TO: Chairman Crosby and Members of the Commission

FROM: Mark Vander Linden, Director Research and Problem Gambling
Steve Keel, Director of Problem Gambling Services, MA Department of Public Health

DATE: November 20, 2014

RE: Recommendations for the Annual Gaming Research Agenda

Background

Section 71 of Chapter 23k of the Massachusetts General Laws directs the Commission, with the advice of the Gaming Policy Advisory Committee (GPAC), to develop an annual research agenda in order to understand the social and economic effects of expanded gaming in the Commonwealth and to obtain scientific information relative to the neuroscience, psychology, sociology, epidemiology and etiology of gambling.

A Memorandum of Understanding between the Massachusetts Gaming Commission and the Executive Office of Health and Human Services signed July 24, 2014 established a Public Health Trust Fund (PHTF) Executive Committee. The PHTF Executive Committee is authorized to set an annual budget and protocols for expenditures from the Public Health Trust Fund which includes funding for the annual research agenda.

An informal Gaming Research Advisory Committee (GRAC) meets quarterly to help guide the Massachusetts Gaming Commission, PHTF Executive Committee and the Gaming Policy Advisory Committee on research matters.

Current Research Agenda

Social and Economic Impacts of Gaming in Massachusetts (SEIGMA)
SEIGMA, which is being led by University of Massachusetts, Amherst, establishes: 1) a baseline of key social and economic variables before casinos and slot parlor become operative, 2) current prevalence of gambling and problem gambling and 3) a review of existing treatment and prevention programs in Massachusetts. A final report on the Baseline Population Survey is planned for March 30, 2015 as is a final report on the Problem Gambling Services Evaluation. A Baseline Economic and Fiscal Impacts report is planned for May 31, 2015 along with a Baseline Social and Health Impacts report.

Massachusetts Gaming Impact Cohort (MAGIC)
MAGIC, which is also being led by the University of Massachusetts, Amherst will establish a longitudinal cohort study to examine gambling behaviors to determine the incidence of problem gambling in Massachusetts and to develop an etiological model of problem gambling. The study will provide detailed information of how gambling and problem gambling develops, progresses, and remits. The Gaming Policy Advisory and Gaming Research Advisory Committees advised the focus and scope of this project and further recommended that it be added to the research agenda in 2014. On April 2, 2014, following an extensive selection process, the MGC selected the University of Massachusetts, Amherst to conduct the study. On November 6, 2014 the MGC authorized them to begin the study.

Recommendations for the MGC Annual Research Agenda

On October 6, 2014, DPH Director of Problem Gambling Services, Stefano Keel, and MGC Director of Research and Problem Gambling, Mark Vander Linden, met with the Public Health Trust Fund Executive Committee and proposed three recommendations to continue and expand the research agenda. The recommendations below were revised after approval by the PHTF Executive Committee based on advice from the Gaming Research Advisory Committee at a meeting on October 14, 2014.

Recommendation #1: Continue the scope of the current research agenda, including SEIGMA and MAGIC through the next year.

Recommendation #2: Establish evaluation measures and processes, collect and analyze data and report findings to determine the effectiveness of responsible gaming initiatives outlined in the MGC Responsible Gaming Framework (RGF) adopted by the MGC on September 25, 2014. Initiatives to be evaluated will include, but may not be limited to: 1) voluntary self-exclusion program, 2)Responsible Gaming Information Centers located on-site of gaming establishments, 3)play management features implemented on-site of gaming establishments and approved by the Commission and 4) efforts to minimize alcohol abuse.

Recommendation #3: In accordance with Chapter 194, Section 97 of the Act to Expand Gaming, procure services with an "experienced nonprofit research entity" to collect, anonymize, store and disseminate information generated by loyalty programs, player tracking software, player card systems, or any other information system. Data will be made available to qualified researchers for the purposes of: 1) conducting analyses that improve understanding of how gambling addiction develops and progresses, 2) developing evidence-based harm minimization strategies and 3) developing evidence-based systems to monitor, detect and intervene in high-risk gambling.

We seek further advice from MGC Commissioners prior to advancing the recommendations to the GPAC scheduled for December 1, 2014.

Chapter 194 SECTION 97.

Notwithstanding any general or special law or rule or regulation to the contrary, a gaming establishment shall supply the Massachusetts gaming commission with customer tracking data collected or generated by loyalty programs, player tracking software, player card systems, online gambling transactions or any other information system. The commission shall contract with an experienced nonprofit research entity to develop an anonymizing system that automatically removes from the data: (a) personally identifying information, including player name, street address, bank or credit information and the last 4 digits of a player's zip code, in compliance with section 2 of chapter 93H of the General Laws; and (b) game identifying information, including game name and device manufacturing company, in protection of corporate intellectual property. The data shall retain information on player characteristics including, but not limited to, gender, age and region of residence, player behavior including, but not limited to, frequency of play, length of play, speed of play, denomination of play, amounts wagered and, if applicable, number of lines or hands played and characteristics of games played including, but not limited to, reel configuration, return-to-player or RTP, volatility index and denomination. The commission shall convey the anonymized data to a research facility which shall make the data available to qualified researchers for the purposes of: (1) conducting analyses that improve understanding of how gambling addiction develops and progresses; (2) developing evidence-based harm minimization strategies; and (3) developing evidence-based systems to monitor, detect and intervene in high-risk gambling. The commission shall request reports on researcher analyses of the behavioral data, which could provided informed recommendation to the general court relative to more effective regulation of gambling operations. The commission may directly initiate studies assessing the effectiveness of any specific measures, programs or interventions which the commonwealth has implemented in gaming operations and which might be illuminated through the behavioral data in question.

November 17, 2014

Stephen P. Crosby, Chairman
Gayle Cameron, Commissioner
James McHugh, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

RE: **Qualifier:** Alexander Hunter Clayton

Applicant: Blue Tarp/MGM

Dear Chairman Crosby and Commissioners,

The Investigations and Enforcement Bureau has completed a probity background investigation on Alexander Hunter Clayton a qualifier for Blue Tarp/MGM. The recommendation of the IEB on suitability can be found below and all findings of fact relative to the investigation are in the attached report.

Recommendation by the Investigations and Enforcement Bureau:

- [X] Suitable
- [ ] Suitable with conditions
- [ ] Unsuitable
- [ ] Hearing recommended to determine suitability

If applicable, the proposed conditions of suitability include:

- [X] None
- [ ] Detailed below:
  1. _____
  2. _____
  3. _____

Respectfully submitted,

Karen Wells
Director
Investigations and Enforcement Bureau
Massachusetts Gaming Commission

Investigations & Enforcement Bureau

INVESTIGATION REPORT- INDIVIDUAL QUALIFIER

Qualifier Name: **Alexander Hunter Clayton**

Qualifier Position: **Executive Vice President - MGM Resorts Development, LLC**

Qualifier Entity: **Blue Tarp redevelopment, LLC c/o MGM Resorts International**

Primary Investigator: Trooper Brian Talbot Financial Investigator: Edward Jay

The Investigations and Enforcement Bureau (IEB) of the Massachusetts Gaming Commission (MGC) has completed a probity background investigation for Alexander H. Clayton. In March of 2011, Mr. Clayton was hired to be the Executive Vice President of MGM Resorts Development, LLC located in Las Vegas, NV. As a result of Blue Tarp redevelopment, LLC c/o MGM Resorts International's anticipated project in Springfield, MA and Mr. Clayton's position to oversee the project, he was determined to be an individual qualifier for the Massachusetts Category 1 licensee, MGM Springfield.

On Thursday, October 30, 2014 an in-person interview of Mr. Clayton was conducted by Trooper Brian Talbot, Detective Lieutenant Brian Connors and Financial Investigator Edward Jay relative to his application and subsequent background investigation to that date. Attorney Christian J. Fisher of Fox Rothschild, LLP, was also present representing Mr. Clayton. This interview was conducted at the Massachusetts Gaming Commission at 84 State Street, Boston, MA. This interview was voice recorded with Mr. Clayton's approval.

1. Qualifier's Name and Verified Information

The investigation, including documents and information provided by Mr. Clayton, has verified the following information:

Name: Alexander Hunter Clayton
Address: [redacted]
Date of Birth: [redacted]
Social Security Number: [redacted]

The investigation confirmed that this social security number [redacted] is listed and has been verified. Pursuant to a supplemental document request, Mr. Clayton provided a birth certificate indicating that he was born in Oklahoma.

[redacted]

[redacted]

[redacted]

2. Employment History

Mr. Clayton was hired in 3/2011 to the position of Executive Vice President at MGM Resorts Development, LLC. The chart below represents the information Mr. Clayton submitted and which the investigation has confirmed:

Company Name	Address	Dates		Title/ Position	Supervisor	Reason for Leaving
		From Mo/Yr	To Mo/Yr			
MGM Resorts Development, LLC	4040 Dean Martin Dr. Las Vegas, NV 89103	03/2011	Present	Executive Vice President	Kenneth Rosevear	N/A
Gensler	3883 Howard Hughes Pkwy Las Vegas, NV 89169	01/2001	03/2011	Principal	Andy Cohen	MGM Resorts
Bechtel	Abu Dhabi	01/1991	12/2000	Project Manager	Neil Browning	Gensler

3. Criminal Record

[redacted]

4. Education

Mr. Clayton disclosed in his MJPHD (Question #11), and the investigation has confirmed, that he attended the University of Houston, where he was awarded a Bachelor of Science Degree in Architecture upon graduation in 1992.

5. Professional and Gaming Licenses

Mr. Clayton disclosed in his MJPHD (Question #24) the he has not been licensed or registered by any gaming industry or in any jurisdiction. He disclosed that he has a pending application with the Maryland Lottery and Gaming Control Agency. Licensing inquiries were conducted with Maryland, which confirmed the following license status:

Licensing Agency	Type	Date of License		Status	License or Permit Number
		Issued	expires		
Maryland Lottery and Gaming Control Agency	Principal Employee Application	Applied 05/28/14		Pending	N/A

6. Directorships and Stockholdings

Mr. Clayton disclosed in his MJPHD (Question #12), and the investigation has confirmed, that he did not have any Directorships [redacted] for him.

7. Civil Litigation Records

Mr. Clayton disclosed in his MJPHD (Questions #34 and #35), and the investigation has confirmed, that he has not been personally named in any civil records, judgments, liens, and UCC filings in the United States.

8. Bankruptcy

Mr. Clayton disclosed in his MJPHD (Question #40), and the investigation has confirmed, that he has never been adjudicated bankrupt or filed a petition for any bankruptcy.

9. Property Ownership

[redacted]

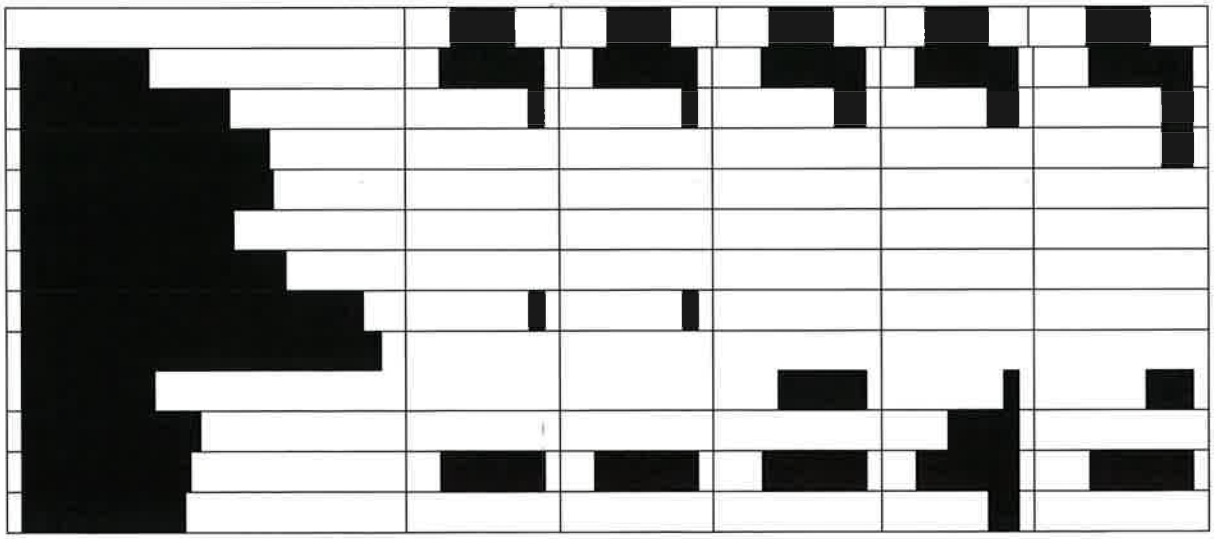
[redacted]

10. Financial Suitability Evaluation

We conducted an evaluation of Alexander Clayton's financial integrity, responsibility and stability by focusing on two areas, namely, his net worth statement as disclosed in his PHD filed with the Massachusetts Gaming Commission as of May 21, 2014, and through a review of his sources of income as reported in the PHD and his income tax returns [redacted].

Income Analysis

[redacted]



[redacted]

Discussion

[redacted]

(a) Salaries and Wages

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

(b) Total Itemized Deductions

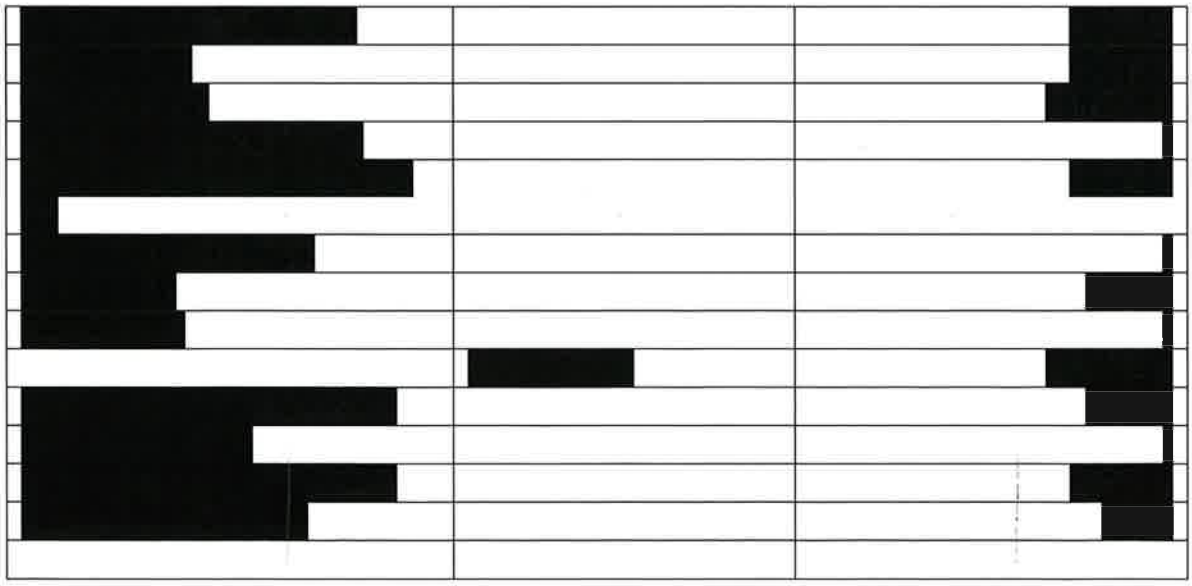
[redacted]

(c) Federal Income Tax

[redacted]

Net Worth Analysis

[redacted]



[redacted]

Discussion:

A review of the individual components of Mr. Clayton's net worth statement was conducted with reference to his tax filings, supporting documents, and credit checks. As a result of this review, the following comments can be made:

Assets

(a) Cash on hand/in bank

[redacted]

(b) Securities

[redacted]

(c) Real Estate Interests

[redacted]

[redacted]

(e) Furniture and Clothing

[redacted]

(f) Vehicles

[redacted]

Liabilities

(g) Loans and Other Payables

[redacted]

(h) Taxes Payable

[redacted]

(i) Mortgages or Liens Payable on Real Estate

[redacted]

[redacted]

(j) Other Indebtedness

[redacted]

11. Applicant's Financial Condition

[redacted] The investigation substantially corroborated what was reported on his PHD, based on review of his tax returns and other documents submitted.

12. Credit

Financial Analysis

[redacted]

13. Conclusion as to Applicant's Financial Stability and Integrity

Mr. Clayton is a qualifier for Blue Tarp redevelopment, LLC c/o MGM Resorts International due to his management position. As such, he is not expected to make any capital contribution to MGM regarding the operation of MGM Springfield. No other information was uncovered which would otherwise preclude him. He was found to possess the requisite financial integrity, responsibility and financial stability to be found suitable to participate in the proposed project.

14. Qualifier References

Name	Address	Telephone
[redacted]	[redacted]	[redacted]

The above-named references were contacted and queried regarding the character and integrity of Mr. Clayton. All three references advised that Mr. Clayton was of good character and integrity. [redacted] References did not provide any derogatory information pertaining to Mr. Clayton. [redacted]

15. Political Contributions

Research of the applicant's political donations was conducted through available on-line sources. All identified contributions appear to be in compliance with 205 CR 108.00. Research revealed no record of Mr. Clayton making political contributions to any Massachusetts State or local officials. During Mr. Clayton's interview with investigators on October 30, 2014, he reiterated that he has not made any contributions to any Massachusetts politician or campaign.

16. Media Coverage

Research of available online and print media did not reveal any derogatory or adverse items relative to Mr. Clayton.

17. Significant Investigative Issues

There are no significant investigative issues pertaining to Mr. Clayton and his application for licensure.

18. Conclusion

Based on our investigation there were no known facts that would disqualify Mr. Clayton for licensure based on any of the criteria listed in the gaming laws or regulations of the Commonwealth of Massachusetts.

November 17, 2014

Stephen P. Crosby, Chairman
Gayle Cameron, Commissioner
James McHugh, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

RE: **Qualifier:** John Finamore

Applicant: Penn National Gaming

Dear Chairman Crosby and Commissioners,

The Investigations and Enforcement Bureau has completed a probity background investigation on John Finamore a qualifier for Penn National Gaming. The recommendation of the IEB on suitability can be found below and all findings of fact relative to the investigation are in the attached report.

Recommendation by the Investigations and Enforcement Bureau:

- [X] Suitable
- [ ] Suitable with conditions
- [ ] Unsuitable
- [ ] Hearing recommended to determine suitability

If applicable, the proposed conditions of suitability include:

- [X] None
- [ ] Detailed below:
  1. _____
  2. _____
  3. _____

Respectfully submitted,

Karen Wells
Director
Investigations and Enforcement Bureau
Massachusetts Gaming Commission

Investigations & Enforcement Bureau

INVESTIGATION REPORT- INDIVIDUAL QUALIFIER

Qualifier Name: **John V. Finamore**

Qualifier Position: **Senior Vice President of Regional Operations**

Qualifier Entity: **Springfield Gaming and Redevelopment, LLC (Penn National Gaming Inc.)**

Primary Investigator: Trooper Jeffrey Lenti **Financial Investigator**: Edward Jay

The Investigations and Enforcement Bureau has completed a probity background investigation for John V. FINAMORE. In May of 2014, Mr. Finamore was determined to be a qualifier for Penn National Gaming, Inc. At the outset of this investigation in June of 2014, Mr. Finamore was employed by Penn National Gaming, Inc. as the Senior Vice President of Regional Operations and was based in Wyomissing, PA. He has held that position with Penn National Gaming, Inc. since November of 2002.

An in-person interview of Mr. Finamore relative to this investigation was conducted by Trooper Jeffrey Lenti, Lieutenant Kevin Condon and Financial Investigator Edward Jay. This interview was conducted on Wednesday October 8, 2014 at Plainridge Racecourse in Plainville, MA. The interview was electronically recorded.

1. Qualifier's Name and Verified Information

Research of available online public records and documents provided by Mr. Finamore has verified the following information:

Name: John Vincent Finamore
Date of Birth: [redacted]
Address: [redacted]
Social Security Number: [redacted]

Research revealed the Social Security number was issued [redacted]

[redacted]

2. Employment History

Mr. Finamore is currently the Senior Vice President of Regional Operations and has been so employed since November of 2002.

Prior to this position, Mr. Finamore held several positions/titles which are listed below:

- February 2002 to November 2002 – Unemployed. [redacted]

- January 2001 to February 2002, President – Missouri Operations, Ameristar Casinos, Inc., Kansas City, MO.

- September 1999 to December 2000, President of Midwest Operations, Stations Casinos, Inc., Kansas City, MO.

- March 1997 to August 1999, General Manager, Stations Casinos, Inc., Kansas City, MO.

- March 1996 to February 1997, Vice President of Operations, Palace Hotel and Casino, Las Vegas, NV.

- May 1995 to February 1996, Vice President and General Manager, Town Center Amusements, Inc., Henderson, NV.

- May 1994 to April 1995, Vice President of Operations, Boulder Station Hotel and Casino, Las Vegas, NV.

- February 1992 to April 1994, General Manager, Westin Hotel, Rosemont, IL.

- February 1989 to January 1992, Operations Manager, Walt Disney World Swan, Lake Buena Vista, FL.

- January 1987 to January 1989, Executive Assistant Manager, Westin Hotel, Stamford, CT.

- October 1984 to December 1987, Senior Assistant Manager, Westin Hotel, Vancouver, BC.

3. Criminal Record

4. Education

Mr. Finamore disclosed in his MJPHD and investigation confirmed that he attended Cornell University where he was awarded a B.S. in Hotel Administration, graduating in 1980.

5. Professional and Gaming Licenses

Mr. Finamore disclosed on his MJPHD that he has been licensed or registered to participate in some form of gaming in multiple jurisdictions. A check with the following agencies confirmed the licenses and their statuses:

Licensing Agency	Type	Date of License		Status	License or Permit Number
		Issued	expires		
Nevada Gaming Control Board	Key Person			Withdrawn	N/A
Pennsylvania Horse Racing Commission	Key Person	2/11/14	2/28/17	Current	09231060
Missouri Gaming Commission	Key Person	3/1997	2002	Expired	MGC114638
Maine Gambling Control Board	Key Person	6/05	2/15	Current	#EXE510
New Mexico Gaming Control Board	Key Person	11/17/10	11/17/16	Current	#UKA004769
Maryland Racing Commission	Key Person	9/07	11/07	Withdrawn	PNG did not purchase site
Illinois Gaming Board	Key Person	5/09	N/A	Approved	Only Info Supplied by IGB
Maryland Lottery	Key Person	9/18/09	9/18/19	Valid	P-0015
FL Dept of Business and Prof Reg Div of Pari-Mutuel Wagering	Key Person	1/25/10	6/30/15	Current	8649841-1021
Missouri Gaming Commission	Key Person	4/2/09	4/30/15	Active	114638
Texas Racing Commission	Key Person	N/A	N/A	Approved April 1, 2011	NOT Current (see letter from TRC)
Ohio Casino Control Commission	Key Person	5/9/12	5/9/15	Active	KEY.41, OKE.1
Indiana Gaming commission	Key Person	N/A	N/A	Approved December 2011	#HW11198-L1
Pennsylvania Gaming Control Board	Key Person	8/6/14	8/5/17	Renewed	1588-5

All of Mr. Finamore's licenses were in good standing and all jurisdictions reported no derogatory information related to Mr. Finamore's licensure.

6. Directorships and Stockholdings

Mr. Finamore disclosed the following in his MJPHD:

- Present – Senior Vice President Regional Operations, Penn National Gaming, Inc., Berkshire Blvd, Wyomissing, PA [redacted]
- Present – President/COO, CHC Casinos Canada Limited – Nova Scotia – Subsidiary of Penn National Gaming, Inc. [redacted]
- Present – Officer, CHC (Ontario) Supplies Limited – Nova Scotia – Subsidiary of Penn National Gaming, Inc. [redacted]
- January 2010 to Present – Director, CD Gaming Ventures, Inc. - Subsidiary of Penn National Gaming, Inc. [redacted]
- January 2010 to Present – Vice President, Columbus Gaming Ventures, Inc. – Subsidiary of Penn National Gaming Inc. [redacted]
- January 2010 to Present – Vice President, Toledo Gaming Ventures, Inc. – Subsidiary of Penn National Gaming Inc. [redacted]

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC filings in the United States revealed no records personally naming Mr. Finamore. During his interview, Mr. Finamore confirmed this and advised that he has not been involved in any court cases unless he was named as an officer of Penn National Gaming Inc. during the normal course of business.

8. Bankruptcy

[redacted] A bankruptcy search of available online records relative to John V. Finamore, Social Security number [redacted] was conducted, with negative results.

9. Property Ownership

[redacted]

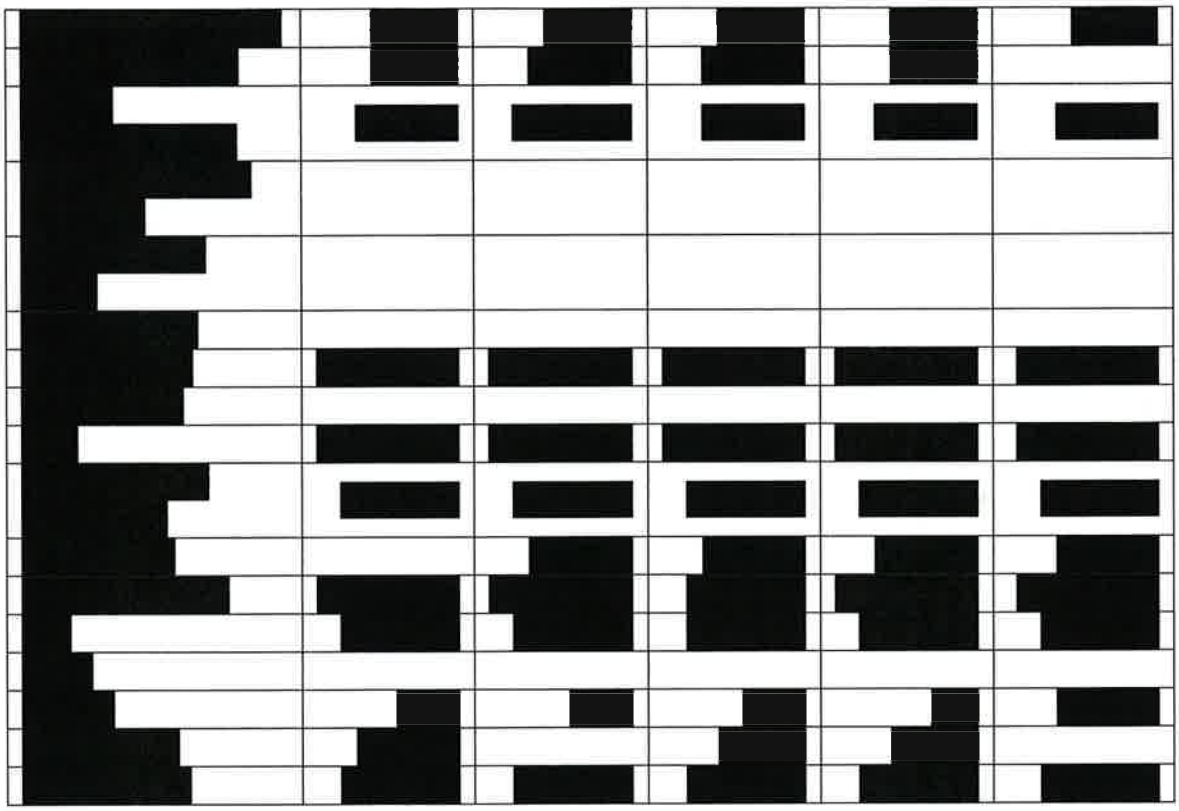
10. Financial Suitability Evaluation

Investigators conducted an evaluation of Mr. Finamore's financial integrity, responsibility and stability by focusing on two areas, namely, his net worth statement as disclosed in his MJPHD filed with the Massachusetts Gaming Commission as of May 19, 2014, and through a review of his sources of income as reported in the MJPHD and his income tax returns [redacted].

Income Analysis

[redacted]

	2013	2012	2011	2010	2009
[redacted]					



Discussion

[redacted]

(a) Salaries and Wages

[redacted]

(b) Interest Income

[redacted]

(c) Dividend Income

[redacted]

(d) Capital Gains and Losses

[redacted]

(e) Total Itemized Deduction

[redacted]

(f) Federal Income Tax

[redacted]

Net Worth Analysis

Mr. Finamore submitted a statement of assets and liabilities [redacted]

[redacted]

Discussion:

A review of the individual components of Mr. Finamore's net worth statement was conducted with reference to his tax filings, supporting documents, and credit checks. As a result of this review, the following comments can be made:

Assets

(a) Cash on hand/in bank

[redacted]

(b) Securities

[redacted]

These holdings were verified via documents submitted.

(c) Real Estate Interests

[redacted]

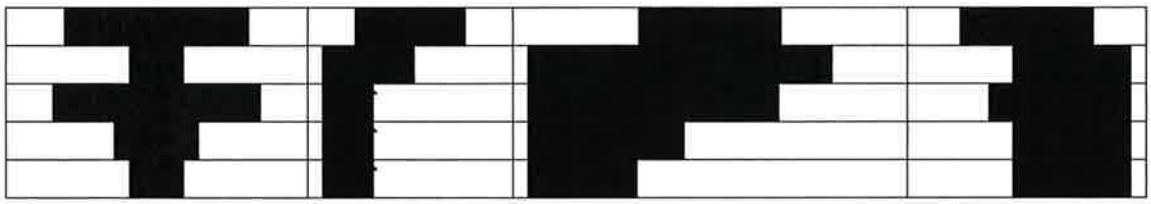
[redacted]

(d) Cash Value – Life Insurance

[redacted]

(e) Cash Value – Pension/Retirement Funds

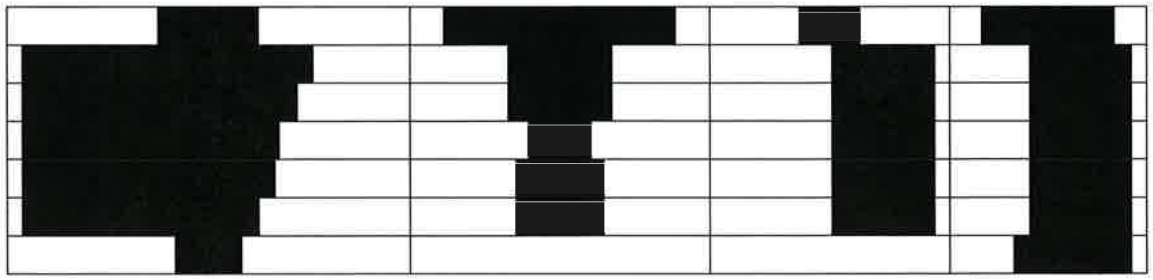
[redacted]



[redacted]

(f) Vehicles:

[redacted]



(g) Other Assets

[redacted]

Liabilities

[redacted]

11. Credit

[redacted]

12. Significant Investigative Issues

No significant issues were discovered during this investigation.

13. Applicant's Financial Condition

[redacted] The investigation substantially corroborated what was reported on his MJPHD, based on review of his tax returns and other documents submitted.

14. Conclusion as to Applicant's Financial Stability and Integrity

Mr. Finamore is a qualifier for Penn National Gaming due to his management position. As such, he is not expected to make any capital contribution to Penn National Gaming's operations. No other information was uncovered which would otherwise preclude him from PNG's operations. He was found to possess the requisite financial integrity, responsibility and financial stability to be found suitable to participate in the proposed project.

15. Qualifier References

Name	Address	Telephone
[redacted]	[redacted]	[redacted]

The above-named references were contacted and queried regarding the character and integrity of Mr. Finamore. All three references advised that Mr. Finamore was of good character and integrity. All references stated Mr. Finamore has no issues that would reflect negatively regarding his suitability to be involved in the casino industry. No derogatory information was found which would preclude Mr. Finamore from being found as a qualifier for Penn National Gaming, Inc. by the Massachusetts Gaming Commission.

16. Political Contributions

Research of the applicant's political donations was conducted through available online sources. All identified contributions appear to be in compliance with 205 CRM 108.00. Research revealed no record of Mr. Finamore making political contributions to any Massachusetts state or local officials.

17. Media Coverage

Research of available online and print media did not reveal any derogatory or adverse items relative to Mr. Finamore.

18. Conclusion

Based on our investigation, there were no known facts that would disqualify Mr. Finamore from PNG's operations based on any of the criteria listed in the gaming laws of the Commonwealth of Massachusetts or regulations of the Massachusetts Gaming Commission.

November 17, 2014

Stephen P. Crosby, Chairman
Gayle Cameron, Commissioner
James McHugh, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

RE: **Qualifier:** Carl Sottosanti

Applicant: Penn National Gaming

Dear Chairman Crosby and Commissioners,

The Investigations and Enforcement Bureau has completed a probity background investigation on Carl Sottosanti a qualifier for Penn National Gaming. The recommendation of the IEB on suitability can be found below and all findings of fact relative to the investigation are in the attached report.

Recommendation by the Investigations and Enforcement Bureau:

- [x] Suitable
- [ ] Suitable with conditions
- [ ] Unsuitable
- [ ] Hearing recommended to determine suitability

If applicable, the proposed conditions of suitability include:

- [x] None
- [ ] Detailed below:
  1. _____
  2. _____
  3. _____

Respectfully submitted,

Karen Wells
Director
Investigations and Enforcement Bureau
Massachusetts Gaming Commission

Investigations & Enforcement Bureau

INVESTIGATION REPORT- INDIVIDUAL QUALIFIER

Qualifier Name: **Carl Sottosanti**

Qualifier Position: **Senior Vice President, General Counsel and Secretary**

Qualifier Entity: **Penn National Gaming, Inc.**

Primary Investigator: Trooper Dean Cerullo Financial Investigator: Edward Jay

The Investigations and Enforcement Bureau (IEB) of the Massachusetts Gaming Commission (MGC) has completed a probity background investigation for Carl Sottosanti. In February of 2014, Mr. Sottosanti was promoted to Senior Vice President and General Counsel for Penn National Gaming, based in Wyomissing, PA. Prior to this promotion Mr. Sottosanti was the Vice President of Legal and Business Affairs and the Deputy General Counsel at Penn National Gaming. As a result of his promotion in February of 2014, Mr. Sottosanti was determined to be an individual qualifier for the Massachusetts Category "2" gaming license. On October 1, 2014 the Massachusetts Gaming Commission was notified that Mr. Sottosanti will also assume the role of Secretary commencing November 10, 2014 due to a recent retirement of the prior Secretary, Robert Ippolito.

On November 4, 2014, an in-person interview of Mr. Sottosanti was conducted by Trooper Dean Cerullo and Financial Investigator Edward Jay relative to his application and subsequent background investigation to that date. This interview was conducted at the Massachusetts Gaming Commission's office located at 84 State Street, Boston, MA. This interview was voice recorded with Mr. Sottosanti's approval.

1. Qualifiers Name and Verified Information

The investigation, including documents and information provided by Mr. Sottosanti, has verified the following information:

Name: Carl Sottosanti
Address: [redacted]
Date of Birth: [redacted]
Social Security Number: [redacted]

The investigation confirmed that this social security number was issued [redacted] and is listed and has been verified. Pursuant to a supplemental document request, Mr. Sottosanti provided a birth certificate in the name of Calogero Sottosanti indicating that he was born in Santo Stefano di Camastra, Province of Messina, Sicily (Italy). He then moved to the United States with his parents when he was 2 years old. Mr. Sottosanti's legal first name is Calogero although he has utilized the name Carl since he was a child. Mr. Sottosanti's passport, a copy of which was obtained by investigators, also bears the name of Calogero Sottosanti.

[redacted]

2. Employment History

Research has disclosed, and the investigation has confirmed, that Mr. Sottosanti was promoted in February 2014 to the position of Senior Vice President and General Counsel at Penn National Gaming, Inc. On October 1, 2014 the Massachusetts Gaming Commission was notified that Mr. Sottosanti will also assume the role of Secretary commencing November 10, 2014 due to a recent retirement of the prior Secretary Robert Ippolito. Prior to these positions Mr. Sottosanti held several positions/titles which are listed below:

Company Name	Address	Dates		Title/ Position	Supervisor	Reason for Leaving
		From Mo/Yr	To Mo/Yr			
Penn National Gaming	825 Berkshire Blvd. Wyomissing, PA 19610	02/2014	Present	Senior VP General Counsel	Timothy Wilmott	N/A
Penn National Gaming	825 Berkshire Blvd. Wyomissing, PA 19610	05/2003	02/2014	VP Legal and BA Deputy General Counsel	Jordan Savitch	Promotion
Sanchez Computer Associates	40 Valley Stream Pkwy Malern, PA 19355	06/1998	05/2003	General Counsel	Joe Waterman	Company being sold/better opportunity
Salient 3 Communications	Morgantown Road Reading, PA	05-1994	06/1998	Assistant General Counsel	Tom Hafer	Better opportunity

Schnader Harrison	1600 Market St Suite 3600 Philadelphia, PA	08/1989	05/1994	Associate	Various	To move "In House"

3. Criminal Record

[redacted]

4. Education

Mr. Sottosanti disclosed in his MJPHD (Question #11), and the investigation has confirmed, that he attended Villanova University where he was awarded a B.A. in English; Minor in Economics and Political Science graduating in 1994. Mr. Sottosanti also disclosed that he attended Villanova University School of Law where he was awarded a J.D. in Law.

5. Professional and Gaming Licenses

Professional:

Mr. Sottosanti disclosed in his MJPHD that he has held a license to practice Law from November 28, 1989 to the present. The license was granted by the Pennsylvania State Bar Association. A check with the respective jurisdiction revealed Mr. Sottosanti's license to practice law is active and/or current and has never been revoked or suspended.

Gaming:

Mr. Sottosanti disclosed in his MJPHD (Question #24) that he has been licensed or registered to participate in some form of gaming in 13 jurisdictions in the United States and Canada. A check with Florida, Kansas, Indiana, Ontario, Ohio and Maine confirmed the following licenses/certifications and their status:

Licensing Agency	Type	Date of License		Status	License or Permit Number
		Issued	expires		
Florida Pari-Mutual Wagering	Gaming License	3-5-2014	06-30-16	Active	10399152
Kansas Racing and Gaming	Gaming License	09-12-14	02-28-15	Active	2000758

Commission					
Indiana Gaming Commission	Temporary Gaming License	03-06-14	Temp License 03-06-15	Temp suitability not determined	HW11904-L1
Ontario Alcohol & Gaming Commission	Gaming License	02-28-14	Remains active	Active	201383
Ohio Casino Control Commission	Gaming License	04-16-14	04-16-17	Active	OKE. 70
Maine Gambling Control Board	Gaming License	App received 03-04-14		Suitability Invest on-going	MEEXE982

All of Mr. Sottosanti's licenses were in good standing and all jurisdictions contacted reported no derogatory information relating to Mr. Sottosanti s licensure.

6. Directorships and Stockholdings

2009 to present: Mr. Sottosanti has been on the Board of Directors at the YMCA of Berks County located at 631 Washington Street Reading, PA 19601, with no compensation reported.

7. Civil Litigation Records

Research of available online civil records, judgments, liens, and UCC filings in the United States has revealed no records personally naming Mr. Sottosanti.

8. Bankruptcy

Mr. Sottosanti disclosed in his MJPHD (Question #40), and the investigation has confirmed, that he has never been adjudicated bankrupt or file a petition for any type of bankruptcy.

9. Property Ownership

[redacted]

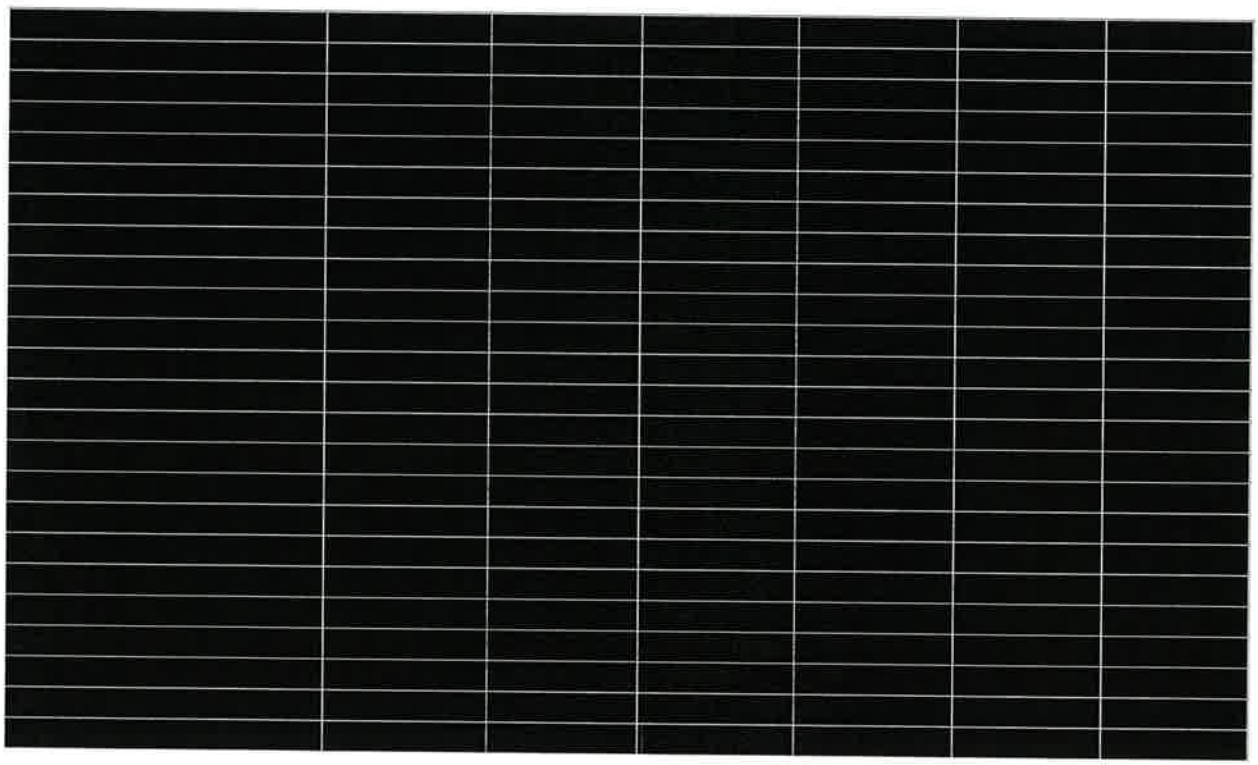
[redacted]

10. Financial Suitability Evaluation

We conducted an evaluation of Carl Sottosanti's financial integrity, responsibility and stability by focusing on two areas, namely his net worth statement as disclosed in his PHD filed with the Massachusetts Gaming Commission as of March 3, 2014, and through a review of his sources of income as reported in the PHD and his income tax returns [redacted].

