum, the following:

- (1) The date of preparation;
- (2) The source of the variance (currency and/or coupon);
- (3) The denomination(s) of the source of the variance;
- (4) The amount of the variance;
- (5) The measures taken to detect the source of the variance;
- (6) The name and signature of the count room supervisor; and
- (7) The name and signature of the cashier.

- (c) Upon completion of the cashier's count, the cashier shall attest by signature on the Master Game Report and/or Slot Cash Storage Box Report, that the amount of cash from drop boxes counted, and the amount of coupons from table drop boxes counted as recorded on these documents, and if applicable, the Drop Variance Report, agree with the total amounts of cash and coupons counted by the count team. Upon attestation, all items other than coupons and vouchers shall be under the exclusive control of the cashier and shall not be handled by a count team member.
- (16) Once all required signatures have been obtained, a copy of the totals page of the original Master Game Report, Slot Cash Storage Box Report and disc(s) detailing all gaming vouchers and coupons counted, shall be delivered to the IEB. In addition, an electronic copy of the Master Game Report and/or Slot Cash Storage Box Report shall be filed with the IEB within 48 hours of the completion of the drop.
- (17) Each copy of an original Master Game Report or Slot Cash Storage Box Report which is not part of a multi-part form shall be stamped with the word "copy" by the count room supervisor prior to its distribution.
- (18) Any coupons and gaming vouchers for which the value could not be determined by the count machine or the gaming voucher system shall be segregated and placed in the locked accounting box for review.
- (19) The original Master Game Report and Slot Cash Storage Box Report, after signing, and any other supporting documentation shall be placed in the locked accounting box located in the count room. A member of the casino accounting department with no incompatible functions shall retrieve the contents of the locked accounting box and the gaming vouchers and coupons which were processed during the count immediately after the cashier verifies, accepts, and removes the drop from the count room.
- (20) For each trolley scheduled for the next drop, the count team supervisor shall determine that the number of empty boxes on the trolley is correct. The count team supervisor shall prepare and sign a drop box verification form as required by these regulations, with the following:
 - (a) The trolley number;
 - (b) The pit number and number of empty boxes by pit, if applicable;
 - (c) The slot zone and number of empty boxes by zone, if applicable; and
 - (d) The total boxes in the trolley.
- (21) A count room employee shall conduct a thorough inspection of the entire count room and all counting equipment located therein to verify that no cash, tokens, gaming chips, gaming

vouchers, or coupons remain in the room and shall certify the foregoing in a writing which shall be filed with the IEB.

138.49: Procedure for opening, counting and recording the contents of bill validator boxes,

gaming voucher redemption machines, determination of gross revenue deduction

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to opening, counting, and recording contents of bill validator boxes, gaming voucher redemption machines, and determination of gross revenue deduction that include, at a minimum, the following provisions:

- (1) At least once every seven days, a gaming licensee shall coordinate the removal of the bill validator boxes from all gaming voucher redemption machines and the insertion of empty, replacement bill validator boxes into the machines (the "bill validator drop").
- (2) Prior to the bill validator drop, a gaming accounting supervisor shall count the number of empty bill validator boxes to be exchanged as part of the bill validator drop and confirm, in writing on a bill validator drop form, that the count equals the number of boxes scheduled to be collected. Prior to the drop, the form shall include at a minimum:
 - (a) The date;
 - (b) The gaming voucher redemption machine number(s) or location(s);
 - (c) The number of boxes to be dropped; and
 - (d) The signature of the accounting supervisor.
- (3) A casino security department member and an accounting department member shall obtain the keys necessary to perform the bill validator drop from their respective departments.
- (4) In the presence of the casino security department member, the accounting department member shall:
 - (a) Place the appropriate number of empty bill validator boxes required for the bill validator drop into a secure cart;
 - (b) Transport the cart and the boxes to the gaming area;
 - (c) Unlock the cabinet(s) housing the bill validator boxes;
 - (d) Exchange the bill validator boxes; and
 - (e) Place the boxes removed in the secure cart.
- (5) Immediately upon removal of each bill validator box, the gaming voucher redemption machine shall generate a receipt (Bill Validator Receipt) that documents the total value of each item (gaming vouchers, coupons and/or currency) in the bill validator box. Such receipt shall be placed into a locked accounting box by the accounting department member.
- (6) Prior to the movement of the collected boxes, the accounting department member shall verify and confirm in writing by signing the bill validator drop form, that the number of boxes being transported from the gaming area equals the number of boxes in 205 CMR 138.49(2). Any discrepancies shall be immediately reported to the surveillance department and in writing to the IEB in-house office.

(7) Accompanied by an accounting department member and a casino security department member, the locked cart containing the bill validator boxes shall be transported to:

- (a) The cashiers' cage for counting or a secure area approved by the IEB under the control of the main bank or master coin bank and stored there until counted; or
- (b) The count room for counting only when the count of table game drop boxes or slot machine drop containers is not in progress.

(8) The contents of the bill validator boxes shall be counted as follows:

(a) If the boxes are counted in the cashiers' cage, a main bank or master coin bank cashier shall document their contents, by item and amount, on a two-part Balance Receipt.

- (1) The cashier who documents the contents of boxes shall retain the original Balance Receipt as an inventory document until forwarded directly to the casino accounting department with the main bank or master coin bank end-of-day paperwork.
- (2) The cashier shall place the duplicate Balance Receipt in a locked accounting box.

(b) If the boxes are counted in the count room, the casino accounting department member(s) performing the count shall document the count for each individual bill validator box on a Balance Receipt. If the counting equipment documents the count of each individual bill validator box, the gaming vouchers, coupons and currency need only be documented for the entire bill validator drop and not for each individual bill validator box. At the completion of the count, a main bank or master coin bank cashier shall verify the contents on the Balance Receipt.

- (1) The accounting department member(s) shall transport the gaming vouchers and coupons directly to the accounting department together with the original Balance Receipt and the supporting documentation for each bill validator box.
- (2) The main bank or master coin bank cashier shall transport the currency directly to the main bank or master coin bank together with the duplicate Balance Receipt.

(9) A gaming licensee shall generate reports necessary to reconcile the funds placed into and dispensed by the gaming voucher redemption machines.

138.50: Temporary amendments for pit and slot zone configurations or reconstitutions

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to the temporary configurations, reconfigurations, or reconstitutions for pit and slot zones that include, at a minimum, the provisions contained in 205 CMR 138.07, and the following:

(1) A gaming licensee may temporarily reconfigure one or more pits or slot zones by filing a notice with the commission at the IEB office in the gaming establishment to temporarily reconfigure for each pit or slot zone specified in the notice, which shall be filed at least 24 hours prior to implementing such alternate configuration. If the gaming licensee does not receive a

response to the petition within that 24 hour period, the gaming licensee may proceed with the reconfiguration or reconstitution.

(2) Each such reconfigured pit shall not:

- (a) Exceed the dimensions approved for the pit that existed immediately prior to the reconfiguration; nor
- (b) Include any change requiring the approval of a building official without having first obtained that approval and the approval of the commission.

(3) Each pit operating under an approved configuration shall have an alarm system, approved by the commission, which enables a pit clerk or a pit supervisor to transmit a signal that is audibly and visually reproduced in each of the following locations whenever there is an emergency in the pit:

- (a) The surveillance monitoring rooms; and
- (b) The casino security department.

138.51: Accounting controls for gaming voucher redemption machines

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing a computerized gaming voucher system for the redemption of gaming vouchers that comports with 205 CMR 143.01(5) and for the reconciliation of the contents of the redemption machines.

138.52: Slot Machines and bill changers; coin and token containers; slot cash storage boxes; entry authorization logs

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to slot machines and bill changers that include, at a minimum, the following provisions:

- (1) Each slot machine which accepts coin or tokens shall have:
 - (a) A container, to be known as a payout reserve container ("hopper"), in which coins or slot tokens are retained by the slot machine to automatically dispense coins or slot tokens to pay jackpots or credits remaining on a slot machine, or to automatically replenish another hopper in the slot machine with coins or slot tokens. The slot machine shall be designed to divert accepted coins or slot tokens that exceed the amount of the initial hopper fill from the hopper to the slot drop bucket or, if applicable, the slot drop box;
 - (b) A container, known as a slot drop bucket or slot drop box, to collect coins or slot tokens that are retained by the slot machine and are not used to make change or automatic jackpot payouts. Each slot drop bucket or slot drop box shall be identified by a number which corresponds to the asset number of the slot machine, and which is permanently imprinted on or affixed to the outside of the slot drop bucket or slot drop box in

numerals. The number shall be conspicuous and clearly visible to persons involved in removing or replacing the slot drop bucket or slot drop box in the slot machine and through the gaming licensee's CCTV system. In addition to bearing an asset number, each slot drop bucket or slot drop box may also be identified by a bar code label that is securely affixed thereto. Each bar code label affixed to a slot drop bucket or slot drop box shall:

- (1) Be encoded, at a minimum, with the asset number of the slot machine in which the slot drop bucket or slot drop box is housed; and
 - (2) Require the completion of a Bar Code Label Request Form that is signed by the requester and the preparer; provided, however, that a bar code label prepared by a member of the count team shall be tested and verified by a count room supervisor or representative of the accounting department other than a member of the count team, prior to the label being attached to the slot drop bucket or slot drop box; and
- (c) On those slot machines which include a bill changer, a secure, tamper-resistant container known as a slot cash storage box, in which shall be deposited all currency, gaming vouchers and coupons inserted into the bill changer. If the slot machine does not contain a hopper, the slot cash storage box shall be accessible only by a dedicated bill changer drop door that can be opened without opening the slot machine's main door or any other compartment of the slot machine.
- (2) A slot drop bucket shall be housed in a secure compartment separate from any other compartment of the slot machine. Access to the compartment shall be by two keys, both of which are different from each other and different from the keys utilized to secure all other compartments of the slot machine. One key shall be maintained and controlled by the casino security department and the other key shall be maintained by the accounting department in a secure area within that department. Access to the key may be gained only by a supervisor of the department and shall require the use of a sign-in and sign-out procedure.
 - (3) Any slot machine equipped to accept slot tokens in denominations of \$ 25.00 or more shall utilize a slot drop box, rather than a slot drop bucket.
 - (4) A slot drop box shall have:
 - (a) A slotted opening through which coins and slot tokens can be deposited;
 - (b) A device that will automatically close and lock the slotted opening upon removal of the slot drop box from the slot machine; and
 - (c) A key securing the contents of the slot drop box which is different from the keys utilized to secure all other compartments of the slot machine. The key shall be maintained and controlled by the accounting department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure.
 - (5) A slot drop box shall be housed in a locked compartment separate from any other compartment of the slot machine. The compartment in which the slot drop box is located shall be secured by a key, which shall be different from the key securing the contents of the slot drop box and any other compartment of the slot machine. The compartment key shall be maintained and controlled by the casino security department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure.

- (6) Each slot cash storage box shall:
- (a) Have a key securing the contents of the slot cash storage box which is different from the keys utilized to secure all other compartments of the slot machine. The key shall be maintained and controlled by the accounting department in a secure area within that department. Access to the key may be gained only by a supervisor in that department and shall require the use of a sign-in and sign-out procedure;
 - (b) Have a slot opening through which currency, gaming vouchers and coupons can be inserted into the slot cash storage box;
 - (c) 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 is removed from the bill changer;
 - (d) Be fully enclosed, except for such openings as may be required for the operation of the bill changer or the slot cash storage box; provided, however, that the location and size of such openings shall not affect the security of the slot cash storage box, its contents or the bill changer; and
 - (e) Have an asset number that is permanently imprinted, affixed or impressed on the outside of the slot cash storage box which corresponds to the asset number of the slot machine to which the bill changer has been attached. In lieu of the asset number, a gaming licensee may develop and maintain a system for assigning a unique identification number to its slot cash storage boxes. 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 in the bill changer and through the gaming licensee's CCTV system. In addition to bearing an asset number or unique identification number, each slot cash storage box may also be identified by a bar code label that is securely affixed thereto. Each bar code label affixed to a slot cash storage box shall be:
 - (1) Encoded, at a minimum, with the asset number of the slot machine in which the slot cash storage box is housed; and
 - (2) Prepared in accordance with a gaming licensee's internal controls, which controls shall require, without limitation, the completion of a Bar Code Label Request Form that is signed by the requester and the preparer; provided, however, that a bar code label prepared by a member of the count team shall be tested and verified by a count room supervisor or representative of the accounting department other than a member of the count team, prior to the label being attached to the slot cash storage box.
- (7) The area in which the slot cash storage box is located shall be secured by a key and separate from and accessible independently of any other compartment of the slot machine, the slot drop bucket or the slot drop box. The key to the lock securing the area where the slot cash storage box is located shall be different from the key securing the contents of the slot cash storage box. The compartment key shall be maintained and controlled by the casino security department or the slot department in a secure area within that department. Access to the key may be gained only by a supervisor in that department; provided, however, if the slot department controls the key, the slot department supervisor may issue the key to a casino security department supervisor, who may give it to appropriate casino security department personnel only for the purpose of participating in the transportation of slot cash storage boxes. Access to the key shall require the use of a sign-in and sign-out procedure.

- (8) Except as otherwise provided, keys to each slot machine, or any device connected thereto which may affect the operation of the slot machine, including, without limitation, keys that activate a jackpot-to-credit-meter switch, shall be maintained in a secure place and controlled by the slot department. Access to the keys shall require the use of a sign-in and sign-out procedure.
- (9) Any key removed from a department's secure area pursuant to 205 CMR 138.52(2), (4), (5), (6), or (7), shall be returned no later than the end of the shift of the department member to whom the key was issued, and the department shall establish a sign-out and sign-in procedure for all such keys removed.
- (10) The following entry authorization logs shall be maintained by the gaming licensee unless the information is recorded electronically:
- (a) Whenever a slot machine, or any device connected thereto which may affect the operation of the slot machine, is opened, with the exception of a bill changer, certain information shall be recorded on a "Machine Entry Authorization Log." The information shall include, at a minimum, the date, time, purpose of opening the machine or device, and the signature of the authorized employee opening the machine or device. The Machine Entry Authorization Log shall be maintained in the slot machine and shall have recorded thereon a sequential number and a manufacturer's serial number or the asset number of that slot machine;
 - (b) Whenever a progressive controller not housed within the cabinet of a slot machine is opened, the information specified in 205 CMR 138.52(10)(a) shall be recorded on a "Progressive Entry Authorization Log." The Progressive Entry Authorization Log shall be maintained in the progressive unit and shall have recorded thereon a sequential number and serial number of the progressive controller;
 - (c) With the exception of the transportation of slot cash storage boxes, whenever a bill changer, other than a separate slot cash storage box compartment, is opened, certain information shall be recorded on a "Bill Changer Log." The information shall include, at a minimum, the date, time, purpose of opening the bill changer, and the signature of the authorized employee opening the bill changer. The Bill Changer Log shall be maintained in the bill changer and shall have recorded thereon a sequential number and the serial number or asset number of the bill changer. If the bill changer is contained completely within the cabinet of a slot machine and there is no separate access to the bill changer unit, the information may be recorded on the Machine Entry Authorization Log required by 205 CMR 138.52(10)(a), provided that any information that concerns the opening of the bill changer may be distinguished from any information that concerns the opening of the slot machine or any other device connected thereto; and
 - (d) Whenever a printer for an approved gaming voucher system is accessed, the date, time, purpose of such access, and the signature of the authorized employee shall be recorded in the log required by either 205 CMR 138.52(10)(a) or (c), or a separate log.

138.53: Progressive slot machines

If a gaming licensee offers one or more progressive jackpots that increase in value as the machine is played based upon a set rate of progression and awarded when a player achieves a specific game outcome, the system of internal controls submitted by a gaming licensee in

accordance with 205 CMR 138.02 shall include policies and protocols as provided by 205 CMR 143.02(2).

138.54: Linked slot machines interconnected in more than one gaming establishment; slot system operator; computer monitor

Prior to participation by a gaming licensee in a multi-casino progressive slot system the gaming license shall submit a system of internal controls in accordance with 205 CMR 138.02 specifying the manner in which the participating gaming licensees and slot system operators will satisfy the provisions of 205 CMR 143.02(3).

