



MASSACHUSETTS GAMING COMMISSION MEETING

September 25, 2014

10:30 a.m.

Hynes Convention Center
900 Boylston Street, Room 200
Boston, MA



Massachusetts Gaming Commission



NOTICE OF MEETING and AGENDA

September 25, 2014

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

Thursday, September 25, 2014

10:30 a.m.

Hynes Convention Center

900 Boylston Street, Room 200

Boston, MA

PUBLIC MEETING - #135

1. Call to order
2. Approval of Minutes
 - a. September 4, 2014
3. Administration – Rick Day, Executive Director
 - a. Approval of New Policies – VOTE
 - b. Financial Policy Review Reports – D. Lennon, CFAO
 - c. Discussion of links to job information - Plainridge –M. Sangalang, Digital Communications Coordinator and Jill Griffin, Director, Workforce, Supplier and Diversity Development
 - d. Penn National Diversity Update - Jill Griffin, Director, Workforce, Supplier and Diversity Development
4. Racing Division – Jennifer Durenberger, Director
 - a. Legislation and Schedule Changes – VOTE
 - b. Thoroughbred Racing Update
 - c. Race Horse Development Fund
5. Legal Division – Catherine Blue, General Counsel
 - a. Amended Small Business Impact Statements: - VOTE
 - b. Final Versions of Vendor Secondary Licensing and Gaming Schools Regulations – D. Acosta, Director, Licensing and J. Griffin, Director, Workforce, Supplier and Diversity Development - VOTE
6. Research and Problem Gambling – Mark Vander Linden, Director
 - a. Responsible Gaming Framework Recommendations – VOTE

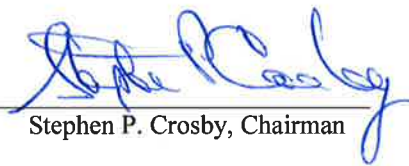


Massachusetts Gaming Commission

7. Ombudsman Report – John Ziembra
 - a. MGM Monthly Progress Report
8. Other business – reserved for matters the Chair did not reasonably anticipate at the time of posting.

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

9/23/14
(date)


Stephen P. Crosby, Chairman

Date Posted to Website: September 23, 2014 at 10:30 a.m.



Massachusetts Gaming Commission



Meeting Minutes

Date/Time: September 4, 2014 – 10:30 a.m.

Place: Boston Convention and Exhibition Center
415 Summer Street, Room 102-B
Boston, Massachusetts.

Present: Commissioner Gayle Cameron
Commissioner James F. McHugh
Commissioner Bruce Stebbins
Commissioner Enrique Zuniga

Absent: Chairman Stephen P. Crosby (recused from Region A matters)

Call to Order

See transcript page 2

10:31 a.m. Commissioner McHugh called to order the 133rd public meeting.

Public Hearing

See transcript pages 2-18

10:32 a.m. Commissioner McHugh opened the public hearing for the regulations 205 CMR 134: Licensing and 205 CMR 137: Gaming Schools. The Commission took comments from the public regarding the regulations.

10:47 a.m. Commission took a short recess.

10:49 a.m. Hearing resumed.

10:50 a.m. Public hearing was suspended.

Approval of Minutes

See transcript pages 18-19.

10:50 a.m. *Motion made by Commissioner McHugh to approve the minutes from August 21, 2014 public meeting, subject to the need to correct any mechanical or typographical errors. Motion seconded by Commissioner Cameron. Motion passed unanimously*

Racing Update

See transcript pages 19-28

10:52 a.m. General Counsel Blue and Commissioner Cameron shared the report of the Horse Racing Advisory Committee with the Commission. The report will be sent to the Legislature as required by statute. General Counsel Blue presented a recommendation from the Horse Racing Advisory Committee to the Commission which requested that the Commission draft regulations addressing the use of the Race Horse Development Fund monies in the event one track goes dark.

11: 01 a.m. *Motion made by Commissioner Zuniga to take the recommendations from the Horse Racing Committee as presented and discussed to establish an escrow for monies coming into the Race Horse Development Fund in case it would be needed. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

Investigations and Enforcement Bureau

See transcript pages 29-36

11:01 a.m. Deputy Counsel Grossman and Director Wells presented draft internal control regulations.

11:06 a.m. Director Wells presented on the suitability of a new qualifier, Mary Christine Gay, of Blue Tarp Redevelopment, LLC.

11: 09 a.m. *Motion made by Commissioner Cameron for the Commission to find Mary Christine Gay suitable as a qualifier with the MGM Corporation. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

Workforce, Supplier and Diversity Development

See transcript pages 37-53

11:10 a.m. Director Griffin presented a general update to the Commission and a Work Plan update with Commissioner Stebbins.

11:34 a.m. Meeting in recess

11:42 a.m. Meeting resumed

Legal Division

See transcript pages 54-67

- 11:42 a.m. General Counsel Blue presented the small business impact statements for new regulations regarding surveillance and administrative search, and amendments to regulations regarding capital investments.
- 11:44 a.m. *Motion made by Commissioner Stebbins to approve the drafted small business impact statements relative to the regulations around capital investment, surveillance in a gaming establishment and regulatory monitoring and inspections. Motion seconded by Commissioner Zuniga. Motion passed unanimously.*
- 11:45 a.m. Ombudsman Ziemba and General Counsel Blue presented a Region A update and the schedule for the following week's deliberations.
- 11:56 a.m. *Motion made by Commissioner Cameron to adjourn the public meeting. Seconded by Commissioner Stebbins. Motion passed unanimously.*
- 11: 57 a.m. *With no further comments on the regulations, a motion was made by Commissioner Cameron to close the public hearing. Motion seconded by Commissioner Stebbins. Motion passed unanimously.*

List of Documents and Other Items Used

1. Massachusetts Gaming Commission September 4, 2014 Notice of Meeting and Agenda.
2. Massachusetts Gaming Commission Notice of Public hearing.
3. Draft 205 CMR 137 regulations.
4. Draft 205 CMR 134 regulations.
5. Massachusetts Gaming Commission August 21, 2014 Meeting Minutes.
6. Horse Racing Committee Decision and Report.
7. Draft 205 CMR 138 Internal Control regulations.
8. Memorandum from Director Wells, re: suitability of Mary Christine Gay.
9. August 29, 2014 Master Schedule Update.
10. Small Business Impact Statements for 205 CMR 122, 141, and 142.

/s/ Catherine Blue
Catherine Blue
Assistant Secretary

Policy Approval Checklist

				Employee Handbook Master List (items highlighted in RED not referenced in Handbook)	Reviewed by MGC HR	Reviewed by HPT	Approved by Commission
				Master Policy List	✓	✓	✓
				Policy Format	✓	✓	✓
				● Employment at will	✓	✓	✓
				● EEO	na	na	na
				● Enhanced Ethics		na	na
				Hiring	necessary	na	na
				● Accommodations for Individuals with Disabilities	"	na	na
				● Immigration Law Compliance (IRCA-1986)	"	na	na
				● Employment of Relatives	"	na	na
				● Employment of Minors	"	na	na
				● Internal Candidates	"	na	na
				● Orientation	"	na	na
				● Relocation			
				● Travel includes using state & personal vehicles	Review/reformat as necessary		
				● Identification Badge	✓	✓	✓
				● Background Check	✓	✓	✓
				Employment			
				● Time and Attendance	Review/reformat as necessary	na	na
				● Customer Relations & Service	"	na	na
				● Outside Employment & Business Activities	"	na	na
				● Dress Code	"	na	na
				● Voluntary Termination of Employment	✓	✓	to 9/25 mtg.
				● Initial Review Period	✓	✓	✓
				● Internal Transfers	✓	✓	to 9/25 mtg.
				● Personnel Records	✓	✓	✓
				● HIPAA	na	na	na
				● Workplace Privacy	✓	✓	to 9/25 mtg.
				● Lactation/Breast Feeding	✓	✓	✓
				● Unemployment Insurance	✓	✓	✓
				● Compensation (single policy encompassing below)	✓	✓	to 9/25 mtg.
				Non-Exempt Employees	✓	"	
				Exempt Employees	✓	"	
				Equal Pay Act	✓	"	
				Compensatory Time re. non-exempt employees	✓	"	
				On-Call Pay	✓	"	
				Fair Labor Standards Act (FLSA)	✓	"	
				Anti-Retaliation	✓	"	
				Overtime	✓	"	
				● Pay Practices (single policy encompassing below)	✓	✓	to 9/25 mtg.
				Hours of Operation & Work Schedule	"		
				Mandatory Payroll Deductions	"		
				Optional Payroll Deductions	"		
				Meal/Rest Periods	"		
				Temp. Assignment to higher level position	"		
				● Employment Classification	Review/reformat as necessary	na	na
				● Title VII, ADEA, ADA	na	na	na
				● Performance Evaluation	✓	✓	to 9/25 mtg
				● Military Pay Provision -	na	na	na

Policy Approval Checklist

		Employee Handbook Master List (items highlighted in RED not referenced in Handbook)	Reviewed by MGC HR	Reviewed by HPT	Approved by Commission
51		Employee Relations			
52	●	Workplace Standards	✓	✓	✓
53	●	Disclosure Requirements	Review/reformat as necessary	na	na
54	●	Corrective Action	✓	✓	✓
55	●	Code of Conduct	Review/reformat as necessary	na	na
56	●	Criminal Activity	"	na	na
57	●	Drug & Alcohol (Drug Free Workplace Act)	"	na	na
58	●	Smoke Free Workplace	✓	✓	✓
59	●	Harassment Free Workplace	✓	✓	to 9/25 mtg.
60	●	Sexual Harassment	✓	✓	✓
61	●	Sexual Assault, Stalking, Domestic Violence	na	na	na
62	●	Whistleblower Policy	✓	✓	✓
63	●	Workplace Bullying Prevention	✓	✓	to 9/25 mtg.
64	●	Violence Free Workplace	✓	✓	to 9/25 mtg.
65	●	Workplace Relationships	✓	✓	to 9/25 mtg.
66	●	Weapons Free Workplace	✓	✓	to 9/25 mtg.
67		Safety & Security			
68	●	Workers' Compensation	Review/reformat as necessary	na	na
69	●	Workplace Emergency Policy	"	na	na
70		Benefits			
71	●	Health Insurance	na	na	na
72	●	Health Insurance Responsibility Disclosure	na	na	na
73	●	Dental & Vision Benefit	na	na	na
74	●	Dependent Care Assistance Plan (DCAP)	na	na	na
75	●	Healthcare Spending Account (HCSA)	na	na	na
76	●	Deferred Compensation 457b Plan	na	na	na
77	●	Qualified Transportation Benefit Plan (QTBP)	na	na	na
78	●	Tuition Remission	na	na	na
79	●	Massachusetts Retirement System	na	na	na
80	●	COBRA	na	na	na
81	●	Group Life Insurance	na	na	na
82	●	Long-term disability benefits	na	na	na
83	●	Credit Union	na	na	na
84	●	Charitable Contribution Program	na	na	na
85	●	Employee Assistance Program (EAP)	✓	✓	✓
86	●	Adoption Tuition Incentive	na	na	na

Policy Approval Checklist

		Employee Handbook Master List (items highlighted in RED not referenced in Handbook)	Reviewed by MGC HR	Reviewed by HPT	Approved by Commission
87		Leaves			
88	●	Vacation Time	Review/reformat as necessary	na	na
89	●	Sick Leave	"	na	na
90	●	Personal Leave	"	na	na
91	●	Holidays	"	na	na
92	●	Leave without Pay	"	na	na
93	●	Bereavement Leave	✓	✓	✓
94	●	Jury Duty/Witness Leave	"	na	na
95	●	Family Medical Leave Act (FMLA)	na	na	na
96	●	Small Necessities Leave Act	na	na	na
97	●	Military Leave	na	na	na
98	●	Extended Illness Leave Bank	na	na	na
99	●	Blood Donation Leave	na	na	na
100	●	Bone Marrow Donation/Organ Donor Leave	na	na	na
101	●	Disaster Volunteer Leave	na	na	na
102	●	Domestic Violence, Sexual Assault & Stalking in the Workplace Leave	na	na	na
103	●	MA Maternity Leave Policy	na	na	na
104	●	Voting Leave	na	na	na
105		Career Development			
106	●	Training Conferences	Review/reformat as necessary	na	na
107	●	Professional Development	"	na	na
108	●	Professional Memberships & Subscriptions	"	na	na
109	●	Work Related Conferences & Seminars	"	na	na
110	●	Professional Recognition			
111	●	Tuition Remission	na	na	na
112		Communication			
113	●	Communications with the Public	Review/reformat as necessary	na	na
114	●	Press Relations	"	na	na
115	●	Social Media	"	na	na
116	●	Speaking Engagements	"	na	na
117		Misc. Policies			
118	●	Information Technology Use	Review/reformat as necessary	na	na
119	●	Solicitation & Distribution	"	na	na
120	●	Protected Information (see HIPAA)	na	na	na
121	●	Sunshine Policy (Public Records)	na	na	na
122	●	Procurement Card	na	na	na
123					
124		Code			
125	●	Deferred			
126	●	A new policy (red); currently referenced in MGC Handbook to be reformatted without changes			
127	●	Use state, including GIC, policy			

Voluntary Termination of Employment

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to provide employees with a mutually rewarding employment experience. However, the MGC recognizes that varying circumstances will cause employees to voluntarily resign from their position. The goal of the MGC is to create a smooth exit process.

Applies to

All employees, who have completed their initial review period.

Procedure

- Non-exempt and non-management exempt employees should notify their manager in writing of their impending termination including the reason for the termination at a minimum of two weeks prior to last day worked.
- Management employees should notify their manager in writing of their impending termination including the reason for the termination at least four weeks prior to last day worked.
- Notifications of less than two or four weeks, as appropriate, may result in ineligibility for rehire.
- The termination date is the last day worked or following the use of vacation and personal days as authorized by MGC . The termination date cannot be extended by any unused sick days. Accrued and unused vacation days will be paid out at termination. Employees who are retiring from state service may also be eligible to be paid out a portion of their sick time.
- Pay at termination is at the sole discretion of the MGC.
- Human Resources will contact terminating employees to discuss issues concerning their benefits and unemployment insurance and to participate in an exit interview.
- Employees should contact the State Board of Retirement to discuss their eligibility for retirement benefits.
- Employees who fail to report to work for three consecutive business days without proper communication to their manager may be viewed as voluntarily resigning their position at the close of business on the third day.
- Employees will not be allowed to rescind a resignation, whether given verbally or in writing, once the resignation has been accepted by the MGC. The MGC reserves the right, at its discretion, to rescind a resignation.

Responsibility

Employees are responsible for submitting their resignation in writing. Managers are responsible for notifying HR of the employee's impending termination and retrieving all MGC property as of the last day worked. HR is responsible for terminating the employee from all systems.

Internal Transfer

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to provide employees with a supportive environment designed to encourage the pursuit of professional goals and career objectives. MGC recognizes that the best candidate for a position may already be an employee. MGC also believes that talented employees stay longer and contribute more value in an environment that encourages growth and development. Finally, MGC recognizes that the short-term implications of having to replace an employee who transfers is less disruptive to the MGC overall than losing an employee to an outside organization.

Applies to

All employees following the completion of one year of continuous service in their current position.

To be considered for transfer employees must:

- Meet qualifications and skill requirements for the position of interest;
- Not be on a written corrective action within the previous 12 months; and
- Not have a written counseling within the previous six months

Exceptions to the above requirements may be considered on a case-by-case basis with the approval of the manager and/or executive director.

Definitions

Lateral transfer: A transfer in which an eligible employee moves into a position at the same or comparable salary grade as her/his current position. There is generally no change to salary or review date.

Promotion: A transfer in which an eligible employee moves into a higher salary grade than her/his current position. There may be a change in pay rate and review date.

Demotion: A transfer in which an eligible employee moves into a position in a lesser salary grade than her/his current position. There is often a change in pay rate, but no change to the review date.

Procedure

- Employees interested in pursuing other opportunities are encouraged to monitor the MGC job openings for positions that are available and match their education, skills and abilities.
- Employees interested in a specific open position and who would like to learn more details about the position, are encouraged to make an appointment with Human Resources (HR) to discuss the position and their qualifications for the position.
- HR should determine if an employee is pursuing another position due to any issues of harassment or any type of discriminatory behavior within her/his current department.
- Employees who want to apply for an open position should submit an updated resume and formally apply for the position via the job posting procedure. Employees should also notify their manager of their action. If an employee is determined to be a viable candidate she/he will go through the interview process along with other internal and external candidates.

- Managers should complete any overdue performance reviews once they become aware of an employee pursuing an open position including meeting with the employee to discuss the review.
- Managers should not retaliate against any employee pursuing an open position.
- Employees who have been accepted for an internal transfer or promotion must provide a 30 day notice to their manager. During this 30 day period they are expected to support the hiring, on-boarding and training of the new employee.
- Occasionally an employee is struggling in their current position and receiving continuous performance feedback; managers should consider the employee for any job openings that may be a demotion but a better job fit for success, rather than corrective action and ultimate termination.

Responsibility

Managers should be open to considering qualified internal employees for their open positions and be supportive of those employees who are investigating a transfer to another department. Managers should consider qualified employees within their own department when job openings occur whether presenting lateral or promotional opportunities.

Workplace Privacy

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to provide employees with office space, tools software and other office equipment necessary to carry out their work assignments. Those using MGC work spaces or equipment should not have an expectation of privacy.

Applies to

All employees, commissioners, consultants, contractors, temporary staff, and state troopers

Definition

MGC property includes but is not limited to offices and work spaces, desks, chairs, lockers, file cabinets, telephones, wireless mobile devices, voicemail, faxes, laptops, computers and software including electronic mail.

Public record is any documentary materials or data made or received by an employee of the Commonwealth, regardless of its physical format, may be considered a public record and subject to the public records law.

Procedure

- Employees may only use MGC issued keys and locks to secure MGC property.
- Employees may only use software installed by the MGC on office computers or laptops.
- Employees are expected to comply with the Information Technology User Policy.
- Management may access an employee's office or workspace when there are reasonable grounds that the access is necessary due to suspected workplace misconduct or when the access is necessary to retrieve an item directly related to a work purpose (i.e., to retrieve a needed file).
- MGC may access electronic mail, voicemail and internet communication at any time without advance notice.
- Individual telephone conversations will not be monitored or recorded without prior notice to the user.
- Misuse or deliberate damage to MGC property will result in corrective action up to and including termination.

Responsibility

Managers are expected to monitor worksites under their control for appropriate use of MGC property; the MGC information technology office is responsible to insure the proper use of all equipment.

Compensation

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to maintain a compensation program that is non-discriminatory and helps to ensure that it can attract, motivate and retain exceptional employees. MGC compensation is designed and administered to comply with the Equal Pay Act (EPA) and all other state and federal laws and regulatory requirements.

Applies to

All employees

Definitions

Equal Pay Act (EPA): a federal law that requires women and men be given equal pay for equal work. The EPA permits pay differentials based on seniority, merit, quantity or quality of productivity or any other factor other than sex.

Exempt employees: Employees who are paid a salary for the results they are expected to accomplish regardless of the number of hours they work. Each of these employees must qualify for the exemption from the minimum wage and overtime provisions of the Fair Labor Standards Act (FLSA) based on the specific duties outlined in their job description.

Non-exempt employees: Employees who are paid on an hour-by-hour basis and for each hour or fraction of an hour worked. Hour-by-hour records are maintained. Each of these employees must be paid the appropriate premium rate for all hours worked over 40 per week in accordance with the provisions of the FLSA.

Unrestricted On Call Pay: Limited to non-exempt employees. Employees are not required to remain at the work site; they must be able to be reached by cellphone; and they may use the time they are on call for their own purposes. Employees will be paid an hourly rate less than their base rate while on call. Once called in they will be paid their base rate for all hours worked, with a minimum payment of one hour. On Call hours are not considered time worked for purposes of determining overtime.

Procedure

- Directors and/or managers are responsible for preparing job descriptions for each of the positions under their supervision. The job description is completed using the MGC template and includes the essential functions of the position, the education, skills, abilities and other qualifications required in order to perform the job, as well as information concerning working conditions and reporting relationships.
- Human Resources (HR) reviews the job description and determines if it is an exempt or non-exempt job based on FLSA criteria. All job descriptions must receive final approval from the executive director.
- All employees receive a copy of their job description upon hire.
- A newly hired employee's pay rate is determined based on a discussion between the manager and HR and is based on market analysis, the employee's experience and internal equity.
- All instances of overtime work by non-exempt employees must be approved in writing in advance by the employee's manager or department head; employees may not work overtime at their own discretion. Non-exempt employees who work overtime without prior manager or department head permission may be sent

home before the end of the day or workweek to limit worked hours to 37.5. Employees who continually work overtime without prior permission are subject to corrective action up to and including termination.

- Compensatory time-off for non-exempt employees in lieu of overtime pay is not permitted by state and federal law, nor can the requirement that overtime pay be waived by agreement between a manager and an employee.
- Employees have the right to file a complaint about the compensation practices of the MGC with the Wage and Hour Division of the U.S. Department of Labor and/or the Fair Labor Division of the MA Attorney General's Office.
- Retaliation against an employee who has filed a complaint or cooperated with the investigation of a complaint will not be tolerated and will be subject to corrective action up to and including termination.
- Employees who believe they have been subject to retaliation may file a complaint with the:

U.S. Department of Labor, Boston District Office, Wage and Hour Division
John F. Kennedy Federal Building, Room 525, Boston, MA 02203
Phone: 671.624.6700 or 866.487.9243

Office of the MA Attorney General, Fair Labor Division
One Ashburton Place, Boston, MA 02108
Phone: 617-727-3465

Responsibility

Managers, Department Heads, Human Resources and the Executive Director

Pay Practices

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to pay employees accurately, timely and fairly. The MGC complies with all federal, state and local wage and hour laws and pay practice requirements.

Applies to

All employees

Definitions

Exempt employees: Employees who are paid a salary for the results they are expected to accomplish regardless of the number of hours they work. Each of these employees must qualify for the exemption from the minimum wage and overtime provisions of the FLSA based on the specific duties outlined in their job description.

Non-exempt employees: Employees who are paid on an hour-by-hour basis and for each hour or fraction of an hour worked. Hour-by-hour records are maintained. Each of these employees must be paid the appropriate premium rate for all hours worked over 40 per week in accordance with the provisions of the FLSA.

FMLA: Family Medical Leave Act

FLSA: Fair Labor Standards Act

Procedure

- The MGC pay week is Sunday to Saturday. Employees are paid bi-weekly, over 26 pay periods, on Friday; if the regular pay day falls on a holiday employees will be paid the previous business day.
- Normal business hours in MGC offices are 8:45am to 5pm, Monday through Friday. Employees assigned to gaming establishments may have their hours customized to provide the optimal service.
- Employees will be informed of their work hours at the time employment begins. The manager or Executive Director (ED) will advise employees if any change in the schedule is necessary.
- All employees are expected to record all hours worked or taken off for any reason, including but not limited to, sick, vacation, or personal days. This allows non-exempt employees to be paid overtime, in accordance with federal and state laws and MGC policy. It also allows managers /supervisors to manage the workload of their department.
- A standard workweek for full-time non-exempt employees is 37.5 hours. Part-time employees may be scheduled for a reduced number of hours. Any hours worked beyond assigned weekly hours must be approved by a supervisor/manager.
- Exempt employees are paid a fixed salary. There will be no deductions for partial days of work unless they are connected to the MGC approved sick, vacation, personal days policies or intermittent leave under the FMLA. The first and last week of work may be less than their salary if they did not work a full week. Deductions from salary are limited to sick, vacation, personal days, jury duty, being a witness and military leave.
- Non-exempt employees receive an unpaid 45 minute lunch period. They are also entitled to a minimum of one paid 15 minute break in the morning or afternoon as determined by business needs. The MGC may

allow a second 15 minute break at its discretion. Breaks cannot be combined to create a longer break or added to the lunch period.

- Employees may be asked to accept a temporary assignment to fill-in for their manager or supervisor who is on an extended absence. The decision to select an employee to fill this assignment is solely that of the division director with the approval of the ED. The specific level of responsibility that this employee will have will be set by the division director. The employee may receive additional compensation for accepting this temporary assignment.
- Employees are required to have their bi-weekly pay directly deposited to their personal savings or checking account at a bank or credit union of their choosing that participates in the Automated Clearing House (ACH). Employees may access payroll information via the self-service time and attendance system.
- MGC deducts all legally mandated deductions from the employee's pay. Mandated deductions may include but are not limited to federal and state taxes, Social Security and Medicare taxes, retirement plan, child support payments and wage garnishments.
- MGC takes a variety of optional deductions from the employee's paycheck. These are deductions that are related to a specific benefit and have been authorized by the employee. Optional deductions may include but are not limited to health, dental, deferred compensation plan/457b (SMART), dependent care assistance plan (DCAP); health care spending account (HCSA), optional life insurance, long term disability (LTD), qualified transportation benefit (QTBP), savings bonds, credit union and college savings plan (UFund). MGC employees may have the right to participate in other programs offered by the state as they are developed.

Responsibility

Human Resources; Finance Department

Performance Evaluation

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) that managers/supervisors discuss with each of their direct reports the goals and performance expectations for the upcoming year. The MGC values each employee and understands that a productive and motivated workforce requires that each employee receive regular and ongoing verbal feedback about their performance, as well as an annual written performance evaluation. The goal of evaluations is to provide an objective assessment of the employee's support for MGC's performance goals.

Applies to

All employees

Procedure

- Managers/supervisors and employees are expected to provide regular and ongoing feedback to each other throughout the evaluation year.
- Managers/supervisors and employees are expected to meet at the sixth month point in the evaluation year to discuss performance and make adjustments to expectations and/or goals, if necessary.
- Employees are urged to initiate discussion with their manager throughout the year with their concerns about their performance.
- Upon the start of employment, managers/supervisors will consult with their newly hired employees to establish personal goals that align with the organization's performance goals as established in MGC's strategic plan.
- Managers/supervisors will conduct a formal evaluation of the employees they supervise annually on a date to be established by Human Resources. The self-evaluation and the managers/supervisors evaluation will follow MGC procedures and use MGC approved forms.
- Managers/supervisors need to meet with each of their employees to initiate the annual performance evaluation process including the requirement that a self-evaluation must be written.
- Employees will conduct a self-evaluation 30 days prior to their annual performance evaluation meeting with their manager/supervisor.
- Managers will review the self-evaluation and prepare a formal evaluation based on their own objective observations and the employees performance during the past year and the employee's progress against her/his goals for the year.
- Managers will conduct an evaluation meeting with each of their direct reports. The performance evaluation meeting should be a dialogue between the manager and the employee including:
 - Documenting where performance has been successful and areas where improvement is needed. This documentation must be clear and specific.
 - Providing suggestions to assist the employee to improve her/his performance.
 - Specific performance expectations as well as setting goals for the next evaluation period.

- Employees are encouraged to make written comments that will become part of the evaluation.
- Employees must sign their performance evaluation. If they decline to sign, the manager will note this fact on the evaluation.
- Completed evaluations, signed by both the manager/supervisor and the employee, must be reviewed by the next management level in the MGC, who may include her/his written comments.
- The manager's evaluation, the employee's self-evaluation and all employee and senior management written comments about the evaluation will become part of the employee's personnel record.

Responsibility

Management

Harassment-Free Workplace

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to provide a work environment where everyone is treated with dignity and respect and is free of being harassed because of their protected status which includes their race, color, religious creed, age, national origin, sex, physical or mental disability, veteran or active military status, sexual orientation, gender identity or expression, genetics, marital status, ancestry, citizenship, pregnancy, or any other protected status covered by federal, state or local law.

Applies to

All employees and commissioners

Definition

Workplace harassment includes discrimination and/or intimidation

Procedure

- Employees who feel they are being discriminated against, intimidated and/or harassed due to their protected status should file a complaint, whether verbally or in writing, with Human Resources (HR), the Office of General Counsel (OGC) or the Executive Director (ED).
- Any member of management receiving a complaint of workplace harassment or views actions that may lead to workplace harassment must inform HR immediately.
- In all cases, no matter how HR, the OGC or the ED receives information about workplace harassment, an immediate, thorough and expeditious investigation will be conducted.
- The MGC will respect the privacy of the parties involved in the complaint of workplace harassment and preserve their confidentiality, to the extent possible in dealing with the situation.
- In order to maintain the integrity of its investigation the MGC may suspend employees suspected of workplace harassment, either with or without pay, pending the completion of an investigation.
- Information concerning a complaint is treated as confidential. Any employee who is part of the investigation process may only discuss the complaint with those individuals who have a “need to know”.
- An employee, who has been found in violation of this policy by engaging in workplace harassment or by falsely accusing another person of doing so, will be subject to corrective action up to and including termination.
- Retaliation against an employee who has filed a complaint or cooperated with the investigation of a complaint will not be tolerated and will be subject to corrective action up to and including termination.
- Employees who knowingly make a false allegation of workplace harassment will be subject to corrective action up to and including termination.
- Employees have the right to file their complaint of workplace harassment because of their protected status with the United States Equal Employment Opportunity Commission (USEEOC) or with the Massachusetts Commission Against Discrimination (MCAD). In either case the complaint must be filed within 300 days of

the alleged offense. Employees may contact the USEEOC at John F. Kennedy Building, 475 Government Center, Boston, MA 02203 (Telephone 800-669-4000). Employees may contact one of the four offices of the MCAD at (1) One Ashburton Place, Room 601, Boston, MA 02108 (Telephone 617-994-6000); (2) 436 Dwight Street, Room 220, Springfield, MA 01103 (Telephone 413-739-2145); (3) Worcester City Hall, 455 Main Street, Room 101, Worcester, MA 01608 (Telephone 508-799-8010); or (4) 800 Purchase Street, Room 501, New Bedford, MA 02740 (Telephone 508-990-2390).

Responsibility

Office of the General Counsel, Human Resource, the Executive Director and Commissioners

Workplace Bullying Prevention

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to ensure a productive work environment where all employees are treated with respect and dignity. The MGC will not tolerate inappropriate or abusive behavior, either direct or indirect. This includes written, verbal or physical conduct by one or more employees against any other employee or group of employees.

Applies to

All employees commissioners, contractors, State Police, and temporary employees

Definition

Workplace bullying is any behavior that is repeated, systematic and directed towards an employee or group of employees that a reasonable person, having regard to the circumstances, would perceive as victimizing, humiliating, undermining or threatening and which creates a risk to health and safety.

Examples of workplace bullying, include but are not limited to, abusive, insulting or offensive language; behavior or language that frightens, humiliates, belittles or degrades, including criticism that is delivered with yelling and screaming; teasing or regularly making someone the brunt of practical jokes; displaying material that is degrading or offensive; or spreading gossip, rumors and innuendo of a malicious nature.

Procedure

- Employees who feel they are the subject of workplace bullying, witness workplace bullying or view actions that may lead to workplace bullying must bring their concerns to their manager, Human Resources (HR), the Office of General Counsel (OGC) or the Executive Director (ED).
- Any member of management receiving a complaint of workplace bullying or witnesses workplace bullying or views actions that may lead to workplace bullying must inform HR immediately.
- In all cases, no matter how HR receives information about workplace bullying, an immediate and thorough investigation will be conducted in order to protect employees from abuse or unnecessary anxiety about their welfare and the loss of productivity.
- In order to maintain the integrity of its investigation the MGC may suspend employees suspected of workplace bullying, either with or without pay, pending the completion of the investigation.
- The MGC will respect the privacy of victims of workplace bullying or those reporting workplace bullying and preserve their confidentiality, to the extent possible in dealing with the situation.
- Retaliation against either an employee who has filed a complaint or cooperated with the investigation of a complaint will not be tolerated and will be subject to corrective action up to and including termination.
- An employee, who has been found in violation of this policy by engaging in workplace bullying or by falsely accusing another person of doing so, will be subject to corrective action up to and including termination.