Income Analysis

[redacted]



Discussion

[redacted]

(a) Salaries and Wages

[redacted]

(b) Interest Income

[redacted]

(c) Dividend Income

[redacted]

(d) Capital Gains and Losses

[redacted]

[redacted]

[redacted]

(e) Total Itemized Deductions

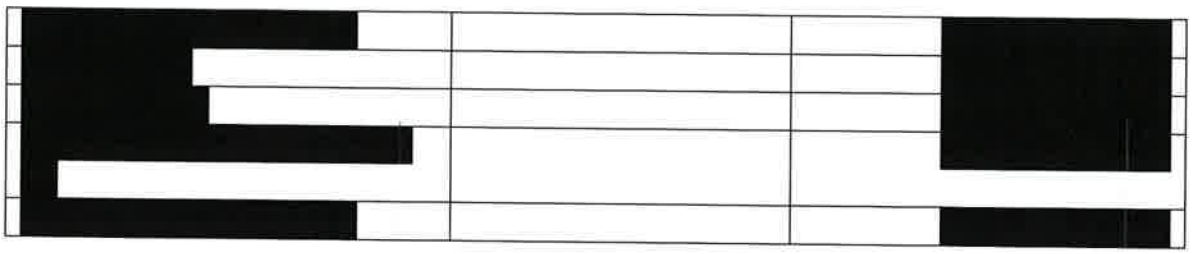
[redacted]

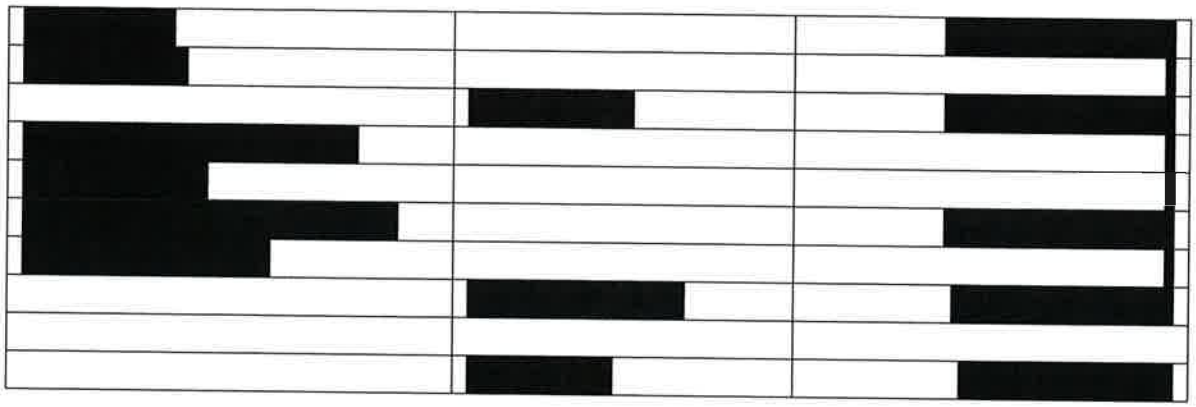
(f) Federal Income Tax

[redacted]

Net Worth Analysis

[redacted]



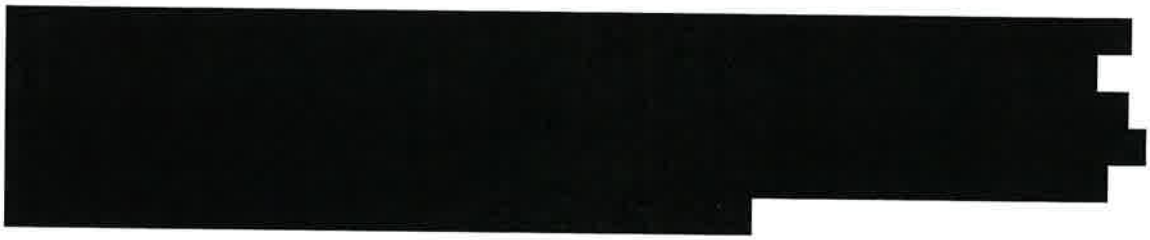


Discussion:

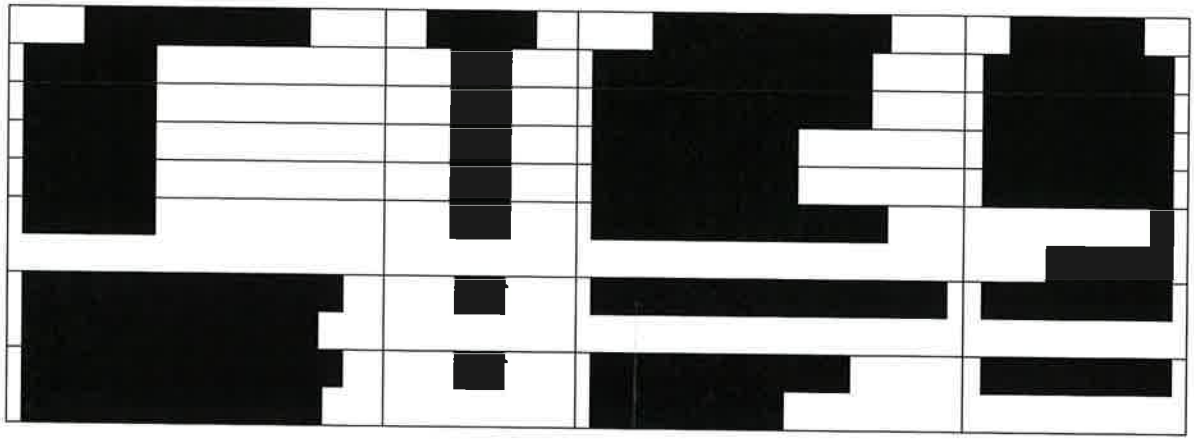
A review of the individual components of Mr. Sottosanti's net worth statement was conducted with reference to his tax filings, supporting documents, and credit checks. As a result of this review, the following comments can be made:

Assets

(a) Cash on hand/in bank



(b) Securities



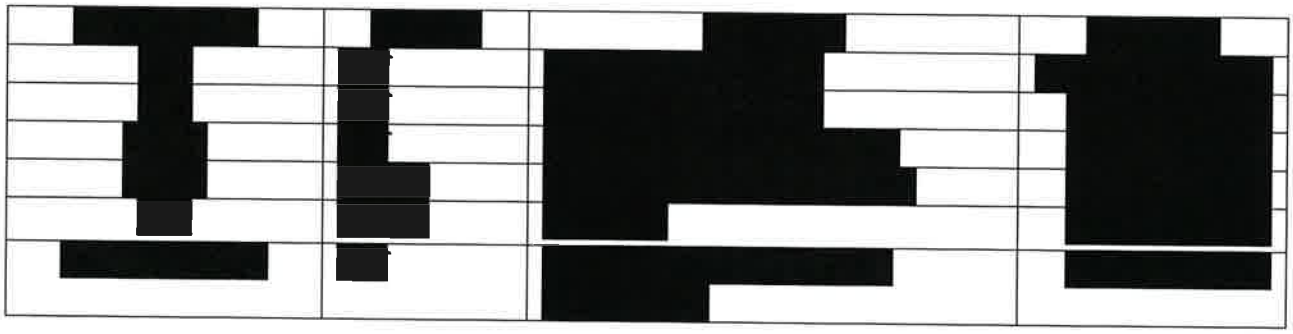
[redacted]

(c) Real Estate Interests

[redacted]

(d) Pension/Retirement Funds

[redacted]



(e) Furniture and Clothing

[redacted]

(f) Vehicles

[redacted]

Liabilities

(h) Mortgages or Liens Payable on Real Estate

[redacted]

[redacted]

11. Applicant's Financial Condition

[redacted]

12. Credit

Financial Analysis

[redacted]

13. Conclusion as to Applicant's Financial Stability and Integrity

Mr. Sottosanti is a qualifier for Penn National Gaming due to his management position. As such, he is not expected to make any capital contribution to PNG regarding its casino license. No other information was uncovered which would otherwise preclude him. He was found to possess the requisite financial integrity, responsibility and financial stability to be found suitable to participate in the proposed project.

14. Qualifier References

Name	Address	Telephone
[redacted]		

The above-named references were contacted and queried regarding the character and integrity of Mr. Sottosanti. All three references advised that Mr. Sottosanti was of good character and integrity. [redacted] References did not provide any derogatory information pertaining to Mr. Sottosanti. [redacted]

15. Political Contributions

Research of the applicant's political donations was conducted through available on-line sources. All identified contributions appear to be in compliance with 205 CMR 108.00. Research revealed no record of Mr. Sottosanti making political contributions to any Massachusetts state or local officials. During Mr. Sottosanti's interview with investigators on November 4, 2014, he reiterated that he has not made any contributions to any Massachusetts politician or campaign.

16. Media Coverage

Research of available online and print media did not reveal any derogatory or adverse items relative to Mr. Sottosanti.

17. Significant Investigative Issues

There are no significant investigative issues pertaining to Mr. Sottosanti and his application for licensure.

18. Conclusion

Based on our investigation there were no known facts that would disqualify Mr. Sottosanti for licensure based on any of the criteria listed in the gaming laws or regulations of the Commonwealth of Massachusetts.

205 CMR: MASSACHUSETTS GAMING COMMISSION

UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND INTERNAL CONTROLS

Section

General

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138.06: System for Business Dealings with Vendors

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Gaming Licensee Records

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Gaming Licensee Organization/Personnel

138.10: Jobs compendium submission

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138.12: Patron signature file; patron identification records

138.13: Complimentary services or items

Security, Safety and Inspection in the Gaming Establishment

138.14 Internal control procedures for security department

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

138.16: Access to public and restricted areas

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

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138.19: Count rooms; physical characteristics; count protocols

138.20: Possession of firearms

138.21: Protection of minors

138.22: Critical incident preparedness plan

Construction/design

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: Capital expenditure plan

Gaming Establishment Operations

138.28: Gaming day

Area functions

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

138.30: Accounting controls within the simulcast counter

Procedures

138.31: Procedure for accepting cash and coupons at gaming tables

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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.xx Procedure for depositing checks received from gaming patrons (Reserved)

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)

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

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

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

Slot Machines/Progressive Table Games

138.51: Accounting controls for gaming voucher redemption machines

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

138.53: Progressive slot machines

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

138.55: Inspection of slot machine jackpots

138.56: Attendant paid jackpots and credit meter payouts

138.57: Alternate procedures for a manual slot jackpot

138.58: Alternate forms of jackpot payments

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

138.60: Procedure 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

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

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

138.64: Accounting controls for chip persons and chip

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138.65: Accounting controls for gaming voucher redemption machines

138.66: Computerized gaming voucher systems; required procedures

Miscellaneous

138.67: Cashless wagering systems

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

138.69: Employee Signatures

138.70: Expiration of gaming-related obligations owed to patrons; payment to the Gaming Revenue Fund

138.71: Entertainment, filming or photography within the gaming establishment

138.72: Technical standards for count room equipment

~~138.73: Failure to abide by approved system of internal controls~~

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GENERAL

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:

(1) Certified check, cashier's check, treasurer's check, personal checks, ~~recognized~~ travelers' check, or ~~recognized~~ money order ~~that:~~
~~(a) Is made payable to the gaming licensee where presented, a holding company of the gaming licensee, "bearer" or "cash";~~
~~(b) Is dated, but not postdated; and~~
~~(c) Does not contain any endorsement.~~

(2) ~~Certified check, cashier's check, treasurer's check or recognized money order that:~~
~~(a) Is made payable to the presenting patron;~~
~~(b) Is endorsed in blank by the presenting patron;~~
~~(c) Is dated but not postdated; and~~
~~(d) Does not contain any endorsement other than that of the presenting patron~~; ~~or~~

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(3) ~~Recognized credit card or debit card presented by a patron.~~

~~Cashiering location means any window in an enclosed structure within the gaming establishment from which a gaming employee conducts gaming or simulcasting cashiering transactions with patrons or employees including, without limitation, a cashiers' cage, satellite cage, master coin bank, coin vault, simulcast counter, ancillary simulcast counter, slot booth, coin redemption booth, jackpot/hopper window and keno booth.~~

~~CCTV system location means any location in the gaming establishment, not controlled by commission employees, that has been approved by the commission to receive transmissions from the surveillance department's CCTV system, as described in 205 CMR 141.00, including, without limitation, CCTV system monitoring rooms, surveillance department offices, CCTV system repair areas, and CCTV system emergency facilities.~~

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

Checking account is defined in. **138.xx**.

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.

~~Compensation means direct or indirect payments for services performed including, but not limited to, salary, wages bonuses, deferred payments, and overtime and premium payments.~~

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.

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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 ~~passport or other photo identification~~ which contains~~, at a minimum,~~ 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. ~~A review is made by a higher authority of the propriety of the expenditures before the replenishment.~~

Incompatible function means a function~~, for accounting control purposes,~~ 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 ~~or Stiff Sheet~~ 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 ~~shift~~ gaming day.

Multi-state jackpot means any progressive slot machine jackpot offered by one or more ~~casino~~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.xx and has not in fact been deposited or presented for payment or redeemed by the drawer.

~~Pari-mutuel window net means the total value of credit vouchers issued and wagers placed on simulcast horse races at a pari-mutuel window less the total value of simulcast payouts at the same pari-mutuel window. Pari-mutuel window net shall be calculated by the totalisator.~~

Patron ~~cash~~ 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 **138.xx**.

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

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

~~Recognized credit card means a credit or charge card that:~~

~~(1) Is issued by or under an agreement with a company that, as a normal part of its business, supplies its customers, either directly or through a national credit card network, with credit or charge cards that can be used for and are routinely accepted in consumer transactions;~~
~~(2) Qualifies as a credit card for purposes of Regulation Z issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 226);~~
~~(3) Expires on an expiration date that is imprinted on the card and is later than the date of the transaction for which the card is presented; and~~
~~(4) Has a clearly visible registered credit card logo that is a permanent part of the card.~~

~~Recognized debit card means a debit card that:~~

~~(1) Is issued by or under an agreement with a company that qualifies as a "depository institution" as defined in Section 19(b) of the Federal Reserve Act, 12 U.S.C., §461(b), and that, as a normal part of its business, supplies its customers, either directly or through a registered debit card verification agency, with access to funds maintained for the cardholder in such depository institution by means of a debit card that is routinely accepted in consumer transactions or used to obtain cash;~~
~~(2) Qualifies as an access device for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and~~
~~(3) Has a clearly visible registered debit card logo that is a permanent part of the card.~~

~~Redemption receipt is .~~

~~Registered debit card verification agency means an organization that:~~

~~(1) Verifies, upon request from a merchant, the validity and account sufficiency of a recognized debit 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 debit cards that are presented in debit card cash or chip transactions.~~

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

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(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.

~~Residual slot credit means a slot machine credit, on a slot machine equipped with tokenization, in an amount which is less than the denomination of the token that the slot machine is designed to accept and pay out, and which cannot be totally and automatically paid from the slot machine for that reason.~~

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.

~~Simulcast handle means the total value of currency, coin, gaming chips, slot tokens and coupons wagered by patrons on a simulcast horse race, less the total value of canceled or refunded tickets.~~

~~Simulcasting facility means the area of a gaming establishment where wagers are accepted on imported simulcast signals only pursuant to a license issued by the commission in accordance with M.G.L. c.23K, §7(b).~~

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 pursuant to 205 CMR 138.67, if applicable.

Slot machine win ~~means the value determined by subtracting the hopper fills, other than initial fills of slot machine hoppers and hopper storage areas or any subsequent increases to those initial fills, cash payouts pursuant to **138.xx**, and gaming vouchers redeemed pursuant to **138.xx** from the slot machine drop.~~ means the value of the drop less any jackpots paid less any change to the hopper inventory.

Supervisor means a ~~person~~ 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 ~~as calculated in accordance with 205 CMR~~.

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Table game win or loss ~~means the value of gaming chips and plaques and cash won from patrons at gaming tables less the value of gaming chips, plaques and coins won by patrons at gaming tables other than poker tables and the value paid to patrons in cash or by gaming establishment check for progressive payout wagers as calculated in accordance with **138.xx** and **138.xx**.~~ 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.

~~Tokenization means the capacity of a slot machine to accept and pay out a slot token of a denomination that is greater in value than the denomination of a slot machine game contained within the slot machine, for example, a nickel slot machine game contained in a slot machine which only accepts and pays out $1.00 tokens.~~

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 ~~are defined in **138.xx**.~~ means currency, a vouchers, 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.*

Submissions to the Commission

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).

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(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 ~~are~~ 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 ~~at a public hearing~~. 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 ~~are~~ 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)(h) and (i), 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 dispute the Executive Director's determination to the commission which shall resolve the issue ~~at a public hearing~~.

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

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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 138.03-138.72.

(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 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

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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.

(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

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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 ~~for approval~~, 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.

(7) Providing the commission with the minutes of its meetings with 45 days of the conduct of those meetings.

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(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) ~~A gaming licensee may, in its discretion, assign more than one individual to serve jointly as the chief executive manager of a department within the gaming establishment, with each individual being individually and jointly accountable and responsible for the operations of that department.~~ 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:

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(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;

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(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 134.01, 134.02, and 134.03:

(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 pursuant to this subsection
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.

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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

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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 be prepared by a qualified Massachusetts registered engineer or architect,~~ 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, ~~noting its stool number~~, 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;

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(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 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 ~~certified and sealed by the architect 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

Gaming Licensee Records

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 each gaming establishment including those required to comply with 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) ~~All records required to be retained by a gaming licensee shall be retained in accordance with the following schedules~~ 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 ~~due diligence~~ 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.

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(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).

~~The following records shall be retained for a minimum of five years:~~

~~(1) Gaming-related documents not otherwise specified in 205 CMR 138.xx(c) including, without limitation, records concerning gaming-related service industries;~~

~~(2) Personnel files of former employees; and~~

~~(3) Any other record not otherwise specified in this subsection.~~

(c) All tax return filings and related records referenced in section *L3 Tax Filing* #1of the *Massachusetts Statewide Records Retention Schedule, 02-11* shall be retained for 6 years.

~~The following records shall be retained for a minimum of four years from the date of the actual filing of the gross revenue tax return for the tax year in which the record was generated:~~

~~(1) Cage documents;~~

~~(2) Documentation supporting the calculation of table game win;~~

~~(3) Except as otherwise provided in (c)6 and 8 below, documentation supporting the calculation of slot machine win;~~

~~(4) Suspicious gaming vouchers and unverified gaming vouchers;~~

~~(5) Documentation supporting the calculation of poker revenue;~~

~~(6) Documentation supporting the calculation of the provision for uncollectible patron checks pursuant to. **138.xx**.; and~~

~~(7) Suspicious gaming voucher reports; unscanned gaming voucher transfer forms; unverified gaming voucher transfer forms; gaming voucher receipts; unverified gaming voucher logs; unverified gaming voucher log summary reports; and all documents associated with investigations of unverified gaming vouchers conducted pursuant to **138.xx**.~~

(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.*

~~The following records shall be retained for a minimum of three years:~~

~~(1) Hotel income audit documents, including, without limitation, telephone call records and charges;~~

~~(2) Non-gaming hotel-related documents, including, without limitation, records concerning hotel guests; records concerning banquets; food and beverage documents; records of retail stores, accounts receivable and other records of transactions in which the casino licensee is a vendor; and entertainment records;~~

~~(3) Payroll records, except as provided in (c)1 above;~~

~~(4) Signature cards of terminated employees;~~

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~~(5) Marketing department records;~~
~~(6) Security incident reports~~
~~(7) Insurance department records relating to guest claims and copies of arrest records;~~
~~(8) Credit union records;~~
~~(9) Hotel-related documents which pertain to the purchasing department and accounts payable department;~~
~~(10) Patron gaming records;~~
~~(11) Records concerning junkets;~~
~~(12) Petty cash documentation;~~
~~(13) General ledgers and supporting journals; and~~
~~(14) Accounts receivable documents from store rentals and travel wholesalers.~~

(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

~~The following records shall be retained for a minimum of one year:~~

~~(1) Complimentary settled guest checks;~~
~~(2) Card and dice transaction and inventory reports;~~
~~(3) Returned check aging reports, except for year-end reports;~~
~~(4) Vendor Registration Forms;~~
~~(5) Register tapes and room service checks;~~
~~(6) Files and work papers used to prepare budgets;~~
~~(7) Records generated by the mailroom;~~
~~(8) Advertising records;~~
~~(9) Slot department daily activity logs;~~
~~(10) Surveillance employee duty logs including but not limited to those required pursuant to **138.xx** Disks/VCR/tape logs, surveillance department visitor logs, and equipment malfunction reports;~~
~~(11) Any document, except for a document specified in 205 CMR 138.06(1)(c)(2) through (6) for which the gaming licensee can demonstrate that the information contained thereon is duplicative or less than that recorded on another document retained in accordance with 205 CMR 138.06(1)(a) through (d);~~
~~(12) Daily operating reports generated by multi-casino progressive slot systems;~~
~~(13) Logs of all multi-casino progressive slot system events and problems;~~
~~(14) With the exception of cashed pari-mutuel tickets and credit vouchers, the records related to the revenues and expenses of simulcasting, including, but not limited, to all reports generated by the totalisator and all records maintained shall be retained by a gaming licensee or a hub facility for a minimum of one year; and~~
~~(15) Records prepared in connection with or relating to the forfeiture of winnings or things of value obtained by a prohibited person as defined by M.G.L. c.23K, §45 and 205 CMR.~~

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(f) The following records shall be retained for a minimum of six months:

(1) Except as provided in 205 CMR 138.06(1)(c), coupons entitling patrons to cash, slot tokens, gaming chips or plaques or simulcasting wagers, progressive wager coupons or match play coupons, including unused, voided and redeemed coupons;

(2) Gaming vouchers redeemed at any location other than a slot machine pursuant to 205 CMR 138.06, and which have been verified and electronically cancelled by the gaming voucher system;

(3) Voided gaming vouchers;

(4) The following hotel income audit documents: cashier reports, room tally reports, over/short reports, rate variations and missing check reports;

(5) Load count arrival forms;

(6) Credit card settled guest checks pertaining to restaurant and bar charges;

(7) Room charge settled guest checks pertaining to restaurant and bar charges;

(8) Credit card vouchers used to settle guest checks in restaurants and bars;

(9) Guest check control sheets used to control the issuance and return of guest checks to cashiers, bartenders and food servers;

(10) Credit applications with unused lines of credit;

(11) Zeroed-out countercheck envelopes;

(12) Emergency drop box approval forms; and

(13) Redeemed patron checks not directly returned to the patron or not requested to be mailed within six months of redemption.

(g) The following records shall be retained for a minimum of 90 days:

(1) Coin bag tags, provided that the information contained thereon is duplicative or less than that recorded on another document; and

(2) Documents relating to promotions, such as entry forms and game tickets.

(h) The following records shall be retained for a minimum of 30 days:

(1) Hotel cashier envelopes.

(i) The following records shall be retained for a minimum of seven days and may be destroyed without the notice required by 205 CMR (f) unless the commission or IEB directs otherwise pursuant to 205 CMR (g):

(1) Pari-mutuel tickets and credit vouchers which have been cashed, cancelled or refunded in the gaming licensee's simulcasting facility;

(2) Gaming vouchers redeemed at slot machines, and which have been verified and electronically cancelled by the gaming voucher system; provided, however, that if the controller has verified that all audits have been completed such gaming vouchers may be destroyed immediately upon the controller's verification;

(3) Contribution invoices sent to gaming licensees participating in a multi-casino progressive slot system; and

(4) Jackpot activity reports generated by a multi-casino progressive slot system.

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(j) ~~The following original books, records and documents do not have to be retained by a gaming licensee for any minimum period of time, but may be destroyed only upon notice in accordance with 205 CMR (f) and (g):~~

~~(1) Any serially pre-numbered form required by commission rules that is blank or unused, unless otherwise specified by this section; and~~

~~(2) Any record that has been copied and stored on a microfilm, microfiche or other media system approved by the commission.~~

(k) ~~The following records do not have to be retained by a gaming licensee for any minimum period of time and may be destroyed without the notice required by 205 CMR (f):~~

~~(1) Parking ticket stubs;~~
~~(2) Coat check tickets;~~
~~(3) Housekeeping reports;~~
~~(4) Maintenance department records;~~
~~(5) Patron mailing lists;~~
~~(6) Blank entry forms;~~
~~(7) Bellman and baggage forms;~~
~~(8) Cash settled guest checks;~~
~~(9) Food credit and complimentary beverage coupons;~~
~~(10) Drink chits;~~
~~(11) Food and beverage order slips;~~
~~(12) Bottle sales slips;~~
~~(13) Showroom starter slips;~~
~~(14) Communication department records;~~
~~(15) Unsolicited resumes or letters requesting employment;~~
~~(16) Register tapes, provided that the information contained thereon is duplicative or less than that recorded on another document retained in accordance with 205 CMR (c)3;~~
~~(17) Survey questionnaires regarding service in the casino hotel;~~
~~(18) Records of hours worked by persons employed in gaming-related positions in an abstract or other readily accessible format;~~
~~(19) Any blank or unused form except as provided in 205 CMR (c)8i, unless otherwise specified by 205 CMR;~~
~~(20) Laundry charges;~~
~~(21) Slot machine meter reports generated by a multi-casino progressive slot system;~~
~~(22) Handle pull or play reports generated by a multi-casino progressive slot system; and~~
~~(23) Any coupon issued and mailed or otherwise given to a patron and subsequently returned unused to the sender, provided that all reconciliations required pursuant to 205 CMR **138.xx** and the gaming licensee's approved internal controls have been conducted and resolved, and that any coupons with unresolved discrepancies are retained in accordance with 205 CMR (c)6i.~~

(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:

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(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 in 205 CMR 138.09(1)(k), 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~~, in the case of a record governed by 205 CMR 138.09(c)9,~~ 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.

Gaming Licensee Organization/Personnel

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

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divisions, and shall include, at a minimum, the following:

(1) Position title and corresponding department;
(2) ~~Salary range~~;
(3) Job duties and responsibilities;
(4) Detailed descriptions of experiential or educational requirements;
(5) ~~Projected number of employees in the position~~;
(6) ~~Equal employment opportunity class or subclass~~;
(7) Proposed registration or license rank consistent with 205 CMR 134.01 through 134.03;
(8) The date of submission of each employee position job description and the date of any prior job description it supersedes; and
(9) The date of submission and page number of each table of organization on which the employee position title is included.

(3) Except as otherwise provided in 205 CMR 138.10(x), any 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, 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 (b) ~~above~~, 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 (3) for amendments to job descriptions for the following positions:

(a) Positions which do not require a license or registration;
(b) 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 this section, each gaming licensee shall submit a complete and up-to-date jobs compendium in accordance with 205 CMR 138.0X(1) 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.

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(6) Each gaming licensee shall maintain on its premises a complete, updated copy, which may be maintained electronically, of its jobs compendium ~~which shall be made available for review upon the request of the IEB or commission~~.
(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 person referred to herein as 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 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 the foregoing, 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 (h)5.
(3) The following personnel shall be used to operate the table games in an 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. ~~At the gaming licensee's option, a~~ 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.

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(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) ~~Except as provided in 205 CMR (b)8ii,~~ 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 ~~and present during a shift~~ 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 ~~in accordance with the provisions of this section~~.

(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(g)(2), 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) ~~Four~~ 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:

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(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) ~~Four~~ Six poker tables if the poker shift supervisor is supervising both poker tables and table games other than poker; or
(b) ~~Eight~~ Ten poker tables if the poker shift supervisor is supervising only poker tables; or
(c) ~~Ten~~ 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.

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(2) Notwithstanding the provisions of 205 CMR 138.11(4)(X), 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 ~~six~~ eight 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 ~~30~~ 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 ~~24~~ 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 ~~six~~ eight 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 in205 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 ~~10~~ 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 ~~12~~ 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.

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(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 ~~including, without limitation, the hiring and terminating of all slot department personnel 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~~. In the absence of the slot department manager, the slot shift manager shall have the authority of the slot department manager.

~~(i) The following personnel shall, at a minimum, be used to operate a simulcast counter in a simulcasting facility:~~

~~(1) Pari-mutuel cashiers shall be assigned the responsibility of generating, and issuing to patrons, pari-mutuel tickets and credit vouchers, conducting credit card and debit card cash transactions, making simulcast payouts to patrons, and redeeming credit vouchers for patrons. At the discretion of a gaming licensee, a pari-mutuel cashier ("vault cashier") may, alternatively, be assigned the responsibility to control the currency and coin in the simulcast vault. A vault cashier on a shift shall not perform any other functions of a pari-mutuel cashier on the same shift; and~~

~~(2) Simulcast counter shift supervisor shall be the first level supervisor assigned the responsibility for directly supervising the operation and conduct of the simulcast counter; provided, however, that the simulcast counter shift supervisor may simultaneously assume the responsibilities of a first level supervisor of cage cashiers, if the accounting department is responsible for the operation and conduct of the simulcast counter as permitted by **138.xx** and the cashiers being supervised work in a cage that is adjacent to the simulcast counter.~~

(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 commission and~~ 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.

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(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 ~~decision~~ 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, ~~including~~ 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 shall be terminated and that the licensee shall maintain standard staffing levels as defined in 205 CMR (c).

Patron Identification/Patron Complimentaries

~~138.12: Patron signature file; patron identification records~~ moved to credit section

~~(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions for the maintenance of records regarding the methodology the gaming licensee will utilize for verifying a patron's identity or signature in circumstances where such verification is required in accordance with the gaming licensee's approved internal controls.~~

~~(2) The gaming licensee's verification methodology shall include, at a minimum, the maintenance of a patron identification file, which shall include, at a minimum, the following:~~

~~(a) The patron's name;~~

~~(b) The patron's address;~~

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~~(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.~~

138.13: Complimentary services or items

(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.
(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.
  (d) 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.

Security, Safety and Inspection in the Gaming Establishment

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

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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, Impressment 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, ~~coin redemption~~, 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, ~~coin~~

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~~redemption~~, slot repair room, and to the cashiers cage only when necessary to pass through the cashiers cage to access a slot coin booth ~~or coin redemption~~. 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 Massachusetts Gaming 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 138.04(1), the Director of the Investigations and Enforcement Bureau 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 138.04(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

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

(a) That the employee to whom the credential is to be issued is listed in the gaming licensee's current employee status report;
(b) That the employee holds a current license or registration issued in accordance with 205 CMR 134.00;
(c) That 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) That 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 shall be issued to the 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 will approve the design of the temporary credentials. The gaming licensee's security department will secure them until needed for issuance in compliance with 205 CMR 138.05. 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

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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 ~~coin redemption~~. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.12(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 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 138.12(1), may enter the slot booths and runways ~~and coin redemption~~. They may enter the cashier's cage only when access is needed to gain entrance to a slot coin booth ~~or coin redemption~~. A "CS" access code shall not have access to the master coin bank.

(b) ~~Soft count room and hard~~ count rooms. All employees designated with the "C" access code, as provided by 205 CMR 138.12(1), whose duties require access may enter this restricted area. Employees designated with the "A" and "M" access codes, as provided by 205 CMR 138.12(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, ~~coin redemption~~. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.12(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 138.12(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 138.12(1), may enter the slot booths, and runways, ~~and coin redemption~~. They may enter the cashier's cage only when access is needed to gain entrance to a slot coin booth ~~or coin redemption~~. At no time shall a "CS" access code, as provided by 205 CMR 138.12(1), have access to the master coin bank.

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(d) Slot repair room. All employees designated with the "A", “CS”, and "S" access code, as provided by 205 CMR 138.12(1), may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.12(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 138.12(1), may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.12(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 138.12(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 138.12(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 138.12(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 138.12(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 138.12(1), who are surveillance room employees may enter this restricted area. All other employees designated with the "A" access code may have

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access with the limitations described under their access letter. Employees designated with the "M" access code, as provided by 205 CMR 138.12(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 138.12(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: *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 during 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

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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.

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 picture 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

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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 otherwise comport with the requirements of 205 CMR 138.xx.

(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~~, the key to~~ 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 (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." ~~Prior to the start of the count process, the key which secures the contents of the drop boxes shall be tethered and locked to the count table by the count team supervisor. The key shall not be removed until the count process is completed~~;

(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

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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.

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(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(f). 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

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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 be submitted for approval by the IEB. 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,

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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.

Construction/design

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:

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(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 (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, ~~as approved by the commission~~.

(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

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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 (b), 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 (b)1 through 5, 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

~~(1) A simulcasting facility shall contain a physical structure known as a simulcast counter to house the pari-mutuel cashiers and to serve as the central location in the simulcasting facility for the following:~~

~~(a) The custody of the simulcast counter inventory including, without limitation, currency and coin and the forms and documents normally associated with the operation of a simulcast counter;~~

~~(b) The receipt of currency, coin, gaming chips, coupons and slot tokens for simulcast wagering;~~

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~~(c) The issuance of cash to patrons upon the presentation of a recognized credit or debit card in accordance with these regulations; and~~

~~(d) Such other functions normally associated with the operation of a simulcast counter.~~

~~(2) The simulcast counter 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:~~

~~(a) One or more numbered pari-mutuel windows, each of which shall contain a pari-mutuel machine and a cashier's drawer, in which shall be deposited all currency, coins, gaming chips, slot tokens, coupons and duplicate slips evidencing exchanges with the cashiers' cage, satellite cage or simulcast vault, or a self-service pari-mutuel machine;~~

~~(b) A work area containing at least one remote management console ("RMC") and terminal to generate reports on pari-mutuel wagering, which shall be used only by the simulcast shift supervisor or above, and casino pari-mutuel cashiers, who shall only be allowed access under the direct supervision of the simulcast supervisor or above; and,~~

~~(c) A simulcast vault, which shall:~~

~~(1) Be secured by a lock, the key to which shall be:~~

~~(a) Different from the key to any lock in the cashiers' cage or satellite cage; and~~

~~(b) Maintained and controlled by the simulcast shift supervisor or above; and~~

~~(2) Contain a supply of currency and coin under the control of a vault cashier, simulcast shift supervisor or above to be utilized for the pari-mutuel window inventories and to replenish the pari-mutuel window inventories, when necessary.~~

~~(3) The simulcast counter may be contiguous to a cashiers' cage or satellite cage with ingress and egress thereto, provided that the simulcast counter and cashiers' cage or satellite cage are functionally segregated.~~

~~(4) A simulcasting facility may contain one or more ancillary simulcast counters to house pari-mutuel cashiers. An ancillary simulcast counter shall comply with all of the provisions of 205 CMR 138.25(2); provided however, that the requirements of a direct dial-up telephone line, RMC, simulcast vault and simulcast shift supervisor for the ancillary simulcast counter, or any of them, may be waived if, considering, among any other relevant factors, the number of pari-mutuel windows in the ancillary simulcast counter, the proximity of the ancillary simulcast counter to the simulcast counter, and the span of authority and responsibility of the supervisor, the commission determines that any such requirement is not necessary to the maintenance of adequate supervision of the simulcast wagering operations.~~

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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.

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(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;

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(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: Capital expenditure plan move to disclosure and reporting section

~~A gaming licensee shall make, or cause to be made, capital expenditures to its gaming establishment in a minimum aggregate amount equal to 3.5 per cent of the net gaming revenues derived from the gaming establishment; provided, however, that a gaming licensee may make capital expenditures in an amount less than 3.5 per cent per year as part of a multi-year capital expenditure plan approved by the commission. If the gaming licensee intends to make capital expenditures as part of a multi-year capital plan, the plan shall be submitted to the commission as part of its system of internal controls in accordance with 205 CMR 138.02.~~

Gaming Establishment Operations

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

Area functions

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

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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 ~~that, at a minimum, comport with the following:~~

~~(1) The assets for which the general cashiers are responsible shall be maintained on an imprest basis. At the end of each shift, the cashiers assigned to the outgoing shift shall record on a Cashiers' Count Sheet or by electronic means the face value of each cage inventory item counted and the total of the opening and closing cage inventories and shall reconcile the total closing inventory with the total opening inventory.~~

~~(2) At the opening of every shift, in addition to the imprest funds normally maintained by the general cashiers, each gaming licensee shall have on hand in the cage, or readily available thereto, a reserve cash bankroll adequately funded to pay winning patrons.~~

~~(3) Except as otherwise authorized by **138.xx**, the cashiers' cage and any satellite cage shall be physically segregated by personnel and, at a minimum, function as follows:~~

~~(a) General cashiers shall operate with individual imprest inventories of cash and, at the discretion of the gaming licensee, slot tokens and gaming chips, and such cashiers' functions shall include, but are not limited to the following:~~

~~(1) Receive cash, cash equivalents, patron checks, gaming chips, complimentary cash gifts, casino checks, casino affiliate checks, annuity jackpot trust checks, redemption receipts, slot tokens and gaming plaques from patrons for check consolidations, total or partial redemptions or substitutions;~~

~~(2) Receive gaming chips, slot tokens and prize tokens from patrons or authorized employees pursuant. **138.xx** or **138.xx** in exchange for cash;~~

~~(3) Receive cash, cash equivalents, casino checks, casino affiliate checks and annuity jackpot trust checks from patrons in exchange for currency, slot tokens or coin;~~

~~(4) Receive checks for non-gaming purposes from patrons in exchange for cash;~~

~~(5) Receive cash, cash equivalents, casino checks, casino affiliate checks, annuity jackpot trust checks, slot tokens, prize tokens and gaming chips from patrons in exchange for Customer Deposit Forms;~~

~~(6) Receive gaming plaques from patrons in exchange for cash or Customer Deposit Forms in accordance with an approved system of accounting;~~

~~(7) Receive Customer Deposit Forms from patrons in exchange for cash or slot tokens;~~

~~(8) Receive coupons from patrons in exchange for currency, slot tokens or coin, in conformity with **138.xx**;~~

~~(9) Receive checks from check cashiers to be returned to patrons for check redemptions, partial redemptions, consolidations or substitutions;~~

~~(10) Receive Wire Transfer or Electronic Fund Transfer Acknowledgment Forms in accordance with **138.xx** for the purpose of completing Customer Deposit Forms;~~

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(11) Receive from check, chip bank, master coin bank and reserve cash cashiers documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashiers' cage;

(12) Receive Voucher forms in accordance with. **138.xx** for the processing of travel expense reimbursements;

(13) Exchange Slot Counter Checks in accordance with **138.xx**;

(14) Prepare Jackpot Payout Slips in accordance with **138.xx**;

(15) Prepare Hopper Fill Slips in accordance with **138.xx**;

(16) Receive slot tokens from, and transmit slot tokens and prize tokens to, the master coin bank in exchanges supported by proper documentation;

(17) Prepare forms for the completion of payments for table game progressive payout wagers pursuant to **138.xx**;

(18) Receive gaming vouchers from patrons in exchange for currency, slot tokens or coins, or from authorized employees in exchange for cash, in conformity with **138.xx**;

(19) Prepare patron credit files and verify information therein supporting patron credit applications in accordance **138.xx**;

(20) Prepare redemption receipts in accordance with. **138.xx**;

(21) Issue, receive and reconcile imprest funds used by slot attendants, including an imprest change/pouch payout fund not exceeding $5,000, to be used in accordance with **138.xx**;

(22) Exchange currency for coupons, currency and Pouch Payout Slips from slot attendants;

(23) Receive cash and gaming chips from patrons for gaming chips, if operating with an imprest inventory of gaming chips; and

(24) Receive gaming chips from the chip bank in exchanges supported by proper documentation, if operating with an imprest inventory of gaming chips.

(b) Check cashiers (also known as "check bank cashiers") shall not have access to cash, gaming chips and plaques, except in accordance with 205 CMR(4), and such cashiers' functions may include the following:

(1) Receive the original and redemption copies of Counter Checks and Slot Counter Checks;

(2) Receive from general cashiers, checks accepted for total or partial Counter Check and Slot Counter Check redemptions;

(3) Receive checks from general cashiers for Counter Check and Slot Counter Check consolidations;

(4) Receive personal checks from general cashiers for Counter Check and Slot Counter Check substitutions;

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(5) Prepare bank deposit slips or supporting documentation for checks to be deposited;

(6) Receive Wire Transfer or Electronic Fund Transfer Acknowledgment Forms in accordance with. **138.xx** for the purpose of redeeming Counter Checks and Slot Counter Checks or accepting payment on returned Counter Checks and Slot Counter Checks; and

(7) Receive from general, chip bank and reserve cash cashiers' documentation with signatures thereon, required for the effective segregation of functions in the cashiers' cage.

(c) Chip bank cashiers shall not have access to currency or cash equivalents, but shall operate with a limited inventory of $0.50 and $0.25 coins which may only be used to facilitate odds payoffs or vigorish bets, except in accordance with 205 CMR (4). Such cashiers' functions may include the following:

(1) Receive gaming chips and coin removed from gaming tables from a security department member in exchange for the issuance of a Credit;

(2) Receive gaming plaques removed from gaming tables from a security department member in exchange for the issuance of a credit in accordance with an approved system of accounting controls;

(3) Receive Requests for Fills in exchange for the issuance of a Fill, the dispersal of gaming chips and coin to a security department member and the dispersal of gaming plaques to a security department member in accordance with an approved system of accounting controls;

(4) Receive gaming chips from the general cashiers, main bank cashiers, master coin bank cashiers, cage supervisors and personnel assigned to a non-cage employee redemption site in exchange for proper documentation;

(5) Receive from general, check bank and reserve cash cashiers documentation with signatures thereon, required for the effective segregation of functions in the cashiers' cage;

(6) Receive proper documentation from chippersons and general cashiers in exchange for imprest inventories of gaming chips, to be used in conformity with this chapter; and

(7) Such other functions as approved by the commission.

(d) Reserve cash ("main bank") cashiers' functions shall include, but are not limited to, the following:

(1) Receive cash, gaming vouchers, cash equivalents, issuance copies of Slot Counter Checks, original copies of Jackpot Payout Slips, personal checks received for non-gaming purposes, slot tokens, prize tokens, gaming chips and plaques from general cashiers in exchange for cash;

(2) Receive cash from the coin and currency count rooms;

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~~(3) Receive checks and supporting documentation from check cashiers for deposit if such deposit is not made by the check cashier;~~

~~(4) Prepare the overall cage reconciliation and accounting records;~~

~~(5) Prepare the daily bank deposit for cash and checks;~~

~~(6) Issue, receive and reconcile imprest funds used by slot attendants and chippersons;~~

~~(7) Exchange currency for coupons and currency from slot attendants;~~

~~(8) Receive from general, chip and check bank cashiers, documentation with signatures thereon, required to be prepared for the effective segregation of functions in the cashiers' cage;~~

~~(9) Be responsible for the reserve cash bankroll;~~

~~(10) Receive gaming chips, slot tokens and coupons from the simulcast vault or casino pari-mutuel cashiers;~~

~~(11) Exchange currency, coin, slot tokens, gaming chips and coupons with the keno booth in exchange for proper documentation;~~

~~(12) Perform the functions enumerated in 205 CMR (c)5 of master coin bank cashiers, but only to the extent that the gaming licensee has obtained, pursuant to **138.xx**, prior commission approval to operate its cashiers' cage without the master coin bank specified by **138.xx**;~~

~~(13) Receive unsecured currency, unsecured gaming vouchers and unsecured coupons from slot department representatives or casino accounting department representatives pursuant to **138.xx**;~~

~~(14) Prepare Unsecured Bill Changer Currency/Coupon Reports in accordance with **138.xx;**~~

~~(15) Receive slot tokens, prize tokens and gaming chips from personnel assigned to a non-cage employee redemption site in exchange for proper documentation;~~

~~(16) Receive slugs from the hard count room and slot department and maintain the slugs in inventory until destroyed in accordance with **138.xx**~~

~~(17) Prepare Cash Fills and Balance Receipts in accordance with **138.xx** and **138.xx**~~

~~(18) Issue and receive currency cassettes, currency cassette reject bins, coin hoppers and returned coin with respect to the operation of automated jackpot payout machines;~~

~~(19) Issue and receive currency cassettes, currency cassette reject bins, coin hoppers, returned coin and bill validator boxes with respect to the operation of gaming voucher redemption machines;~~

~~(20) Receive, from a count room, cash counted from bill validator boxes in exchange for proper documentation; and~~

~~(21) Perform exchanges with the master coin bank supported by proper documentation in accordance with approved internal controls.~~

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(e) Master coin bank cashiers' functions shall include, but are not limited to, the following:

(1) Receive currency, coin, slot tokens, prize tokens, gaming chips, gaming vouchers and coupons from slot cashiers in exchange for proper documentation;

(2) Receive coin and slot tokens from the hard count room;

(3) Provide slot cashiers with currency, coin, prize tokens and slot tokens in exchange for proper documentation;

(4) Issue, receive and reconcile imprest funds used by slot attendants, including an imprest change/pouch payout fund not exceeding $5,000, to be used in accordance with 19:45-1.40E;

(5) Exchange currency for coupons, currency and Pouch Payout Slips from slot attendants;

(6) Prepare the daily bank deposit of excess cash;

(7) Prepare Jackpot Payout Slips in accordance with **138.xx**;

(8) Prepare Hopper Fill Slips in accordance with **138.xx**;

(9) Receive slot tokens and prize tokens from cage supervisors, general cashiers, main bank cashiers and personnel assigned to a non-cage employee redemption site, and transmit slot tokens to general cashiers in exchanges supported by proper documentation;

(10) Exchange currency, coin, slot tokens, gaming chips and coupons with the keno booth and simulcast counter in exchange for proper documentation;

(11) Receive slugs from the hard count room and slot department and maintain the slugs in inventory until destroyed in accordance with **138.xx**;

(12) Prepare Cash Fills and Balance Receipts in accordance with **138.xx**

(13) Issue and receive currency cassettes, currency cassette reject bins, coin hoppers and returned coin with respect to the operation of automated jackpot payout machines;

(14) Issue and receive currency cassettes, currency cassette reject bins, coin hoppers, returned coin and bill validator boxes with respect to the operation of gaming voucher redemption machines;

(15) Receive, from a count room, cash counted from bill validator boxes in exchange for proper documentation; and

(16) Perform exchanges with the main bank supported by proper documentation in accordance with approved internal controls.

(4) Notwithstanding the requirements of **138.xx**, a gaming licensee may consolidate the functions of the chip bank cashier with the functions of the check cashier, by providing for consolidated cashier functions in its system of internal controls submitted in accordance with 205 CMR 138.02.

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(5) Signatures attesting to the accuracy of the information contained on the Cashiers' Count Sheet shall be provided, at a minimum, by the following cashiers after preparation of Cashiers' Count Sheet:

(a) The general cashiers assigned to the incoming and outgoing shifts;

(b) The check cashiers assigned to the incoming and outgoing shifts;

(c) The chip bank cashiers assigned to the incoming and outgoing shifts;

(d) The reserve cash cashiers assigned to the incoming and outgoing shifts;

(e) The master coin bank cashiers assigned to the incoming and outgoing shifts; and

(f) The slot cashiers assigned to the incoming and outgoing shifts.

(6) At the end of each gaming day, at a minimum, a copy of the Cashiers' Count Sheets and related documentation shall be forwarded to the accounting department for agreement of opening and closing inventories, agreement of amounts thereon to other forms, records, and documents required by this chapter, agreement of transportation reimbursement disbursements with supporting documentation and recording of transactions.

(7) Coin vaults authorized pursuant to **138.xx** shall be under the control of the accounting department or an independent slot machine cage department established pursuant to **138.xx**. The storage of coin, prize tokens or slot tokens in, or the removal of coin, prize tokens or slot tokens from, any coin vaults shall be properly documented, and the amount of coin, prize tokens and slot tokens in each coin vault shall be reconciled at the end of each gaming day.

(8) If the gaming establishment permits the use of coins or tokens for slot machine play, at least 10 percent of all bags of coins or slot tokens counted and bagged by each slot cashier, master coin bank cashier or main bank cashier outside of the count room shall be randomly selected and recounted by a slot cashier supervisor or cage supervisor, as applicable, through the use of a weighing device or a counting device. Unless otherwise approved by the commission, the recount shall be performed prior to the end of the cashier's shift and shall be recorded on supporting documentation in a manner approved by the Commission. In the alternative, a gaming licensee's internal control procedures may be designed to ensure that at least 10 percent of all bags of coins or slot tokens counted and bagged by each slot cashier, master coin bank cashier or main bank cashier outside of the count room shall be randomly selected and recounted. If a discrepancy greater than plus or minus $1.00 for any denomination of bagged coins or greater than plus or minus one token for bagged slot token denominations of $25.00 and below is found during the weighing of the sample bag, then the sample bag shall be opened and recounted by a counting machine provided, however, for slot token denominations greater than $25.00, any discrepancy shall require a recount. Notwithstanding the foregoing, a representative of the commission may direct a slot cashier, master coin bank cashier or main bank cashier to weigh or recount any bag of coins or slot tokens prepared outside of the count room on a random basis.