138.55: Inspection of slot machine jackpots

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the inspection of slot machines and electronic gaming devices including, at a minimum, the following provisions:

- (1) For all slot machine and other electronic gaming device jackpots over \$75,000 in cash, merchandise, or cash equivalent value, or any jackpot where there is evidence of a malfunction, the gaming licensee shall notify the IEB that a jackpot has been registered and permit the IEB to inspect any slot machine, progressive equipment or related equipment; and
- (2) Policies with respect to the payment of jackpots if an inspection is pending, but not yet completed, or an inspection is performed and the results are such that the jackpot may have been the result of an impropriety.

138.56: Attendant paid jackpots and credit meter payouts

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the payment of jackpots and credit meter redemptions if and when the payment is not automatically disbursed from a slot machine or electronic gaming device in the form of a gaming voucher if these practices will be utilized at the gaming establishment.

138.57:

RESERVED

138.58: Alternate forms of jackpot payments

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the offer and payment of alternate forms of jackpots to include, but not be limited to:

- (1) If the jackpot is in the form of an annuity or other non-cash instrument, the terms and conditions on which that jackpot will be authorized, awarded and accounted for;
- (2) If the jackpot is in the form of merchandise, the terms and conditions on which that jackpot will be authorized, awarded and accounted for; and
- (3) That appropriate tax forms are completed.

138.59: Procedure for filling payout reserve containers of slot machines and hopper storage areas

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures for filling payout reserve containers of slot machines and hopper storage areas, if utilized.

138.60: Procedure governing the removal of coin, slot tokens and slugs from a slot machine

hopper

If a gaming licensee uses slot machines at the gaming establishment that accept coins, the system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures governing the removal of coin, slot tokens, and slugs from a slot machine hopper.

138.61: Slot accounting requirements; electronic table games which accept gaming vouchers or coupons redeemed by gaming voucher system

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include slot accounting procedures designed to ensure that the gaming licensee's slot activities are accurately and timely recorded and reported. Specifically, the policies and procedures shall include, but not be limited to:

- (1) Identification of the specific types of gaming devices from which the revenue is considered slot revenue for reporting purposes.
- (2) The specific reports, by content and frequency, generated by the licensee's automated slot monitoring system, including the distribution thereof and the controls in place to maintain the integrity of the information contained therein.
- (3) The specific procedures utilized by the accounting department to review reports generated by the slot monitoring system and compare the information contained therein to supporting documents to include, but not be limited to:

- (a) Records of currency, coupons and gaming vouchers inserted for credit.
 - (b) Records of wagering activities from account based wagering reports.
 - (c) Records of wagering activities from electronic fund sources.
 - (d) Records of fills.
 - (e) Records of jackpot and credit meter payouts.
 - (f) Records of voucher payouts.
 - (g) The contents, as counted, of slot cash storage boxes.
 - (h) Variances reported in the slot cash storage box count process.
 - (i) Such other documents that support the reported activity of a slot machine or other electronic gaming device.
- (4) Its detailed procedures to investigate and resolve differences, identified by the accounting department, resulting from the comparisons identified in 205 CMR 138.61(3), including supervisory approval thereof.
- (5) Its detailed procedures to audit and account for the activities of its slot machines on a manual basis, in the event that the automated slot monitoring system is not functional.
- (6) The form and frequency of its completed slot revenue reports to include the specific information contained therein (for example, revenue by machine, revenue by denomination, etc.), in a manner that is consistent with other reporting requirements.

138.62: Payment of table game progressive payout wagers; supplemental wagers not paid from the table inventory

RESERVED

138.63: Slot machines and bill changers; authorized locations; movements

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the movement and placement of slot machines and bill changers that, at a minimum, comport with 205 CMR 145.00.

138.64: Accounting controls for chip persons and chips

RESERVED

138.65: Cashless wagering systems

RESERVED

138.66: Master lists of approved table games, movements of gaming equipment; amendments of operation certificates upon filing updated master list

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to the movements of gaming equipment that incorporate, at a minimum, the following provisions:

- (1) Prior to the issuance of an operation certificate and the commencement of gaming or simulcast wagering, each gaming licensee shall file with the IEB office in the gaming establishment comprehensive lists of the table games in its gaming establishment (the Table Games Master List), if any.
- (2) At a minimum, each Table Game Master List shall contain the following information:
 - (a) The date on which the list was prepared;
 - (b) A description of each table by:
 - (1) Type of authorized game;
 - (2) Location number; and
 - (3) Serial and table number;and
 - (c) Such other information as the commission may require.
- (3) Whenever a gaming licensee proposes that gaming tables be brought into, removed from or moved within a gaming establishment, as applicable, the gaming licensee shall first:
 - (a) Obtain any amendment to its operation certificate; and
 - (b) Provide an authorized agent of the IEB with written notice at least 72 hours prior to the actual movement of each gaming table, slot machine and bill changer.
- (4) The gaming manager or his or her designee shall notify in writing the accounting department, the security department and the IEB, 72 hours in advance of all movements and removals of gaming tables. The notification shall include at a minimum:
 - (a) The date and time of movement or removal;
 - (b) The gaming table(s) or asset number(s) of slot machines, as applicable;
 - (c) Whether a movement or removal;
 - (d) The location from which gaming table or slot machine will be moved;
 - (e) The location to which the gaming table or slot machine will be moved; and
 - (f) The signature of a gaming manager or designee.
- (5) Prior to moving or removing a gaming table:
 - (a) The table inventory shall be credited from the table; and
 - (b) The table drop box shall be removed during a scheduled drop box pick-up and a replacement box not placed on the table.
- (6) Immediately after each gaming table is brought into, removed from or moved within a gaming establishment, the gaming licensee completing the move shall file and serve, in accordance with 205 CMR 138.66(1), updated master lists of its table games to the extent that the move causes a change in the information contained on the most recent version of the applicable list on file with the IEB.
- (7) The number of each type of authorized game included in the gaming licensee's operation certificate or any approved amendments thereto shall be amended, upon the filing of an updated Table Games Master List to conform to the correct number of each type of authorized game that is specified in the applicable list.

138.67: Employee Signatures

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to signatures required in accordance with the internal controls and 205 CMR in general that incorporate the following provisions:

- (1) Signatures shall, at a minimum, comply with either of the following requirements:
 - (a) If written, they shall be, at a minimum, the signer's first initial, last name, and legible credential number, written by the signer, and be immediately adjacent to or above the title of the signer; or
 - (b) If electronic, they shall be the employee's name and identification number or other computer identification code issued to the employee by the gaming licensee, if the document to be signed is authorized to be generated by computer; and
 - (c) They shall signify that the signer has personally prepared forms, records, and documents, and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with the internal controls.
- (2) Written signature records shall be prepared for each employee required to sign records and documents and shall include specimens of signatures, titles of signers and the date the signature was obtained. Such signature records shall be maintained alphabetically by last name either on a company-wide or departmental basis. The signature records shall be adjusted on a timely basis to reflect changes of personnel.
- (3) Signature records shall either be:
 - (a) Securely stored in the accounting department; or
 - (b) Stored in electronic form and maintained by the IT Department in a secure format so that such signature records can be promptly retrieved in the event of a computer failure.

138.68: Expiration of gaming-related obligations owed to patrons: payment to the Massachusetts Gaming Control Fund

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the expiration of gaming-related obligations that provide, at a minimum, that:
 - (a) Any money that is owed to a patron by a gaming licensee as a result of a gaming transaction must be claimed within one year of the date of the gaming transaction or the obligation of the gaming licensee to pay the patron will expire. Upon expiration of the obligation, the involved funds must be transferred to Massachusetts Gaming Control Fund in accordance with M.G.L. c.23K, §57.
 - (b) A gaming licensee shall maintain a record of all gaming-related obligations that have expired.
- (2) Before the end of each calendar month the gaming licensee shall report the total value of gaming debts owed to its patrons that expired during the preceding calendar month in a format prescribed by the commission.

- (3) Each gaming licensee shall submit a check with its monthly report payable to the Massachusetts Gaming Control Fund in accordance with M.G.L. c.23K, §57 in the amount of the gaming debts owed to its patrons that expired during the preceding month as stated in the report.
- (4) Upon the payment of the expired debt, the gaming licensee shall post the payment and remove the amount from its records as an outstanding debt.
- (5) Failure to make the payment to the Massachusetts Gaming Control Fund by the due date shall result in the imposition of penalties and interest as prescribed by 205 CMR.
- (6) Nothing in 205 CMR 138.68 shall preclude the gaming licensee from, in its discretion, issuing cash or other form of complimentary to a patron to compensate the patron for a gaming debt that has expired.

138.69: Entertainment, filming or photography within the gaming establishment

- (1) No entertainment, filming or photography shall be offered or conducted within the gaming establishment, or shall be significantly visible or audible from or in the gaming establishment, unless the gaming licensee files a written notice with the IEB, at least 24 hours prior to the commencement of such entertainment, filming or photography, which notice shall include, at a minimum, the following information:
 - (a) The date and time of the scheduled entertainment, filming or photography;
 - (b) A detailed description of the type of entertainment, filming or photography to be offered;
 - (c) The number of persons involved in the entertainment, filming or photography;
 - (d) The exact location of the entertainment, filming or photography in the gaming establishment;
 - (e) A description of any additional security measures that will be implemented as a result of the entertainment, filming or photography; and
 - (f) A certification from the supervisors of the gaming licensee's security, gaming operations, and surveillance departments that the proposed entertainment, filming or photography will not adversely affect the security and integrity of gaming operations.
- (2) The IEB may at any time require the gaming licensee to immediately cease any entertainment, filming or photography offered within the gaming establishment, if the entertainment, filming or photography provided is in any material manner different from the description contained in the submission filed pursuant to 205 CMR 138.69(1) or in any way compromises the security or integrity of gaming operations.
- (3) In reviewing the initial or continued suitability of an entertainment, filming or photography proposal, the IEB shall consider the extent to which the entertainment, filming or photography proposal may unduly disrupt or interfere with:
 - (a) Efficient gaming operations;
 - (b) The security of the gaming establishment or any portion thereof;
 - (c) Surveillance operations; or
 - (d) The security or integrity of gaming operations or any authorized game.

138.70: Technical standards for count room equipment

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall identify all equipment used in the counting process of the contents of drop boxes, slot cash storage boxes, slot drop buckets, and slot drop boxes that include, at a minimum, the following provisions:

- (1) A detailed description of the design and use of the computer equipment and any communication interfaces related to the counting process;
- (2) Names of all revenue files and who has access and what type of access they have to these files; and
- (3) Procedures for controlling changes to computer equipment, communication interfaces, configuration, and software which provide for, at a minimum, written or electronic notification in accordance with 205 CMR.

205 CMR 138: M.G.L. c. 23K, §§4(28), 5, and 25(d).

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DRAFT

From: [Blakely Sullivan](#)
To: [MGCcomments \(MGC\)](#)
Subject: Draft Regulation Comment
Date: Friday, January 16, 2015 8:06:39 PM

I encourage the Massachusetts Gaming Commission to not alter the existing Casino law to allow ATMs in casinos, regardless of whether or not they are fifteen feet from the gaming floor.

Please keep the law in existing form and ensure that no ATM “shall be located upon premises where there occurs legalized gambling.”

Allowing ATMs in Casinos is a recipe to bankrupt our citizens in order to enrich out of State Casino barons.

Blakely Sullivan
sullivus@hotmail.com
44 Wilmington Ave
Dorchester, MA 02124

From: [Paul Stein](#)
To: [MGCcomments \(MGC\)](#)
Cc: [Cotney, David \(DOB\)](#); [Gerrish, Merrily \(DOB\)](#)
Subject: DRAFT REGULATIONS COMMENT - 205 CMR 138.00 - AMENDED AND CORRECTED COPY
Date: Sunday, January 18, 2015 4:09:13 PM
Attachments: [Gaming Commission letter - opinion.pdf](#)

With apologies for the earlier transmission which did not include the final portion of the comments.

From: Paul Stein [mailto:pmsteinatty@charter.net]
Sent: Sunday, January 18, 2015 3:07 PM
To: 'mgccomments@state.ma.us'
Cc: 'David.Cotney@state.ma.us'; 'Gerrish, Merrily (DOB)'
Subject: DRAFT REGULATIONS COMMENT - 205 CMR 138.00

Please consider the following comments in your review of the provisions of proposed MGC Regulations 205 CMR 138.00 as they pertain to credit card, ATM and other forms of extension of consumer credit to gaming customers. I have previously submitted comments directly to the Commissioners and General Counsel, as well as the Division of Banks (DOB), on this subject to which you are also referred. As I have previously suggested, it is in the interest of all parties involved to ensure that this process is the result of careful and collaborative deliberation with the DOB and AGO (Attorney General, as chief law enforcement officer), and, as necessary, the legislature, to ensure that the intent of the Gaming Laws, as well as the many other banking laws and consumer protection laws that are involved here, are vigorously, consistently, and sensibly enforced.

As the MGC knows, the Massachusetts Division of Banks (DOB) has recently clarified that the current gambling location restriction is intended to keep electronic branches, which includes ATMs, from being placed in any "room" where legalized gambling occurs. While the DOB's interpretation is not how I personally would have construed the current law, that interpretation is entitled to deference, subject to any further clarification or legislative changes. Thus, the DOB's recent decision provides a clearer picture as to where ATMs CAN BE LOCATED. However, there still remain some broad policy issues unresolved AS TO WHERE THEY SHOULD BE LOCATED. In particular:

- WHERE within a gaming establishment will ATMs BE LOCATED?
- WHAT SPECIFIC TYPES of electronic branch machines will be permitted?
- WHAT CONTROLS, IF ANY, WILL BE MADE TO RESTRICT CREDIT CARD CASH ADVANCES AND PURCHASES from being used by gambling customers to borrow cash to gamble, without going through the MGC's pre-qualification procedures for obtaining credit from a gaming establishment?

In their current proposed form, the provisions of 205 CMR 138.00 leave many answered question about these remaining policy issues.

WHERE WITHIN A GAMING ESTABLISHMENT MAY AN ELECTRONIC BRANCH BE LOCATED?

- As presently framed, 205 CMR 138.47 circumscribes a hypothetical 15-foot perimeter around a G.L.c.23K "gaming area" and proscribes "initiating" any cash withdrawal transaction at an ATM unless it is outside that 15-foot perimeter. This definition needs to be conformed to meet, at a minimum, the DOB's own interpretation of the statutory prohibition against electronic branches anywhere in any "room" where of a casino where "actual" gambling occurs.
- In particular, the DOB interpretation does not adopt the term G.L.c.23K "gaming area" as defined by MGC, and, now, seems clearly to confirm that the prior restrictions on electronic branches at racetrack facilities conduction live and simulcast racing remain intact (which are not technically defined as a "gaming area" or used to play a casino "game" within the meaning of G.L.c.23K or 205 CMR 138.00).
- In addition to consistency, assuming the gambling location restriction does not apply to all of the "premises" of a gambling establishment, there seems to be some value to adopting the DOB's term "room(s)" [physically defined space within the establishment] rather than the more intangible "portion of the premises" which could, arguably be interpreted to include only part of the "room" where gambling is "actually" conducted.
- Although less clear on this point, the DOB's interpretation also raises some doubt as to whether, under the banking law, an ATM transaction can be "initiated" outside the gambling room but completed manually at the gaming cage, as 205 CMR 138.40 and 138.47 seem to contemplate. (Why such a manually facilitated transaction is at all necessary is discussed below.)
- The "room" definition also seems more consistent with an "out-of-sight out-of-mind" approach, that an arbitrary perimeter rule, tending to meet the premise of the idea that ATMs may have a place as a source of money for non-gaming purposes, but should not be used as a means of accessing cash to spend on gambling. While neither definitional approach is truly a guarantee against temptation for the die-hard gambler, at least the "room" definition has some rational foundation and less subject to implementation disputes.

WHAT SPECIFIC TYPES OF ELECTRONIC BRANCH MACHINES WILL BE PERMITTED?