Responsibility

Management employees shall monitor the workforce for the potential of workplace bullying; HR shall conduct an immediate and thorough investigation of all instances reported to them.

Violence Free Workplace

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to promote and maintain a safe and secure working environment free of violent behavior, threats of violence or physical intimidation. The MGC maintains a zero tolerance standard on violence in the workplace in compliance with Massachusetts Executive Order 442.

Applies to

All employees, commissioners, consultants, contractors and temporary employees.

Definitions

Workplace – any MGC owned or leased property, location where MGC business is conducted, or site where an employee is considered ‘on duty’, including MGC sponsored social functions and MGC owned, leased or rented vehicles or private vehicles being utilized for MGC business.

Workplace violence, includes, but is not limited to:

- Intimidation or threats communicated by any means
- Physical assault and/or battery
- Property damage
- Other disruptive or aggressive behavior that causes a reasonable person to be in fear of her/his safety or that of a colleague or that causes the disruption of workplace productivity
- Violence that is acted out individually or takes place between employees, employees and clients/customers, employees and acquaintances/partners and employees and the general public.

Zero-tolerance: A standard that establishes any behavior, implied or actual, that violates this policy will result in corrective action up to and including termination.

Procedure

- The MGC will provide periodic workplace violence awareness and prevention training for managers and staff.
- Employees who feel they have been the subject of workplace violence, witnessed workplace violence or viewed actions that may lead to workplace violence must bring their concerns to their manager or Human Resources (HR).
- Any member of management receiving a complaint of workplace violence or witnessing workplace violence or views actions that may lead to workplace violence must inform (HR) immediately.
- Employees who have a protective or restraining order, whether temporary or permanent, that lists the workplace as a protected area should promptly notify HR and provide a signed copy of the document.
- In all cases, no matter how HR receives information about workplace violence, an immediate and thorough investigation shall be conducted in order to protect employees from danger or unnecessary anxiety about their welfare and the loss of productivity.

- In order to maintain the integrity of its investigation the MGC may suspend employees suspected of workplace violence, either with or without pay, pending the completion of the investigation.
- The MGC will respect the privacy of victims of workplace violence or those reporting workplace violence and preserve their confidentiality, to the extent possible in dealing with the situation.
- Retaliation against an employee who has filed a complaint or cooperated with the investigation of a complaint will not be tolerated and will be subject to corrective action up to and including termination.
- The MGC reserves the right to initiate criminal prosecution, in addition to termination, in instances of violent behavior.
- Employees who knowingly make a false allegation of workplace violence will be subject to corrective action up to an including termination.

Responsibility

Management employees shall monitor the workforce for the potential of workplace violence; HR shall conduct an immediate and thorough investigation of all instances reported to them.

Workplace Relationships

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to create a work environment that is both collegial and productive while maintaining clear boundaries between an employee's personal and workplace interactions. MGC realizes that friendships and romantic relationships may occur between co-workers, but expects all employees to conduct themselves in an appropriate workplace manner during working hours, while on work premises or attending work events. Further, it is the policy of the MGC that employees in a supervisory position, who enter into a romantic or sexual relationship with a subordinate, whether that employee reports directly or indirectly to her/him, must report that relationship to Human Resources (HR).

Applies to

All employees

Procedure

- Employees are expected to conduct themselves in an appropriate workplace manner while on MGC property that does not interfere with their co-workers ability to perform their duties or enjoy allowed breaks.
- Employees subjected to unwanted physical contact or other inappropriate interactions should bring their concerns to their manager or HR.
- Employees who allow personal relationships with co-workers to adversely affect the work environment will be subject to corrective action up to and including termination.
- Supervisors, managers, directors and other executives must disclose the existence of a romantic or sexual relationship with a subordinate to HR to determine if a conflict of interest exists. If a conflict of interest is determined to exist the HR Manager and the management employee will work together to find a solution for any conflict that may be real or perceived including but not limited to, hiring, firing, promotions and compensation decisions. If a reasonable solution can not be agreed upon the HR Manager, with input from the Executive Director and General Counsel, may elect to transfer or terminate the manager or the employee, solely dependent on the business needs of the MGC.
- Employees, who have the authority to select or influence the selection of a vendor, authorize purchases from a vendor or develop programs with a vendor that will impact the work of the MGC, must notify HR if there is a romantic or sexual relationship between them and the vendor. HR will conduct a review and determine if the vendor relationship needs to be reassigned to another employee.

Responsibility

All management staff acting as role models for appropriate behavior; HR investigating all situations that are brought to their attention.

Weapons Free Workplace

Policy Statement

It is the policy of the Massachusetts Gaming Commission (MGC) to prohibit all persons, excluding federal and state law enforcement and those authorized by the MGC, from entering the MGC workplace with a handgun, firearm, or prohibited weapons of any kind, whether they are licensed to carry the weapon or not.

Applies to

All employees, commissioners and consultants, excluding state police or others authorized by the MGC to carry licensed firearms while on MGC property and/or at a MGC gaming regulated establishment

Definitions

Workplace – any MGC owned or leased property, location where MGC business is conducted, or site where an employee is considered 'on duty' including MGC sponsored social functions. In addition MGC owned, leased or rented vehicles or private vehicles being utilized for MGC business.

Prohibited weapons include any form of weapon or explosive restricted under local, state or federal regulation including firearms, illegal knives or other weapons covered by the law.

Procedure

- Employees who have witnessed any employee, vendor or customer displaying a prohibited weapon while in the workplace shall bring this information to the attention of their manager or Human Resources (HR) immediately. HR will conduct an immediate and thorough investigation.
- MGC is authorized to search lockers, desks, purses, briefcases, baggage, lunch sacks, clothing and any other items in which a weapon may be hidden in the workplace. Employees may refuse the search, however, such refusal may result in termination for refusal to cooperate.
- Retaliation against an employee who has filed a complaint or cooperated with the investigation of a complaint will not be tolerated and will be subject to corrective action up to and including termination.
- Employees, who knowingly make a false allegation of an employee, vendor or customer displaying a prohibited weapon will be subject to corrective action up to and including termination.
- Employees, who are found to have a prohibited weapon on MGC property or in the course of their duties, regardless of location shall be subject to corrective action up to and including termination.

Responsibility

Management employees shall monitor the workforce to ensure there are no prohibited weapons on MGC property; HR shall conduct an immediate and thorough investigation of all instances reported to them.



High Performance Project

Human Resources Policies

Commission Review/Approval

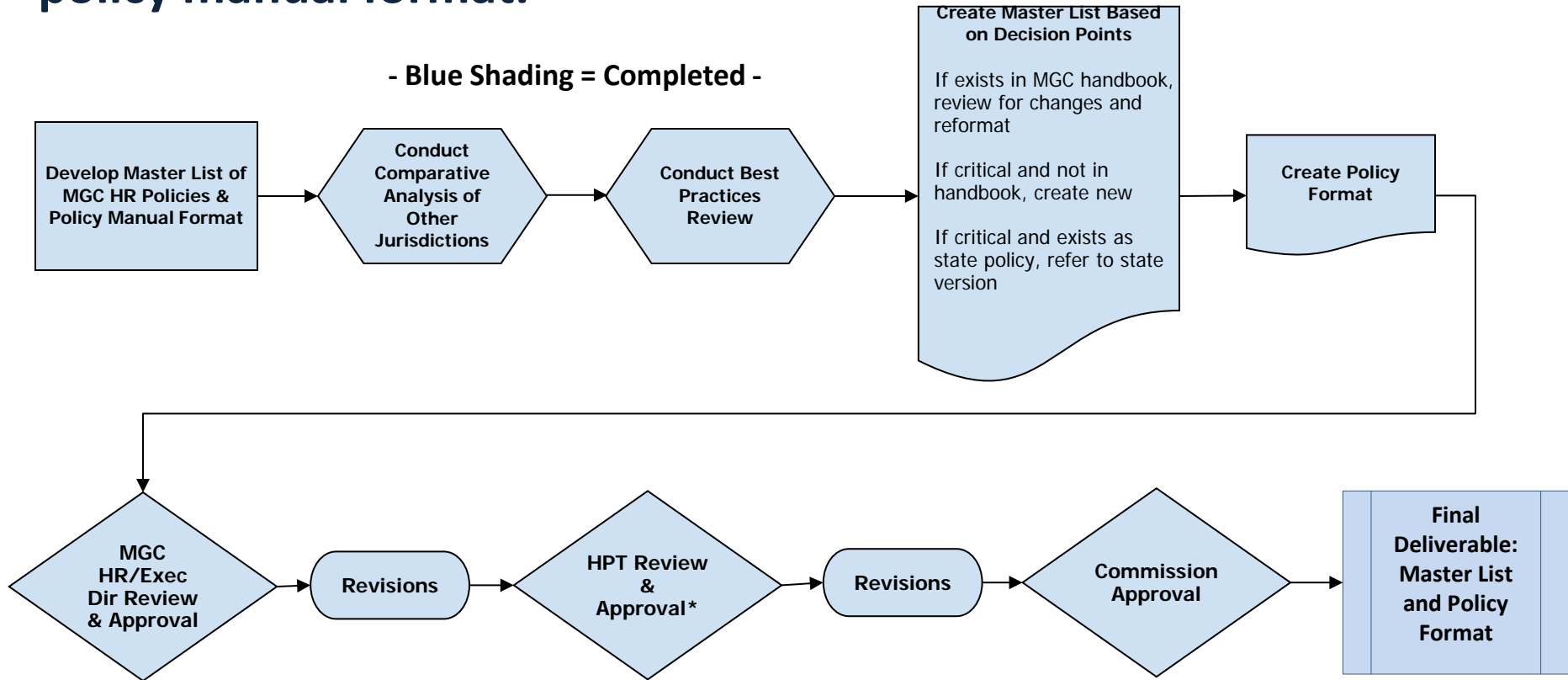
September 25, 2014

This presentation provides the commission with the background and “to-date” results of the HR component of the high performance project to develop policies.

- Workflow for completed tasks
- Workflow for pending tasks
- Executive summary of policies up for commission approval on 9/25
- Appendix: Policy Approval Checklist
- Appendix: Individual policies in full

This workflow shows the structured process the team used in creating and approving a master list of HR policies and a MGC policy manual format.

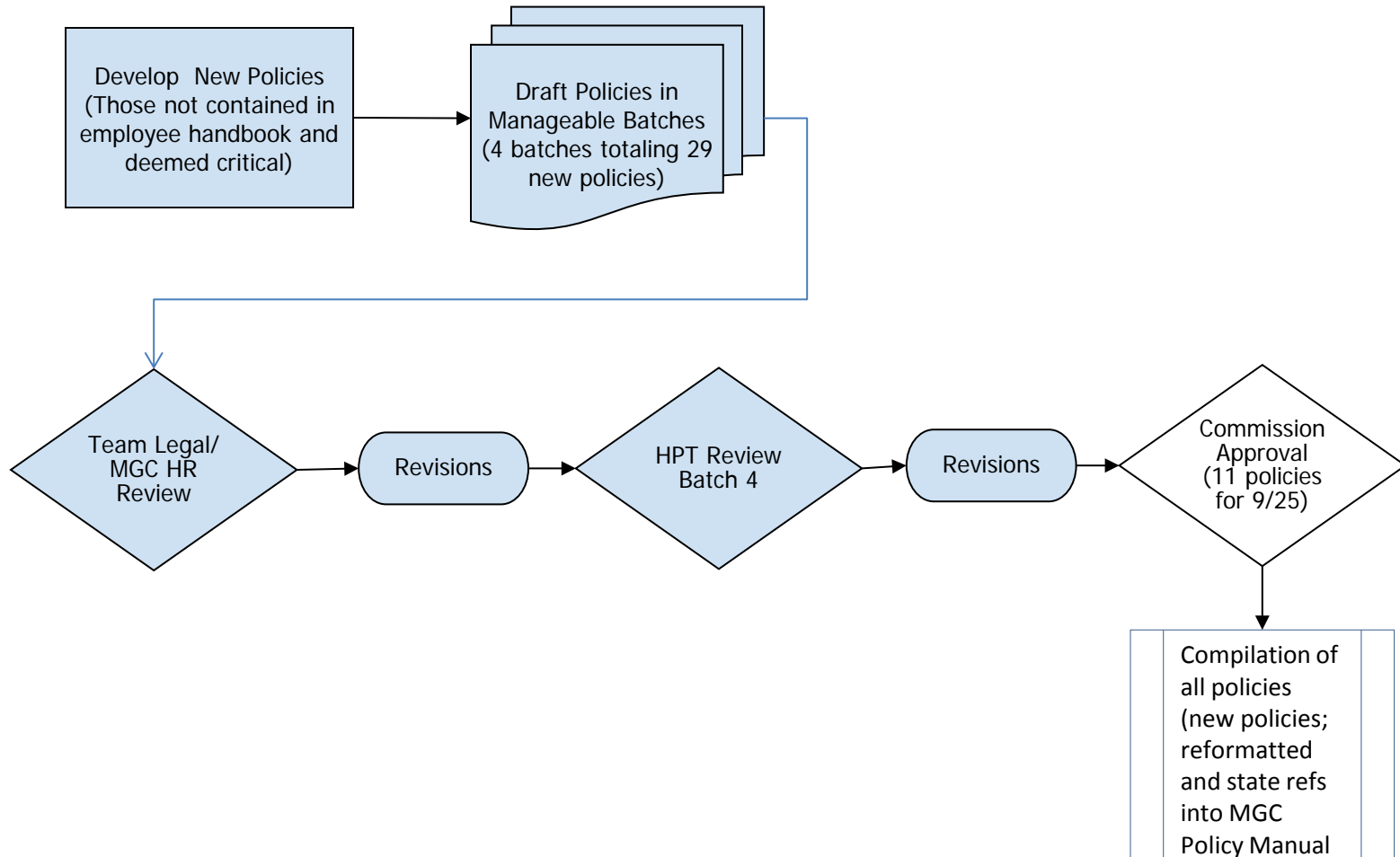
- Blue Shading = Completed -



*High Performance Team Members

- Commissioner Zuniga
- Commissioner Cameron
- Executive Director Day
- General Counsel Blue
- Chief Financial and Accounting Officer Lennon
- HR Manager Banda
- Executive Assistant Dooley
- HR Business Partner Ventola

This workflow shows the process leading to today's collection of HPT reviewed new policies up for commission approval on 9/25.



The following slides show the full text of the “policy statements” in the set of policies up for approval. The complete policy, including procedures and other details, is shown in the appendix.

Voluntary Termination of Employment

It is the policy of the Massachusetts Gaming Commission (MGC) to provide employees with a mutually rewarding employment experience. However, the MGC recognizes that varying circumstances will cause employees to voluntarily resign from their position. The goal of the MGC is to create a smooth exit process.

Internal Transfer

It is the policy of the Massachusetts Gaming Commission (MGC) to provide employees with a supportive environment designed to encourage the pursuit of professional goals and career objectives. MGC recognizes that the best candidate for a position may already be an employee. MGC also believes that talented employees stay longer and contribute more value in an environment that encourages growth and development. Finally the MGC recognizes that the short-term implications of having to replace an employee who transfers is less disruptive to the MGC overall than losing an employee to an outside organization.

More policy executive summaries...

Workplace Privacy

It is the policy of the Massachusetts Gaming Commission (MGC) to provide employees with office space, tools, software and other office equipment necessary to carryout their work assignments. Those using MGC work spaces or equipment should not have an expectation of privacy.

Compensation

It is the policy of the Massachusetts Gaming Commission (MGC) to maintain a compensation program that is non-discriminatory and helps to ensure that it can attract, motivate and retain exceptional employees. MGC compensation is designed and administered to comply with the Equal Pay Act (EPA) and all other state and federal laws and regulatory requirements.

More policy executive summaries....

Pay Practices

It is the policy of the Massachusetts Gaming Commission (MGC) to pay employees accurately, timely and fairly. The MGC complies with all federal, state and local wage and hour laws and pay practice requirements.

Performance Evaluation

It is the policy of the Massachusetts Gaming Commission (MGC) that managers/supervisors discuss with each of their direct reports the goals and performance expectations for the upcoming year. The MGC values each employee and understands that a productive and motivated workforce requires that each employee receive regular and ongoing verbal feedback about their performance, as well as an annual written performance evaluation.

The goal of evaluations is to provide an objective assessment of the employee's support for MGC's performance goals.

More policy executive summaries...

Harassment Free Workplace

It is the policy of the Massachusetts Gaming Commission (MGC) to provide a work environment where everyone is treated with dignity and respect and is free of being harassed because of their protected status which includes their race, color, religious creed, age, national origin, sex, physical or mental disability, veteran or active military status, sexual orientation, gender identity or expression, genetics, marital status, ancestry, citizenship, pregnancy, or any other protected status covered by federal, state or local law.

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More policy executive summaries...

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Appendices.

- Policy tracking spreadsheet
- Copies of full policies up for approval today aggregated into one document



HENRY A. SILVA, CPA, CGMA, MBA
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Mr. Silva joined the firm in 1996 and brings to Kahn, Litwin, Renza & Co., Ltd. over 25 years of public and private accounting experience. He has a wide range of audit and consulting experience with clients in a variety of industries, including healthcare, manufacturing, service, retail, distribution, not-for-profit, construction, education, hospitality, employee benefit plans, internal control consulting and service organization control (SOC) reporting.

Henry graduated with a B.S. in Business Administration with a concentration in Accounting and then went on to gain his Masters in Business Administration, earning both degrees from Providence College. Mr. Silva is the chair of the firms Retirement Plan Services and Small and Emerging Business Groups.

He is a member of the American Institute of Certified Public Accountants (AICPA), the Rhode Island Society of Certified Public Accountants (RISCPA) and the Massachusetts Society of Certified Public Accountants (MSCPA). He is currently serving on the Board of Overseers for the Providence Children's Museum and is a board member at The Entrepreneurship Institute (TEI) – Greater Boston chapter. He is a member of the finance committee at The Learning Community and serves on the sports committee and as a basketball coach for Mercymount Country Day School. He is past chairman of the school board and finance committee member at St. Raphael Academy. Mr. Silva has been an adjunct professor in the Economics department at Brown University since 2002.

In the past, he has been an adjunct professor at Providence College and Johnson & Wales University. He has served on both the Executive Committee and as treasurer for the Worksite Wellness Council of Rhode Island and the Providence Children's Museum and was a member of the Board of Directors of Woonsocket North Stars Youth Hockey. He has been a speaker for the Boy Scouts of America Career Awareness Program and was an instructor for Junior Achievement of RI Project Business program and for the RISBDC Financial Management Seminars.



*Certified Public Accountants
and Business Consultants*

MICHAEL MEDEIROS, CPA, MPAC
Audit Supervisor
mmedeiros@kahnlitwin.com

Mr. Medeiros joined KLR (Kahn, Litwin, Renza & Co., Ltd.) in 2013 and has over 7 years of experience in public accounting. Michael's career in public accounting began in 2007 after he graduated from Boston College with a Bachelor of Science in Management, with concentrations in Accounting and Finance, and his Masters in Professional Accountancy from Bryant University.

Michael's career at KLR includes servicing clients in the manufacturing and distribution, professional services, and emerging and start-up industries. He is also part of the employee benefit plan audit team.

Michael is familiar with audit and review engagements for a range of businesses including start-up companies in the technology and software industries, pharmaceutical companies, manufacturer's, distributors as well as publicly traded companies that report directly to the Securities and Exchange Commission. His experience includes assisting clients in complying with the provisions of Sarbanes Oxley and the evaluation of internal controls. Michael's experience has provided him with technical expertise related to complex equity structures, internal controls, exposure to various types of revenue recognition models and stock based compensation.

Mr. Medeiros's professional memberships include the Rhode Island Society of Certified Public Accountants (RISCPA), Massachusetts Society of Certified Public Accountants (MSCPA) and the American Institute of Certified Public Accountants (AICPA).

MASSACHUSETTS GAMING COMMISSION
Control Narratives for Budgetary Controls

Budget Preparation

Each department in all branches of Massachusetts state government, including the Commission, is responsible for preparing an annual budget. The Commission performs annual revenue and expense projections and monitors the budgeted amounts to actual amounts on a monthly basis. The budget is made available to the public on the Commission's official website.

Budget revenue is funded through an annual fee per slot machine as well as additional assessments and fees to licensees and applicants (i.e. casino and gaming licenses, racing licenses etc.). The gaming act appropriated \$15 million from the stabilization fund to fund the initial operations of the Commission, which is required to be repaid upon receipt of sufficient license fees. See more regarding the sources of revenue per our revenue internal control documents. The Commission is not funded with taxpayer monies or state appropriations.

Budget expenditures must be made in accordance with state finance law and other applicable laws, regulations, policies and procedures. The Commission utilizes the Expenditure Classification Handbook (ECH) as a reference to ensure those requirements are met. As more fully described in the contracting and contract processing internal control documentation, the object classes and object codes contained in the ECH indicate the types of goods and services for which Commonwealth funds are expended. The ECH includes the object code descriptions and instructions regarding the encumbering and expenditure of all funds. The object code descriptions are brief explanations of the goods and/or services for which funds are encumbered and expended. The object codes are used for all expenditures of the Commonwealth, regardless of whether the payment is to employees, contractors, individuals, recipients, sub-recipients, beneficiaries, political sub-divisions or other departments. Object classes are identified under lettered categories such as "JJ - Programmatic Operational Services." Object codes are more specific expenditure breakdowns within an object class, such as "J50 - Instructors/Lecturers/Trainers." The budget prepared by the Commission categorizes expenses based on the object class level, as is standard with other state agencies.

The budget is prepared by the Payables Manager and the CFAO. It is important to note that the Commission's budget does not undergo the normal Massachusetts state departmental budget process but instead all internal deadlines and requirements are established by the five appointed commissioners of the Commission. The annual budget runs on the fiscal year of July 1 to June 30. The initial budget preparation process begins with the Payables Manager and CFAO reviewing historical data per the prior year's budget to actual which is updated with preliminary projections based on known and expected activity to the best of their knowledge. The Payables Manager and CFAO use this preliminary data as a foundation prior to meeting with the heads of each division.

The Payables Manager and CFAO coordinate a meeting with a senior member and/or division head of each of the Commission's divisions in order to further understand each division's needs and expectations going into the coming fiscal year so funds can be allocated in the budget appropriately. A number of factors, including but not limited to, the estimated personnel, training, employee salaries and any additional resources needed are discussed. For the 2015

fiscal year, the budget preparers met with all 13 divisions in order to compile the Commission-wide budget, factoring the results of the discussions with each of the division heads.

The Payables Manager will compile and input the budget data using a Microsoft Access database. Each division director will review and approve each division's respective projections verbally and then the budget is formally approved by the CFAO. The budget is then reviewed and approved by the Executive Director. Any amendments or changes to the budget throughout the process are made by the Payables Manager and then must undergo the same approval process of the CFAO and Executive Director. Following approval by the Executive Director, the budget is to be reviewed and approved by the commissioners of the Commission. Note that the meeting of the commissioners is required to be a public meeting.

RECOMMENDATION – Budget preparers are also responsible and heavily involved in approval of expenditures. In order to increase segregation of duties, the budget preparers should be independent of the contract initiation process and expenditures approvals as noted in the National Association of State Comptrollers Internal Control Self-Assessment tool.

Management's Response – *The Division of Administration and Finance will be a small division, and does not anticipate in the foreseeable future growing in the budget and A/P area. The current staffing of two individuals is the maximum intended staffing level. In order to mitigate the risk indicated above, the MGC has implemented a process where the CFAO and the Payables Manager coordinate the budget development, but review the budget before it is presented to the Commission with the MGC Treasurer and Executive Director. MGC also intends to develop a committee with a representative from each of the licensees to review and receive recommendations on the annual budget recommendation prior to presenting it at a public meeting.*

Budget Monitoring

Upon formal approval of the commissioners at the public hearing, the budget is considered final and it is to be maintained in the MMARS accounting system for tracking purposes. Using MMARS, the agency developed database, and per the required coding of the ECH, the CFAO is able to continuously monitor budget to actual amounts. As further described in both the contract and contract processing section and the invoice receipts and payments section of the internal control documentation, all expenses must follow strict guidelines which require each division head and then the CFAO and/or Executive Director to approve all expenditures. Given the controls inherent in expenditures and the limited personnel of the Commission, the CFAO has constant oversight over Commission expenditures. At the conclusion of each month, a month-end review is performed by the CFAO to compare budgeted revenues and expenses to actual amounts to be done on a timely basis.

The budget is updated each month for the budget to actual detail and is posted to the Commission's official website, which is available to the public. The budget includes the annual budgeted amounts and then a break-out of each month's actual expenses including a year-to-date total in order to show remaining projections and available expenditures and anticipated revenues.

Given the constant oversight by the CFAO any variations from the budget including budget shortages, fund deficits, or lack of available appropriations are immediately identified and discussed with upper management and the division heads as considered necessary. Variations from the budget are discussed and explanations for any variations are to be provided and supported then to be reviewed for reasonableness. Note that in total the Commission's budgeted expenses are not to be exceeded and there is no internal pressure for divisions to meet projected expenditures as available funds can be used in the subsequent year. Inter-divisional available expenditures may be re-allocated from another division within the Commission if a divisions available funds are exceeded and are recommended to the Commission to be adjusted on a quarterly basis by the CFAO, as needed, based on activity and updated information during the fiscal year.

MASSACHUSETTS GAMING COMMISSION
Control Narratives for Payroll and Personnel

Personnel Rules, Policies and Code of Conduct

Personnel rules and policy memos are published and distributed to all employees during new hire orientation and during training sessions held by Human Resources throughout the year. Employees must sign an acknowledgement that they received the Employee Handbook and Enhanced Code of Ethics which is documented on the New Hire Action Items Check List and maintained in their employee personnel file.

The purpose of the Enhanced Code of Ethics is to help ensure the highest level of public confidence in the integrity of the regulation of all gaming activities in the Commonwealth. To that end, in accordance with M.G.L. c.23K, §3(m), the Code establishes ethics rules for Commissioners, employees and consultants of the Massachusetts Gaming Commission (the Commission) that are more restrictive than those already applicable to all state employees under M.G.L. c.268A and c.268B.

Conduct of employees shall at all times adhere to the highest standards of professional conduct and accountability and reflect favorably upon the Commission. Employees are expected to conduct themselves in their official relations with the public and with their fellow employees in a manner which will enhance public respect for, and confidence in, the employee, the Commission, and the Commonwealth as a whole. Employees are expected to perform their duties in a fair and impartial manner and to avoid any conduct which gives the reasonable basis for an impression that they are acting otherwise. In no case should they abuse the integrity of the Commission or improperly use their official title.

Employees must review and comply with M.G.L. c. 268A (the Conflict of Interest Law) and the Commission's Enhanced Code of Ethics as well as other applicable state and federal laws governing the conduct of public employees. In addition, within thirty days of being hired and then every two years thereafter, all employees must complete the State Ethics Commission's online training, which is available at the Ethics Commission's web site www.mass.gov/ethics. Upon completing the program, employees should print or save the completion certificate and keep a copy for themselves and forward a copy to the Human Resources Department. Employees are encouraged to call the Massachusetts State Ethics Commission Attorney of the Day hotline if they have any questions about the application of M.G.L. c. 268A or c. 268B. If they have any questions about the Commission's Enhanced Code of Ethics, they may consult with the Commission General Counsel.

Ethics Training

Although this Code is intended only to enhance and supplement the existing provisions of M.G.L. c.23K, G.L. c.268A, G.L. c.268B, and 930 CMR, Commissioners and employees must be fairly and fully apprised of all ethical obligations incumbent upon them. To that end, the Commission shall provide ethics training to all Commissioners and employees. The training program shall be as follows:

1. Each Commissioner and employee of the Commission shall be provided with a copy of the Code, a copy of M.G.L. c.23K, M.G.L. c.268A, M.G.L. c.268B, 930 CMR, and Advisory 86-02: Nepotism issued by the State Ethics Commission, and the Campaign Finance Guide published by the Office of Campaign and Political Finance within 14 days of appointment or employment.
2. Within 30 days of appointment or employment each Commissioner and employee shall undergo a program of ethics training administered by the Office of the General Counsel. The program shall cover the provisions of this Code, and the applicable provisions of M.G.L. c.23K, M.G.L. c.268A, M.G.L. c.268B, 930 CMR, M.G.L. c.55, and the Conflict of Interest Law Online Training program prepared by the State Ethics Commission. The program shall be reviewed and approved by the Executive Director.
3. At the completion of the training program, each Commissioner and employee shall sign a form acknowledging receipt of the materials, completion of the Conflict of Interest Law Online Training program, and completion of the Commission's ethics training program. The form shall be signed by the trainer upon completion.
4. Each Commissioner and employee shall complete the process outlined in this section on an annual basis.

Annual Filing

On an annual basis, each Commissioner and employee shall file the following with the Executive Director:

1. A copy of the Ethics Training form required under section 5(C) of this Code.
2. If they are required to file a Statement of Financial Interest with the State Ethics Commission in accordance with G.L. c.268B, §5, a receipt showing that they have done so.
3. A disclosure statement required under section 8 of this Code.

Personnel Records

Personnel records are maintained for each employee by the Human Resources Department in the Human Resources Manager's office. At the time of hire, the New Hire Actions Items Check List is used to document that all required items are maintained in the new hire's personnel file. In addition, all employee compensation and position changes are documented and approved using the Employee Action Form. Approved Employee Action Forms are maintained in Human Resources.

To ensure their accuracy, employees should notify the Human Resources Department of any changes in name, address, telephone number, and marital status, number of dependents or changes in your next of kin and/or beneficiaries. If there is a disagreement about the information contained in an employee's personnel record, the employee and the Commission may mutually agree about a correction or removal of the information. If an agreement cannot be reached, the employee may submit a written statement explaining his/her position, which will become part of the personnel record for that employee, along with the original information. The Commission complies with state law requirements regarding employee notice when certain types of negative information are placed in a personnel file.

Employees who submit a written request to review their personnel files will receive an opportunity to view their files within five business days in the Commission's office and during normal business

hours. In accordance with state law, employees may request to review their personnel files twice per calendar year. Employees who submit a written request for a copy of their personnel files will receive a copy of their files within five business days.

Self Service Time & Attendance Policy and Procedures

The goal of this policy is to establish standards regarding attendance and to describe the procedures for consistency across the department and to properly comply with the requirements of the Human Resources Division's (HRD) Time and Attendance Policies and Procedures. Additionally to ensure compliance with Federal and State Laws, Collective Bargaining Agreements, the Red Book, the Commonwealth policies and the Human Resources /Compensation Management System (HRCMS) standards.

Self-Service Time and Attendance (SSTA) enables employees to enter and submit their timesheets online. This policy applies to all Commission year-round and seasonal employees, managers, and confidential employees. This policy supersedes any and all previous policies and communications on time and attendance throughout the department.

Online Time Reporting

Under SSTA, there is one way for Commission employees to enter their daily time online.