(9) The assets for which a chipperson are responsible shall be maintained on an imprest basis which, at a minimum, shall provide documentation to the chip bank, main bank and chipperson for the receipt of the imprest inventory and any subsequent receipt of gaming chips and currency, and documentation to the main bank for the return of the chipperson' s

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inventory at the end of his or her shift. The main bank shall be responsible for the return to the chip bank of any gaming chips remaining in the chipperson' s possession at the end of his or her shift.

138.30: Accounting controls within the simulcast counter

If a gaming licensee intends to engage in simulcasting it must include in its system of internal controls submitted in accordance with 205 CMR 138.02 protocols and procedures for such operation that, at a minimum, meet the following requirements:

(1) Whenever a pari-mutuel cashier begins a shift, he or she shall commence with an amount of currency and coin to be known as the "simulcast inventory," and no simulcasting facility shall cause or permit currency, coin, gaming chips, slot tokens or coupons to be added to, or removed from, such simulcast inventory during such shift except:
 (a) In collection of simulcast wagers;
 (b) In order to make change for a patron buying a pari-mutuel ticket;
 (c) In collection for the issuance of credit vouchers;
 (d) In payment of winning or properly cancelled or refunded pari-mutuel tickets;
 (e) In payment for credit vouchers; or
 (f) In exchanges with the cashiers' cage, a satellite cage or simulcast vault.

(2) A "simulcast count sheet" shall be completed and signed by the vault cashier or simulcast shift supervisor at the simulcast vault or other designated area as approved by the commission, and the following information, at a minimum, shall be recorded thereon at the commencement of a shift:
 (a) The date, time and shift of preparation;
 (b) The denomination of currency and coin in the simulcast inventory issued to the casino pari-mutuel cashier;
 (c) The total amount of each denomination of currency and coin in the simulcast inventory issued to the pari-mutuel cashier;
 (d) The pari-mutuel window number to which the pari-mutuel cashier is assigned; and
 (e) The signature of the vault cashier or simulcast shift supervisor.

(3) The pari-mutuel cashier assigned to the pari-mutuel window shall count the simulcast inventory in the presence of the vault cashier or simulcast shift supervisor at the simulcast vault, or other designated area as approved by the commission, and shall reconcile the count with the simulcast count sheet. The pari-mutuel cashier shall sign the count sheet attesting to the accuracy of the information recorded thereon.
(4) The simulcast inventory shall be placed in a cashier's drawer and transported directly to the appropriate pari-mutuel window by the pari-mutuel cashier.
(5) At the conclusion of a pari-mutuel cashier's shift, the cashier's drawer and its contents shall be transported directly to a designated area in the simulcast counter, where the pari-mutuel cashier shall count the contents of the drawer and record the following information, at a

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~~minimum, on the simulcast count sheet:~~

~~(a) The date, time and shift of preparation;~~

~~(b) The denomination of currency, coin, gaming chips, slot tokens and coupons in the drawer;~~

~~(c) The total amount of each denomination of currency, coin, gaming chips, slot tokens and coupons in the drawer;~~

~~(d) The total of any exchanges;~~

~~(e) The total amount in the drawer; and~~

~~(f) The signature of the pari-mutuel cashier;~~

~~(6) The vault cashier or simulcast shift supervisor shall compare the pari-mutuel window net for the shift as generated by the terminal and if it agrees with the simulcast count sheet total plus the simulcast inventory, shall agree the count to the simulcast count sheet and sign the simulcast count sheet attesting to the accuracy.~~

~~(7) If the pari-mutuel window net for the shift as generated by the RMC does not agree with the simulcast count sheet total plus the simulcast inventory, the vault cashier or simulcast shift supervisor shall record any overage or shortage. If the count does not agree, the pari-mutuel cashier and the vault cashier or simulcast shift supervisor shall attempt to determine the cause of the discrepancy in the count. If the discrepancy cannot be resolved by the pari-mutuel cashier and the vault cashier or simulcast shift supervisor, such discrepancy shall immediately be reported to the simulcast counter manager, or department supervisor in charge at such time, the security department and the IEB verbally. If the discrepancy is $500.00 or more, a security department member shall complete the standard security report in writing, as approved by the IEB, and immediately forward a copy to the commission.~~

RESERVED

Procedures

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

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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. ~~No slot drop container shall be removed from a slot machine at other than the times specified on such schedule except with contemporaneous notification to the IEB. The slot drop containers shall be removed at least once a week. If an approved slot monitoring system is used to generate a slot drop estimate report pursuant to 205 CMR 138.xx, the schedule for the removal of slot drop boxes and slot drop buckets may be extended.~~

(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. ~~Control of the key shall be limited to supervisors in that department and shall be documented, at a minimum, by a sign-out and sign-in procedure in accordance with the security submission approved by the IEB.~~

(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"). ~~An accounting department member shall be the drop team supervisor and shall be a key licensee.~~ 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. ~~Each gaming licensee shall also maintain and make available to the IEB upon request, the names and credential numbers of the slot drop team.~~

(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) ~~A security department member shall sign out the count room door key and padlock key, which are maintained and controlled by the security department. Access to these keys shall be limited to security supervisors and shall be controlled, at a minimum, by a sign-out and sign-in procedure described in the gaming licensee's security internal control submission as approved by the IEB.~~

(6) ~~To begin the scheduled slot drop container removal process, the drop team supervisor shall perform a physical count of the empty slot drop containers removed from storage. The count and the gaming date shall be documented on a two-part slot drop container verification form. The drop team supervisor shall compare the count of the empty slot containers to the~~

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collection schedule. Any discrepancy between the number of empty slot drop containers physically counted and the number indicated on the collection schedule shall be recorded on the slot drop container verification form and signed by the drop team supervisor.

(7) The security department member shall remove the trolley(s) containing the empty slot drop containers from the count room or other storage area and transport them to a slot zone.

(8) Prior to removing any slot drop containers, a security department member shall, at a minimum:

(a) Notify patrons that a slot machine will be closed for removing slot drop containers;

(b) Restrict patrons from the slot aisles where slot drop containers are removed;

(c) Secure the area while the slot drop containers are removed;

(d) Secure full slot drop containers while they are transported within the gaming establishment; and

(e) Remain with the trolley at all times.

(9) Procedures and requirements for removing slot drop containers from the slot machines shall be as follows:

(a) The slot drop container shall be removed from its compartment. An empty slot drop container, corresponding to the slot machine, shall be placed into the compartment after which the compartment shall be closed and secured; and

(b) The slot drop boxes or slot cash storage boxes removed from the slot machines shall be placed immediately in an enclosed trolley which is secured by a locking system. The locking system shall be maintained and controlled by the casino security department.

(10) For each trolley, the drop team supervisor shall record on a slot drop container verification form, at a minimum, the following:

(a) The gaming date; and

(b) The number of slot drop containers which have been removed from the slot machines and placed into the trolley.

(11) Prior to the placement of each trolley in the count room, the drop team supervisor shall:

(a) Count and record the total number of slot drop containers collected and verify that the number collected agrees with the count recorded on the slot drop container verification form. Any discrepancies between the number of collected slot drop containers and the number on the schedule shall be separately recorded on the slot drop container verification form;

(b) Secure the slot containers in the trolley utilizing a padlock;

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~~(c) Sign the slot drop container verification form attesting to the accuracy of such reconciliation and that the trolley has been secured; and~~

~~(d) Obtain the signature of a security department member on the slot drop container verification form attesting to the accuracy of such reconciliation and that the trolley has been secured.~~

~~(12)~~ All slot drop containers removed from the slot machines ~~and the slot drop container verification forms~~ shall be transported directly to, and secured in, the count room by a casino security department member and a member of the accounting department. ~~A gaming licensee may, temporarily, store trolleys in a secure staging area outside of the count room before being transferred to the count room as approved by the IEB. The security measures shall require that the staging area be recorded by the surveillance department and guarded by at least one casino security department representative whenever slot drop containers are temporarily stored in the area.~~

~~(13) A slot cash storage box removed from a bill changer in order to service the bill changer may be temporarily and securely stored in the locked base of the corresponding slot machine (the compartment authorized to contain the slot drop bucket or slot drop box) and shall be replaced and secured in the bill changer when the repairs are completed. At no time shall the bill changer under repair be left unattended while the slot cash storage box is secured in the base of the slot machine. If the repairs cannot be completed and the slot cash storage box cannot be replaced in the bill changer, or if the bill changer must be removed from the gaming area, the slot cash storage box shall be removed from the secure slot compartment and transported to the count room in accordance with 205 CMR (n).~~

(14) 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 ~~three-part~~ 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;

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~~(c) The casino security department member shall sign out the keys to the count room and emergency box cabinet or trolley and the bill changer compartment. The keys shall be maintained and controlled by the casino security department. Access to these keys shall be limited to casino security supervisors and shall be controlled, at a minimum, by a sign-out and sign-in procedure described in the internal control system;~~

~~(d) The casino security department member and a slot or cage supervisor shall obtain the emergency box from the count room;~~

(e) 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;

(f) 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;

(g) 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

(h) 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)~~ (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; ~~and~~

~~(i) The keys shall be returned and signed in by a casino security department supervisor.~~

(15) 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 ~~two-part~~ 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

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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.

(16) Whenever unsecured drop is found at times other than the collection of slot cash storage boxes, a slot department member shall notify surveillance and complete and sign the form referenced in 205 CMR (o). 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.

(17) 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.

(18) 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.

(19) 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.

(20) 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.

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(21) 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 condition of a prototype approval,~~ 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.~~18~~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 ensuing 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

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(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 gaming tables that ~~include, at a minimum, the provisions contained in 205 CMR 138.x.~~must include participation of personnel from at least three departments with incompatible functions.

~~(1) A Request for Fill ("Request") shall be prepared by a gaming supervisor, or a gaming clerk, to authorize the preparation of a Fill Slip ("Fill") for the distribution of gaming chips, coins and plaques to gaming tables. The Request shall be a two-part form, at a minimum, and access to the Request shall, prior to use, be restricted to gaming supervisors and gaming clerks.~~

~~(2) On the original and duplicate Request, the following information, at a minimum, shall be~~

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recorded:

(a) The date and time, or shift of preparation;

(b) The denomination of gaming chips, coins and plaques to be distributed to the gaming tables;

(c) The total amount of each denomination of gaming chips, coins and plaques to be distributed to the gaming table;

(d) The game and table number to which the gaming chips, coins and plaques are to be distributed; and

(e) The signature of the gaming supervisor.

(3) After preparation of the Request, the original copy of such Request shall be transported directly to the cashiers' cage.

(4) The duplicate copy of the Request shall be placed by the dealer or boxman in public view on the gaming table to which the gaming ships, coins and plaques are to be received. Such duplicate Request shall not be removed until the chips, coins and plaques are received at which time the Request and Fill are deposited in the drop box.

(5) If Fills are computer prepared and the input data required for preparation of a Fill is entered by, and ability to input is restricted to a casino supervisor and a casino clerk, and the printing of the Fill, which shall be in the cashiers' cage, is a direct result of such input, 205 CMR (a), (b), (c), and (d) may be disregarded.

(6) A Fill shall be prepared by a chip bank cashier or, if computer prepared, by a chip bank cashier, a gaming supervisor, or a gaming clerk whenever gaming chips, coins and plaques are distributed to the gaming tables from the cashiers' cage.

(7) Fills shall be serially pre-numbered forms, each series of Fills shall be used in sequential order, and the series numbers of all Fills received by a gaming establishment shall be accounted for by employees with no incompatible functions. All original and duplicate void Fills shall be marked "VOID" and shall require the signature of the preparer.

(8) For gaming establishments in which Fills are manually prepared, the following procedures and requirements shall be observed:

(a) Each series of Fills shall be a three-part form, at a minimum, and shall be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser.

(b) Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Fills, placing Fills in the dispensers, and removing from the dispensers, each, the triplicates remaining therein. These employees shall have no incompatible functions.

(9) For establishments in which Fills are computer-prepared each series of Fills shall be a two-part form, at a minimum, and shall be inserted in a printer that will: simultaneously print an original and a duplicate and store, in machine-readable form, all information printed on the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Fill.

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~~(10) On original, duplicate, and triplicate copies of the Fill, or in stored data, the preparer shall record, at a minimum, the following information:~~

~~(a) The denomination of the gaming chips, coins and plaques being distributed;~~

~~(b) The total amount of each denomination of gaming chips, coins and plaques being distributed;~~

~~(c) The total amount of all denominations of gaming chips, coins and plaques being distributed;~~

~~(d) The game and table number to which the gaming chips, coins and plaques are being distributed;~~

~~(e) The date and shift during which the distribution of gaming chips, coins and plaques occurs; and~~

~~(f) The signature of the preparer or, if computer prepared, the identification code of the preparer.~~

~~(g) The time of preparation of the Fill shall be recorded at a minimum, on the original and duplicate upon preparation.~~

~~(h) All gaming chips, coins and plaques distributed to the gaming tables from the cashiers' cage shall be transported to the gaming tables from the cashiers' cage by a security department member who shall agree the Request to the Fill and sign the original copy of the Request, maintained at the cashiers' cage, before transporting the gaming chips, coins and plaques and the original and duplicate copies of the Fill for signature.~~

~~(i) Signatures attesting to the accuracy of the information contained on the Fills shall be, at a minimum,~~

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

RESERVED

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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

RESERVED

138.42: Acceptance of payments toward outstanding patron checks

RESERVED

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

RESERVED

138.44: Patron request for suspension of credit privileges

RESERVED

138.45: Procedure for depositing checks received from gaming patrons

RESERVED

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

RESERVED

138.47: Automatic Teller Machines (ATM)

RESERVED

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:

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(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) Sign out the following keys:~~

~~(1) Trolley or cabinet keys from a security supervisor for the purpose of gaining access to the drop boxes; and~~

~~(2) Key(s) securing the contents of the table drop boxes and/or slot cash storage boxes ("boxes") and the tether padlock key from the casino accounting department;~~

(c) Reconcile the number of boxes recorded on the drop box verification form to the number of boxes secured in the trolley;

(d) Remove the emergency drop box log and reconcile the log to the boxes removed from the emergency drop box cabinet or trolley; and

(e) 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 (b) 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(c)1, 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.

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(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;

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(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(d)1.

(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;

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(f) Upon completion of the machine count:

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

(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;

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(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.

(7) In addition to the requirements of 205 CMR(f), the Master Game Report shall include:

(a) The gaming date of the items recorded;

(b) The grand total for items in 205 CMR(f)3 through 17;

(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.

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(10) In addition to the requirements of 205 CMR(i), 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(i)2 through 5;

(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

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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.

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(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.

~~(22) The keys shall be returned and signed in by the count room supervisor to the security department or the accounting department, as applicable, immediately following the conclusion of the count of the drop boxes or if the count room supervisor leaves the count room during the count process.~~

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 provisions contained in 205 CMR 138.x.

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(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 casino floor;
(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(b). 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.

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(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 ~~re~~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.

(1) ~~A gaming licensee shall configure the pits and slot zones in its gaming establishment and simulcasting facility, as to types, number and location of games, strictly in accordance with the floor plans included in its internal controls pursuant to 205 CMR 138.~~
(2) 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 ~~three~~

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~~business days~~ 24 hours prior to implementing such alternate configuration. ~~In addition, pursuant to the above notice procedure, a gaming licensee may also temporarily reconstitute one or more pits as a slot zone(s) or one or more slot zones or a portion thereof as a pit.~~ If the gaming licensee does not receive a response to the petition within that ~~three-day~~ 24 hour period, the ~~commission shall~~ notify the gaming licensee ~~whether~~ may proceed with the reconfiguration or reconstitution ~~is rejected~~.

~~(3) In accordance with the specific terms of the notice, the gaming licensee shall implement the reconfiguration or reconstitution for a period of no more than 120 consecutive days. Notwithstanding the foregoing, the commission may approve the implementation of a reconfiguration of a pit in conjunction with the test of a new table game or table game wager pursuant to these regulations for a period up to 270 days from the day such test commences.~~ 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.

~~(4) A gaming licensee shall obtain prior approval for any changes, other than those permitted by 205 CMR, to the configuration of the pits or slot zones in its gaming establishment and simulcasting facility.~~

(5) Each pit operating under an approved configuration shall have an ~~electrical~~ 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.

Slot Machines/Progressive Table Games

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.

~~A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a detailed description of its policies and procedures governing the~~

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~~reconciliation of the contents of its gaming voucher redemption machines, which, at a minimum, shall address:.~~

~~(1) The procedures and forms, along with a description of the employees who must sign the form, used by the cage to record currency cassette/coin hopper cash fills for the gaming voucher redemption machines;~~

~~(2) The procedures and forms used, along with a description of the employees who must sign the form, for issuance of such cash fills and the department which will be responsible for performing the cash fills;~~

~~(3) The procedures followed by the employee performing the fill with respect to signing out the keys to unlock the cabinets of the automated gaming voucher machines;~~

~~(4) The procedures utilized for removing and replacing currency cassettes, currency cassette reject bins, coin hoppers/coin hopper fills and the information to be recorded on the receipts generated by the machines to record the fill and any forms used, along with a description of the employees who must sign the form, with respect to completion of the fill;~~

~~(5) The procedures followed by the cage for counting and recording the value of the remaining contents of the returned currency cassettes, currency cassette reject bins, coin hoppers or any returned coin from the machines and any forms used, along with a description of the employees who must sign the form with respect to recording the inventory balance;~~

~~(6) A description of which of the forms utilized in these procedures will be forwarded to the accounting department at the end of each gaming day;~~

~~(7) The procedure utilized by the cage to obtain an inventory report from each gaming voucher redemption machine to determine the starting inventory amount for the machine and the information recorded on the inventory report;~~

~~(8) The procedures followed by the accounting department for reconciliation of the change in the contents of the gaming voucher machines, including the generation of a report from each gaming voucher redemption machine that documents each transaction conducted at the machine to confirm that it agrees with the forms completed and receipts generated with respect to the fills and count recorded as to the value of the remaining contents of the machines;~~

~~(9) The frequency in which the contents of all currency cassettes and coin hoppers shall be counted and the method for recording the reconciliation of cash contained therein and the method of recording such reconciliation and reporting any variances to the commission; and~~

~~(10) Procedures to ensure that a record of the number of gaming voucher redemption machines in service at any time, and the frequency in which the contents thereof shall be emptied and reconciled, is provided to the commission.~~

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

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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 provisions contained in 205 CMR 138.x.

(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.

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(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

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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 casino 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 (b), (d), (e), (f), or (g), 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;

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(b) Whenever a progressive controller not housed within the cabinet of a slot machine is opened, the information specified in 205 CMR (j)1 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 (j)1, 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 (j)1 or 3, 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

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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 ~~involved in that failure~~. ~~If the commission objects to the payment of the jackpot prior to the completion of its inspection, it shall not constitute waiver or estoppel of any charge, issue or claim raised in any criminal or regulatory complaint subsequently filed against any person in connection with the winning or payment of that jackpot~~; and
(2) Its 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. ~~The policies and procedures shall include the following:~~

~~(1) A listing of the specific forms of cash, cash equivalents, casino chips, coupons, vouchers, casino checks, merchandise, and the like that may be used by a slot attendant to satisfy a jackpot or redeem a patron's credit meter balance. The gaming licensee shall, to the extent applicable, distinguish its procedures for each form of payment and assure, at all times, compliance with all provisions of 205 CMR 138.00 that address a particular form of payment (for example, merchandise).~~
~~(2) Provisions relative to documenting and assigning accountability over a jackpot payout or credit meter payout by establishing appropriate forms or documents designed to:~~
~~(a) Request that a payout be made;~~
~~(b) Record the applicable information pertaining to the payout;~~
~~(c) Approve the payout;~~
~~(d) Provide limits to and adequate security over the transportation of funds for payment of jackpots; and~~
~~(e) Complete the payout, including required signatures thereto from both the employees and supervisors involved in the payout process, and the patron so as to provide an acknowledgment of the payout having been received by the patron.~~

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(3) Provisions relative to establishing a segregation of duties among and between those employees responsible for requesting, approving, completing, and accounting for jackpot payouts and credit meter payouts.

(4) Provisions relative to distinguishing those procedures over payouts for which an electronic record is available from payouts that may be initiated, authorized and completed in a fully manual transaction, including procedures in place to subsequently post the manual transaction to the electronic information system.

(5) Procedures relative to the identification and distinction of payout financial thresholds, above and below which procedures and levels of approval may differ.

(6) Procedures to assure that all payouts are posted accurately and timely to the licensee's accounting system.

(7) Procedures to assure that all payouts are reported to the Internal Revenue Service and Department of Revenue in such a manner that complies with the reporting requirements in place at the time of the payout.

(8) Procedures to assure that, after having completed a jackpot payout or credit meter payout, the applicable slot machine or electronic gaming devise is reset to account for the completed payout.

138.57: Alternate procedures for a manual slot jackpot

(1) A gaming licensee may establish alternate policies, procedures, and internal controls over the payment of jackpots and credit meter redemptions provided in accordance with 205 CMR 138.56 if the payouts are below a certain financial threshold ("lesser payouts") so as to expedite the payout process and minimize the procedural and documentation requirements so long as the licensee maintains an adequate system of internal control over payouts and credit meter redemptions having lesser value.

(2) If the gaming licensee chooses to establish alternate polices in accordance with 205 CMR 138.40, the system of internal controls submitted in accordance with 205 CMR 138.02 shall include:

(a) The financial threshold below which slot or electronic gaming device payouts or credit meter redemptions may be subject to these alternate procedures;

(b) The specific policies and procedures in place to:

(1) Request that a lesser payout be made.

(2) Record the pertinent information of the payout.

(3) Approve the payout and assign responsibility and accountability over the payout by way of employee and supervisory signature requirements.

(4) Process and complete the payout.

(5) Assure that all such payouts are reported to an independent department such as accounting for review and, thereafter, posting to the licensee's accounting system; and

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~~(c) The differences, with specificity, between these procedures and the procedures in place for jackpots or credit meter redemptions of greater value from that in place for these lesser payouts.~~

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 ~~different~~ 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. ~~but not be limited to:~~

~~(1) Each hopper of a slot machine may be filled by a slot attendant, slot mechanic or slot supervisor by requesting coin, slot tokens, or prize tokens that are compatible with the hopper to be filled from a slot cashier, general cashier, or master coin bank cashier or by obtaining coin, slot tokens, or prize tokens that are compatible with the hopper to be filled from its corresponding hopper storage area.~~
~~(2) A slot hopper may be refilled at any time, provided, however, that:~~
~~(a) An entire sealed bag of coin or tokens is used for the hopper fill and placed into the hopper;~~
~~(b) The hopper cannot be filled beyond its operational capacity; and~~
~~(c) The hopper cannot be filled beyond its present inventory level.~~
~~(3) The filling of a hopper or a hopper storage area with coin, slot tokens or prize tokens obtained from a slot cashier, general cashier or master coin bank cashier shall be accomplished as follows:~~
~~(a) Whenever a slot supervisor, attendant or mechanic requests coins, slot tokens or prize tokens to fill a hopper or a hopper storage area of a slot machine, he or she shall obtain a completed and signed Hopper Fill Slip ("Hopper Fills") from a slot cashier, general cashier or master coin bank cashier;~~
~~(b) Hopper Fills shall be serially pre-numbered forms, each series of Hopper Fills shall be used in sequential order, and the series numbers of all Hopper Fills received by a casino~~

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licensee shall be accounted for by employees independent of the cashiers' cage and the slot department. All original and duplicate void Hopper Fills shall be marked "VOID" and shall require the signature of the preparer. A gaming licensee may utilize a serially pre-numbered combined Jackpot Payout/Hopper Fill form;

(c) For Hopper Fills which are manually prepared, the following procedures and requirements shall be observed:

(1) Each series of Hopper Fills shall be a three-part form, at a minimum, and shall either be inserted in a locked dispenser that will permit an individual slip in the series and its copies to be written upon simultaneously while still locked in the dispenser, and that will discharge the original and duplicate while the triplicate remains in a continuous, unbroken form in the dispenser or attached in a manner that will permit each form to be written on simultaneously and will allow for the removal of the original and the duplicate and maintain the triplicates; and

(2) Access to the triplicates shall be maintained and controlled at all times by employees responsible for controlling and accounting for the unused supply of Hopper Fills, placing Hopper Fills in the dispensers, and removing from the dispensers the triplicates remaining therein;

(d) For Hopper Fills which are computer prepared, each series of Hopper Fills shall be a two-part form, at a minimum, and shall be inserted in a printer that simultaneously prints an original and duplicate, stores in machine-readable form all information printed on the original and duplicate, and discharges the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a Hopper Fill;

(e) The Hopper Fill shall include the following information:

(1) The asset number and denomination of the slot machine to which the coins, slot tokens or prize tokens are to be distributed;

(2) The date and time during which the coins, slot tokens or prize tokens are distributed;

(3) The denomination of the coin, slot tokens or prize tokens that are to be distributed;

(4) The amount of coins, slot tokens or prize tokens that are to be distributed;

(5) The location from which the coins, slot tokens or prize tokens are distributed;

(6) The signature and, if computer prepared, the identification code of the preparer;

(7) The signature or identification code of the slot attendant, slot mechanic or slot supervisor requesting coins, slot tokens or prize tokens to fill the hopper (on the original and the duplicate only);

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(8) Whether the coins, slot tokens or prize tokens are to be placed in the slot machine's:

(a) All-purpose hopper and/or any reserve hoppers that automatically replenish the all-purpose hopper;
(b) Payout-only hopper and/or any reserve hoppers that automatically replenish the payout-only hopper reserve hopper; or
(c) In its corresponding hopper storage area; and

(9) Whether the Hopper Fill is to be witnessed and verified by a second gaming employee;

(f) All coins, slot tokens or prize tokens distributed from a slot booth, master coin bank or the cashiers' cage to a slot machine or its corresponding hopper storage area shall, during their transportation to the machine or hopper storage area, remain in pre-wrapped secured bags;
(g) The coin, slot tokens or prize tokens shall be transported directly to the slot machine or its corresponding hopper storage area, along with the duplicate Hopper Fill. A second gaming employee shall observe the deposit of the coins, slot tokens or prize tokens in the appropriate slot machine hopper or the slot machine's corresponding hopper storage area, and the closing and locking of the slot machine or its corresponding hopper storage area by a slot mechanic, slot attendant or slot supervisor before obtaining the signature of the slot mechanic, slot attendant or slot supervisor on the duplicate copy of the Hopper Fill;
(h) The surveillance department shall monitor the transportation to and deposit of the fill;
(i) A slot mechanic who participates in filling a slot machine hopper shall inspect the slot machine and, if the hopper is empty, determine if the empty hopper resulted from a slot machine malfunction. A slot attendant or slot supervisor participating in a hopper fill shall review the Machine Entry Authorization Log and alert a slot mechanic to inspect the slot machine if the entries in the log indicate a consistent malfunction problem;
(j) Signatures attesting to the accuracy of the information contained on the Hopper Fill shall be, at a minimum, the following personnel at the following times:

(1) The original shall be signed by the slot cashier, master coin bank cashier or general cashier upon preparation of the Hopper Fill and by the gaming employee transporting the coins, slot tokens or prize tokens to the slot machine upon receipt from the cashier of the coins or tokens to be transported; and
(2) The duplicate shall be signed by the slot cashier, master coin bank cashier or general cashier upon preparation of the Hopper Fill, by the gaming employee transporting the coins, slot tokens or prize tokens to the slot machine upon receipt from the cashier of the coins or tokens to be transported and by the slot mechanic,

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slot attendant or slot supervisor after completing the fill procedures in the presence of the gaming employee transporting the fill;

(k) Upon meeting the signature requirements, the slot cashier, master coin bank cashier or general cashier shall maintain and control the original Hopper Fill and the gaming employee who transported the fill shall deposit the duplicate in a secure, locked box controlled by the accounting department;

(l) At the end of each gaming day, at a minimum, the original and duplicate Hopper Fill Slip shall be forwarded as follows:

(1) The original Hopper Fill Slip shall be forwarded, in exchange for coin, currency or credit, to the master coin bank if prepared by a slot cashier or to the main bank if prepared by a general cashier. All original Hopper Fill Slips received or prepared by the master coin bank or received by the main bank shall then be forwarded to the accounting department, which shall confirm that the information on the original Hopper Fill agrees with the information on the triplicate or in stored data; and

(2) The duplicate Hopper Fill Slip shall be forwarded directly to the accounting department, which shall record the information from the Hopper Fill Slip on the Slot Win Report, and shall confirm that the information recorded on the Hopper Fill Slip agrees with the information on the triplicates or in stored data; and

(m)A gaming licensee may use one Hopper Fill Slip to document fills to more than one hopper storage area or to a hopper storage area that supplies more than one slot machine, if:

(1) All of the fills are for the same denomination of slot machine and are accomplished at the same time; and

(2) The Hopper Fill Slip contains:

(a) The amount to be distributed to each hopper storage area or, if applicable, each compartment in a hopper storage area that supplies more than one slot machine;

(b) Spaces for gaming employees to initial after each individual fill; and

(c) The total amount of all hopper fills that are documented by the Hopper Fill Slip.

(n) Whenever a slot machine's hopper requires coin, slot tokens, or prize tokens, a slot attendant or mechanic, after confirming that its corresponding hopper storage area contains the necessary coin, slot tokens or prize tokens to replenish the hopper to be filled, may, in the presence of a second gaming employee, transfer the necessary coin,

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~~slot tokens or prize tokens from that slot machine's hopper storage area directly to the appropriate hopper of the corresponding slot machine. The second gaming employee shall observe the deposit of the coins, slot tokens or prize tokens in the appropriate slot machine hopper and the closing and locking of the slot machine and its corresponding hopper storage area by the slot mechanic or attendant.~~

~~(o) After transferring the coins, slot tokens or prize tokens to the slot machine's appropriate hopper from a corresponding storage area pursuant to 205 CMR(c) or upon completing a fill pursuant to 205 CMR (b) of a slot machine's hopper, the slot attendant or mechanic shall make the entries required on the slot machine's log, which shall include the following:~~

~~(1) The date and time of the transfer;~~
~~(2) The type of hopper in the slot machine to which the coins, slot tokens or prize tokens were transferred;~~
~~(3) The hopper fill slip number, if applicable;~~
~~(4) The amount(s) of coins, slot tokens or prize tokens that were placed in that hopper; and~~
~~(5) The name and license number of the slot attendant or slot mechanic who made the transfer or fill.~~

~~(p) A gaming licensee that removes a prize token shall count it, for purposes of calculating its gross revenue as cash received from gaming operations for the face amount of the prize token.~~

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. ~~including, but not be limited to, the following:~~

~~(1) Except as provided in 205 CMR(b) through (d) no coin, slot tokens, or slugs shall be removed from a slot machine hopper.~~

~~(2) If a slot machine malfunctions during a payout and the slot machine cannot be repaired in a timely manner, coin and slot tokens may be removed from a slot machine's hopper in order to complete the slot machine paid jackpot. The coin or slot tokens shall be removed from the slot machine hopper by a slot attendant, slot mechanic or supervisor thereof. The removal of the coin or slot tokens shall be documented on the Machine Entry Authorization Log. A~~

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gaming licensee shall not be precluded from preparing a Jackpot Payout Slip for the amount of coin or slot token owed the patron provided and a notation is made on the Jackpot Payout Slip indicating the reason for the slip.

(3) If coin or slot tokens are inserted by a patron and are neither registered nor returned to the patron by the slot machine, a member of the slot department in accordance with 205 CMR (b, may remove the coin or slot tokens from the slot machine hopper and return them to the patron. The removal of the coin or slot tokens shall be documented on the Machine Entry Authorization Log. Under no circumstances shall a gaming licensee remove more coin or slot tokens than the maximum number of coin or slot tokens which can be wagered on one handle pull of the slot machine.

(4) Whenever slugs are found in a slot machine's hopper the following procedures and requirements shall be followed:

(a) A slot attendant, slot mechanic or supervisor thereof shall immediately remove the slugs from the slot machine hopper and place the slugs into an envelope or container. The individual who found the slugs shall record the asset number and denomination of the slot machine, the quantity of slugs found, the date the slugs were found, and his or her signature on the Machine Entry Authorization. The envelope or container may be maintained inside the slot machine until the next scheduled slot drop. A count team member shall complete a two-part Slug Report which contains the following:

(1) The date and time;
(2) The asset number of the slot machine from which the slugs were removed;
(3) The denomination of the slot machine;
(4) The number of slugs;
(5) A brief description of the slugs; and
(6) The signature of the count team member completing the two-part Slug Report;

(b) Upon completion of the Slug Report required by 205 CMR (d)1, the count team member shall remove the envelope or container and transport it with the Slug Report to the master coin bank. The individual accepting receipt of the slugs shall sign the Slug Report. The original Slug Report shall be maintained in the master coin bank and the duplicate shall be delivered to the Division's in-house office by the end of each gaming day;

(c) Whenever a slug is found in a slot machine's hopper, the slot department member shall inspect the slot machine and coin mechanism to determine if there is a malfunction. The results of this inspection shall be documented on the Machine Entry Authorization; and

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~~(d) All slugs shall be destroyed in accordance with procedures submitted as part of the internal controls which procedures shall include a written notification to the IEB as to the date, time and location of destruction.~~

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 138.44(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.

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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 chip

RESERVED

~~138.65: Accounting controls for gaming voucher redemption machines~~duplicate

~~A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a detailed description of its policies and procedures governing the reconciliation of the contents of its gaming voucher redemption machines, which, at a minimum, shall address:~~

~~(1) The procedures and forms, along with a description of the employees who must sign the form, used by the cage to record currency cassette/coin hopper cash fills for the gaming voucher redemption machines;~~
~~(2) The procedures and forms used, along with a description of the employees who must sign the form, for issuance of such cash fills and the department which will be responsible for performing the cash fills;~~
~~(3) The procedures followed by the employee performing the fill with respect to signing out the keys to unlock the cabinets of the automated gaming voucher machines;~~
~~(4) The procedures utilized for removing and replacing currency cassettes, currency cassette reject bins, coin hoppers/coin hopper fills and the information to be recorded on the receipts generated by the machines to record the fill and any forms used, along with a description of the employees who must sign the form, with respect to completion of the fill;~~
~~(5) The procedures followed by the cage for counting and recording the value of the remaining contents of the returned currency cassettes, currency cassette reject bins, coin hoppers or any returned coin from the machines and any forms used, along with a description of the employees who must sign the form with respect to recording the inventory balance;~~

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~~(6) A description of which of the forms utilized in these procedures will be forwarded to the accounting department at the end of each gaming day;~~

~~(7) The procedure utilized by the cage to obtain an inventory report from each gaming voucher redemption machine to determine the starting inventory amount for the machine and the information recorded on the inventory report;~~

~~(8) The procedures followed by the accounting department for reconciliation of the change in the contents of the gaming voucher machines, including the generation of a report from each gaming voucher redemption machine that documents each transaction conducted at the machine to confirm that it agrees with the forms completed and receipts generated with respect to the fills and count recorded as to the value of the remaining contents of the machines;~~

~~(9) The frequency in which the contents of all currency cassettes and coin hoppers shall be counted and the method for recording the reconciliation of cash contained therein and the method of recording such reconciliation and reporting any variances to the commission; and~~

~~(10) Procedures to ensure that a record of the number of gaming voucher redemption machines in service at any time, and the frequency in which the contents thereof shall be emptied and reconciled, is provided to the commission.~~

~~138.66: Computerized gaming voucher systems; required procedures~~ moved to 51

~~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).~~

Miscellaneous

138.67: Cashless wagering systems

RESERVED

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

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, if any (the Table Games Master List).

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(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(a), updated master lists of its table games and slot machines 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 commission. In addition, each gaming licensee shall, on a monthly basis, file updated lists of slot machines required pursuant to 205 CMR (a)2 through 4 with the commission.

(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.

138.69: Employee Signatures

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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) 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 ~~clearly printed or preprinted~~ title of the signer; or
   (b) Be the employee's 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) 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) Signature records shall be prepared for each person 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 shall be 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.

138.70: Expiration of gaming-related obligations owed to patrons; payment to the Gaming Revenue 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 provides, 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 ~~Gaming Revenue Fund/~~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.

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(2) Expiration of gaming-related obligations owed to patrons from the gaming licensee shall, before the end of each calendar month, be reported by the gaming licensee, in a format prescribed by the commission, the total value of gaming debts owed to its patrons that expired during the preceding calendar month.

(a) 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.

(b) Upon the payment of the expired debt in accordance with this section, the gaming licensee shall post the payment and remove its records as an outstanding debt.

(c) Failure to make the payment to the Gaming Revenue Fund/Gaming Control Fund by the due date shall result in the imposition of penalties and interest as prescribed by 205 CMR x.

(d) Nothing in 205 CMR 138.70 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.

138.71: 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 ~~five business days~~ 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 138.71(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;

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(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.

138.72: 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.

~~138.73: Failure to abide by approved system of internal controls~~

205 CMR 038: M.G.L. c. 23K, §§4(28), 5, and 25(d).

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October 23, 2014

BY HAND

Massachusetts Gaming Commission
84 State Street
Boston, MA 02109

RE: Blue Tarp reDevelopment Comments on Proposed Internal Control Regulations

To Whom It May Concern:

In response to the Massachusetts Gaming Commission's posting of draft Uniform Standards of Accounting Procedures and Internal Control Regulations (Internal Control Regulations), 205 CMR 138, Blue Tarp reDevelopment, LCC ("MGM Springfield") submits the following initial comment to the Commission in connection with a "possible vote" at the public hearing scheduled for October 23, 2014, presumably to send these draft regulations into the formal comment and hearing process under G.L. c. 30A. MGM Springfield appreciates the opportunity to provide initial comments on the draft regulations and the Commission's overall approach to supervision of the industry in Massachusetts.[1]

Prior to commencing the formal promulgation process for these regulations, the Commission may wish to discuss and consider its overall approach to the supervision of licensee operations in the Commonwealth and look to different types of regulatory oversight models in various jurisdictions across the United States. The Commission's current draft of the Internal Control Regulations are extremely detailed and prescriptive in certain sections. MGM Springfield recognizes that this regulatory approach is utilized in some jurisdictions and may provide some benefit, specifically the prescriptive approach arguably eliminates any uncertainty regarding exactly what, where and when something must occur or be filed to be in compliance as well as promoting uniformity among all licensees. However, there are other equally worthy models that are utilized in other jurisdictions, e.g., the general standards approach, that the Commission should consider. The latter approach provides substantially more flexibility for the casino operator to innovate and operate efficiently without any negative impact on the integrity of casino operations.

Under the general standards approach, the regulator sets the overall expectations for certain conduct, process or an outcome but allows for the licensee to design the method, plan or protocol to meet these requirements. Regulators retain all rights to approve these plans or protocols and can require that they be adjusted to meet a

[1] MGM plans to provide comprehensive comments on the regulations from an operations prospective once the Commission issues the final draft regulation for comment and hearing. MGM is not waiving any right to provide further comments on the regulations and silence at this juncture in the process should not be viewed as endorsement of the specific provisions of the draft Internal Control Regulations.

specific need. This type of regulatory approach also provides regulators and licensees with the flexibility to adjust these plans and protocols to meet emerging issues without necessitating the formal amendment of regulations.[2] Finally, this type of regulatory approach encourages the licensees to bring their best practices to the properties in Massachusetts rather than just respond to detailed lists contained within the regulations. The Licensee/Designated Licensees in Massachusetts have experience in most of the significant jurisdictions across the country and around the world. A more flexible standards based approach in certain circumstances will encourage innovation and best practices from this collective experience.

The differing approaches can be illustrated by comparing components of the Massachusetts draft Internal Control Regulations with regulations from other states. For example, the differing approach to regulating drop box controls between the Massachusetts draft regulations and the Nevada Gaming Control Board Regulations (NGCB), Regulation 6, Accounting Regulations. A copy of NGCB Regulation 6, Accounting Regulations is attached hereto for the Commission's reference. Regulation 6 establishes accounting and internal control standards. NGCB Regulation 6.040 and 6.090. Within these general standards, the NGCB very briefly addresses drop box counting and cash handling procedures, i.e., they need to be counted in a controlled manner and in conformance with the licensee's accounting and internal control procedures. NGCB Regulation 6.130 and 6.140. The Massachusetts Gaming Commission Internal Control Regulations likewise establish accounting and internal control standards similar to the NGCB Regulations. The Massachusetts Regulations then go much further and in great detail describe each and every step an operator must take in opening, counting and documenting table drop boxes and slot cash storage boxes. See 205 CMR 138.48. This level of detail is more appropriately left to an operator's individual drop box controls that can be filed, reviewed and approved by the Commission or their designee as part of a licensee's internal control plan.

Another example of differing regulatory approaches is found in a comparison between the proposed Massachusetts Regulations and NGCB Regulations on staffing. The proposed Massachusetts Regulation contains a detailed description of how personnel are assigned to supervise and conduct gaming operations. See 205 CMR 138.11. There are no such comparable requirements, i.e., minimum staffing levels, under the NGCB regulations. The NGCB regulations require that "functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel. NGCB Regulation 6.09(1)(g). A licensee is thereafter required to provide an organizational chart depicting segregation of functions and responsibilities and a description of the duties and responsibilities of each position shown on the organizational chart. NGCB Regulation 6.09(2)(a) and (b). Pursuant to this process, the licensee sets forth specific staffing levels in its system of accounting and internal control procedures that must be filed and approved by the Commission. This approach allows for the necessary flexibility to adjust staffing levels based on operational need as opposed to what is contained on a list that may or may not be necessary in practice. Licensees are also incented under this approach to evolve staffing, in consultation and with approval of the Commission, to innovate or become more efficient.

There are additional provisions in the draft internal controls regulations that may be conducive to a general standards approach to provide the ability to tailor internal control plans to specific properties and provide desired flexibility for the licensee and Commission to adjust internal control plans as necessary without needing to continually revise and update the Commission's regulations. MGM Springfield respectfully requests that the Commission consider this approach in its deliberations regarding the promulgation of the Internal Control and other regulations.

[2] MGM Springfield recognizes that the current draft Internal Control Regulation contain flexibility to adopt new technologies and the ability to seek a waiver from the regulation's provisions under some circumstances. 205 CMR 138(2)(5) and (6).

Thank you for your attention to this matter. We are happy to provide additional input and information to the Commission as well as MGM's experience in other jurisdictions with these issues.

Sincerely,

BLUE TARP REDEVELOPMENT

by its attorney,

BROWN RUDNICK LLP

Jed M. Nosal

cc: Catherine Blue, General Counsel
Todd Grossman, Deputy General Counsel
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November 10, 2014

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 posting of draft regulation of 205 CMR 138.00, *Uniform Standards of Accounting Procedures and Internal Controls,* including the additional sections on Checks, Credit and ATMs (collectively "Internal Control Regulations"), and request for informal public comment, Blue Tarp reDevelopment, LCC ("MGM Springfield") submits the following additional comment to the Commission. These comments supplement Blue Tarp's October 23, 2014 initial comments. MGM Springfield appreciates the opportunity to provide additional initial comments on the draft regulations and the Commission's overall approach to supervision of the industry in Massachusetts.[1]

Although MGM Springfield has set forth detailed technical comments on the current draft, we continue to recommend that the Commission adopt a less prescriptive approach, establish general standards for its Internal Control Regulations and allow the licensee to design the method, plan or protocol for approval by the Commission to meet these requirements. MGM Springfield respectfully requests an additional opportunity for a further dialog with the Commission/Commission Staff and MGM Resorts International's experienced operations and compliance executives to provide evidence on how a less proscriptive, standards based regulatory approach to internal controls can provide more flexibility for the casino operator to innovate and operate efficiently without any negative impact on the integrity of casino operations. We are happy to make the appropriate member of the MGM team available at the Staff's convenience.

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

205 CMR 138.01: Definitions

- This section sets out the definitions of terms as they are used in 205 CMR 138.00. The definition of the term "Imprest basis" makes reference to "[a] review" that is to be made "by a higher authority of the propriety of the expenditures before the replenishment." The present wording of this definition

[1] By submitting initial comments, MGM Springfield is not waiving any right to provide further comments on the regulations once finalized and published for formal public comment pursuant to G.L c. 30A. Silence at this juncture in the process should not be viewed as endorsement of the specific provisions of the draft Internal Control Regulations.

may create an operational requirement for supervisor review of all imprest-related transactions, and we would suggest that this definition be clarified to specify which transactions are included. The definition should be geared toward significant transactions and should exclude routine imprest-related transactions at the cashier level in which other controls mitigate risk.

- The term "Master Game Report or Stiff Sheet" is defined as "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 shift." This definition restricts the ability to drop once per day with single larger drop box in poker. Poker revenue in most Nevada properties is recorded by gaming day, not shift. It is costly operationally to drop poker 3 times per day, and over time MGM properties have moved to larger drop boxes and have added "color up" denomination chips to ensure all chips dropped for gaming day will fit into the large poker table drop box to eliminate expense.

- The definition of the term "pari-mutuel window net" should be reconciled with the Commission's regulations governing pari-mutuel racing.