- Facts have recently come to light about how casino operators employ a special type of "non-bank" ATM machines that have special features designed exclusively to pump cash into the gaming floor and capture consumer data for marketing purposes. I previously noted in my prior comments some of the issues about these devices and more recent postings have disclosed even more troubling information about these devices. These "multi-function" machines operate quite differently the more than 8000 non-bank ATMs now approved for use in the Commonwealth. In particular, the potential scenarios are likely to involve the installation of multiple machines at each facility that are capable of overriding a financial institution's maximum daily withdrawal limit, facilitate requests to increase a consumer's pre-approved credit limit, and may require physical participation by a gaming establishment employee stationed on the gaming floor to consummate some cash transactions. Further, the expected benefit of installing so many of these specialized machines (that enable consumers to have unsupervised and remote access to money withdrawn and/or borrowed from their deposit, savings, credit card or other consumer asset accounts at their financial institutions) seems, intuitively, primarily meant to facilitate gambling, by increasing the flow of cash available to gamblers on the premises and, thus, generate additional gaming revenue and only incidentally, if at all, used or intended for the convenience of a consumer interested in obtaining money for other (and infrequent) so-called "non-gaming" cash transactions.
- Excerpts of what my research disclosed is attached in previous material provided to the MGC and DOB has been subsequently addressed by others as well. I summarize my findings again because I believe this is one of the most critical policy issues that the proposed regulations do not address. To promulgate rules that do not set out the Commonwealth's policy on these devices will send the message that Massachusetts is a "follower" and not the "leader" in the best practices for casino regulations that we are meant – indeed, statutorily mandated – to become.
- **Casino ATM Vendors.** Due to the niche market for "non-bank" casino ATM machines, and the unique functionality that these specialized machines

offer, they present a distinct class of electronic branch banking that is not comparable to ATM machines currently approved for use by the Division and create unique issues about compliance with the law and regulations of the Commonwealth that govern electronic branches. The issues include potential unauthorized transactions, such as enabling credit line increases, excessive withdrawals and overdrafts, transactions that involve “manned” assistance, privacy and security issues. In addition, vendors who offer such specialized casino ATM machines make quite clear that the products are designed for one purpose, and one purpose only – to deliver cash, and large amounts of it, directly to the gaming floor. Examples from the marketing pitches of two casino ATM vendors illustrate the distinct issues presented.

CASINOMONEY (<http://www.casinomoney.com>)

- The 3-of-a-Kind Cash Advance ATM quickly converts available credit lines to disposable cash enabling larger bets to be placed on the gaming floor.
- Financial institutions limit the amount of cash that can be withdrawn from an ATM account within a 24-hour time period. When a customer exceeds their daily cash withdrawal limit, a “typical” ATM will decline the cash withdrawal. The **CASINOMONEY** 3-of-a-Kind Cash Advance ATM authorizes their higher cash withdrawal requests through a point of sale debit cash withdrawal or a credit card cash advance transaction.
- [T]he 3-of-kind Cash Advance ATM seamlessly converts this “declined transaction” into an approved POS debit cash withdrawal – instantly. In addition, customers can obtain a credit card cash advance withdrawal for thousands of dollars in cash without the use of a pin number.
- A credit card cash advance is an instant cash flow remedy for the gaming customer who needs immediate access to money.
- With **AUTOMONEYADVANCE**, players quickly return to the gaming floor to place their next bet.
- Customers can now pre-authorize cash withdrawals of thousands of dollars with any type of credit card with or without having a pin number.

GCA, Inc (www.gcainc.com)

- QuickCash yields an amazing one, two punch. The patron enjoys the privacy of attempting either a credit or debit transaction and rather than receiving a “decline” message from their issuing bank for what was a “referral”, GCA intercepts the process and directs the patron to pick-up the attached hand set. GCA’s call center proceeds to work with both the patron and the issuing bank in a three party call to ensure all attempts have been made to approve the patron’s transaction.
 - ATMs are a battle-tested revenue generator that helps deliver more cash to your gaming floor.
 - In 2011, GCA’s call center intercepted thousands of these call and turned what would have been declines to the card holder and lost revenue to the casino, into over \$70,000,000 of cash to the gaming floor.
 - More than 1,100 gaming establishments worldwide come to us for ideas and innovation. All told, we processed more than 90 million transactions and dispensed more than \$19 billion in cash annually.
 - Unsuccessful ATM . . . cash withdrawals are no longer a barrier to providing superior casino services to your gaming patrons. Our patented 3-in-1 Rollover technology enables patrons to convert these ATM transactions to POS DEBIT card or CCCA on the spot, enabled by a virtual customer service representative.
 - In a time when 30% of standard ATM . . . transactions are denied by a financial institution, the flexibility provided by GCA’s 3-in-1 Roller technology is a keystone to your casino cash access strategies.
 - GCA understands that cash is king on a casino floor and it’s our job to ensure your patrons have access to it when they need it. With GCA’s wealth of experience in casino cash handling software and managing over 1,000 ATMs and \$300 million each day [that’s \$300,000 per machine per day], we provide our customers with. . . the right amount of cash at all times.
 - If knowledge is power, then prepare for superhuman strength. By accessing GCA’s unrivaled database of player data.
 - GCA has a rich database of over 8 million unique patrons accessible through Central Credit.
 - For those patrons that visited your casino and have at least one withdrawal, what percentage of patrons’ total wallet are you capturing? CSI Wallet Share offers a variety of patron filters – including value, age and distance – to review results which enable you to identify shifts in share so you can take immediate action.
 - For the first time ever, you’ll be equipped with information to proactively prevent player defection.
-
- A chat on a website called “Wizard of Vegas”, noted that “casino ATMs. . . have the most obnoxious overpriced surcharge fees . . . and they also put limits like a max of \$500 per withdraw so if you need more you have to pay the surcharge multiple times. One of the worst one’s I have seen was the \$5.99 one, because it was a 100 max per withdrawal. . . . This is basically the rule of a captive and hooked audience. . . . For every one person who walks away from the high fee, there are 10 more that are willing to pay it, even at \$100 max withdrawals.
 - Someone who runs a four-day charitable gaming event that attracts about 500+ players each night said: “In the past, when a player went bust, they went home. A few years back, we had a company install a portable ATM at the entrance to the tent. It got tons of use from the very get go, keeping players in the tent. The ATM operator typically has to fill the machine 2-4 time per night. . . . we ‘paid’ him a flat fee just to have the machine in the tent with \$0 fee to the person making the withdrawal. . . . ATM withdrawals actually increased. . . . More importantly, those players went immediately to the cashier’s table to buy more chips. And, I know, for every dollar in chip sales, the house is going to make 20%-40% over the term of the evening. . . . I have \$60,000-\$100,000 “in circulation” over the weekend. And, at an average 30%, that translates in to \$20,000-\$30,000 in net gaming revenue.”
 - On the website “American Casino Guide”, Bill Burton writes “NEVER GAMBLE WITH BORROWED MONEY” and “never use a credit card in a casino” pointing to the hidden charges that most gamblers overlook: “At one casino I checked a charge for a cash advance of

\$500 was \$21.00. This is 4.4% paid to the casino up front. Most credit card companies charge you 3% for cash advance, which will come to \$15.66 (3% of \$521.99) That means you are already down \$37.65 or 7.4% before you even sit down to play. That is the equivalent of sitting down at a \$5 blackjack table and losing eight hands in a row, or getting nothing back after putting three-and-a-half rolls of quarters through a slot machine. If this happened most of us would head for the hills real fast

- The foregoing describes the risks with casino ATMs as they are intended to be used. Three newspaper reports reveal what else can happen when something goes amok.
- In Detroit, due to a "pay all" status placed on his account, a frequent gambler was able to withdraw unlimited ATM cash from a bank account that held only a small balance. He received over \$1.5 million, including \$312,000 from ATMs at Greektown Casino and another \$51,727 from MGM Grand Casino on the same day, before his bank caught the mistake.
- A small town clerk in Iowa was able to make more than \$35,000 in ATM withdrawals from the town's bank accounts over an 8 year period before she was caught in 2013.
- Penn National purchased a list from an ATM vendor containing contact information for over 15,000 customers who previously had used an ATM at an Illinois casino, to whom Penn sent promotional literature, including to problem gamblers who had asked to be banned from casinos. This resulted in an \$800,000 fine against Penn for violation of the Illinois "self exclusion" program, but the even more troubling question was, how is that Penn was able to acquire this information in the first place?
- I believe that, while MGC may make rules that are more restrictive than what banking law allows, the DOB's authority to permit ATMs remains paramount. To the extent that 205 CMR 138.00 purports to supersede DOB's regulatory authority to permit "non-bank" electronic branches of the type that have been questioned by consumer advocates, MGC rules would probably be of no legal effect. Obviously, therefore, it would be valuable that MGC and DOB operate collaboratively in this area.
- MOST IMPORTANTLY, NO REGULATIONS SHOULD BE PROMULGATED AS FINAL RULES WITHOUT INDEPENDENT, FULL AND THOROUGH VETTING OF THIS SUBJECT. It is critical to obtain a clear understanding these unique devices.

To get a rough idea of how much money could potentially be involved, I refer to the Penn National pro-forma below, which projects between \$1.3 million and \$1.7 million "Retail and Other" revenue annually. Since Penn is licensed for a slot parlor/racino, and virtually all revenue is coming from gaming or live and simulcast racing, the bulk of the revenue cited is probably attributed to ATM fees. Assuming \$1 million in fees per year, a \$3/fee per withdrawal, and an average withdrawal of \$100, and subject to checking the math, that seems to represent about \$30 million or more per year in ATM withdrawals primarily for gaming purposes, or about 20% of the slot parlor GGR.

WHAT CONTROLS, IF ANY, WILL BE MADE TO RESTRICT CREDIT CARD CASH ADVANCES AND PURCHASES from being used by gambling customers to borrow cash to gamble, without going through the MGC's pre-qualification procedures for obtaining credit from a gaming establishment?

- In its present form, proposed 205 CMR 138.00 lacks of any meaningful regulatory controls to ensure that gaming customers are not induced to borrow money at an ATM to further their gambling desire. They, in fact, seem to authorize such borrowing, which seems to be a complete disconnect with the statutory intent of the credit restriction provisions of G.L.c.23K as well as the MGCs' own Responsible Gaming Framework.
- The Expanded Gaming Act is replete with express indications of the legislative intent, in general, and with respect to problem gambling, in particular, that it wanted to see the laws protecting consumers from predatory gambling practices and undesirable temptations to gamble irresponsibly strengthened, not weakened. New laws were put on the books dealing with money laundering and enterprise crime, intended to tighten oversight of the use of casinos for illicit financial transactions and provide regulators and law enforcement with additional tools to better track the flow of money through the financial system and detect and prosecute those who broke these laws. See G.L.c.267A, inserted by St. 2011, c.194, §48; G.L.c.271A, inserted by St. 2011, c.194, §68
- Similarly, the Expanded Gaming Act is replete with provisions that evidence the legislature's concern for the known risks that would come with casino gambling and made it the "paramount policy objective" of c.23K to mitigate them as much as possible. To that end, the statute included numerous mandates that exhort MGC, in effect, to create the "gold standard" in gaming licensure, through "strict oversight of all gaming establishments" and "a rigorous regulatory scheme" in the licensing and enforcement process that requires licensees to proactively "combat compulsive gambling" and be held responsible for all "negative consequences of their business operations". See G.L.c.23K, §§1, 4 through 18, 25 through 47, 51, 52, 58, 65, 66, 68 & 71
- In fact, G.L.c.23K, §27, itself, contains language that reinforces the point noted above – that the legislature was specifically mindful of the undesirable consequences of any use of credit card cash advances to fuel a gambling habit, and intended to prohibit it. In laying down parameters for casino patrons to obtain credit or loans against losses from a gaming establishment, the statute states: "No person, other than a gaming licensee, shall issue credit to a patron in a gaming establishment", G.L.c.23K, §27(d), but: "Nothing in this section shall prohibit a gaming establishment from accepting credit cards for non-gaming related purchases or services." G.L.c.23K, §27(b) (*emphasis added*) This language indicates that the legislature was assuming that credit cards would NOT be used for gaming activity.
- As part of its mandate, MGC has developed a "Responsible Gaming Framework" and has proposed certain regulations pertaining to "Uniform Standards of Accounting Procedures and Internal Controls", 209 CMR 138.01 et seq., which, in part, make reference to ATM transactions. The draft Responsible Gaming Framework, Version 1, contained a proposed "Strategy 5: Limit High-Risk Financial Transactions which states:
 - § **Gambling on borrowed money is considered a high-risk practice that necessitates consumer protections. However, casino house credit may be offered as a customer service to qualified individuals.**
 - ...
 - § **Bank credit cards to finance gambling results in high fees and interest rates charged by credit card transaction may lead to serious unmanageable debt problems.**
- Proposed 205 CMR 138.00 appear to contain several provisions that conflict with the statutory and regulatory intent expressed above:
 - § 205 CMR 138.01 contain definitions of "credit card cash transactions" and "debit card cash transactions" which mean "a patron obtains cash, chips, plaques or slot tokens from a cashier by presenting a recognized" credit or debit card.
 - § Another definition of "Registered electronic funds transfer company" is an organization that 'verifies, upon request of a merchant, the validity and account sufficiency of a recognized credit card" and that the "gaming licensee has identified . . . as a company that will be used to verify recognized credit cards that are presented in credit card cash or chip transactions."
 - § 205 CMR 138.11(3) permits a "gaming clerk" as an employee 'in the pit" to prepare, among other things "documents that evidence the

- exchange of gaming chips or plaques as part of credit or debit card chip transactions.”
- § 205 CMR 138.40(2) provides for acceptance of deposits “including . . .cash advances initiated at ATMs” and issuance of “counter checks” or “slot counter checks” to patrons “for gaming purposes.”
- § 205 CMR 1340(10) provides that credit card debit card cash transactions cannot be “initiated” within 15 feet of the gaming area
- § None of the foregoing regulations seem to be synchronized with the fundamental requires for pre-qualification of gaming patrons as having substantial net worth to be entitled to borrow money for “gaming purposes.”

WHAT IS THE APPROPRIATE REMEDY?

While I am sure there can be considerable refinement, and short of any further legislative or DOB regulatory guidance, MGC should consider the following minimum simple measures as the initial starting point:

- Eliminating all references to use of credit cards (other than by patron who have otherwise prequalified under 205 CMR 138.41 for a minimum of \$10,000 house credit) and making it clear that otherwise patrons shall not be permitted to make cash advances from any form of consumer credit account for “gaming purposes” or acquire cash or “purchase” chips, plaques or slot tokens by means of a credit card cash advance.
- Prescribing that the electronic branches will be permitted in a gaming establishment so long as the comply with all applicable rules governing such branches promulgated by the DOB and the AGO, and , among other things, shall be intended only to dispense cash, in accordance with and not to exceed the maximum daily withdrawal limits set by the patron’s financial institution, that is intended to be used by patrons for non-gaming purposes; and further provided that no electronic branch shall be permitted if it is designed, intended to be used or is used for the purposes of facilitating or marketing access of cash by patrons (other than 205 CMR 138.41 qualified borrowers), or capturing personal or financial data to be used for the purposes of such marketing or cash access to patrons or potential patrons of a gaming establishment.
- Providing specific penalties for a gaming establishment that “knowingly, or having reason to know” violates these rules..

Thank you for your consideration
 Paul M. Stein
 Westport MA 02790

Attachment to Plainridge RFA-2: The Innovation Group Project #074-12-2 July 2013, pp. 40-44

Plainridge Five-Year Revenue Forecast	2015	2016	2017	2018	2019
Gaming Revenue (MMs)	\$192.8	\$198.6	\$175.2	\$145.8	\$149.5
Visitation (MMs)	2.27	2.29	2.06	1.78	1.79
Win per Visit	\$85	\$87	\$85	\$82	\$84
Number of Units	1,250	1,250	1,250	1,250	1,250
Win/Unit/Day	\$423	\$435	\$384	\$320	\$328

Revenues

Gaming Revenues

Gaming Revenues are detailed in the Gaming Market Assessment.