- All employees will adhere to the best practice of entering their time daily when possible to ensure that when submitted to an approver, the time recorded is accurate, thereby ensuring that the approver will have ample time to ask questions when necessary, and to request the employee to make corrections in their timesheets before approval is given.
- All employees must enter their time for the week before the end of the business day every Thursday by 5:00 p.m. All approvers must approve employee timesheets before 12:00 noon every Friday. Even though we are paid bi-weekly and best practice is to enter time daily, all employee time must be entered on a weekly basis.
- Payroll is done on a “positive reporting” time basis. This means that the employee is responsible for recording his/her daily time, supervisor or designee approves online, and agency human resources/payroll staff approve any time reporting codes that require special approval (for example travel reimbursements, garnishments, etc.).
- The first point of contact for all time and attendance questions, and related issues or concerns should be the Employee Service Center (ESC). Phone: 617-979-8500 or email the ESC at: MassHREmployeeServiceCenter@State.MA.US.
- All employees log into SSTA using their Employee ID. This is a unique number assigned to each employee. It is used to access SSTA. Each time approver is assigned a Group ID. The Group ID lists all the employees reporting to the time approver. When accessing SSTA for the first time, the employee uses their Employee ID as the log-in. Their password is the Employee ID and last four digits of the social security number. The system prompts to create a new password. Passwords must be reset every 60 days.
- The Human Resources Manager will serve as the point of contact for the ESC staff when issue resolution is required, and will continue to be responsible for setting up and

maintaining employee data in HR/CMS as required to support time entry, among other unique duties.

- All business units are responsible for maintenance of an Internal Control Plan and for keeping department procedures up-to-date with any change of the process or procedure including the implementation of SSTA.
- Employees are instructed not to change (or delete/alter) any information that may appear on their timesheet that they did not enter. For example, travel reimbursement amounts (if appropriate) may be entered by the payroll staff. If they change or delete this information, and their manager approves their timesheet unknowingly, this could cause problems for the employee that could adversely affect one's pay. If an employee changes their time after their manager has approved their time, the employee must notify their manager to ensure the new time change has been approved as re-approval is required. If any information appears on their timesheet that they do not understand, they are told to call the ESC at 617-979-8500 or email the ESC at MassHREmployeeServiceCenter@State.MA.US and ask for an explanation.
- Time approvers are responsible and accountable for managing their unique Group ID.
- Time approvers may delegate time approval of employees in his or her group to another peer time approver or his/her manager during a planned or emergency absence. All submitted employee time entered must be reviewed and approved weekly.
- Delegation of approval authority will have a defined period of time, a beginning date and an end date during a pay period. As all employees are responsible and accountable for entering their own time, all time approvers are responsible and accountable for reviewing and approving time, thus ensuring that they do not abuse their Group ID and authority.
- Delegation of their approval responsibilities laterally to a peer time approver, should be reserved for instances when the time approver is on vacation or not available to approve employee's time. This action must be effective on a Sunday and put in the system a day in advance for approver delegation to occur.
- Time approvers will not delegate time approval to an employee in her/his group as employees are not authorized to approve their own time, nor that of their colleagues, consistent with agency Internal Control Plans.
- Within 48 hours (2 days), time approvers/supervisors must provide written notification (i.e. e-mail) to HR staff of any change for an employee that will affect time approvers (i.e. new or different reporting relationships, employee work status, etc.). Any changes to schedules and shifts require the pre-approval of the employee's supervisor, the Division Director and the Human Resources Manager.
- Employees "certify" their hours entered in HR/CMS are correct by clicking "submit". Given the SSTA time entry deadline of Thursday at 5pm (Wednesday at 5pm if the following week has a legal holiday celebrated on a Monday during which payroll is running), time reported for Friday or Saturday of the same week are predicted hours. If the hours actually worked on Friday or Saturday (or Thursday preceding the holiday Monday of a payroll week) is

different than what was previously submitted, the time should be changed on the timesheet that week if possible or the next week as a prior period adjustment. Employees or supervisors who intentionally or falsely under-report or over-report the weekly hours worked by themselves or others for which they are approving time in HR/CMS, may be subject to discipline up to and including termination. Employees may not share passwords or allow others to use their password or time collection device cards to record their hours worked.

- The following recordkeeping requirements apply to time and attendance records, based upon the disposition schedule issued by the Secretary of State. Electronic time and attendance records will be the official records for pay purposes.
- The electronic time and attendance record entered into HR/CMS for payroll purposes will be maintained for at least six (6) years.
- Records should not be destroyed while they are subject to litigation, audit, investigation, or when investigation is probable.
- The Office of Human Resources reserves the right to audit employee time and attendance at any time, as does the Commonwealth's HRD and the State Auditor's Office. Facilities/offices not in compliance with this policy will be notified and must become compliant immediately.
- To comply with the Information Technology Division (ITD) IT Policy, all Commission employees are prohibited from accessing e-mail from non-Commonwealth e-mail systems, such as Google, Yahoo or other internet based emails, including e-mail originated from the ESC. External email systems have been a primary route of virus infiltration into the Commonwealth's network.

Overtime and Compensation Time

Non-exempt employees will receive straight pay for hours worked in excess of 37.5 hours in a work week, and overtime pay for hours worked in excess of forty in a work week at a rate of one and one-half times the employee's regular rate of pay. Only actual hours worked count toward computing overtime.

Paid time off (e.g. earned time, holidays, and bereavement leave) that is not actually worked or unpaid leave is not counted in the calculation to determine whether an employee has worked over 40 hours in a week and is eligible to receive overtime pay. Only the hours actually worked by a non-exempt employee during a Paid Holiday, early release or a Commission declared emergency storm closing will be counted in the calculation to determine whether an employee is eligible for overtime pay.

All instances of overtime work by non-exempt employees must be approved in writing in advance by the employee's manager or department head. Employees may not be given "blanket approval" to work overtime at their own discretion. Non-exempt employees who work overtime without prior manager or department head authorization may be sent home before the end of the day or work week to limit worked hours to 37.5 hours.

Leave Time Balances

On SSTA, leave time balances reflect the actual time an employee has available and is eligible to use. The SSTA application validates that an employee has enough leave time when the timesheet is submitted. If an employee does not have enough time in their balance, they will receive an error and will need to change their time. Approvers do not need to re-validate the balances when approving the timesheet.

Employees requesting sick leave must notify their supervisor or designated representative in accordance with the time frames provided in the Commission's Policy or in their respective collective bargaining agreement prior to the start of the employee's work shift on each day of absence.

Employees requesting the Family Medical and Leave Act should notify the Human Resources Department at least 30 calendar days advance notice prior to FMLA leave beginning. When leave is unforeseeable in fewer than 30 days, notice should be made as soon as practicable.

Holiday

Unless specifically cited in the Commission's Policy, their respective collective bargaining agreement or the red book, request for a holiday compensatory day off instead of receiving holiday pay will no longer be permitted. Beginning with implementation of this policy, all employees will begin receiving holiday pay when a holiday occurs on the regular scheduled workday of an employee, if not required to work that day or if it occurs on a day that is not an employee's regular workday.

Hiring Process

The following information is to be used as a guideline and is intended to offer steps and suggestions to provide for a smooth interview and selection process for vacant positions. The Commission is dedicated to hiring and/or promoting the best qualified candidates available. The Commission is committed to equal employment opportunities for all persons.

Applications

All persons expressing interest in employment with the Commission will, without exception, be directed to the Human Resources Department. When a new employee is needed, either to fill a new position or to replace an employee who has left, the first step in the hiring process is to create or update the job description. Primary responsibility for this step rests with the Hiring Manager (see below). If developing a new job description, the Hiring Manager uses MGC's Job Description Template (available from HR), which includes MGC standard language on equal employment, diversity, and background check requirements.

A listing of current job openings will be made available on the MGC website and intranet, although, the Commission reserves its right not to post a particular opening. The position postings allow the Commission to inform employees of openings that may afford them opportunities for advancement or transfer.

Hiring Manager

The Commission or the Executive Director shall designate a "Hiring Manager" for each vacant position. The Executive Director or any of the Commissioners may serve as a Hiring Manager and

each may serve as a Hiring Manager for more than one vacant position at the same time. Another employee of the Commission may also serve as a Hiring Manager. The Commission may designate a Hiring Manager for one or several positions at any time, and/or may also designate a Hiring Manager for certain positions as long as a hiring plan has been previously approved by the Commission.

The Hiring Manager will develop and draft a detailed job description, which shall be reviewed by the Human Resources Department for compliance with hiring policies and procedures, and overall structure of and fit within the organization. The job description shall include minimum qualifications, level of experience being sought and both general descriptions of the typical tasks and detailed examples of those tasks. After developing the job description, the Hiring Manager completes an Employee Action Form. The Hiring Manager routes the completed form, with the job description attached, to the department manager, the Human Resources Manager, the Chief Financial and Accounting Officer (CFAO), and the Executive Director, all of whom must sign in the “Approvals” section of the form. Once all approvals are obtained, the Hiring Manager submits the completed Employee Action Form to the Human Resources Department.

Once all approvals are obtained, the Hiring Manager submits the completed Employee Action Form to Human Resources along with a training plan using the Training Schedule Template. The plan must include HR Onboarding, Ethics Training, and Statement of Financial Interest (if applicable).

Interviews

The goal of the interview is to provide a professional, equitable and unbiased interview and selection process. The integrity of the interview team must be based on the highest ethical standards.

Interview Team

The Hiring Manager or designee should establish the interview team and must review the interview and selection process with team members. Suggestions for selecting team members are as follows:

- Not less than three (3) members on each interview team and no more than five (5). Larger teams can overwhelm an applicant and hamper performance during the interview.
- Variety of age, gender, and ethnicity on each interview team
- Include an employee in a similar position on the interview team.
- Include the supervisor of the position
- Include a member of the Human Resources Department staff, which is highly recommended.

The Hiring Manager or one member of the team should be identified as the team leader. That individual will be responsible for conducting the flow of the interview, including introduction and explanation of the entire interview and selection process. Remember that each interview team member must take their role seriously, and the team’s deliberations mean a great deal to the careers of each candidate they interview. The members of the interview team must remain the same for the entire round of interviews. This means that if you need to schedule interviews for round one over several days, the same team must be utilized through that entire round. You may establish a different team for each additional round if you wish.

Prior to the Interview

Human Resources begins to advertise the position. Referring, if necessary, to the document Instructions for Posting MGC Jobs, Human Resources posts the position on the MGC website and the Commonwealth Employment Opportunities website. For certain positions, Human Resources may also advertise the position through affinity groups, such as NAGRA. As responses to the job announcement come in, Human Resources sorts and reviews the resumes, and forwards qualified candidates to the Hiring Manager.

Based on the job description, the Hiring Manager and the Team Leader must meet to develop screening criteria that will be used to review cover letters and resumes/applications for the selection of candidates to be interviewed. The purpose of the screening criteria is to ensure that all candidates to be interviewed meet a specified competency level. Establish screening criteria based on the minimum entrance requirements (MERs), special requirements, and the essential skills and subject matter knowledge that an individual must possess in order to do the job. All applicants must be screened using the same criteria. All Commission employees who, at least, meet the MERs as established by the HRD must be interviewed. Every effort should be made to interview as many candidates as possible who meet the MERs.

During the screening process, the Commonwealth is committed to establishing a highly talented workforce that reflects diversity. Also, the objectives of that initial meeting are:

- Review the vacancy announcement and job requirements
- Review the resumes/applications
- Discuss the scheduling of interviews
- Determine the length of the interview
- Discuss and gain agreement regarding the interview questions
- Review and gain agreement on the scoring instructions and the process for selecting candidates who will receive a second interview, if necessary.

The Hiring Manager/Interview Team Leader or their designee must provide a set of structured interview questions. Questions should follow the format where the candidate does most of the talking by using open-ended questions rather than ones that solicit a “yes” or “no” response. The questions should be developed by the Hiring Manager and/or the Team Leader. The Human Resources Department may also be helpful in providing sample questions if needed. The Interview questions should focus on job related qualifications. Keep in mind that it is better to have five (5) or six (6) good questions than 10 or more vague questions. If the job is supervisory in nature or supervisory experience is a requirement then you must have questions that will ascertain the candidate’s skills and experience set in supervising staff.

Questions regarding race, religion, age, sexual orientation, national origin, disabilities, family/marital status, child care arrangements, residence proximity, or personal/private matters are prohibited.

Scheduling Interviews –The list of the candidates must first be reviewed and approved by the Human Resources Department Liaison. The Hiring Manager or designee contacts candidates to schedule interviews.

The Interview

1. Advise the candidate of the time allowed and the number of questions to be asked. Try to stay within the allotted time for the interview. Members of the interview team should give candidates their undivided attention during the interview process and provide a relaxed and friendly atmosphere.
2. Questions must be asked as they are written so that modifications will not lead to an unfair advantage.
3. Clarification questions are appropriate, but probing questions, which might influence answers, are not appropriate.
4. Do not dominate the discussion by talking too much. Many experts use an 80/20 rule – you talk 20% of the time and the candidate talks 80% of the time.
5. Rating of candidates' knowledge, skills, and abilities to perform the job must be based on the job description and site specific criteria (if any). Personal bias should not enter into the evaluation.
6. Interview team members may take notes during interviews regarding the knowledge, skills, and abilities of candidates for the position. All papers and notes must be given to the hiring manager for submission to the Human Resources Department.
7. The interview rating should be completed independently. At the end of the interview, the interview team may discuss the candidates and the recommendation for selection. Such discussion shall be confidential and shall not be repeated or shared outside the interview team.
8. The interview team members should be prepared to answer candidate's questions about the Commission and the position.
9. Explain the selection process to the candidate and offer realistic timeframes.
10. Questions asked by candidates related to salary, scoring, comparison of candidates, and terms and conditions of employment should be referred to the Human Resources Department.
11. Thank the candidate for his/her time and interest.

Second Round of Interviews (If needed)

A second interview should be initiated for the top two or three candidates based on information gathered from the resume, application, and the first interview.

The second interview could be used as an opportunity for the supervising manager to evaluate the candidate. It provides a valuable means to cross check information, to obtain additional details on the candidates, and to conduct a practical test.

The second round of interviews should be conducted in the same manner as the first round of interviews. The questions for the second round should be more specific to the job and may contain more scenario questions.

After each Interview

- Rate the applicant as a potential employee.
- Discuss the candidate's responses, reactions and interest.
- After interviews are conducted, the interviewer will fill out a written assessment of each candidate and forward the assessment to the Commissioners or the Executive Director, as directed.

Reference Checks and Recommendations

Final candidates must provide at least three references with the number and type of references being based upon the position involved and will be determined by the Human Resources Department. All recommendations references must be in writing and directed to the Human Resources Department. Verbal recommendations references will not be considered. A reference check must will be completed and documented. Letters of recommendation for the candidate who is hired will become a matter of public record.

Written recommendations for employment submitted by third parties in support of candidates prior to determination of the final candidates for the position applying for employment, shall not be considered by the hiring manager or human resources until the applicant has met all other qualifications and requirements for the position to be filled. Other application materials for that candidate and all application materials for unsuccessful candidates, including the resume, will not be public records.

Making the Final Selection

Based on the application materials and the written interview assessment, the Commissioners or the Executive Director, or his/her designee, will choose a final candidate or a short list of final candidates. The final candidate or candidates must provide references and permission for a background/CORI/SORI/credit check in accordance with the Commission's Background Check Policy. HR will give the selected candidate(s) a conditional offer and if the offer is accepted, HR will send the candidate background check application with detailed instructions. HR will review application for completeness and then submit for processing.

Candidate Selection and Firm Offer

When the reference and background/CORI/SORI credit checks are complete, the Commissioners or the Executive Director, or his designee, in consultation with the Human Resources Department, shall choose whether to make an offer of employment and to which candidate. If additional interviews are required to make this determination, additional interviews may be conducted. When an offer of employment is made, it shall be made in writing by the Human Resources Department to the successful applicant.

Employment Changes

All employee compensation and position changes are documented and approved using the Employee Change Form. The Employee Change Form requires approval by the employee's supervisor, the Executive Director, the Finance Department and the Human Resources Department.

Resignations and Termination of Employment

Employment with the Commission is at will. Nothing in this handbook creates an expressed or implied contract.

By Employee

Employees considering leaving the Commission's employ should discuss the situation with their manager. With a better understanding of the concerns it may be possible to make an adjustment that will satisfy the employee. If, after due consideration, the employee decides to resign, the employee should submit a resignation in writing to his/her manager at least two weeks prior to

the employee's last day or work.

By Employer

The Commission maintains the right to terminate any employee of the Commission without cause or notice in its discretion.

Procedure

All employees who leave the Commission's employ will be interviewed by the Human Resources Department prior to the final separation and will complete necessary termination forms and procedures. Employees will be required to return the Commission's property, including company-owned keys, electronic equipment, and any other property. Employees will be paid in accordance with Federal and State law for all outstanding wages due.

Payroll Expenditure Approval

Once an employee's time is recorded, his/her manager must confirm that services have been delivered in accordance with this record. Time and attendance can then be recorded in the payroll system. A signatory authority or authorities certify the entire payroll based on confirmation of managers. Both levels of approval should be done in accordance with the Commonwealth's Payroll Expenditure Policy, State Finance Law and the Commission's internal control plan.

Payroll is a certified expenditure on a warrant issued by the Governor and reviewed by the Governor's Council. Once certified, the warrant is issued to the Office of the State Treasurer for payments and must be included as part of the warrant each time the payroll process is successfully completed. Department heads or their designees must certify payroll expenditures to the Comptroller for inclusion on the warrant in accordance with the Payroll Expenditure Approval policy. This certification must be done biweekly or each time payroll expenditures are presented for payment by the Commission.

These approvals are key steps in the series of reliance for payment consistent with State Finance Law. In accordance with M.G.L. c.7A §3 and M.G.L. c.29 §31, the Comptroller examines all accounts and demands for payment for all Commonwealth accounts and funds unless specifically exempted. The Comptroller requires an affidavit from the Department Head or designee that articles have been furnished, services have been rendered (including payroll) or obligations have been incurred, as certified.

Advances

The Commission maintains a DynaCash account for payroll emergencies or advances. If for reasons other than departmental funding deficits an employee does not receive their biweekly payment, the Human Resources Manager, with approval of the employee's manager and the CFAO should issue that employee a check out of their DynaCash account for the approximate net pay amount. This amount can be deducted from the next biweekly payroll for that employee. The DynaCash account may only be used in this instance. This option is not available in unfunded situations.

MASSACHUSETTS GAMING COMMISSION
Control Narratives for Revenue Receipts and Reconciliations

Status on hiring additional staff:

MGC anticipates hiring one additional revenue staff member by January 2015 to help in the segregation of duties. This hire will coincide with the one Slot Parlor going live. As casinos from Region B and A go live, MGC will hire additional staff to support those revenues.

Sources of Revenue

Casino and Gaming Revenue

The Massachusetts Gaming Commission (the Commission) is responsible for developing and managing the process to select, license, oversee, and regulate all expanded gaming facilities in the Commonwealth.

On November 22, 2011, Governor Deval Patrick signed Chapter 194 “An Act Establishing Expanded Gaming in the Commonwealth”, which gives the Gaming Commission the power to permit up to three full resort casinos, one each in the Greater Boston area (Region A: Suffolk, Middlesex, Essex, Norfolk and Worcester counties); western Massachusetts (Region B: Hampshire, Hampden, Franklin and Berkshire counties); and southeastern Massachusetts (Region C: Bristol, Plymouth, Barnstable, Nantucket and Dukes counties). The law also permits licensing of a single slots facility anywhere in the Commonwealth.



The Commission received applications from gaming applicants who officially submitted their application and a non-refundable \$400,000 application fee toward the award of an expanded gaming license. The deadline for Phase 1 application submission for the slots-parlor license and the resort-casino license in Regions A and B was January 15, 2013. The deadline for Phase 1 application submission in Region C was September 30, 2013. In June 2013, the Commission released the Phase 2 application for applicants seeking a Category 1 resort casino in Regions A & B which had a deadline of December 31, 2013 and the Category 2 slots license which had a deadline of October 4, 2013. The Phase 2 applications were only to be submitted by applicants that received a positive determination of suitability from the Commission in accordance with 205 CMR 115.05(3). The slots parlor license was awarded to Penn National Gaming on February

28, 2014. The first resort casino license in Region B was awarded to MGM Springfield on June 13, 2014. The Commission expects to award the resort casino license for Region A by September, 2014 and for Region C by Spring, 2015. The applications, licenses awarded to date and anticipated timelines for licenses remaining to be issued are available to the public on the Commissions website.

Each developer licensed to operate a resort casino is required to pay the Commonwealth a one-time licensing fee of not less than \$85 million. They are also required to invest a minimum of not less than \$500 million in their gaming establishment. The Gaming Commission is authorized to set the actual fee and the actual minimum investment for each region as part of its request for proposals. Resort casinos will be taxed at a rate of 25% of gross gaming revenue. The slots facility, which will hold up to 1,250 slot machines, has a \$25 million license fee, and a minimum capital investment of \$125 million. The slots facility will be taxed at 49% of its gross gaming revenue.

Gross gaming revenue as indicated above is defined as the total of all sums actually received by a gaming licensee from gaming operations less the total of all sums paid out as winnings to patrons; provided, however, that the total of all sums paid out as winnings to patrons shall not include the cash equivalent value of any merchandise or thing of value included in a jackpot or payout; and provided further, that gross revenue shall not include any amount received by a gaming licensee from simulcast wagering or from credit extended or collected by the gaming licensee for purposes other than gaming; provided further, that the issuance to or wagering by patrons of a gaming establishment of any promotional gaming credit shall not be taxable for the purposes of determining gross revenue.

In addition to the applications and developer licensing to operate a resort casino, every casino employee and gaming vendor must be licensed or registered by the Commission prior to commencing employment or conducting business at a gaming establishment in Massachusetts. Licenses or registrations are required to ensure that those involved with the expanded gaming industry meet statutory requirements.

Application Process

An application for licensure is a two-step process as follows:

Step One: The process for licensure or registration requires the applicant to file an application and also be fingerprinted so the Commission may initiate a criminal records check to determine suitability. In addition, the applicant will be photographed and also be required to supply a handwriting example.

Step Two: When the application materials have been submitted and the application is deemed complete, a background investigation of the applicant will begin. Depending on the license being sought, the investigation may take anywhere from 24 hours to several weeks. The suitability investigations will determine if a company or individual should be granted or denied a license or registration.

An application for licensure will not be accepted and processed without the appropriate application fee, which is non-refundable.

In accordance with [205 CMR 134.00: Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations](#), the following non-refundable initial fees shall be paid at the time of application for licensure, registration, or renewal:

- (a) Key Gaming Employee: Initial fee: \$1,000.00, submitted with the application. The applicant shall be billed for the efforts of the Commission and the Bureau on matters directly related to the applicant that exceed the initial fee at hourly rates to be set by the Commission pursuant to M.G.L.c. 23K., § 30(i) including payment for all unusual or out of pocket expenses incurred by the Commission. Timely renewal fee: \$1,000.00.
- (b) Gaming Employee: Initial fee: \$300.00 Renewal fee: \$300.00.
- (c) Gaming Service Employee: Initial fee: \$75.00 Renewal fee: \$75.00.
- (d) Gaming Vendor-primary: Initial fee: \$15,000.00, submitted with the application. The applicant shall be billed for the efforts of the Commission and the Bureau on matters directly related to the applicant that exceed the initial fee at hourly rates to be set by the Commission pursuant M.G.L. c. 23K., § 30(i) including payment for all unusual or out of pocket expenses incurred by the Commission. Timely renewal fee: \$15,000.00.
- (e) Gaming Vendor secondary: Initial fee \$5,000.00 Renewal fee \$5,000.00.
- (f) Gaming Vendor qualifier: No individual fee. The fee shall be included as part of the application fee for the Gaming vendor. Any additional fees resulting from the investigation of a gaming vendor qualifier shall be assessed to the gaming vendor in accordance with 205 CMR.134.15(2).
- (g) Non-gaming Vendor: Initial fee: \$100.00 Renewal fee: \$100.00.
- (h) Labor Organization: Initial fee: \$200.00 Renewal fee: \$200.00.
- (i) Replacement/Name or Address Changes: \$10.00.
- G) Late Fee: a 10% late fee will be assessed to the initial application fee if a renewal application is not received by the Commission by the due date.

Detailed instructions and definitions for each employee and vendor category (Gaming Employees and Gaming Vendors) are located on the Commission's website and are included in 205 CMR 134.00.

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

Licenses and registrations issued in accordance with 205 CMR 134.00 above shall be valid for the terms per [134.16: Term of Licenses](#). At the expiration of the term, the Licenses and registrations must be renewed in accordance with [134.17: Renewals](#). A granted license is valid for a period of three years and then must be renewed. A granted registration is valid for a period of five years and then must be renewed. The Commission has the authority to open a licensing investigation to ensure that licensees or registrants remain suitable to conduct business with or be employed by a gaming licensee. For any license revoked or denied, the licensee has the right to appeal for a hearing to dispute any denied licenses.

Receipt of Casino and Gaming License Applications

The Commission handles license applications for the casino/gambling licenses independent of the MMARS system. The application materials per the process outlined above are submitted by mail to the Commission's corporate office. All mail is sorted by the Licensing Receptionist and license applications are provided to the Director of Licensing, who provides the application materials to the Licensing Department (Licensing Supervisor or Licensing Specialist), who is responsible for ensuring completeness of the application. The Licensing Supervisor will then assign a unique license number for each application based on the respective license type. The syntax for each license number includes a three digit alphabetical code based on license type followed by a unique sequenced number for each type. The license number can never be recycled and a license number is always unique to an applicant. The assigned license codes are as follows:

Code	License Type
VGP	Vendor Gaming Primary
VGS	Vendor Gaming Secondary
NGV	Non-gaming Vendor
GKE	Gaming Key Executive
GKS	Gaming Key Standard
GEL	Gaming Employee License
SER	Service Employee or Registrants
VPQ	Vendor primary Qualifier
VSQ	Vendor Secondary Qualifier
GLQ	Gaming License Qualifier
SUB	Subcontractor

The Licensing Department will contact the licensee to notify them that their application has been received and if any additional materials are needed. The Licensing Department ensures payment has been obtained and copies of all the application materials including copy of payment support is filed and maintained in locked file cabinets located in the Licensing Department. Payment is provided to the CFAO to initiate the cash receipts process to ensure segregation of duties (see "cash receipts").

When the application materials have all been successfully submitted and the application is deemed complete and paid in full, a background investigation of the applicant commences. The applicant is required to come into the Commission's office and is assigned an investigator (i.e. State Trooper) from the Commission's Investigations and Enforcement Bureau to initiate the initial verification process in which the applicant is fingerprinted, photographed and required to supply a handwriting example. A criminal records check is performed to determine suitability and then a background investigation is performed.

The licenses are maintained and tracked on a Microsoft Excel file (License Tracking Report). The License Tracking Report is updated on a continuous basis by the Licensing Supervisor and includes the necessary information for tracking through the license approval process (i.e. application received date, unique number, applicant's company, contact information, fee amount, assigned investigator, background check information etc.).

RECOMMENDATION – The License Tracking Report is available and can be edited by all employees of the Commission. We recommend that the editing rights be restricted to those that need such access to perform their job function.

Managements Response –

In addition to the License Tracking Report used internally by the Licensing Department to monitor and track licenses, the Division of Licensing maintains on a weekly basis a master gaming and non-gaming vendor list of all approved and pending applications, which is made available to the public on the Commission's website. The Licensing Specialist updates this listing every Friday.

License Renewals

The Commission will handle license renewal notices for both the casino/gambling and racing licenses independent of the MMARS system. A renewal notice is not an account receivable as there is no certainty if the licensee wishes to renew the license. It is a notification sent to a consumer to renew a permit or license provided by the Commonwealth of Massachusetts. The Commission maintains renewal data, including the relevant consumer records, in its respective delegated systems maintained by the Licensing Department.

Racing Revenue and Licensing

On May 20, 2012, the Commission assumed all regulatory duties and responsibilities for the state's horse racing industry. The Racing Division of the Commission is responsible for regulating the state's horse racing industry and implementing the statutes prescribed in M.G.L Chapter 128A and 128C. The state engages in live horse racing as well as simulcasts horse and greyhound racing at its various tracks and simulcast facilities.

One of the Commission's responsibilities is the issuance of occupational licenses to every person who participates in racing, and the issuance of licenses to associations who operate the Commonwealth's racetracks and simulcast facilities. Occupations licensed include jockeys, drivers, trainers, assistant trainers, owners of racing animals, blacksmiths, racing officials, vendors, stable employees and pari-mutuel clerks. License applications and fees are located on the Commission's website. Occupational licenses expire annually on December 31.

In addition to licensing racetracks and participants, the Commission collects revenue in accordance with Chapters 128A and 128C of the General Laws which provides that each licensed racetrack pays a commission as determined by law in addition to the license fees and other assessments. To validate the accuracy of the tax collected by the Commission for racing activities, the Commission receives activity reports from the vendor that monitors the activity at the racetracks. The reports show the revenue amounts the tracks collected and the state receives a portion of the revenues as a tax. In order to ensure proper monitoring, the Commission has engaged independent auditors to audit this system for accuracy. All Commission activities are revenue driven as Commission expenditures come from Commission revenue and are made in a priority order in accordance with Section 5(h) of Chapter 128A.

General Invoicing

The Commission follows the minimum requirements in accordance with [815 CMR 9.00: Collection of Debts](#) when collecting a debt to the Commonwealth. Departments must generate notices to inform debtors of their obligations to the Commonwealth on the MMARS system. MMARS is the official record of the Commonwealth for receivable and customer information. Receivable input into the MMARS system is generated by the Receivable Manager. The Commission is responsible for proper input into the system to ensure the completeness and accuracy of the information.

RECOMMENDATION – The responsibility for billing for services and fees should be segregated from those for collection and accounting. Currently, the Receivables Manager is generating invoices and involved in cash collections. The Receivables Manager generates invoices; however the plan is to remove her access upon increased staffing, which will help with the segregation of duties. We recommend a person independent of collections to generate invoices. The inputs into MMARS should be reviewed by Receivables Manager to ensure accuracy and completeness. We also noted that the Payables Manager has access to generate invoice; however the plan is to remove her access upon increased staffing, which will help with segregation of duties.

Managements Response – *The Accounts Receivable Manager will generate the invoices, and the CFAO will electronically approve the invoices in MMARS on a weekly basis. On a monthly basis the Receivable Manager will generate an accounts receivable report for all activity that occurred in the prior month that will be signed off by both the CFAO and the Commission Treasurer.*

Invoices are mailed independently of the Commission and done by the Commonwealth upon successful input into the MMARS system. MMARS fully supports the automated generation of invoices and statements as well as the associated dunning notices. Notices must be mailed by the Commonwealth within five days after the date of input and/or information necessary to record the receivable is available. Upon approval from the Office of the Comptroller (CTR), departments may produce their own invoices; however, such invoices must meet the basic requirements of invoices generated by MMARS. To date, the Commission does not produce their own invoices.

The invoice date and payment due date will appear on each MMARS generated invoice. The dates are system generated as follows: invoice date is equal to the acceptance date of the Receivable Event transaction. Payment due date is 30 days greater than the invoice date unless otherwise established by statute or contractual obligation. The document date may be different from the invoice date. The invoice date is equal to the billing cycle date. In addition to the line description text (from the Receivable Event line) and invoice instructions (from the Receivable Event Vendor Line), departments can enter additional billing instructions text that will appear on the original invoice, replacement invoice or statement. Departments requiring this additional billing instructions text must first create the text on the billing instructions (BINST) Table. The BINST value assigned to the billing instruction must then be added to the billing profile (BPRO) table in the invoice instruction or statement instruction fields.