- The definition of the term "supervisor" presently refers to "a person employed in the operation of a gaming establishment in a supervisory capacity or empower to make discretionary decisions which regulate gaming operations . . . ." We recommend that this definition be refined with the distinction set forth in 205 CMR 134.00 on licensing, which distinguishes "key gaming employees" from "gaming employees," to avoid any licensing confusion.

- The term "Table game win or loss" is defined as "the value of gaming chips and plaques and cash won from patrons at gaming tables less the value of gaming chips, plaques and coins won by patrons at gaming tables other than poker tables and the value paid to patrons in cash or by gaming establishment check for progressive payout wagers as calculated in accordance with **138.xx** and **138.xx**." We recommend that this definition be refined because it does not include credit or deposit transactions in the present calculation.

205 CMR 138.02: Licensee's system of internal controls

- 205 CMR 138.02 provides for the Commission's review of a gaming licensee's proposed minimum system of internal procedures and administrative and accounting controls ("internal controls"). Where subsection (2) provides that the Commission or Executive Director reviewing the licensee's proposal "may revisit any provision of the internal controls at any time and direct adjustment if necessary to ensure that a robust system of internal controls are in effect," we believe that this provision should also set forth a reasonable implementation period.

- 205 CMR 138.02(2) sets forth the process whereby a gaming licensee may apply to modify provisions of its approved internal controls. We note that this procedure appears to be restricted to improvements in which the licensee believes the modification will immediately improve the control environment. We also recommend a revision to the provision that allows the licensee to make a proposed change, subject to further direction by the Executive Director, "if the Executive Director does not object or otherwise respond to the submission in writing within 15 business days of receipt of the submission . . . ." To avoid creating unnecessary uncertainty and incurring unnecessary effort on the part of licensees if an issue arises after implementation, we suggest that the Executive Director's direction be limited after the expiration of the 15-day period to object or respond.

- 205 CMR 138.02(7) mandates that 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." This provision provides for necessary periodic review of a licensee's internal controls, but should specify whether this review is to be conducted by management, internal audit, or independent auditors. In order to ensure maximum effectiveness, we recommend that the periodic review be determined and conducted by independent auditors or internal audit.

205 CMR 138.04: Gaming Licensee's organization

- 205 CMR 138.04(2)(g) requires a gaming licensee to have a "compliance committee," which must meet certain requirements as set forth in this provision by the Committee. This provision should recognize that the compliance committee with responsibility for the licensee can be at a different corporate or holding company level. The Commission has previously recognized MGM Resorts International's Compliance Committee as meeting the Commission's requirements during the Phase 1 suitability process.

- 205 CMR 138.04(2)(h) requires a gaming licensee to have an "independent audit committee," which must meet certain requirements as set forth in this provision by the Committee. This provision should recognize that the audit committee with responsibility for the licensee can be at a different corporate or holding company level. The Commission has previously recognized MGM Resorts International's Audit Committee as meeting the Commission's requirements during the Phase 1 suitability process.

- 205 CMR 138.04(6) contains a typo and should be revised to read: "A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.01 shall include, and a gaming *licensee* shall maintain on file . . . ."

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

- 205 CMR 138.07(1) requires a system of internal controls to include a proposed floor plan of the gaming establishment's gaming area, simulcasting facility, if any, and any restricted areas. These types of records are more appropriately maintained as part of the gaming establishment's internal policies and procedures rather than an ongoing internal control system, the former which may be inspected and reviewed by the Commission as necessary.

- 205 CMR 138.07(2) makes reference to the floor plan required by 205 138.04(1), which in fact sets forth the requirements for a table of organization to be submitted by a gaming licensee as part of its system of internal controls. The correct reference should be to 205 CMR 138.07(1).

- Similarly, the required depiction in each floor plan of the location of each slot zone under 138.07(2)(j) and each authorized slot machine location under 138.07(2)(k) may also be more appropriately maintained as part of the gaming establishment's internal policies and procedures, rather than an ongoing internal control system, the former which may be inspected and reviewed by the Commission as necessary.

205 CMR 138.08: Accounting Records

- 205 CMR 138.08(2) provides that general accounting records be maintained on a double entry system of accounting with transactions recorded on an accrual basis. This provision should also provide a licensee with the option to maintain records under a system of cash-based accounting for immaterial amounts, the majority of which are non-gaming related.

205 CMR 138.09: Retention, storage and destruction records

- 205 CMR 138.09(1) sets forth the schedules for all records to be retained by a gaming licensee. Given that a number of these schedules require the retention of records for five years or more, we recommend that the Commission specify whether such records may be maintained in electronic form, rather than hard copy form.

- 205 CMR 138.09(1)(a)(1) requires the indefinite retention of "corporate records required by 205 CMR 138.02." First, the reference in this provision should be to 205 CMR 138.03, records regarding company ownership. Second, because "corporate" is undefined both in this provision and in 138.03, it is unclear whether a gaming licensee is required to indefinitely retain the records of solely its Massachusetts licensee, or its parent entity as well. We suggest setting forth a definition of the term "corporate" in this provision to include only the Massachusetts licensee to avoid any confusion.

- 205 CMR 138.09(1)(a)(2) requires the indefinite retention of "records of corporate investigations and due diligence procedures." We recommend setting forth a definition of the term "corporate investigations," as referenced in this provision to avoid any confusion.

- 205 CMR 138.09(1)(b)(2) requires that personnel records of former employees be maintained for a minimum of five years, but does not specify when this five-year term requirement should begin for such records. The provision should specify that personnel records of former employees be maintained for a minimum of five years following the departure of such employees.

- 205 CMR 138.09(1)(b)(3) sets forth a minimum five-year retention period for "any other record not specified in this subsection." Given the broad and unspecific nature of this requirement, we recommend clarification on the type of records referenced by this provision, in order to avoid unnecessary effort and confusion.

- 205 CMR 138.09(1)(c) requires the retention of certain records for a minimum of four years from the date of the actual filing of the gross revenue tax return for the tax year in which the record was generated. Retention of such records for four years seems excessive, though this concern may be assuaged by permitting licensees to retain such records in electronic, rather than hard copy, form.

- 205 CMR 138.09(1)(c)(7) requires the retention of various suspicious or unverified gaming voucher reports and forms, pursuant to an unspecified section of the regulations, which we presume to be intended to reference 138.09(1)(c). We suggest that this provision provide further clarification and guidance with respect to the retention of "all documents associated with investigations of unverified gaming vouchers conducted pursuant to **138.xx**."

- 205 CMR 138.09(1)(d)(1) requires that hotel income audit documents, including, without limitation, telephone call records and charges, be retained for a minimum of three years. This broad requirement suggests that hotel guest calls would also fall within "telephone call records," and we recommend clarification on this point.

- 205 CMR 138.09(1)(d)(3) references payroll records, "except as provided in (c)(1) above." However, 138.09(1)(c)(1) does not make reference to payroll records, and instead requires the retention of cage documents. This reference should be revised.

- 205 CMR 138.09(1)(d)(5) requires that "marketing department records" be retained for a minimum of three years. We request further clarification and guidance on the types of documents licensees are expected to retain under this provision.

- 205 CMR 138.09(1)(d)(7) requires that "insurance records relating to guest claims and copies of arrest records" be retained for a minimum of three years. Because gaming licensees do not make arrests, but rather conduct detentions when necessary, we respectfully request that this provision be revised to require the retention of "detention records" instead.

- 205 CMR 138.09(1)(e) sets forth the records that must be retained for a minimum of one year. 138.09(1)(e)(5) requires the retention of "register tapes and room service checks." It is unclear whether this specific and limiting reference to "room service checks" is intentional.

- 205 CMR 138.09(1)(e)(7) requires the retention of records generated by the mailroom for a minimum of one year, though it is unclear what records generated by a mailroom would require retention in the first instance. To the extent a licensee has a "mailroom" retention of items such as mailing labels or routing slips seems excessive and provides no regulatory benefit.

- 205 CMR 138.09(1)(e)(8) requires the retention of "advertising records" for a minimum of one year. The definition of this term is unclear and we recommend further guidance on the specific type of records referenced by this provision in order to avoid unnecessary effort and confusion.

- 205 CMR 138.09(1)(e)(9) requires the retention of "slot department daily activity logs" for a minimum of one year. The definition of this term is unclear and we recommend further guidance on the specific type of records referenced by this provision in order to avoid unnecessary effort and confusion.

- 205 CMR 138.09(1)(e)(13) requires the retention of "logs of all multi-casino progressive slot system events and problems." Typically, time and event logs are only generated when there is a problem with the machine. This provision should be clarified whether it pertains to events other than problem events which may require changes to software and/or hardware to meet this requirement.

- 205 CMR 138.09(1)(f) sets forth the records that must be retained for a minimum of six months. 138.09(1)(f)(5) requires the retention of "long count arrival forms." This term needs to be further defined.

- 205 CMR 138.09(1)(f)(8) requires the retention of "credit card vouchers used to settle guest checks in restaurants and bars." Because such records, if retained, must be in compliance with Payment Card Industry Data Security Standards, we recommend that reference to PCI standards be included in this provision to ensure that licensees comply with both this regulation and industry security standards.

- 205 CMR 138.09(1)(g) sets forth the records that must be retained for a minimum of 90 days. 138.09(1)(g)(1) requires the retention of coin bag tags. Because MGM does not use coin bags, we respectfully request that this reference be removed.

- 205 CMR 138.09(1)(h) requires the retention of "hotel cashier envelopes" for a minimum of 30 days. This undefined term is unclear and we request further guidance and clarification on the specific type of records referenced.

- 205 CMR 138.09(2) provides a gaming licensee with the right to 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. Where the retention of all records in hard copy may become inconvenient or inefficient for licensees, we recommend amending this provision to also provide a licensee with the right to petition the Commission for approval to retain and store records in digital format, in addition to off-site storage. As an example, New Jersey's gaming regulations provide a right to petition for off-site storage, but also allow a licensee to petition for document retention and storage in the form of "microfilm, microfiche, or other suitable media system." *See* N.J.A.C. 13:69-1.8(d). Similarly, under Nevada's gaming regulations, licensees are permitted to keep permanent records in a "computerized or microfiche fashion." *See* Nevada 6.040(1).

- 205 CMR 138.09(3) requires a gaming licensee to notify the commission in writing at least 15 days prior to the scheduled destruction of any record. Under the notice requirements of this provision, the routine destruction of records, regulated by the retention schedule set forth in 138.09(1), will generate an excessive administrative burden without providing comparable benefit or additional information to the Commission. We therefore recommend that this 15-day written notice requirement be relaxed or otherwise revised.

205 CMR 138.10: Jobs compendium submission

- 205 CMR 138.10 sets forth the requirements for including 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 job compendium requirements under this provision may be more appropriately maintained as part of the gaming establishment's internal policies and procedures, rather than an ongoing internal control system, the former of which may be inspected and reviewed by the Commission as necessary.

- 205 CMR 138.10(3) sets forth the process by which a licensee may implement an amendment to a previously approved jobs compendium, but requires that the amendment be submitted to the Commission by the end of the business day on the date of implementation. We suggest that this timing requirement be relaxed, as it may not be reasonable for businesses to implement.

- 205 CMR 138.10(6) requires that a licensee maintain "on its premises a complete, updated copy of its jobs compendium which shall be made available for review upon the request of the IEB or commission." It is unclear whether electronic storage of the jobs compendium is permitted under this provision. To facilitate maintenance and availability for review upon request, we recommend that this provision be revised to specifically permit electronic storage of the jobs compendium.

205 CMR 138.11: Personnel assigned to the operation and conduct of gaming

- 205 CMR 138.11(1) sets forth the requirements of employment of personnel in the operation of a licensee's gaming establishment. We recommend that 138.11(1)(a), requiring that a licensee shall "at all times" maintain a level of staffing that ensures proper operation and supervision, be revised to address weather-related events on staffing, such as snow days and other emergencies.

- 205 CMR 138.11(1)(c) sets forth the required personnel to be used to operate the table games in the licensee's gaming establishment. We note that in 138.11(1)(c)(1), the Commission requires that a "gaming clerk" be located at a desk in the pit to prepare documentation required for operation of table games, but that the position of gaming clerk may potentially be eliminated with the implementation of new technologies. Accordingly, we recommend that this provision be revised to reflect that the requirement of a gaming clerk in a gaming establishment shall be dependent on that establishment's need for such personnel in light of technological developments, to avoid the need to retain this position to meet a regulatory requirement.

- 205 CMR 138.11(1)(c)(4) requires that a "boxperson" shall be the first level supervisor assigned the responsibility of directly participating in and supervising the operation and conduct of the craps game. We request that this provision be expanded to include a right for the licensee to request a waiver of this provision in the future.

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

- 205 CMR 138.12 sets forth the requirement that a system of internal controls submitted by a licensee shall include provisions related to credentials. 138.12(1)(a) sets forth that certain individuals, including the Chief Executive Officer, Chief Operating Officer, President, Audit Committee, and others, shall have access to all restricted areas. The Commission should consider allowing the licensee to determine what corporate executives should have access as part of its internal control plan.

- 205 CMR 138.12(4) creates an exemption upon a showing of good cause of certain positions, titles, or person from the requirements of 138.04(1), which requires that a system of internal controls include tables of organization providing for a system of personnel and chain of command, segregation of incompatible functions, primary and secondary supervisory positions, and areas of responsibility not so extensive as to be impractical for one person to monitor. Where such exemptions have typically been applied to casino cocktail servers, we respectfully request that this provision be revised to reflect a specific exemption for these positions and persons.

- 205 CMR 138.12(5) requires that all Commission employees, agents or contractors or employees of agencies authorized to conduct activities pursuant to M.G.L. c. 23K shall carry their agency credentials on their person at all times while engaged in the performance of their duties. 138.12(6) governs the issuance of the temporary credential by the security department. 138.12(6)(d) requires that an employee has not been issued more than 12 temporary credentials within the preceding 12 month period from the issuance of the first temporary credential. While the intent for this provision is clear, we recommend revising this provision to require a process under which temporary credentials will be logged or monitored for the purposes of compliance with 138.12(6) in the licensee's internal control plan.

205 CMR 138.16: Access to public and restricted areas

- 205 CMR 138.16(a) details the procedures for employees to access the restricted areas of cashiers cage, satellite cashiers cage, master coin bank, slot booths, runways, and coin redemption, and provides that employees must be listed on the cage access list to gain access to the cage. We recommend that this provision be revised to instead list the positions that are granted access to the

cage, rather than the names of the employees themselves. In addition, later in this provision, we recommend eliminating the outdated reference to "coin redemption" in the age of the modern casino.

- 205 CMR 138.16(b) sets the soft count room and hard count room as restricted areas. We recommend eliminating the reference to "soft and "hard" and just reference "count rooms".

205 CMR 138.19: Count rooms; physical characteristics; count protocols

- 205 CMR 138.19 sets forth the requirement that a licensee have one or more rooms to be known as a "count room." 138.19(3) requires that a licensee design and construct each count room to provide maximum security, and requires that a metal door be installed on each entrance and equipped with a lock, the key to which shall be maintained and controlled by the security department. We recommend that this requirement be supplemented to include an electronic release of the metal door via security monitoring, in order to prevent unnecessary labor costs.

- 205 CMR 138.19(4) provides additional requirements for count rooms to be used to count slot drop boxes and buckets. This provision should be limited to coin only.

- 205 CMR 138.19(5) sets forth additional requirements for soft count rooms. This provision should be revised to reflect that these requirements are in addition to the requirements of 205 CMR 138.19(3), setting forth the design and construction requirements of count rooms.

- 205 CMR 138.19(12) limits access to the count room during the counting process to the count team, other persons authorized by the IEB, or agents of the IEB. This provision should be revised to permit internal auditors to access the count room as necessary to perform audit procedures.

205 CMR 138.20: Possession of firearms and destructive devices

- 205 CMR 138.17 prohibits the possession of a firearm or destructive device within a gaming establishment, providing an exemption for officials specifically authorized by the commission or IEB, members of the Massachusetts State Police or officer of the host community police department assigned to the Gaming Enforcement Unit, and any federal law enforcement officer. In addition, we suggest that an additional exception also be included to provide for executive protection (duly licensed to carry a firearm) as needed.

205 CMR 138.21: Protection of minors

- 205 CMR 138.18 requires that the system of internal controls shall include policies and procedures intended for the protection of minors, including performing regular checks of parking areas and vehicles, and security procedures for ensuring the safety of minors on the premises of the gaming establishment. This provision sets forth a vital and necessary function, but we recommend that these procedures provide flexibility to allow this vital function to be performed by the casino security and surveillance department or other department as determined by the licensee.

205 CMR 138.24: Cashier's cage; satellite cages; master coin bank; coin vaults

- 205 CMR 138.24(8) requires a licensee to file with the Commission the names of all persons possessing the combination or keys to locks securing certain restricted areas. In the interests of

security, we recommend that this provision be revised to require filing a list of the positions, rather than the individual names, of persons possessing this information.

205 CMR 138.27: Capital expenditure plan

- 205 CMR 138.27 sets forth the requirement for capital expenditures to be made to a licensee's gaming establishment. We understand that the language of this provision comes directly from the Gaming Act and as such do not seek to modify this language. We would like to note, however, that the "provided, however" language in the second clause of this provision has engendered some confusion as to whether it is intended to reduce the overall 3.5 percent requirement, or to maintain this requirement as an overall average over a multi-year plan. Application of this section should be considered separately by the Commission to allow for a complete discussion of the issues regarding ongoing capital investment.

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

- We note that 205 CMR 138.29, governing protocols and procedures for the function of the cashiers' cage, satellite cages, master coin bank, and coin vaults, seems excessive for an ongoing internal control system. We suggest that these protocols and procedures may be more appropriately maintained as part of the gaming establishment's internal policies and procedures, which may be inspected and reviewed by the Commission as necessary.

- We note that 205 CMR 138.29(1), requiring assets to be maintained on an imprest basis, could restrict operational efficiencies if for example every cashier bank has to be restored to imprest balance each shift. As such, we recommend that this provision be revised to permit the use of a rolling balance for cashier banks, as some operations employ.

205 CMR 138.30: Accounting controls within the simulcast counter

- 205 CMR 138.30 governs the protocols and procedures for a simulcasting operation. Given the potential overlap with the Massachusetts Regulations Governing Horse Racing and Pari-Mutuel Wagering under 205 CMR 3.00, this provision should be reconciled with those set forth by the racing regulations.

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

- 205 CMR 138.33 governs the procedures and protocols relative to the removal of slot drop boxes, slot cash storage boxes, unsecured currency, and meter reading recordings for slot machine drop. The provision under 138.33(a) requires that a gaming licensee file a schedule that includes, among other things, the number of slot drop containers to be removed each day by zone or other designation, and also states that no slot drop container should be removed other than at the times specified on the schedule. We note that the detailed procedure in this provision with regards to the schedule to be filed may more appropriately be maintained as part of the gaming establishment's internal policies and procedures, rather than an ongoing internal control system.

- 205 CMR 138.33(c) sets forth three employees who shall remove slot drop containers from a slow machine, two of whom shall be members of the casino security department and one of who shall be a member of the accounting department. We note that this formulation restricts the count team's participation in the drop process. For example, in Nevada, the count team can also perform drop functions, so long as they do not also perform count functions. We suggest that this provision be expanded to permit count team participation.

205 CMR 138.34: Procedures for acceptance of tips or gratuities from patrons

- 205 CMR 138.34(1) prescribes, in accordance with M.G.L. c. 23K, § 25(g), that no key gaming employee or other gaming employee in a supervisory position shall solicit or accept a tip or gratuity from players or patrons. We would like to propose for the Commission's review the applicability of section 25(g) and G.L. c. 149, § 152A to the position of table game supervisor to allow a table game supervisor to share in the tip pool, in an effort to encourage the best dealers to consider becoming table game supervisors without fearing losing out on tips. In addition, if the definition of a "key gaming employee" is defined as a marketing executive, this provision may be contrary to practice under Nevada regulation. For marketing employees in Nevada, our MGM Resorts International Code of Conduct regulates the amount of tip or gratuity that a marketing executive may accept from patrons. Thus, this provision would be contrary to industry practice permitting marketing executives to receive a gratuity from patrons for services provided during the patron's stay at the property.

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

- 205 CMR 138.36 requires a system of internal controls to include procedures relative to the distribution and removal of gaming chips, coins, and plaques to gaming tables. 138.34(1) states that a gaming supervisor or gaming clerk shall prepare a Request to Fill to authorize preparation of a Fill Slip for the distribution of chips, coins, and plaques to gaming tables. We respectfully request that this provision be revised to also include an option for an electronic process through which to request distribution.

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

- 205 CMR 138.48(6) requires various information to be recorded by a count team member manually or on a computer system, if not already recorded in the computer system used to create the Master Game Report. Subsections (a), (d), and (e) require recording of the value of each denomination of currency. We note that the value of each denomination is captured by the count process either manually or electronically, but is not recorded in the computer system used to create the Master Game Report. We suggest revising this provision to reflect that these values must therefore be captured by the count process.

- 205 CMR 138.48(12) provides that suspected counterfeit currency shall be counted and recorded as drop on the Master Game Report or Slot Cash Storage Box Report. We recommend that this provision be clarified to provide that tax is not due on counterfeit currency received in drop. We do not record suspected counterfeit currency as revenue or taxable revenue in Nevada.

- 205 CMR 138.48(21) requires that a count room employee conduct an inspection of the count room and verify and certify in a writing to be filed with the IEB that no cash, tokens, gaming chips, gaming vouchers, or coupons remain in the room. This should be count room procedure but should not include the excessive administrative work of attesting and submission of a daily confirmation. If attestation is required, each count room employee could sign a daily log which would be maintained in daily paperwork that is retained.

205 CMR 138.68: Master lists of approved table games, movements of gaming equipment; amendments of operation certificates upon filing updated master

- 205 CMR 138.68(4), regarding movements of gaming equipment, requires the gaming manager or his or her designee to notify in writing the accounting department, security department and IEB, 72 hours in advance of all movements and removals of gaming tables. We recommend that the 72-hour advance notice provision be reduced or eliminated to allow flexibility for high end customer requests. This requirement limits the ability for the property operational teams to accommodate the on-demand requirement of high end customers, who may plan a trip last minute and request specific tables to be available within the high end pit area as an example. This is common practice in MGM luxury property high end pits. The Nevada Gaming Control Board does not approve movements of approved games/devices. Internal notifications should be required in advance, but the time requirement may be unnecessary.

205 CMR 138.50: Temporary amendments for pit and slot zone reconfigurations or reconstitutions

- 205 CMR 138.50(2) permits a licensee to temporarily reconfigure pits or slot zones by filing a notice with the commission at the IEB office which shall be filed at least three business days prior to implementing the alternate configuration. We recommend that the three-days prior notice provision be reduced or eliminated to allow for flexibility for high end customer requests, as discussed above. The provision further provides that within this three-day notice period, the Commission shall notify the licensee whether the reconfiguration is rejected. It is our opinion that the Commission should not be able to reject the reconfiguration of approved games and devices without a specific justification based on the integrity of gaming operations.

- 205 CMR 138.50(4) requires a licensee to obtain prior approval for any changes to the configuration of pits or slot zones. This requirement should be amended to allow the licensee to make the necessary business decisions regarding the configuration of the floor without prior approval so long as all related regulatory requirements are met (including surveillance coverage, master games worksheet configuration, drop standards, machine accounting changes, etc.). A licensee could more appropriately be required to file notice of such changes which would be deemed approved unless the Commission has concerns or required additional information.

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

- 203 CMR 138.52(6) sets forth the required components of each slot cash storage box. We request that this provision be revised to also require an RFID tracking option to effectively track slot cash boxes.

205 CMR 138.55: Inspection of slot machine jackpots

- 203 CMR 138.55 requires that the system of internal controls include policies and procedures governing the inspection of slot machines and electronic gaming devices. Subsection (1) provides that a licensee shall notify the IEB of any slot machine and other electronic gaming device jackpots over $75,000 in cash, merchandise, or cash equivalent value. We respectfully recommend that this threshold value of $75,000 be increased to $250.000.00.

Comments on 205 CMR 138.40 through 138.47: Checks and Credit Regulations

To begin, we note a general observation regarding some inconsistency between the terms "checks" and "counter checks" in the regulations as a whole. For example, in CMR 138.43(2)(j), it says, "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." It seems that a "counter check" should be substituted for "check" because if a patron gives you a check to establish an account under 205 CMR 138.40, the patron is not establishing a credit account. They are establishing a front money account. Once a credit account is established, a patron only signs markers and you would not be accepting checks from them to commence gaming play. However, there are occasions, which are not the normal practice, where the patron puts a personal check on deposit (referred to as a "check on board") and in that instance, if that check is deposited and bounces this provision would make sense.

As another example, in 205 CMR 138.43(2)(k)(1) the word, "check" should be deleted as it is confusing when used in the same sentence as "Counter Check". Removing it would not adversely affect the intention of the provision. In (2) through (8) "Counter Check" should be added since patrons sometimes sign replacement Counter Checks if they partially pay an outstanding Counter Check with cash or chips. Alternatively, the Commission could add "serial number of" in front of "Counter Check" so it would be consistent with the language in 205 CMR 138(2)(l)(2)(d). In general, we find that all of 205 CMR 138.43(2) is confusing because check and Counter Check are used throughout and makes these provisions difficult to follow.

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

- 205 CMR 138.40(2) states that the specific form of deposits that will be accepted include cash, personal checks, certified checks and traveler's checks. We request that this provision be amended because we do not accept certified checks drawn on a customer's bank account. This provision also requires that policies and procedures shall be included to ensure that the gaming licensee does not accept government-issued checks or third party checks. We request that this provision be revised to also allow for the acceptance by wire transfers and money orders deposits of patrons. Finally, we note that although third party checks are not often encountered, sometimes patrons request that a personal wealth fund manager send a check to the gaming establishment for his or her deposit, and when this does occur, in Nevada, we do not prohibit acceptance of such third party checks, but simply follow the guidance of FinCEN to attempt to make an association under the anti-money laundering (AML) policies of the company.

- 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 provide 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.

205 CMR 138.42 Acceptance of payments toward outstanding patron checks

- 205 CMR 138.42(2) sets forth the required policies and procedures for accepting payments pursuant to Section 138.42(1). Subsection (a)(2) requires a method of documenting or recording the receipts for such payments, which must include "all significant details concerning the transaction." We believe that the word, "significant" in this provision is subjective and subject to different interpretations. Request is made that this requirement be revised to specify the necessary details that the Commission believes are "significant." In addition, we respectfully question the necessity of the requirement in subsection (a)(3) that the documenting or recording of receipts also include "the signatures of the person making the payment and the general cashier accepting the payment," and note that if payment is made by mail or wire transfer, this requirement would be inapplicable.

- 205 CMR 138.42(3) should be clarified so that if a partial marker is issued due to a partial payment received, only if the partial marker was fully executed by the patron, dated and inclusive of the patron's signature, then the original patron check can be returned. A partial marker which is not fully executed does not allow for the original check to be returned to the patron.

- 205 CMR 138.42(7) provides that no junket representative, junket enterprise or employee or agent of a junket enterprise shall make a payment for the benefit of the drawer of a patron check. A junket agent's agreement is written so that the junket agent is not paid a commission unless the balance of his/her patron is paid in full with the licensee. Therefore it encourages the junket agent to follow up with the patron to ensure timely payment. Often that means the patron may make payment to the junket agent, who in turn remits it to the licensee. It is not considered paid to the licensee until the licensee takes possession of the payment. In addition, junket agents are in many cases patrons of the licensee. Therefore, the junket agent may, if he has a successful trip at the casino, leave funds on deposit in his account which is used on his future patron's trips to settle marker balances. As this provision is currently written, the licensee would not be able to use those funds to clear the balances of the junket's patrons.

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

- We begin by noting that 205 CMR 138.43 does not establish any method for using central credit or information from affiliates to establish patron credit accounts, or recording checks exchanged, redeemed, or consolidated.

- 205 CMR 138.43(1) requires a description of the policies and procedures governing the issuance of credit to a patron to take part in gaming activity at a licensee's gaming establishment.

    - Subsection (d) provides that credit will not be offered to any individual who "self-identifies" as a problem gambler, places themselves on a voluntary credit suspension list, or is on public assistance. We request further clarification on what constitutes "self-identification" in this provision and also request guidance on how a licensee is expected to determine whether a patron is on public assistance.

- We suggest that subsection (e) should read, "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[.]" In addition, we request further clarification and guidance on how to determine what constitutes "behaviors suggestive of impaired mental competency," to avoid opening a licensee up to liability for an incorrect denial or for failure to deny credit based on a protected disability.

- Subsection (g) requires credit officers to obtain verbal verification from credit applicants that they are comfortable losing up to the amount of credit requested and granted. We suggest that a statement be included in the applicant's application when it is signed, indicating this verification, rather than relying on a verbal exchange between a patron and a credit officer.

- 205 CMR 138.43(2) sets forth additional policies and procedures that shall govern the issuance of credit. Subsection (a) requires that the creation of a credit file for each patron shall be prepared by a general cage cashier or credit department representative with no incompatible functions either manually or by computer prior to the licensee's approval of a patron's credit limit. We request further clarification as to the meaning of the phrase, "with no incompatible functions either manually or by computer," and particularly, how and by whom incompatibility is determined.

  - In 205 CMR 138.43(2)(g)(6)(f) and 138.43(2)(g)(6)(d), the signature and license number of the gaming supervisor responsible for the patron's player rating information is required. We suggest that the Commission consider supplementing these provisions to permit an *electronic* signature.

- 205 CMR 138.43(2)(a) sets forth the required components of the credit file for each patron.

  - In subsection (3), we suggest revising this provision to list the telephone number provided by the patron, rather than "at the patron's residence," given that today, many people no longer have residential telephone numbers.

  - In subsection (8), requiring the patron's signature on a statement, we recommend revising the certification statement to also include a release of the gaming licensee from claims from a patron should the licensee determine not to grant credit to a patron based on the authorization signed. Otherwise the patron could provide the authorization but still sue the licensee if the licensee decides not to issue credit.

  - Subsection (9) of 138.43(2)(a) sets forth the disclosures that a licensee must provide to a patron prior to processing the patron's credit application. The first disclosure, set forth in subsection (9)(a), states "You are receiving a credit extension from [name of licensee], facilitated through a personal check or 'marker' on your bank account." We believe that this language implies that the patron establishes credit by giving the licensee a blank check, and accordingly suggest that the language of this disclosure be revised to eliminate the word, "check" or limit it to "checks provided on which the amount has not been inserted by the patron" to distinguish a completed check from a "Check on Board," which may not have the amount filled in. If Massachusetts law does not permit a licensee to complete a customer's check for the purpose of making it a negotiable instrument (i.e. adding the amount of credit extended for a Check on Board without the amount filled in) then we would only be able to accept Checks Board with the amount inserted and, as a result the reference to "check" in the

acknowledgment would not make sense. In other words, if a customer gives a licensee a check for $10,000 to get gaming chips that check is not credit. It is a front money deposit.

- 205 CMR 138.43(2)(c) requires a general cage cashier to verify various information regarding the patron prior to the gaming licensee's approval of the patron's credit limit. This information includes (1) the address of the patron's residence, and (2) the patron's current gaming credit limits and outstanding balances. We first note that such information is not available from Central Credit to MGM on most high-end individuals who have established credit at another property ("preferred customers"), and as such request an accommodation in this provision for approving the credit limit of such preferred customers. Second, it is unclear whether the verification required under subsection (2), which includes verifying the amount of the current approved credit limit of the patron at each casino or gaming establish, and the current balance and status of the patron's credit account at each gaming establishment, also includes out of state and foreign casinos, in addition to Massachusetts casinos.

- 205 CMR 138.43(2)(d) details how a general cage cashier or licensee's credit department shall fulfill the requirements of subsection (c) above. Subsection (d)(1) references use of "an alternative source" through which to verify the address of a patrons' residence. We request guidance on whether such alternatives may include sources like Lexis Nexis.

    - Subsection 138.43(2)(d)(2) permits verification of a patron's current casino credit limits and outstanding balances through direct contact with other casinos. While this provision permits telephonic verification, provided the licensee requests written documentation of all information and includes this documentation in the patron's credit file, we suggest that the gaming licensee also be permitted to perform verification and exchange of written documentation via e-mail with other casinos.

    - Subsection 138.43(2)(d)(3) requires verification of a patron's indebtedness by contacting a consumer credit bureau which is reasonably likely to possess information concerning the patron. We request further clarification on whether a consumer credit report will be required for all applicants, as this is not the practice in our gaming establishment in Las Vegas, and whether alternatives to a credit bureau will be acceptable if approved by the Commission.

- 205 CMR 138.43(2)(g) sets forth the requirements that a representative of a gaming licensee's credit department must complete prior to approving a credit limit increase. Subsection (g)(7) requires information for a patron's player rating recorded by a slot department supervisor, input directly into the licensee's computer system, or generated by insertion of a card by a patron into a card reader attached to a slot machine. We request further guidance and clarification in the event that a patron plays a slot machine but does not insert a card in the slot machine or inserts it only some of the time.

- 205 CMR 138.43(2)(i) requires a gaming licensee's credit department to 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. We respectfully request clarification and guidance on what information is deemed "derogatory."

    - Subsection (i)(4) requires verification of the information required by 205 CMR 138.43(2)(a)(2) and (4) "whenever the gaming licensee has reason to believe that this information has changed." We request further clarification on this provision. For example, it

is unclear whether the licensee must verify this information if the licensee receives payment from a different personal account of the patron.

- The last sentence of 205 CMR 138.43(2)(j) should insert the word, "counter," so that the provision reads, "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 **counter** checks from the patron along with the signature of the credit department supervisor accepting the explanation."

205 CMR 138.44 Patron request for suspension of credit privileges

- 205 CMR 138.44(3) states that the Commission shall maintain a master list of all persons who have requested suspension of credit privileges pursuant to this section, and shall notify the credit department of each gaming licensee in writing of any additions or deletions to the list. This provision does not state how the Commission shall provide such notice and does not provide a timeframe in which the Commission shall provide such notice. Subsection (3)(a) requires that the gaming licensee shall suspend the credit privileges of any listed individual "effective immediately upon receipt of notice" of such individual's name on the master list. We respectfully suggest that this provision be amended to permit a brief grace period to implement the suspension, rather than a requirement of immediate suspension. We also note that in subsection (3)(b), if the Commission is deemed the keeper of the master list of patrons who wish to have their credit suspended, then it is unnecessary for the credit department to also be required to be the keeper of a master list. We recommend that the Commission should simply provide to the licensee's credit department the master list any time the Commission updates this master list.

- 205 CMR 138.44(5) prohibits a gaming licensee from divulging any information relative to the placement of an individual's name on the master list of credit privilege suspensions, other than to authorized credit department employees or other Massachusetts gaming establishment personnel whose duties and functions require access to such information. In light of the duties and functions of affiliates of the gaming licensee that may also require such information, we respectfully request that the licensee also be permitted to divulge such information as necessary to affiliates of the licensee. We further note that because the credit department is not a 24-hour operation, the company would also want to ensure that this information relative to patrons on a credit suspension master list is also included in the patron management system to ensure that no employee with credit authority extends credit when it is not allowed.

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

- 205 CMR 138.45(1)(a) provides that 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 the banking day after the date of the check for a non-gaming check. We respectfully request clarification as to what constitutes a "non-gaming check" in this provision.

- 205 CMR 138.45(1)(b) provides that 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 timeframe prescribed by the licensee as part of its policy, not to exceed 30 days from the date of the initial check. We note that there are occasions where patrons

provide post-dated checks or checks which they instruct us to not deposit until verbally authorized by the patron. As this control is written, all patrons will need to be provided notice that this practice allowed at other MGM Resorts properties is not allowed at the Massachusetts property.

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

- 205 CMR 138.46(3) requires that 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. We believe it is unclear whether this provision would require gaming employees, or attorneys acting on behalf of the licensee, to inform the collection department of reminders to patrons of their outstanding debt. If that is the intent of the requirement, then it would likely decrease efforts to collect as it would inhibit a licensee from informally contacting a patron unless the employee worked in the collection department.

- 205 CMR 138.46(6) provides that statements shall be sent to patrons immediately upon initial receipt of a returned check or immediately upon receipt of a check returned for a second time if the check was immediately redeposited pursuant to 205 CMR 138.46(5). The use of the term, "immediately" three times in this provision raises concern that this provision creates room for violation where there is no clear definition as to what constitutes "immediate" action. Instead, we recommend that the provision set forth a reasonable time frame, such as five business days, to allow the licensee to comply. We also suggest that such statements should also be sent to the collections department, as they are responsible for the debt collection, as well as the accounting department.

Finally, in addition to these comments on the existing checks and credit regulations, we make the following general observations.

First, as noted briefly in our comments to 205 CMR 138.43, we observe that there is currently no consideration by the Commission in these credit controls for the licensee to extend credit to an established patron of the licensee parent or sister casinos who may operate in Nevada, Mississippi, or Michigan. Accordingly, we also respectfully request the addition of a provision that would permit a gaming licensee to issue credit to a patron who has established credit at an affiliate property, rather than requiring a full consumer credit report. Such a provision would benefit the state by making it more attractive for an established gaming patron to visit Massachusetts and its gaming establishments. Alternatively, we propose a provision that would grant a licensee the right to request a waiver of the credit report requirement for patrons who have established credit at affiliate properties.

Also in light of the procedures set forth in 205 CMR 138.43, with respect to our international patrons, we note that international banks do not release information on their clients. Data privacy laws in many foreign jurisdictions no longer allow for a bank to even disclose that the person is a client at the bank. Therefore, when the licensee extends credit to the international patrons, it is unclear how the Commission expects the licensee to comply with the expectation of verifying the bank information. Moreover, verification of a residential address in a foreign location would be nearly impossible for a credit clerk at the property and even for those more experienced with a review of international patrons.

Finally, we note that as a practice at the MGM Resorts International properties, very few patrons have a permanent credit line and almost every patron of the company is instead issued a "this trip only" ("TTO") credit line. We note that as the regulations stand, each time the patron closes his trip and the TTO credit line

is dropped, the precursory review of ensuring no change in his credit worthiness would need to be completed before the TTO could be re-input, which may result in inefficiencies for the licensee and returning patrons.

Thank you for your attention to this matter. We are happy to provide additional input and information to the Commission as well as MGM's experience in other jurisdictions with these issues.

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

PENN NATIONAL
GAMING, INC.

November 10, 2014

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

RE: Comments on Draft Rule 205 CMR 138– Internal Controls

Dear Executive Director Day:

We have reviewed draft regulation 205 CMR 138 titled: "*Uniform Standard of Accounting Procedures and Internal Controls*" and have provided detailed comments on these proposed regulations below. Before doing so however, we want to discuss generally, the internal control approach that the Massachusetts Gaming Commission is taking. We have read the Blue Tarp Development letter dated October 23, 2014 prepared by Brown Rudnick commenting on the Massachusetts internal control standards approach. We wholeheartedly agree with their comments. We note that the current Massachusetts approach is to provide very detailed and prescriptive minimum internal control standards (MICS). Such an approach is not uncommon in other jurisdictions but there are other existing models that use a simpler more standards based approach. Examples of such jurisdictions, to varying degrees, include Maine, Iowa and recently the Province of Ontario. The Alcohol and Gaming Commission of Ontario (AGCO) recently changed from a prescriptive model to a more standards based approach. We believe the standards based approach is the more modern and flexible approach that still provides the necessary control and security of the gaming operation. To illustrate this, I have attached the MICS from Maine and AGCO's Registrar Standards for Gaming as examples of the standards based approach. The standards based model does not lessen the control and oversight of the casino operation because this approach still requires operators to provide detailed internal controls standards which are reviewed and approved by the regulator. It just allows more flexibility on the design of these controls to maximize efficiency and to allow a customized approach as opposed to the one size fit all model. With that said, our comments on specific provision of the current draft of the Massachusetts Internal Control Standards are provided below.

§ 138.02-3, 4(h) 3 and 4-h: This provision indicates that a gaming licensee's "*chief legal officer*" is required to certify that the submitted internal controls conform to applicable regulations. Casino properties owned by Penn do not typically have a property based chief legal officer so this requirement would default to Penn National's Chief Legal Officer who typically does not have the time or expertise to review a property's internal controls for conformance to state regulations. We recommend that this provision be changed to read that a gaming licensees

internal auditor or compliance officer be allowed to make this certification. Such property based positions have detailed knowledge of the state gaming laws and regulations as well as property operating policies and procedures, are independent of property management and are thus better able to make this certifications. We have no objection to Item "i" in this section which requires the property CFO provides adequate controls because a property will typically have a property based VP or Director of Finance who can make this certification. The legal review requirement is also included in Item 3 (page 14) of this section should also be changed.

§138.04-4(b): Indicates that surveillance manager and internal audit manager must ultimately report to the Audit Committee on certain matters. This should be changed to allow the alternative of the surveillance manager reporting to the Compliance Committee of the Board of Directors for these matters. This is a common structure at many of our other properties and in no case does a surveillance department head at Penn National property report to the Audit Committee.

§138.07-1: Requires that a floor plan of the facility be included in the internal controls. Because this is likely to change fairly frequently, there should be no requirement that the floor plan be included in the internal control system itself. The requirement should be changed to require a current floor plan to be on file with and approved by the Commission but not to be included in the internal controls. See also comment for **Item 138.50** below.

§138.07-2: Requires the casino floor plan be prepared by a Massachusetts Registered engineer or architect. Compliance with this requirement should not be a problem initially however; once we are open we will likely be making not infrequent modifications to certain configurations delineated in this section, especially the position of slot machine themselves. After opening, changes to the floor plan (e.g. positions of slot machines) would typically be documented using a CAD drawing but this drawing would likely be prepared by an internal staff member who would not be an engineer or architect. We believe this section should be changed to eliminate the requirement that such plans are prepared by an engineer or architect.

Item (l) requires the positions of "slot stools authorized for use" to be documented on the plans. This requirement should be eliminated as it is unimportant and we do not believe the Commission will be "authorizing" slot stools. The reference to Architect also appears in Item 3 of **Item 138.07** and should also be eliminated.

§138.09-1 Records Retention
(d)-1 and 2: While we do not currently plan to build a hotel, there is no reason for hotel records to be kept for more than one year.

(d)-8: requires "credit union records" to be retained for three years. Not sure why this is in the controls.

(e): Requires that "records generated by the mailroom" be retained for one year. Not sure what this is and it should be eliminated or clarified.

f-(2): Retention of slot tickets redeemed anywhere other than a slot machine, is proposed for a six month retention period. Due to the volume of slot tickets that are redeemed at the cage or at

ticket redemption machines located on the floor, this will be a huge burden to keep these for six months. We recommend it be reduced to 30 days. At our Pennsylvania casino facility, we were originally required to keep these for six months but regulators allowed licensees to request early destruction for good cause – we ended up seeking permission for early destruction several times each year because we simply did not have the space to safely store this many tickets. Eventually, Pennsylvania regulators realized that there is no value in retaining these tickets for six months, and they lowered the retention period to 30 days. We note that electronic records of each slot ticket printed are kept in the casino management system database so a record of their creation is kept even though the physical ticket may be gone.

§138.09-3: Requires the licensee to seek approval for the destruction of any records even if they have been retained for the necessary retention period. This is an unnecessary and burdensome requirement. The retention periods are put into place to make sure the documents are retained for the necessary period. Once that period is expired, there should be no need to affirmatively seek approval to destroy the records, especially considering the amount of detail they are requiring in the request. This provision should be eliminated.

§138-10: list items that must be included for each position in the jobs compendium that includes salary ranges and projected number of employees in the description. Since the internal controls are typically widely available to the employee base, these two requirements should be eliminated for confidentiality reasons.

§138.12-2: Requires that a separate patron identification file be established for those transactions requiring verification of identity and signature. Generally, such information is kept electronically in the casino management system (CMS) and would not typically include an example of the patron's signature (except for credit files). Additionally there are many transactions where an ID would be required in the casino but which would not require the creation of a patron identification file in the CMS or elsewhere. We believe this requirement should be eliminated or clarified.

§138.15 and 16: This section concerns access to sensitive areas and is extremely complicated listing seven unique access levels. This will make badging difficult and complicated. This should be simplified to simply state which areas of the casino are considered sensitive areas and then require the property's internal control or job compendium to list which positions have access to which areas without a security escort.

§138-19-5: This section includes the following provision:

> "*Prior to the start of the count process, the key which secures the contents of the drop boxes shall be tethered and locked to the count table by the count team supervisor. The key shall not be removed until the count process is completed;*"

We don't see any control benefits of having to lock the key to the count table. Doing so limits the ability to use the key which is necessary to complete the count so we would eliminate this requirement. The key is already controlled through its sign out procedure and the fact that the count room is heavily surveilled and secured.