Food & Beverage

Food and Beverage revenues are based on a program having a 150-seat casual dining restaurant, a 100-seat food court, and beverage service.

Retail & Other

Retail revenues are based on a small capture of gaming visits based on similar facilities in other jurisdictions. Other revenues are primarily related to ATM fees.

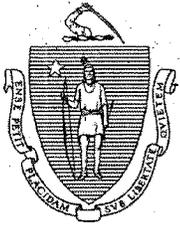
Promotional Allowances

Promotional Allowances, or the retail value of goods provided to gaming customers, have been forecasted at 4.5% of gaming revenues.

Plainridge

Five Year Pro Forma

(in 000's)	2015	2016	2017	2018	2019
REVENUES:					
Table Revenues	\$0	\$0	\$0	\$0	\$0
Slot Revenues	\$192,810	\$198,594	\$175,183	\$145,844	\$149,490
Other Gaming	\$0	\$0	\$0	\$0	\$0
Gross Gaming Revenues	\$192,810	\$198,594	\$175,183	\$145,844	\$149,490
Hotel	\$0	\$0	\$0	\$0	\$0
Food and Beverage	\$12,899	\$13,028	\$11,731	\$10,095	\$10,145
Entertainment	\$0	\$0	\$0	\$0	\$0
Retail & Other	\$1,781	\$1,818	\$1,619	\$1,369	\$1,390
TOTAL GROSS REVENUES	\$207,490	\$213,441	\$188,533	\$157,308	\$161,026
Less: Promotional Allowances	\$8,676	\$8,937	\$7,883	\$6,563	\$6,727
NET REVENUES	\$198,814	\$204,504	\$180,650	\$150,745	\$154,299
GAMING TAXES & FEES	\$96,577	\$99,411	\$87,939	\$73,564	\$75,350
DEPARTMENTAL EXPENSES:					
Gaming	\$12,679	\$13,050	\$12,543	\$11,552	\$11,740
Hotel	\$0	\$0	\$0	\$0	\$0
Food & Beverage	\$11,738	\$11,790	\$10,558	\$9,287	\$9,283
Retail & Other	\$532	\$540	\$500	\$449	\$453
Marketing	\$13,711	\$14,119	\$13,416	\$12,995	\$13,190
General and Administration	\$9,554	\$9,788	\$9,987	\$9,985	\$10,128
Property Operations	\$3,696	\$3,799	\$3,885	\$3,811	\$3,852
Security/Surveillance	\$4,453	\$4,582	\$4,692	\$4,670	\$4,739
TOTAL DEPARTMENTAL EXPENSES	\$56,364	\$57,668	\$55,581	\$52,748	\$53,386
EBITDA	\$45,873	\$47,425	\$37,129	\$24,433	\$25,563
EBITDA %	22.1%	22.2%	19.7%	15.5%	15.9%



THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF BANKS

1000 Washington Street, 10th Floor, Boston, Massachusetts 02118

CHARLIE BAKER
GOVERNOR

DAVID J. COTNEY
COMMISSIONER OF BANKS

January 8, 2015

Stephen Crosby, Chairman
Massachusetts Gaming Commission
101 Federal Street, 23rd Floor
Boston, MA 02110

Dear Commissioner Crosby,

This letter is in response to the Massachusetts Gaming Commission's request for an opinion of the Division of Banks (Division) relative to the interpretation of G. L. c. 167B, § 3 and its applicability to casinos licensed under G. L. c. 23K, the law enacted in 2011 establishing the Gaming Commission and implementing expanded gaming in the Commonwealth.

Section 3 of G. L. c. 167B prohibits an electronic branch, the definition of which includes an automated teller machine or ATM¹, from being located on "premises" where there occurs legalized gambling, other than the state lottery. The Division has also promulgated regulations under the statute. The pertinent regulation provides that "no electronic branch, including a non-bank electronic branch, shall be located in or upon premises where there occurs legalized gambling other than a state lottery." 209 C.M.R. § 31.03(3). Neither the statute nor the regulations define "premises." Likewise, neither Massachusetts case law nor the Division's prior decisions or opinions provide a definition for the term "premises" in this context.²

Nevertheless, the Division's prior opinions in this context, the plain language of G. L. c. 167B, §3, and the framework of G. L. c. 23K, collectively inform the Division's opinion as to the meaning of G.L. c. 167B, § 3 as applied to casinos.

In 1995, prior to the legalization of casino gambling in Massachusetts, the Division was called upon to provide an opinion as to whether an electronic branch or ATM may be installed at a horse race track or other pari-mutuel facility (e.g. dog race track or harness horse race track). See Opinion No. 95-153. The language of the statute governing horse and dog racing, G.L. c. 128A, proved instructive to the Division's determination in Opinion 95-153. More specifically, the definitions in G. L. c. 128A, § 1

¹ See G. L. c. 167B section 1 definition of "electronic branch."

² In other Massachusetts statutes, the term "premises" is used in various contexts, both to denote a piece of real property including both the land and tenements, and to denote a particular area within a larger piece of real property. See G.L. c. 149, § 1 (using term "premises" in various contexts, including as part of the definition stating "any premises, mill, or place" as definition); G.L. c. 94C, § 47 ("(h) ... the person in occupancy or in control of land or premises upon which the species of plants are growing"); G. L. c. 140, § 201 ("A sheriff . . . may at any time enter . . . the licensed premises of a common victualler or room connected therewith . . ."); G. L. c. 183, § 21 (stating mortgagee "may sell the mortgaged premises or such portion thereof as may remain subject to the mortgage..."); see also Black's Law Dictionary 1180-1181 (6th ed. 1990) (defining "premises" in various contexts).

provide that the definition of a "race track" includes "the track, grounds, auditorium, amphitheatre and/or bleachers, if any, and any adjacent places used in connection therewith, where a horse or dog racing meeting may be held." Because the inquiry asked whether an ATM may be installed at the horse race track, and that term, by definition, expressly included every apparent area of the race track facility, the Division's opinion provided that the ATM could not be installed at the race track because, in light of the existing statutory framework, a reasonable interpretation of "premises" under c. 167B, § 3 with respect to a race track included all areas of that type of facility.

Subsequently, in 2003, the Division also provided an opinion as to the legality of an ATM proposed at an American Legion hall facility, where the hall hosted Bingo once a week under the licensure of the Massachusetts State Lottery. See Opinion No. 03-084. In that Opinion, the ATM kiosk was proposed to be located in the parking lot of the hall, approximately thirty yards from the hall but within the property bounds. The Division ultimately concluded that based on the information before it, the bank's installation and of an ATM kiosk pursuant to a lease agreement "would not constitute a prohibited use of premises pursuant to G.L. c. 167B, §3." In reaching its conclusion, the Division noted that the ATM would be located no closer than an existing ATM in place at the service station across the street. The Division also noted that the Bingo event was open to the general public and that the ATM would be used primarily by the general public.

In addition, since the issuance of its prior decisions, the landscape surrounding gambling in Massachusetts has changed significantly. Once illegal, casinos and slots casinos have now been authorized through the passage of G. L. c. 23K.³ Moreover, the language of G. L. c. 23K, § 27(f), by directing the Gaming Commissioner to prohibit a gaming establishment from operating on its premises ATMs that allow a patron to obtain cash from a government-issued electronic benefits transfer card, demonstrates the legislature's intent that ATMs which appropriately restrict access to government-issued electronic benefits transfer card transactions would be permissible at the larger casino facility licensed under c. 23K.⁴

After consideration of the foregoing, it is the Division's position that for the purposes of G. L. c. 167B, § 3, the term "premises" refers to the actual room where the gambling is conducted, not the entire property grounds on which the casino is located. The foregoing statutes may be properly read together to permit ATMs within the property bounds of the casino facility, but outside of the particular room or rooms in which the gambling is conducted. This is consistent with both the language in G. L. c. 167B,

³ While providing for the legalization and licensing of casinos, G. L. c. 23K also expressly references and incorporates the existing provisions of c. 128A and 128C into its framework, evincing an intent that the statutes be read together. See G. L. c. 23K, § 7; see also 2B NORMAN J. SINGER & J.D. SHAMBIE SINGER, STATUTES AND STATUTORY CONSTRUCTION, § 51:2 n.19, at 229 (7th ed. 2008) ("[T]wo statutes relating to the same general subject matter should be read together and harmonized, if possible, with a view to giving effect to a consistent legislative policy . . .").

⁴ G.L. c. 23K, § 27(f) provides, in pertinent part:

(f) The commission shall, in consultation with the department of transitional assistance, the department of labor and workforce development, the department of housing and community development or the applicable administering agency, establish by regulation procedures and standards to prohibit a gaming establishment or any person acting on behalf of a gaming establishment from: (i) cashing a government-issued check; (ii) from operating on its premises any credit card or automated teller machine that would allow a patron to obtain cash from a government-issued electronic benefits transfer card; and (iii) from extending or issuing credit to a patron of a gaming establishment who receives any form of income-based public assistance including, but not limited to, the supplemental nutrition assistance program, temporary assistance for needy families, emergency aid to elders, disabled and children, public housing assistance, MassHealth and unemployment insurance.

Stephen Crosby, Chairman

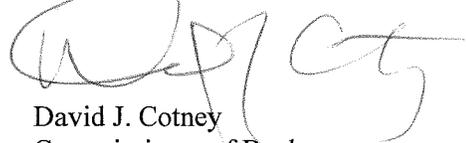
January 8, 2015

Page 2

§ 3, as well as the Division's prior conclusions in Opinion Nos. 95-153 and 03-084. It is likewise consistent with the Legislature's presumption that ATMs would be available at a casino facility licensed under G. L. c. 23K, § 27(f).⁵

The conclusions reached in this letter are based solely on the facts presented. Fact patterns which vary from that presented may result in a different position statement by the Division.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Cotney", written over a circular stamp or mark.

David J. Cotney
Commissioner of Banks

⁵ This conclusion is not repugnant to the statute, see G. L. c. 4, § 6, and aids in avoiding absurd or unreasonable consequences. See Attorney Gen. v. School Comm. Of Essex, 387 Mass. 326, 336 (1982) (court "will not adopt construction of a statute that creates 'absurd or unreasonable' consequences").

DIVISION OF BANKS
MEMORANDUM IN SUPPORT OF REQUEST FOR ADVISORY RULING
ELECTRONIC BRANCH LOCATION RESTRICTIONS

Dated December 14, 2014

I. Banking Law Applicable To Electronic Branch Gambling Location Restriction

G.L.c.167B, entitled “Electronic Branches and Electronic Fund Transfers” governs “electronic fund transfers” from an “electronic branch”, which is defined as “an electronic device, other than a telephone operated by a consumer, through which a consumer may initiate an electronic fund transfer. Such term includes, but is not limited to automated teller machines and cash dispensing machines.” An “electronic funds transfer” is initiated by means of an “access device” (a card, code or other means of access or combination thereof) and includes, but is not limited to “point-of-sale transfers, automated teller machine transactions, direct deposits or withdrawals of funds, and transfers initiated by telephone.” G.L.c.167B, §1.

Chapter 167B vest the Commissioner of Banks with the exclusive authority over the location of electronic branches: “[T]he site location for such electronic branches . . . shall be subject to approval by, and regulation of, the commissioner [of Banks].” G.L.c.167B, §3, ¶2. The final sentence of G.L.c.167B, §3, ¶2, inserted by St. 1981, c. 530, §2, as amended, St. 1994, c.246, §1, contains the statutory electronic branch gambling location restriction that is the subject of this request for an advisory ruling:

No electronic branch shall be located upon premises where there occurs legalized gambling, other than a state lottery.

G.L.c.167, §2 delegated to the Commissioner of Banks broad power to promulgate regulations “as may be necessary or proper in carrying out the purposes of [c. 167B]” and, in particular, to prescribe “such classifications, differentiations, or other provisions, and may provide for such adjustments and exceptions for any class of electronic fund transfers, as in the judgment of the commissioner [of Banks] are necessary or proper to effectuate the purposes of this chapter to prevent circumvention or evasion thereof, or

to facilitate compliance therewith.” G.L.c.167, §2(a) & 2(d). G.L.c.167, §2(e) specifically directs the Commissioner of Banks to promulgate regulations governing electronic fund transfer services by a person other than a financial institution that may require special, and more stringent protection of consumers.

Acting pursuant to his authority, the Commissioner of Banks duly promulgated regulations for the “Establishment and Operation of Electronic Branches of Financial Institutions and for the Protection of Consumers in Electronic Fund Transfers”, which are codified in 209 CMR. 31.00. Two sections of these regulations are directly apt to the present matter.

- Pursuant to the power to differentiate types of electronic fund transfers, the regulations find that “Non-bank ATM providers and Non-bank electronic branches are a distinct class and means of effecting electronic fund transfers” and prescribes special requirements for those providers and transactions, including additional information required, additional consumer disclosures, security requirements, and annual reporting of fees and charges. 209 C.M.R. 31.06. (*emphasis added*)
- The regulations contain a specific provision that construes the scope of the electronic branch gambling location restriction thusly: “No electronic branch, including a non-bank electronic branch, shall be located in or upon premises where there occurs legalized gambling other than a state lottery.” 209 CMR. 31.03(3) (*emphasis added*)

Also, please refer to a letter dated October 13, 1995 from the Deputy Commissioner of Banks and General Counsel, which responded to a request for an opinion relative to “whether an electronic branch or automated teller machine (“ATM”) may be installed at a horse track or other pari-mutual [sic] facility in Massachusetts.” The opinion states:

Massachusetts General Laws chapter 167B, section 3 governs the location of electronic branches, which include ATMs, within the Commonwealth. . . . It is the position of the Division that this provision would prevent an electronic branch from being installed at a horse track or pari-mutual [sic] facility. There is no exception in the statute for such facilities.” (*emphasis added*).

Note that G.L.c.128A and G.L.c.128C, governing live and simulcast racing, clearly define “racetrack” to include all property associated with operating that business:

“Race track” shall include the track, grounds, auditorium, amphitheater and/or bleachers, if any, and adjacent places used in connection therewith, where a horse or dog racing meeting may be held . . . E.g., G.L.c.128A, §1, ¶4. (*emphasis added*)

The Division's interpretation of a statute, by regulation or opinion, which falls within the scope of the statutes enforced or administered by the Division is entitled to considerable deference and should not be disregarded unless it is patently arbitrary and capricious or contrary to law. See, e.g., J.M. Hollister, LLC v. Architectural Access Bd., 469 Mass. 49, 55 (2014) (agency afforded "considerable deference" to interpretation of enabling statute and its own regulation which may be rejected only if it is "not rational"); Global NAPs, Inc. v. Awiszus, 457 Mass. 489, 496 (2010) (duly promulgated regulation has the force of law); Commerce Ins. Co. v. Commissioner, 447 Mass. 478, 481 (2006) ("substantial deference"); Postal Community CU v. Commissioner, 61 Mass.App.Ct. 563, 573, rev. den., 442 Mass. 1112 (2004) (deference to Commissioner of Banks); See also, G.L.c. 30A, §8 (advisory rulings); G.L.c.167B, §2(b) (same) See generally DIVISION OF BANKS REGULATORY BULLETIN 1.1-103 (Advisory Opinions and Approval Requests)

II. The Expanded Gaming Act of 2011

Chapter 194 of the Acts of 2011, "An Act Establishing Expanded Gaming in the Commonwealth", (the Expanded Gaming Act), is omnibus legislation that

- decriminalized certain forms of for-profit "gaming" previously prohibited in the Commonwealth,
- inserted Chapter 23K into the General Laws establishing the Massachusetts Gaming Commission (MGC) to license and regulate such for-profit (as well as previously authorized charitable) gaming,
- abolished the Massachusetts Racing Commission, folding in to MGC the functions of licensing and regulating pari-mutuel wagering on live and simulcast racing in the Commonwealth, and
- left intact the statutory and regulatory scheme set for in Chapter 10 of the General Laws that established the Massachusetts State Lottery, which remains under the auspices of the Treasurer and Receiver General of the Commonwealth and independent of MGC.