Cash Receipts

Cash Accounts

The Commission must deposit all cash receipts in a bank account designated by the Office of the State Treasurer (TRE). The Commission uses Bank of America, approved by the TRE, with a branch located next to the Commission's corporate office as its primary banking institution. All new bank accounts requests must be approved by the TRE. The Commission currently utilizes 5 bank accounts at Bank of America. The primary use of each account is as follows:

- 1) Licensing renewals account – account used for all casino/gambling license renewals. The Commission will segregate renewals cash receipts from initial licensing in order to assist in tracking.
- 2) Administrative account – account used for all application license and investigation and review revenue. (Note that the application fee for a license or registration may be increased to the extent that the cost of the background investigation relating to an applicant exceeds the application fee as noted per the sources of revenue.)
- 3) Racing licensing deposit account - account used for all racing licenses, fines, assessments, and association fees etc.
- 4) Racing wires track account - account used for all daily revenue received as wires from the racing tracks (i.e. simulcasts, live racing bets, etc.).
- 5) Licensing receivables lockbox – account used for application investigation costs in excess of the initial license fee and public record requests.

At the close of each business day, the cash from the bank accounts are to be swept into the Commonwealth's clearing accounts. There is one clearing account for each bank account.

Lockboxes

Whenever possible, the CTR recommends that departments should use lockboxes for the receipt and processing of authorized cash payments. According to the CTR, Lockbox processing is efficient, less costly, and allows deposit on the same day as receipts, as required under state finance law. Lockboxes are offered for both Cash Management Central Remit (CMCR) automated receivables, and for non-CMCR receivables or over-the-counter cash receipts. CMCR lockbox processing enables same-day processing of scannable remittance coupons and deposit of their accompanying payments directly into the bank. All lockbox requests by the Commission are done by contacting the CTR Revenue Bureau. CTR will work with the department, TRE, and the approved bank to ensure that these deposits contain the correct identifier codes and are swept into the correct department clearing account.

Petty Cash

The Commission also utilizes a petty cash account with Santander Bank. The Finance Manager ensures that funds are maintained below the maximum amount allowed by the CTR of \$15,000. The account is used primarily to fund miscellaneous payroll errors and is requested by the Human Resources department. The Finance Manager will create the check which is then required to be signed by the CFAO. The Finance Manager will also record the activity in MMARS and provide the necessary support as required under the MMARS system.

RECOMMENDATION – The Receivables Manager should not be creating the checks and making the entries into MMARS as she is also in charge of depositing cash. To increase segregations of duties, a member of HR requesting the check should create the

check and present to the CFAO for approval and the Finance Manager should enter the transaction into MMARS.

Managements Response – The HR director will generate a check based on a print out from the HRCMS system and attach the screen print with an explanation (or HR form containing the explanation) for the need for a disbursement from the “Dynacash” account. The CFAO will sign off on the check, and forward to the Accounts Receivable Manager to enter and authorize the check into the Santander IRIS on-line application.

Methods of Payment

Departments may only accept methods of payment approved and authorized by TRE which include checks, credit cards, and cash. The Commission accepts revenue via electronic payments (i.e. ACH & EFT), credit card (Visa, Discover and MasterCard only) or check. The Commission accepts payment at its main office in person or through mail for the casing and gambling revenue and at the respective racing track for its racing revenue. Cash is approved as a method of payment by TRE but the Commission limits cash transactions only to racing licenses handled at the respective racing tracks. Cash is not accepted as a form of payment on any other transaction (i.e. Casino licenses) at the Commission’s main office.

Deposit Process

All deposits must be made within one business day of receipt. As payments come in through the mail, the Commission must ensure adequate internal controls exist to ensure the safeguarding of cash. The mail is received by the Licensing Receptionist and provided to the CFAO to initiate the cash receipts process within the Finance department. The Receivables Manager endorses all checks “For Deposit Only” and all check and credit cards must be made payable to the Commonwealth of Massachusetts as checks paid to individuals are not accepted.

The Receivables Manager will also create a deposit slip and enter the relevant cash receipts data into the MMARS system to record revenue. As all deposits must be made within one business day of receipt, the Receivables Manager will deposit receipts as soon as possible at the Bank of America location located down the street from the Commission’s main office.

RECOMMENDATION – The Receivables Manager is heavily involved throughout the entire process and should not be depositing the checks and making the entries into MMARS as she is also in charge of reconciling the cash accounts. To increase segregations of duties a person independent of the cash reconciliation, should be creating the deposit slip which is then provided to the Receivables Manager for entering the transaction into MMARS, and a third person independent of the process should be depositing the cash.

Managements Response – Management agrees with the recommendation and will assign a different person to create the deposit slip.

In the Receivables Managers absence, the Payables Manager and CFAO can also perform the above duties currently all being performed by the Receivables Manager.

In the event that a deposit cannot be made on the same business day it is received, there is a fire-proof safe located in the Finance Department at the main office in which access is limited to the Finance Specialist, Receivable Manager, Payables Manager and CFAO. There is also a second

safe located in the Licensing Department at the main office with access limited to that department of the Commission. We also noted that there are fire proof safes located at the racing tracks.

Cash Refunds and Credit Processing

In the event that a customer makes a payment greater than the debt, after the Receivables Manager enters the receipt of payment into the MMARS system, the system will post a customer credit automatically to a reserved credit balance account. The Receivables Manager and customer may decide to apply this credit balance to another open receivable within the department or generate a revenue refund, which must reference the reserved credit balance credit line.

Revenue Refund Processing:

A refund can only be processed if the amount paid, the source of the revenue, and the reasons for the refund are substantiated. A refund must be issued within forty-five days of the receipt of overpayment or notification from the customer. All refunds must be properly authorized. Refunds can be disallowed or pro-rated, based on certain types of revenue. Interest will not be paid on any refunds unless requested by a customer and/or mandated by statute.

Revenue Refund Minimum Amount:

A revenue refund can only be made for an amount equal to or greater than \$5.00, unless mandated by statute. A department head may waive this \$5.00 restriction for documented hardship cases (e.g. students, patients, etc.).

Non-Sufficient Fund (NSF) Checks

Payments received for both over-the-counter and accounts receivable transactions, which are returned due to non-sufficient funds (NSF), must be documented and reinstated as accounts receivable. In addition, an NSF charge can be added to the total amount of the reinstated receivable. The dollar value of the NSF charge is the amount entered on the System Options Table.

Reconciliation of Cash

Per the CTR Receivable Recognition and Reconciliation, daily system assurance must be performed by the Commission to ensure that there is a matching deposit for each cash transaction. This process involves comparing the results from all sources that produce or contain payments and deposit information, and ensuring that they match. These information sources should include any delegated system reports, all relevant MMARS tables and/or reports, and Information Warehouse reports. The Receivables Manager prepares this reconciliation from the bank account statements to MMARS for each account on as needed basis, as currently, there is still limited activity. In regards to the racing track accounts, the Director of Racing will perform month-end reconciliation. All reconciliations, and investigations of unreconciled items, are to be reviewed and approved monthly (by signature) by an official who is not also responsible for receipts and disbursements.

RECOMMENDATION – The Receivables Manager performs the reconciliations but also handles and deposits the cash and can generate invoices. An independent person should be preparing invoices and the cash reconciliation process should be independent

of those involved in the cash receipts and deposit process. Furthermore, we did not note evidence of review/approval by signature of an independent official on the reconciliation. The Commission should ensure this is being completed as asked in #12 of the CTR Internal Control Questionnaire.

Managements Response - The Accounts Receivable Manager will generate the cash transfer, and the CFAO will electronically approve the cash transfer in MMARS on a weekly basis. On a monthly basis the Receivable Manager will generate a cash transfer report for all activity that occurred in the prior month that will be signed off by both the CFAO and the Commission Treasurer.

Debt Collection and Accounts Receivable

Accounts Receivable

Full accounting, recording and reporting of earned revenue and accounts receivable due to the Commonwealth is accomplished through the MMARS system. All earned revenue and accounts receivable activity must be recorded in MMARS using a receivable event (RE) transaction as noted per the invoicing section. Earned revenue/accounts receivable is defined as the full, measurable value of the services or goods provided by a department. The transaction must be completed and legally enforceable to the extent that payment is the only unconsummated act. Revenue is earned at the time when goods or services are delivered or performed and billable.

The Commission recognizes a debtor's obligation to pay when the goods are delivered or services performed, or when the Commonwealth's claim for future cash is reasonably estimable and/or law or statute authorizes the pursuit of collection. All such revenue will be recorded as earned revenue/accounts receivable if payment is not submitted either prior to the revenue event or simultaneously with the delivery of the goods or completion of the service. For example, when an assessment is issued and the Commission has a reasonable basis for issuing the assessment, it should be reported as an earned revenue/accounts receivable transaction.

The Commission reports all earned revenue/accounts receivable activity in detail fashion in MMARS as all state departments are required to utilize MMARS or their approved delegated billing and accounts receivable systems to record all earned revenue/accounts receivable activity at the detailed transaction level. Departments must obtain CTR approval to record these detailed transactions in their own delegated billing and accounts receivable systems; however, the Commission has decided to use MMARS.

The Commission is authorized to accept, as payment in full, amounts greater or less than the original RE amount based on tolerances established by CTR. The tolerance threshold is the lesser of the short payment amount or short payment tolerance entered on the Systems Options Table (SOPT), which is one percent or five dollars. Overpayments made to a receivable that are greater than the tolerance threshold must be refunded back to the customer or transferred to another debt that is owed by the same customer within the same department. The Commission is not allowed to set up their own tolerance requirements and must follow those established by the CTR which is defaulted on the MMARS system.

Accounts Receivable Reconciliation

The Receivables Manager reconciles accounts receivable aging reports using the MMARS system. On an annual basis, the Receivables Manager must perform a formal reconciliation which must be approved via MMARS.

Debt Collection Process

In accordance with [815 CMR 9.00: Collection of Debts](#), departments such as the Commission must make all reasonable efforts to collect an outstanding debt, which includes at a minimum, but is not limited to, three written billing and dunning notices in addition to the initial billing, and a final collection notice to the debtor. To be eligible for intercept, the debt must be at least 120 days old from the due date of the initial invoice to the print date of the last notice. The Commission must be in compliance with the CTR Accounts Receivable policy that pertains to a debt that is less than 120 days overdue.

RECOMMENDATION – Accounts receivable is minimal with only approximately one or two items per month per Maria as most current revenue sources such as the licenses require payment with the application up-front. Eventually with the license renewals and increased activity this will increase. To increase segregation of duties this should be reconciled and reviewed by a person independent of the debt collection process.

Managements Response – *The Accounts Receivable Manager will develop a committee that will meet bi-weekly to review the status of outstanding debts, make sure all collection and dunning letters have been sent as are applicable, and make recommendations for collections, intercept and write-off in compliance with CTR policies.*

Billing

The initial billing cycle created by the MMARS invoice notifies the debtor of a receivable that is owed the Commonwealth. If the debtor does not pay by the due date of the original invoice, two additional dunning notices and a collection letter will be generated on a designated schedule automatically from MMARS.

Dunning and Collection Letters

The Commission must send out, at a minimum, a notification with a dunning message at 1, 31, and 61 calendar days past the invoice or statement due date. Each consecutive invoice or statement will utilize progressively stronger dunning demands for payment. The debtors must be informed of their right to either dispute the debt, or make a timely written application for a hearing under [M.G.L. c. 30A](#), unless another review process is provided by law or regulation. The language must also include the possibility that if the debt does not dispute the debt or request a hearing, that any state payment due to the customer may be intercepted (see intercept below) and that late fees, interest charges, CTR and Department of Revenue (DOR) intercept processing fees may be applied to the debt; and referral to a debt collection agency or litigation by the Attorney General is possible.

If, after generation of the initial bill and three consecutive dunning notices, a debtor has not paid or responded, departments are to provide the debtor with a thirty (30) day notification collection letter of their intention to take further action. This notification letter must document that:

- the debt exceeds 120 days, and

- reiterate the dunning language regarding:
 - the debtor's right to dispute the debt
 - a right to a hearing,
 - intercept of state payments and/or tax refunds,
 - the inclusion of referral to debt collection agencies or the Attorney General's Office for litigation;
 - that late fines, fees, and interest penalties may be applied to the debt.

This collection letter represents the last and final notice by the Commonwealth in requesting payment prior to collection activities.

Late Charges

The Commission is allowed to charge for late fees and interest as part of the receivable amount. The amounts departments can charge are written in within the Commonwealth's regulations. Interest and or late fee charges can begin to accrue on the receivable amount from the first day the invoice is past due.

The Commission is also allowed to include the contingency fee percent charged by debt collection agencies as late fees to the debtor. Enhanced functionality allows for simple and compounded interest to be charged. If the Commission selects to use either late fees, interest or both, the invoice dunning language must mention the possibility of late fees and interest charges being added to the outstanding amount if not paid by the due date. The statewide late fee amount legislatively established through the CTR can be found on the Systems Options Table (SOPT). The Commission can establish late fees different from the statewide rate by notifying the CTR and requesting an entry on the Department Options Table (DBRO).

Disputed Debts

If the Commission has any active disputed debts aged beyond 120 days it will post the debt as part of their uncollectible receivables on their GAAP statement. The CTR recommends that a department not submit to write off active disputed aged debts until a decision is made by the department to either stop the pursuit of the debt; or, if the debtor has proven the debt was not valid, to remove the debt by creating a new version of the existing RE that reduces it to zero.

Intercept and Debt Collection

Intercept and external debt collection agencies are available to the Commission for any accounts receivables that are more than 120 days old. Commission can send these debts to both intercept and debt collection agencies simultaneously. Intercept is described in the paragraph below. If the Commission elects to pursue outside debt collection they use the Statewide Debt Collection Contract, which contains a list of approved debt collection agencies. Prior to initiating outside debt collection efforts, the Commission must notify the debtor of its intent to pursue the debt through the use of outside debt collection agencies. CTR recommends that receivables be eligible for intercept for one full tax season (January to December) in order to maximize the possibility of an offset.

Once a full tax season has passed, a department can decide to keep the receivable on intercept for another tax year, submit the receivables to be collected by another debt collection agency, or submit them to CTR to be written off.

Intercept is authorized by, [M.G.L. c. 7A, § 3](#) and [M.G.L. c. 7A § 18](#). Intercept is an automated process that matches eligible payments to delinquent debt for individuals and organizations that function both as vendors for and customers of the Commonwealth of Massachusetts. Currently, the Commonwealth offsets debts owed to the Commonwealth against both the MMARS disbursement process, and the DOR's MASSTAX system for individual state income tax refunds. As the Commission uses the MMARS billing and accounts receivable system, their debts load automatically to the intercept process after a minimum of 120 days and the final notice has been printed.

If the Commission wishes to exclude an object code, fund, appropriation, vendor code, individual payment(s) department, or individual receivable(s) from the intercept process, they must submit a letter and supporting legal language for the exclusion to the CTR Revenue Bureau. No request is necessary for receivables placed in dispute, as these receivables are automatically excluded from the intercept process. The final decision to exclude any debt from the intercept process remains with CTR, and if approved, the Commission will be notified.

After an intercept has taken place, the Commission will have the intercepted funds applied automatically against the appropriate accounts receivables via the MMARS system.

Should the Commission or debt collection agency hired by the Commission receive in writing a notice from a debtor to dispute a debt or request for a hearing, debt collection activities including intercept must be suspended. The suspension of debt collection activities shall continue until the Commission or debt collection agency has completed the hearing or until the dispute has been resolved between the Commission or debt collection agency and the debtor. If the Commission agrees to place a receivable on a payment plan, the Commission cannot submit that debt to intercept until the debtor defaults on the payment plan.

Write Offs

In accordance with [M.G.L. c. 7A, § 3](#) and [815 CMR 9.00](#), in order for an outstanding debt to be eligible and considered for write off, it must have gone through the debt collection cycle that includes: initial billing, dunning, intercept, and debt collection.

A write off is a transaction approved and performed by CTR that removes uncollectible receivables from the Commonwealth's financial records. Write offs are necessary, as the Commonwealth should not carry uncollectible receivables on its records beyond a reasonable time. Prior to the submission of the write off request to CTR, the Commission must demonstrate that sufficient effort has been taken to collect the debt. The debt must have gone through the dunning and collection letter cycle, and submitted to the intercept process and debt collection.

Submitting Write off Requests to CTR

Neither the Commission nor any collection agencies have the authority to write off uncollectible receivables. The Commission must refer these receivables directly to CTR for write off. The Commission must send a formal letter explaining the nature of the write off request (including a list of the types and amounts of receivables), and describe all intercept and debt collection activity pursued to collect this debt. The Commission must include the write off request form and list each receivable to be written off, with the necessary documentation that depicts efforts

made to collect the debt. This includes close and return reports by debt collection agencies, bankruptcy notices, etc.

Write Off Approval Process:

Once a write off request has been received by CTR, it will be reviewed and either given an approval signature or the write off will be returned to the Commission for further attempts at collection. Write off requests that do not have sufficient documentation and/or are partially completed will be returned to the Commission for completion. Once a write off has been approved, CTR will process it in MMARS.

Allowance for Doubtful Accounts

Departments must report on their annual GAAP package an estimated uncollectible receivable amount that they expect will not be collected. This is called the allowance for uncollectible receivables or allowance for doubtful accounts. The estimate should consider such factors as past history and age of the receivables. Included in this uncollected amount should be receivables that should have already been written off in that fiscal year but were not. The allowance is prepared by the Receivables Manager and reviewed by the CFAO.

The Receivables Manager will monitor the outstanding debts by using the following tables from the CIW: `dbo_m_ar_outstanding_receivables_detail` and `dbo_m_ar_revenue_transactions`.

When it is considered to be in the best interest of the Commonwealth, the CTR may refer past due receivables to the Attorney General's Office (AGO). AGO is authorized to litigate in court, or to settle out of court, with any debtor who owes the Commonwealth after all other methods of collection have been exhausted.

MASSACHUSETTS GAMING COMMISSION
Control Narratives for Contracting and Contract Processing

Contract Rules and Regulations

Each department in all branches of Massachusetts state government is responsible for making expenditures in accordance with state finance law and other applicable laws, regulations, policies and procedures. Absent a superseding law or regulation, [801 CMR 21.00: Procurement of Commodities or Services, including Human and Social Services](#) covers the acquisition of all commodities and services by departments of state government.

For the purposes of delineating which departments follow regulation 801 CMR 21.00, the Operational Services Division (OSD) and the Office of the Comptroller (CTR) has defined three levels of departments. The Massachusetts Gaming Commission (the Commission) is considered to be a Level II department. Level II departments may choose to follow 801 CMR 21.00, or develop their own procurement rules. The Commission has elected to follow 801 CMR 21.00.

The OSD is an oversight agency whose primary responsibilities are to establish statewide contracts on behalf of Commonwealth public purchasers, provide technical assistance to departments in their procurement process and ensure that departments conduct their procurements in compliance with all applicable statutes, regulations and policies. The CTR is an oversight department responsible for numerous aspects of the Commonwealth's fiscal operations. These responsibilities are executed with the cooperation of the OSD, the Executive Office for Administration and Finance and other oversight departments. CTR works jointly with OSD to define ways in which financial and contractual operations are conducted between departments and contractors. CTR establishes specific guidelines on encumbering funds and payments for the procurement of commodities and services through the Massachusetts Management Accounting and Reporting System (MMARS). CTR, in conjunction with OSD, also provides financial, legal, and technical assistance to all departments regarding the state finance law issues involved in the procurement process.

CTR was required to establish a schedule of object classes and object codes pursuant to [M.G.L. c. 29, § 27](#) to be used in all accounting for expenditures under MMARS and as a result issued the **Expenditure Classification Handbook** (ECH). The object classes and object codes contained in the ECH indicate the types of goods and services for which Commonwealth funds are expended. The ECH includes the object code descriptions and instructions regarding the encumbering and expenditure of all funds. The object code descriptions are brief explanations of the goods and/or services for which funds are encumbered and expended. The object codes are used for all expenditures of the Commonwealth, regardless of whether the payment is to employees, contractors, individuals, recipients, sub-recipients, beneficiaries, political subdivisions or another department. Object classes are identified under lettered categories such as "JJ - Programmatic Operational Services." Object codes are more specific expenditure breakdowns within an object class, such as "J50 - Instructors/Lecturers/ Trainers." In addition to providing a description of the types of expenditures that should be classified under specified object classes and object codes, the ECH includes information on relevant legal citations, regulations, restrictions and contract and encumbrance requirements.

The CTR and OSD jointly issued the **State Finance Law and General Contract Requirements Policy Chapter** to identify the key state finance law and the minimum state accounting and contracting requirements related to purchases made by all departments in all branches of state government.

The Commission follows both the ECH and the State Finance Law as well as the General Contract Requirements Policy.

Contract Procurement

The Commission utilizes the COMMBUYS system. COMMBUYS is the only official procurement record system for the Commonwealth of Massachusetts' Executive Departments. COMMBUYS provides public access to public solicitation and contract documents via the Internet. Using the Internet to distribute procurement information and receive bidder and vendor responses increases the volume and quality of competition, reduces and eliminates the time and money spent creating and managing paper documents, and provides greater and more immediate procurement transparency. The system enables electronic ordering through statewide and departmental vendor catalogs that yields important purchasing data to be used to track contract spending, aggregate future purchases, analyze purchasing patterns and trends, and provides opportunities for statewide contracts to improve responsiveness to public purchasing entity needs. OSD statewide contracts provide a variety of commodities and services and often contain specialized instructions and requirements to assist departments in obtaining maximum value. As an example, some OSD contracts require departments to issue a solicitation, response or quote from three or more statewide contractors in order to get the best value and/or generate competition for the lowest price. Other OSD issued statewide contracts may suggest but not require that a department seek three quotes in order to ensure best value by generating competition for the lowest price. *(NOTE – Effective March 24, 2014, COMMBUYS, replaced the old Comm-PASS procurement system which the Commission was utilizing prior to COMMBUYS. Note that the introduction of COMMBUYS did not change the fundamental legal and regulatory requirements for state finance, procurement and records management, but provided Departments an enhanced tool to achieve additional efficiencies, improve service continuity, and organize records while complying with the laws and regulations that exist.)*

The Commission uses the COMMBUYS system to order from statewide contracts (i.e. state approved vendors) and as their procurement system (to post solicitations, award contracts, place orders, etc.). The Commission refers to the COMMBUYS Use Policy for Purchasing Organizations for assistance on the system.

COMMBUYS access is limited to the Chief Financial and Administrative Officer (CFAO), the Payables Manager and the Finance Specialist. The CFAO and Payables Manager have administrator access to the system and can perform all available duties on the system. The Finance Specialist's access is limited in that he/she can only initiate a Request for Response (RFR) or purchase requisition on the COMMBUYS system. The RFR is the mechanism used to communicate contract performance specifications to potential bidders on COMMBUYS for when a state contract is not already in place. RFRs can also be referred to as a "solicitation" or "procurement." RFRs are drafted by a procuring department to fit a particular procurement need based upon the complexity and total value of a contract. The goal of the RFR is to obtain best value commodities and services and to define the expected outcomes. If there is a state contract already in place, the Commission need not go through the RFR process and can initiate a purchase requisition.

The Commission utilizes the guidance under the How to Draft a Request for Response Policy which includes ten minimum requirements for every RFR. The minimum contents of a RFR are as follows:

1. Description or purpose of the procurement.
2. Acquisition method (fee-for-service, outright purchase, rental, term lease, Tax Exempt Lease-Purchase and/or license).
3. Request for single or multiple contractors.
4. Use of a procurement by a single or multiple departments.
5. Anticipated duration of the contract, including renewal options.
6. Anticipated expenditures and compensation structures.
7. Performance and contract specifications.
8. Instructions for submission of responses.
9. Deadline for responses and procurement calendar.
10. RFR attachments/required specifications.

Once the RFR is drafted, the Payables Manager will perform a critical review and comparison of the document against the ten RFR requirements above for all procurements conducted under 801 CMR 21.00 and the procurement policies contained in the Procurement Information Center. This process provides the opportunity to ensure that all the necessary information appears in the document and is clear, well organized and comprehensive. The CFAO will also review and approve the RFR. Once all critical review and approvals have been received, the Payables Manager will load the RFR and release into the COMMBUYS system.

The Commission will then receive bidder and vendor responses on the proposed RFR. To ensure a competitive proposal, the Commission will typically include a RFR Evaluation Process which includes scoring criteria for the evaluation of proposals. In addition to being provided with the scoring criteria, in some instances, the vendors are able to ask questions and receive answers to the questions from the Commission on the COMMBUYS system. The successful bid will be determined by the RFR Committee based on the one that represents the "best value" overall (i.e. scoring criteria, price, questions/responses), meets the needs of MGC and achieves the procurement goals. The RFR Committee is at a minimum comprised of the CFAO, the Payables Manager and the department head who initiated the purchase. The RFR committee may exceed the minimum of three individuals while maintaining an odd number of members to ensure a majority vote. Note that RFR's in process are available to the public via the COMMBUYS website and the MGC website, but all responses must be submitted through COMMBUYS.

Once a bid has been selected, the respective department authorized signer and the CFAO or Executive Director will approve the contract electronically via the MMARS system. Purchase Requisitions (PR) undergo the same approval process; however, they forego the need for an RFR. The PR is initiated by the Finance Specialist upon request from a respective department head and then released into the COMMBUYS system where they then receive bids/questions from the pre-approved state contract holders. The successful bid approval process is the same as for the RFR approvals. The final contract then must be signed by the authorized signer at the Commission and then the contractor selected for the successful bid. Note that in order for a contract (including grants, leases, ISAs, subsidies, etc.) to be legally valid, it must be executed by an authorized signatory of both the department and the contractor. Following the contract

approval process the purchase orders are created on the COMMBUYS system by the Finance department staff.

Authorized Signers

A Contractor Authorized Signatory Listing must be obtained for any contract regardless of value. Submitting a document to final status in MMARS will be interpreted as the department head's certification that the document and all underlying supporting documentation are supported by sufficient authorized funds and comply with CTR policies and procedures and other requirements of law (including procurement requirements, legislative requirements, etc.). This certification includes the requirement that the department is responsible for verifying the authority of any contract signatory to sign a contract (both for the department and the contractor) and the authenticity of the signature on a contract (the signature was actually made by the authorized signatory and not a designee). Therefore, a department may not submit any contract related MMARS document to final status unless the contract signatories have been validated in accordance with this policy.

The Executive Director is responsible for all activities conducted by the Commission. The Executive Director can delegate signature authority to staff who will be responsible for conducting business on behalf of the Executive Director in accordance with applicable law, regulations, policies and procedures. The Executive Director must directly authorize individuals to be their designee for approval of fiscal documents or other legal obligations on their behalf. The Executive Director is responsible for ensuring that designations to key state finance law compliance roles (Chief Fiscal Officer, Payroll Director, Security Officer, Internal Control Officer, General Counsel, MMARS liaison, GAAP Liaison) are assigned and that notification of designation changes are promptly communicated to the Office of the Comptroller. The Executive Director remains responsible for all activities conducted by the Commission.

In order to delegate signature authority, the Executive Director must complete and submit a Department Key State Finance Law Compliance Responsibilities Update Form. A separate form must be completed for each individual and key state finance law compliance role and be signed by the Executive Director and the respective authorized individual to be an authorized signer. The Commission refers to the Key State Finance Law Compliance Responsibilities Policy for a list of the key roles and their designated responsibilities.

Records Management

In accordance with 815 CMR 10.00 and other applicable record keeping laws, the Commission is the keeper of the official record copy of the contract document and contract/procurement file. MMARS is the official record of the encumbrance and payment documents and will supersede any paper copies of the same information. The contract/procurement file must contain, or refer to the location of, all documentation related to a procurement and resulting contract(s). A department is responsible for retaining and archiving contract records in accordance with the disposal schedules issued by the Secretary of State Records Conservation Board. The Committee refers to the guidance in the Policy Chapter under "Records Management". Unless otherwise authorized by the Comptroller, the record copy of all contracts, payrolls and other legal obligations and related supporting documentation must be maintained by the department in paper and must contain "live" signatures and dates.

Contract Amendments

For 801 CMR 21.00 contracts, a department may negotiate any element of performance within the scope of the contract. Any element may be negotiated which results in a better value than the original response. Other contracts may negotiate terms based upon scope of contract, language in procurement and applicable procurement rules. All amendments are subject to state finance law requirements (available funding etc.) All amendments must be formalized using the Standard Contract Amendment Form executed by the parties contemporaneously with need for amendment but prior to contract termination date. Amendments to fiscal information must be reflected in the MMARS encumbrance document modification and update vendor/customer information, if needed. Although day to day contract correspondence and communications may be made electronically (email or fax), any changes in performance, funding, obligations, or changes in the terms of a contract (including grants, subsidies, ISAs, etc.) must be memorialized contemporaneously with the need for the change in a formal contract amendment. Electronic signatures or contracts are not yet authorized for final execution of contracts or amendments. Electronic signatures are only authorized for the MMARS documents and certain OSD COMMBUYS documents supporting a contract or amendment or for those COMMBUYS documents that may be submitted electronically by COMMBUYS subscribers that are submitting electronic bids. Therefore, departments may negotiate an amendment electronically, but must finalize the amendment in the same manner as the contract with written formal signatures by authorized signatories of the department and contractor.

Procurement Cards (P-Cards)

The Commission can also purchase items using P-Cards and follow the Commonwealth Procurement Card Program. The Commonwealth's Procurement Card Program establishes the standards for the use of the Commonwealth's P-Card by each cardholder. The primary goal of the Commonwealth P-Card program is to simplify and expedite a department's routine purchases under 801 CMR 21.00, including incidental purchases. The program can also be used to minimize reimbursable travel processing costs or as an alternative payment method when purchasing under statewide contracts. The P-Card purchasing process includes pricing inquiry, order placement, delivery of goods, invoices and voucher review. In addition, the program offers individual detailed purchase entries, payment entry and disbursement processing which are significantly streamlined using the P-Card. The current contractor, Bank of America, offers an enhanced web product for the Commonwealth, which manages account changes, on-line invoicing and has robust reporting features.

P-Cards are issued upon written request of the department head using the New Procurement Cardholder Set Up Form. The department head and CFAO must authorize cardholders and determine their individual transaction limits and credit limits as evidenced by their signatures on the request form. Each cardholder identified for P-Card use must have a MMARS security profile as a department head authorized signatory for procurement or P-Cards. Each cardholder identified for P-Card use must execute a Commonwealth P-Card Use Policy Employee Agreement certifying that they have been trained on and shall comply with Internal Department P-Card Use Policies and Procedures, including accounting and providing supporting documentation for all purchases made under the card. The CFAO and/or department head must then certify that all cardholders identified for P-Card use have been trained on both the Commonwealth and Internal Department P-Card Use Policies and Procedures and agree to comply with the terms of these policies.

The cardholder of a Commonwealth P-Card will have his/her name embossed on the card and it may only be used by the cardholder. No person other than the approved cardholder is authorized to use that P-Card. The use of the P-Card shall be limited to costs for items that may surface where routine procurement policy is not practical or procurement requires advance payment with a credit card. Cardholders can use the P-card to purchase goods and services, including travel expenses. Approved business expenses generated while engaged in job related activities away from the regular place of employment may be placed on a P-Card. The P-Card may not be used for personal charges even if the cardholder plans to repay the Commission. The designated cardholder shall be responsible for compliance with the Credit Card Policy. Whenever a credit card purchase is made, the cardholder is required to retain and maintain documentation as to proof of purchase.

The authorized list of cardholders and their respective credit limits as of June 1, 2014 is as follows:

Cardholder	Card Available Funds
CFAO	\$10,000.00
Commissioner (one of the five Commissioners)	\$30,000.00
Chief of Staff	\$30,000.00
Director of the Investigations and Enforcement Bureau	\$10,000.00
Executive Director	\$20,000.00

Prior to termination or separation from employment or at the request of the cardholder's immediate supervisor, the cardholder shall surrender the credit card, credit card receipts, monthly statement of accounts and current expenditure log and any other pertinent data with respect to the cardholder's participation in the credit card program.