§138-19-6-b – A provision to allow a vendor or service person to enter the room should be included. We recommend it should be changed to:

To permit access to equipment by authorized IT department employees and, as necessary, vendors to repair the count equipment;

§138-19-9: This section reads as follows:

"*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.*"

We believe the requirement to count all open items at least once before any non-count team member leaves the room is unnecessarily burdensome and does not allow for non-count staff or a vendor to enter the room if repairs need to be made during the count. We believe it should be changed to:

"*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 first secured****. Any trolleys that contain uncounted drop boxes or slot cash storage boxes shall be secured.*"

§138.19-10: This section requires that the opening, counting and recording of drop boxes shall be performed "*in the presence of a count room supervisor*". We believe this is too inflexible as there may not always be a count room supervisor available. A supervisor may call in sick, quit, or occasionally be required to perform departmental administrative duties or engage in training so such a person is not always available for every count. We recommend this be changed to "*in the presence of a count room supervisor or designated lead count team member*" or just "*in the presence of a count room supervisor or designee*". For the same reasons we also believe the references to count room supervisor in the following items should be similarly changed:

138.19-16
138.33-2, 3, 4, 6, 10, 11
138.48-1, 4, 4(e), 5(h), 11, 13, 15, 15(b), 17, 20, 22
138.49-2

§138.24-10: Indicates that certain documents must be transported from one location or another using a pneumatic tube system or security escort. While security escort should be required for the transport of funds in excess of a certain dollar amount, typically transfers of just documents does not require escort because any tampering of the document can be detected by comparing the various copies of the document, one or more of which would remain at its origination source. This section should be eliminated. Any escort requirements will be detailed in the system of internal controls.

§ 138.29-3-d-(1): This says Main Bankers can receive "*personal checks received for non-gaming purposes*" from cashiers. Should change this to just "*personal checks*" as they may receive personal checks for gaming as well as non-gaming purposes

§138.29-4: This says that a licensee may "*consolidate the functions of the chip bank cashier with the functions of the check cashier*". We believe this should be changed to may "*consolidate the functions of the chip bank, main bank and check cashier provided that a supervisor is*

responsible for signing any documents that evidence a transfer of funds from one of these areas to another (e.g. a check transfer between marker bank and chip bank)". We do not believe there would be enough work to justify a separate check cashier or chip bank function.

§138.33-5: Requires that a security supervisor signs out the count room door key. This should be changed to allow a security officer to sign this key out. There is no reason to limit this access to a supervisory position. The same change should be made to section 138.33-14(c) and 14(i).

§138.33-12: Indicates that slot drop containers and slot drop container verification forms "*shall be transported directly to, and secured in the count room by a casino security department member and a member of the accounting department*". The reference to "*accounting department*" should be changed to "*the drop team*". A member of the accounting department does not typically participate in the drop.

§138.33-14: This section discusses emergency slot box drop procedures for full or inoperable slot drop boxes that must be replaced outside of the slot drop schedule. It indicated that the emergency drop must be performed by a "*security department member and a slot or cage supervisor*". We believe this should be changed to allow slot technicians who are typically responsible for fixing drop boxes, to participate as one of the two persons required to do the emergency drop. We recommend it be changed: "*security department member and a slot or cage supervisor or a slot technician.*" Item 14-b(4), 14-c, 14-d, 14-f, 14-g, 14-h, 14-h(3) in this same section should also be similarly modified.

§138.33-14(d): This section reads *"...shall obtain the emergency box from the count room"* we recommend you add an option to allow another designated area for the storage of drop boxes. This item may be change to *"...shall obtain the emergency box from the count room or other secured area approved to store emergency drop boxes"*

§138.48-1: We believe, in general, that throughout these detailed internal control regulations, too many tasks are required to be completed by the count supervisor. We believe that many of these tasks could be competed with a non-supervisory count team member. Therefore, we recommend that the provision reading: *"...prior to the commencement of the count process, a count room supervisor..."* be changed to *"...prior to the commencement of the count process, a count room team member..."*.

§138.48-2: Requires that all slot tickets be counted twice and independently. The text indicates that: "*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.*" The currency counter we would expect to use in the count room performs a double count when items are put through it and we believe this is sufficient. Each slot machine and redemption kiosk maintains a record of the amount of cash and tickets in it which can be reconciled with the actual count. This comparison will detect any anomalies. We believe the double count provision should stay in, but the requirement that the first count be not be available to the employee performing the second count should be stricken No employees is technically performing the count anyway, the machine itself is performing the count and it performs a double count.

§138.48-4: The current text says the count room supervisor and banker sign the slot cash storage box report. Reference to "*count room supervisor*" should be changed to "*all count team members present at the end of the count*".

§138.48-9: Because of the volume of vouchers counted, it does not seem reasonable to list the validation number and value of each voucher in a report. We can have up to 150,000 vouchers a day which would take thousands of pages of paper to print. Instead, we would print a report that is broken down by asset, listing the total number of vouchers counted to each asset and the combined total value of all of those vouchers.

§138.48-12: Counterfeit money is not counted towards revenue. When a counterfeit is found, the bill(s) are put into a transparent container and then the count team notifies security who then report to the count room and retrieve the bill. Security then completes the Department of Treasury Counterfeit and turns it into authorities.

§138.48-13: In keeping with our comment for 138.19-10 (et al) above, Item c should be changed from "*Supervise a count team member who shall...*" to "*Account team member who shall...*" Item d should be changed from "*Supervise a second count...*" to "*A second count...*". Item e should be changed to "*The count room supervisor shall not permit a counting machine to be used until these totals are in agreement*" to "*The counting machine is not to be used until these totals are in agreement*". Item f should be changed from "*Supervise a count team member...*" to "*A count team member...*".

§138.48-15(a)-3: This section indicates that "*The cashier shall randomly count the currency within at least 10 percent of the total number of straps.*" The cage cashier does not count the currency within at least 10 percent of the total number of straps as this would take an enormous amount of time. They bulk count all straps and bundles. Only loose straps are re-verified. This section should be modified.

§138.48-20: We do not include pit numbers or slot zones on our drop box verification form nor do we separate our empty box totals by zone. We currently drop multiple zones with one trolley and we often load extra boxes in case we have a bad box or some other kind of system failure with a box. We believe this requirement is too restrictive.

§138.49-2: References a "*gaming accounting supervisor*"; typically a gaming accounting supervisor does not take part in the drop. Should be changed to "*drop team member*". Same comment for item "d" in this section.

§138.50-1: Requires the licensee to "*configure the pits and slot zones in its gaming establishment and simulcasting facility.....strictly in accordance with the floor plans included in its internal controls*". As noted in our comment for **Item 138.07-2**, because floor plans are likely to change fairly frequently, there should be no requirement that the floor plan be included in the internal control system itself. The requirement should be changed to require a current floor plan to be on file with and approved by the Commission but not to be included in the internal controls. Therefore, we recommend that this item be changed to read similar to "*configure the pits and slot zones in its gaming establishment and simulcasting facility.....strictly in accordance with the approved floor plans on file with the Commission*".

§138.50-2 & 3: Based on our comment above we do not think either of these paragraphs are necessary. Our recommendation is that any floor changes (permanent or temporary) be required to be submitted to the Commission's agents and approved by such agents before the change is made. No time limits need be included for temporary changes because if the change is approved it should pose no control or security risk otherwise it would not have been approved.

§138.69-1 (a): Provides signature guidelines that include "*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 clearly printed or preprinted title of the signer*". We believe this is fine except for the requirement that the pre-printed title be included as part of the valid signature requirements. A signing employee's title can be easily determined by comparing the employees credential number to a master employee list. Certain positions are required to sign many forms during a shift and requiring title as part of the signature would slow that process down. In addition, certain forms will have the general title of the person required to sign pre-printed on it but this may be signed by multiple levels in a department. For example, a slot jackpot form may require security to sign on a "*security signature*" line. The security representative signing may include a security officer, security supervisor, security manager or director of security all of who are authorized signers. We believe name and credential number is all that should be required.

§138.70: This provision concerns the expiration of gaming related obligations and requires that they must be claimed within one year. We believe this should be changed to read a "maximum of one year" to allow more flexibility for certain obligations.

§138.71: The restrictions contained in this item are way too broad and complicated. This provision indicates that "*no entertainment, filming or photography*" is allowed that is visible or audible from the gaming floor unless a detailed description of such entertainment, filming or photography is submitted to IEB at least five business days prior to its commencement. We expect to frequently book entertainment acts in both casino areas and off the gaming floor (which may be visible from the casino floor). The requirement that this non-gaming entertainment activity be approved in advance is unnecessary, burdensome and will likely lessen the appeal of Massachusetts casinos to the general public. We do not disagree with that part of Item 3 indicating that any such entertainment should not unduly interfere with the security or integrity of the gaming establishment. We believe however, that this goal can be achieved by changing the provision to simply read:

> *No entertainment, filming or photography activity within the gaming establishment shall 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*

You could then modify item two to simply read:

> *The IEB may at any time require the gaming licensee to immediately cease or modify any entertainment, filming or photography offered within the gaming establishment, if such activity compromises the security or integrity of gaming operations in any material way.*

Again, PPC thanks the Commission for the chance to share our experience and to provide input into these proposed internal control regulations.

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

RESORTS DEVELOPMENT

November 13, 2014

Massachusetts Gaming Commission
84 State Street, 10th Floor
Boston, MA 02109
Attn: Bruce Band
Assistant Director, Gaming Agents Division Chief
Investigations and Enforcement Bureau

Dear Commissioners:

Please see below for our comments on the following draft regulations: 205 CMR 138.00, 205 CMR 138.40, and 205 CMR 146.

1. Section 146.05(3) provides that an impressment of the non-value chips assigned to each gaming table shall be completed at least once every 30 days. Please explain why this is required on a monthly basis.

2. Please confirm whether patrons are allowed to purchase chips at the cage. The current draft appears to preclude that. On occasion, guests buy small amounts of chips to give as gifts or corporate groups give them to attendees at meetings. It is easier to handle these types of transactions at the cage.

3. Section 146 provides that every layout must have the "name or trade name of the gaming licensee offering the game." Our layouts in Las Vegas do not all have the company name. Our preference would be to make this a licensee decision.

4. Bonus craps and, more importantly, the Pair Bet in Baccarat are important side bets for our customers. Please consider amending accordingly.

5. Section 146 contains multiple references to a security guard bringing cards or dice to and from the pit when a card inventory controller would suffice. Please consider amending to permit card inventory controller to provide these functions.

6. Section 146.19(4) sets forth the requirements for dealing shoes including the color, design and penetration of the cut card. These are typically operational decisions. Please consider amending accordingly.

7. Section 146 provides that all pit stands shall have two separate locks – one for the games department or cashiers' cage and one for the security department. This would create a burden on the security department and result in wasted time. One lock for table games is sufficient.

RESORTS DEVELOPMENT

8. Section 138.11(4)(e) provides that one floorperson shall not supervise more than four games. This is very restrictive in lower limit pits. In Pennsylvania, they permitted up to six games.

9. Section 138.11(4)(f) provides that one pit boss shall not supervise more than 24 gaming tables. Again, this is very restrictive for certain areas of the gaming floor. Please consider increasing this to 48 games.

10. For Casino Credit, we propose up to a 45 day hold for domestic customers and 90 days for foreign customers.

11. With respect to the credit application, given that the proposed credit limit is $10,000, which we support, we do not believe it is appropriate to include the proposed "Problem Gaming Self Assessment" within this application. Customers playing at this level would find this very insulting.

12. With respect to complimentary services, please include a definition for "Cash Complimentaries."

Sincerely,

Jacqui Krum
Senior Vice President and General Counsel

MGM SPRINGFIELD

VIEW FROM MAIN STREET

MGM SPRINGFIELD

AERIAL VIEW

MGM SPRINGFIELD

VIEW OF PLAZA

MGM SPRINGFIELD

VIEW OF PLAZA

MGM SPRINGFIELD

VIEW FROM PLAZA

MGM SPRINGFIELD

VIEW OF HOTEL PORTE COCHERE

MGM SPRINGFIELD

VIEW OF HOTEL TOWER

EXISTING MASS MUTUAL EXHIBITION HALL

MAIN STREET

ENTRY VESTIBULE #2

area a vertical circulation

area b vertical circulation

area c vertical circulation

BUS STOP

ENTRY VESTIBULE #3

RETAIL

RESTAURANT

SERVICE ELEVATOR AND STAIRS FROM BASEMENT

SB #1

RESTAURANT

RR #2

RETAIL

RETAIL

RETAIL

RETAIL

RETAIL

BIKE RACK AREA

RR #1

E.V. #5

PEDESTRIAN ACCESS

EXIT STAIR #1

SLOT/TABLE AREA

HOWARD STREET

REDROSE PARKING SPACES

F & B

F &

RETAIL

RETAIL

RETAIL

DA VINCI PARK

SERVICE ELEVATOR AND STAIRS FROM BASEMENT

FOOD MARKET

RR #3

CAGE

SLOTS CLUB

SB#2

EXIT STAIR #3

BIKE RACK AREA

EXISTING COMM. CENTER BUILDING

EMPLOYEE ESCALATORS, ELEVATOR AND STAIRS FROM BASEMENT

ENTRY VEST. #4

BAR

EVENT PLAZA

ARMORY DINING & ENTERTAINMENT

PATIO

ARMORY MARKETPLACE

STAGE

ICE RINK 50' X 100'

RETAIL

RETAIL

RETAIL

BIKE RACK AREA

OFFICE LOBBY

MGM BUFFET

HOTEL BOH

HOTEL EXIT STAIR #1

RETAIL

CINEMA ENTRY VEST

RR

RETAIL KIOSKS 8' X 60'

BUILDING #73 STATE STREET EXISTING FACADE

HOTEL ELEVATORS

REGISTRATION

HOTEL LOBBY

ESCALATORS AND STAIRS TO MEZZANINE AND SECOND LEVEL BANQUET

HIGH LIMIT SLOT

HIGH LIMIT TABLE

POKER

CASINO CIRC.

BOWL RET.

RETAIL

F & B

RETAIL

F & B

F & B

RETAIL

ELEVATED PERFORMANCE PLATFORM

BOWLING

F & B

R.R.

RETAIL

RETAIL ELEVATORS

KITCHEN

SB

ARCADE

EXIT STAIR #4

RR #4

ENTRY

HOTEL ENTRY VESTIBULE

F & B

LOBBY SHOP

ENTRY VESTIBULE #1

HOTEL DROP OFF

ENTRY VEST #1

SERVICE ELEVATOR AND STAIRS FROM BASEMENT

EMPLOYEE ACCESS

RAMP ON TO BASEMENT LVL

SERVICE/BUS ENTRY/EXIT

VALET PICK UP

LINE OF HOTEL ABOVE

HOTEL EXIT STAIR #2

LINE OF PORTE COCHERE ABOVE

VALET ENTRY/ EXIT

VALET DROP OFF

BUS DROP OFF

VALET PARKING

RAMP DOWN TO BASEMENT VALET PARKING

UNION STREET

STATE STREET

EXISTING BUILDING

BIKE RACK AREA

PARKING STRUCTURE (A)

BUS PARKING

SELF PARKING ENTRY/EXIT

EMPLOYEE BIKE RACK AREA

RAMP UP TO LEVEL TWO

SELF PARKING EXIT

CENTRAL PLANT

S.P. EXIT

EXISTING BUILDING

EXISTING BUILDING

EXISTING BUILDING

EXISTING BUILDING

E. COLUMBUS AVENUE

MGM SPRINGFIELD

LEVEL ONE FLOOR PLAN

0 16' 32' 64'

NORTH

ISTING MASS MUTUAL
HIBITION HALL

MAIN STREET

area a vertical circulation

area b vertical circulation

area c vertical circulation

ENTRY VESTIBULE #2

ENTRY VESTIBULE #3

BUS STOP

RESIDENTIAL area a

RESIDENTIAL area b

RESIDENTIAL area c

EXISTING

HOWARD STREET

RETAIL

F & B

F &

RETAIL

RETAIL

REDROSE PARKING SPACES

PEDESTRIAN ACCESS

EXIT STAIR #1

DA VINCI PARK

EXIT STAIR #3

BIKE RACK AREA

POOL

EXECUTIVE OFFICES

BANQET KITCHEN/BOH

OUTDOOR DECK/FUTURE EXPANSION

EXISTING COMM. CENTER BUILDING

EVENT PLAZA

PATIO

"ARMORY MARKETPLACE"

STAGE

ICE RINK 50' X 100'

RETAIL

RETAIL

RETAIL

OFFICE LOBBY

BNQT. #3

GRAND BANQUET ROOM #1

HOTEL EXIT STAIR #1

BNQT. RR #1

BNQT. #2

BNQT. RR #2

CINEMA ENTRY VEST.

TR

RETAIL KIOSKS 8' X 60'

BUILDING #73 STATE STREET FACADE

HOTEL EXIT STAIR #1

PRE-FUNCTION

MGM CINEMA

RETAIL

HOTEL ELEVATORS

HOTEL ENTRY VESTIBULE

WORKOUT/SPA

ENTRY VESTIBULE #1

RETAIL ELEVATORS

SERVICE/BUS ENTRY/EXIT

HOTEL DROP OFF

HOTEL EXIT STAIR #2

LINE OF HOTEL ABOVE

HOTEL EXIT STAIR #2

LINE OF PORTE COCHERE ABOVE

VALET ENTRY EXIT

THIRD LEVEL GARAGE

UNION STREET

STATE STREET

EXISTING BUILDING

PARKING STRUCTURE (A)

SELF PARKIN ENTRY/

RAMP ON TO LEVEL TWO

RAMP UP TO LEVEL FOUR

SELF PARKING EXIT

CENTRAL PLANT

S.P. EXIT

EXISTING BUILDING

EXISTING BUILDING

EXISTING BUILDING

EXISTING BUILDING

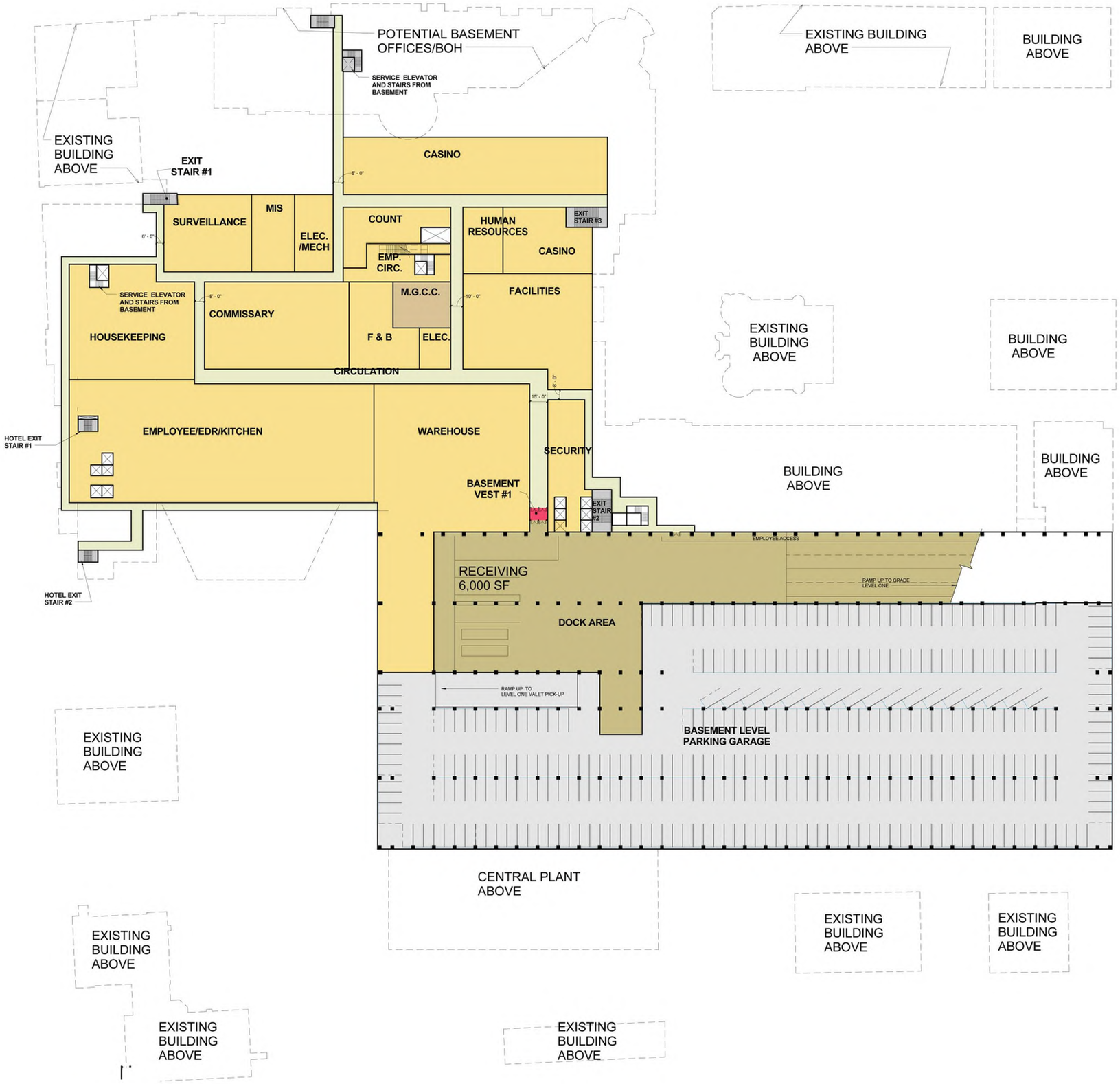
E. COLUMBUS AVENUE

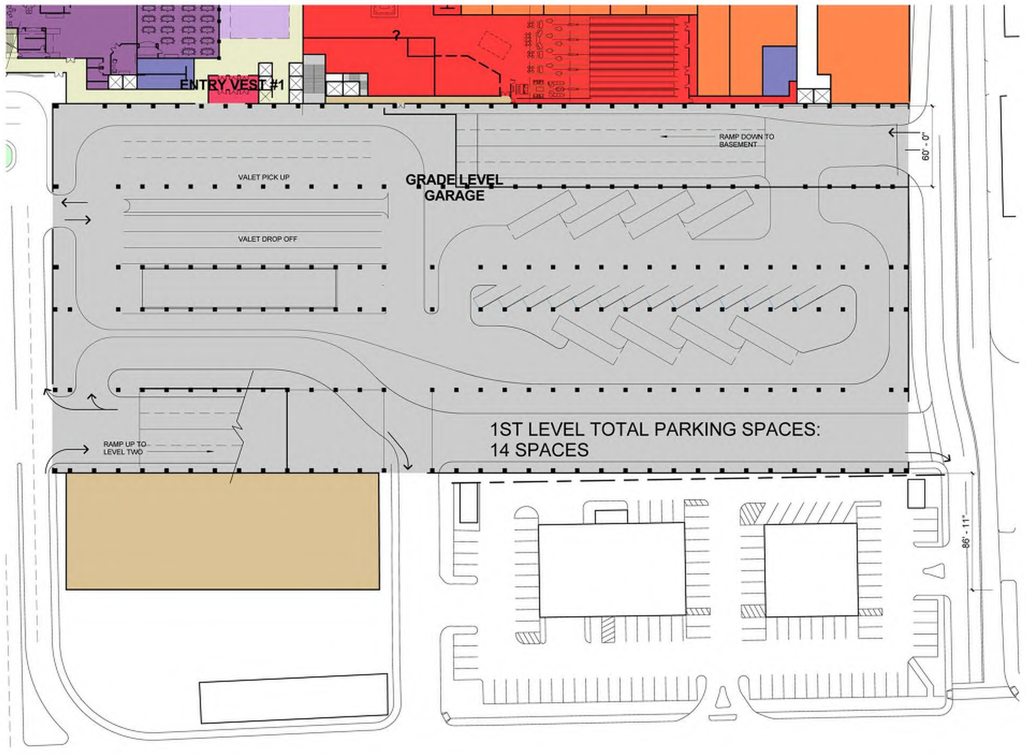
MGM SPRINGFIELD

LEVEL TWO FLOOR PLAN

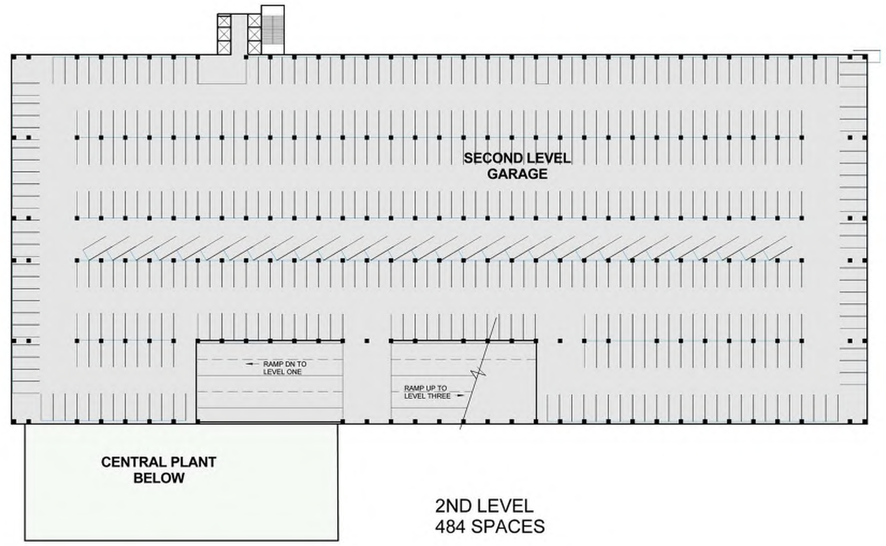
0 16' 32' 64'

NORTH

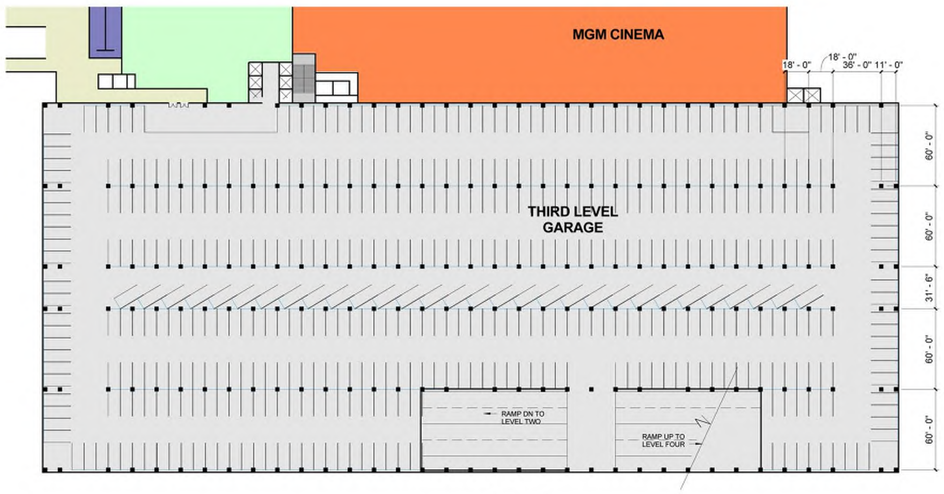

POTENTIAL BASEMENT OFFICES/BOH
SERVICE ELEVATOR AND STAIRS FROM BASEMENT
EXISTING BUILDING ABOVE
BUILDING ABOVE
EXISTING BUILDING ABOVE
EXIT STAIR #1
CASINO
SURVEILLANCE
MIS
ELEC. /MECH
COUNT
EMP. CIRC.
HUMAN RESOURCES
CASINO
EXIT STAIR #3
SERVICE ELEVATOR AND STAIRS FROM BASEMENT
HOUSEKEEPING
COMMISSARY
M.G.C.C.
F & B
ELEC.
FACILITIES
CIRCULATION
EXISTING BUILDING ABOVE
BUILDING ABOVE
HOTEL EXIT STAIR #1
EMPLOYEE/EDR/KITCHEN
WAREHOUSE
SECURITY
BUILDING ABOVE
BUILDING ABOVE
BASEMENT VEST #1
EXIT STAIR #2
EMPLOYEE ACCESS
RECEIVING 6,000 SF
RAMP UP TO GRADE LEVEL ONE
DOCK AREA
HOTEL EXIT STAIR #2
RAMP UP TO LEVEL ONE VALET PICK-UP
BASEMENT LEVEL PARKING GARAGE
EXISTING BUILDING ABOVE
CENTRAL PLANT ABOVE
EXISTING BUILDING ABOVE
EXISTING BUILDING ABOVE
EXISTING BUILDING ABOVE
EXISTING BUILDING ABOVE
EXISTING BUILDING ABOVE



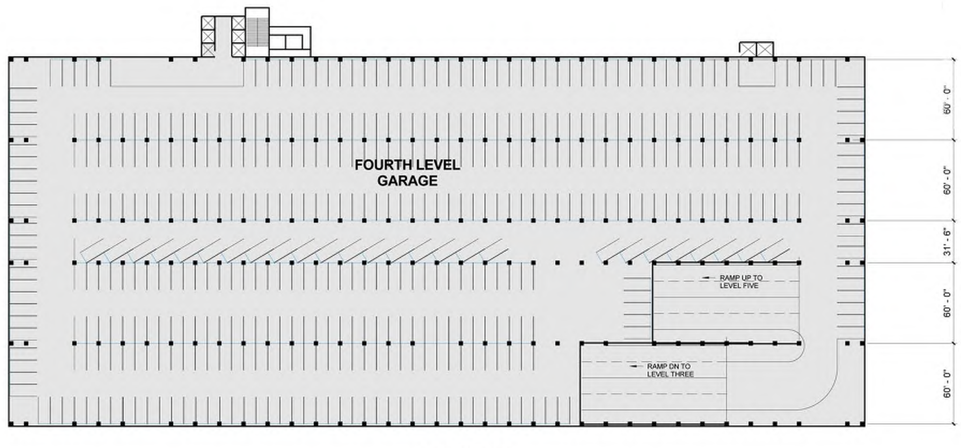
1D GARAGE A LVL 1 (@0'-0")
1" = 40'-0"



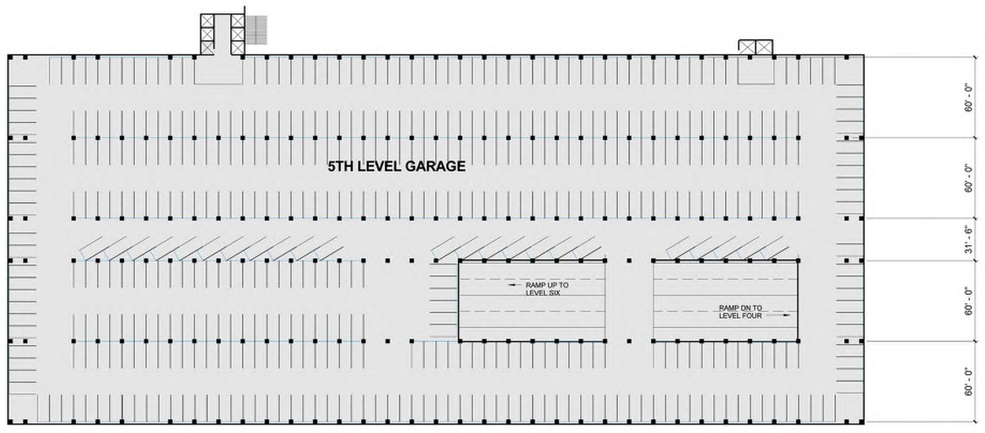
4D GARAGE A LVL 2 (@17'-0")
1" = 40'-0"



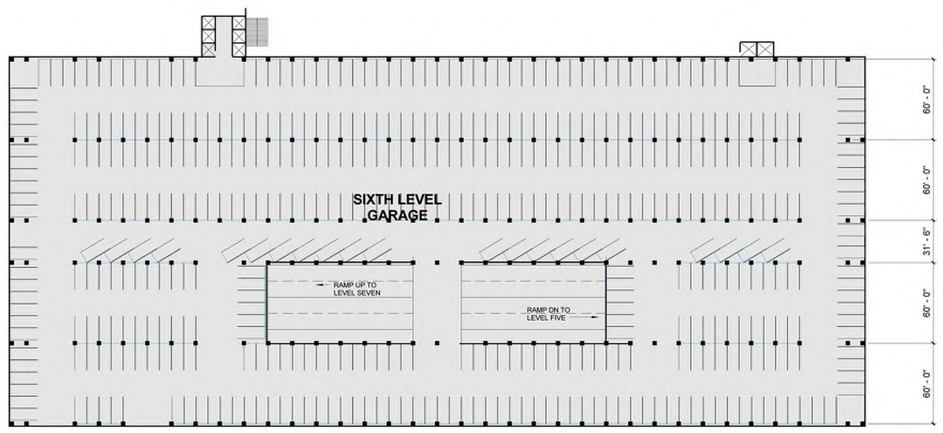
1F GARAGE A LVL 3 (@28' - 4")
1" = 40'-0"



4F GARAGE A LVL 4 (@39' - 8")
1" = 40'-0"



5TH LEVEL
476 SPACES

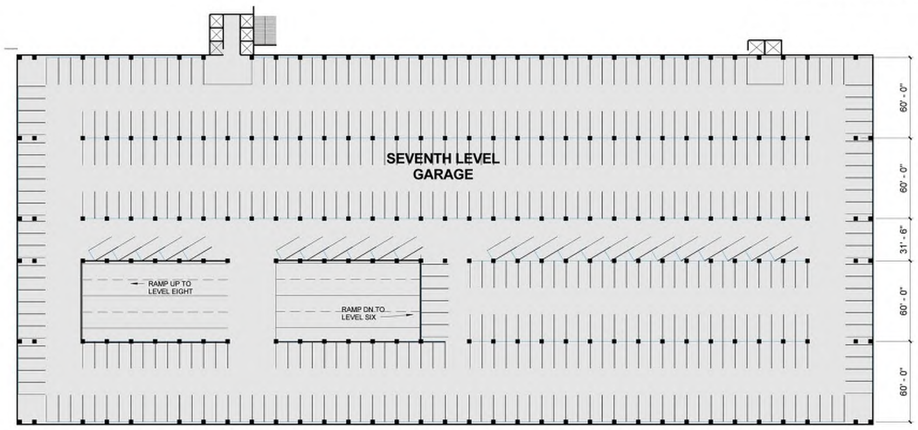


6TH LEVEL
464 SPACES

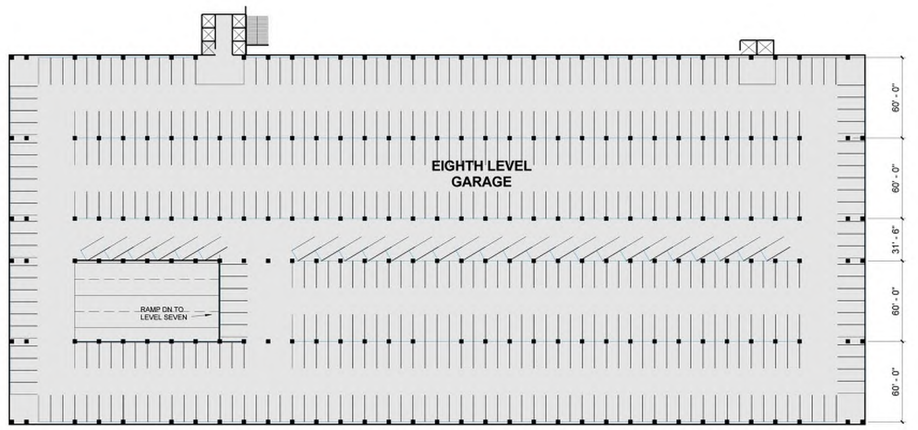
GARAGE A LVL 5 (@51' - 2")
1" = 40'-0"

4C GARAGE A LVL 6 (@62' - 6")
1" = 40'-0"

PARKING DATA	
BASEMENT	357 SPACES
LEVEL ONE	14 SPACES
LEVEL TWO	484 SPACES
LEVEL THREE	491 SPACES
LEVEL FOUR	461 SPACES
LEVEL FIVE	476 SPACES
LEVEL SIX	464 SPACES
LEVEL SEVEN	491 SPACES
LEVEL EIGHT	524 SPACES
TOTAL GARAGE PARKING SPACES 3,762 SPACES	



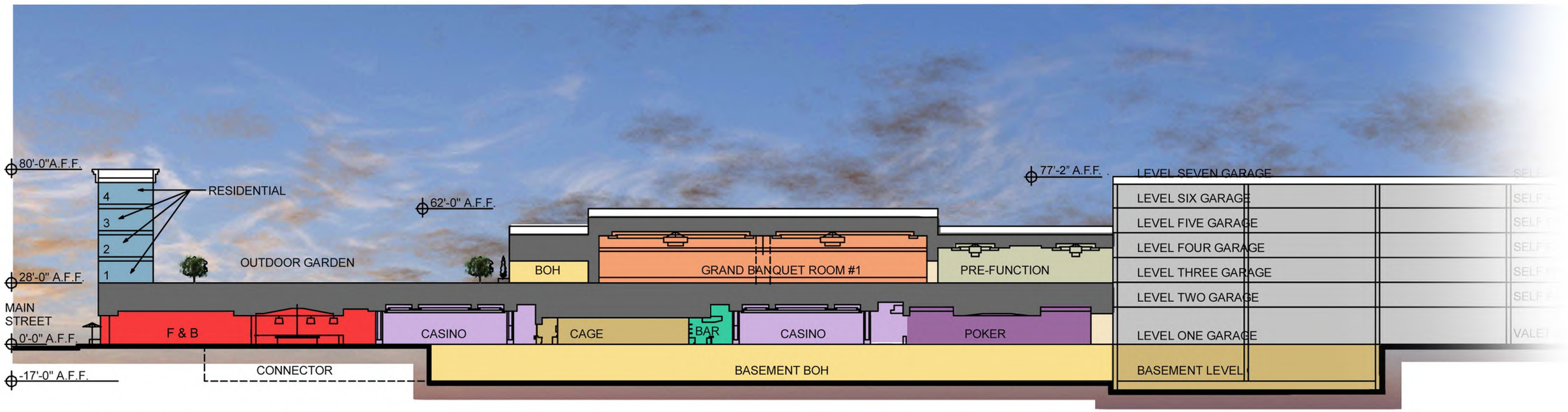
7TH LEVEL
491 SPACES



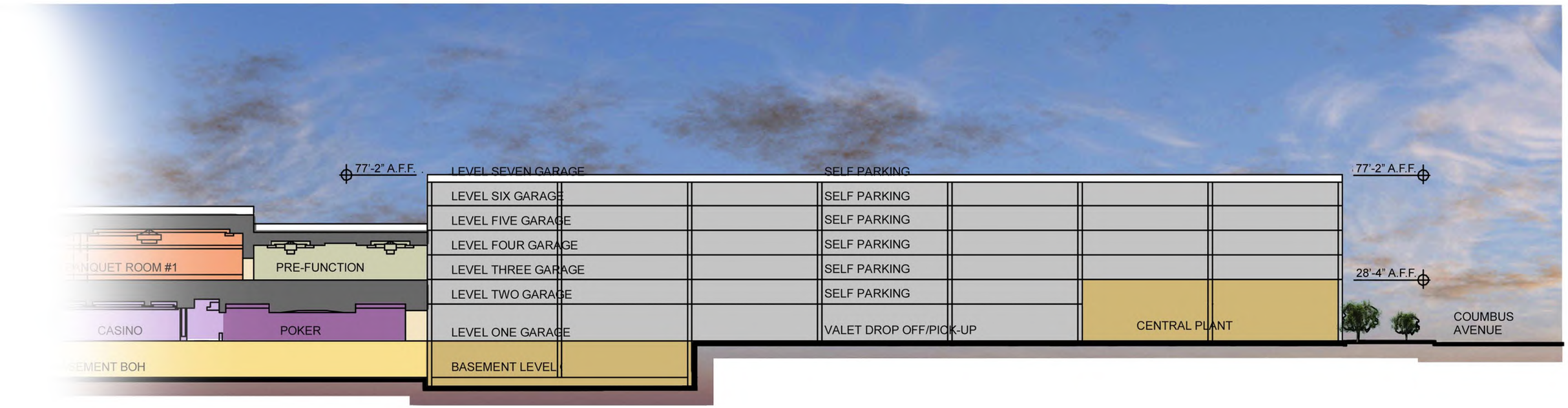
8TH LEVEL
524 SPACES

GARAGE A LVL 7 (@73'-10")
1" = 40'-0"

4F GARAGE A LVL 8 (@85'-2")
1" = 40'-0"

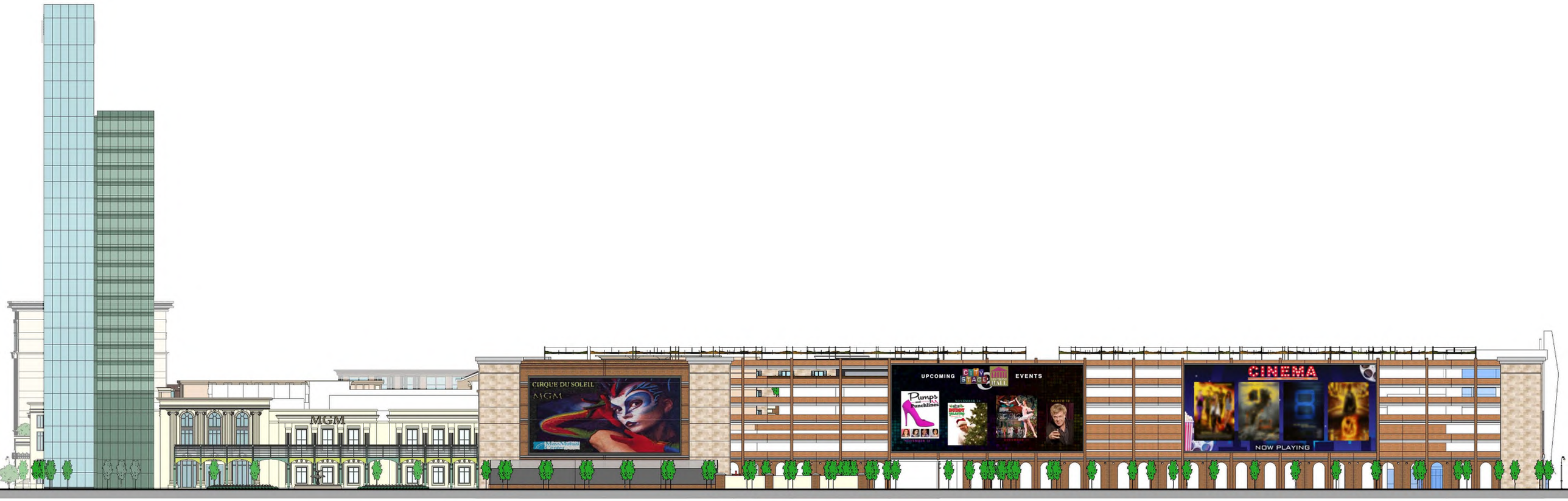


PARTIAL SECTION A

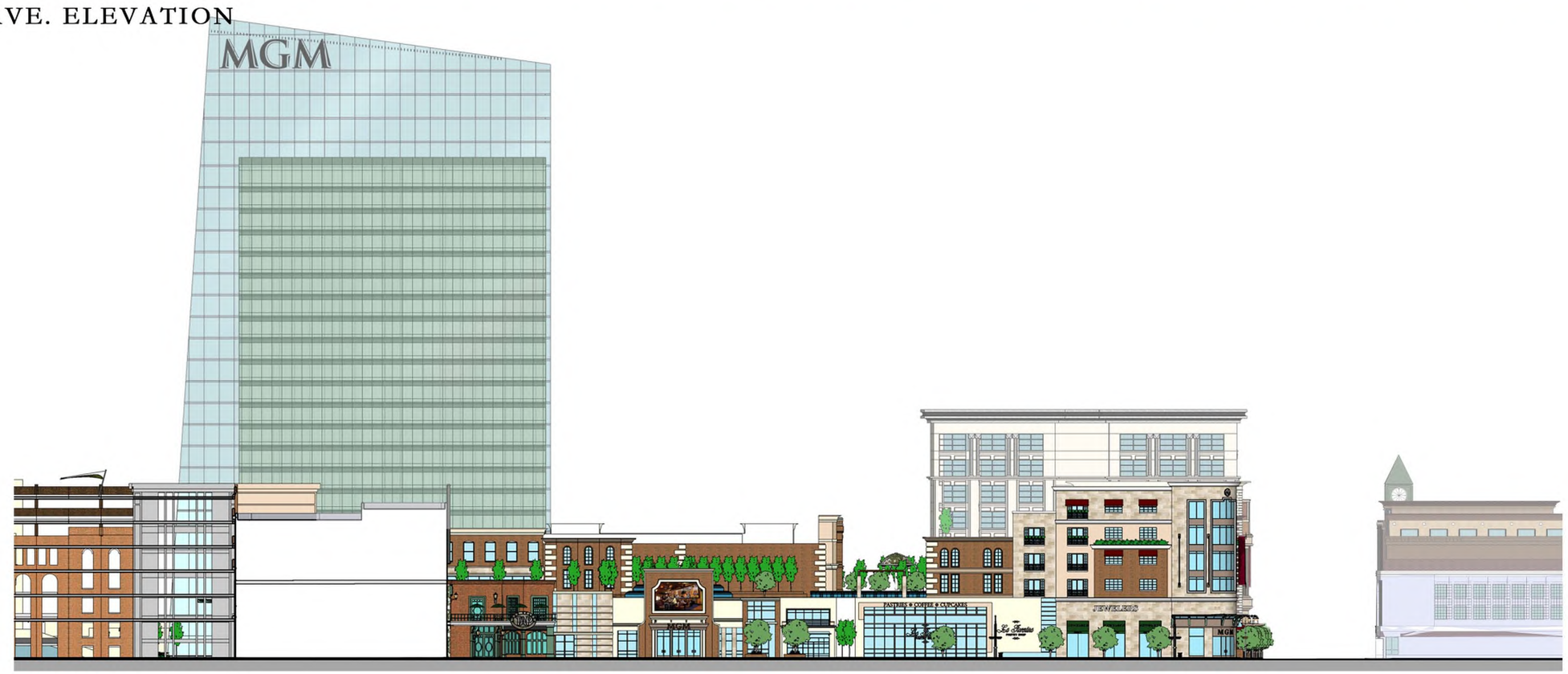


PARTIAL SECTION A

STATE STREET ELEVATION



COLUMBUS AVE. ELEVATION



HOWARD STREET ELEVATION

UNION STREET ELEVATION

MAIN STREET ELEVATION

2014 | 2015

Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov

Massachusetts Gaming Commission / 2014-11-14 Licensing Schedule Update
Category 1 License - Region C (DRAFT)

Data Date
11/14/2014

CATEGORY 1 LICENSE - REGION C
(Phase 1 and 2 application dates are identified and other specific dates to be determined)

Scoping Materials Submitted
1/9

Window for Scoping Meetings
11/17 — 61 — 1/16

Background Investigations
43

MGC Review
21

Hearings Period
21

Suitability
14

Approve Applicants C1

Deadline for Region C Phase 2 Applications
5/26

Commission Reviews Responses to RFA-2 (C1)
90

(If Arbitration occurs)
21

Commission Awards C1 License Region C
10/20

Applicants Presentations

SC Public Hearings

SC Petition Presentations

Select Arbitrator

Awards Region C C1 License w/ Flex 14

Flex 14
14

MGC Receives Applications Phase 1 (Region C)
1/30

Submit Phase 2 Applications Category 1 License
73

SC File App
10

App Response
10

Deadline FIP

FI Hearing

HC Meetings

End Arbitration

HCA Executed
41

HCA Referendum C1 Region C
60

MGC Decides SC
21

Closing HC Hearings

Results
10

Negotiation SC
32

Arbitration
28

MGC Review RFA-2 & Awards License C1
30

. Surrounding Community Agreements Executed
116

PMA Consultants

LEGEND
ACT DESCRIPTION
Start Date — End Date
SUMMARY ACTIVITY
Start Date — End Date

COMMONWEALTH OF MASSACHUSETTS
MASSACHUSETTS GAMING COMMISSION

Suffolk, ss.