The "paramount policy objective" of the Expanded Gaming Act is to establish a process of "strict oversight" and "rigorous regulatory scheme" by which up to three gaming licenses would be awarded to "Category 1" gaming establishments (authorized to offer wagering at slot machines and table games, on condition that the establishment

include at least one hotel and other amenities comprising a total capital investment of not less than \$500 million), and to one “Category 2” gaming establishment (authorized to offer wagering at slot machines, but no table games, on condition that the establishment contain such other amenities, but not necessarily a hotel, that comprise a total capital investment of not less than \$125 million). G.L.c.23K, §§ 1, 2, 10(a) & 11(a)

If a gaming establishment licensee also holds a live racing license under Chapter 128A and/or a simulcasting license under Chapter 128C, its gaming license is conditioned on maintaining those other licenses and continuing to conduct those forms of gambling “on the premises” of the gaming establishment. See G.L.c.23K, §§19, 20 & 24.

Gaming licensees pay MGC a “daily tax” of a percentage of its “gross gaming revenue” (which includes the net revenue, after deduction of winnings, and excluding “free play” promotional credits all gaming, but does not include revenue from simulcast wagering or revenue from non-gaming transactions)¹, along with other assessments set forth in the statute or as determined by MGC. See G.L.c.23K, §§ 1, 55 & 56.

Chapter 23K also includes, among others, these additional defined terms:

“Gambling”, the playing of a game by a patron of a gaming establishment.

“Game”, a banking or percentage game played with cards, dice, tiles, dominoes or an electronic, electrical or mechanical device or machine played for money, property, checks, credit or any other representative of value which has been approved by the [MGC].

“Gaming”, dealing, operating, carrying on, conducting, maintaining or exposing any game for pay.

“Gaming area”, the portion of the premises of a gaming establishment in which or on which gaming is conducted.

“Gaming device”, or “gaming equipment”, an electronic, electrical or mechanical contrivance or machine used in connection with gaming or a game.

“Gaming employee”, an employee of a gaming establishment who: (i) is directly connected to the operation or maintenance of a slot machine or game taking place in a gaming establishment; (ii) provides security in a gaming establishment; (iii) has access to a restricted

¹ The definition of “gross gaming revenue” does not expressly exclude live racing income, but that omission would seem to be a scrivener’s error.

area or a gaming establishment; (iv) is connected with the operation of a gaming establishment; or (v) is so designated by the [MGC].

"Gaming service employee", an employee of a gaming establishment who is not classified as a gaming employee or key gaming employee, but is required to register with the [MGC].

"Key gaming employee", an employee of a gaming establishment who is: (i) in a supervisory capacity; (ii) empowered to make discretionary decisions which regulate gaming establishment operations; or (iii) so designated by the [MGC].

Other provisions of St.2011, c.194 and G.L.c.23K that bear notice:

- Redefining "illegal gambling" in G.L.c.4, §7, to rename it "illegal gaming" and adding, in addition to exemptions for the State Lottery, live racing, simulcasting, and charitable gaming, a new exemption for "a game conducted under chapter 23K". St. 2011, c.194, §3
- Establishing separate gaming enforcement units within and under the direction of the Alcoholic Beverage Control Commission (ABCC), the Office of the Attorney General and the Massachusetts State Police to work "in conjunction and cooperation with" the MGC. St. 2011, c.194, §§ 8, 9, 15
- Granting MGC authority to issue licenses for alcoholic beverages to be "served within the gaming establishment" and "drunk on the premises", which may be distributed free of charge "in the gaming area" and elsewhere "in the gaming establishment", but otherwise subject to regulation and enforcement by the ABCC, which also is mandated to study the impact of allowing such free liquor on others businesses licensed under Chapter 138. G.L.c.23K, §§ 26, 28 & 106
- Inserting G.L.c.267A "Money Laundering" and G.L.c.271A "Enterprise Crime" to regulate, investigate and enforce unlawful use of a "betting or gaming establishment", a "gaming entity", "licensed gaming operations" or "ancillary industries which do business with a gaming establishment", to launder money derived from criminal activity. St. 2011, c.194, §§ 48 & 68
- Repealing eight (8) sections of the General Laws, in whole or in part, and amending sixty-five (65) other sections of the General Laws. St. 2011, c.194, §§ 4 through 15, 19 through 47, 49-67, 69 through 85
- Authorizing MGC to promulgate regulations which limit the conditions under which a gaming licensee may "issue credit to a patron of a gaming establishment" or "cash any check or otherwise provide or allow any person any credit or advance anything of value . . . to enable that person to place a wager . . ." and providing that: "No person, other than a gaming licensee, shall issue credit to a patron in a gaming establishment", but this shall not "prohibit

a gaming establishment from accepting credit cards for *non-gaming related purchases or services.*" G.L.c.23K, §27(a) & 27(b) (*emphasis added*)²

- The statute also makes provision for a person to request that he be placed on a list of persons who shall be prohibited from obtaining credit from a gaming establishment, and other provisions restricting the persons who are authorized to collect a gaming debt." G.L.c.23K, §27(g) & 27(h)

The only reference to ATMs, added late in the legislative process, appears in Chapter 23K, §27(f), which requires MGC to establish regulations "in consultation" with other state agencies, that will ensure that no gaming establishment, and no person acting on its behalf, extends or issues credit to anyone who receives any form of income-based public-assistance and precludes "operating on its premises any credit card or automated teller machine that would allow a patron to obtain cash from a government-issued electronic benefits transfer card". G.L.c.23K, §27(f). Compare St.2011, c.194, §16 [G.L.c.23K,§27], with H.1905, §12 [G.L.c.23K,§29], <https://malegislature.gov/Bills/187/House/H1905> and H.3697, §16 [G.L.c.23K,§27], <https://malegislature.gov/Bills/187/House/H3697>

III. Implementation of the Expanded Gaming Act

After years of preparation, MGC awarded three of the four potential gaming licenses.³

- Wynn MA, LLC (Wynn) was awarded a license for the Region A (Eastern MA) "Category 1" gaming establishment in Everett, MA.
- Blue Tarp redevelopment LLC, a subsidiary of MGM Resorts International (MGM Springfield) was awarded a license for the Region B "Category 1" gaming establishment in Springfield MA.
- Springfield Gaming and Redevelopment LLC, a subsidiary of Penn National Gaming (Penn), was awarded the license for a "Category 2" gaming establishment in Plainville MA. Penn holds licenses to conduct live racing and simulcast wagering at the racetrack on the premises, which are "inseparable" from the slot parlor, so it must also continue those forms of

² Note that persons engaged in check cashing for a fee must be licensed by, and are subject to separate regulation, by the Commissioner of Banks. See G.Lc.169A, §2; 209 CMR. 45.00

³ The third potential "Category 1" license in Region C (Southeastern MA) is on a slower track for reasons that will not be addressed in this memorandum.

legalized gambling on the premises. See generally, Transcripts, MGC Meeting #91(November 21, 2013), pp. 163-171 & MGC Meeting #92, Dec.3,2013,pp.120-122 (Copies Attached in Appendix as Exhibit “A”)

The three-year process that culminated in the award of these three licenses has been thoroughly reported in the media and is fully documented on the MGC’s website, www.massgaming.com. This memorandum focuses on three aspects of the implementation process that may help inform the Division’s advisory opinion regarding the legal and public policy issues presented by the potential location of electronic branches in these gaming facilities.

First, as part of the licensing process, MGC was required to “determine the premises of the gaming establishment” to be licensed under G.L.c.23K. The MGC’s actions in making these determinations includes some important analysis of the integrated nature of the operations that will occur at these gaming establishments.

In deciding whether the “gaming establishments” proposed by Wynn and Mohegan Sun were located solely in Everett or Revere, respectively, or partly in Boston, MGC was required to identify “the premises” of the gaming establishment, which “includes a gaming area and any other nongaming structure related to the gaming area”. MGC noted that, by statute, “hotels are necessarily part of the gaming establishment” but they are not the only “elements within the gaming establishment that it deems necessary to ensure proper regulation of the gaming license.” See “Agreement to Award the Category 1 License in Region A To Wynn MA, LLC., Exh.1, at pp. 3-4 (Copy attached in Appendix as Exhibit “B”) A unanimous MGC (Chairman Crosby not participating) stated:

[T]he law sets out essentially a four part analysis to determine what features proposed by the applicant will be part of a gaming establishment. That is, whether the feature: (1) is a non-gaming structure, (2) is related to the gaming area, (3) is under common ownership and control of the gaming applicant, and (4) the Commission has a regulatory interest in including it as part of the gaming establishment.

Id., at p. 7 Applying this analysis to the two projects before it, MGC ruled:

{T}he gaming area, hotels, meeting rooms, spas, ball room, retail areas, restaurant/food and beverage/lounge areas, nightclub, back of the house,

underground parking areas, physical plant/facilities maintenance, and all public areas related to those spaces meet the 4 part test and are accordingly part of the gaming establishment. They are all non-gaming structures that are related to the gaming area . . . in that they are included to support the gaming area by making the entire facility a more attractive destination. . . .the Commission considers them to be amenities to the gaming area because it has an interest in, amongst other things, ensuring that all employees working in those areas are licensed or registered . . . and having knowledge of the flow of the money through these areas. Such control helps ensure the integrity of gaming in the Commonwealth through strict oversight.

[B]y inclusion of hotels and restaurants as an example of an amenity . . . the Legislature suggested that the term structure be applied in its traditional sense. . . .

[I]nternal roadways . . . the [Wynn] harbor walk and exterior parking areas are not part of the gaming establishment. None of these element are structures in the traditional sense . . .the Commission does not have any regulatory interest in overseeing those areas.

Id., at pp. 8-10 (*emphasis added*) Similarly, the “gaming establishment” of MGM Springfield includes these same components. (See MGM Springfield Floor Plan, copy attached as Exhibit “C”). The Penn “gaming establishment” includes the entire structure that houses the slot parlor, simulcast wagering area, harness race track, club house and grounds, and all other amenities in the casino and attached parking garage. (See Penn Floor Plans, copies attached at Exhibit “D”) See also, MGC Meeting #139, November 20, 2014, pp. 199-208 (Copy attached in Exhibit “A”)

Second, nearly all of the revenue generated by a gaming establishment come from the proceeds of gambling activity. The license applications (RFA-2s) submitted to MGC establish that gambling revenue (net receipts from gaming less winnings and promotional allowances) comprises the vast majority (nearly 90% in most cases), and the revenue from all other “related” non-gaming “amenities” is incidental. In fact, MGM Springfield “proposes to use the hotel for marketing purposes (48% of hotel revenue will be ‘comped’ to casino customers)”. See HLT Advisory Report on MGM Springfield RFA-2, Finance/Operations, p.11, “Consistency of Business Plan: Hotel Plan (June 10, 2014) (Copy attached to MGM Springfield’s RFA-2 Application excerpts in Exhibit “E”) The MGC RFA-2 applications, at pp. 50-51, (excerpts attached in Exhibit

“E”) show the following expected gaming revenue and non-gaming revenue as projected by each applicant:

Applicant	Gaming Revenue		Non-Gaming Revenue	
	Millions	%	Millions	%
Wynn (Avg.)	\$800	88%	\$109	12%
Mohegan Sun (Worst Case)	\$680	85%	\$121	15%
Mohegan Sun (Best Case)	\$1,180	85%	\$210	15%
MGM Springfield (5 Yr.Avg.)	\$486	80%	\$124	20%
Penn (Best Case)	\$234	89%	\$30	11%
Penn (Avg.)	\$203	88%	\$27	12%
Penn (Worst Case)	\$173	88%	\$24	12%
PPE (Leominster) (Yr. 4)	\$170	90%	\$19	10%
Raynham (Yr. 2)	\$300	96%	\$13	4%

Third, as part of its mandate, MGC has developed a “Responsible Gaming Framework” and has proposed certain regulations pertaining to “Uniform Standards of Accounting Procedures and Internal Controls”, 209 CMR 138.01 et seq., which, in part, make reference to ATM transactions. The draft Responsible Gaming Framework, Version 1, contained a proposed “Strategy 5: Limit High-Risk Financial Transactions which states:

Gambling on borrowed money is considered a high-risk practice that necessitates consumer protections. However, casino house credit may be offered as a customer service to qualified individuals.

. . .

Bank credit cards to finance gambling results in high fees and interest rates charged by credit card transaction may lead to serious unmanageable debt problems

(Copy in Appendix, Exhibit “F”) The draft regulations, 205 CMR 138.47(a), acknowledge that the “use and operation” of ATMs is “governed” by G.L.c.167B and the Division’s regulations promulgated thereunder. The draft regulations, however, go on to provide, in 205 CMR 138.47(b) that: “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.”

These proposed regulations also contain a requirement (209 CMR 138.40(9) & 138.40(10)) that a gaming licensee must have approved procedures in place 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 “to ensure that credit card cash transactions and debit card cash transactions are not permitted in the gaming area.” Other parts of the proposed regulations, however, that relate to simulcast wagering do not contain such proscriptions, as they seem to assume that “simulcast counters” are not considered a “gaming area” of the establishment. See draft 209 CMR 138.25 A section of the draft regulations, 209 CMR 138.39 is reserved for “Procedures for accepting, verifying and accounting for wire transfers and electronic fund transfers; wire transfers and electronic transfer fees; Procedures for sending funds by wire transfer or electric [sic] fund transfer”, but no specific regulations have been proposed for that particular section. (Copies of excerpts from proposed 209 CMR 138.01 et seq. are attached in Exhibit “G”)

The proposed regulation of ATMs in the gaming establishment has been discussed at several MGC meetings. The colloquy between MGC staff and the Commissioners appears to suggest that MGC (or at least staff) has focused on the language in G.L.c.167B, §3 that prohibits electronic branches from being located “where legalized gambling occurs”, and takes the view that gambling “occurs” only inside the “gaming area”. Thus, in this view, nothing in G.L.c.167B would prohibit the Division from approving, and MGC from allowing, ATMs “outside”, but in close proximity to, a “gaming area”. See Transcripts, MGC Meeting #122, May 29, 2014, pp. 183-185; MGC Meeting #126, June 26, 2014, pp. 255-258; MGC Meeting # 137, October 23, 2104, pp.179-181, 193-198; MGC Meeting #139, November 20, 2014, pp. 90-109, 199 (Copies attached in Exhibit “A”).

MGC received two comments on the draft regulations that made suggestions about 205 CMR 138.40(10) & 138.47 (Copies are attached in the Appendix, Exhibit “H”)

- The Consumer Protection Division of the Office of the Attorney General seemed open to a “cooling off” opportunity for credit card transactions and

recommended that opportunity be given to all credit applicants by keeping the credit application process also outside the gaming area.

- MGM Springfield's comment: "205 CMR 138.40(10) requires procedures to ensure that credit card cash transactions and debit card cash transactions are not permitted in the gaming area. We recommend that this provision be supplemented to provided that credit card cash advances (Global transactions) are initiated at the ATM (15 feet from the gaming floor), and completed in person at the cage by the customer. In addition, the customer would be required to present their credit/debit card, identification credential, and either sign a Global check or use electronic ACH debit to receive the funds at the cage." See also MGC Meeting #139, November 20, 2014, pp. 95-97 (Copy in Exhibit "A")

IV. Casino ATM Vendors

Due to the niche market for "non-bank" casino ATM machines, and the unique functionality that these specialized machines offer, they present a distinct class of electronic branch banking that is not comparable to ATM machines currently approved for use by the Division and create unique issues about compliance with the law and regulations of the Commonwealth that govern electronic branches. The issues include potential unauthorized transactions, such as enabling credit line increases, excessive withdrawals and overdrafts, transactions that involve "manned" assistance, privacy and security issues. In addition, vendors who offer such specialized casino ATM machines make quite clear that the products are designed for one purpose, and one purpose only - to deliver cash, and large amounts of it, directly to the gaming floor.