Each cardholder will receive electronic billing statements on a monthly basis. The statement closing date will be the 27th day of the month. The P-Card contract has a 25 day payment schedule which must be adhered to in order to avoid finance charges. All incoming invoices/statements are obtained by the respective cardholders' assistant or receptionist and he/she will attach all necessary receipts for supporting expenses prior to submission to the Finance department. The Finance department must review all transactions to ensure that they are legitimate, for official state business, and that all required documentation is included. Once obtained by the Finance Department, it will be treated the same as any other invoice (see invoice receipts control process). The invoice tracking sheet is attached to the invoice and must be signed by the related department director and then either the CFAO or Executive Director prior to payment on the MMARS system. The Finance Department is responsible for reconciling receipts with the monthly statement issued by the contractor and for making timely payments to the contractor for all P-Card purchases made by the Commission during a monthly billing cycle.

The CFAO and Payables Manager are responsible for ensuring that sufficient funds are encumbered to cover the charges made under all cards issued to department cardholders. The CFAO must have sufficient controls in place for monitoring budgeted to actual expenses (see budgeting control process) and will routinely communicate with cardholders to ensure that charges are not incurred (especially towards the end of the fiscal year) that will exceed encumbered or available appropriations or other available funds for payment.

The Commissions payment activity is subject to quality assurance reviews. A criterion of the quality assurance review includes checking backup documentation for payments, spending authorization, procurement compliance and validation of monthly bill paying statements/reconciliations. All supporting documentation must reflect the information provided in each transaction.

Incidental Purchases

Regulation 801 CMR 21.05(1) recognizes the procurement exception of an incidental purchase, defined as a one-time, non-recurring, unanticipated need for commodities and/or services with a total dollar value of up to \$10,000. Incidental purchasing is designed to assist departments in expediting simple purchases, while reducing the administrative burden and associated paperwork of purchasing small dollar items. The total dollar value of the purchase cannot exceed \$10,000 for an incidental purchase and must be approved by an authorized signer. The Commission allows the use of incidental purchases under the regulations and guidance of the OSD's Incidental Purchasing Policy. For all incidental purchases by departments using 801 CMR 21.00, statewide contracts must be used when available.

MASSACHUSETTS GAMING COMMISSION
Control Narratives for Invoice Receipt and Payments

Commonwealth's Bill Paying Policy

Each department in all branches of Massachusetts state government, including the Commission, is responsible for making expenditures in accordance with state finance law and other applicable laws, regulations, policies and procedures. The Commission utilizes the Commonwealth's Bill Paying Policy as a reference to ensure those requirements are met. Department fiscal managers are required to adhere to state finance law and the guidance outlined in the policy.

The Office of the Comptroller (CTR) strives to provide the tools and information to support and streamline efforts to meet these requirements. MMARS is configured to apply best practices for Commonwealth timely bill paying. The Commission uses the MMARS system to monitor their bill-paying practices and to take full advantage of potential discount opportunities.

Invoice Receipt & MMARS Data Entry

Invoices are received through mail at the Commission's main office. The Licensing Receptionist reviews all the mail and sorts mail into categories such as vendor invoices, cash receipts etc. Vendor invoices are then date stamped and assigned a tracking number to each invoice. The date-stamp requirements apply even if an invoice is received electronically. If the invoice is submitted in an electronic form (i.e. fax, email), the invoice must be recorded as received as of the confirmation of fax or confirmation of email. Email invoices must be printed to include the date the email was received. If the email program does not include the date as part of the printed document, the recipient is responsible for adding the date of receipt to the printed copy. The invoice recipient is responsible for monitoring electronic invoices daily to ensure proper date-stamping and processing.

The tracking number is assigned sequentially based on the date received (i.e. 2014-1, 2014-2 etc.) and is tracked on an AP Tracking Log using Microsoft Excel. The Licensing Receptionist must update the AP Tracking Log to include the date the invoice was received, the amount, the company name, the invoice date, the invoice number, the service dates, the respective division director who must approve, the date the invoice was dropped off to the division director for approval and the final approval date along with a section for any notes.

The Finance Specialist will also fill out an Invoice Tracking sheet and the following fields: date received, finance tracking number, invoice date, vendor invoice number, encumbrance number, company name, amount, date, and who it was prepared by. The Finance Specialist will then attach the Invoice Tracking Sheet to the invoice and submit it to the respective division head for approval and/or denial as is evidenced by their signature and date of approval on the Invoice Tracking Sheet. The division head or designee is responsible for matching vendor invoices with receiving reports and contract terms before payment approval. Following the respective division head approval the Executive Director or CFAO must sign the Invoice Tracking Sheet as a secondary approval. This secondary approval serves as the authorized department signatory.

The completed Invoice Tracking Sheet is then submitted back to the Finance Department and the Finance Specialist who must check the accuracy and completion of the Invoice Tracking Sheet.

The Finance Specialist will then enter the data into MMARS and initial the Invoice Tracking Sheet as evidence of doing so. The Invoice Tracking Sheet and attached invoice is then submitted to the Payables Manager for final submission as she must validate the MMARS transaction for the payment request to be released. The Payables Manager ensures the Invoice Tracking Sheet and data entry is accurate. Upon successful validation the Payables Manager will print out the Payment Request confirmation of MMARS and initial as evidence of submitting the document to a final status in MMARS. After the MMARS acceptance date from the CIW query is noted on the invoice tracking sheet, the Invoice Tracking Sheet, invoice and MMARS Payment Request confirmation are then all compiled and filed into the respective vendors folder in a file cabinet located in the Finance Department. The Payables Manager is responsible for managing the invoice review/approval process including but not limited to receipt of invoice, review, approval of expense, financial approval, and entry of payment into MMARS.

RECOMMENDATION – To properly segregate duties, the individuals responsible for the requisitioning, purchasing, and receiving functions should be different from the individuals responsible for the invoice processing, accounts payable, and general ledger functions. Currently, this is all overseen by the Payables Manager.

Managements Response - *The Division of Administration and Finance will be a small division, and does not anticipate in the foreseeable future growing in the budget and A/P area. The current staffing of two individuals is the maximum intended staffing level. In order to mitigate the risk indicated above, the Finance Specialist is responsible for receipt and generation of invoices, invoice tracking sheets, and getting appropriate division sign offs, the CFAO/Executive Director is responsible for signing off on all invoices as the department authorized signatory, the Payables Manager is responsible for submitting the invoices to a final status in MMARS and placing the invoice packages in a designated area for reconciliation, the Finance Specialist is required to perform a weekly reconciliation of documents to note when they are processed in MMARS, and when the check/EFT is processed prior to filing in the finance files, and a copy of the weekly reconciliation report will be sent to the Treasurer for approval beginning in October. The report will be signed off by the Treasurer on a weekly basis and kept with the finance division's reconciliation files.*

Required Coding for Payments

Communication is an important aspect of good business relationships and to be effective, it must be 2-way communication. Vendors expect to be able to easily identify and apply the payments the Commonwealth remits. The efficiency of MMARS to consolidate multiple payments from different Departments to the vendor can cost the vendor valuable time and resources if allocation of the payment is not defined in accordance with the vendor's standards. The Vendor Invoice Number and Vendor Invoice Line Number are required fields on MMARS payment request transactions and are used as the primary identifier by vendors to account for their payments. Together, these numbers should be unique in MMARS for each payment to a specific vendor. Re-use of a Vendor Invoice Number/Line Number will result in questionable audit trail and a system-generated, Department overridable error on the document, designed to create user awareness but not to impede business. The Payables Manager as part of her data entry review must ensure proper coding of the payments and be aware of proper MMARS entering techniques and terms such as:

Vendor's Invoice Number Field: This field is a required field that should be used to communicate the vendor's invoice number, account number or equivalent information to the vendor for each invoice. The Vendor Invoice Number has the industry standard field length of 30 characters. MMARS requires that this number be unique across Departments for the vendor. While appending a date to the number usually provides uniqueness, a Commonwealth-wide vendor account number may also require a Department designation. The format should be agreed to with the vendor at procurement.

Vendor Invoice Number: The vendor invoice number is carried forward to the remittance advice for both EFT and check payments. The Commonwealth notes that providing vendors with their invoice numbers, account numbers or vendor-defined equivalent will greatly increase their ability to track invoices sent to the Commonwealth, as well as to apply the payment in their accounting system. The field length (30 characters) provided in MMARS should accommodate vendors using large account numbers for monthly billing.

The Vendor Invoice Number is not limited to vendor invoices. It can also be a valuable identifier to the payee when no invoice is involved, such as a grant payment. This can be useful to city or town treasurers who rely on the EFT remittance to identify all types of payments. The construction of the Vendor Invoice Number can be an account number or vendor-defined equivalent that you and the vendor agree on for communication. When this is a grant or contractual payment, the due date should be entered in both the Vendor Invoice Date field and the Scheduled Payment Date field.

Vendor Invoice Number Line Field: This field is also a required field and must be unique to the invoice and reference the relevant line for payment. In case there is no vendor invoice line number, enter 1.

MMARS Document Dates

Vendor Invoice Date: (Required field – Invoice Receipt date)

The Vendor Invoice Date is a required field on all MMARS payment request transactions and should always be the date the invoice was received on Commonwealth property and date-stamped by the Commonwealth.

Tracking Date: (Field Not Required – Invoice date)

There is also a Tracking Date field and, if used, should be entered with the actual date printed on the invoice from the vendor. This may provide useful information if vendor clarification is necessary.

Scheduled Payment Date: The Scheduled Payment Date field on the Payment Request will be calculated and systemically entered based on the bill payment policy of the Commonwealth.

The Commission is required to not use personal information as MMARS “Identifiers” or in “Comment” fields.

The Commission staff must provide vendors with remittance information that will facilitate proper payment application to their receivables. When negotiating a contract, the Commission should establish a mutually agreeable data structure to communicate goods delivered or services

rendered. Data entered into MMARS transaction fields is a matter of public record, and MMARS Doc IDs (encumbrances, payments, etc.), vendor invoice numbers, board award fields, contract numbers, check descriptions, and any comment fields must not contain personal information (such as non-vendor individual or client names, SSN numbers, bank account numbers, date of birth, addresses etc.) or other information that could jeopardize privacy or facilitate identity theft. MMARS Doc IDs and key comment fields may be printed on checks, sent electronically as part of remittance advice, and will appear on VendorWeb (and may be viewed related to public records requests), therefore care must be taken that individual personal information is not used. See G.L. c. 93H and c. 66A and Executive Order 504. The Payables Manager must ensure that no data entered into any transaction includes personal information and must develop naming and number conventions that do not use these items as identifiers.

Invoice Returns

The Commission must return invoices that are not acceptable within 15 days in accordance with CTR policies. The Commission has fifteen (15) days from the receipt of an invoice to notify the vendor with written reason(s) why an invoice has been rejected and to identify requirements to cure the deficiency. If the invoice is incorrect or cannot for good reason be accepted, it should not be held by the Commission and negotiated. It should be returned to the vendor immediately. The payment day count will restart again from the beginning when the Commission receives a corrected and updated invoice.

New Vendors

The CTR is the tax clearinghouse of the Commonwealth and is responsible for accurate state and federal tax reporting for all reportable expenditures made by the Commonwealth. As such, all payments processed through the state accounting system, MMARS, are matched to vendor records in the Vendor/Customer (VCUST) Table in MMARS. CTR relies upon the Commission and all other departments to submit accurate information when registering a vendor or customer for the first time and when making any updates to the VCUST information.

For a vendor to receive payments from the Commonwealth, a vendor/payee must be registered on the VCUST Table of MMARS. The Commission is required to obtain a completed Form MA-W-9 “Request for Taxpayer Identification Number and Certification” or a W-8 (foreign vendors) to register a vendor and whenever there is a change to the vendor’s legal name, legal address or federal Tax Identification Number (TIN). A TIN is either:

- a Social Security Number (SSN) issued by the Social Security Administration (SSA) for individuals or
- an Employer Identification Number (EIN) issued by the IRS for non-individuals, such as trusts, estates, partnerships and corporations.

A Department begins the registration or update process in MMARS by entering a Vendor/Customer Entry (VCC) or a Vendor Customer Modification (VCM). Note: For Vendors under statewide contracts, the Operational Services Division (OSD) is responsible for registration and information changes.

The first step in the process is that the Commission must verify that a new Vendor Code is actually needed. The Commission must ensure that the payee is actually a new vendor that does not already have an existing Vendor Code on MMARS in VCUST before submitting a VCC. The Commission staff should work closely with the vendor to verify this information in

MMARS prior to submission of a VCC. Not all vendors know that they are already registered on the VCUST table. A search of the TIN should identify if the payee has a current vendor code.

The Commission must also verify supporting documentation and authentication. As the CTR relies upon departments to submit accurate information when completing a VCC or VCM, the Commission must verify that the VCC registration is being made by an authorized signatory of the vendor and that all of the official tax forms have been obtained. The Commission should ensure that the payee has submitted an official Form W-9 or W-8 identifying the legal name, legal address and TIN (SSN or EIN) that matches what they have already filed with the IRS and DOR. The legal name is entered in the 1099I Table (for tax reporting purposes) and is the name listed in VCUST that is used to populate encumbrances and payments and is printed on checks or remittance advice.

All tax documents must include the payee TIN. No tax reportable payment should be made without a W-9 form confirming that the TIN is on file (Form MA-W-9 Request for Taxpayer Identification Number and Certification). IRS regulations require backup withholding of 28%, at the time a payment is issued, for any tax reportable payment made for which the payer used an incorrect TIN. Foreign persons or corporations require the appropriate Form W-8. The Commission will refer to the CTR Vendor/Customer File and W-9s Policy to ensure all new customers or amendments are properly input into MMARS.

Payment Process

Commonwealth's Method of Payment - Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) is the expected form of issuing Commonwealth payments to vendors. The Commonwealth's policy is to pay its bills through EFT while maximizing the use of prompt payment discounts (See Prompt Payment Discounts below). EFT is a benefit to both vendors and the Commonwealth because it ensures fast, safe and reliable payment directly to the vendor's account and saves both parties the cost of processing checks. EFT saves the Commonwealth the expense of processing, printing and mailing checks. The Commonwealth believes that its policy of consistent bill paying via EFT should give Departments leverage in negotiating discounts. For statewide contracts, vendors are required to receive payment via EFT. Contractors must accept payments through EFT to ensure that funds are paid directly to the Contractor's designated accounts, eliminating the impact of check clearance policies and traditional mail lead time or delays. An Electronic Funds Transfer Form provided by the CTR, should be initiated whenever a contract is procured, and for current contracts, whenever an amendment or renewal is negotiated. It is important to process EFT requests in a timely manner. Payments issued prior to EFT activation will be checks which are costly to process for both a contractor and the Commonwealth.

The Payables Manager will create the Electronic Funds Transfer Form ensuring the form is filled out properly and through completion including vendor information (i.e. contact info, TIN etc.) and vendor bank information (i.e. bank name, transit and account number etc.). The form is also required to be signed by an authorized signatory (see Authorized Signers section in the Contract and Contract Processing control documentation). A voided check must also be attached to the form.

Prompt Payment Discounts

The Commonwealth's goal is to pay its bills through EFT as discussed above while maximizing the use of Prompt Payment Discounts (PPD). The Commission's policy is to take advantage of as many PPD as possible. Any Contractor seeking accelerated payments must provide a PPD. PPD terms should be initiated whenever a contract is procured, and for current contracts, whenever an amendment or renewal is negotiated. During procurements, bidders submit responses identifying PPDs with the assumption that departments will pay their bills more quickly in order to receive the PPD from the total price of an invoice. Having prompt payment discount options in contracts is advantageous to both contractors and purchasing departments. Contractors benefit from PPD by increased, usable cash flow as a result of fast and efficient payments for commodities delivered or services rendered. The Commonwealth benefits because the department's cost for products and services are reduced by taking advantage of the PPD.

Compliance with the Commonwealth's Bill Payment Policy should be considered successful if payments are issued in the standard payment cycle of 45 days via EFT. For Contractors seeking accelerated payments, payments must be scheduled to disburse on the last possible day in MMARS to take advantage of the best available PPD. Because the Commonwealth earns interest on funds, if payments are released earlier with no reciprocal benefit of a PPD, the Commonwealth loses valuable investment income and available cash flow.

The Commission should not negotiate accelerated payments, and payees are not entitled to accelerate payments unless a PPD is provided to support the Commonwealth's loss of investment earnings for this earlier payment, or unless a payment is legally mandated to be made in less than 45 days (i.e., construction contracts, Ready Payments under G.L. c. 29, s. 23A). However, the MGC does leave the option open to work with vendors to allow for payments earlier than the 45 day billing cycle if the vendor has a hardship or it makes good business sense.

PPD are identified as a percentage discount, which will be automatically deducted when an accelerated payment is made. Reduced contract rates may not be negotiated to replace a PPD. If PPD fields are left blank on the Standard Contract Form or Prompt Payment Discount Form the Commission must identify the exemption: (1) statutory/legal/Ready Payments (2) federal grant/trust or (3) initial state grant or entitlement payments for start up costs.

The Commission is required to have contractors complete the PPD section of the Standard Contract Form or identify a legitimate hardship. Requiring a PPD to be identified as part of a procurement or contract does not mean that an automatic discount will be taken or that the Contractor is required to make a price reduction. The discount on the total payment will apply only if the Contractor requests "accelerated" payments in less than the standard payment cycle (currently 45 days). Even if the Commission has not included the PPD as part of the RFR process (see the Contract section), or for contracts when a procurement is not required, the Commission should require a Contractor to complete a PPD Form during the contract execution, renewal or amendment process to ensure that PPD are available to both the contractor and the department to the maximum extent possible.

One of the benefits of MMARS is the ability to automatically calculate discounts for prompt payments to vendors. These discounts are hard dollar savings retained by the Commission that can be unencumbered for a contract if not needed and used for another purpose. PPD are automatically taken from the total invoice amount and are in addition to any other volume or other discounts negotiated between the Commission and a contractor as part of a contract or

purchase. Volume or other discounts must be calculated and included on the invoice. PPD are an additional discount if the Commission is able to review and approve an invoice quickly and schedule payment within 9, 14, 19 or 29 days from the date the invoice was received or performance rendered (whichever is later).

Most statewide contracts issued by the OSD contain PPD terms. If the Commission is purchasing from a statewide contract that includes PPD terms, the department must process invoices timely in order to take advantage of the discount(s). The Commission must check the Master Agreement document to identify the PPD options available from that contract and make sure that payment requests are submitted to take advantage of the greatest amount of savings.

MMARS provides the Commission with the means to monitor its bill-paying practices and take full advantage of discount opportunities. The system also maintains discount history and can identify missed discount opportunities. The Commission should continuously review the existing policies and procedures related to vendor discounts and look for ways to leverage the MMARS functionality. The Commonwealth's policy of consistent bill paying via EFT should give the Commission leverage in negotiating discounts on prospective contract.

Options for Entering Discounts

MMARS gives the Commission the ability to enter discount-pricing percentages that will automatically calculate discounted payment amounts. Vendor discount information can be entered at three levels:

- Vendor level: entered on the VCUST table, which will result in an "across the board" discount for all payments from any department to that vendor;
- Encumbrance level: entered in the commodity section, commodity discount subsection. Statewide contract discount terms will be managed by OSD. The Commission will be able to enter terms negotiated for a specific contract and the Commission will manage encumbrances;
- Payment level: if noted on a vendor's invoice, it should be entered on the individual payment request transaction.

Discount precedence applies when discount information is entered in more than one level. A discount at the vendor level applies if no other discount is indicated. A discount at the encumbrance level supersedes a vendor level discount, and a discount at the payment request level supersedes any other discount information. For more information on PPD data entry, the Commission refers to the CTR Prompt Payment Discount Policy and the AP Applying Discounts job aid for how to set this up in MMARS.

Quality Assurance Reviews

The Commission's payment activity is subject to quality assurance reviews by the CTR. A criterion of the quality assurance review includes review of the quarterly bill-paying and PPD statistics for the Commission and assuring the Commission is paying bills consistent with this policy. CTR is able to run reports that provide information on items such as the percentage of discount payments and how many discounts were missed.

Payment Processing & Review

The Commission must review, confirm and approve invoices when received and enter that information in MMARS for payment within 9 days (or earlier) of that receipt, in order for applicable discounts to be taken and all payments to be scheduled appropriately with no further

action needed. The Commission's policy is to enter the information into MMARS as soon as is feasible without compromising necessary approval and review procedures. The Commission's Payables Manager is responsible for ensuring that invoices are properly tracked and timely processed in order to avoid late payment penalties. See documentation on Invoice Receipt & MMARS Data Entry above.

The Commonwealth's policy for the determination of a payment due date is as follows:

- A specific payment date: The payment date is a contractual, state plan or similar payment. The payment date should be entered in both the Vendor Invoice Date field and the Scheduled Payment Date field of the payment request transaction in MMARS.
- In the absence of a specified payment date, the default payment date will be on or before the statutory requirement calculated from the later of:
 - a) The date services were rendered or goods received, or
 - b) The date of receipt of an invoice.

An invoice/obligation is considered paid when the payment is issued by the Commonwealth via:

- EFT when the issuance file is transmitted to the bank (payment issue date) or
- Checks when the check is sent to the post office (payment issue date).
- In both cases, the payment is considered paid as of the payment issue date which is recorded in MMARS.

Payments are issued each business day. EFT's processed by the Commonwealth are credited to the vendor's bank account the business day following the Treasury's receipt of the disbursement file from the CTR.

The Payables Manager is responsible for monitoring and reviewing payment data via the Commonwealth Information Warehouse (CIW). The CIW is used by the Commission primarily to track the amount of remaining funds in encumbrance and to confirm if an accounts payable item was paid. The CIW has developed standard bill paying queries that may be run on a user-defined frequency (i.e. monthly, quarterly). The reporting criterion provides the same standards used for the Comptroller's report of quarterly bill paying across the Commonwealth. The Finance Specialist will check the CIW on a weekly basis and the Payables Manager will perform an overall review and spot check.

The Commonwealth's policies indicate that each department, such as the Commission, must review its current steps to process payments. This may result in the identification of steps duplicated unnecessarily, in different levels of the Commission, sometimes resulting in significant payment delays. An evaluation of the value added at each of these redundant points could result in a streamlined process and reduce the processing time. A risk assessment of dollar threshold or program specific concerns may result in only certain payments requiring additional review.

VendorWeb

As a convenience to the Commission's vendors, vendors can see their scheduled payments and payment history by logging on to VendorWeb. On-line vendors can find the tentative scheduled payment date or the actual payment date, payment number, vendor invoice number, contract number, line amount, any associated text information and the Department making the payment.

The Commission's staff should be aware that VendorWeb is located at <https://massfinance.state.ma.us/VendorWeb/vendor.asp> for the benefit of our vendors.

The VendorWeb application was created to help the Commonwealth's vendors get their payment information freely and easily. Vendors access VendorWeb with their Commonwealth VC code and the last 4 digits of their TIN. Vendors can view or download information for payments made in the current or prior fiscal year or scheduled to be paid. Payment information can be generated using date ranges and selected department(s). Payment information can be sorted by payment number or department payer(s). VendorWeb also provides vendors on-line access to 1099 tax forms.

Expenditure Corrections

Expenditure corrections are occasionally needed when payment transactions have inadvertently been posted with an incorrect chart of account element or to the incorrect spending account. Expenditure Correction Documents (EX) will be processed to correct any such issues. The Commission is responsible for the prompt reconciliation of accounts and, therefore, the prompt submission of any EX Documents required as a result of that reconciliation. EX Documents are automatically "workflowed" to the General Accounting Bureau of the CTR for review. The Commission is responsible for maintaining all documentation, in whatever form specified, to ensure that the correction conforms to expenditure corrections policy and the laws governing such adjustments.

The EX Document should be initiated only after the Commission has determined, as part of its account/program reconciliation, that there was an error on the original expenditure, which requires correction. It is the responsibility of the CFAO, Payables Manager or the appropriate division head authorized designee to validate the appropriateness of the correction, and to ensure that the request for the correction is consistent with the policy of the CTR and state finance law. Furthermore, in determining that a correction is necessary, the Commission must also determine why the original expenditure was entered incorrectly and take the steps necessary to prevent a recurrence. EX documentation is subject to review by the Quality Assurance Bureau in CTR. The Commission is required to refer to the CTR Expenditure Corrections Policy to ensure compliance.

Expenditure Refunds

An Expenditure Refund (ER) represents a return of funds originally paid to a vendor and may be representative of an error in the original payment process. The refund may be due to a return of goods, an overpayment, an incorrect payment, or funds received from a vendor due to the Commission's dissatisfaction with goods or services received or because of a contract adjustment. The Commission has the right to recoup or offset overpayments made for contract performance.

ER documents should be processed when the following circumstances have occurred:

- The department and the vendor have determined that the vendor was overpaid
- The department and the vendor have determined that a duplicate payment was issued or paid.
- The department received a refund for goods returned.
- The department has requested a refund (full or partial) as an adjustment for dissatisfaction of goods or services, or other types of contract adjustments.

ER entered into MMARS must represent cash received and deposited to the Commission's sweep account and posted to MMARS. ER must be returned to the original appropriation account from which the amounts were expended. Specific year-end policies may require alternative processing of funds returned after the close of a fiscal year. All ER transactions in excess of \$5,000 which pass normal system edits will attain a "Pending" status and enter Workflow for review and processing by CTR General Accounting staff. ER transactions less than \$5,000 will be processed to "Final" status by the Commission. All ER transactions are subject to periodic post-audit by the CTR Quality Assurance staff.

It is the responsibility of the CFAO, Payables Manager or the appropriate division head authorized designee to validate the appropriateness of an ER, and to ensure that the request for the correction is consistent with the policy of the CTR and state finance law. ER resulting from a refund due to the actual return of goods or services or due to the department's dissatisfaction with the goods or services received or contract adjustments are routine business justifications. However, ER resulting from overpayments, duplicate payments or payments to the incorrect vendor raise concerns. The Commission should carefully review ER transactions and the reasons behind the need for the ERs to be processed. A high volume of ER documents may indicate an underlying weakness in the department's internal controls for payment processing. The Commission is required to refer to the CTR Expenditure Refunds Policy to ensure compliance.

Payment Advances

The issuance of departmental advances is authorized in Chapter 29 Section 23, in accordance with rules and regulations determined by the Comptroller. Since the implementation of daily disbursements the necessity of advances has been reduced significantly. The CTR and the Treasurer's Office (TRE) continue to support advances as necessary. Advance accounts are primarily used for emergency payroll accounts and other emergency needs.

The use of advance accounts is a manual process. State finance law and tax reporting requirements must be met. The Commission is approved to use advance accounts for emergency payroll needs. A statewide system of accounts, commonly referred to as Dynacash accounts, was procured through the State Treasurer's Office and awarded to Banknorth. Processing of Requests for Advance (RA) or Encumbrance for Advance (EAV) is delegated to the Commission for amounts less than or equal to \$5,000. Advance accounts for other purposes will be considered upon the written request of the department head, or their designee, to the CTR. The Commission is required to refer to the CTR Advance Management Policy to ensure compliance.



MASSACHUSETTS GAMING COMMISSION » ABOUT »

ABOUT

Opportunities in the Expanded Gaming Industry



What you need to know:

- ★ The Massachusetts Gaming Commission is committed to providing the greatest possible economic development benefits and revenues to the people of the Commonwealth. To that end, MassGaming will provide information relative to employment and vendor opportunities at our licensees.
- ★ The Expanded Gaming Act established job creation and the development of a diverse workforce as one of its primary objectives.
- ★ Every casino employee and gaming vendor must be licensed or registered by the Massachusetts Gaming Commission prior to commencing employment or conducting business at a gaming establishment in Massachusetts.

Opportunities at Plainridge Park Casino in Plainville:



To find out about employment opportunities at Plainridge Park Casino, please click [here](#).

To find out about opportunities for vendors at Plainridge Park Casino in Plainville, click [here](#).

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Penn National Gaming Diversity Plan

Penn National Gaming and Turner Construction Company have developed a comprehensive Diversity Plan for the design and construction phase of Plainridge Park Casino in Plainville.

[VIEW THE PLAN](#) ▶

Frequently Asked Questions About Casino Employment

The Massachusetts Casino Careers Training Institute and MGC have developed a list of FAQs by collecting info and inquiries from potential job-seekers and stakeholders involved in the process.

[DOWNLOAD FAQ'S](#) ▶

The Massachusetts Casino Careers Training Institute

The MCCTI was formed as a collaborating workforce development organization by the state's fifteen community colleges. Visit their website to learn more.

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The Commission is building a team dedicated to the mission and who enthusiastically embrace our core values.