In the Matter of:	)
Application of Mohegan Sun Massachusetts LLC	)
Application of Wynn MA LLC	)
Application for a License to Operate a Category 1 Gaming Establishment pursuant to M.G.L. c.23K §19	)

DETERMINATION OF ISSUANCE OF A LICENSE TO OPERATE A CATEGORY 1 GAMING ESTABLISHMENT IN REGION A

I. Authority

Mohegan Sun Massachusetts LLC ("MSM") and Wynn MA LLC ("Wynn") (hereinafter referred to as "Applicant" or jointly as "Applicants") each submitted to the Massachusetts Gaming Commission (hereinafter "Commission" or "MGC") an RFA 2 application for a Category 1 Gaming License to operate a Gaming Establishment in Region A. The Commission has the authority to issue a single Category 1 Gaming License ("License") in Region A pursuant to M.G.L. c.23K §19.

II. Background

On or before January 15, 2013, the Commission received an RFA-1 application from each Applicant. Each Applicant then underwent a thorough investigation by the Investigation and Enforcement Bureau ("IEB"). Pursuant to 205 CMR 101.01, a public meeting or an adjudicatory hearing was held before the full Commission at the conclusion of the investigation to determine the suitability of each Applicant. See 205 CMR 115.04. The Commission held a public meeting to determine the suitability of MSM on October 3, 2013 and the Commission held an adjudicatory proceeding to determine the suitability of Wynn on December 16, 2013. The Commission issued a **POSITIVE** determination of suitability for each Applicant, deeming each Applicant suitable to hold a gaming license and eligible to file an RFA 2 application for a Category 1 gaming license. See 205 CMR 115.05.

Each Applicant signed an agreement with the host community setting out the conditions under which a gaming establishment may be located within the host community and submitted the

executed Host Community Agreement to the Commission in accordance with 205 CMR 123.02(3). See G.L. c.23K, §15(8). A referendum vote pursuant to G.L. 23K, §15(13) was held in the Host Community for each Applicant and each Applicant "received a certified and binding vote on a ballot question at an election in the host community in favor of such license" See G.L. c.23K §15(13).

Each Applicant submitted an RFA-2 Application, in accordance with 205 CMR 118.01(2), to the Commission on December 31, 2013 (including all amendments and additions thereto, the "RFA-2 Application"). Pursuant to 205 CMR 118.04(1) (e), the Commission heard an informal presentation from each Applicant explaining its RFA-2 Application on January 22, 2014. The Commission held public hearings on March 25, 2014 for MSM and on March 26, 2014 for Wynn to receive comments from residents of communities impacted by the proposed Gaming Establishment. The Commission also accepted written submissions from the public. The Commission held Host Community public hearings in Revere on June 24, 2014, July 15, 2014 and August 11, 2014 for MSM and in Everett on June 24, 2014 and August 12, 2014 for Wynn to receive comments from the residents of the Host Community, pursuant to G.L. c.23K, §17(c) and (d).

MSM executed agreements with all designated Surrounding Communities and Impacted Live Entertainment Venues and with the Massachusetts State Lottery and has submitted those agreements to the Commission. Wynn has executed agreements or proceeded to an arbitrated agreement with all designated Surrounding Communities and Impacted Live Entertainment Venues except for the City of Boston. (See the discussion of Wynn's inability to reach a surrounding community agreement with the City of Boston in section IIIa Findings, Mitigation, below.) Wynn has executed an agreement with the Massachusetts State Lottery. See G.L. c.23K §§15(9) and (10).

On May 8, 2014, Commission Chairman Stephen Crosby publicly recused himself from all matters related to the award of category 1 gaming establishment license in Region A. Chairman Crosby designated Commission James McHugh as Chairman of the Commission for Region A matters. See G.L. c.23K §3 (g). Commissioners McHugh, Cameron, Stebbins and Zuniga participated in the evaluation process and the final decision to award the category 1 license in Region A. Chairman Crosby did not participate in the evaluation process or the decision to award a license in Region A.

All of the Applicants for the License underwent the same evaluation process. See 205 CMR 118.04. Each section of each Applicant's RFA 2 application was reviewed by professional consultants and independent evaluators who assisted the Commissioner responsible for that section in his or her review. Each Commissioner presented a report and his or her recommendation on the section for which he or she was responsible. The Commissioners reviewed all of the reports and discussed the recommendations made by each Commissioner at public meetings of the Commission on September 8, 9 10, 15, 16 and 17, 2014. On September 17, 2014, the Commission voted to enter into and executed an Agreement to Enter Into a Category 1 Gaming License ("Agreement"), effective as described in that Agreement. See 205 CMR 118.06.

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III (a). Findings and Evaluation

In evaluating the Applicants for a Category 1 license, the Commission considered all relevant information brought to its attention, including information in the RFA-1 and RFA-2 applications of each Applicant, the presentations made by each Applicant to the Commission, the comments received by the Commission in writing and at the surrounding and host community meetings, filings with public agencies and any testimony taken regarding the Applicants at Commission public meetings. The RFA-1 and RFA-2 applications, the Applicant's presentations, and the evaluation reports and presentations created by the Commissioners are incorporated into this Determination to Issuance of a License to Operate Category 1 Gaming Establishment in Region A ("Determination") by reference.

The Commission considered, in accordance with G.L. c.23K, §18, the manner in which each of the Applicants proposed to advance the following statutory objectives:

1. Protecting the lottery from any adverse impacts due to expanded gaming including, but not limited to, developing cross-marketing strategies with the lottery and increasing ticket sales to out-of-state residents;

2. Promoting local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues;

3. Realizing maximum capital investment exclusive of land acquisition and infrastructure improvements;

4. Implementing a workforce development plan that utilizes the existing labor force, including the estimated number of construction jobs a proposed gaming establishment will generate, the development of workforce training programs that serve the unemployed and methods for accessing employment at the gaming establishment;

5. Building a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry;

6. Taking additional measures to address problem gambling including, but not limited to, training of gaming employees to identify patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable populations;

7. Providing a market analysis detailing the benefits of the site location of the gaming establishment and the estimated recapture rate of gaming-related spending by residents travelling to out-of-state gaming establishments;

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8. Utilizing sustainable development principles including, but not limited to: (i) being certified as gold or higher under the appropriate certification category in the Leadership in Environmental and Energy Design program created by the United States Green Building Council; (ii) meeting or exceeding the stretch energy code requirements contained in Appendix 120AA of the Massachusetts building energy code or equivalent commitment to advanced energy efficiency as determined by the secretary of energy and environmental affairs; (iii) efforts to mitigate vehicle trips; (iv) efforts to conserve water and manage storm water; (v) demonstrating that electrical and HVAC equipment and appliances will be EnergyStar labeled where available; (vi) procuring or generating on-site 10 per cent of its annual electricity consumption from renewable sources qualified by the department of energy resources under section 11F of chapter 25A; and (vii) developing an ongoing plan to submeter and monitor all major sources of energy consumption and undertake regular efforts to maintain and improve energy efficiency of buildings in their systems;

9. Establishing, funding and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities through a workforce training program that: (i) establishes transparent career paths with measurable criteria within the gaming establishment that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion; (ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and (iii) establishes an on-site child day-care program;

10. Contracting with local business owners for the provision of goods and services to the gaming establishment, including developing plans designed to assist businesses in the commonwealth in identifying the needs for goods and services to the establishment;

11. Maximizing revenues received by the commonwealth;

12. Providing a high number of quality jobs in the gaming establishment;

13. Offering the highest and best value to create a secure and robust gaming market in the region and the commonwealth;

14. Mitigating potential impacts on host and surrounding communities which might result from the development or operation of the gaming establishment;

15. Purchasing, whenever possible, domestically manufactured slot machines for installation in the gaming establishment;

16. Implementing a marketing program that identifies specific goals, expressed as an overall program goal applicable to the total dollar amount of contracts, for the utilization of: (i) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the design of the gaming establishment; (ii)

minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the construction of the gaming establishment; and (iii) minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the gaming establishment and any businesses operated as part of the gaming establishment;

17. Implementing a workforce development plan that: (i) incorporates an affirmative action program of equal opportunity by which the Applicant guarantees to provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with disabilities; (ii) utilizes the existing labor force in the commonwealth; (iii) estimates the number of construction jobs a gaming establishment will generate and provides for equal employment opportunities and which includes specific goals for the utilization of minorities, women and veterans on those construction jobs; (iv) identifies workforce training programs offered by the gaming establishment; and (v) identifies the methods for accessing employment at the gaming establishment;

18. Whether the Applicant has a contract with organized labor, including hospitality services, and has the support of organized labor for its application, which specifies: (i) the number of employees to be employed at the gaming establishment, including detailed information on the pay rate and benefits for employees and contractors; (ii) the total amount of investment by the Applicant in the gaming establishment and all infrastructure improvements related to the project; (iii) completed studies and reports as required by the commission, which shall include, but need not be limited to, an economic benefit study, both for the commonwealth and the region; and (iv) whether the Applicant has included detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming establishment; and

19. Gaining public support in the host and surrounding communities which may be demonstrated through public comment received by the commission or gaming applicant.

In order to evaluate the above factors the Commission considered each Applicant's approach to each of the following general categories: Overview of the Project; Finance; Economic Development; Building and Site Design; and Mitigation. See 205 CMR 119.03. The Commission generally adopts the following findings of fact and conclusions of law as they are set forth in each of the reports prepared by the individual commissioners as part of the deliberations. Those reports are hereby incorporated into this decision by reference. Ultimately, the Commission is satisfied that the project set out by Wynn in its RFA-2 application and included in the other referenced sources meets, and in many instances exceeds, the minimum requirements set forth in G.L. c.23K and 205 CMR. Further, the Commission is satisfied that Wynn has met the eligibility requirements set forth in G.L. c.23K, §15.

We set out our findings in each of the five aforementioned categories below.

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A. Overview of the Project

The Commission generally accepts the following findings as set forth in the Overview report presented at the September 9, 2014 public meeting.

Overview of the Project		
	MSM	**Wynn**
Criteria		
Massachusetts Brand	Mohegan Sun proposed traditional approach to develop a facility that is compatible with the regional community and is consistent with New England's reserved cultural history. Their culture and history have provided them with a deep understanding and knowledge of the region. This integration with community has influenced both their design features and their outreach efforts. They have committed to the renewal of local historic institutions such as Suffolk's Downs and Revere Beach. Mohegan Sun's marketing approach reflects their emphasis on attracting a great percentage of customers from the New England region.	Wynn proposes to add destination entertainment to the multifaceted Massachusetts Brand. Wynn has committed to the restoration of a contaminated site and to renewing the connection of an under-utilized industrial waterfront to public access. This approach aligns with the Commonwealth's recent emphasis on recapturing the economic and recreational value of its historic harbor sites. Wynn's marketing strategy to attract a greater percentage of international visitors to their facility is consistent with their worldwide reputation.
Destination Resort	MSM's approach to a destination resort rests on the concept of a "city integrated" resort, i.e., a facility that encourages a traveler experience that is fully integrated with the surrounding city. Modeled on the Harrah's casino at the foot of Canal Street in downtown New Orleans, the approach emphasizes relationships with local restaurants, shops and other business to area travelers to the facility and then connect them with the surroundings. MSM has	Wynn's approach to the concept of a destination resort clearly focuses on a marketing plan designed to attract travelers from distant locations, principally those in Asia and bring them to the facility for an extended stay. The plan is comprehensive and well integrated into Wynn's overall concept. The three principal components of that plan utilize Boston's worldwide reputation as a destination city, luxurious accommodations designed to attract travelers and the Wynn brand which is known for the luxury the local facility

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	energetically pursued the relationships with local businesses that are key ingredients of its plan, though it is somewhat unclear how it intends to ensure that the gaming establishment will be the destination rather than another feature of a greater Boston destination that already exists.	embodies.
Outward Looking	MSM's approach to the outward look centers on the casino's relationships with existing businesses and attractions rather than a physical connection to the surrounding areas. Indeed, in deference to the partially residential neighborhoods for which it is planned, the facility and its various components are accessible at only two points in addition to the garage areas. That said, MSM has been aggressive in its efforts to connect with local businesses and attractions and those connections, if maintained, will facilitate an outward flow by casino patrons.	Wynn's approach to the outward look has three main components. The first is the multiple entry points to the shops, restaurants and other attractions in the arcade. Second is the outdoor space that will be landscaped in a fashion designed to attract walkers, picnickers and others, at least in fair weather and facilitate access to an extended harbor walk. Third is the use of water borne transportation to connect the facility to downtown Boston and the airport which holds the promise of greater expansion as time progresses.
Competitive Environment	This proposal can be summarized as a regional casino that targets and attempts to capitalize on customers and players closest to the facility. MSM and Brigade have entered into a marketing restriction agreement that lacks some clarity around its implementation. The restriction places a limit on the marketing to individuals within specified Massachusetts zip codes from other Mohegan properties but does not preclude such marketing. That threshold (limit) is set by the facility in Massachusetts. The practical application of this agreement is not well articulated.	While this proposal partially capitalizes on the proximity to the nearby population, Wynn heavily focuses on attracting high-end plan as well as the player from outside of the defined regional market area. Wynn's track record and its marketing and operations plans support its projections. Wynn's marketing and business plan emphasizes differentiation and segmentation (which complements prior decisions made by the Commission and positions the Commonwealth to be competitive in the Northeast). Wynn is very familiar with this approach in highly competitive environments (Las Vegas, Macau) and intends to replicate that model in what is becoming a competitive regional market

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	This restriction in conjunction with other elements of the financial, marketing and operations plans (slots product mix, pre-opening expenses, etc.) imply that the primary focus of this operation will be on nearby and existing players. MSM asserts that the possible introduction of gaming in New Hampshire would represent a significant downturn for the operation but appears to have failed to reflect it in its financials.	in the Northeast US. With this proposal the Commonwealth would be in a better position to capitalize on attracting players from outside of New England and thus realize a higher economic development to the Commonwealth. Further, Wynn's financials include margins that would allow it enough flexibility to respond to changing conditions in a competitive environment.
Meeting Unmet Needs	MSM proposes to work with area attractions and entertainment venues to broaden, not compete with, existing product offering. An entertainment service agreement has been signed with CitiCenter to promote entertainment events as well as the intention of entering into partnership agreements with other area entertainment venues. MSM proposes to include a 38,000 square foot multi-use space in the resort that can be programmed for convention, trade show and/or entertainment events. A marketing relationship will be sought with Massachusetts Convention Center Authority (MCCA) to promote convention and meeting activity. MSM intends to build a collaborative marketing initiative similar to the Mystic County program developed by MSM in conjunction with local attractions and tourism agencies in CT to create awareness and increase the tourism draw of the Revere/Boston area. Revere Beach will be featured as a regional destination through transportation and marketing	Wynn proposing to add a luxury oriented destination resort as a complementary offering to Boston's and Massachusetts' existing tourism offering. Wynn sees an opportunity to increase visitor spending on entertainment in the Boston area. Strategic alliances will be sought with TD Bank Garden and Boston Symphony Orchestra to market new visitor opportunities, with the Boston Harbor Association and Boston Harbor Alliance to provide needed water transportation services and with an identified long list of target partnerships for sporting events (Red Sox, Bruins, etc.) and state and local tourism organizations as part of the partnership. Wynn also plans to create partnerships with cultural, dining, historic and entertainment attractions across the Commonwealth to enhance their customer's stay and increase local spending. In addition, Wynn will partner with Bunker Hill Community College to focus on workforce training and Wynn's 5-Star level of service training similar to a program at Temple University and create a career pathways training program for area residents.

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	support. Further, MSM intends to draw visitors to the region and encourage them to explore Revere and other communities and amenities along the North Shore including Salem, Rockport, Gloucester and Lynn.	
Collaborative Marketing	MSM anticipates a collaborative marketing approach with state agencies, Greater Boston Convention and Visitors Bureau and MOTT. Further, MSM emphasizes its proximity to Logan airport and other regional amenities as additional factors that would drive visitors from outside of Massachusetts. This is further complemented with MSM's existing database of customers. However, the marketing plan, operations plan, and defined market area demonstrate that the majority of revenues would be generated from the regional market and specifically within a 1 hour drive to the facility.	Wynn relies on 275 marketing employees (based internationally) to drive business to its property and thus the region. The financials and operations plan support the stated objective of aggressively marketing outside of Massachusetts. Although silent on specific marketing efforts utilizing existing state organizations (i.e. MOTT), Wynn's target and emphasis on the international traveler and the high end player aligns with the Commonwealth's goal of economic development tourism by bringing dollars from outside the market area.
Diverse Workforce and Supplier Base	MSM stressed their current status as a minority owned and operated facility and diverse workforce (41%) despite operating in regions that are less diverse than Boston. MSM will create a MSM Diversity Plan similar to the plan created at other facilities and will organize a Diversity Committee to oversee implementation. Through MSM's Host Community Agreement ("HCA") and Surrounding Community Agreements ("SCAs"), MSM plans to focus recruitment and hiring in local area with specific target of Spanish speaking population. MSM will create a plan to recruit diverse suppliers and engage organizations such as	Wynn demonstrates a track record in workforce (the Las Vegas operation comprises 60% diverse employees). Wynn identifies diversity among its workforce and non-discrimination in all hiring practices as a core value. Wynn's track record of diversity in management/leadership positions was also noted as a perfect score achieved with Human Rights Council's Corporate Equality Index. In Massachusetts, Wynn plans to create local recruitment partners and provide general recruitment materials and targeted marketing campaigns. Wynn has also created detailed training and development practices including: leadership training; skills training; new-hire orientation; tuition reimbursement and internal career counseling. Wynn highlighted key diverse management

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	Greater New England Minority Supplier Development Council, Boston Minority Business Development Center and the Corporate Council of Center for Women and Enterprise. MSM also expressed its support for the UMass Boston Commonwealth Compact. MSM will create an inclusion policy stipulating that all contracts over $100K include a bid from a minority, woman or veteran owned business and develop a minority vendor list. MSM mentioned its intent to work closely with MGC Director of Workforce Supplier and Diversity Development.	leadership members and its support of citizenship classes and hosting of citizenship swearing-in events. Wynn also cited its perfect score with the Human Rights Council's Corporate Equality Index. Finally, Wynn pledged to work with Massachusetts Supplier Diversity Office to help existing and newly formed companies compete for work during the $1 billion construction and on-going $80 million local operation spend.
Broadening the Region's Tourism Appeal	MSM will focus on drawing visitors to the region and encouraging them to explore Revere and the historic beach in addition to other communities and amenities along the North Shore including Salem, Rockport, Gloucester and Lynn. To meet this objective, it will focus on its existing database of 5 million members. MSM has employed a similar regional strategy in CT and highlighted success of similar efforts in the Philadelphia area. MSM also identified international and out of state visitors as potential patrons of the proposed casino, although MSM appears to place a greater emphasis on regional visitation. More than 95% of projected visitation is generated from within a 120 minute drive of Revere. Despite the significant database, there seemed to be limited focus on the markets of RI, CT and NY. To help accomplish its goal of increased visitation, MSM will	Wynn sees an opportunity to increase current entertainment and recreation spending as a percentage of total visitor expenditures in Massachusetts (6% of $16.9 billion) by offering a unique entertainment destination. Wynn believes that the 6% proportion from entertainment is well below the entertainment contribution identified in other major metropolitan regions in the United States. Wynn will focus on drawing on an established existing customer database that comprises higher income earners who tend to stay longer at Wynn hotels. Wynn's national and international (China, Hong Kong, Macau, Singapore, Taiwan, Japan, Canada, and California) sales and marketing offices will be utilized to draw visitors from outside the region and the country. Wynn's strategy relies on creating partnerships with cultural, dining, historic and entertainment attractions across the Commonwealth such as TD Bank Garden, the Boston Pops and Boston Symphony Orchestra to enhance its customer's stay and increase local spending. Wynn will use its Red Card

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	partner with organizations such as the Greater Boston Convention and Visitors Bureau, North of Boston Convention and Visitors Bureau and MOTT. MSM also plans to partner with the Massachusetts Convention Center Authority to help attract conventions and meetings to Boston. MSM will use in-room promotions to highlight area attractions, provide a dedicated tab on the MSM website and rotate exhibit and promotion of local attractions and businesses throughout the MSM property as well as providing ground shuttle service to area amenities. MSM social media capabilities and on-going direct mail campaigns will further promote the project. MSM will use its Momentum Rewards point program with local businesses to allow members to patronize local businesses.	room key or Wynn App to incentivize visits to other amenities including the Museum of Fine Arts, New England Aquarium etc. Wynn's established Red Card loyalty program will be used to support international marketing efforts. Wynn will also work to create an "In State" marketing program to encourage more residents to spend more recreational dollars in Massachusetts. Wynn's projected marketing spend supports these marketing initiatives.

B. Finance

The Commission finds that both Applicants proposed to advance the objective of c. 23K §18 (3) in a satisfactory way in that each applicant exceeded the minimum capital investment of $500 million. See also 205 CMR 122.00 (governing the manner in which the capital investment is calculated.) However, the Commission notes that Wynn's capital investment, when calculated in accordance with 205 CMR 122.00, was almost twice the amount of MSM's capital investment.

The Commission finds that the Applicants proposed to advance the objective of c. 23K §18 (7) in that each applicant provided a market analysis that detailed the benefits of each applicant's particular location and how that location would lead to the recapture of gaming related spending by Massachusetts residents in out of state gaming establishments. The Commission finds that Wynn's market analysis showed a greater ability and a more robust plan to attract visitation from outside of Massachusetts. The Commonwealth's preferred model is for gaming establishments to attract new business to the Commonwealth, thus Wynn's market analysis is more in line with the Commonwealth's preferred model.

The Commission finds that the applicants proposed to advance the objective of c. 23K §18 (11) by providing plans to maximize revenues received by the Commonwealth. The Commission

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finds that each Applicant's plan was consistent with that Applicant's business plan and view of the market.

The Commission finds that the applicants proposed to advance the objective of c.23K §18 (13) regarding the highest and best value to create a secure and robust gaming environment in the Commonwealth. The Commission finds that both Applicants provided reasonable parking, slot, table, hotel, and retail plans that created gaming establishments that were also hotel, dining, entertainment, and retail venues. MSM's plan provided for outsourcing much if not all of the food and beverage options which could pose operational challenges. Wynn's plan retained control of food and beverage offerings, but the Commission felt that more food and beverage seats may be required given the number of gaming positions planned and number of potential visitors.

The Commission finds that the Applicants proposed to advance the objective of c. 23K §18 (15) regarding the purchase of domestically manufactured slot machines; however, the detail provided was minimal and the Commission expects the licensee to provide greater detail prior to opening the gaming establishment.

In addition, the Commission generally accepts the following findings of fact as set forth in the Finance report presented at the September 8, 2014 public meeting.

Finance			
		MSM	**Wynn**
Criteria			
Financial and capital structure			
	Ability to obtain project capital	Complex capital structure with multiple funding sources. Stated equity-$235 million-includes large sunk project costs. Minor equity left (after sunk costs and license fee) to initiate development ($45million or ~5% of total remaining project costs). Preferred equity behaves like subordinate debt (annual interest rate). No evidence provided in original submission for $155 million needed (subsequently Brigade	Straight forward capital structure-equity and senior debt. Stated equity of ~$605 million Significant equity (after sunk cost, license fee and operating cash flow) amount to initiate development ($478 million or ~33% of total remaining project costs).

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		"back stop and unaudited financial information was provided).	
	Current financial strength	Brigade was not assessed-but has proven access to capital. Mohegan-financial ratios indicate significant challenges Mohegan-concentration of operations in CT (increasingly competitive market).	Sound current financial position-financial ratios Wynn-concentration of operations (profit) in Macau (increasingly competitive market). Demonstrated ability to compete in highly competitive markets (Las Vegas and increasingly Macau).
	Expected returns	MSM's plan produces commercially reasonable ROI. MSM's plan produces a positive ROI after 15% discount.	Wynn's plan produces commercially reasonable ROI. Wynn's plan produces a positive ROI after 15% discount.
Investment Plan			
	Required capital	Proposal just meets the minimum requirement-$527 million. Of the $1.1 billion total project cost, ~32% (~$357 million accounted for by financing, construction, land rent and monies spent to pursue a casino license.	Significantly exceeded the minimum requirement ~$1,047 million. Of the $1.6 billion total project cost ~9% (~$150 million accounted for by financing, land purchase and monies spent to pursue a casino license.
	Project timelines	MSM provided a reasonable timeline for opening the facility given the size and scope (complexity) of the development and the site location.	Wynn provided a reasonable timeline for opening the facility given the size and scope (complexity) of the development and the site location.
	Consistency with financials	Consistent with business and operational plans submitted-positioned to penetrate local market.	Consistent with business and operational plans submitted-positioned to attract high-end and out-of-state customers.

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		$10 million allocated for pre-opening expenses.	$61 million allocated for pre-opening expenses.
Market Assessment		Not consistent-significantly higher in Boston sub-market areas, not able to penetrate CT, RI and Western Massachusetts. Limited ability to attract visitation from outside region. Market view not consistent with experience in the same market. Market view not consistent with Commonwealth's chosen casino model.	Not consistent-significant lower in Boston sub-market areas, slightly lower in the rest of the market area. Significant ability to attract visitation from outside the region (including international). Market view aligns with Commonwealth's chosen casino model.
Operations Plan			
	Internal controls	MSM referenced experience at CT and PA properties and provided MSM Pocono Downs internal control manual and job descriptions. MSM recognizes the importance of internal controls and has experience in working in a regulated environment.	Wynn provided the following documents that would be utilized in Massachusetts: internal audit practice/plan, operating charter, policies and procedures, compliance reports, internal control matrix, remediation and reporting procedures, cage accountability and audit, surveillance and security policies and procedures. Wynn recognizes the importance of internal controls and has experience in working in a regulated environment.
	Consistency of business plan	Parking, slot, table, hotel, retail plans reasonable. Marketing plan consistent with view of market with added value of Momentum database customers. More F&B seats may be required, no buffet. Outsourcing of all F&B outlets is not typical and	Parking, slot, table, hotel, retail plans reasonable. Marketing plan consistent with view of market-high end segment in Northeast and domestic and international premium customers (experience supports this view). Local market does not have prominent focus in marketing plan. More F&B seats may be required,

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		could pose operational challenges. Concept of marketing restriction zone; not fully defined; Brigade's interest not necessarily "perfectly aligned", not aligned with the Commonwealth's gaming objectives.	no buffet.
	Financial projections	Aligned with business plan and view of market. Slot and table game payroll lower than expected-could be justified by lower pay rates proposed. Community payments, land rent and management fees are higher than what would be expected. MSM has assumed that there would be $528 million in debt outstanding at the end of the 15 year license period.	Aligned with business plan and view of market. Table payroll lower than expected-explained by VIP table game play proposed. Wynn has assumed that there would be no debt outstanding at the end of the 15 year term.

C. Economic Development

The Commission finds that both Applicants met the objectives of c.23K §18 (2) and (10) to promote local business in the host and surrounding communities. Both Applicants identified a number of partnerships to pursue (e.g., local restaurants, chambers, hospitality groups).

The Commission finds that the Applicants met the objectives of c. 23K §18 (4) and (12) based upon findings in the economic development section and findings in the finance section regarding the number and types of jobs during construction of the gaming establishment as well as number and type of jobs expected in the gaming establishment once it is operational. Each Applicant provided plans that described the number of operational jobs created, the number of construction jobs created and how each applicant would coordinate with various employment centers and other organizations to reach the unemployed in the region. Both Applicants demonstrated experience with unemployed/underemployed groups and each Applicant has a strong history of diversity in employment

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The Commission finds that the Applicants met the minimum objectives of c. 23K §18 (9) (16), (17) and (18) by providing information regarding contracting with MBE/WBE/VBEs during construction, creating an affirmative action plan to provide equal employment opportunity and contracting with organized labor, including in particular project labor and labor harmony agreements.

Both Applicants identified a number of local businesses and tourism organizations with whom they have engaged or hope to engage in cross marketing and partnership opportunities. MSM's marketing focused on international targets and the proposed gaming establishment's proximity to Logan airport and its visitation projections included some visits from the area outside of an approximately 2 hour drive from the proposed gaming establishment. Wynn's marketing focus placed a heavier emphasis on international travelers with target markets identified and expressed the intent to capitalize on existing relationships with international marketing offices. The Commission finds Wynn's marketing plan to be the stronger of the two.

In addition, the Commission generally accepts the following findings as set forth in the Economic Development report presented at the September 9, 2014 public meeting.

Economic Development		
	MSM	**Wynn**
Criteria		
Job Creation	MSM demonstrated a broad based understanding of workforce development needs and an awareness of the Massachusetts operating environment. MSM has established policies and procedures which guide training and development initiatives and contribute to companywide high retention rates. MSM has also demonstrated experience with the unemployed/underemployed groups and has a strong history of diversity in employment, referencing 41% of companywide jobs held by minorities. Job creation projections and associate payroll, while good, are less impactful than Wynn for both construction and operations. MSM's plans to rely on a yet to be engaged general contractor to follow through on diversity commitments for construction was identified as a concern.	Job creation projections and associated payrolls are significant for both construction and operations. Wynn has established policies and procedures which guide training and development initiatives and contribute to a companywide high retention rate. Wynn has also demonstrated experience with unemployed/underemployed groups and has a strong history of diversity in employment, referencing 62.3% of Wynn/Encore jobs held by minorities. Wynn demonstrated a broad-based understanding of workforce development needs, however, provided a lack of detail on awareness of Massachusetts landscape with no clear indication or process detailing its approach to staffing.

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Support for External Business Components	MSM noted the importance of buying locally and maintaining diversity in its supplier base with a commendable outreach to potential partners in the region. MSM has detailed pre-construction activity that demonstrates intent with respect to MBE/WBE/VBE participation, with a diversity plan, established partnerships, and detailed plans to ensure participation. MSM identified the significant economic benefits a gaming facility could have on the host community (and surrounding area) through employment/payroll, purchasing of goods and services and visitation to the area from casino visitors. However, overall projected impacts are less than Wynn.	Wynn noted the importance of buying locally and maintaining diversity in its supplier base and has identified a number of partnerships to pursue (e.g., local restaurants, chambers, hospitality groups). Wynn has identified a contractor with a history of MBE/WBE/VBE participation and pre-construction activity reinforces these initiatives. Wynn identified the significant economic benefits a gaming facility could have on the host community (and surrounding area) through employment/payroll, purchasing of good and services and visitation to the area from casino visitors.
Tourism support	MSM identified a number of local businesses and tourism organizations with whom it has engaged or hopes to engage in cross marketing and partnership opportunities. The marketing focus described includes international targets and intent to capitalize on proximity to Logan airport however, visitation projections indicate nominal visits from outside immediate region (more than 2 hours' drive).	Wynn identified a number of local businesses and tourism organizations with whom it has engaged or hopes to engage in cross marketing and partnership opportunities. The marketing focus is international with target markets identified and an intent to capitalize on existing relationships with international marketing offices. However, while no detail is provided on how the international offices would be used to drive visitation, financial projections are consistent with the international focus.

D. Building and Site Design

The Commission finds that both Applicants proposed to advance the objectives of c.23K §18 (5) by providing detailed information on the building and site design of each of the Applicant's proposed gaming establishments. The Commission questioned whether Wynn's proposed design provides a distinctive solution that makes the most of the opportunity presented. The tower does not have the innovative energy characteristic of Wynn's Las Vegas hotels and the best of new construction in the Boston region. Both Applicants provided site plans, renderings, and floor plans of the proposed establishment. Both Applicants provided descriptions of the dining, entertainment, hotel and retail offerings that would be available in addition to the gaming floor.

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The Commission finds that both Applicants proposed to advance the objectives of c.23K §18 (8). MSM committed to LEED Gold certification while Wynn committed to be LEED Gold certifiable. MSM agreed to meet the Massachusetts Stretch Energy Code while Wynn agreed to exceed the Massachusetts Stretch Energy Code. The Commission will require as a condition of licensure that the licensee agree to meet the LEED Gold standards described in the LEED Gold scorecard provided in the licensee's application.

In addition, the Commission generally accepts the following findings as set forth in the Building and Site Design report presented at the September 8, 2014 public meeting.

Building & Site Design		
	MSM	**Wynn**
Criteria		
Creativity in design and overall concept excellence	MSM proposes to redevelop approximately 40 acres currently occupied by the Suffolk Downs stables into an urban resort casino located next to the MBTA Blue line Beachmont Station. The proposal draws inspiration from the legacy and history of Revere Beach. The building program and design respond to a variety of adjacent site conditions including the racetrack, commercial retail, a busy artery, two-story homes and a neighborhood retail district. A large prominent pedestrian entrance is situated at the corner closest to the MBTA station providing a strong visual connection, a modest public plaza and access to the interior retail arcade. A separate vehicle court entrance is located on the opposite corner across from a retail strip mall. The primary program elements are located above street level, on top of a three story parking structure. Building massing is modulated, stepping back from the street and adjacent residential homes and following the curve of the racetrack with hotel rooms distributed into two low rise	Wynn proposes to redevelop approximately 26 developable acres of former industrial land along the Mystic River into a luxury resort casino that embraces its waterfront location. The proposed development is consistent with the City of Everett's vision for the Mystic River waterfront. It introduces public access and amenities to a previously inaccessible heavily contaminated site along the water's edge and provides connections to the Mystic River pedestrian network. The proposal entails extensive environmental cleanup; river dredging for marine access; a dock to facilitate water transportation; and generously landscaped outdoor spaces (although the outdoor amphitheater described in the application does not appear in the FEIR documentation). Given the site constraints in terms of access, acreage and context, Wynn proposes a clear and appropriate site strategy that is responsive to the waterfront at the ground plan and offers a sky lit retail concourse and winter garden. The proposed building incorporates a mix of architectural styles including

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	towers. Sales Creek, which cuts across the site is enhanced and integrated into the development, along with landscaped berms that partially conceal the structured parking at the base and a linear park and walking trail that parallels Winthrop Avenue. The curving, contemporary structure is distinguished by a series of large concrete canopies suggestive of beach umbrellas which extend along the circulation spine of the building. The façade, primarily inward looking, provides glimpses of interior activity through the glass enclosed pedestrian lobby. Sustainability features include a Photo Voltaic field and rooftop garden and greenhouses. Although the design is inward looking with only one pedestrian entrance; incorporates very limited public open space; and presents a limited connection to Revere Beach, it offers the promise of a distinctive modern resort casino. MSM presents a creative design that recognizes its place within its surroundings.	a low traditionally detailed retail concourse with domed roofs and a 27 story hotel tower that appears inconsistent with the base. While the promise of a luxury resort, reclamation of the waterfront for public use and aspects of the proposed design are appealing, it is unclear whether the proposed design provides a distinctive solution that makes the most of this opportunity. Wynn presents a development plan with many positives but the hotel tower does not have the innovative energy characteristic of its Las Vegas hotels and of the best new construction in the Boston area.
Gaming establishment of high caliber with quality amenities in partnership with local facilities	MSM provides amenities complementary to and consistent with a resort casino intended to appeal to a cross section of the marketplace. MSM's proposal is distinguished by a large gaming area adjacent to retail, hotel and conference spaces; two hotel offerings-a 3 star "boutique hotel" and a 4-star "casino hotel"; and development of some of the roof as outdoor space for patrons. MSM estimates total cost of construction at $570 million.	Wynn emphasizes its approach to the luxury market including upscale retail tenants, nightclub and 5 star hotel suites consistent with its experience in other markets. Coupled with this approach is a site location accessible by water and a well-developed landscape connected to the waterfront and open to the public. The Wynn proposal consciously separates the gaming floor from the hotel and retail experience. Its retail concourse is punctuated by a winter garden to provide seasonal interest. Wynn takes the lead on this criterion for its

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		repurposing of a difficult, toxic site advancing regional waterfront goals and by separating its gaming floor from non-gaming amenities. Wynn estimates total cost of construction at $1 billion.
Compatibility with surroundings	The most complex concern in this criterion is traffic mitigation. MSM traffic mitigation measures for major impacted roadways are complete and workable. MSM is situated adjacent to the MBTA Blue Line Beachmont station and takes full advantage of promoting this transit connection. MSM is located adjacent to a residential neighborhood to the north and east and suggests sufficient measures to control both noise and lighting impacts. MSM has access to adequate water and sewer service. MSM makes use of a neglected site and improves storm water runoff volume and quality. MSM responded well to traffic mitigation and adequately addressed other issues in this criterion.	The most complex concern in this criterion is traffic mitigation. Wynn measures for Sullivan Square remain incomplete. Wynn offers shuttles to nearby Orange Line stations and proposes to build a fleet of water shuttles with 49 passenger capacities serving downtown Boston, Logan airport and the Convention Center/Innovation District. Wynn is located in an industrialized area with no abutting residential properties and its noise and lighting measures are consistent with this environment. Wynn has access to adequate water and sewer service. Wynn makes use of a neglected site and improves storm water runoff volume and quality. Wynn's proposal has a major weakness with respect to the traffic mitigation solutions at Sullivan Square. Wynn responded adequately to the other questions and contributes in a positive way to the surroundings with the proposed site cleanup and waterfront development.
Sustainable development	MSM's approach to energy and sustainability reflects MSM's experience in CT and related tribal culture and values. MSM's approach is enhanced by its specific commitment to pursue LEED Gold certification under the auspices of the U.S. Green Building Council ("USGBC"). Additionally, MSM has stated its commitment to comply with the Massachusetts Stretch Energy Code and to meet 20% of their electrical requirements	Wynn's approach to energy and sustainability is notable for its emphasis on improved efficiency and operations. Wynn commits to achieving a project that would be certifiable under the U.S. Green Building Council LEED NC 2009 guidelines at the level of Gold or better. Additionally, Wynn has indicated its commitment to exceed the requirements of the Massachusetts Stretch Energy Code (very recently adopted in Everett)

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	via renewable energy or certificates. MSM's approach to site elements (including Sales Creek), storm water management, water reduction, and ongoing operations is consistent with its overall sustainability strategies. Additional sustainability commitments of note include: thermal water storage to shave peak loads; partnership to provide waste for off-site biofuel generation; a green roof with greenhouse for local food production; and a robust education program including building tours. MSM generally provided complete responses to the questions in this criterion. MSM engendered confidence with approaches to sustainability and energy use. MSM distinguished itself with its commitment to pursue certification by the USGBC, its increased commitment to renewable energy sources and its agreement to support biofuel.	and to meet 10% of their electrical requirements via renewable energy or certificates. The proposed cleanup of hazardous materials on the site represents a significant contribution and commitment to improving the environment. With respect to ongoing operations, Wynn will utilize a sophisticated optimization plan integrating energy management across all systems to maintain building efficiencies; will continuously improve lighting efficiencies; will use absorption chillers to reduce peak electricity use and shift load; and plans to develop a robust and fully integrated public and employee education program. Wynn provided less detail in response to these questions. Wynn engendered confidence with approaches to sustainability and energy use.
Security, monitoring, surveillance and emergency procedures	MSM has experience in other properties that is relevant to the questions of this criterion. MSM detailed surveillance procedures, security policies, regulatory accommodations and emergency response. MSM has recent experience with respect to regulatory Computerized Accounting and Auditing systems stemming from the PA Gaming Authority. It is anticipated that MSM will meet all requirements based upon the experience and success of its other properties. MSM provided more direct responses and relevant detail.	Wynn has experience in other properties that is relevant to the questions of this criterion. Wynn detailed surveillance procedures, security policies, regulatory accommodations and emergency response. Wynn does not have experience with Computerized Accounting and Auditing systems. It is anticipated that Wynn will meet all requirements based upon the experience and success of its other properties. Wynn was generally brief in its responses although much detail was provided in some instances in the form of off the shelf manuals from other properties that were not annotated for the specific details requested.

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Permitting	The two most important permitting issues relate to traffic mitigation and the enhancement and protection of Sales Creek. MSM is progressing well in development plans in both these areas. Traffic mitigation is being developed through the MEPA process and will be permitted by the Revere Conservation Commission, with the possibility of an appeal to DEP. There are no other significant permitting issues. Permitting could be completed by the end of February 2015, followed by a 30 month construction period with an opening in September 2017. Two factors could delay the permitting process. They include protracted traffic permitting and wetland permitting.	The four most important permitting issues relate to traffic mitigation, compliance with the Everett Municipal Harbor Plan (Chapter 91 license), dredging and marine works and site cleanup. There have been significant concerns raised by MassDOT and others about the traffic mitigation plan as presented in the draft and final EIRs. These concerns will need to be addressed by Wynn in a supplemental Final EIR although there remains concerns about the completeness of the mitigation, especially at Sullivan Square in Boston. Wynn is in compliance with the Municipal Harbor Plan and is well along in finalizing plans for dredging, marine works and site hazardous material cleanup. The regulatory agencies (DEP, Corps of Engineers) have been kept informed and there are no anticipated issues with obtaining water related permits. Wynn will need to comply with the National Environmental Policy Act (NEPA) related to dredging and federal highway improvements. There are no other significant permitting issues. Permitting, despite its complexity, is well along and could be completed by the end of July 2015 followed by a 36 month construction period, with an opening in July 2018. Two factors could delay the permitting process. They included protracted traffic permitting and public involvement in the planning for the site's hazardous materials cleanup.
Other	MSM provided satisfactory responses to the two questions in this criterion. MSM provided sufficient evidence of control over the proposed site. MSM provided a	Wynn provided satisfactory responses to the two questions in this criterion. Wynn provided sufficient evidence of control over the proposed site. Wynn does not yet

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	metes and bounds survey clearly delineating its site showing it controls the full extent of the land needed.	have agreements on adjacent properties that are required for the preferred alternative. Wynn states that it is in discussions with the MBTA for this property but there is a mandated regulatory process in Massachusetts for the transfer of state owned property that has not begun and introduces uncertainty.

E. Mitigation

The Commission finds that the Applicants proposed to advance the objective in c.23K §18 (1) to protect the Lottery by the execution of agreements with the Lottery on terms and conditions acceptable to both parties.

The Commission finds that the Applicants proposed to advance the objective in c. 23K §18 (6) to take additional measures to address problem gaming through their agreement to comply with any regulations adopted by the Commission. MSM demonstrated a solid understanding of the complexity of problem gambling and proposes an aggressive mitigation plan. Wynn's response indicated that it would follow general industry standards and practice in this area.

Insofar as the mitigation objective described in c. 23K §18 (14) is concerned, the Commission notes that MSM entered into 12 surrounding community agreements and did so without resorting to the Commission's arbitration process. Wynn entered into 6 surrounding community agreements, with 2 surrounding community agreements resulting from the arbitration process. Wynn did not successfully conclude a surrounding community agreement with the City of Boston.

The Commission, by a decision dated May 15, 2014, after a hearing on the matter on May 8, 2014, held that the MSM proposed gaming establishment was located in the City of Revere and that the City of Boston was not a host community for the purposes of the MSM application. In the same decision, the Commission held that the Wynn proposed gaming establishment was located in the City of Everett and that the City of Boston was not a host community for purposes of the Wynn application.

On June 27, 2014, the City of Boston filed a petition asking the Commission to stay licensing proceedings in Region A. On June 30, 2014, the City of Boston filed notice with the Commission that it would not continue surrounding community agreement negotiations or commence surrounding community agreement arbitration until after the Commission ruled on the City of Boston's petition to stay licensing proceedings in Region A. On July 2, 2014, after a hearing, the Commission denied the City of Boston's petition to stay licensing proceedings in Region A; on July 10, 2014, the City of Boston notified the Commission that it would not continue negotiations or enter into arbitration with Wynn regarding a surrounding community agreement. The City of Boston did, however, enter into a surrounding community agreement

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with MSM. On July 15, 2014, the Commission determined that pursuant to Commission regulation 205 CMR 125.01(6) that the City of Boston was deemed to have waived its surrounding community status. Once that determination was made, the Commission had the ability pursuant to 205 CMR 125.01 (6) to determine appropriate mitigation for impacts of the Wynn proposal on the City of Boston. Those impacts and the mitigation measures are addressed in the conditions proposed for the Wynn application, discussed in more detail below.