Examples from the marketing pitches of two casino ATM vendors illustrate the distinct issues presented. (Copies of these materials are attached in Exhibit "I")

CASINOMONEY (<http://www.casinomoney.com>)

- The 3-of-a-Kind Cash Advance ATM quickly converts available credit lines to disposable cash enabling larger bets to be placed on the gaming floor.
- Financial institutions limit the amount of cash that can be withdrawn from an ATM account within a 24-hour time period. When a customer exceeds their daily cash withdrawal limit, a "typical" ATM will decline the cash withdrawal. The CASINOMONEY 3-of-a Kind Cash Advance ATM

authorizes their higher cash withdrawal requests through a point of sale debit cash withdrawal or a credit card cash advance transaction.

- [T]he 3-of-kind Cash Advance ATM seamlessly converts this “declined transaction” into an approved POS debit cash withdrawal – instantly. In addition, customers can obtain a credit card cash advance withdrawal for thousands of dollars in cash without the use of a pin number.
- A credit card cash advance is an instant cash flow remedy for the gaming customer who needs immediate access to money.
- With AUTOMONEYADVANCE, players quickly return to the gaming floor to place their next bet.
- Customers can now pre-authorize cash withdrawals of thousands of dollars with any type of credit card with or without having a pin number.

GCA, Inc (www.gcainc.com)

- QuickCash yields an amazing one, two punch. The patron enjoys the privacy of attempting either a credit or debit transaction and rather than receiving a “decline” message from their issuing bank for what was a “referral”, GCA intercepts the process and directs the patron to pick-up the attached hand set. GCA’s call center proceeds to work with both the patron and the issuing bank in a three party call to ensure all attempts have been made to approve the patron’s transaction.
- ATMs are a battle-tested revenue generator that helps deliver more cash to your gaming floor.
- In 2011, GCA’s call center intercepted thousands of these call and turned what would have been declines to the card holder and lost revenue to the casino, into over \$70,000,000 of cash to the gaming floor.
- More than 1,100 gaming establishments worldwide come to us for ideas and innovation. All told, we processed more than 90 million transactions and dispensed more than \$19 billion in cash annually.
- Unsuccessful ATM . . . cash withdrawals are no longer a barrier to providing superior casino services to your gaming patrons. Our patented 3-in-1 Rollover technology enables patrons to convert these ATM transactions to POS DEBIT card or CCCA on the spot, enabled by a virtual customer service representative.
- In a time when 30% of standard ATM . . . transactions are denied by a financial institution, the flexibility provided by GCA’s 3-in-1 Roller technology is a keystone to your casino cash access strategies.
- GCA understands that cash is king on a casino floor and it’s our job to ensure your patrons have access to it when they need it. With GCA’s wealth of experience in casino cash handling software and managing over 1,000 ATMs

and \$300 million each day [that's \$300,000 per machine per day], we provide our customers with. . . the right amount of cash at all times.

- If knowledge is power, then prepare for superhuman strength. By accessing GCA's unrivaled database of player data.
- GCA has a rich database of over 8 million unique patrons accessible through Central Credit.
- For those patrons that visited your casino and have at least one withdrawal, what percentage of patrons' total wallet are you capturing? CSI Wallet Share offers a variety of patron filters – including value, age and distance – to review results which enable you to identify shifts in share so you can take immediate action.
- For the first time ever, you'll be equipped with information to proactively prevent player defection.

The written comments by MGC on MGC's draft regulations tend to confirm that these problematic ATM business practices. For example, the suggestion that the regulations be changed to reflect that an ATM transaction may not be "initiated" on the gaming floor, but may be consummated at the "cage" confirms how differently these machines work from the traditional ATM that the Division currently licenses. This comment, along with the recent colloquy between MGC Commissioner McHugh and staff at the November 20, 2014 MGC Meeting, indicate that these machines may not, in fact, dispense cash, but only some form of authorization that needs to be taken to a cashier in the gaming area to be manually converted to cash (or perhaps to purchase chips). Such a transaction would seem problematic for a number of reasons, including, for example, that the actual credit card cash advance is actually processed "in the gaming area" and by means of a "manned" transaction. (See Appendix, Exh."H" (MGM Comments on 205 CMR 138.47; Appendix, Exh. "A" (MGC Meeting #139, November 20, 2014, pp. 95-97)

V. Consumer Feedback

Anecdotal comments and media reports about casino ATMs present further food for thought. (Copies of these comments are attached in Exhibit "J")

- Jonar Nadar, a writer (who does not conceal his opposition to casino gambling out of a concern for the addition it causes), happened to be booked

into a casino hotel for a lecture series. He noticed that the literature in the room touted the casino's "responsible gaming practices" and specifically stated that "ATMs are not provided within gambling areas". In fact, the casino had placed a bank of three of ATMs ten steps from the casino lobby and 23 steps from the casino floor and another one outside the cafeteria even closer. He posted pictures of these machines along with another casino's bank of six ATMs, also seconds away from the casino floor. Mr. Nadar's objection was not the presence of the machines, but what he considered the hypocrisy of claiming they were not located "within gambling areas."

- A chat on a website called "Wizard of Vegas", noted that "casino ATMs. . . have the most obnoxious overpriced surcharge fees . . . and they also put limits like a max of \$500 per withdraw so if you need more you have to pay the surcharge multiple times. One of the worst one's I have seen was the \$5.99 one, because it was a 100 max per withdrawal. . . . This is basically the rule of a captive and hooked audience.. . . For every one person who walks away from the high fee, there are 10 more that are willing to pay it, even at \$100 max withdrawals.
- Someone who runs a four-day charitable gaming event that attracts about 500+ players each night said: "In the past, when a player went bust, they went home. A few years back, we had a company install a portable ATM at the entrance to the tent. It got tons of use from the very get go, keeping players in the tent. The ATM operator typically has to fill the machine 2-4 time per night. . . . we 'paid' him a flat fee just to have the machine in the tent with \$0 fee to the person making the withdrawal. . . . ATM withdrawals actually increased. . . . More importantly, those players went immediately to the cashier's table to buy more chips. And, I know, for every dollar in chip sales, the house is going to make 20%-40% over the term of the evening. . . . I have \$60,000-\$100,000 "in circulation" over the weekend. And, at an average 30%, that translates in to \$20,000-\$30,000 in net gaming revenue."
- On the website "American Casino Guide", Bill Burton writes "NEVER GAMBLE WITH BORROWED MONEY" and "never use a credit card in a casino" pointing to the hidden charges that most gamblers overlook: "At one casino I checked a charge for a cash advance of \$500 was \$21.00. This is 4.4% paid to the casino up front. Most credit card companies charge you 3% for cash advance, which will come to \$15.66 (3% of \$521.99) That means you are already down \$37.65 or 7.4% before you even sit down to play. Thai is the equivalent of sitting down at a \$5 blackjack table and losing eight hands in a row, or getting nothing back after putting three-and-a-half rolls of quarters through a slot machine. If this happened most of us would head for the hills real fast"

The foregoing describes the risks with casino ATMs as they are intended to be used.

Three newspaper reports reveal what else can happen when something goes amok.

- In Detroit, due to a “pay all” status placed on his account, a frequent gambler was able to withdraw unlimited ATM cash from a bank account that held only a small balance. He received over \$1.5 million, including \$312,000 from ATMs at Greektown Casino and another \$51,727 from MGM Grand Casino on the same day, before his bank caught the mistake.
- A small town clerk in Iowa was able to make more than \$35,000 in ATM withdrawals from the town’s bank accounts over an 8 year period before she was caught in 2013.
- Penn National purchased a list from an ATM vendor containing contact information for over 15,000 customers who previously had used an ATM at an Illinois casino, to whom Penn sent promotional literature, including to problem gamblers who had asked to be banned from casinos. This resulted in an \$800,000 fine against Penn for violation of the Illinois “self exclusion” program, but the even more troubling question was, how is that Penn was able to acquire this information in the first place?

VI. Analysis

The question posed to the Division is simple:

Should the Division continue to apply its current interpretation of the gambling location restriction on electronic branches prescribed by G.L.c.167B, as set forth in the Division’s existing regulations, 205 CMR 31.03(3), and its Advisory Ruling 95-153, dated October 13, 1995, which specify that such electronic branches are prohibited “in or upon” any facilities licensed to conduct legalized gambling on their premises, including, in particular, a racetrack or pari-mutuel facility, and decline to adopt a different interpretation in the case of slot parlors and casinos that would permit ATMs in those facilities as an exception to this general rule?

At least six reasons justify, indeed compel, answering that question in the affirmative.

First, the Division got it right to construe the plain meaning of the electronic branch gambling location restriction in G.L.c.167B,§3 to focus on the physical structure in which gambling was conducted, and not just the (subjectively determined) immediate vicinity where bets may be accepted. Virtually every law dealing with gambling or other regulated activities makes no such distinction.⁴ In terms of criminal prosecutions, search warrants, insurance coverage or other liability, the “premises” or “place” where an activity is “conducted”, “suffered”, “found”, or “occurs” are consistently used, both

⁴ A list of illustrative Massachusetts statutes is attached in the Appendix, Exh. “K”

in statutory enactments and Massachusetts jurisprudence, in their traditional sense, usually associated with the entire structure, such as a “house”, “building” “establishment” or “facility”, and those the words are typically used interchangeably.

The primary meaning of *the word ‘premises’* as indicated by its derivation is ‘that which is sent before’ or ‘that which is placed first.’ Apparently it *came to be used in a secondary sense to denote lands and tenements* because all that part of a deed which came before the habendum and therefore included the description of the lands conveyed was called the premises. *As denoting location on the earth’s surface the word originally had and as now commonly used still has reference to lands or buildings regarded as separate units or entities, with differing characteristics, presumably occupied separately and bounded or limited in some manner and distinguished from other lands and buildings.* [Citations]

Doherty’s Case, 294 Mass. 363, 366-67 (1936) (*emphasis added*); cf. Western Mass. Theatres, Inc. v. Liberty Mut. Ins. Co., 354 Mass. 655, 658-59 (1968) (insurance for “damage to premise” covers structure but not personal property thereon); Van Bibber’s Case, 343 Mass. 443, 449-51 (1962) (statute had expressly expanded definition of premises for purpose of workers’ compensation claims to include public ways adjoining the place of employment); See also Commonwealth v. Murphy, 342 Mass. 393 (1961) (“place” includes anywhere in a building); Commonwealth v. Wetherell, 340 Mass. 422 (1960) (basement was a “place” in building); Commonwealth v. Carlson, 331 Mass. 449 (1954) (prohibition of possession illegal gaming apparatus meant “anywhere” in a building or other “place”); Ford Motor Co. v. Division of Employment Security, 326 Mass. 757, 762 (1951) (word “establishment, as normally used in business and government, means a distinct place of business”); Reale v. Judges of the Superior Court, 265 Mass. 135 (1928) (“building, place or tenement” in nuisance statutes and in the decision of this court construing them, have been used for many years. . . . The amended bill of complaint charges that John Doe is the occupant of said premises . . . which ‘will be hereinafter referred to as the property’. . . The description covered one building . . . and not one or more parts”); Commonwealth v. Ward, 281 Mass. 119 (1932) (keeping gaming apparatus “within buildings”); Commonwealth v. Charlie Joe, 193 Mass. 383 (1907) (“keeping a common gaming house”); Commonwealth v. John Tilton, 49 Mass. 232 (1844) (same); Gainsboro Restaurant, Inc. v. City of Boston, 75 Mass.App.Ct. 1105 (2009) (unpublished) (customer unlawfully allowed in portion of

premises that was not an “area of the establishment” authorized for occupancy by the public); (Commonwealth v. Labella, 17 Mass.App.Ct. 973 (1984) (keeping a building that “contained” gaming apparatus). See generally, BLACK’S LAW DICTIONARY, 10th Ed. (premises mean land and tenements; an estate; land and buildings thereon)

Second, there is good reason that, in particular, the “premises” of a gaming establishment “where legalized gambling occurs” cannot rationally be construed within the meaning of G.L.c.167B, §3 to mean just the “gaming area” where bets are actually taken or games are actually played, but must be understood to encompass all parts of the structure, both public spaces and restricted areas, which support, directly or indirectly, the business of the establishment, which is licensed to conduct “legalized gambling”. Indeed, it is instructive (although not controlling) to note, as explained above, that is exactly how MCG views the nature of the “gaming establishment” to whom MGC awards a c.23K license – an integrated facility whose primary business is to provide “high quality” casino-style gaming in an establishment that includes all of the physical and electronic infrastructure, “related” amenities, management and administrative services, and provision for on-premises regulatory oversight, all of which are needed to make the casino a success. Clearly, the “gaming area” does not operate in isolation from, could not exist, and would not be licensed, without, the complete package. (See Appendix, Exh. “B”)

The plans for the Penn National “racino” (See Addendum, Exh.“D”) provide the simplest visual picture of how a “gaming establishment”, which in that case also includes a racetrack, clubhouse and separate room for simulcast wagering, consists of a single integrated design, focused on its primary business generator – the slot parlor. The design provides seamless access from the garage to the “Casino” and a “Simulcast Room”, with the “Sports Bar” positioned between the two gaming areas, on the first level, and the “Clubhouse” on the second level overlooking the racetrack. The Division has been clear that ATMs cannot be located anywhere at a stand-alone racetrack. It is hard to imagine that, if there are no suitable places in a stand-alone racetrack where ATMs are permitted, how there could be any such suitable places in the “racino” that

Penn is constructing to house three forms of legalized gambling, literally, “under one roof”.

Although the Wynn and MGM Springfield Category 1 gaming establishments are larger, and they do not have a racetrack (whether they will offer simulcast wagering is not clear), the same principle applies to them. (See Appendix, Exhs. “B” and “C”) Even as to the hotel required to obtain a Category 1 license, it serves primarily as a marketing tool to attract gamblers to the casino. As the HLT analysis of MGM Springfield RFA-2 application reported, about half of the revenue from MGM Springfield hotels will be “comped” - i.e. provided free of charge. (See Appendix, Exh. “E”) Mr. Nadar’s experience illustrates that, even in the privacy of a casino hotel room, the marketing never stops. (See Appendix, Exh. “J”) These “related” amenities may take up floor space, but they are incidental to and contribute a small fraction, if anything, to the gaming establishment’s bottom line. (See p. 4, supra, and Appendix, Exh. “E”)

Third, there is little support in logic or reality for the idea that the legislature saw slot parlors and casinos as a lesser risk to the public than other existing forms of legalized gambling so that, despite a long-standing expressed statutory and regulatory aversion to these devices anywhere else that legalized gambling occurred, ATMs in casinos would be fine, even as close as 15 feet from a slot machine or roulette table, provided they just were not placed in the midst of these attractions. The core principle driving the electronic branch gambling location restriction was concern that to enable gambling with borrowed money was bad public policy. Common sense should suffice to teach that putting an ATM at a distance of 15 feet (3 standard paces, or about 3 seconds in time) from a slot machine or table game is hardly a deterrent against gambling with borrowed money (and, certainly, no less rationally a deterrent than, for example, allowing ATMs at a comparable distance from pari-mutual windows or self-service betting machines, or at the entrance to a charitable gaming event). Indeed, the tightly configured floor plans for the three “gaming establishments” would seem to

leave few, if any, places to put ATMs that would not be within spitting distance from a gaming attraction.⁵

Not much should be made of the legislative exception from the gambling restriction for lottery sales. The lottery exception probably has less to do with gambling, than the recognition that convenience stores are common sites for both lottery sales and ATMs, although it is also probably true that the amount of money a customer plays on the lottery and the cash withdrawn for that, or more likely some other non-lottery purchase, is relatively small, and an order of magnitude different from the volume of ATM transactions experienced in casinos.

Fourth, taking the Expanded Gaming Act as a whole, it would also defy common sense to suggest that, by deciding to introduce casinos in the Commonwealth under that law, the legislature meant to loosen the existing laws already on the books or dilute existing protections provided to protect consumers against the risks of legalized gambling on borrowed money, such as the gambling location restriction in G.L.c.167B.

Also noteworthy is the fact that the Expanded Gaming Act repealed and amended scores of statutes, but G.L.c.167B was not one of them. If that were the legislative intent, it would simply have inserted a section, among the many other changes to the General Laws, that added the words “or a gaming establishment licensed under c.23K” after the lottery exception at the end of the gambling location restriction prohibition.