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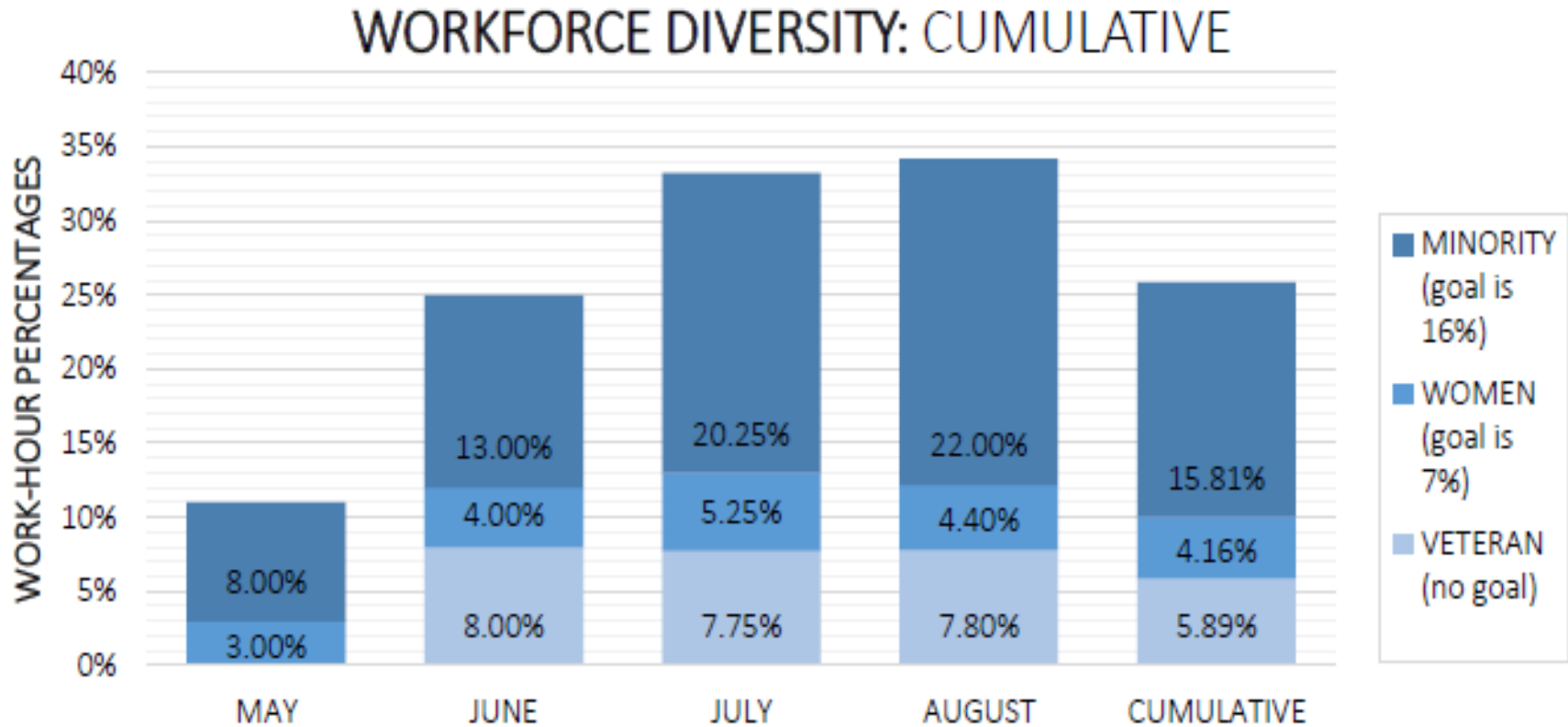
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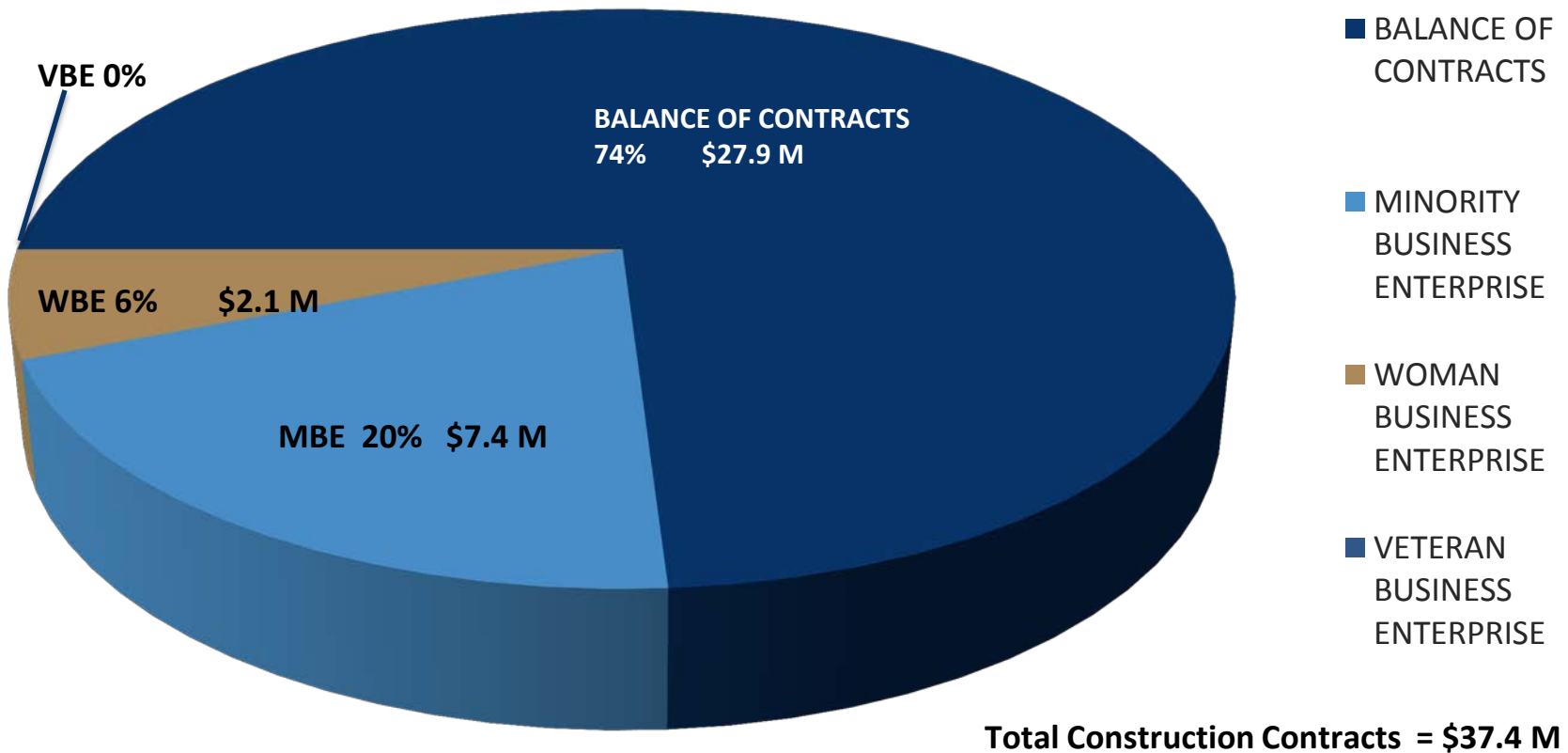
PENN NATIONAL GAMING CONSTRUCTION WORKFORCE



Construction Workforce Data as of August 31, 2014

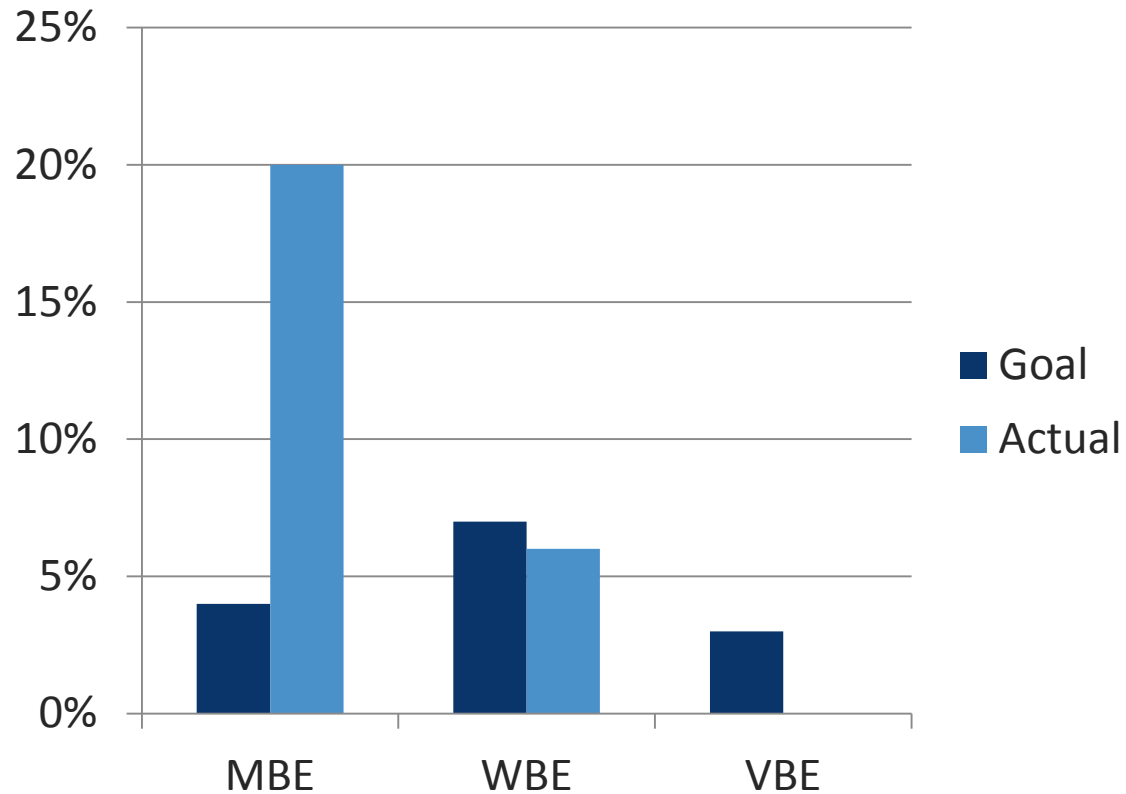
PENN NATIONAL GAMING DESIGN AND CONSTRUCTION SUPPLIER DIVERSITY

Cumulative through August 31, 2014



PENN NATIONAL GAMING

DESIGN AND CONSTRUCTION SUPPLIER DIVERSITY



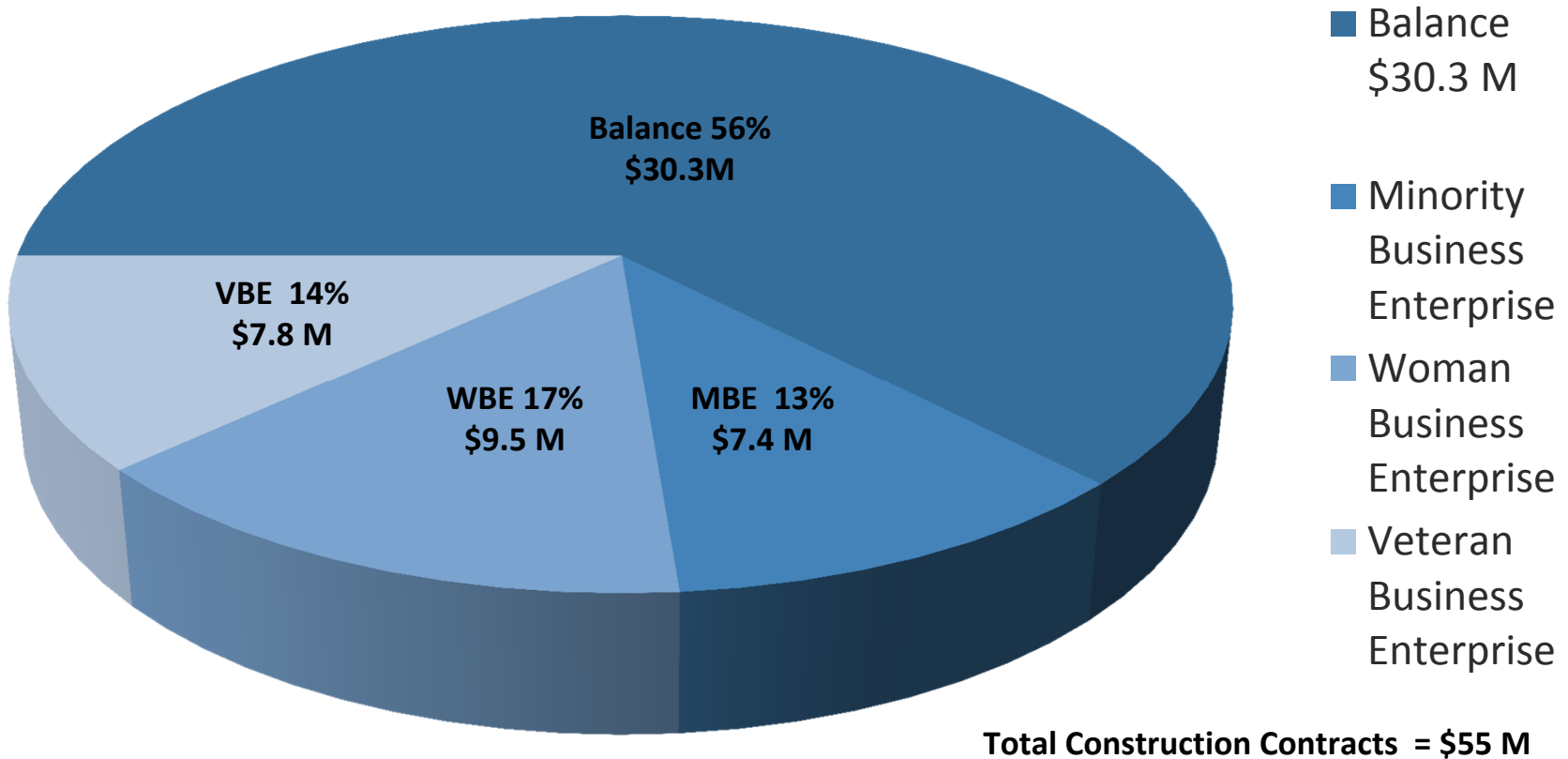
Goals vs Actual Cumulative through August 31, 2014

Procurement Goals: 4% MBE, 7% WBE, 3% VBE

Actual: 20% MBE. 6% WBE. 0% VBE

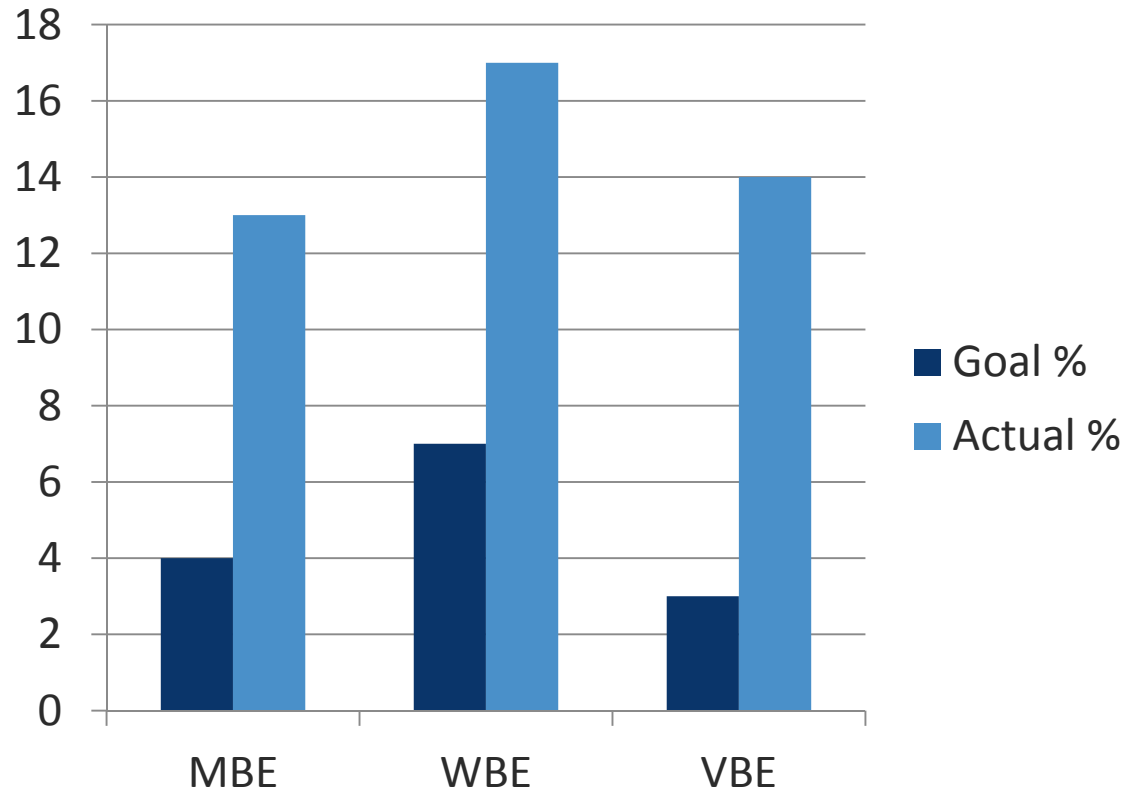
PENN NATIONAL GAMING, INC.

Vendor Diversity cumulative through September 24, 2014



PENN NATIONAL GAMING, INC.

Design and Construction Supplier Diversity



Goals vs Actual Cumulative through September 24, 2014

Procurement Goals: 4% MBE, 7% WBE, 3% VBE

Actual: 13% MBE. 17% WBE. 14% VBE



Division of Racing

To: Stephen Crosby, Chairman
Gayle Cameron, Commissioner
Jim McHugh, Commissioner
Bruce Stebbins, Commissioner
Enrique Zuniga, Commissioner

From: Jennifer Durenberger, Director of Racing

cc: Rick Day, Executive Director
Catherine Blue, General Counsel

Date: 25 September, 2014

Re: Ch. 311 of the Acts of 2014

Dear Commissioners:

On September 9, *An Act Relative to Racing Days* was approved by the Governor and chaptered as c.113 of the Acts of 2014. This act reduces the number of racing performances and live races required to be conducted in order for a licensee to offer simulcast wagering, as prescribed in c.128C §2. The requirement for Plainridge Racecourse is reduced from 100 performances and 900 races to 80 performances and 720 races in 2014. The requirement for Suffolk Downs is reduced from 100 performances and 900 races to 65 performances and 500 races, “or such other number of live races and racing days as may be approved by the Massachusetts Gaming Commission in the interest of the health and safety of horses, riders and drivers” in both 2014 and 2015. The entire text of the chapter appears at the end of this memo.

As noted last year, this legislation is designed, in part, to temporarily address a contemporary issue affecting the horse racing industry in general, but one which is compounded in Massachusetts in particular. Nationwide, the number of racehorses being born annually has decreased by approximately 35% since 2007. Since most horses begin their racing career at two or three years of age, the direct effect is a concomitant decrease in the number of horses



Massachusetts Gaming Commission

available to race. While this “horse shortage,” as it is referred to in the industry, is a matter of concern at the national level, the horse racing industry in Massachusetts faces two additional critical impediments: the low level of purse, or prize, money available to the owners and, by extension their occupational licensees, for participating in a race, and the uncertainty surrounding the future of both horse racing industries. The low purse levels in Massachusetts are a relative phenomenon created by the availability of monies from expanded gaming in neighboring jurisdictions to supplement racing purses in those states. The legislature here has addressed this via the establishment of the Race Horse Development Fund found in chapter 23K §60, but monies from gaming were not available to purse accounts in 2014. Additionally, the uncertainty of the future of the two industries coupled with the four- to five- year business cycle of the racehorse breeding industry has kept the local industry suppressed in recent years.

Plainridge Racecourse

Plainridge Racecourse has submitted a formal request to reduce its number of scheduled live racedays from the previously licensed 100 to 80. The proposed final day of the 2014 meet is October 22. Based upon current numbers, there is no concern about meeting the number of actual races conducted requirement. This request was contemplated in the 2014 purse agreement between the operator and the horsemen’s group (Harness Horsemen’s Association of New England) and is accompanied by a letter to that effect.

Recommendation: That the Commission approve the request of Plainridge Racecourse to conclude its 2014 live racemeet with the October 22 card.

Suffolk Downs

Suffolk Downs has submitted a formal request to reduce its number of scheduled live racedays from the previously licensed 100 to 65. The proposed final day of the 2014 meet is October 4. Based upon current numbers, there is no concern about meeting the number of actual races conducted requirement. This request is supported by the horsemen’s group (New England Horsemen’s Benevolent and Protective Association) and is accompanied by a letter to that effect.

Recommendation: That the Commission approve the request of Suffolk Downs to conclude its 2014 live racemeet with the October 4 card.



Massachusetts Gaming Commission



Session Law

[Print Page](#)

Acts

2014

Jump to:

2014

Chapter 311 **AN ACT RELATIVE TO RACING DAYS**

[PREV](#) [NEXT](#)

Whereas, The deferred operation of this act would tend to defeat its purpose, which is to further regulate simulcasting, therefore, it is hereby declared to be an emergency law, necessary for the immediate preservation of the public convenience

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same as follows:

SECTION 1. (a) Notwithstanding any general or special law to the contrary, in calendar year 2014, the harness horse racing meeting licensee located in Norfolk county may simulcast live races; provided, that said licensee is licensed to and actually conducts at least 720 live races over the course of not less than 80 calendar days during the 2014 racing season with not fewer than 7 races completed on any of those 80 calendar days.

(b) Notwithstanding any general or special law to the contrary, in calendar years 2014 and 2015 the running horse racing meeting licensee located in Suffolk county may simulcast live races provided that said licensee is licensed to and actually conducts at least 500 live races over the course of not less than 65 calendar days during each racing season with not fewer than 7 races completed on any of those 65 calendar days or such other number of live races and racing days as may be approved by the Massachusetts Gaming Commission in the interest of the health and safety of horses, riders and drivers.

SECTION 2. Subsection (a) of section 1 is hereby repealed.

SECTION 3. Subsection (b) of section 1 is hereby repealed.

SECTION 4. Section 2 shall take effect on January 1, 2015.

SECTION 5. Section 3 shall take effect on January 1, 2016

Approved, September 9, 2014.



Plainridge Racecourse
301 Washington Street
Plainville, MA 02762
508.643.2500

September 11, 2014

Jennifer Durenberger
Director of Racing
Massachusetts Gaming Commission
Racing Division
84 State St., 10th Floor
Boston, MA 02109

Dear Director Durenberger,

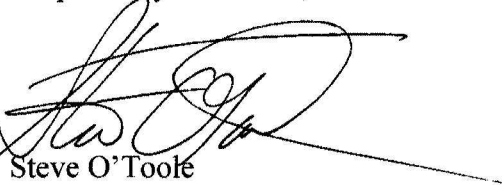
Plainridge Racecourse respectfully requests approval to end the 2014 season on Wednesday, October 22, by canceling the following live race days;

October 25, 26 & 29, November 1, 2, 5, 8, 9, 12, 15, 16, 19, 22, 23, 26, 29 & 30,
December 3 & 6

With the previous cancellation of August 13, the revised schedule contains eighty (80) live racing days.

The HHANE supports this reduction as outlined the enclosed agreement and recent submission regarding the enabling legislation.

Respectfully submitted,



Steve O'Toole
General Manager

enclosure:



2014 Live Racing Calendar

APRIL						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30			

MAY						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

JUNE						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30					

JULY						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

AUGUST						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24/31	25	26	27	28	29	30

SEPTEMBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

OCTOBER						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

NOVEMBER						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23/30	24	25	26	27	28	29

DECEMBER						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

4:00 PM Post Time

1:00 PM Post Time



P.O. Box 1811 ~ Plainville, MA 02762

August 18, 2014

VIA FEDERAL EXPRESS

The Honorable Deval Patrick
Office of the Governor
Room 105
State House
Boston, MA 02133

Dear Governor Patrick:

Subject: H4365

The Board of Directors of the Harness Horseman's Association of New England supports said bill and would appreciate your signature thereon.

Very truly yours,

HARNESS HORSEMAN'S ASSOCIATION
OF NEW ENGLAND

Michael Perpall
President

lds

AGREEMENT

Plainridge Racecourse

Harness Horsemen's Association of New England

This agreement (the "Agreement") is made by and between Springfield Gaming and Redevelopment, LLC, a wholly owned indirect subsidiary of Penn National Gaming, Inc. (hereinafter referred to as "SGR") a harness racetrack operator for the track in Norfolk County, Massachusetts located at 301 Washington Street, Plainville, and the Harness Horsemen's Association of New England (hereinafter referred to as "Horsemen" or "HHANE") as the organization authorized to represent the Horsemen racing at Plainridge Racecourse.

WHEREAS, The parties hereto have negotiated in good faith in order to agree upon terms as set forth the herein;

WHEREAS, The parties have entered into this Agreement to provide for live racing, purse accounts and other negotiated matters;

NOW THEREFORE, The parties agree as follows, for good and valuable consideration:

- 1) This Agreement shall only become effective upon the granting of a license to conduct harness racing to SGR by the Massachusetts Gaming Commission. This Agreement can be terminated within ten days after (a) the award of a Category 2 gaming license to any entity other than SGR, (b) if the Category 2 license award is postponed beyond March 31, 2014, or (c) upon a breach of the Agreement by either party not cured within 20 days after written notice (no cure period is required for material regulatory issues).
- 2) The Horsemen and SGR agree for the term of this Agreement to abide by the terms as set forth in this Agreement and in the SGR Racing Guide, as amended (attached as Exhibit A). The Horsemen further agree to vigorously and exclusively support SGR's Category 2 gaming application, including public presentations. To the extent third party, mutually agreed costs are incurred by Horsemen in connection with this support, SGR will be responsible for such costs.

Horsemen further agree to use best efforts to support required statutory changes to allow for the conduct of 80 live racing dates in calendar year 2014.

Under no circumstances shall the Horsemen, individually or collectively, directly or indirectly, strike, threaten to strike, boycott, threaten to boycott or cause any action detrimental to the orderly conduct of the live race meet or SGR's business.

- 3) (a) The Horsemen agree to enter and fill race cards, to race once entered abiding by policies set forth by SGR and to properly care for all race horses brought to, or stabled at Plainridge Racecourse. The Horsemen acknowledge the heavily regulated nature of SGR's business and agree that SGR, at its sole discretion, may accept or reject horses.

Handwritten signatures and initials at the bottom of the page, including a large signature in a circle and several other initials.

AGREEMENT

Plainridge Racecourse

Harness Horsemen's Association of New England

dollars) when the additional expense is borne by other parties. SGR agrees to a minimum purse of \$2,000.00 (two thousand dollars). To the extent that Category 2 gaming is permitted at the racetrack premises, after the first full year a Category 2 gaming facility is operational at Plainridge Racecourse up to 5% (five percent) of the purse account may be used by SGR for early or late closing races.

- 7) SGR agrees to provide Driver & Trainer Insurance during the live race meet. The insurance will be provided by Van Gundy Insurance covering Drivers & Trainers participating in the live race meet at Plainridge Racecourse with medical coverage of at least \$100,000.00 (one hundred thousand dollars). Weekly Disability Benefits of \$250.00 (two hundred fifty dollars) per week and Accidental Death & Dismemberment of \$5,000 (five thousand dollars). This coverage will be provided on live race days and non-live racing days (training days) annually starting with the first date of qualifying races and will end on the last date of live racing or qualifiers. Horsemen agree that as a prerequisite to coverage under this Agreement, all horsemen will be required to sign a liability waiver. Horsemen will use best efforts to advise its membership and Horsemen of this requirement.

- 8) SGR agrees to pay 2% (two percent) of earned purses from the purse account to the Harness Horsemen's Association of New England, all as permitted by applicable law. SGR and the Horsemen agree these funds are to be used solely for;
 1. Promoting Harness Racing at Plainridge Racecourse.
 2. Reasonable costs associated with the operation of the HHANE.
 3. Benefits to the Horsemen and/or members of the HHANE.

- 9) The effective date of commencement and termination of this Agreement will also apply to the Horsemen granting approval to simulcast the Plainridge Racecourse live racing signal (host simulcast) and for all import (guest simulcast) conducted at Plainridge Racecourse and for any account wagering operation hosted by SGR.

- 10) (a) SGR agrees that for the period of two (2) weeks prior to the first live racing date and two (2) weeks after the last live racing date annually there will be no charge to Horsemen utilizing any the barns, the racetrack or related facilities at Plainridge Race Course.

SGR RB
JA
[Signature]

AGREEMENT

Plainridge Racecourse

Harness Horsemen's Association of New England

owners, trainers, drivers, grooms, entries or stall applications from anyone at anytime. The Horsemen agree to use at their own risk and take reasonable care of the stall space allotted to them, the paddock area, racetrack and grounds. The Horsemen acknowledge that no stalls may be issued by SGR to any Horsemen prior to the execution of a stall agreement.

(b) SGR agrees to use best efforts to ensure that up to 75% of the annual races conducted during the term of this Agreement will carry preferences for horsemen who have previously raced at Plainridge Racecourse. SGR and Horsemen acknowledge that they will mutually agree on the specific parameters of eligibility for horsemen under this provision.

4) SGR assumes no responsibility for Horsemen's equipment or property during training, racing or any other use of the racing premises.

5) (a) SGR agrees that during the course of the live racing season it shall provide the mandated purses at 4% (four percent) of guest handle in regards to all interstate horse simulcasts per statute, a 3.5% (three and one half percent) of guest handle in regards to all interstate greyhound simulcasts per statute and all statutory requirements regarding percentage of live handle, in state host handle, pari-mutuel taxes, premiums and so-called "outs" monies. SGR further agrees to pay into the purse account $\frac{1}{4}$ of 1% on the first \$10,000,000 of interstate host handle, $\frac{1}{2}$ of 1% from \$10,000,000 to \$20,000,000 of interstate host handle and 1% on interstate host handle that exceeds \$20,000,000 per live racing season.

(b) For the term of this Agreement the average daily purse distribution from the purse account shall be a minimum of \$30,000 per live racing date. The purse account shall consist of all monies generated under Section 5(a) above, plus, any and all amounts generated or contributed to the purse account pursuant to any statutes or distributions related to Category 1 or Category 2 licensees or any other contributions made to the purse account from any other sources. For calendar year 2014 the purse distribution per day minimum shall be guaranteed for up to 80 live racing dates.

To the extent permissible by law, in the event the amounts generated for the purse account in Sections 5(a) and (b) above for any calendar year of this Agreement are less than the total amount distributed by SGR in any calendar year of this agreement (otherwise referred to as an "overpayment"), Horsemen agree that any overpayment amounts may be deducted from the purse account (or otherwise credited or repaid) until such overpayment is repaid.

6) SGR and the Horsemen agree any purse offered for over \$25,000.00 (twenty-five thousand dollars) other than the Beckwith Memorial, must have the consent of the Horsemen. Purses may be offered for more than \$25,000.00 (twenty-five thousand

SA [Signature] [Signature] RB [Signature]

AGREEMENT

Plainridge Racecourse

Harness Horsemen's Association of New England

- (b) The Horsemen agree at all other times, pursuant to past practice, to pay for all costs related to the maintenance of the barns and maintenance of the track and related facilities at Plainridge Racecourse.
 - (c) This Agreement shall remain in effect from January 1, 2014 until December 31, 2018, subject to the termination provisions above.
 - (d) Under no circumstances other than criminal misconduct shall SGR be liable for any damages in connection with this Agreement that can be characterized as punitive, special, lost profits, consequential or the like.
- 11) In the event there is a dispute between the parties arising out of this Agreement and the amount in controversy is less than \$50,000, the parties agree to present that dispute to the Massachusetts Gaming Commission for resolution by way of a binding and expedited arbitration. If the Massachusetts Gaming Commission refuses to hear the matter or if the amount in controversy is \$50,000 or greater, either party can submit the dispute to binding arbitration under the Commercial Arbitration Rules of the American Arbitration Association. Notwithstanding the foregoing, if either party seeks equitable relief, that dispute may proceed directly to any court with jurisdiction.

By: [Signature] V.P.
[Signature] DIRECTOR

[Signature] Clerk Sec.
[Signature]

[Signature] TREASURER
Harness Horsemen's Association of New England

Name: [Signature]
Title: [Signature]
Date: 9/30/13
For: SPRINGFIELD GAMING AND REDEVELOPMENT, LLC



September 17, 2014

Jennifer Durenberger, Director of Racing
Massachusetts Gaming Commission
Racing Division
84 State Street, 10th Floor
Boston, MA 02109

Dear Dr. Durenberger:

Suffolk Downs requests permission to amend our 2014 racing schedule to race through September 29, 2014, on Monday, Wednesday and Saturday.

A hard copy of this request will be sent via United States mail.

Thank you for your consideration.

Sincerely,

Sam Elliott
Vice President of Racing

SE:jf

Telephone: 617-567-3900
525 McClellan Highway, East Boston, Massachusetts 02128

Made in Massachusetts



September 22, 2014

Jennifer Durenberger, Director of Racing
Massachusetts Gaming Commission
Racing Division
84 State Street, 10th Floor
Boston, MA 02109

Dear Dr. Durenberger:

Suffolk Downs requests amending our 2014 schedule canceling Monday, September 29, 2014, and adding Saturday, October 4, 2014, as closing day.

A hard copy of this letter will be sent via United States mail.

Thank you for your consideration.

Sincerely,



Sam Elliott
Vice President of Racing

SE:jf

New England Horsemen's Benevolent and Protective Association, Inc.

President
Anthony Spadea

A National

Acting Executive Director
Bruce P. Patten

Directors: Owners
Susan Clark
Shirley Dullea
James Greene
Lee Loebelenz
Manfred Roos



Directors: Trainers
John Assimakopoulos
Bernard Bramante
Kevin Clark
Shirley Edwards
Archie Ricciardi

P.O. Box 388
Revere, MA 02151
617-568-3333 or 800-225-3460 Ext. 7258
WWW.NewEnglandHBPA.com

September 19, 2014

Dr. Jennifer Durenberger, Director of Racing, Massachusetts Gaming Commission
84 State Street 10th floor
Boston, MA 02109

Re: 2014 Race Meet: number of race days

Dear Dr. Durenberger:

On behalf of the New England HBPA Board of directors and the owners and trainers of Thoroughbred horses racing at Suffolk Downs, I am writing to inform you that the New England HBPA will comply with current requirements of MGL c128C regarding the running of 65 race days at Suffolk Downs in 2014.