Against that backdrop, the Commission finds that MSM proposed to advance the objective of c. 23K §18 (14) in a satisfactory way through its execution of host and surrounding community agreements. The Commission further finds that Wynn proposed to advance the objective of c. 23K §18 (14) in a satisfactory way through its execution of host and surrounding community agreements and through its acceptance of the conditions the Commission imposed regarding mitigation obligations to the City of Boston, although Wynn and the City remain free to agree on mutually satisfactory supplementary or replacement mitigation measures.

The Commission finds that the Applicants proposed to advance the objectives in c. 23K §18 (19) through the approval received on the host community referendum, through comments received at host and surrounding community meetings and the comments received by the Commission in letters and emails from residents and businesses in the host and surrounding communities. MSM received two positive votes in its host community referendum while Wynn received the highest percentage vote at its host community referendum of any host community vote in the Commonwealth.

In addition, the Commission generally accepts the following findings as set forth in the Mitigation report presented at the September 9, 2014 public meeting.

Mitigation		
	MSM	**Wynn**
Criteria		
Community Support	MSM has taken a serious proactive approach to community outreach. While MSM had a short time in which to introduce itself to the citizens and surrounding communities, it has done so vigorously with the help of Sterling Suffolk Racecourse as a longtime employer and the presence in the community. MSM reached agreement with all of its surrounding communities and has received strong support from its host community. MSM received two favorable votes from its host community. However, MSM has also received significant	Wynn conducted a comprehensive outreach effort in the host community that resulted in the highest percentage vote at any host community election in the Commonwealth. Wynn partnered with a number of community and non-profit organizations and reached surrounding community agreements in all cases except Boston. Two negotiations led to arbitration and Wynn's proposals were selected in both cases. Wynn was unable to negotiate a surrounding community agreement with Boston and Boston declined to participate in the

	opposition from East Boston and elsewhere particularly related to the move to Revere after the failed November 2013 referendum in East Boston. Some opposition has been voiced focused mostly on concerns with gambling as an activity and industry.	arbitration process. In cases where there were unlikely to be direct impacts, Wynn entered into nearby community agreements. Nearby neighborhoods and some communities have expressed opposition to the proposed project, citing transportation and other potential negative impacts.
Traffic and Offsite Impacts	MSM has committed to constructing transportation improvements at various locations in Revere, Boston and Chelsea to mitigate their off-site impacts, encourage alternative modes of transportation and improve deficiencies in the existing transportation system. The proposed transportation related improvements adequately address projected impacts. MSM provided a comprehensive study demonstrating no impacts to housing and school populations. The Commission's consultant analysis found that there is unlikely to be significant adverse impacts to housing in the area.	Wynn has committed to constructing transportation improvements at various locations in Everett, Medford, Boston, Revere, and Chelsea. Most of the proposed improvements will mitigate its traffic related impacts, improve existing deficiencies in the transportation system and encourage the use of alternate modes of transportation. However, the short term improvements proposed in Sullivan Square are inadequate and Wynn has not committed to participate in a long term solution. Wynn provided minimal information on impacts to housing and school populations. The Commission's consultant analysis found that there is unlikely to be significant adverse impacts to housing in the area.
Measures to Promote Responsible Gaming and Address Problem Gambling	MSM outlined a clear commitment to address problem gambling and promote responsible gaming. MSM proposed many creative strategies in its operations including signage, code of conduct, staff training and collaborative efforts with outside organizations. Overall MSM demonstrated a solid understanding of the complexity of problem gambling and proposes an aggressive mitigation plan.	Generally, Wynn's response to questions about measures to promote responsible gaming and address problem gambling lacked depth and detail. Based on Wynn's responses, it was evident that it would comply with Commission regulation and otherwise follow standard industry practice in areas of promoting responsible gaming and addressing problem gambling at its property. There was no evidence of a commitment to exceed those standards. Wynn expressed a clear intention to assist the Commission in establishing policies and regulations for problem gambling and responsible

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		gaming.
Protect and Enhance the Lottery	MSM has executed a Sales Agent Agreement with the MASSACHUSETTS State Lottery and has committed to installing terminals to promote the lottery. Lottery officials confirmed a productive working relationship with MSM.	Wynn is actively negotiating a Sales Agent Agreement with the MASSACHUSETTS State Lottery. Lottery officials confirmed that they met with Wynn representatives and expect that an agreement can be completed.

III (b) CONDITIONS

After adopting the findings of facts noted above, the Commission proposed that each Applicant be subject to certain conditions if a license were to be issued to that Applicant. These conditions included the standard conditions required of each Applicant, such as, but not limited to, compliance with the Massachusetts Environmental Policy Act ("MEPA") and compliance with the terms and conditions of the host community agreement, each surrounding community agreement and agreements with Impacted Live Entertainment Venues. Further conditions specific to the individual Applicant and its application were also proposed. Each Applicant was asked to respond to the conditions proposed for its application. Each Applicant was advised that its response could consist of accepting a condition, rejecting a condition, proposing an alternate condition or some combination. Each Applicant responded to the conditions in writing and made an oral presentation to the Commission. The conditions provided to each Applicant and each Applicant's response are attached to this Determination of the Issuance of License as Exhibit 1A (MSM) and 1B (Wynn). Each Applicant further had the ability to address the Commission orally on September 16, 2014. A copy of the portion of the transcript from September 16, 2014 in which each Applicant presented orally to the Commission is attached to this Determination of the Issuance of a License as Exhibit 1A (1) (MSM) and 1B (1) (Wynn).

IV. Comparative Discussion

The decision as to which of the applicants should receive the one (1) category 1 gaming establishment license in Region A is a difficult one. It calls for the Commission to weigh two (2) unique and very different competitive proposals located in the same general geographic area of the Commonwealth, i.e., within the greater Boston metropolitan area. The Commission must also assess each proposal in light of the goals set by the Legislature in c.23K which in broad terms are to maximize new sources of revenue in order to generate taxes that will fund enumerated activities and objectives, including tourism, unrestricted local aid, transportation, public health and education; increase economic development through quality jobs and the expansion and protection of local business; mitigate the impacts of a gaming establishment in the host and surrounding communities and through programs to address problem gaming; and create a robust gaming market through the creation of outward facing quality gaming establishments with dining and other forms of amenities designed to provide unique entertainment venues for the public.

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1. **Overview**

MSM: MSM's proposal was compatible with the regional community and showed a deep understanding and knowledge of the region. The integration with the community influenced both its design and its outreach efforts, in particular MSM's commitment to local institutions such as Suffolk Downs and Revere Beach. MSM's approach was to create city integrated gaming establishment that would draw visitors and then connect them with local businesses and attractions. MSM was aggressive in its efforts to connect with local businesses and attractions, particularly in its efforts to involve local businesses in its Momentum Rewards program. While MSM identified international and out of state visitors as part of its marketing plan, MSM's proposed gaming establishment is a regional gaming establishment that draws its customers primarily from the areas closest to the facility, in particular those customers within a 1 to 2 hour drive to the gaming establishment. MSM's financial, marketing and operations plans supported this premise.

MSM stressed its status as a minority owned and operated facility with a diverse workforce (41% diverse employees). MSM will create a diversity plan for the gaming establishment that will be overseen by a diversity committee.

MSM proposes to locate its gaming establishment in an urban setting near historic Revere Beach.

Wynn: Wynn's proposal was to create a destination resort gaming establishment with luxurious accommodations designed to attract travelers from distant locations, principally from Asia, for an extended stay. Wynn's marketing plan focuses on attracting high end players from outside of the regional market area and is supported by 275 marketing employees based internationally as well as 100 domestically based employees to drive business to the gaming establishment. Wynn's financial, marketing and operations plans supported this premise. Wynn plans to enter into partnerships with local cultural, dining, historic and entertainment attractions across the Commonwealth to enhance their customer's stay at the destination resort gaming establishment.

Wynn has a demonstrated track record of diversity in its workforce (60% diverse workforce). Wynn plans to create local recruitment partners and targeted marketing campaigns to attract a diverse workforce.

Wynn proposes to locate its gaming establishment in an urban location on the Mystic River formerly used for chemical manufacturing and processing and requiring a significant investment in environmental remediation.

Both MSM and Wynn have strong proposals that are based on each' s unique approach to the development of the gaming establishment and their very different physical locations. Both have chosen properties close to or on the water in urban environments. Wynn's proposal will entail the remediation of a highly contaminated property. Both MSM and Wynn showed a strong commitment to diversity in their existing facilities and provided plans to support diversity in their proposed gaming establishments.

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While the Commission believes that both the MSM and Wynn proposals were strong and addressed the objectives of c.23K in unique but different ways, the Commission finds that Wynn's proposal is focused on attracting and will attract a greater percentage of customers from outside of the region and the country and, as a result, produce greater new and additional revenues. On balance, the Commission finds that Wynn's proposal is the stronger of the two in the Overview category.

2. **Finance**

MSM: MSM submitted a comprehensive proposal. It demonstrated that it has access to the funds necessary to develop and operate its proposed casino project. This was further supported by MSM's response to the conditions proposed by the Commission and the enhancement MSM made to those proposed conditions. The proposed gaming establishment is heavily focused on penetrating the eastern Massachusetts and New Hampshire markets. This market approach is not consistent with the Commonwealth's decision to limit the number of gaming establishment licenses permitted under c. 23K and the imposition of a low gaming tax rate and minimum investment threshold. The proposal does not recognize the full market opportunities of a Region A location.

While MSM has demonstrated the necessary financial capability to develop and operate its proposed gaming establishment, its funding plan is complex, with multiple parties with investment in and operational responsibilities for various components of its proposal. Many of the components of MSM's proposal will be operated by third parties and not directly under MSM's control. The funding plan is highly leveraged. This complexity will likely reduce the degree of flexibility that MSM requires to efficiently and effectively respond to marketplace changes and are bound to occur over the 15 year term of the license.

Wynn: Wynn submitted a comprehensive proposal and provided credible plans based on its experience in operating casinos in highly competitive markets. The proposal focuses on the "high end" market segments in the local, regional and international markets. This market focus is consistent with the Commonwealth's decision to limit the number of casino licenses permitted and the imposition of a low gaming tax rate and minimum investment threshold. The proposal recognizes the full market potential of a Region A location.

Wynn has demonstrated the necessary financial capability to develop and operate its proposed gaming establishment. The funding plan, which contains an equity investment of approximately ~33% by Wynn itself, is straightforward and there is consistency among investment, marketing and operations plans. Wynn will directly operate virtually all components of its proposal. Third party operators will be limited to non-core complex components, such as retail and/or will be incorporated into the gaming establishment if they add market appeal.

Wynn's financial strength including the amount of equity committed to the project provide the project with the needed flexibility to efficiently and effectively respond to marketplace changes that are bound to occur over the 15 year term of the license.

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Both MSM and Wynn have experience in operating successful casinos. Wynn has more experience operating casinos in highly competitive markets. MSM's proposal did not take full advantage of opportunities presented by a Region A location while Wynn's proposal took full advantage of the Region A opportunities.

Of the two applicants, Wynn presented a stronger financial structure, with less leverage and more equity investment. Wynn's proposal also provided that Wynn would control the majority if not all of the components in the proposal, while MSM would have third parties control many of the components in its proposal. On balance, the Commission finds that even after MSM's agreement to the Commission's conditions, Wynn's proposal is stronger financially and better supports the Commonwealth's goals of bringing new customers and revenues to the Commonwealth.

3. **Economic development**

MSM: MSM proposes to create 2538 FTE jobs with an annual payroll including benefits in year 5 of $107.5 million.

MSM demonstrated understanding of workforce development needs and employee career pathways. It has targeted workforce training initiatives through a Memorandum of Understanding (MOU) with the Massachusetts Casino Career Training Institute ("MCCTI") thus demonstrating an awareness of the workforce landscape in the Commonwealth. MSM intends to provide a strong benefits package at an average of 46.2% of wages/salaries per FTE. The benefits package includes medical/dental, employee meals, 401K, tuition reimbursement, and vacation. MSM detailed its experience with diversity in hiring practices (41% companywide with an almost equal representation of male/female).

MSM provided a description of its vendor outreach process, e.g., vendor database, community outreach events, job forums, vendor forums and trade shows. It also described a process for contracting for goods and services which included face to face meetings and having a vendor licensing specialist on staff as well as identifying local businesses (about 400) that MSM has targeted for partnership arrangements through its Momentum Rewards program.

MSM has detailed preconstruction activity that demonstrates intent with respect to MBE/WBE/VBE with a diversity plan, established partnerships and detailed plans to ensure participation.

MSM identified the economic benefits that a gaming establishment could have on the Host Community and the surrounding area through employment, payroll, purchasing of goods and services and visitation to the area by visitors to the gaming establishment.

MSM demonstrated its intention to cross market with local partners and already has a number of agreements in place with local entities, such as Citi Center, Milford Performing Arts Center and about 400 local businesses. MSM identified a number of initiatives to pursue for cross marketing with local tourism such as the Greater Boston Convention and Visitors Bureau, North of Boston Convention and Visitors Bureau, Massachusetts Convention Center Authority. MSM

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identified international marketing targets and an intent to capitalize on the proximate location of Logan Airport as well as identified partnerships to pursue international markets.

Wynn: Wynn proposes to create 3287 FTE jobs with an annual payroll including benefits in year 5 of $186.4 million plus yet to be determined healthcare benefits. .

Wynn demonstrated an understanding of workforce needs and career pathways. Wynn has targeted workforce training initiatives through an MOU with MCCTI and Bunker Hill Community College. Wynn provided detail on training and development initiatives including orientation, leadership training and skills training. Wynn intends to provide a strong benefits package at an average of 25% of wages/salaries per FTE. Wynn demonstrated its experience with diversity in hiring practices(62% minority and 46.2% women at Wynn/Encore in Las Vegas).

Wynn provided a description of the vendor outreach process which included vendor fairs, introduction between local distributors and manufacturers, local business education, and a process for contracting for goods and services that included an alliance with Initiative for Competitive Inner City as well as identifying a number of local businesses that Wynn intends to target for partnership arrangements.

Wynn's diversity plan, detailed initiatives/plans and preconstruction activity supports its targets. Wynn identified the significant economic benefits a gaming establishment could have on the Host Community and surrounding area through employment, payroll, purchasing of goods and services and visitation to the area by visitors to the gaming establishment.

Wynn demonstrated an intention to cross market with local partners and already had a number of agreements in place with local entities such as TD Garden and the Boston Symphony. Wynn provided detail on cross marketing initiatives for a number of identified tourism partners such as the Greater Boston Convention and Visitors Bureau, MassPort and the Massachusetts Office of Travel and Tourism to target the conventions/meetings markets especially international conventions/meetings. Wynn identified international marketing targets and plans to leverage their 32 affiliated international marketing offices and 8 international marketing offices.

The Commission finds that Wynn presented the more compelling proposal. Wynn's proposal provides for approximately 700 more FTE jobs than the MSM proposal and an additional $79 million in payroll; the Wynn payroll is likely to be even higher once the contribution to the union healthcare benefits is factored in. Wynn demonstrated a larger overall economic impact on the area when the employment, payroll, purchasing of goods and services and visitation numbers are considered together. Both MSM and Wynn intend to market to international markets. However, Wynn's proposal contained more emphasis on international marketing, in particular the use of a significant number of existing affiliated international marketing offices.

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4. **Building & Site Design**

MSM: MSM proposes a resort casino estimated to cost $570 million that is contemporary with building configuration and material choices that are consistently sensitive to its surroundings. The overall design is suggestive of the resort legacy for which Revere Beach is known. MSM is committed to pursue LEED Gold certification. The design incorporates sustainability features and commits to 20% of its electricity via on site generation of renewable energy and purchase of renewable energy certificates. Other features include a robust sustainability education program, an aggressive water conservation program and a cleanup of Sales Creek with enhanced landscaping features.

MSM proposes traffic management and mitigation measures that are complete and workable. The site is accessible to the larger roadway network at three locations and two vehicular entrances/exits are provided for on-site patron parking. MSM has developed two alternatives for improving traffic flow along Route 1A and both improve conditions at the Boardman Street intersection. MSM also takes advantage of its proximity to MBTA's Blue line Beachmont station with an attractive and prominent pedestrian entry at the site's northeast corner. MSM will enhance the station which, when coupled with the gaming establishment's entrance, will stimulate the use of public transit.

Wynn: Wynn has chosen to redevelop a heavily contaminated waterfront site formerly occupied by a chemical manufacturer and current barred from public use and enjoyment. Wynn proposes to clean up the site, dredge the river, create a richly landscaped open space welcoming public use and complete the link to the Mystic River Reservation. The proposal conforms to the Everett Municipal Harbor Plan and the Lower Broadway District Urban Renewal Plan and will be a potential catalyst for a changing waterfront. The resort, aside from cleanup, is estimated to cost $1.1 billion.

The design emphasizes the luxury market featuring a 5 star hotel and amenities consistent with the Wynn brand. It adapts to its site-the building occupies the majority of the site while still allowing for continuous open space along the waterfront. An attractive retail galleria extends to the southern part of the site with hotel tower on the north side above the floor of the gaming area, all above a four level underground garage. The project will be LEED Gold certifiable and demonstrates compliance with sustainability goals and use of renewable energy sources via on site generation and renewable energy credits.

Wynn addresses transportation issues with varying degrees of detail. The project site will be served by a single main driveway with a secondary driveway for service vehicles and employee shuttles. Patrons will access the garage through a single entrance/exit. Wynn's proposed traffic mitigation measures are generally adequate except at Sullivan Square in Charlestown which is expected to carry about two thirds of the traffic to the proposed gaming establishment. Wynn does cite proximity to public transportation and proposes use of shuttle buses plus its own water shuttles connecting with downtown locations.

In sum, The MSM design fits well with the site and adjacent neighborhoods, is attractively styled and demonstrates compatibility with its surroundings. The MSM proposal appropriately

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addresses any traffic impacts caused by the gaming establishment and given its location, includes a strong public transportation component. MSM is committed to LEED Gold certification and commits to a larger percentage of on-site energy generation. However, MSM proposes spending only slightly more than the $500 million required by c. 23K

The Commission believes that the Wynn proposal does not have the innovative energy characteristic of Wynn's Las Vegas hotels and of the best new construction in the Boston region. For that reason, the Commission requested, though it did not require, that Wynn reconsider its proposed hotel design. Wynn's near term improvements to Sullivan Square are incompletely developed because mitigation does not address the eastern or northern portions of the Sullivan Square rotary. There is uncertainty about the design, funding and timing of a long term solution and Wynn has not committed to participate in its design or construction. Wynn is committed to be LEED Gold certifiable and commits to a lesser percentage of on-site energy generation. Wynn proposed to spend more than double the $500 million required by c. 23K.

The Commission believes both proposals are unique and are designed to accommodate their unique locations. Based on the sensitivity to its surroundings and more complete mitigation plan submitted by MSM, the Commission finds MSM's proposal to be the better of the two in this category.

5. **Mitigation**

MSM: MSM has taken a serious proactive approach with extensive public outreach and solicitation of community support. MSM had a short time to introduce itself to the citizens and surrounding communities. It has done so vigorously with help from its landlord, Sterling Suffolk Racecourse. MSM was successful in two host community referenda in Revere. There was, however, significant opposition to Sterling Suffolk's proposed project in East Boston which resulted in a partnership with MSM and a relocation of the project to Revere. MSM has reached surrounding community agreements with all surrounding communities and has offered generous payments in each case.

MSM has committed to constructing transportation improvements at numerous locations to mitigate offsite impacts, encourage alternate modes of transportation and improve deficiencies in the existing transportation system. The proposed mitigation adequately addresses proposed impacts. MSM further provided comprehensive responses and analysis of the potential impacts to housing, schools and emergency services and had committed appropriate levels of mitigation to address impacts.

MSM makes a commitment to address problem gambling and promote responsible gaming in its Responsible Gaming Plan. MSM has a demonstrated history of addressing responsible gaming and support problem gambling research and awareness. MSM has confirmed its understanding of the complexity of problem gaming and proposes an adequate mitigation plan.

MSM has executed a formal agreement with the Massachusetts State Lottery. Lottery officials confirmed their appreciation of MSM's attention to this matter.

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Wynn: Wynn conducted a comprehensive outreach effort to the host community and received the highest percentage vote of any host community referendum in the Commonwealth. Wynn partnered with a range of local, regional, community and non-profit organizations and reached surrounding community agreements, two by arbitration, with all surrounding communities except the City of Boston.

Wynn committed to the design and construction of transportation improvements at various locations. Most of the proposed measures will mitigate traffic related impacts, improve existing deficiencies in the transportation system and encourage the use of alternate modes of transportation. The proposed mitigation at Sullivan Square is inadequate and incomplete because the proposed improvements do not fully mitigate the additional traffic. Wynn provided minimal information on impacts to housing and school populations.

Wynn has agreed to comply with Commission regulations under development and industry standards for responsible gaming and problem gambling. There was no commitment to exceed those standards. Wynn has expressed a clear intention to assist the Commission with establishing regulations in the area of responsible gaming and problem gambling.

As of the time of the Commission's public evaluation of Wynn's proposal, Wynn executed a formal agreement with the Massachusetts State Lottery.

As part of the condition section of the Commission's evaluation, the Commission proposed additional conditions, which if Wynn were awarded a license, would be conditions of the license. The predominate number of conditions addressed Wynn's inability to enter into a surrounding community agreement with the City of Boston and Wynn's insufficient mitigation of the traffic impact to Sullivan Square. As described in the exhibits to section III(b), the Commission required conditions in place of a surrounding community agreement, subject to the City of Boston and Wynn negotiating a surrounding community agreement at some future date. Wynn agreed to these conditions. The Commission further required conditions to mitigate traffic impacts to Sullivan Square which included the creation of a fund to cover the costs of further improvements to Sullivan Square. One of the Commission's conditions required the payment of a per vehicle fee for vehicles passing through Sullivan Square which exceeded the number of vehicles permitted by the appropriate permitting authority. Wynn agreed to these conditions, but requested that the per vehicle fee be capped at a fixed amount. The Commission agreed to Wynn's request.

The most significant issue for the Commission in this section was traffic mitigation. MSM provided appropriate mitigation in the area surrounding its gaming establishment and provided for use of public and alternate modes of transportation. Wynn's initial traffic mitigation plan was adequate except for Sullivan Square which would receive the largest traffic impact from the proposed gaming establishment. Wynn's agreement to the Commission's traffic mitigation conditions improved the mitigation plan for Sullivan Square. On balance, after consideration of the conditions, both MSM and Wynn are acceptable in this category.

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6. **Conclusion**

The Commission had before it two (2) applicants whose applications overall met the requirements and advanced the objectives set out in G.L. 23K and 205 CMR 101.00 et seq. Wynn was overall very good and MSM was sufficient in the Overview of the Project category. While MSM and Wynn presented a unique view of their projects, Wynn's focus on a luxury resort gaming establishment which would attract customers from outside the region and internationally made it the more compelling proposal in this category.

Both MSM and Wynn presented detailed investment, market and operations plans; however, MSM's plan was complex and highly leveraged. Further, MSM would not have control over all areas of the project which could mean that it would not have flexibility to meet market challenges. Wynn's plan was simple and had more equity invested. Wynn controlled all significant aspects of the project giving it flexibility to meet market challenges. For that reason, Wynn excelled in the Finance category.

In the Economic Development category, MSM and Wynn presented job creation and payroll numbers for construction and operational job categories. Wynn's job numbers and payroll numbers exceeded MSM's by a significant amount. Based on the better job creation and payroll numbers and outside spending budget, Wynn excelled in the Economic Development category.

In the Building and Site design category, MSM and Wynn presented unique plans that included gaming, dining and hotel facilities. MSM presented a more regional gaming establishment designed to attract customers from the nearby area. MSM's design was more sensitive to its surroundings. Wynn's proposal lacked the energy found in the Wynn Las Vegas properties. For that reason, MSM presented a more compelling proposal in the Building and Site Design category.

MSM and Wynn provided plans to address the criteria in the Mitigation category. Both MSM and Wynn agreed to address traffic issues as required; in particular, Wynn agreed to additional conditions to address traffic impact to Sullivan Square. Both MSM and Wynn entered into an agreement with the Massachusetts State Lottery. For those reasons, MSM and Wynn are sufficient in the Mitigation category.

In the end, the Commission valued more highly the categories in which Wynn excelled or was very good, namely Overview of the Project, Finance and Economic Development and for that reason, awards the license for a category 1 gaming establishment to Wynn.

V. Award

In light of the foregoing, the Commission has determined that the Category 1 gaming establishment license in Region A is **GRANTED** to Wynn MA LLC. As such, the application for a Category 1 license in Region A submitted by Mohegan Sun Massachusetts LLC is hereby **DENIED.**

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The gaming establishment is defined as described in Exhibit 1 to the Agreement to Award a Category 1 Gaming License between Wynn MA LLC and the Commission dated September 17, 2014, attached to this Determination of Issuance of a License as exhibit 2.

The term of the license awarded to Wynn commences upon the Commission's approval of commencement of the operation of the gaming establishment and continues for a period of 15 years thereafter.

The Category 1 gaming establishment license is issued subject to the conditions listed in Exhibit 2 to the Agreement to Award a Category 1 Gaming License between Wynn MA LLC and the Commission dated September 17, 2014.

SO ORDERED

MASSACHUSETTS GAMING COMMISSION

_____
James F. McHugh, Commissioner

_____
Gayle Cameron, Commissioner

_____
Bruce Stebbins, Commissioner

_____
Enrique Zuniga, Commissioner

DATED _____, 2014

Exhibits

1 (a) Response to Conditions MSM dated September 12, 2014

1 (b) Response to Conditions Wynn dated September 12, 2014

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1 (a) 1 Transcript of MSM presentation to the Commission dated September 16, 2014

1 (b) 1Transcript of Wynn presentation to Commission dated September 16, 2014, including Wynn PowerPoint presentation

2. Agreement to Award a Category 1 Gaming License between Wynn MA LLC and the Commission dated September 17, 2014.

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COMMONWEALTH OF MASSACHUSETTS

HAMPDEN, ss. MASSACHUSETTS GAMING COMMISSION

In the Matter of:	)
Application of Blue Tarp reDevelopment, LLC for a License to Operate a Category 1 Gaming Establishment In Region B	)

DECISION AWARDING A LICENSE TO OPERATE A CATEGORY 1 GAMING ESTABLISHMENT IN REGION B

I. Introduction

Blue Tarp reDevelopment, LLC, (hereinafter "Blue Tarp" or "Applicant")[1] submitted to the Massachusetts Gaming Commission (hereinafter "Commission" or "MGC") an RFA- 2 application for a Category 1 Gaming License to operate a Gaming Establishment in Region B. The Commission has the authority to issue a single Category 1 Gaming License ("License") in Region B pursuant to G.L. c.23K, §19(a). For the following reasons, the Commission hereby awards the License to Blue Tarp.

II. Background

On or before January 15, 2013, the Commission received an RFA-1 application, including the $400,000 application fee, from Blue Tarp. See G.L. c.23K, §15(11).[2] Blue Tarp then underwent a thorough investigation by the Investigation and Enforcement Bureau ("IEB"). Pursuant to 205 CMR 101.01, an adjudicatory proceeding was conducted by the Commission on December 9, 2013 at the conclusion of the investigation to determine the suitability of Blue Tarp. See 205 CMR 115.04. By written decision dated December 23, 2013 the Commission issued a positive determination of suitability for Blue Tarp and its qualifiers deeming each suitable to hold a gaming license, and accordingly, rendering Blue Tarp eligible to file an RFA-2 application for a Category 1 gaming license. See 205 CMR 115.05.

Blue Tarp signed an agreement with the host community of Springfield, MA setting out the conditions under which a gaming establishment may be located within the host community and submitted the executed Host Community Agreement to the Commission in accordance with 205

[1] The parent company of Blue Tarp is MGM Resorts International (hereinafter, "MGM"). As such, the application was at times, where appropriate, evaluated based upon MGM's experience, track record, and wherewithal.

[2] Blue Tarp paid all required investigatory costs and monies due relative to the host and surrounding community process. See G.L. c.23K, §15(4) and (11), and 205 CMR 114.00.

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CMR 123.02(3). See G.L. c.23K, §15(8)[3]. A vote pursuant to G.L. 23K, §15(13) was held in the Host Community on July 16, 2013 relative to the Blue Tarp proposal. As a result, Blue Tarp "received a certified and binding vote on a ballot question at an election in the host community in favor of such license" See G.L. c.23K §15(13).

Blue Tarp submitted an RFA-2 Application, in accordance with 205 CMR 118.01(2), to the Commission on December 31, 2013 (including all amendments and additions thereto, the "RFA-2 Application"). Pursuant to 205 CMR 118.04(1)(e) the Commission heard an informal presentation from Blue Tarp explaining its RFA-2 Application on January 23, 2014. See 205 CMR 118.04(1)(e). The Commission held a public hearing in West Springfield on March 3, 2013 in order to receive comments from residents of communities impacted by the proposed Gaming Establishment. See 205 CMR 118.04(1)(a). The Commission also accepted written submissions from the public. The Commission held a Host Community public hearing in Springfield, MA on April 1, 2014 and May 14, 2014 to receive comments from the residents of the Host Community. See G.L. c.23K, §17(c) and (d), and 205 CMR 118.05.

Blue Tarp has executed agreements with all designated Surrounding Communities and Impacted Live Entertainment Venues and has submitted those agreements to the Commission. See G.L. c.23K §§15(9) and (10).

Each of the five sections of Blue Tarp's RFA-2 application was assigned to an individual Commissioner to conduct an evaluation. Each Commissioner was advised by professional consultants and independent evaluators. See 205 CMR 118.04(b). Each Commissioner then presented a report and recommendation on his or her section. The Commissioners reviewed all of the reports and discussed the recommendations made by each Commissioner at public meetings of the Commission on June 10, 2014. The Commission made a determination on the issuance of the Category 1 gaming license in Region B on June 13, 2014. See 205 CMR 118.06.

III. Findings and Evaluation

In evaluating whether to issue the Category 1 license in Region B to Blue Tarp, the Commission considered all information in the RFA-1 and RFA-2 applications submitted by Blue Tarp and developed as part of the IEB investigation, the presentations made by Blue Tarp to the Commission, and the comments received by the Commission in writing and at the surrounding and host community hearings. The RFA-1 and RFA-2 applications, the Phase 1 Suitability Decision dated December 23, 2013, Blue Tarp's presentation, and the evaluation reports created by the Commission, as referenced in the paragraph above, are incorporated into this Determination by reference.

In accordance with G.L. c.23K, §18, in determining whether to issue the License to Blue Tarp, the Commission also evaluated how Blue Tarp proposed to advance the following objectives:

[3] The agreement provides for payment of a community impact fee. The contents of Blue Tarp's application, including the applicable attestation provided in Section B of the RFA-2 application (Commitment to Community Mitigation), demonstrate that G.L. c.23K, §15(14) has been satisfied.

(1) protecting the lottery from any adverse impacts due to expanded gaming including, but not limited to, developing cross-marketing strategies with the lottery and increasing ticket sales to out-of-state residents;

(2) promoting local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues;

(3) realizing maximum capital investment exclusive of land acquisition and infrastructure improvements;

(4) implementing a workforce development plan that utilizes the existing labor force, including the estimated number of construction jobs a proposed gaming establishment will generate, the development of workforce training programs that serve the unemployed and methods for accessing employment at the gaming establishment;

(5) building a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry;

(6) taking additional measures to address problem gambling including, but not limited to, training of gaming employees to identify patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable populations;

(7) providing a market analysis detailing the benefits of the site location of the gaming establishment and the estimated recapture rate of gaming-related spending by residents travelling to out-of-state gaming establishments;

(8) utilizing sustainable development principles including, but not limited to: (i) being certified as gold or higher under the appropriate certification category in the Leadership in Environmental and Energy Design program created by the United States Green Building Council; (ii) meeting or exceeding the stretch energy code requirements contained in Appendix 120AA of the Massachusetts building energy code or equivalent commitment to advanced energy efficiency as determined by the secretary of energy and environmental affairs; (iii) efforts to mitigate vehicle trips; (iv) efforts to conserve water and manage storm water; (v) demonstrating that electrical and HVAC equipment and appliances will be EnergyStar labeled where available; (vi) procuring or generating on-site 10 per cent of its annual electricity consumption from renewable sources qualified by the department of energy resources under section 11F of chapter 25A; and (vii) developing an ongoing plan to submeter and monitor all major sources of energy consumption and undertake regular efforts to maintain and improve energy efficiency of buildings in their systems;

(9) establishing, funding and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion

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opportunities through a workforce training program that: (i) establishes transparent career paths with measurable criteria within the gaming establishment that lead to increased responsibility and higher pay grades that are designed to allow employees to pursue career advancement and promotion; (ii) provides employee access to additional resources, such as tuition reimbursement or stipend policies, to enable employees to acquire the education or job training needed to advance career paths based on increased responsibility and pay grades; and (iii) establishes an on-site child day-care program;

(10) contracting with local business owners for the provision of goods and services to the gaming establishment, including developing plans designed to assist businesses in the commonwealth in identifying the needs for goods and services to the establishment;

(11) maximizing revenues received by the commonwealth;

(12) providing a high number of quality jobs in the gaming establishment;

(13) offering the highest and best value to create a secure and robust gaming market in the region and the commonwealth;

(14) mitigating potential impacts on host and surrounding communities which might result from the development or operation of the gaming establishment;

(15) purchasing, whenever possible, domestically manufactured slot machines for installation in the gaming establishment;

(16) implementing a marketing program that identifies specific goals, expressed as an overall program goal applicable to the total dollar amount of contracts, for the utilization of: (i) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the design of the gaming establishment; (ii) minority business enterprises, women business enterprises and veteran business enterprises to participate as contractors in the construction of the gaming establishment; and (iii) minority business enterprises, women business enterprises and veteran business enterprises to participate as vendors in the provision of goods and services procured by the gaming establishment and any businesses operated as part of the gaming establishment;

(17) implementing a workforce development plan that: (i) incorporates an affirmative action program of equal opportunity by which the applicant guarantees to provide equal employment opportunities to all employees qualified for licensure in all employment categories, including persons with disabilities; (ii) utilizes the existing labor force in the commonwealth; (iii) estimates the number of construction jobs a gaming establishment will generate and provides for equal employment opportunities and which includes specific goals for the utilization of minorities, women and veterans on those construction jobs; (iv) identifies workforce training programs offered by the gaming establishment; and (v) identifies the methods for accessing employment at the gaming establishment;

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(18) whether the applicant has a contract with organized labor, including hospitality services, and has the support of organized labor for its application, which specifies: (i) the number of employees to be employed at the gaming establishment, including detailed information on the pay rate and benefits for employees and contractors; (ii) the total amount of investment by the applicant in the gaming establishment and all infrastructure improvements related to the project; (iii) completed studies and reports as required by the commission, which shall include, but need not be limited to, an economic benefit study, both for the commonwealth and the region; and (iv) whether the applicant has included detailed plans for assuring labor harmony during all phases of the construction, reconstruction, renovation, development and operation of the gaming establishment; and

(19) gaining public support in the host and surrounding communities which may be demonstrated through public comment received by the commission or gaming applicant.

In order to evaluate the above factors the Commission considered Blue Tarp's overall response in accordance with 205 CMR 119.03 in each of the following general categories: Overview of the Project; Finance; Economic Development; Building and Site Design; and Mitigation. To those ends, the Commission generally adopts the following findings of fact and conclusions of law for Blue Tarp as they are set forth in each of the reports prepared by the individual commissioners as part of the deliberations. Those reports are hereby incorporated into this decision by reference. Ultimately, the commission is satisfied that the project set out by Blue Tarp in its RFA-2 application and included in the other referenced sources meets, and in many instances exceeds, the minimum requirements set forth in G.L. c.23K and 205 CMR. Further, the Commission is satisfied that Blue Tarp has met the eligibility requirements set forth in G.L. c.23K, §15.

We set out our findings in each of the five aforementioned categories below.

A. Overview of the Project

The Blue Tarp proposal is a genuinely ambitious and unusual effort to use the economic muscle of a casino development to drive redevelopment of an entire depressed urban area. The Blue Tarp proposal includes not only hotel, restaurants and retail, which is relatively standard, but also outdoor activity space, a skating rink, a luxury movie theater, a bowling alley, and 54 units of market priced housing. This demonstrates just how seriously Blue Tarp is taking this effort. The Blue Tarp proposal takes the concepts of a "city integrated resort" and an "inside-out" casino development to a dramatic and unique new level. Ultimately, the plan demonstrates an ability to "maximize[e] revenues received by the commonwealth . . . ." G.L. c.23K, §18(11).

Overall, Blue Tarp's proposal, when viewed holistically, is very good.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	**Findings**
Massachusetts Brand	The Blue Tarp proposal demonstrates a strong commitment to the history of Springfield and promises to maintain a commitment to Massachusetts' historic themes of "innovation, inclusion and

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	community" in its development. The proposal is responsive to sustaining the existing Springfield brand, built now on finance, health care and education, and to expanding it with arts and entertainment. With its repurposing of four or more historic buildings into the project site, Blue Tarp demonstrates its sensitivity to both the old and new branding of Springfield and Western Massachusetts.
Destination Resort	The Blue Tarp proposal is an ambitious attempt to develop a truly "city integrated resort"— a concept that drives mixed use development in a depressed urban area with the economic engine of a casino and the cash flow of slot machines. The proposal takes very seriously the integration with local venues, hotels, tourist attractions, restaurants and retail, with its permeable access and egress, trolley service to other city attractions, venue partnerships, and local hiring and purchasing. The project is appropriately realistic about attracting most of its customers from a relatively nearby radius, including many people from Massachusetts. But with the help of its international marketing network, the proposal is as attentive as possible to bringing in outside dollars, particularly attracting Connecticut customers, since Springfield is closer to Hartford than Mohegan Sun and Foxwoods is.
Outward Looking	The Blue Tarp proposal is perhaps uniquely "outward looking" in that the casino itself is surrounded by other attractions and amenities, including hotel, movie theater, outdoor spaces for skating and summer events, restaurants and retail. All amenities at the perimeter of the establishment have ready access from many points. The "live/work/play" concept is actually plausible because of the mixed use development, and the combined effort of Blue Tarp and the City of Springfield to drive further redevelopment in the area. A signature feature of the Blue Tarp proposal, that reinforces its "outward looking" commitment, is its reliance on existing performance venues and hotels for its success.
Competitive Environment	This proposal has a very realistic assessment of the competitive environment, and demonstrates a corporate history of successful performance in competitive markets. Blue Tarp has positioned itself as the only urban facility among its principal competitors, with a broader array of activities in the surrounding area, as a key competitive advantage. Blue Tarp reasonably promotes its proximity to Hartford for its ability to attract Connecticut patrons, as well as its plans to repatriate Massachusetts dollars.
Meeting Unmet Needs	The Blue Tarp proposal includes a number of entertainment attractions the likes of which are not otherwise readily available in the area, including an ice skating rink, bowling alley, and luxury movie theater. Blue Tarp will help to market unique new attractions in its partnerships with local performance venues, and is clearly committed to working with local attractions, chambers of commerce, convention and visitor

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	bureaus, and the Massachusetts Office of Travel and Tourism, to broaden the impact of the casino audience on the whole Pioneer Valley.
Collaborative Marketing	Although the Blue Tarp proposal does not particularly position itself this way, it is distinctive in its approach to collaborative marketing because it is done out of a genuine need, rather than as window dressing. Blue Tarp's competitive advantage will be its urban setting, and its access to the host of other attractions and amenities in Springfield and in the region. If people just want fancy casinos, there will be bigger and better ones at Foxwoods, Mohegan Sun, and Region A. But the MGM in Springfield can be positioned as a gateway to tourism and leisure in Western Massachusetts, something none of the other locations can offer. One measure of this mutual interdependence is Blue Tarp's plan to run a subsidized trolley from its property to other Springfield attractions. Blue Tarp combines this intrinsic tie with other attractions in Springfield and the region with its global brand and global reach, established working relationships with many international travel and promotional organizations, and trade show strengths. A combination of the Blue Tarp marketing muscle with the appeal of a rejuvenating Springfield and the regional appeals of Western Massachusetts make for an extraordinary commitment to collaborative marketing.
Diverse Workforce and Supplier Base	Blue Tarp has an impressive track record for both supplier and employment diversity, and its inclusion and diversity training programs appear to be of high quality. Though the commitments tend to be only aspirational and best efforts, we recognize that the actual diversity plans for construction and operations are not formally due until after the award is made.
Broadening the Region's Tourism Appeal	The Blue Tarp "inside-out" and "city integrated resort" strategies give Blue Tarp a unique differentiator to compete with Foxwoods and Mohegan Sun. This positioning and its location as a point of entry to the Pioneer Valley from the south, with ready highway and transit access, offers enormous potential to both retain Massachusetts travelers who now go to casinos out of state, as well as to pull tourists and guests from New York and Connecticut who now frequent Foxwoods and Mohegan Sun. The Blue Tarp proposal makes a very persuasive case for broadening the tourism base for Springfield and the entire Pioneer Valley region, a case articulated well in four areas: design, marketing, partner/community engagement, and brand. To be successful, Blue Tarp must successfully market the non-casino attractions and amenities in Springfield and the region. There is a real possibility that Blue Tarp will lift the fortunes of the entire region, especially the broader Springfield community.

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B. Finance

Blue Tarp has demonstrated that it has the financial capabilities and direct access to funds required to develop and operate a successful Category 1 gaming establishment. The RFA-2 submission demonstrated a full understanding of the current and future Massachusetts competitive marketplace. This understanding is reflected in the consistency (alignment) between the Investment, Market, and Operations plans submitted. Individually, the plans are well thought out and support the urban integration theme of the total development proposed.

While there are many examples of casinos located in urban environments, the level of integration that has been incorporated in Blue Tarp's project plan is ambitious. Blue Tarp has acknowledged that its Springfield plan is complex and entails a level of integration that it has not implemented in the past and that the plan will likely require modifications as it advances through the development process. As the development evolves, modifications and adjustments will have to be assessed with regard to potential impacts on expected operational results (e.g. appeal of the broader site to attract potential customers and ability of the site to accommodate visitor volumes) and appropriate responses developed and implemented.

Overall, Blue Tarp's proposal in the finance category is very good with outstanding elements.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	**Findings**
Financial and capital structure	Blue Tarp, via MGM, has demonstrated that it possesses the financial stability and strength to develop and operate the proposed gaming establishment. Blue Tarp demonstrated the availability of adequate financing for the project. The total capital required for the project is $825 million. Blue Tarp provided 2 options for the funding of the project: • *Option 1* – the project would be funded through its corporate credit facility, existing cash, cash from existing operations as well as distributions received from existing subsidiaries; and • *Option 2*- the project would be funded by way of Blue Tarp contributing 25%-50% to the development with the remainder financed through project financing. Either option would be satisfactory; as at December 31, 2013: • MGM had $1.2 billion of available borrowing capacity under its senior credit facility. • MGM had $1.71 billion in EBITDA, $857 million in interest expense and $562 million in capital expenditures. • MGM's current assets amounted to $2.7 billion while current liabilities amounted to $2.2 billion. • Two commitment letters provided by Barclays and Deutsche Bank proving financing in an amount up to $619 million and $770 respectively.

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	While MGM's key financial ratios demonstrate financial stability and strength, it also reflects a proportion of debt relative to equity that is higher than preferable (if some convertible notes due in 2015 where converted today into equity, MGM's debt to equity ratio would improve). Ultimately, though, Blue Tarp's proposed financing plan produces a commercially reasonable return on investment, and a positive return on investment can be achieved even after applying a 15% discount rate. The contents of Blue Tarp's application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §15(5) has and will be satisfied.
Investment Plan	Eligible capital costs provided by Blue Tarp meet the minimum capital investment requirement. See G.L. c.23K, §10(a), G.L. c. 23K, §18(3), and 205 CMR 122.00 (governing the manner in which the capital investment is calculated.). The total eligible costs are $515.8 million (Eligible Construction Cost: $408.3 million plus eligible FF&E Cost: $107.5 million). The contents of Blue Tarp's application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §15(2) has been satisfied. Blue Tarp has proposed a construction timeline of 27 months which is a reasonable timeline for opening the gaming establishment given the size, scope, and complexity of the development and the site location. The proposed size and scope of the gaming establishment is consistent with the business and financial plans submitted. Further, the proposed project, as comprised of the following elements, is consistent with archetypal North American regional casinos: • *Gaming Floor* of 126,701 square feet containing 3000 slot machines[4] and 100 table games • 250 room four star *hotel* • 8 *food and beverage* outlets containing 2,065 total seats in 8 outlets • *Entertainment venues* including a bowling alley, movie theater, and radio/TV studio • 3,853 *parking* spaces • 19,388 square feet of *exhibition and meeting space* • 8,000 square feet of *branded retail* space in the form of 3 small internal stores, and • 33,300 square feet of *outdoor retail* space
Market Assessment	Gaming revenue projections are within the likely market performance range with reasonable inflow expectations that are consistent with the marketing programs submitted by Blue Tarp.