In fact, the Expanded Gaming Act is replete with express indications of the legislative intent, in general, and with respect to problem gambling, in particular, that it wanted to see the laws protecting consumers from predatory gambling practices and undesirable temptations to gamble irresponsibly strengthened, not weakened. New laws were put on the books dealing with money laundering and enterprise crime,

⁵ No rationale has been offered for picking 15 feet (or any other distance) that a gambler would need to travel to get to and from an ATM. The choice seems entirely arbitrary. Apparently MGC staff was going to propose a 100 foot buffer zone until it became known that, at that distance, at least in the Plainville “racino”, ATMs would have to be put “in the parking lot.” See MGC Meeting #137, October 23, 2014, p.195 (Appendix, Exh. “A”)

intended to tighten oversight of the use of casinos for illicit financial transactions and provide regulators and law enforcement with additional tools to better track the flow of money through the financial system and detect and prosecute those who broke these laws. See G.L.c.267A, inserted by St. 2011, c.194, §48; G.L.c.271A, inserted by St. 2011, c.194, §68

Similarly, the Expanded Gaming Act is replete with provisions that evidence the legislature's concern for the known risks that would come with casino gambling and made it the "paramount policy objective" of c.23K to mitigate them as much as possible. To that end, the statute included numerous mandates that exhort MGC, in effect, to create the "gold standard" in gaming licensure, through "strict oversight of all gaming establishments" and "a rigorous regulatory scheme" in the licensing and enforcement process that requires licensees to proactively "combat compulsive gambling" and be held responsible for all "negative consequences of their business operations". See G.L.c.23K, §§1, 4 through 18, 25 through 47, 51, 52, 58, 65, 66, 68 & 71

In sum, the legislative intent inherent throughout the Expanded Gaming Act, in general, and with respect to concerns for problem gambling, in particular, was to strengthen and expand the laws protecting consumers from predatory gambling practices and undesirable temptations to gamble irresponsibly, and not to tinker with existing laws that protected against those practices, such as G.L.c.167B.

Fifth, for the reasons expressed above, any thought that the Expanded Gaming Act operated as an "implied repeal" of the gambling location restriction is clearly a non-starter. The doctrine of "implied repeal" is one of the most disfavored principles of statutory interpretation and it is a well-settled principle that there is "a very strong presumption against implied repeal." Commonwealth v. Hudson, 404 Mass. 282, 286 (1989). The effect of this presumption is that "the doctrine of implied repeal does not mandate repeal of the earlier statute unless it is 'so repugnant to and inconsistent with the later enactment covering the same subject that both cannot stand.'" Id., citing Boston Housing Auth., v. Labor Rel. Comm'n, 398 Mass. 715, 718 (1986) and other authorities; Commonwealth v. Harris, 443 Mass. 714, 725 (2005). The courts are "loathe"

to “speculate about legislative intent to impliedly repeal a statute” and prefer to give meaning to both statutes. E.g., Commonwealth v. Hayes, 372 Mass. 505, 511-12 (1977). So long “some rational basis for reconciliation of the two” laws can be found, there can be no implied repeal. See Shrewsbury v. Seaport Partners LP, 63 Mass.App.Ct. 272, 275-76 (2005).

Here, arrayed against the indicia that the Expanded Gaming Act and the gaming location restriction of G.L.c.167B, §3 are meant to be complementary, both seeking to ensure that consumers are protected from the temptation to gamble irresponsibly, is one ambiguous reference to an ATM in G.L.c.23K, §27(f)(ii) which provides:

The commission shall, in consultation with the department of transitional assistance, the department of labor and workforce development, the department of housing and community development or the applicable administrative agency, establish by regulation procedures and standards to prohibit a gaming establishment or any person acting on behalf of a gaming establishment from: (i) cashing a government-issued check; (ii) from [sic] operating on its premises any credit card or automated teller machine that would allow a patron to obtain cash from a government-issued electronic benefits transfer card, and (ii) from [sic] extending or issuing credit to a patron of a gaming establishment who received any form of income-based public assistance including, but not limited to, the supplemental nutrition assistance program, temporary assistance for needy families, emergency aid to elders, disabled and children, public housing assistance, Mass Health and and unemployment insurance. The procedures and standards shall ensure the privacy of all patrons receiving public assistance.

The reference to the operation of ATM machines does seem odd, as the gaming location restriction of G.L.c.167B, as then interpreted, would mean that there would be no ATMs on the premises from which a public assistance recipient could execute a prohibited cash withdrawal.

One tangential reference, however, hardly proves the specific legislative intent sufficient to overcome the presumption against an implied repeal of the gambling locations restriction. The reconciliation may be as simple as the fact that this one stray gossamer was added in August 2011, late in the legislative process, and while the EBT issue was percolating on the agenda. Soon after the Expanded Gaming Act, the legislature tightened up the restrictions on the use of EBT cards, and now prohibits their use for any transactions at casinos (as well as other establishments, such as liquor stores, gun shops and adult entertainment venues) Clearly, as written, the less

restrictive mandate in Section 27(f)(ii) of the Expanded Gaming Act no longer goes far enough. See G.L.c.18, §5J, added by St. 2011, c.84, amended by St. 2012, c. 161, §2 and by St.2014, c.158, §8.⁶ On the merits, there is simply nothing about this isolated abundance of legislative caution when it comes to reinforcing the specific public policy to ensure that EBT cash withdrawals do not start showing up in casinos, that is “inconsistent” or “repugnant” with the general public policy behind the gambling location restriction in G.L.c.167B that ATMs don’t belong in casinos for any reason.

In fact, G.L.c.23K, §27, itself, contains language that reinforces the point noted above – that the legislature was specifically mindful of the undesirable consequences of any use of credit card cash advances to fuel a gambling habit, and intended to prohibit it. In laying down parameters for casino patrons to obtain credit or loans against losses from a gaming establishment, the statute states: “No person, other than a gaming licensee, shall issue credit to a patron in a gaming establishment”, G.L.c.23K, §27(d), but: “Nothing in this section shall prohibit a gaming establishment from accepting credit cards for non-gaming related purchases or services.” G.L.c.23K, §27(b) (*emphasis added*) This language indicates that the legislature was assuming that credit cards would not be used for gaming activity.

Sixth, the use of ATMs in casinos presents unique issues, both in terms of volume and functionality, not present in the more traditional settings in which ATMs have been approved for use by the Division. To be sure, it is not possible to know precisely what all these problems are until the Division has actual proposals before it. Based on the available information, however, there are sufficient “red flags” to suggest potential conflicts between Massachusetts law regarding non-bank electronic branches and the distinct class of ATMs that may be in the pipeline for use by Massachusetts casinos.

These concerns include, at least, the following:

⁶ It is believed that few (only about 10%) of EBT cardholders are able to use them to access cash through an ATM. Most EBT cards work more like a “Charlie Card” that enable only specific “point-of-sale” (POS) transactions, such as cards issued to SNAP (food stamp) recipients, which can be used only at food stores to buy groceries.

- Unlawful, high risk conversion of declined credit and debit card cash withdrawals into “retail” POS sale transactions to override a consumer’s financial institution’s daily ATM cash withdrawal limits;
- Unlawful, high risk transactions involving withdrawal of thousands of dollars that, with some machines, do not require use of a PIN number;
- Unlawful, high risk use of ATM to initiate “manned” and “virtual customer assistance service representative” transactions that require personnel assistance to complete, including use of ATMs to initiate requests for credit line increases “on-the-spot” that had not be previously approved;
- Unlawful or non-disclosed capture and sharing of consumer’s personal and financial information; and
- Unconscionable and unregulated fees, coupled with a gaming establishment’s own marketing techniques (complementary beverages, player “development”, etc.) designed to increase the use of the machines to increase betting.

VII. Conclusion

For the reasons stated, the Division should issue an advisory ruling to confirm that it finds no reason to change its present regulations and interpretation of the gaming location restriction under G.L.c.167B, §3 and advise that the restriction will continue to be applied, as intended, to prevent the location of electronic branches in or upon any part of the premises of any establishment engaged in the conduct of legalized gambling, including live racing, simulcast wagering, charitable gaming and gaming licensed under c.23K.

From: [Margaret Monsell](#)
To: [MGCcomments \(MGC\)](#)
Subject: Draft regulation comment - ATM's
Date: Monday, January 19, 2015 10:48:52 AM

I am very disappointed with the Gaming Commission's decision to press forward in this hurried fashion to issue regulations governing ATM's.

Only three weeks ago, this issue came to the attention of the full Legislature, whose members then agreed that much more deliberation of this significant policy matter is required. They expressed their intention to debate the issue in the new legislative session. For the Commission to act in such haste now suggests a primary interest in closing off that public debate for the benefit of the casino industry, an action that in turn feeds public mistrust of the Commission.

I will be urging my legislators to disregard any action that the Commission takes on ATM's and instead to proceed to fulfill their roles as policymakers for the Commonwealth's interests.

Margaret Monsell
Cambridge

From: [Mary Tufts](#)
To: [MGCcomments \(MGC\)](#)
Subject: draft regulation comment
Date: Monday, January 19, 2015 1:33:26 PM

To the Mass Gaming Commission:

My name is Mary Tufts and I would like to comment regarding the issue of allowing ATMs in casinos.

I have heard that the Mass Gaming Commission is in an impossible position – that it is required to regulate the gambling industry while also seeing that remains profitable enough to deliver on its tax revenue promises to Massachusetts.

I agree that the Commission is in an impossible position, but not for that reason.

The Gambling industry doesn't need the MGC's assistance to extract profits from it's customers. It's already been insanely good at doing that without any of your help.

Interest-free credit and predatory collection methods. Extensive data gathering methods and unparalleled access to customer financial data that has been compared to the “NSA on steroids.” Furtive software and deceptively engineered slot machines which account for the bulk of casino revenue. The largest source of funding for research into gambling addiction in order to focus the agenda on pathological biology rather than the addictive design of gambling machines. Lucrative, revolving door partnerships with State government. Battalions of well-financed lobbyists. Competitive business advantages.

These are just some of the ways the gambling industry remains competitive in an ever-tightening market.

The consumer, on the other hand, has only the MGC to protect it from the gambling industry – an industry with an unprecedented history of sending players down a road of addiction, financial hardship, family devastation, crime, suicide and even murder.

In the seven years I've researched the industry, I honestly wish I had a nickle for every person I've heard proudly say, “When I go to a casino, I only take as much money as I can afford to lose.” These people are, to a person, unaware of the deep, predatory framework built into modern casinos, invariably wrapped in a facade of entertainment and sheltered by government sanction.

Oh if they only knew. But of course, they don't. That's the idea.

Tellingly, in a September 2014 article in the Boston Globe, Steve Wynn described the MGC as his “partners”.

Wynn knows that he and other industry insiders, and not the MGC, will eventually dictate the amount of regulation they are willing to bear. And that the impossible task the MGC truly finds itself with is not balancing consumer protection and casino profitability. It's protecting the consumer at all when it's ultimate partner is the gambling industry itself.

The real legacy of each of your members will depend not on how successfully you handle a delicate balancing act, but on how quickly you hand over the keys to your kingdom.

And so I urge you to keep the ATMs out of casinos, and allow consumers some fresh air and a few more footsteps between a the road home and the road to ruin.

Thank you,
Mary Tufts

Bridgewater, MA

From: [Peter Goldberg](#)
To: [MGCcomments \(MGC\)](#)
Subject: Draft Regulations Comment
Date: Monday, January 19, 2015 3:48:04 PM

The following comment is made on behalf of the Harness Horseman's Association of New England:

205 CMR 149.04(4)(i):

Historically, by contractual agreement between track management and the horsemen's organization, there has been 2% of purse funds allowed to be deducted and used for agreed upon uses such as office administration, benefits for members, or to promote live racing. We would request that this allocation of a small percentage, 2% of the (80%) purse funds be codified within the Regulations so as to allow the horseman's association to conduct its operations in a professional fashion in order to continue to enhance the racing product, safety and the benefits of horse racing to the Commonwealth.

Thank you very much for your consideration of our comment. We very much appreciate **all** of the hard work of the Massachusetts Gaming Commission.

Respectfully,

Peter M. Goldberg, Esq.
On behalf of the HHANE

Peter M. Goldberg, Esquire
GOLDBERG & WEIGAND, LLP
250 Barnstable Road
Hyannis, MA 02601-2921

Tel: (508) 775-9099
Fax: (508) 778-6001

Website: www.capeinjurylaw.com
E-Mail: pgoldberg@capeinjurylaw.com

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Thank you!

From: [Jamie Eldridge](#)
To: [MGCcomments \(MGC\)](#)
Cc: [Jamie Eldridge; Eldridge, James \(SEN\)](#)
Subject: Comment from State Senator Jamie Eldridge on MGC draft regulation 205 CMR 138.00
Date: Monday, January 19, 2015 3:59:12 PM

As a State Senator who participated in the 2009-2012 debates over allowing casino gambling in Massachusetts, and more recently the debates concerning the amendment originally attached to the Bank Modernization Act that would have repealed a 1981 banking law that prohibited electronic cash machines at gambling venues, I offer the following comment on the MGC draft regulation 205 CMR 138.00, to be incorporated into the regulation:

"Any ATM should be no closer than 1,000 feet from any gambling area where a person may engage in gambling, on the entire casino and entertainment property, and may only be located within a building or venue on a casino and entertainment property that does not have or engage in gambling."

Sincerely, Senator Jamie Eldridge, Middlesex and Worcester district

--

State Senator Jamie Eldridge
Work 617-722-1120
senator.eldridge@gmail.com
State House, Room 213A
Boston, MA 02133

Visit our website: www.SenatorEldridge.com and sign up to receive email updates.

Jamie's blog: The Dridge Report: <http://www.SenatorEldridge.com/category/the-dridge-report>

Follow Jamie on Twitter: @JamieEldridgeMA

Connect with Jamie on Facebook: <http://www.facebook.com/james.eldridge>

From: [Pat Jehlen](#)
To: [MGCcomments \(MGC\)](#); [Jehlen, Patricia \(SEN\)](#)
Subject: draft regulation comment
Date: Monday, January 19, 2015 5:09:50 PM

To the Gaming Commission:

First, please accept these comments despite my missing the deadline by an hour. I have been busy with Friday's bill filing deadline and Martin Luther King Day celebrations, and only recently became aware of your proposed regulation regarding ATM placement, and of today's deadline for comment. And I apologize that I have been unable to send comments to this address from my official email from my home computer.

I have been a state senator since 2005, and have participated in discussion and debate of casinos, including the 2011 legislation. My district abuts the Everett casino site. Like many others, I am concerned about the dangers of gambling addiction, and recognize the responsibility of the Gaming Commission to minimize those dangers through regulation. Easy access to more cash than the customer has brought to the casino, is one source of danger. MGL 167B Section 3 prohibits "electronic branches" or ATMs on any premises where legalized gambling occurs. The commission reasonably questions the definition of "premises" in current law, since a casino complex may incorporate many other businesses. However, 15 feet seems to me an extremely inadequate interpretation of the prohibition in 167B.

Regarding the MGC draft regulation 205 CMR 138.00, I strongly urge the Commission to require ATMs to be located

- out of sight of the entrance to the gaming floor and
- out of common areas, located in a business that does not offer gaming, such as a restaurant, store, or hotel.

I believe this would allow reasonable access for patrons of those businesses, as well as those of the casino itself, while not encouraging people to withdraw more money than they anticipated while gambling.