We are currently operating under a contract with Suffolk Downs for a fixed amount of purse funding based on total annual purse revenue allocated under MGL and the Interstate Horseracing Act. In order to avoid substantial reductions of purse payout levels established in prior years, it is apparent that the conditions of our agreement have been met with a 65 day race meet.

As you are aware, the New England HBPA strongly supports an annual race meet of 125 days as a reasonable plan for Thoroughbred racing in Massachusetts. We look forward to increased purse funding from gaming revenue to eventually reach 125 day race meets and competitive purse payout levels.

Sincerely,

Anthony Spadea, President

No Documents

No Documents



Amended Small Business Impact Statement

The Massachusetts Gaming Commission (“Commission”) hereby files this amended small business impact statement in accordance with G.L. c.30A, §5 relative to the proposed amendments in 205 CMR 134.00: Licensing, for which a public hearing was held on September 4, 2014. These specific amendments pertain to the process and standards governing the licensing of gaming vendors. The proposed amendments are largely directed by G.L. c.23K, §16, 30, and 31. To the extent that a vendor is a small business, these proposals will impact small businesses.

These proposals amend the process governing the licensing of gaming vendors as well as correcting some typographical errors and internal consistency issues. The amendments affect the information and documents the gaming vendor applicants may be required to provide as part of the application and qualification process. These amendments were designed to streamline the licensing process for the gaming vendors and there is no projected additional reporting or recordkeeping requirements associated with these amendments.

Therefore, based on the principal subject matter of these amendments, there are no less stringent schedules or deadlines for compliance or reporting requirements for small businesses, consolidated or simplified compliance or reporting requirements for small businesses, performance standards for small businesses to replace design or operational standards required in the proposed regulations, or alternative regulatory methods to minimize adverse impacts on small businesses.

M.G.L. c.23K was enacted to create a new industry in the Commonwealth and to promote and grow local small businesses and the tourism industry, including the development of new small businesses. The proposed regulations are designed to effectuate those intentions and growth.

Massachusetts Gaming Commission
By:

Danielle Holmes
Attorney

Dated:



Massachusetts Gaming Commission



Amended Small Business Impact Statement

The Massachusetts Gaming Commission (“Commission”) hereby files this amended small business impact statement in accordance with G.L. c.30A, §5 relative to the proposed new regulations in 205 CMR 137.00: Gaming Schools, for which a public hearing was held on September 4, 2014. These proposals were developed as part of the Commission’s overall process of promulgating regulations designed to govern the operation of gaming schools. To the extent that a certified gaming school is a small business, these regulations will have an impact on some small businesses. There is no way to accurately project how many schools may come about once the regulations are approved and the gaming establishments begin the hiring process. However, it is noteworthy that the known entities likely to pursue a certification under these regulations are not small businesses.

The regulations require an application and an annual report to be filed with the Commission. The Commission has developed a streamlined application that is not overly complex. Additionally, the required annual report is not onerous. Compliance with the regulations is driven by the curriculum requirements which are reasonably standard in jurisdictions that oversee gaming schools. Therefore, there are not any less stringent compliance or reporting requirements that can be implemented without hindering the achievement of the purpose of the regulations.

The only reporting deadline set forth in the regulations applies to the annual report. The report is due to the Commission on an annual basis and such there are not any less stringent schedules or deadlines to be implemented without hindering the achievement of the purpose of the regulations.

The Commission has avoided duplication with the requirements of other agencies regarding the application and annual report. Therefore, the Commission does not believe there are any further consolidating or simplifying compliance or reporting requirements for small businesses.

The regulations are designed in part in order to ensure consumer protection measures are incorporated and to ensure the prospective employees attending different schools have the same minimum level of education upon graduation. Given the importance of having a uniform minimum curriculum among the gaming schools performance standards cannot be replaced with design standards without hindering the achievement of the purpose of the regulations.



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It is common for trade schools to be required to follow curriculum and guidelines set by the governing body. Accordingly, the Commission does not anticipate that these regulations will deter the formation of new businesses.

Lastly, the Commission does not believe these regulations present an adverse impact upon small businesses. The regulations are intended to protect the consumer and give the gaming schools a clear understanding of expectations. Therefore, the Commission does not believe there are any alternative regulatory methods that could effectively be utilized to achieve the same effect.

M.G.L. c.23K was enacted to create new industry in the Commonwealth and to promote local small businesses in the tourism industry, including the development of new and existing small businesses such as lodging, dining, retail and cultural social facilities. These proposed regulations, as part of the Commission's overall regulation promulgation process, are designed to effectuate those intentions and to encourage the formation of new businesses in the Commonwealth.

Massachusetts Gaming Commission
By:

Danielle Holmes
Attorney

Dated:



Massachusetts Gaming Commission

205 CMR: MASSACHUSETTS GAMING COMMISSION

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

Section

- 134.01: Key Gaming Employee Licensees
- 134.02: Gaming Employee Licensees
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- 134.04: Vendors
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- 134.10: Affirmative License Standards for the Licensing of Employees and Vendors of the Gaming Establishment
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134.01: Key Gaming Employee Licensees

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

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

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

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(k) Principal accounting Officer; (l)

Chief Information Officer;

(m) Other executive level employees who are not identified as a key gaming employee-standard in accordance with 205 CMR 134.01(2) as determined by the commission.

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

(a) Controller;

(b) Electronic gaming device or slot machines manager; (c)

Human resources manager;

(d) Information technology manager;

(e) Pit boss;

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

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

134.02: Gaming Employee Licensees

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

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

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

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

134.03: Gaming Service Employees

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

134.04: Vendors

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

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

(1) Gaming Vendors.

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

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

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

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

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

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

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

(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:

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

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

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

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

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

134.05: Labor ~~Organizations~~ Organizations

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

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

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

(134.06: Junket Enterprises and Junket Representatives: Reserved)

134.07: Forms

(1) Multi-jurisdictional Personal History Disclosure Form for Key Gaming Employees- Executive and Gaming Vendor Qualifiers. The *Multi-jurisdictional Personal History Disclosure Form For Key Gaming Employees- Executive and Gaming Vendor Qualifiers* shall contain the following information:

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

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other jurisdiction; and any current employment or other association by the qualifier's family with the gambling or alcoholic beverage industries in the Commonwealth of Massachusetts or any other jurisdiction;

(s) Civil, criminal and investigatory proceedings in any jurisdiction, as follows:

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

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

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

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

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- (v) The name, address, occupation and phone number of persons who can attest to the qualifier's good character and reputation;
- (w) A signed, dated Statement of Truth affidavit.

(2) ~~Massachusetts Supplement Form For Key Gaming Employees- Executive and Gaming Vendor Qualifiers.~~ *The Massachusetts Supplement Form For Key Qualifiers Gaming Employees- Executive and Gaming Vendor Qualifiers* shall contain the following information: (a)

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

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

10. A signed, dated Statement of Truth;

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

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

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

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

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

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

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

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antitrust or security regulation;

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

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

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

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

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

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

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

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

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

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

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

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

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

(aa) Within the last ten years, whether the vendor has had any license or certificate denied, suspended or revoked by any government agency in the Commonwealth of Massachusetts or any other jurisdiction, the nature of such license or certificate, the agency and its location, the date of such action, the disposition, the reasons therefore, and the facts related thereto; (bb) Whether the vendor has ever applied for a license, permit or authorization to participate in any lawful gaming operation in the Commonwealth of Massachusetts or any other jurisdiction, the agency and its location, date of application, the nature of the license permit or authorization, number and expiration date;

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

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

(ee) A copy of each of the following:

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

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

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

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

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

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

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

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

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

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

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

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lawful gaming operation in the Commonwealth of Massachusetts or any other jurisdiction, the agency and its location, date of application, the nature of the license permit or authorization, number and expiration date;

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

(x) The names and addresses of any current or former directors, officers, partners, employees or third parties who would have knowledge or information concerning 205 CMR 134.07(7)(w);

(y) A copy of each of the following:

1. Annual reports for the past five years;

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

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

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

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

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

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

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

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(g) Citizenship and, if applicable, information concerning resident alien status; (h)

Full name of the labor organization represented;

(i) Telephone number and email address at current place of employment; (j)

Employment history:

1. All positions held with a labor organization, union or affiliate, whether or not compensated, for the past five years; and

2. Last three jobs, indicating any gaming-related positions;

(k) Licenses or other approvals held or applied for which are required to participate in any lawful gambling operation in the Commonwealth of Massachusetts or any jurisdiction;

(l) A signed, dated and notarized Statement of Truth;

(m) A waiver of liability as to the Commonwealth of Massachusetts and its instrumentalities and agents for any damages resulting to the officer, agent or principal employee from any disclosure or publication of information acquired during the investigation process.

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

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

134.08: Submission of Application

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

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

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Disclosure Form- Gaming Vendor-primary as set forth in 205 CMR 134.07(6);

6. An applicant for a Gaming Vendor-secondary license shall file a Business Entity Disclosure Form- Gaming Vendor-secondary as set forth in 205 CMR 134.07(7);

7. An applicant for a non-gaming vendor registration shall file a Non-gaming Vendor Registration Form as set forth in 205 CMR 134.07(8);

8. A gaming vendor-**primary** qualifier (individual) shall file a Key Gaming Employee-standard Application Form as set forth in 205 CMR 134.07(2);

9. A gaming vendor-**secondary** qualifier (individual) shall file a **Gaming Employee Application Form as set forth in 205 CMR 134.07(4);**

~~9~~10. A gaming vendor-**primary** qualifier (entity) shall file a Business Entity Disclosure Form- Gaming Vendor-primary as set forth in 205 CMR 134.07(6);

11. A gaming vendor-**secondary** qualifier (entity) shall file a **Business Entity Disclosure Form – Gaming Vendor-Secondary as set forth in 205 CMR 134.07(7).**

~~10~~12. A Labor Organization shall file a Labor Organization Registration Statement as set forth in 205 CMR 134.07(9);

~~11~~13. Officers, agents, and principal employees of a Labor Organization shall file a Labor Organization Individual Disclosure Form as set forth in 205 CMR 134.07(10).

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- (b) A passport style photograph of the applicant, taken within the preceding 12 months; (c) Proof of fingerprinting in accordance with 205 CMR 134.13;
- (d) The documents required for identification by 205 CMR 134.14 (e) Any applicable fee required by 205 CMR 134.15.
- (f) (For Gaming Employees and Gaming Service Employees) Proof of an offer of employment from a gaming licensee pending licensure or registration of the applicant.

(2) Notwithstanding 205 CMR 134.08(1)(a), a qualifier for a gaming vendor license may, if authorized by the Bureau, file licensing information, including but not limited to, for publicly traded companies, copies of their securities filings and/or audited consolidated financial statements for a period as determined by the Bureau, in lieu of the form identified in 205 CMR 134.08(1)(a).

(23) An applicant for a key gaming employee license who has previously been issued a positive determination of suitability by the Commission as part of an RFA-1 investigation may file supplemental licensing information that updates their previous filing submitted as part of the qualifier suitability investigation as directed by the Division of Licensing in lieu of the full application identified in 205 CMR 134.08(1)(a).

(34) Each applicant shall file a complete application pursuant to 205 CMR 134.08(1) with the Bureau by mail, in person at the address specified on the application form, or via the Commission's website. The Bureau shall not accept an incomplete application.

(45) Reciprocity for Vendors. If an applicant for a gaming vendor license or non-gaming vendor registration is licensed or registered in another jurisdiction within the United States with comparable license and registration requirements, as determined by the Bureau, and is in good standing in all jurisdictions in which it holds a license or registration, the commission may enter into a reciprocal agreement with the applicant, upon the recommendation of the Bureau, to allow for an abbreviated licensing or registration process and issue a gaming vendor license or registration in accordance with 205 CMR 134.00; provided, however, as part of any such an agreement that the commission shall reserve its rights to investigate the qualifications of an applicant at any time and may require the applicant to submit to a full application for a gaming vendor license or provide further information for registration. The reciprocal agreement shall identify the nature of the investigation to be conducted prior to issuance of the requested license or registration including, but not limited to, such provisos as the review of any investigatory reports from any jurisdictions in which the applicant is approved to conduct business, interviewing of any witnesses, and the filing of all required Massachusetts business filings.

(56) Scope of Duties. An employee of a gaming establishment may, where otherwise qualified, engage in the following duties without further licensure by the commission:

- (a) A person who is licensed as a Key Gaming Employee-executive may, where otherwise qualified, engage in the performance of duties of a Key Gaming Employee-standard, gaming employee or gaming service employee.
- (b) A person who is licensed as a Key Gaming Employee-standard may, where otherwise qualified, engage in the performance of duties of a gaming employee or gaming service employee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) Rehabilitation.

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

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

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

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

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

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

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

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

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

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

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

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

(3) In determining whether an applicant for registration is suitable for purposes of being issued a gaming service employee registration or non-gaming vendor registration, or having a registration renewed, the Bureau may evaluate and consider the overall reputation of the applicant including, without limitation:

- (a) the integrity, honesty, good character and reputation of the applicant;

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

(4) Rehabilitation.

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

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

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

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

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

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

134.12: Temporary Licenses

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

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

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

134.13: Fingerprinting

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

134.14: Identification

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

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

(a) One of the following authentic documents:

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

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

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

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

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

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

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

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

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

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134.14: continued

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

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

134.15: Fees

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

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

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

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

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

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

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

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

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

Replacement/Name or Address Changes. \$10.00.

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

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

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

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134.16: Term of Licenses

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

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

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

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

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

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

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

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

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

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

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

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

134.17: Renewals

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

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

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134.17: continued

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

134.18: Duties of Applicants and Licensees

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

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

134.19: Disciplinary Action

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

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

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

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

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

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

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

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134.19: continued

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

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

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

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

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

(9) Appeals.

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

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

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

REGULATORY AUTHORITY

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

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205 CMR 137.00: GAMING SCHOOLS

Section

- 137.01: Certification of School
- 137.02: Curriculum
- 137.03: Consumer protection
- 137.04: Instructors
- 137.05: Equipment
- 137.06: Discipline
- 137.07: Annual report

137.01: Certification of school

(1) No person shall offer a course of instruction in Massachusetts designed to prepare an individual for employment at a gaming establishment facility as a dealer, slot machine technician, or surveillance personnel, without first obtaining certification as a gaming school from the commission in accordance with 205 CMR 137.00. Training provided by a gaming licensee to its employees shall be exempt from 205 CMR 137.00 so long as no fee or tuition is charged to the employees. Further, 205 CMR 137.00 shall not be construed so as to preclude a vendor to the gaming licensee from providing a demonstration of its equipment or training for the use of its equipment to a gaming licensee or the licensee's employees.

(2) The commission shall maintain a list of all certified gaming schools on its website.

(3) To become a certified gaming school a person shall submit an application to the commission's Division of Licensing on a form provided by the commission that contains at least the following information:

- (a) Name of applicant;
- (b) Location where course(s) is to be offered;
- (c) Name and contact information for responsible individual;
- (d) The titles of all courses to be offered;
- (e) Proof of licensure by the Division of Professional Licensure in accordance with M.G.L. c.112, § 263 and 230 CMR or proof of approval by either the Massachusetts Department of Labor and Workforce Development, in order to receive state and federal training dollars administered by the Commonwealth, the Board of Higher Education or the Massachusetts Department of Elementary and Secondary Education;
- (f) The curriculum outlining the particulars of all courses to be offered as specified in 205 CMR 137.02 along with the methods of instruction and other details as required and approved by the entity referenced in 205 CMR 137.01(3)(e);
- (g) An itemized list of all gaming equipment in accordance with 205 CMR 137.05;

- (h) A description or documentation of a system designed to document successful placement of students with employers in the commonwealth;
- (i) Attestation that the applicant has reviewed and understands 940 CMR 31.00;
- (j) Statement signed under the pains and penalties of perjury as to the truthfulness of the contents of the application including any attachments; and
- (k) A \$100 certification fee.

(4) Applications shall be submitted to the commission's Division of Licensing. The Division of Licensing shall issue a certification to the applicant upon a finding that the application contains all of the elements described in 205 CMR 137.01(3). In the event that the Division of Licensing deems an application to be incomplete it shall notify the applicant in writing and specify the deficiency. The applicant may either remedy the issue or appeal the finding to the commission in writing. The commission shall then conduct an adjudicatory hearing on the matter in accordance with 205 CMR 101.00. Any person aggrieved by a decision of the Commission may appeal such decision in conformance with M.G.L. c. 30A, §14.

(5) A certification issued in accordance with 205 CMR 137.00 shall be coterminous with the underlying licensure or approval referenced in 205 CMR 137.01(3)(e), as applicable. In order to maintain its certification upon expiration of its underlying licensure or approval, a school shall submit proof to the commission's Division of Licensing of renewal of its underlying licensure or approval along with an update as to whether any of the elements described in 205 CMR 137.01(3) have changed since the application was submitted.

(6) A gaming school that is certified in accordance with 205 CMR 137.00 shall be subject to the requirements of 205 CMR 112.00 and shall have an ongoing duty to provide updated information to the commission relative to any material change in facts or circumstances from those contained in its application. The commission, or its designee, may inspect the premises, attend a course, or review the records of a gaming school at any time.

137.02: Curriculum

(1) A gaming school curriculum, **which shall be subject to review by the commission**, shall include the following:

- (a) a brief description of each course that meets the minimum requirements provided in 205 CMR 137.02(2);
- (b) the total number of instructional hours in each course consistent with the minimum requirements set forth in 205 CMR 137.02(4) and (5);
- (c) the tuition charged for each program and course;
- (d) the minimum entrance requirements;
- (e) a description of the ~~clinical~~ off-campus training experiences and the number of ~~clinical~~ off-campus training hours required in each program and course;
- (f) a list of occupations for which each program will prepare students; ~~and~~
- (g) the estimated number of students anticipated to be enrolled in each course; ~~;~~
- (h) The number of work stations in the school, including the number and type of gaming tables and equipment to be used;

- (i) The nature of the skill and knowledge students are expected to have upon completion of the course or program and the testing program to be used to test the students' competency levels;
- (j) The student-teacher, student-table, and table-teacher ratios for each course or program;
- (k) A copy of all written material to be utilized in the course or program; and
- (l) A description of the method and frequency by which the course will be evaluated in relation to its goals and objectives.

(2) Depending upon the nature of the course, a curriculum must include instruction on the following:

(A) Table games. A curriculum for a course of instruction for a table game shall at a minimum include instruction in the following:

- (1) Rules and techniques of the game;
- (2) Basic industry standards for opening and closing tables for gaming, including the proper security procedures regarding table chip inventories;
- (3) Basic industry standards for distributing and removing gaming chips and plaques from gaming tables;
- (4) The proper use, control and shuffling of playing cards for authorized games that involve the use of cards;
- (5) The proper use and control of dice for authorized games that involve the use of dice;
- (6) The proper use and control of tiles for authorized games that involve the use of tiles;
- (7) Basic industry standards for accepting cash at gaming tables;
- (8) Basic industry standards for the acceptance of tips and gratuities from patrons;
- (9) Basic industry standards for shift changes at gaming tables;
- (10) Basic industry standards for the proper placement of wagers by patrons and the proper collection of losing wagers and payment of winning wagers;
- (11) Training in responsible gaming in accordance with 205 CMR 137.02(3); and
- (12) Training in cardio pulmonary resuscitation (CPR).

(B) Slot machine repair and maintenance A curriculum for a course of instruction in slot machine repair and maintenance shall at a minimum include the following:

- (1) Understanding the a slot machine including modes of operation, basic electricity, digital circuitry, progressive units, electronics, power supplies, meters, peripheral devices including printing systems;
- (2) Testing, inspecting, and repairing slot machines;
- (3) Evaluation and diagnosis of slot machine validation systems;
- (4) CRT and LCD monitor assessment and repair;
- (5) Assessing and solving microprocessor, system routing and networking issues;
- (6) Understanding 205 CMR 143.00: Gaming Devices and Electronic Gaming Equipment, 205 CMR 144.00: Approval of Slot Machines and Electronic Gaming Equipment and Testing Laboratories, and 205 CMR 145.00: Possession of Slot Machines;
- (7) Proper safety precautions;

- (8) Recording transaction information and maintaining records of maintenance and repair;
and
- (9) Adjusting meters and replacing defective mechanical and electrical parts, using hand tools, soldering irons, and diagrams.

(C) Surveillance A curriculum for a course of instruction in surveillance shall at a minimum include the following:

- (1) General role of the surveillance officer in the gaming industry;
- (2) Basic industry standards and procedures for surveillance officers;
- (3) Basic industry standards for emergency procedures relative to surveillance;
- (4) Overview of 205 CMR ~~137.00~~ 141.00 and other relevant law and regulations pertaining to surveillance;
- (5) Overview of general gaming establishment operations and employee actions;
- (6) Customer Service procedures and protocols;
- (7) Business and security ethics and legal concepts;
- (8) Effective communication with in the employees of the gaming establishment;
- (9) Evaluating information to determine compliance with standards and laws;
- (10) Identifying objects, actions, and events;
- (11) Managing emergency situations; and
- (12) Documenting/recording information.

(3) Training relative to responsible gaming shall be for minimum of 90 minutes and address the following topics:

- (a) Gambling in Massachusetts;
- (b) Definition of problem gambling and gambling disorder, including how this has changed over time;
- (c) Levels of gambling involvement;
- (d) Identifying and responding to persons exhibiting problem gambling behaviors;
and
- (e) Responsible gambling strategies.

(4) Training hours A course of instruction shall provide the following minimum number of hours of training prior to completion of a course:

- (a) 200 hours to deal craps.
- (b) 150 hours to deal roulette.
- (c) 130 hours to deal blackjack.
- (d) 80 hours to deal baccarat.
- (e) 200 hours to deal poker.
- (f) 100 hours in slot machine maintenance or repair.
- (g) For any course or program not listed 205 CMR 137.02(4), the required minimum hours of training and instruction shall be determined by the commission or its designee on a case-by-case basis. The required minimum hours should be based on the number of

hours ~~the~~ necessary to ensure the student will possess the level of skill, experience, and knowledge necessary to perform the job.

(5) For a student being trained to deal a second or subsequent game, curriculum shall provide for the following number of hours of training prior to completion of a course:

- (a) 120 hours to deal craps.
- (b) 90 hours to deal roulette.
- (c) 80 hours to deal blackjack.
- (d) 50 hours to deal baccarat.
- (e) 120 hours to deal poker.
- (f) For any course or program not listed 205 CMR 137.02(5), the required minimum hours of training and instruction shall be determined by the commission or its designee on a case-by-case basis. The required minimum hours should be based on the number of hours the necessary to ensure the student will possess the level of skill, experience, and knowledge necessary to perform the job.

137.03: Consumer protection

(1) All gaming schools certified in accordance with 205 CMR 137.00 shall be subject to the applicable provisions of 940 CMR 31.00.

(2) At least 72 hours prior to entering into an enrollment agreement a gaming school shall engage in an intake with each prospective student that, at a minimum, includes the following:

- (a) an explanation of the commission's application process contained in 205 CMR 134.00 including specific mention of the automatic disqualifying convictions described in 205 CMR 134.10(3)(a) and M.G.L. c.23K, §16(b), and any prerequisites for course completion and employment; and
- (b) explicit notice that successful completion of the course of instruction does not assure an individual that they will be licensed by the commission as a gaming employee or that they will be hired by a gaming licensee; and
- (c) a written outline of each **gaming related** program offered by the school. The outline shall contain:

- (1) course descriptions;
- (2) entrance requirements;
- (3) the total number of instructional hours required to obtain a certificate or diploma;
- (4) the earliest possible completion date;
- (5) a list of occupations for which each program will prepare students; ~~and~~
- (6) the costs of the courses and program; **and**
- (7) **all prerequisites for program completion and employment in the occupation, including, but not limited to, an explanation of the commission's licensing process set forth in 205 CMR 134.00.**

137.04: Instructors

All course instructors shall be approved by the approving entity referenced in 205 CMR 137.01(3)(e). In order to be approved, an instructor **must** demonstrate at least 5 years of **fulltime or equivalent part-time** practical experience in the area they seek to instruct in addition to other requirements imposed by the approving entity.

137.05: Equipment

(1) Gaming equipment used for training purposes in an ~~approved~~ **certified** school shall conform to the requirements set forth in 205 CMR **and shall be subject to commission approval**.

(2) A certified gaming school shall keep an itemized list of all gaming equipment including dealing shoes, card shufflers, gaming tables, roulette wheels, electronic gaming equipment, and slot machines. Slot machines must be transported in accordance with 205 CMR 145.00. The school or applicant shall submit its itemized list of equipment to the commission as part of its application. The itemized list shall be updated within 10 days of a change in the inventory of gaming equipment. If any of the equipment is sold or no longer used, the school shall advise the Division of Licensing, in writing, that the equipment is no longer used and what happened to the equipment. The itemized list shall have additions and omissions made as they occur.

(3) A certified gaming school shall use chips and tokens that are distinctly dissimilar to chips and tokens used by gaming licensees.

(4) The certified gaming school must have its name permanently imprinted or affixed to gaming equipment.

137.06: Discipline

(1) Concurrent obligations Any school approved in accordance with 205 CMR 137.00 shall continue to be subject to all applicable laws and regulations enforced by its approving entity **in accordance with 205 CMR 137.01(3)(e)** including the Division of Professional Licensure and Board of Higher Education.

(2) Notice of Action Any gaming school certified in accordance with 205 CMR 137.00 must report any disciplinary action commenced by its approving entity, accreditor, any other governing agency, **identified in accordance with 205 CMR 137.01(3)(e)**, the Office of the Attorney General, or any other law enforcement agency to the commission within 10 days of such notice being received and shall have an affirmative obligation to advise the commission as to the outcome promptly upon determination.

(3) Any certification issued in accordance with 205 CMR 137.00 may be suspended or

revoked, or the school reprimanded, for any of the following reasons:

- (a) failure to abide by any provision of 205 CMR 137.00;
- (b) failure to provide updated information relative to its application in accordance with 205 CMR 137.01(6);
- (c) disciplinary action has been taken or pursued against the school by its governing agency or entity as identified in 205 CMR 137.01(3)(e), the Office of the Attorney General, or any other law enforcement agency;
- (d) the school is unable to provide the proper education required to prepare individuals for employment at a gaming establishment **or facility** as a dealer, slot machine technician, or surveillance personnel or is otherwise unsuitable in accordance with M.G.L. c.23K, §12;

(4) Complaints. Any person may file a complaint with the commission against any school certified in accordance with 205 CMR 137.00. All complaints must be in writing on a form provided by the commission. All complaints must be received by the commission within one year of the date of the alleged wrongdoing. The commission or Bureau may itself initiate a complaint at any time notwithstanding the date of the alleged wrongdoing.

(5) Basis of Complaint. A complaint must allege wrongdoing by the school in the form of a violation of 205 CMR 137.06(3) and/or M.G.L. c. 23K.

(6) Review and Investigation of Complaints. Every complaint filed shall be reviewed by the commission's Division of Licensing. A hearing may be convened, the complaint may be forwarded to the Bureau, or the complaint may be dismissed in the discretion of the Division of Licensing. Failure of a complainant to cooperate in the investigation may be grounds for dismissal of a complaint.

(7) Notice of Hearing. If the commission's Division of Licensing determines that a hearing shall be held to resolve a complaint, reasonable notice shall be provided to the complainant and the school. Mailing of notice to the address on record with the commission, or emailing the notice to the address provided by the school on their application for licensure or registration, shall be deemed satisfactory notice. The notice of hearing shall contain:

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

(8) Hearing. Hearings convened pursuant to 205 CMR 137.00 shall be conducted pursuant to 801 CMR 1.02: *Informal/Fair Hearing Rules* and M.G.L. c. 30A. Any party may be represented by legal counsel. All parties shall be permitted to present an opening statement, testify on their own behalf, cross-examine all witnesses, present any relevant witness testimony, present any relevant documentary evidence, and offer a closing argument. The commission's Division of

Licensing may question any witness and include any records kept by the commission as exhibits. The Division of Licensing may conclude the hearing at any time and issue a decision based on the evidence presented.

If a school does not appear for the hearing, the commission's Division of Licensing may conduct a hearing in its absence and render a decision based upon the evidence presented, but only after making a finding that the school was provided notice as required by 205 CMR 137.06(7).

The commission's Division of Licensing may designate a hearing officer to convene a hearing and either make a recommendation or issue a decision on its behalf.

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

(10) Decisions and Discipline of License and Registration Holders. The commission's Division of Licensing shall issue a written decision after the hearing. Decisions shall be issued in a reasonably prompt manner. The Division of Licensing may suspend the certification of a school for a fixed period of time, revoke a certification permanently, or issue a reprimand to the school. In conjunction with or in *lieu* of these disciplinary measures, the Division of Licensing may assess a fine pursuant to M.G.L. c. 23K, § 4(15), and recoup the costs of investigation. A school that has its certification revoked may apply in writing to the commission for reinstatement no sooner than five years from the date of the revocation.

(11) Appeals.

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

(b) Upon the filing of a petition in accordance with 205 CMR 137.06(11)(a) the commission may review such decision at its discretion. Such review is an administrative review that shall be based solely on the administrative record and is not to be construed as a second hearing on the same complaint(s). After review, the commission may either deny the petition or remand the matter to the commission's Division of Licensing for further proceedings as directed. The filing of an appeal with the commission shall serve to toll the timing provisions of M.G.L. c. 30A, § 14 until such time as a final decision is rendered by the commission.

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

137.07 Annual report

A school certified as a gaming school in accordance with 205 CMR 137.00 shall submit an annual report to the commission detailing the following:

- (1) completion or graduation rates for each program;
- (2) success rates of graduates in obtaining employment;
- (3) relevant employment statistics if the school is required to maintain such information in order to receive federal or state funding or if ~~such information is used in advertisements by the school~~ **the school refers to employment prospects or job placement in advertising;**
- (4) student loan default rates; and
- (5) such other information designated by the commission.

The first report shall be submitted no later than one year after the date of initial certification by the commission and on an annual basis thereafter.

REGULATORY AUTHORITY

205 CMR 137: M.G.L. c. 23K, §4(28), 5(a)(11) & (12)



Responsible Gaming Framework

Massachusetts Gaming Commission

The Responsible Gaming Framework is designed to provide structure for responsible gaming practices of Massachusetts Gaming Commission licensees and is based on the commitment by the Massachusetts Gaming Commission and their licensees to the guiding value of ethical and responsible behavior.



Version 1
September 23, 2014

Acknowledgements

The preliminary development of the Massachusetts Gaming Commission (MGC) Responsible Gaming Framework consisted of an extensive research process involving the review of a broad range of academic papers and studies, policy papers, investigative reports, jurisdictional reviews, corporate reporting documents, and legislation relating to gambling issues in Massachusetts, other United States jurisdictions, and abroad. From this review, materials produced by the following entities most notably informed the Framework:

- American Gaming Association
- Australian Government Productivity Commission
- British Columbia Lottery Corporation
- New Zealand Department of Internal Affairs
- New Zealand Ministry of Health
- Nova Scotia Government (multiple agencies)
- Ontario Problem Gambling Research Centre
- Ontario Responsible Gambling Council
- Queensland Government Office of Liquor and Gaming Regulation

Scholarly papers of notable significance to the development of the Framework include:

- Blaszczynski, A., Collins, P., Fong, D., Ladouceur, R., Nower, L., Shaffer, H. J., & Venisse, J. L. (2011). Responsible gambling: General principles and minimal requirements. *Journal of Gambling Studies*, 27(4), 565-573.
- Hancock, L., Schellinck, T., & Schrans, T. (2008). Gambling and corporate social responsibility (CSR): Re-defining industry and state roles on duty of care, host responsibility and risk management. *Policy and Society*, 27(1), 55-68
- Williams, R.J., West, B.L., & Simpson, R.I. (2012). Prevention of Problem Gambling: A Comprehensive Review of the Evidence, and Identified Best Practices. Report prepared for the Ontario Problem Gambling Research Centre and the Ontario Ministry of Health and Long Term Care. October 1, 2012.