[4] The Commission finds that Blue Tarp has met the statutory requirements regarding the purchase of domestically manufactured slot machines. See G.L. c.23K, §18(15).

	Projected Gross Gaming Revenue for Year 3 (net of free play): • Defined market area: $436.7 million • Outside the defined market area (Inflow): $62.9 million • Total: $499.6 million Blue Tarp has satisfied its obligation to provide "a market analysis detailing the benefits of the site location of the gaming establishment and the estimated recapture rate of gaming-related spending by residents travelling to out-of-state gaming establishments . . . ." See G.L. c. 23K §18(7).
Operations Plan	Blue Tarp has recognized the importance of internal controls and has extensive experience operating in a highly regulated environment. MGM presently operates in 4 jurisdictions (Nevada, Mississippi, Michigan and Macau). Further, MGM is a publically traded company subject to detailed public disclosure requirements. All operational and marketing plans submitted by Blue Tarp were clearly articulated and represent a cohesive strategy that aligns with an archetypal North American regional casino facility in Springfield. The submissions included plans for slot machine products, table game products, food and beverage, hotel, retail, parking, and marketing (including the M-Life program containing a database which includes 60 million worldwide customers and 430,000 customers within 100 miles of Springfield). Financial projections are consistent with Blue Tarp's market expectations, its proposed facility plans, and the business/marketing plans submitted.

C. Economic Development

Blue Tarp provided a detailed description of workforce development plans including numerous examples of existing employee career paths within MGM. Further, Blue Tarp has entered into MOUs with both the Massachusetts Casino Career Training Institute and American International College in Springfield, thus demonstrating an awareness of the workforce landscape in Massachusetts. Blue Tarp also provided detail on on-boarding, training and development initiatives (e.g., "Aspire," "Leadership Institute") and intend to provide a strong employee benefits package at an average of 51.1% of wages/salaries per Full Time Employee (including: medical/dental, employee meals, 401k, tuition reimbursement, moving/relocation). Blue Tarp referenced the low turnover rates (16%) at existing MGM facilities and detailed its experience with diversity in hiring and employee progression practices (63.65% minority hiring companywide, and 37.7% of management positions being held by minorities companywide).

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Blue Tarp provided a description of the vendor outreach process (e.g., research, attendance at vendor fairs, advertisements, vendor requirements) and process for contracting for goods and services (i.e., prior to launch, project launch) as well as identifying several local businesses with whom Blue Tarp has already entered into agreements. Though Blue Tarp could have provided additional detail on the strategies/plans to be developed to reach local business enterprises once operational on the whole the plans provided by Blue Tarp relative to vendor spending are satisfactory.

With respect to vendor diversity targets, Blue Tarp identified targets for Minority Business Enterprises/Women Business Enterprises/Veteran Business Enterprise participation and provided an extensive plan detailing the manner in which it intends to build awareness, strategies for involvement and development, joint ventures and mentorships, monitoring process, and project operations training.

Blue Tarp expressed an intention to cross-market with local partners and provided evidence of a number of agreements executed with local entities (e.g., Six Flags, golf courses, ski resorts, MassMutual Center, Symphony Hall/CityStage). However, there was a general lack of detail surrounding strategies/implementation (e.g., shared customer database, education/mentorship of smaller, local tourism organizations). While Blue Tarp identified international marketing initiatives (e.g., China, M-life members in Montreal & Toronto, and capitalizing on train service between New York and Springfield), Blue Tarp did not provide detail on how it plans to work with various local/regional groups to bring these target markets to the gaming establishment. Further, though it did provide a plan for a variety of other, non-gaming amenities (e.g. cinema, bowling alley, and ice rink) it did not provide a description or detailed plan on how Blue Tarp intends to use these "other amenity" elements to drive visitation to the gaming establishment. Blue Tarp did, however, demonstrate strong linkages to regional economic plans (e.g., Rebuild Springfield, Pioneer Valley) and commitment to non-competition with local entertainment venues.

Blue Tarp has expressed an intent to employ union labor ensure labor harmony during the construction and operation of the gaming establishment as it has with the other resorts it has developed. MGM has signed work agreements (Project Labor Agreements ("PLA")/Work Continuation Agreements ("WCA")) with the Pioneer Valley Building and Construction Trades Council and with Carpenter's Local No 108. Further, MGM has entered into neutrality agreements with UNITE HERE Local 26, the International Union of Operating Engineers Local 877, the International Brotherhood of Teamsters Local 25 and the International Alliance of Theatrical Stage Employees and Moving Picture Technicians, Artists and Allied Crafts of the United States and Canada, which provide for a process by which employees employed in the hotel/casino operations will have the opportunity to select Union representation through a non-adversarial card check process. See G.L. c.23K, § 18(18).

Overall, Blue Tarp's proposal in the economic development category is very good.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	**Findings**
Job Creation	Blue Tarp demonstrated a broad-based understanding of workforce

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	development needs and related these to an awareness of the Springfield landscape. Additionally, MGM has established policies and procedures which guide training and development initiatives and contribute to a company-wide low turnover rate (16%). Blue Tarp has demonstrated its commitment to "establishing, funding and maintaining human resource hiring and training practices that promote the development of a skilled and diverse workforce and access to promotion opportunities . . . ." G.L. c. 23K, §18(9). Blue Tarp has also demonstrated outreach to unemployed/underemployed groups and demonstrated MGM's history of diversity hiring including a 37.7% of management jobs being held by minorities companywide. Blue Tarp's reliance on a yet-to-be-engaged general contractor to follow through on diversity commitments for construction is an area of a concern, but one that can be monitored via mandatory status reports to the Commission. Ultimately, though, the information before the Commission demonstrates Blue Tarp's commitment to implement a comprehensive workforce development plan that utilizes the existing labor force, including the creation of approximately 2,600 direct FTE jobs and approximately 4,640 total FTE jobs including indirect and induced jobs during the construction period, providing a high number of quality jobs in the gaming establishment with the anticipated creation of approximately 3000 direct permanent jobs upon opening, and the development of workforce training programs that will serve the unemployed and provide methods for accessing employment at the gaming establishment. See G.L. c. 23K §§18(4), (12), and (17).
Support for External Business Components	Blue Tarp identified the significant direct (e.g., construction costs, goods purchased, on-site payroll) and indirect economic benefits (e.g., marketing relationships with local businesses) it projects to have on the host community and region. Blue Tarp recognized the importance of buying locally and maintaining diversity in its supplier base. Through the Host Community Agreement, Blue Tarp committed to buy-local and set supplier diversity targets. While it has plans to work with Springfield's entertainment and cultural institutions, plans to reach out to other Massachusetts businesses were relatively underdeveloped (although such plans might be considered premature at this point in the development process). Blue Tarp expressed an intention to involve local businesses as tenants and contractors in the project's retail and food and beverage offerings which is commendable. Given the factors involved in this type of outcome, though, the interest level is largely unknown at this point.

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	The Commission finds that Blue Tarp has provided satisfactory evidence relative to its plans to "promot[e] local businesses in host and surrounding communities, including developing cross-marketing strategies with local restaurants, small businesses, hotels, retail outlets and impacted live entertainment venues" G.L. c.23K §18(2); and of its plans to "contract[] with local business owners for the provision of goods and services to the gaming establishment, including developing plans designed to assist businesses in the commonwealth in identifying the needs for goods and services to the establishment …." G.L. c.23K, §18(10).
Regional Tourism and Attractions	Blue Tarp identified a number of local and regional attractions, venues, and tourism organizations with which it has engaged or hopes to engage in cross-marketing and partnership opportunities. The marketing focus is, for the most part, regional with very limited emphasis placed on national or international visitation. Blue Tarp references relationships with target customers ranging from the International Gay and Lesbian Travel Association to MGM's own "M Life" customers. More detail surrounding how Blue Tarp intends to use its existing customer database to drive visitation and support its cross-marketing efforts would have been useful.

D. Building & Site Design

Blue Tarp has made a concerted and largely successful effort to integrate into downtown Springfield through its programming, site planning, and exterior architectural design. The proposal will redevelop multiple city blocks damaged by the 2011 tornado that ripped through the city. The proposed site is presently mostly characterized by underutilized buildings and open parking lots. The development will present a visually attractive venue of favorable proportion; include amenities that will draw individuals and families to enjoy a variety of non-gaming activities; provide lively and inviting open space; and create a project that works well with the Springfield city core. Further, it will preserve elements of some historical buildings on the site, including the 19th century Armory and the former Massachusetts Mutual Life Insurance Building. In addition it will relocate, preserve, and reuse the old French Congregational Church. All of this is accomplished within a commitment by Blue Tarp to obtain LEED Gold Certification. Key to Blue Tarp's approach is a commitment to energy efficiency. The project is well into the MEPA process and no significant obstacles stand in the way of an opening in late 2016. If granted a license, the MGM Springfield Casino is anticipated to revitalize the urban core, energize adjacent businesses, add to the housing inventory, serve public wants and needs, and spawn new urban development that will continue to amplify the positive impacts of the project.

All of this is accomplished with few detriments. Highway access is greatly facilitated by the site's proximity to the I-91 interchange, thus minimizing traffic impacts on downtown roadways.

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Reasonable measures funded by Blue Tarp are proposed to mitigate traffic impacts, promote public transportation, and facilitate bicycle and pedestrian access. Demands on other public infrastructure (e.g., water, sewer, storm water) fit well within existing capacity. The project utilizes and in fact relies upon local amenities including the MassMutual Center (entertainment and conference venue), proximate hotels and restaurants (food, beverage, and accommodations), and nearby visitor attractions (e.g., Basketball Hall of Fame) to support its offerings creating an economic symbiosis.

There are concerns that demand continued attention through the subsequent review and permitting processes: the disposition of a number of historical properties now slated for demolition; treatment of the eight-story parking garage which presents an imposing utilitarian facade on some exposures; security and neighborliness especially with respect to the adjacent courthouse; shadows cast by the hotel tower; and construction impact on the surrounding community and adjacent properties. These issues are addressed in the conditions of licensure and Blue Tarp should make certain it maintains its vigilance in this regard.

A review of all of the information before the Commission supports a conclusion that Blue Tarp has proposed "building a gaming establishment of high caliber with a variety of quality amenities to be included as part of the gaming establishment and operated in partnership with local hotels and dining, retail and entertainment facilities so that patrons experience the diversified regional tourism industry . . . ." G.L. c.23K, §18(5).

Overall, Blue Tarp's proposal in the Building and Site Design category is very good for its urban design excellence and its transformative potential. The execution of this ambitious concept will require careful attention during future phases of design and development.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	**Findings**
Creativity in design and overall concept excellence	Blue Tarp emphasizes the culture and history of the City of Springfield as an important part of its theme of integration. It presents a well-conceived overall design concept that has the potential to enliven and enhance a blighted section of its downtown. Its commendable site proposal respects the existing street edges, provides multiple entries for the casino, fronts restaurants and shops on the main commercial spine, and includes public outdoor amenities. A large above ground parking structure and central plant will occupy the back of the site and will provide free public parking but will also be visible from three sides of the site's perimeter, including I-91. However, the visual impact of the structure is somewhat mitigated by the proposed masonry cladding of the facades and will be further mitigated by the cladding condition the Commission has imposed on the Licensee. The project's parking demand will be adequately satisfied by the amount of parking provided. Additionally the project incorporates some of the on-site historic building fabric, but also disturbs much of this historic fabric. Blue Tarp is working with the historical commission to

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	reduce that disturbance.
Gaming establishment of high caliber with quality amenities in partnership with local facilities	Blue Tarp proposes an urban casino with quality levels of service, amenities, and design modeled after those of MGM Detroit. The project will be integrated into its surroundings and will encourage patrons to explore and patronize Springfield's cultural, hospitality, and culinary offerings. It will introduce amenities that broaden the appeal of this downtown destination and will complement other area attractions by limiting the size of its hotel, conference space, and entertainment facilities and by working cooperatively with these other venues, including the adjacent MassMutual Center, to host trade shows and large events. Fifty four market rate apartments that will front on Main Street are also included in its program.
Compatibility with surroundings	The project site is easily accessible via multiple major highways and local roadways and is situated adjacent to existing public transit systems. Blue Tarp adequately described the potential routes to be used for access and egress. The overall traffic study area is also adequate. Although MassDOT is generally satisfied with Blue Tarp's trip generation rate, this rate appears to be near the lower tier for a casino facility. Blue Tarp provided sufficient responses to mitigation questions which are explored more fully in the Mitigation section of this decision. The proposed garage will compensate for the displaced parking spaces and free parking is offered to the general public. However, additional parking demands that may result from free parking have not been examined by Blue Tarp. Blue Tarp submitted a comprehensive list of noise reduction techniques for both construction and operational phases although it did not specifically address minimizing construction noise impacts on the adjacent courthouse complex. A well-developed plan for working with local entertainment venues was presented along with a marketing strategy to promote casino patron and employee awareness of local and regional restaurant, retail, and recreational offerings. The centerpiece of this plan is a new trolley system that will transport patrons from the casino to other downtown attractions.
Sustainable development	Blue Tarp exhibited a thorough and thoughtful approach to sustainability emphasizing prior experience with LEED certification at the MGM Grand in Las Vegas and MGM's corporate policies. Blue Tarp's approach is enhanced by its specific commitment to pursue LEED Gold certification under the auspices of the U.S. Green Building Council and its willingness to explore a Net Zero Building approach for one (small) portion of the project. Additionally Blue Tarp has stated its commitment to comply with the Massachusetts Stretch Energy Code and to meet 10% of energy requirements by renewable energy. However, specifics related to the size and location of on-site renewables needs to be developed.

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	Blue Tarp's approach to site elements and ongoing operations are consistent with its overall sustainability strategies. Building envelope commissioning, building system commissioning, and the Central Utility Plant are positives as they reduce overall energy demand; and the potential for the central plant to shift peak loads should be further investigated by Blue Tarp. Additional sustainability commitments include provision of charging stations for alternative fuel vehicles, energy efficient lighting strategies, and public education on sustainable practices. However, Blue Tarp does not specifically commit to use of energy efficient gaming equipment, shifting peak energy use, or testing of clean energy technologies. Ultimately, Blue Tarp has committed to "utilizing sustainable development principles" in the development and operation of this project and has accordingly satisfied the requirements outlined in G.L c.23K §18(8).
Security, monitoring, surveillance and emergency procedures	Blue Tarp has demonstrated its understanding, commitment to, and experience with, all of the requirements relative to security, monitoring, and emergency procedures. With respect to exclusion of minors, its approach is to train employees for spotting violators and utilize roaming patrols, but it also notes that it will staff all gaming access points with security officers. It provides a convincing discussion regarding meeting the Commission's needs on data access and exchange for the central computerized accounting and auditing system and cites its experience with other gaming control boards and the IRS. Further, Blue Tarp has committed to providing adequate space to meet the Commission's requirements for regulatory accommodations and surveillance. It has also committed to providing security presence in the parking garage. The application response engenders confidence that Blue Tarp has the experience and commitment to fully and cooperatively meet Commission requirements.
Permitting including ENF, EIR, Local Permits, and Zoning	Blue Tarp has documented its efforts to comply with MEPA and local, state, and federal permitting and is proceeding with good progress. Significantly, a Casino Overlay District has been added to the City Zoning Ordinance that is crafted to accommodate the development as proposed "as of right." There are no significant obstacles to the completion of the MEPA process and obtaining the necessary permits such that construction can start in the 4th quarter of 2014 and be completed by the end of 2016. Although there has been concern expressed about historical buildings on the site slated for partial or complete demolition, it is expected that this can be resolved without significant delay to the projected completion date. Ultimately, Blue Tarp has provided sufficient evidence of its understanding and ability to obtain all necessary permits and comply with applicable codes. See G.L. c.23K, §15(12).

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Other	Blue Tarp provided essentially all requested details on the multiple parcels making up prospective project site. The response engenders confidence that Blue Tarp has land ownership and transfer issues well in hand. The contents of Blue Tarp's application demonstrate that G.L. c.23K, §15(3) will be satisfied.

E. Mitigation

Blue Tarp's participation in a competitive process within the City of Springfield incorporated an extensive public outreach effort to seek support and feedback. This resulted in the development of a project design that is built upon strong partnerships with existing local and regional entertainment facilities and a proactive approach to developing agreements with surrounding communities.

The project location in downtown Springfield is well-served by an existing urban street network, regional transit routes, and multiple access/egress points to the interstate highway system. Blue Tarp has analyzed potential traffic impacts from the casino development and proposed a program of mitigation measures to improve traffic operations, bicycle/pedestrian accommodations and facilities for existing/enhanced transit routes. Blue Tarp is actively coordinating with MassDOT to mitigate potential parking and traffic management impacts during construction of the state's improvements to the I-91 viaduct. Blue Tarp has agreed to provide shuttle service to off-site parking lots to mitigate the removal of surface parking from its site during construction and to advance construction of its garage facility to minimize impacts to court users and other downtown patrons.

Blue Tarp has agreed to comply with the American Gaming Association's Code of Conduct and with the Commission's regulations applicable to responsible gaming issue and to address problem gambling. Blue Tarp has been an active participant in discussions with the Commission and its staff to develop its Responsible Gaming Framework.

Blue Tarp has agreed to execute a formal agreement with the Massachusetts State Lottery upon award of the License; negotiations with the Lottery are ongoing. Lottery officials confirmed, however, that they are very impressed with Blue Tarp's proposal to provide direct access to lottery sales through its gaming software and equipment. Such an agreement will serve to help "protect[] the lottery from any adverse impacts due to expanded gaming . . . ." G.L. c.23K, §18(1).

Overall, Blue Tarp's proposal in the mitigation category is very good.

SUMMARY OF EVALUATION BY CRITERIA	
Criteria	**Findings**
Community Support	Public support at hearings and in the community has been strong, though opposition to this project and gaming generally is also evident. See G.L. c. 23K, §18(19). Blue Tarp's approach to its project is designed to partner with and benefit from existing local and regional

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	entertainment and cultural resources. Blue Tarp's approach to Surrounding Community Agreements included look back studies at future intervals to identify actual impacts and provide funds to mitigate identified impacts. Indeed, Blue Tarp has executed surrounding community agreements with each designated Surrounding Community to the project. See G.L. c.23K, §15(9). Further, Blue Tarp has submitted Impacted Live Entertainment Venue agreements with each designated venue. See G.L. c.23K, §15(10). The contents of Blue Tarp's application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §§15(6), (7), and (8) have been satisfied, and that measures have been put in place to "mitigat[e] potential impacts on host and surrounding communities which might result from the development or operation of the gaming establishment . . . ." G.L. c. 23K, §18(14).
Mitigate traffic and Offsite Impacts	Blue Tarp adequately identified the project's infrastructure costs and projected potential traffic generation impacts to the region and has proposed a range of mitigation measures at various locations to improve traffic operations and/or pedestrian and bicycle accommodations. Mitigation will include a program to encourage the use of alternate modes of transportation. The mitigation measures proposed by Blue Tarp will address the anticipated impacts. The only special/large event to be hosted on-site is the Grand Opening and the nearby municipal parking garages will be utilized as additional off-site parking facilities for this event. The onsite garage provides enough parking for projected demands of patrons and Blue Tarp is actively coordinating with MassDOT to mitigate potential impacts during construction of the state's improvements to the I-91 viaduct that may overlap with construction of the gaming establishment.
Measures to Promote Responsible Gaming and Address Problem Gambling	Blue Tarp demonstrated its experience in operating and integrating responsible gaming practices into its gaming operations. MGM currently meets minimum standards established by the American Gaming Association at its existing properties rather than demonstrating proactive and progressive measures to promote responsible gaming and address problem gambling. Blue Tarp will work alongside the Commission to ensure that it takes "measures to address problem gambling including, but not limited to, training of gaming employees to identify patrons exhibiting problems with gambling and prevention programs targeted toward vulnerable populations . . . ." G.L. c. 23K, §18(6). The contents of Blue Tarp's application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §15(1) has been satisfied.
Protect and Enhance the Lottery	Although a formal agreement with the Massachusetts State Lottery has not been executed to date, extensive discussions between the parties

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	have taken place. To that end, software engineers representing Blue Tarp and the Lottery have been analyzing respective technologies for compatibility for potential joint marketing and lottery ticket sales. Lottery officials have been impressed with Blue Tarp's innovative proposal to provide direct access to Lottery sales for gaming establishment patrons through gaming equipment. The contents of Blue Tarp's application, including the applicable attestation provided in Section B of the RFA-2 application, demonstrate that G.L. c.23K, §§ 15(1) and (6) have been satisfied.

V. Award

Having carefully reviewed and evaluated all of the materials submitted to the Commission as part of the RFA-1 and RFA-2 application processes, and gathered by the Commission as part of the review process including information and comments submitted by the public, the Commission finds that Blue Tarp has demonstrated "the business practices and the business ability [] to establish and maintain a successful gaming establishment . . . ." G.L. c. 23K, §12(a)(3). The information similarly demonstrates that Blue Tarp possesses an ability to maximize revenues to the Commonwealth, see G.L. c. 23K, §12(a)(11), and to offer the highest and best value to create a secure and robust gaming market in Region B and the Commonwealth. See G.L. c.23K, §18(13). Accordingly, for all of the reasons articulated above, the Commission hereby **AWARDS** the Category 1 License in Region B to Blue Tarp reDevelopment, LLC.

The conditions agreed to by the Commission and Blue Tarp in the June 13, 2014 *Agreement to Award a Category 1 License to Blue Tarp reDevelopment, LLC* are hereby adopted and incorporated by reference as Exhibit A (attached) into this Award.[5] Further, Blue Tarp shall abide by all conditions set forth in G.L. c.23K, §21.

The gaming establishment, as the term is defined by G.L. c.23K, §2, shall be as indicated on Exhibit B (attached).

SO ORDERED.

[5] In sections 9(g), 10 and 11 of the *Agreement* Blue Tarp agreed to provide and abide by the marketing programs identified in G.L. c.23K, §21(21). Accordingly, G.L. c.23K, §§15(15) and 18(16) have been satisfied.

In sections 9(h) and 12 of the *Agreement* Blue Tarp agreed to provide and abide by the affirmative action programs identified in G.L. c.23K, §21(22). Accordingly, G.L. c.23K, §15(16) has been satisfied.

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MASSACHUSETTS GAMING COMMISSION

_____
Stephen P. Crosby, Chairman

_____
Gayle Cameron, Commissioner

_____
James F. McHugh, Commissioner

_____
Bruce Stebbins, Commissioner

_____
Enrique Zuniga, Commissioner

DATED: November 20, 2014

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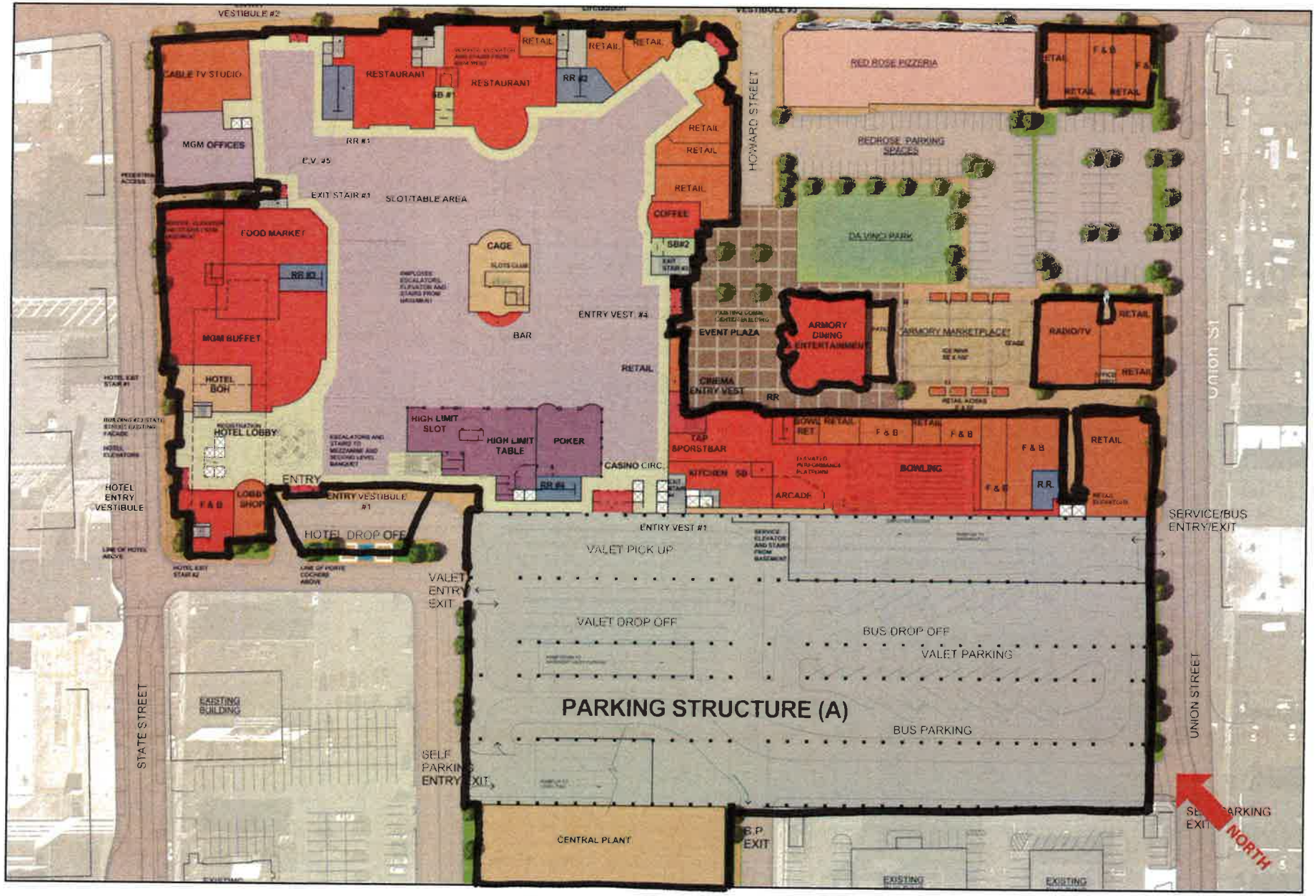
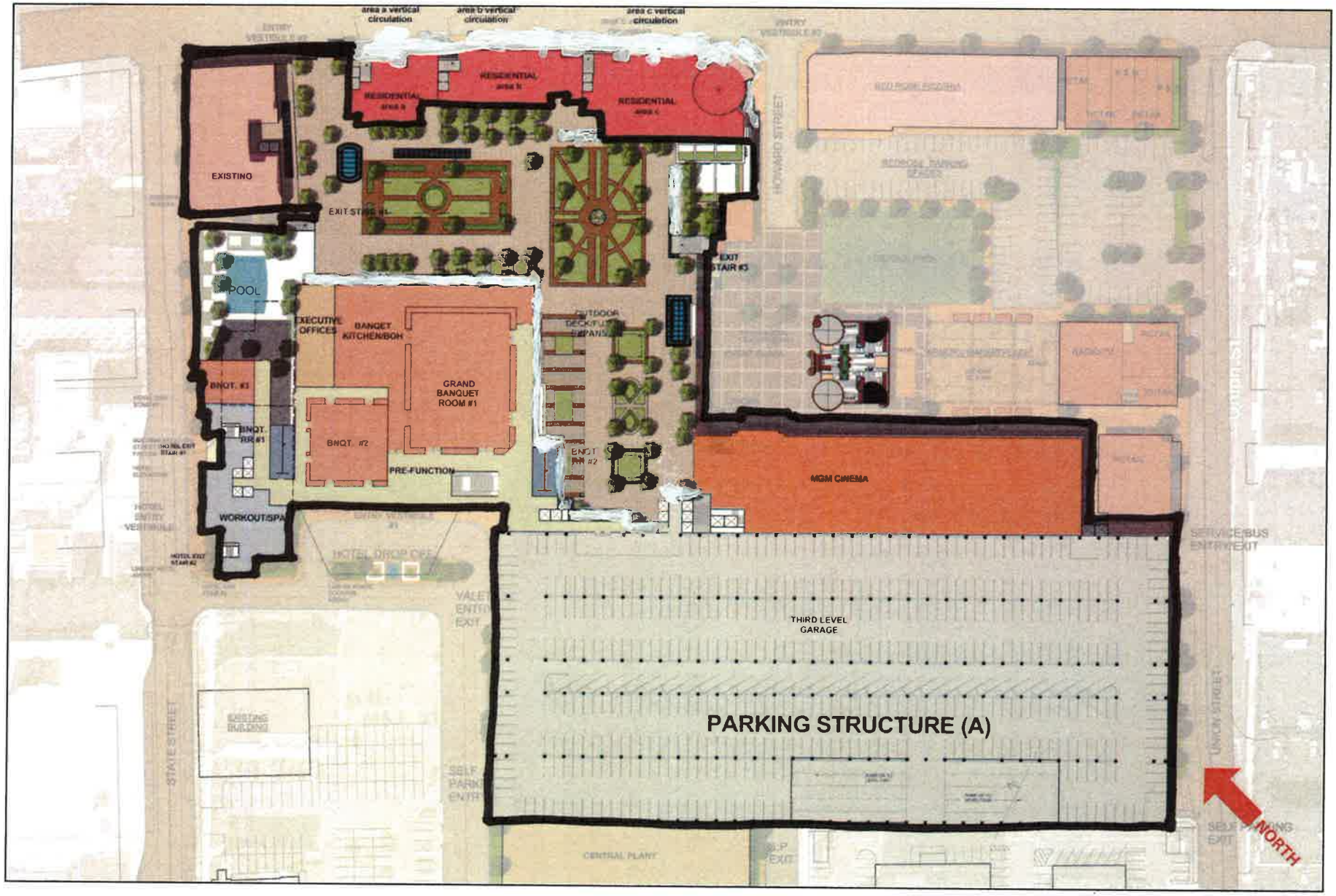


Ground Level Floor Plan

EXHIBIT B

INDICATES BOUNDARY LINE

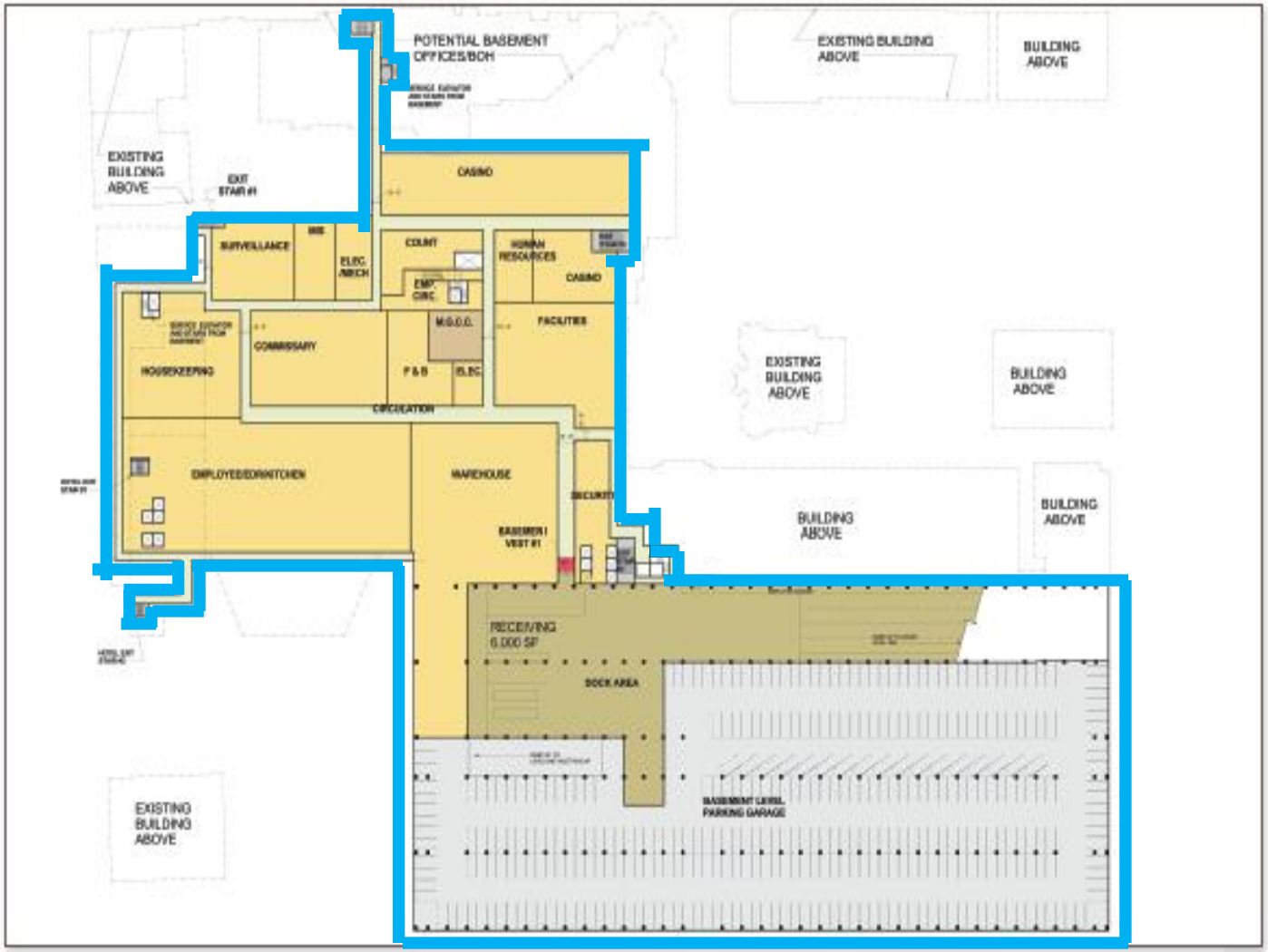


Second Level Floor Plan

EXHIBIT B

Gaming Establishment

1. BASEMENT LEVEL FLOOR PLAN



Gaming Establishment

2. LEVEL ONE FLOOR PLAN

All highlighted areas shall be deemed the Gaming Establishment and unless specifically excepted in other floor plans, all vertical space below and above such areas shall be deemed included therein

Gaming Establishment

4. LEVEL TWO FLOOR PLAN

205 CMR: MASSACHUSETTS GAMING COMMISSION
205 CMR 129.00: TRANSFER OF INTERESTS

Section

129.01: Transfers Requiring Commission Approval
129.02: Process for Commission Approval of Transfers
129.03: Restriction of Interest in Multiple Gaming Licenses

129.01: Transfers Requiring Commission Approval

(1) A gaming licensee or applicant may not, including in the course of a bankruptcy sale or in connection with providing a security interest or collateral in connection with obtaining financing or refinancing, take any of the following actions without prior notification to and approval by the commission pursuant to 205 CMR 129.02:

(a) transfer any direct or indirect interest in a gaming license or gaming establishment;

(b) transfer any direct or indirect interest, structure, real property, premises, facility, personal interest or pecuniary interest utilized in a gaming establishment which has received an operation certificate from the commission;

(c) transfer any direct or indirect interest, structure, real property, premises, facility, personal interest or pecuniary interest in a licensed gaming establishment which has not received an operation certificate from the commission;

(d) transfer a right or interest in a pending application for a gaming license, including an application for which a determination of suitability has been made by the commission pursuant to 205 CMR 115: Phase 1 Suitability Determination, Standards and Procedures; or

(e) enter into an option contract, management contract or other agreement or contract providing for a transfer described in 205 CMR 129.01(1) (a)-(d).

(2) Notwithstanding 205 CMR 129.01(1), the following transfers do not require prior notification to and approval by the commission pursuant to 205 CMR 129.01:

(a) The transfer of any interest in a business which holds or is applying for a gaming license, or a holding or intermediary company of such business, where such transfer directly or indirectly constitutes, or results in the transferee and its affiliates having, less than or equal to a five per cent interest in the gaming license or the business holding the gaming license.

(b) The transfer of a publicly traded interest in a business which owns a gaming establishment, or which holds or is applying for a gaming licensee, or in a holding, intermediary, or parent company of such a business where such transfer directly or

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indirectly constitutes, or results in the transferee and its affiliates having, less than or equal to five per cent of the common stock of such business.

(c) A transfer to a bona fide banking institution, as defined in M.G.L. c. 167A, §1, or a commercial financial institution which results in the institution becoming a substantial party of interest with a gaming licensee pursuant to M.G.L. c. 23K, § 21(b)(i).

(d) An applicant's or gaming licensee's transfer of gaming devices, gaming equipment, or personal equipment utilized or proposed to be utilized in the operation of a gaming establishment unless such transfer directly or indirectly constitutes more than five per cent of the value of all of the personal equipment utilized or proposed to be utilized in the operation of a gaming establishment.

(3). The Commission may waive the requirement for the approval of a transfer of any direct or indirect interest, structure, real property, premises, facility, personal interest or pecuniary interest of the gaming licensee, holding, intermediate or parent company of the gaming licensee if the transfer does not result in a change in control of the gaming licensee, holding, intermediate or parent company of the licensee.

129.02: Process for Commission Approval of Transfers

(1) Before taking any action requiring approval pursuant to 205 CMR 129.01(1), the transferor shall notify the commission in writing of its intent to take such action and to transfer some or all of its interests and shall identify the intended transferee and the intended transferee's qualifiers in accordance with 205 CMR 116.04: Notification of Anticipated or Actual Changes in Directors, Officers or Equivalent Qualifiers.

(2) Where prior notice of a transfer is required by the United States Securities and Exchange Commission or its equivalent in a foreign jurisdiction, notice to the commission pursuant to 205 CMR 129.02(1) shall be given at the same time such prior notice is provided to the United States Securities and Exchange Commission or its equivalent in a foreign jurisdiction.

(3) Upon receipt of a written notice of intent pursuant to 205 CMR 129.02(1), the commission may take one or more of the following actions:

(a) refer the matter to the bureau pursuant to 205 CMR 116.04: Notification of Anticipated or Actual Changes in Directors, Officers or Equivalent Qualifiers for appropriate action including, but not limited to, a notice to new qualifiers requiring the filing of an appropriate application and the subsequent investigation of that application;

(b) require the transferee to file with the commission an RFA-1 application pursuant to 205 CMR 111.00: Phase 1 Application Requirements or an RFA-2 application pursuant to 205 CMR 119.00: Phase 2 Application, and hold the licensee, applicant, or transferee responsible for the payment of all fees for investigations of the intended transferee and its qualifiers;

(c) where the proposed transfer is of a gaming license for a gaming establishment that has received an operation certificate from the commission, or any direct or indirect

interest, structure, real property, premises, facility, personal interest or pecuniary interest utilized in operating such gaming establishment, require the transferor and transferee to demonstrate that the proposed transfer complies with the waiting period provision of M.G.L. c. 23K, § 23(c), and that the transferee is able to comply with all provisions of and conditions imposed by:

(i) G.L. c. 23K and 205 CMR;

(ii) the gaming license for that gaming establishment;

(iii) all permits, licenses and approvals issued by other federal, state, and local governmental agencies concerning the construction and operation of the gaming establishment;

(iv) the host community agreements, surrounding community agreements, and impacted live entertainment venue agreements concerning the gaming establishment; and

(v) any other additional reasonable conditions required by the commission. If the transferee cannot comply with the conditions required by this section or any other conditions required by the commission the transferee shall file with the commission a petition describing the conditions with which the transferee cannot comply, the reasons why such compliance is not possible and the relief requested by the transferee. The commission shall hold a public hearing on such petition or shall review such petition as part of the hearing held under 205 CMR 129.02 (3)(d).

(d) hold a public hearing pursuant to M.G.L. c. 23K, § 23(c), to determine whether to grant interim authorization to allow the transferee to operate the gaming establishment pending the approval of the transfer of a gaming license to the transferee where:

(i) the proposed transfer is of a gaming license for a gaming establishment that has received an operation certificate from the commission, or any direct or indirect interest, structure, real property, premises, facility, personal interest or pecuniary interest utilized in operating such a gaming establishment, and

(ii) the transferee has requested interim authorization to continue to operate the gaming establishment pending the commission's approval of the transfer of the gaming license or the award of a new license for the gaming establishment;

(e) where the proposed transfer is of a gaming license for a gaming establishment that has not received an operation certificate from the commission, or any direct or indirect interest, structure, real property, premises, facility, personal interest or pecuniary interest utilized in operating such gaming establishment, require the transferee to demonstrate its ability to comply with all provisions of and conditions imposed by:

(i) 205 CMR 129.02(3)(c); and

(ii) construction schedules, deadlines, and goals for the completion of construction of and commencement of operation at the gaming establishment.

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(f) require the transferor or transferee to pay to the commission a nonrefundable fee equal to the costs associated with the processing of the notice of intent to transfer pursuant to 205 CMR 129.02 and the investigation of the proposed transfer, transferees and any qualifiers thereto.; If the transferor or transferee fails to pay the fee to the commission within 30 days after notification of the amount of such fee, the request to approve the transfer may be rejected. Where the transfer constitutes a complete transfer of a gaming license and the commission determines that the transferee is a new applicant for such gaming license, the commission may also require the transferee to pay a non-refundable application fee pursuant to 205 CMR 114.01: Application Fees.

(4) After reviewing the materials submitted in support of a request to approve a transfer pursuant to 205 CMR 129.01 and 129.02, the commission may approve or reject the request, request additional information from the proposed transferor, transferee, gaming licensee, applicant, member of the public, host communities, surrounding communities, or impacted live entertainment venues, or schedule a public hearing for any such entity to address issues concerning the request. The commission may solicit comments from host communities, surrounding communities, impacted live entertainment venues, and the public in advance of or at such public hearing.

(5) The commission shall reject any transfer requiring approval pursuant to 205 CMR 129 to a person that it finds unsuitable pursuant to G.L. c. 23K or 205 CMR 115: Phase 1 Suitability Determination, Standards, and Procedures.

(6) The commission may reject any transfer that does not comply with the provisions of M.G.L. c. 23K, § 23(c).

(7) Pursuant to M.G.L. c. 23K, § 20(e), the commission shall not approve the transfer of a category 2 license during the initial five year term of the license unless one of the following has occurred:

(a) the gaming licensee experiences a change in ownership;

(b) the licensee fails to maintain suitability; or

(c) a majority of the commission determines that other circumstances exist which affect the gaming licensee's ability to operate the gaming establishment successfully.

(8) The commission may reject any transfer requiring approval pursuant to 205 CMR 129.01 that it finds would be disadvantageous to the interests of the Commonwealth of Massachusetts.

(9) If the commission makes a positive determination concerning any proposed transfer requiring approval pursuant to 205 CMR 129.01, the commission may:

(a) place any additional conditions or restrictions on that transfer;

(b) require the transferor or transferee or both to pay any outstanding fees, taxes, fines, payments required pursuant to G.L. cc. 23K, 128A and 128C, or any other payments owed by the transferor to the Commonwealth of Massachusetts, the commission, host

communities, surrounding communities, impacted live entertainment venues, patrons, employees, contractors, and other persons and governmental entities;

(c) Pursuant to M.G.L. c. 23K, § 21(b) (ii), require the transferor, transferee or both to pay to the commission 50% of the increased value for the transferred licenses, property or interest. In determining the amount of such payment, the Commission shall consider the market value of the gaming license, property or interest when it was initially acquired by the transferor and at the time of the transfer. The commission may require an appraisal by an independent third party of the value of the gaming license, property or interest at the time of the transfer. Such independent third party appraiser shall conduct the appraisal using procedures customarily accepted by the appraising profession.

(10) The approved transfer of an interest in a gaming license or all interests in a gaming establishment shall divest the transferor of such authority, influence, control, rights and benefits associated with the transferred interest.

(11) Pursuant to M.G.L c. 23K, §17(g), the proposed transferor and transferee shall not be entitled to any further review of the commission's determination regarding a transfer requiring approval pursuant to 205 CMR 129.01.

129.03: Restriction of Interest in Multiple Gaming Licenses

(1) Except as provided in 205 CMR 129.03(2), no person or its affiliate shall be permitted to hold, indirectly or directly, an interest constituting more than a five percent interest of the value of more than one gaming license.

(2) An institutional investor as to which the commission has waived licensure or qualification may be permitted to hold more than a five percent interest of the value of more than one gaming license.

129.04: Required Provisions: Articles of Organization

(1) The Articles of Organization of any entity that receives a Category 1 or Category 2 gaming license shall contain the following language:

"Notwithstanding anything to the contrary expressed or implied in these articles, the sale, assignment, transfer, pledge or other disposition of any interest in [name of organization] is ineffective unless approved in advance by the Massachusetts Gaming Commission ("Commission"). If at any time the Commission finds that any person owning an interest in [name of organization] is unsuitable to hold the interest the Commission shall immediately notify the [name of organization] of that fact. The [name of organization] shall within 10 days from the date that it receives the notice from the Commission return to the unsuitable person the amount of its capital account as reflected on the books of [name of organization]. Beginning on the date the Commission serves notice of a determination of unsuitability pursuant to the preceding sentence upon [name of organization] it is unlawful for the unsuitable person to receives any share of the distribution of profits or cash or any other property of, or payments upon dissolution of [name of organization] other than a return of capital as required above; to exercise directly or through a trustee or nominee any voting right conferred by such interest; to participate in the management of the business of [name of

organization]; or to receive any remuneration in any form from [name of organization].

REGULATORY AUTHORITY

205 CMR 129: M.G.L. c. 23K, §§ 2, 4(37); 5; 14(c), 19(c), 20(e), 21(b), 22, 23(c), 23(d), 31(e).

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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

[. . .]

134.04: 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:

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.

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 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.

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 thereor 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

(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:

134.04: continued

(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.

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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;

(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.