Thank you for your consideration,

Sincerely,

Senator Patricia Jehlen
2nd Middlesex District (Medford and Somerville, parts of Winchester and Cambridge)
State House, Room 513
Boston, MA 02133



® DENNIS WILLIAMS, President



JULIE KUSHNER
DIRECTOR
REGION 9A UAW
111 SOUTH ROAD
FARMINGTON, CONNECTICUT 06032-2560
PHONE: (860) 674-0143
FAX: (860) 674-1164
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GARY CASTEEL, Secretary-Treasurer

December 10, 2014

Todd Grossman, Deputy General Counsel
Loretta Lillios, Deputy General Counsel
Massachusetts Gaming Commission
84 State Street 10th floor
Boston, MA 02109

Re: 205 CMR 138.34: Procedures for acceptance of tips or gratuities from patrons

Dear Attorneys Grossman and Lillios:

Thank you for your continuing efforts to ensure fair tipping and gratuity policies and practices for gaming dealers. We have reviewed the above referenced draft regulations and believe that they generally provide good and fair protections for dealers. We have comments on two paragraphs.

The first is an omission that we recommend be addressed: that the distribution of pooled tips should be limited to time spent dealing. This provision could be included as one of the minimum principles included in the establishment's policies and procedures under 138.34 (2).

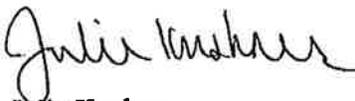
As we indicated in prior communications, at Foxwoods, where we represent the dealers, they are only paid from the tip pool for dealing time. When they are working on assignments other than dealing, in addition to the dealers' base rate, they receive a "special assignment rate" paid out of the employer's funds. The special assignment rate is based on the average toke rate from the prior year and is meant as a toke replacement. Examples of common non-dealing activities that are compensated this way are training and "credits and fills" (sitting at a table during the lengthy opening and closing accounting process while a rack of chips is put in or removed).

Our second concern is with regard to two provisions in paragraph (4). It states that a licensee "...may provide for a separate common pool for tips and gratuities received by poker dealers..." Establishing such a pool runs contrary to industry practice. Our recommendation is that poker dealers should have the option to keep their own tokes.

Paragraph (4) also states a licensee "may" also designate a percentage of the prize pool or other such amounts as designated in a poker tournament submission for distribution pro-rata among all dealers. We believe that this percentage should be the subject of collective bargaining and the regulations should clearly allowing bargaining on this subject.

Thank you for your consideration of these issues. Please contact us if you need additional information.

Sincerely,

A handwritten signature in cursive script that reads "Julie Kushner".

Julie Kushner
Director
UAW Region 9A

JK/jl
opeiu494



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® DENNIS WILLIAMS, President



JULIE KUSHNER
DIRECTOR
REGION 9A UAW
111 SOUTH ROAD
FARMINGTON, CONNECTICUT 06032-2560
PHONE: (860) 674-0143
FAX: (860) 674-1164
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GARY CASTEEL, Secretary-Treasurer

December 10, 2014

Loretta Lillios, Deputy General Counsel
Massachusetts Gaming Commission
84 State Street 10th floor
Boston, MA 02109

Re: 138.17 Searches of employees and the workplace by the gaming licensee

Dear Attorney Lillios:

We would like to offer comments on the above referenced draft regulations. Our primary concerns are unlimited drug and alcohol testing of employees, and a lack of recognition of the role of collective bargaining in protecting employees from unreasonable searches of their person.

We recognize the need for strict security measures. However, although our members' contract at Foxwoods does give management the right to search employee storage spaces and belongings, it does not give any explicit right to search an employee's person.

With respect to unfettered drug and alcohol testing, the Foxwoods contract explicitly prohibits random testing, except when someone who has already been caught violating the drug and alcohol policy is on a disciplinary or treatment plan that includes random testing.

While the state has a clear interest in preventing theft and cheating, privacy and surveillance issues are clearly mandatory subjects of bargaining, and employees who are collectively represented should have the right to bargain for protections against unreasonably intrusive policies. It isn't clear how that interest is factored into the draft regulations because they don't set any standards or limitations – they simply direct the employer to submit policies for state approval.

We are concerned that employers will argue that, under this framework, employees won't have a right to bargain and that whatever is submitted to and approved by the state will be deemed beyond bargaining. We believe this is the wrong approach. It would make more sense if the state set some minimum standards; for example, specifying the minimum rights or obligations of the casino operator to conduct searches to maintain gaming security and integrity. If the employer wanted to intrude beyond those limits that would presumably be subject to bargaining.

Thank you for your consideration of these important issues. We look forward to any future dialogue with you about them.

Sincerely,



Julie Kushner
Director
UAW Region 9A

JK/jl
opeiu494

138.17: Searches of employees and the workplace by the gaming licensee

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include internal policies and procedures for the gaming licensee's security department to conduct searches of employees, including screening for drugs and alcohol, and employee workplaces, workspaces, and personal receptacles, specifically describing the policies and procedures with respect to searches conducted at random and based upon 39 reasonable suspicion. Examples of "workspaces" include, but are not limited to, desks, closets, lockers, and drawers located within the gaming establishment.

(2) If the policies and procedures referenced in 205 CMR 138.14(1) are approved by the commission, such policies and procedures shall be set forth in writing, prior to implementation, as a portion of the gaming licensee's employee personnel policy manual. The content of this manual shall include a requirement that the employee consents to searches conducted in the described workplace areas and subject to the described circumstances as a condition of employment with the gaming licensee. This manual shall be distributed to all employees. Each employee shall acknowledge in writing, by way of the employee's signature, receipt of the manual and an understanding of its contents, and specifically an understanding that the employee consents to the policy and understands it. The gaming licensee shall maintain the written acknowledgements in a central repository.

Loretta M. Lillios
Deputy General Counsel

Massachusetts Gaming Commission
84 State Street 10th Floor
Boston, MA 02109
TEL 617-979-8459 | FAX 617-725-0258
www.massgaming.com

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 149.00: RACE HORSE DEVELOPMENT FUND

Section

149.01: Definitions

149.02: Distributions from the Race Horse Development Fund

149.03: Notice to Commission of Intent to Discontinue Racing

149.04: Race Horse Development Fund Escrow Account

149.01: Definitions

As used in 205 CMR149.00, the following words and phrases shall have the following meaning, unless the context clearly requires otherwise:

Commission is defined in M.G.L. c. 23K § 2.

Meeting means a meeting as defined in 205 CMR 3.02 and 205 CMR 4.02, respectively.

Harness Race means a race involving standardbreds as defined in 205 CMR 3.02.

Harness Racing Association means an association as defined in 205 CMR 3.02.

Horse Race means a race involving thoroughbreds as defined in 205 CMR 4.02.

Horse Racing Association means an association as defined in 205 CMR 4.02.

Horse Racing Committee means the committee established pursuant to M.G.L. c. 23K, § 60(b).

Horsemen has the meaning ascribed to the term in M.G.L. c.23K §60 and refers to Harness Horsemen and Thoroughbred Horsemen respectively.

License means a license to conduct a harness race, horse race, or both issued pursuant to M.G.L. c. 128A.

Race Horse Development Fund means the fund established pursuant to M.G.L. c. 23K, § 60.

Race Horse Development Fund Escrow account means an escrow account established pursuant to 205 CMR 149.03 (2) (a) and 149.04.

Race Track is defined in M.G.L. c. 128A, § 1.

149.02: Distributions from the Race Horse Development Fund

(1) (a) The commission shall make distributions from the race horse development fund between harness racing associations and horse racing associations in accordance with the requirements of M.G.L. c. 23K, § 60, 205 CMR 149.02 and 205 CMR 149.04 and the recommendations of the horse racing committee.

(b) If there is more than one harness racing association or more than one horse racing association, the horse racing committee shall determine how the distributions from the race horse development fund are shared between each harness racing association or horse racing association.

(2) A harness racing association or horse racing association shall distribute funds received from the race horse development fund in accordance with M.G.L. c. 23K, § 60(c) and 205 CMR 149.04.

(3) In order for a harness racing association or horse racing association to be eligible to receive funds from the race horse development fund such harness racing association or horse racing association shall comply with all safety standards adopted by the Commission and applicable to such harness racing association or horse racing association.

149.03: Notice to Commission of Intent to Discontinue Racing

(1) A harness racing association or horse racing association shall provide the commission at least thirty(30) days prior written notice of its intent to take any of the following actions:

- (a) To discontinue harness races or horse races for the remainder of a harness meeting or horse meeting
- (b) To permanently discontinue harness races or horse races;
- (c) To close a race track used for harness races or horse races;
- (d) To abandon or relinquish a license;
- (e) To not apply for the renewal of a license; or
- (f) To transfer a race track to any other entity.

(2) Upon receipt of a written notice of intent pursuant to 205 CMR 149.03(1), or upon learning that the harness racing association or horse racing association has failed to timely notify the commission pursuant thereto or that any event described in 205 CMR 149.03(1) (a)-(f) has occurred or will occur, the commission may take one or more of the following actions:

- (a) Hold a public hearing to determine:

(i) whether monies from the race horse development fund which the harness racing association or horse racing association would have received pursuant to M.G.L. c. 23K, § 60, should be placed in a racing escrow account for distribution pursuant to 205 CMR 149.04;

(ii) whether to transfer monies from the race horse development fund which the harness racing association or horse racing association would have received pursuant to M.G.L. c. 23K, § 60 to a different harness racing association or horse racing association;

(iii) whether to transfer the harness racing association's or horse racing association's license to a different harness racing association or horse racing association;

(iv) whether to take any other action within its authority to protect:

- i. the interests of the commonwealth;
- ii. employees or former employees of the harness racing association or horse racing association;
- iii. harness racing horsemen and horse racing horsemen; and
- iv. the intended beneficiaries of the race horse development fund, any other fund established pursuant to M.G.L. cc. 23K, 128A or 128C, and any other fund to which the harness racing association or horse racing association was required to contribute.

(b) Require the harness racing association or horse racing association to pay to the commission any amounts required pursuant to the terms of its license, M.G.L. cc. 23K, 128A, and 128C, and 205 CMR 149.00 including, without limitation, all unclaimed winnings and breaks, assessments, taxes, and fees.

149.04: Race Horse Development Fund: Distributions; Escrow Accounts

(1) If the commission determines pursuant to 205 CMR 149.03 (2) (a) that monies due to a harness racing association or horse racing association from the race horse development fund should be placed in an escrow account, the commission shall establish a race horse development fund escrow account to hold such funds and any interest thereon for distribution in accordance with M.G.L. c. 23K, § 60(c), the recommendations of the horse racing committee, and 205 CMR 149.00.

(2) The commission shall establish a separate race horse development fund escrow account concerning each harness racing association or horse racing association for which it determines such an account is necessary pursuant to 205 CMR 149.03(2)(a)

(3) The commission shall hold funds in such race horse development fund escrow accounts subject to the following requirements:

(a) Monies held in a race horse development fund escrow account shall be held in escrow for no more than three years from the date of the Commission's determination to hold the funds in escrow. After three years, any monies remaining in such race horse development fund escrow accounts shall be transferred or distributed by the commission in accordance with the recommendations of the horse racing committee.

(4) (a) The commission shall make distributions from the race horse development fund or from a race horse development fund escrow account created under 205 CMR 149.03 because of a harness racing association as follows, in accordance with M.G.L. c. 23K, § 60, and 205 CMR 149.00:

- i. Eighty per cent of the funds approved by the commission shall be paid weekly to a harness racing association, or if there is more than one harness racing association, as recommended by the horse racing committee, weekly by the Commission into a separate, interest-bearing purse account to be established by and for the benefit of harness racing horsemen. The earned interest on this account shall be credited to the purse account and shall be combined with revenues from existing purse agreements to fund purses for live harness races consistent with those agreements, with the advice and consent of the harness racing horsemen.
- ii. Sixteen percent of the funds approved by the commission shall be deposited by the Commission into an account for the benefit of the Massachusetts Standardbred Breeding Program authorized by the commission.
- iii. Four percent shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the harness horse racing association's race track for the benefit of the organization's members, their families, employees and others under the rules and eligibility requirements of the organization, as approved by the commission. This amount shall be deposited by the Commission within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, the commission shall determine how much shall be paid annually by the horsemen's organization to the standardbred drivers' organization at the harness racing association's race track for health insurance, life and/or accident insurance or other benefits

to active and disabled standardbred drivers under the rules and eligibility requirements of that organization.

(b) The commission shall make distributions from the race horse development fund or a race horse development fund escrow account created under 205 CMR 149.03 because of a horse racing association as follows, in accordance with M.G.L. c. 23K, § 60, and 205 CMR 149.00:

- i. Eighty per cent of the funds approved by the commission shall be paid weekly to a horse racing association, or if there is more than one horse racing association, as recommended by the horse racing committee, weekly by the Commission into deposited weekly into a separate, interest-bearing purse account to be established by and for the benefit of horse racing horsemen. The earned interest on this account shall be credited to the purse account and shall be combined with revenues from existing purse agreements to fund purses for live horse races consistent with those agreements, with the advice and consent of the horse racing horsemen.
- ii. Sixteen percent of the funds approved by the commission shall be deposited by the Commission into an account for the benefit of the Massachusetts Thoroughbred Breeding Program authorized by the commission.
- iii. Four percent shall be used to fund health and pension benefits for the members of the horsemen's organizations representing the owners and trainers at the horse racing association's race track for the benefit of the organization's members, their families, employees and others under the rules and eligibility requirements of the organization, as approved by the commission. This amount shall be deposited by the Commission within five business days of the end of each month into a separate account to be established by each respective horsemen's organization at a banking institution of its choice. Of this amount, the commission shall determine how much shall be paid annually by the horsemen's organization to the thoroughbred jockeys' organization at the horse racing association's race track for health insurance, life and/or accident insurance or other benefits to active and disabled thoroughbred jockeys under the rules and eligibility requirements of that organization.

(4) If the commission awards a license to a harness racing association, after placing the funds in escrow pursuant to 205 CMR 149.03 the commission may transfer funds to that harness racing association, for use in accordance with M.G.L. c. 23K § 60 and 205 CMR 149.00, from

any race horse development fund escrow account then in existence that was created under 205 CMR 149.03

(5) If the commission awards a license to a horse racing association after placing the funds in escrow pursuant to 205 CMR 149.03 the commission may transfer funds to that horse racing association, for use in accordance with M.G.L. c. 23K § 60 and 205 CMR 149.00, from any race horse development fund escrow account then in existence that was created under 205 CMR 149.03.

(6) The commission may, upon the recommendation of the horse racing committee, transfer all or a portion of the funds held in a race horse development fund escrow account to any one or more harness racing associations or horse racing associations for distribution in accordance with M.G.L. c. 23K, § 60, and 205 CMR 149.00.

REGULATORY AUTHORITY

205 CMR 149.00: M.G.L. c. 23K, §§ 2, 4(37), 4(38), 5, 7, 60; c. 128A, §§ 1, 2, 3, 9, 9B.

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 14.00 SUPPLEMENTAL LICENSURE PROCEDURES

14.01: Supplemental Procedures for Licensure Pursuant to M.G.L. c. 128A, § 2.

(1) Any person desiring to hold or conduct a horse racing meeting within the commonwealth shall make an application to the commission for a license so to do in accordance with M.G.L. c. 128A, § 2. The commission may waive the deadlines for filing of and action on any such application in the event that there is no horse racing association then licensed in the commonwealth or any such association previously licensed has submitted written notice of intent pursuant to 205 CMR 149.03 (1), has failed to timely notify the commission pursuant thereto or has caused or suffered any event described in 205 CMR 149.03 (a)-(f) to have occurred.

(2) The commission may deem an application for a license submitted pursuant to M.G.L. c. 128A, § 2 complete as of the date first filed, notwithstanding the fact that the applicant provided additional or supplemental information in support of that application at a later time, provided all such additional or supplemental information has been provided to the commission no later than 90 days before the proposed commencement of a meeting requested in the application.

(3) The commission may, at an applicant's request, hold the certified checks or bank drafts required as part of an application of a license pursuant to M.G.L. c. 128A, § 2 in escrow until 30 days after the award of a license.

(4) A harness racing association or horse racing association awarded a license pursuant to M.G.L. c. 128A must provide the commission with the bond required pursuant to M.G.L. c. 128A, § 3(o) within 30 days of the award of the license.

REGULATORY AUTHORITY

205 CMR 14.00: M.G.L. c. 23K, §§ 2, 4(37), 4(38), 5, 7, 60; c. 128A, §§ 1, 2, 3, 9, 9B.