Key to the refinement of the Framework was input and information gathered from the Massachusetts Department of Health, Massachusetts Council on Compulsive Gambling, participants of the Massachusetts Partnership for Responsible Gaming, Problem Gambling Solutions, Inc., and other stakeholders from government agencies, the gambling industry, advocacy groups, academicians, not-for-profit organizations, and concerned citizens of Massachusetts.

Responsible Gaming Framework

Massachusetts Gaming Commission

Introduction

The Responsible Gaming Framework is intended to inform gaming regulation in Massachusetts and provide an overall orientation to responsible gaming practice and policy adopted by the MGC and gaming licensees. The framework is not designed to function as a regulation, but to guide the Commission’s decisions as it promulgates regulation. The Responsible Gaming Framework is based on the commitment by the MGC and its licensees to the guiding value of ethical and responsible behavior.

The Responsible Gaming Framework provides an approach through which licensees can ensure their general gaming practices are consistent with the Commission’s expectations that gaming in the Commonwealth will be conducted in a manner to minimize harm.

The MGC Responsible Gaming Framework supports the implementation of the expanded gaming law (chapter 194 of the Acts of 2011, M.G.L. chapter 23K, or “the Gaming Act”) of the Commonwealth of Massachusetts. The legislation includes a number of key mandates to ensure the successful implementation of expanded gaming including, protection for host and surrounding communities and mitigation of social impacts and costs.

Key Terms:

Responsible gaming



Responsible gaming is the provision of gambling services in a way that seeks to minimize the harm to customers and the community associated with gambling.

Problem gambling



Problem gambling is characterized by gambling behavior which leads to a continuum of adverse consequences for the gambler, others, and the community.

Guiding Values & Approach

The Responsible Gaming Framework is guided by the values expressed in the mission statement of the Massachusetts Gaming Commission:

The Massachusetts Gaming Commission will strive to ensure that its decision-making and regulatory systems engender the confidence of the public and participants, and that they provide the greatest possible economic development benefits and revenues to the people of the Commonwealth, reduce to the maximum extent possible the potentially negative or unintended consequences of the new legislation, and allow an appropriate return on investment for gaming providers that assures the operation of casino-resorts of the highest quality.

To this end, the MGC Responsible Gaming Framework's aim is to create a sustainable, measurable, socially responsible, and accountable approach to gaming.

The Responsible Gaming Framework has adopted an evidence-based approach to responsible gaming measures where sound research or evidence is available. Where evidence is lacking, uncertain or ambiguous, and there is reasonable concern that gambling related harm may occur, a precautionary approach has been applied. The precautionary approach rejects the notion that risks are acceptable until harm has been proven or that risks can continue unmitigated until such time as the effectiveness of a harm minimization measure is proven. While all responsible gaming measures will be evaluated and continually improved upon, measures driven by a precautionary approach will be subject to more rigorous evaluation. Responsible gaming efforts in their entirety will retain flexibility to respond to emerging evidence, and the evolving technological and cultural environment.

As gaming regulators, the MGC Responsible Gaming Framework's focus is on gaming licensees' practices. However, the MGC believes licensees do not have an isolated role in minimizing the potential harm of gambling. Government, science, industry, and gaming consumers must all take part to most effectively minimize harm caused or exacerbated by gambling.

Goal & Objectives

Goal: To create a sustainable, measurable, socially responsible and accountable approach to gaming.

Regulatory Objectives:

- Minimize harm from gambling to individuals, families, and communities while serving the good of the Commonwealth and gaming licensees.
- Promote best and promising responsible gaming practices in all aspects of licensee activities.
- Utilize principles of responsible gaming in introducing all new and emerging technologies.

Research Objectives¹:

- Inform best practice in responsible gaming strategies and methods, problem gambling treatment and prevention, and responsible gaming messaging.
- Create and translate knowledge to support evidence-informed decision making about gambling policy and regulation.

Education Objectives:

- Provide accurate and balanced information to enable informed choices to be made about gaming activities.
- Provide patrons adversely affected by gambling with timely access and appropriate information on problem gambling; and counsel to where assistance in dealing with such matters can be obtained.
- Create a shared understanding of responsible gaming practices among individuals, communities, the gambling industry and the government.

¹ Gaming licensees will be participants in meeting research objectives; they will not be solely responsible. The Gaming Act requires that the Commission establish an “annual research agenda” in order to understand the social and economic impacts of expanded gaming in the Commonwealth. Research grantees will collaborate with gaming operators, governmental agencies, and others to meet research objectives.

Strategies

The Responsible Gaming Framework commits the MGC licensees to implement responsible gaming strategies, with a particular focus on prevention and customer protection practices.

The Responsible Gaming Framework is organized into the following broad strategies:

1. Commit to corporate social responsibility
2. Support informed player choice
3. Provide protections within the physical environment
4. Ensure responsible marketing
5. Manage high-risk financial transactions
6. Engage the community

Each strategy contains a number of related responsible gaming practices. MGC licensees are responsible for ensuring their commitment to the relevant practices and compliance with related regulations.

The Responsible Gaming Framework, strategies and practices, will be monitored and evaluated regularly by the MGC for effectiveness and fidelity. Where appropriate, policies and practices will be promulgated into regulation.

Responsible gaming strategies and practices will continue to evolve in response to innovation and new evidence related to problem gambling and responsible gaming. The MGC Responsible Gaming Framework strategies and practices will be periodically reviewed and revised.

Strategy 1: Commit to Corporate Social Responsibility

1.1 The aim of Corporate Social Responsibility (CSR) is to minimize the negative environmental and social impacts and maximize the positive impacts. Social responsibility, sustainability, consumer protection and product safety are central to public confidence and therefore need to constitute a core business approach driven from the top by strong corporate leadership, built into business purpose and strategy, and woven into the organization's culture.

1.2 To demonstrate a commitment to promoting responsible gaming and addressing problem gambling, it's important that each MGC licensee include responsible gaming policies within their code of ethics and implement a Responsible Gaming Plan. Each licensee should maintain records relating to the practices and policies outlined in the Responsible Gaming Framework.

These commitments are specific to licensee operations in order to:

- Educate employees about responsible gaming and their role in promoting a responsible gaming environment inclusive of the requirement that all employees participate in MGC approved responsible gaming employee training programs.
- Reduce the risk of employee gambling related problems through policies and practices inclusive of educational programs and resources for employees in need of assistance.
- Assist in creating an environment that meets the needs of a broad range of customers, including individuals and their family members who are adversely affected by problem gambling behavior.
- Ensure that an appropriate level of awareness relating to responsible gaming is maintained throughout the licensed organization and key contractors, so that responsible gaming is made an integral part of daily operations.
- Provide employees with clear statements of expectations and responsibilities including an emphasis on the importance of employees in promoting responsible gaming and creating a healthy gaming environment.
- Designate responsible gaming duties for senior management and other leadership positions.
- Give consideration to the needs of their local communities with a particular focus on any geographic and cultural issues.
- Assure effective implementation of policies and practices property-wide, conducting internal audits, surveying employees, and reviewing relevant data, on a regular basis, with a responsible gaming committee.
- Detail a systematic approach to measuring and reporting on the licensee's commitments, actions and progress on responsible gaming practices.

Strategy 2: Support Informed Player Choice

2.1 Informed Decision Making

Informed decision making requires that patrons have the information they need to make gambling decisions. Licensees have a role to assure information available throughout the gaming establishment.

The Informed Decision Making (IDM) framework consists of three separate information strategies aimed at three different types of gamblers:

- **Casual Gamblers** may benefit from programs that enhance their gambling literacy – i.e., how gambling works and what are the key safeguards and minimize risk factors.
- **Frequent Gamblers** may benefit from a deeper understanding of how gambling works as well as information dispelling common gambling myths.
- **Intensive Gamblers** may benefit from information about their play activity, the use of self-assessment tools and the options available for help.

Information guided by the Informed Decision Making Framework should be made available through a variety of practices and methods including displaying materials throughout the gaming establishment (see Appendix B for guidelines), utilization of Play Information and Management Systems, and within the Responsible Gaming Information Centers (RGIC).

2.2 Play Information and Management Systems

Informed player choice is enhanced through the use of voluntary play information and management systems. Play management tools are incorporated into player management software and gaming devices to enable players to more easily track their play, manage their gambling decisions, and obtain individualized play feedback. A few key considerations to the successful implementation of a play information and management system include ease of use, incentives to use the tools and availability within the gaming area. These tools are generally preventative measures that assist players maintain awareness of their play.

The MGC will investigate the feasibility including the cost, available technology and effectiveness of incorporating play information and management systems into the development of regulations.

- **Play management tools** include limit setting where players can voluntarily choose to set time limits, loss limits and / or win limits, and receive pop-up reminders to help them stay within their pre-determined limits.
- **Play information tools** provide patrons with access to: cost of play messaging and monthly statements including the patron's total bets, wins, and losses; tips on keeping play manageable; educational quizzes; and information on how to access assistance.

2.3 Responsible Gaming Information Center

Each gaming establishment is required by statute to provide on-site space for player education services staffed by third-party vendors contracted through the MGC. To receive maximum visibility, the Responsible Gaming Information Center (RGIC), should be located near the gaming area of the casino to serve as the patrons' central point of contact for inquiries and enrollment into voluntary responsible gaming programs and services, including self-exclusion programs; play information and management systems; and educational tools to assess play risks, provide responsible gaming tips, and increase players' knowledge of how games work while dispelling common gambling myths. Within the RGIC, patrons will have access to privacy controlled environments where they can log into their responsible gaming accounts and access computer assisted information and services. A responsible gaming professional will be available during peak hours and patrons will have access to a phone where they can call the 24 hour Massachusetts Problem Gambling Helpline.

2.4 Self-Exclusion

As required by statute, self-exclusion programs are available to assist patrons who recognize they have experienced a loss of control over their gambling and wish to invoke external controls. Licensees will inform the public and make available to patrons three forms of self-exclusion: the ability to opt-out of marketing lists; the option to be banned from receiving house-credit and/or check cashing privileges; and voluntary exclusion from MGC licensed gambling venues state-wide. The self-exclusion process utilizes an engaged approach ensuring the patron obtains the assistance needed, is responded to in a respectful, timely, discreet manner, and feels supported. Licensees will set mechanisms and procedures in place to enforce self-exclusion agreements and assist individuals attempting to break their agreement. Gaming wins and losses by banned individuals will be transferred to the MGC Gaming Revenue Fund.

Individuals utilizing the casino self-exclusion program will select the minimum duration of their self-exclusion. At any time after the expiration of the selected duration of exclusion, an individual may request that their name be removed from the voluntary self-exclusion list by submitting a petition for removal and participating in an educational session with an agent designated by the MGC.

Strategy 3: Provide Protections within the Physical Environment

3.1 Restrict Access to Gambling by Underage Persons

Licensees should implement policies and practices designed to prevent legally underage persons from gambling and from entering designated gambling areas. Licensees should take all reasonable steps to ensure that staff understands their responsibilities for preventing underage gambling. Gaming wins and losses by underage persons will be transferred to the MGC Gaming Revenue Fund

3.2 Monitor Premises for Unattended Children

Licensees should establish policies and practices to safeguard children from neglect or abandonment when a child is brought to the licensee's property by a casino patron, including monitoring premises and motor vehicles parked within licensee's grounds.

3.3 Prohibit Tobacco Use in Gaming Establishments

In order to maintain a safe and healthy work environment for all employees and patrons, licensees will establish and enforce a prohibition of smoking in all enclosed areas of the gaming establishment, and prohibit the use of e-cigarettes in accordance with local regulation.

3.4 Minimize Alcohol Abuse

Alcohol has a disinhibiting effect on gambling behavior. Therefore, licensees should incorporate policies and practices to prevent visibly intoxicated persons from gambling, including the following:

- Escort visibly intoxicated persons from the gaming area.
- Use an MGC approved training program for beverage servers, security, valet attendants and other personnel to reduce potential harm caused by intoxicated patrons.
- Prohibit the distribution of alcoholic beverages to visibly intoxicated persons.
- Prohibit the distribution of alcoholic beverages to all persons between the hours of 2:00 a.m. and 8:00a.m

3.5 Assist Customers in Need

Licensees should develop customer assistance policies and practices to appropriately respond to customers asking for assistance, exhibiting behaviors disruptive to others, displaying emotional distress, and showing symptoms of fatigue or medical needs. Customer assistance programs should be designed to offer aid to any patron in need with emphasis placed on developing training, procedures, and evaluation methods for assisting those with a suspected gambling problem.

3.6 Encourage Breaks in Play

In an effort to encourage breaks in play licensees should take the following measures:

- Offer amenities including hospitality services and non-gaming forms of entertainment in areas where gambling is provided.
- Display clocks in prominent locations in the gaming area to help patrons track the passage of time.

3.7 Involuntary Exclusions

In an effort to protect individuals who manifest a severe gambling disorder and are unable or unwilling to exclude themselves from an MGC licensed gaming facility, involuntary exclusions will be made available. Licensees will enforce the exclusion of individuals who are banned from gaming establishments by an entity other than the excluded individual.

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Strategy 4: Ensure Responsible Marketing

Licensees should develop and implement strategies to ensure advertising and promotions are delivered in a responsible manner, responsible gaming messaging is well integrated into casino marketing materials and advertising is sensitive to concerns about youth exposure to gambling promotion

As a minimum standard for casino advertising and marketing, guidelines adapted from the American Gaming Association's Code of Conduct should be followed. Enhanced advertising guidelines specific to the protection of youth are found in Appendix C.

For the purposes of this practice, advertising and marketing includes, among other media, radio and television, print ads, direct mail, social media, billboards and Internet promotions.

4.1 Accepted practices in casino gambling advertising and marketing minimally includes:

- Responsible gaming messages and/or a toll-free help line number prominently displayed in a font that is proportionate to the rest of the message.
- Compliance with all state and federal standards to make no false or misleading claims.

4.2 Practices in casino gambling and advertising generally do not:

- Contain images, symbols, celebrity/entertainer endorsements and language designed to appeal specifically to children or minors.
- Feature anyone who is or appears to be below the legal age to participate in gambling activity.
- Contain claims or representations that gambling activity will guarantee an individual's social, financial or personal success.
- Be placed before any audience where most of the audience is ordinarily expected to be below the legal age to participate in gambling activity.
- Imply or suggest any illegal activity of any kind.
- Encourage people to play beyond their means.
- Imply the certainty of reward.
- Exaggerate the chances of winning.
- Encourage excessive or irresponsible play.

Strategy 5: Manage High-Risk Financial Transactions

5.1 Financial Transactions

Licensees will develop policies that ensure all legal, statutory, or regulatory requirements relating to check cashing, payment of winnings and financial transactions are implemented.

5.2 House Credit

Gambling on borrowed money is considered a high-risk practice that necessitates consumer protections. The following safeguards are intended to assure that risks associated with issuing house credit are minimized:

- Credit worthiness of an applicant will be verified using MGC approved procedures.
- House credit will only be extended to patrons who qualify for a minimum threshold and will not exceed the amount requested by the patron.
- Credit applications will include an MGC approved problem gambling self-assessment.
- Credit officers will obtain verbal verification from credit applicants that they are comfortable losing up to the amount of credit requested and granted.
- House credit will not be offered to persons who self-identify as a problem gambler, place themselves on a voluntary credit suspension list, or are recipients of public assistance.
- Increases in credit may be restricted by frequency and amount.
- Credit requests, including extensions, may not be accepted from patrons who are visibly intoxicated or exhibiting behaviors suggestive of impaired mental competency.

5.3 Bank Card Transactions

Using credit cards to finance gambling results in high fees and interest rates charged by credit card institutions and may lead to serious debt problems. For these reasons, bank card transactions should not be offered in the gaming area. ATM services should not be located within 15 feet of gaming areas.

5.4 Check Cashing

Licensees should develop and implement a system of internal controls relative to the acceptance of checks presented by patrons for gaming purposes. These controls should prohibit cashing third party checks other than bank issued cashier's checks or travelers checks.

Strategy 6: Engage the Community

Licensees should actively engage the community to promote broad-based citizen participation in addressing concerns and strengthening community relationships.

- 6.1 Establish policies and practices to gather customer comments and to respond to customer complaints.
- 6.2 Develop relationships with relevant community organizations that provide support and information for individuals experiencing problems and their families.
- 6.3 Regularly engage with parties interested in problem gambling and responsible gaming issues formally and informally and periodically report activities to the MGC.
- 6.4 Provide opportunities for interested parties to voice relevant concerns or questions. Where appropriate, integrate the information into strategic-decision making and community mitigation processes.
- 6.5 Designate easy to access space within the casino property for a RGIC. Within the RGIC, licensees will designate an office for private meetings between patrons with concerns related to their gambling and counselors or other staff trained in crisis intervention, mental health triage, and the facilitation of a self-exclusion process.

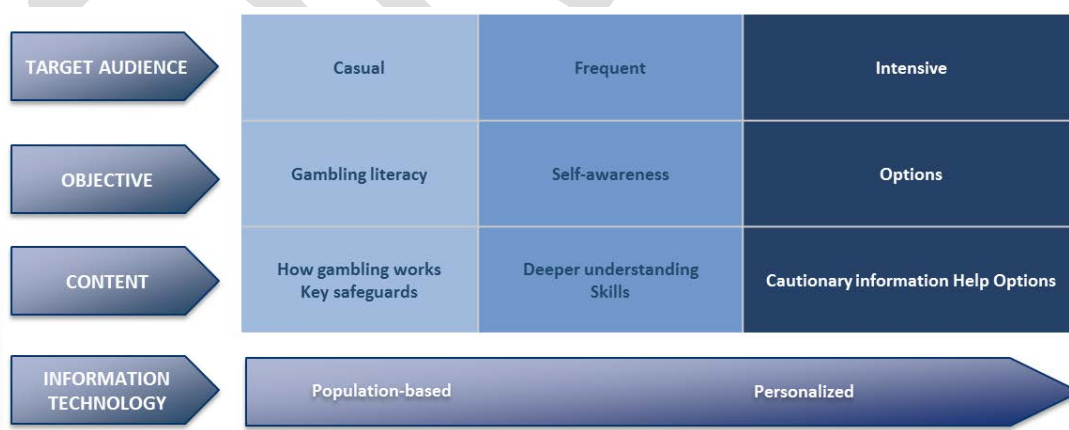
Appendix A: Informed Decision Making²

Using the data and extensive analysis from the Insight 2010 project, the Ontario Responsible Gambling Council’s Centre for the Advancement of Best Practices developed an Informed Decision Making (IDM) framework, designed to assist decision makers in their efforts to promote informed decisions among patrons and to reduce the risk that patrons will develop problems related to their gambling.

The resulting report identifies a framework consists of three separate information programs aimed at three different types of gamblers:

- **Casual Gamblers** may benefit from programs that enhance their gambling literacy – i.e., how gambling works, what the key safeguards and main risk factors are.
- **Frequent Gamblers** may benefit from a deeper understanding of how gambling works as well as information dispelling common gambling myths.
- **Intensive Gamblers** may benefit from information about their play activity, the use of self-assessment tools that draw attention to the consequences of their actions and the options available for help.

If an individual moves from casual, to frequent, to intensive gambling, these changes have important implications for information objectives, content and delivery. The objective for the casual gambler is to promote basic gambling literacy; for the frequent gambler to promote self-awareness of one’s gambling, and for the intensive gambler is to provide cautionary information and raise awareness of options to reduce risk. The way information is delivered also changes with increased level of risk, moving from population-based strategies with more broad-based messaging, to more personalized delivery methods using individualized communications between patrons and staff members. The more personalized and targeted delivery reflects the more critical need for exposure to the information.



² Excerpts from: Responsible Gambling Council, Centre for the Advancement of Best Practices, INSIGHT, Informed Decision Making, 2010. The full report is available at: <http://www.responsiblegambling.org/docs/default-source/research-reports/informed-decision-making.pdf?sfvrsn=17>

Appendix B: Display of Responsible Gaming Material Guidelines

DISPLAY OF RESPONSIBLE GAMING MATERIAL GUIDELINES

Responsible gaming signage and information should be available at each location where gambling is taking place, publicize the Massachusetts Problem Gambling Helpline, and promote problem gambling treatment services. Consideration in messaging should be given to ensure people from linguistically diverse backgrounds have access to messaging.

Method:

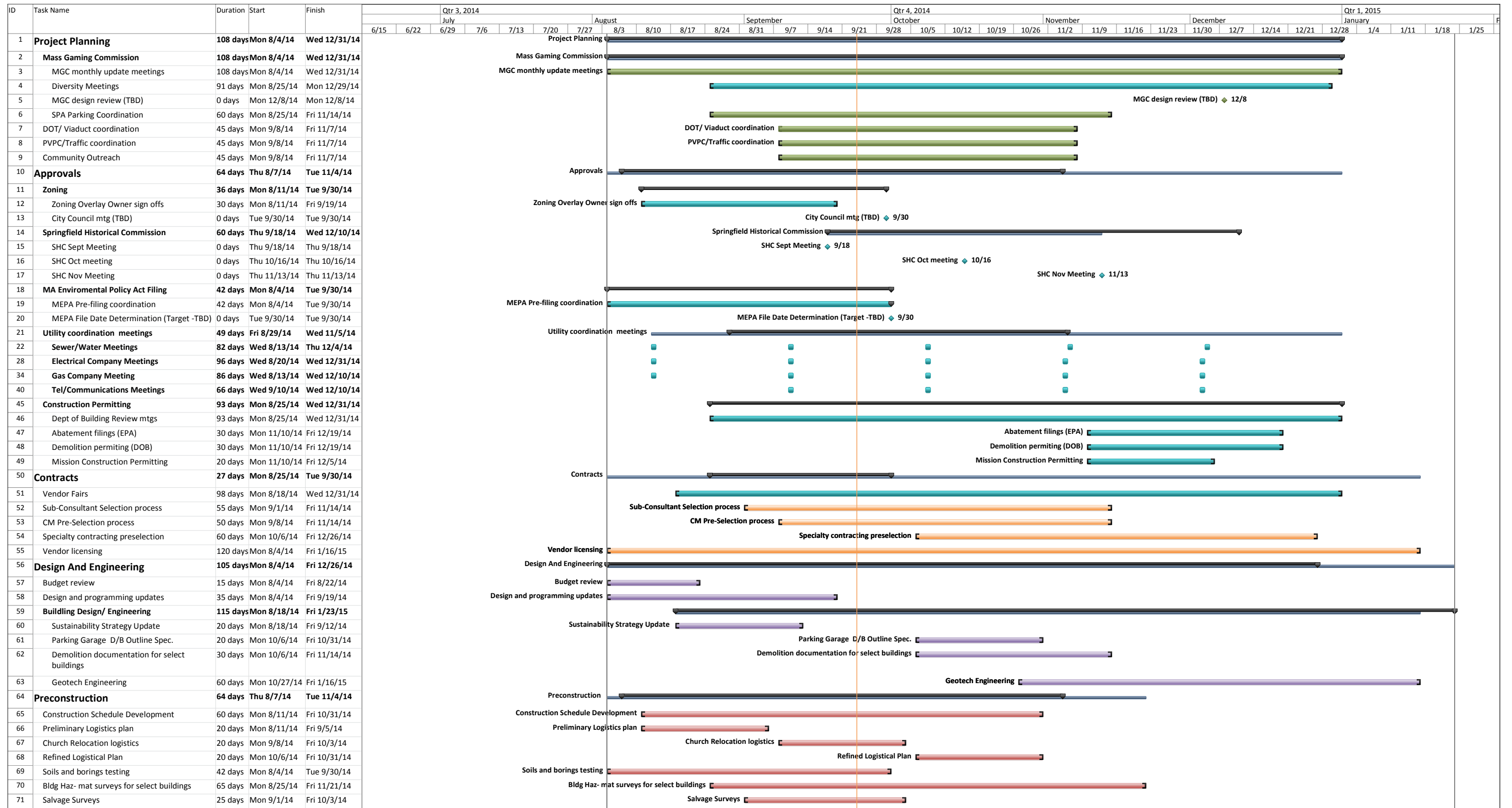
- Massachusetts Gaming Commission approved responsible gaming posters should be displayed in full view of gambling customers, as well as in staff areas.
- Video systems should periodically display the relevant information with regard to the helpline.
- Responsible gaming and problem gambling treatment messaging should be available in guestrooms, lounges, and other public areas.
- Responsible gaming and problem gambling treatment messaging should be available at gambling point of sales, such as cashier cages, casino tables, and pari-mutuel windows.
- Problem Gambling Helpline details should appear on all gaming machines, including slot machines, either on a sticker or displayed on the machine screen.
- Responsible gaming and problem gambling treatment messaging should be available at all cash desks, information desks, and club desks, and other frequently visited locations proximate to the gambling area.
- ATM machines near the gaming areas should have problem gambling helpline signage affixed to the machines, periodic on-screen responsible gaming messages, and problem gambling assistance information printed on each transaction receipt.

Appendix C: Advertising and Marketing Underage Guidelines

ADVERTISING AND MARKETING GUIDELINES TO PROTECT YOUTH

- Gambling advertising and marketing materials should not be directed to or intended to appeal to persons below the legal age.
- Gambling advertising and marketing materials should not contain cartoon figures, symbols, celebrity/entertainer endorsements, and/or language designed to appeal specifically to children and minors.
- Gambling activities should not be advertised or promoted by anyone who is or appears to be below the legal age to participate in gambling activity.
- Casino advertising and marketing should not be placed in media where most of the audience is reasonably expected to be below the legal age to participate in gambling activity.
- Where reasonably possible, casino advertising and marketing materials should not appear adjacent to or in close proximity to comics or other youth features.
- Gambling activities should not be advertised to or promoted at any venue where most of the audience is normally expected to be below the legal age to participate in gambling activity.
- Unless in response to a charitable request, clothing, toys, games, or other materials that appeal primarily to children or minors should not be given away at events where most of the audience is reasonably expected to be below legal casino gambling age.
- Participation in gambling activities should not be promoted on college or university campuses or in college or university publications. Gambling activities should not be advertised or promoted on billboards or other outdoor displays that are adjacent to schools or other primarily youth-oriented locales.

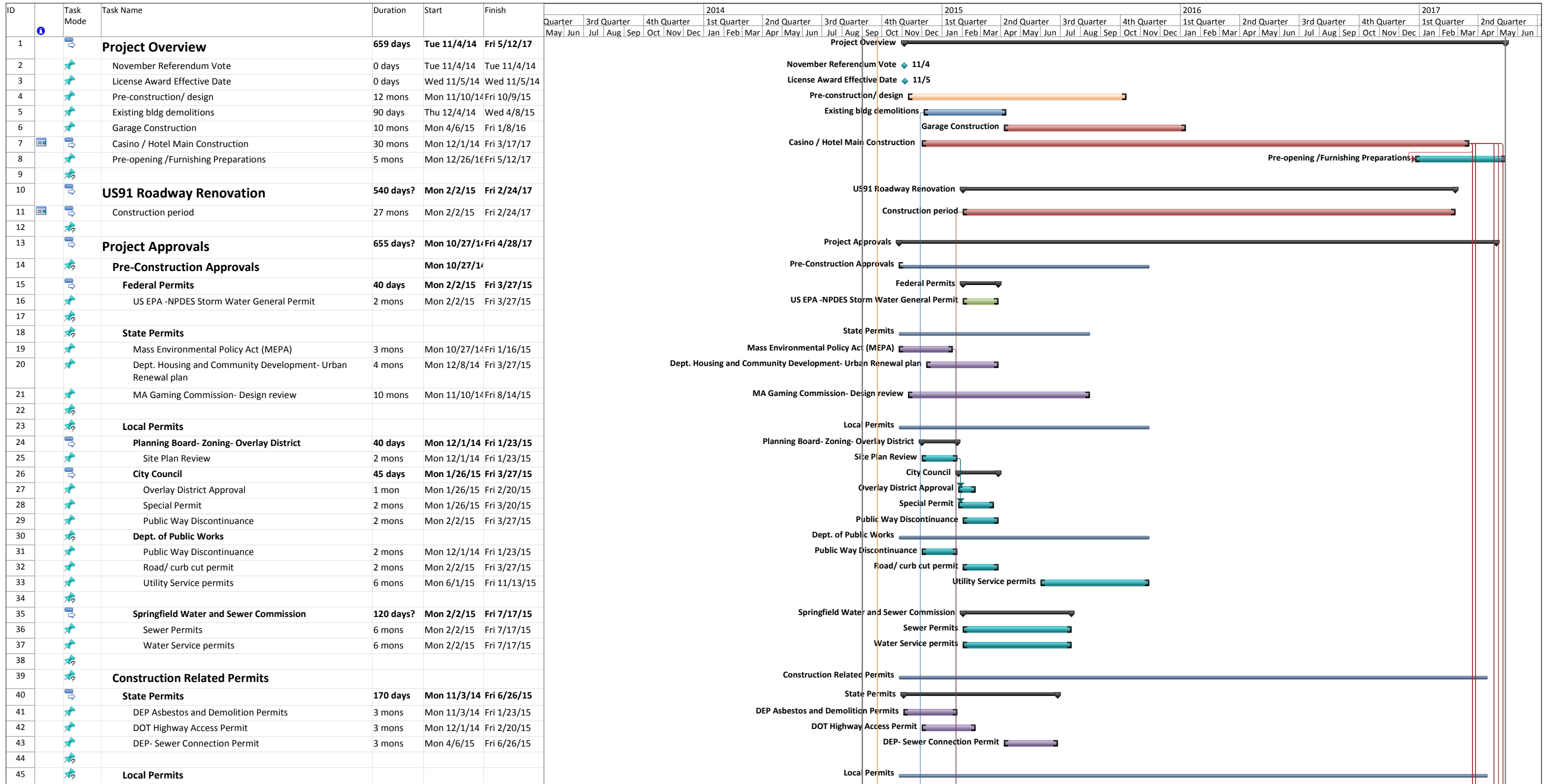




Project: 20140808 MGM Springfield Project coordination SN
Date: Wed 9/24/14



"This document is intended to be a general overview of activities being performed in connection with the Development of Blue Tarp reDevelopment, LLC's (Blue Tarp) project in Springfield, MA and to assist in compliance with section 20 (q) of the June 13, 2014 Agreement to Award A Category 1 License to Blue Tarp reDevelopment (Agreement). This document is not intended to supersede Blue Tarp's RFA 2 application or the conditions set forth in the license award Agreement including the submission of final construction plans, specifications and timelines as approved by the Commission pursuant to 205 CMR 135.00. Dates contained herein are subject to change and in some cases represent tentative dates or projected dates."



Project: MGM Approvals schedule
Date: Wed 9/24/14

Task		Summary		External Milestone		Inactive Summary		Manual Summary Rollup		Finish-only	
Split		Project Summary		Inactive Task		Manual Task		Manual Summary		Deadline	
Milestone		External Tasks		Inactive Milestone		Duration-only		Start-only		Progress	

"This document is intended to be a general overview of activities being performed in connection with the Development of Blue Tarp reDevelopment, LLC's (Blue Tarp) project in Springfield, MA and to assist in compliance with section 20 (q) of the June 13, 2014 Agreement to Award A Category 1 License to Blue Tarp reDevelopment (Agreement). This document is not intended to supersede Blue Tarp's RFA 2 application or the conditions set forth in the license award Agreement including the submission of final construction plans, specifications and timelines as approved by the Commission pursuant to 205 CMR 135.00. Dates contained herein are subject to change and in some cases represent tentative dates or projected dates."

