

**Title 36 STATE LOTTERY AND
GAMING CONTROL AGENCY**

Subtitle 03 GAMING PROVISIONS

Chapter .10 Video Lottery Facility Minimum Internal Control Standards

**Authority: State Government Article, §§ 9-1A-02(c); 9-1A-04(c), (d); 9-1A-24(b),
(f), Annotated Code of Maryland**

.01 Definitions.

A. In this chapter the following terms have the meanings indicated.

B. Terms Defined.

(1) "Bill validator" means an element of a video lottery terminal designed and configured to accept any combination of currency, gaming tickets, promotional play instruments or other instruments authorized by the Commission for activating credits on a video lottery terminal.

(2) "Cash" means currency and coin.

(3) "Cash equivalent" means a:

(a) Certified check, cashier's check, treasurer's check, travelers check or money order that is:

(i) Payable to the facility operator, "bearer" or "cash";

(ii) Drawn for a specific amount;

(iii) Currently dated not postdated;

(iv) Payable on demand; and

(v) Without an endorsement; and

(b) Certified check, cashier's check, treasurer's check or money order that is:

(i) Made payable to the presenting player;

(ii) Drawn for a specific amount;

(iii) Currently dated not postdated;

(iv) Payable on demand;

(v) Endorsed by the presenting player; and

(vi) Without an endorsement other than that of the presenting player.

(4) “Cash storage box” means a secure tamper resistant container in a bill validator into which currency, gaming tickets, promotional play instruments or other instruments authorized by the Commission for activating credits on a video lottery terminal are deposited.

(5) “Cashable credit” means a credit on a video lottery terminal which activates play and is convertible to cash at the conclusion of play.

(6) “Complimentary services” means any lodging, service or item which:

(a) Is offered by a facility operator directly or indirectly to a player at no cost or at a reduced cost;

(b) Is not generally available to the public;

(c) Does not include:

(i) Noncashable credits issued to a player as part of a player incentive or reward program; and

(ii) Lodging available to the public through convention or government rates.

(7) “Counter check” means a negotiable instrument made available by a facility operator to a player for whom credit has been authorized under Regulation .24 of this chapter to effect:

(a) A short term extension of credit to enable the player to take part in gaming; and

(b) The payment of the credit extended by the transfer of funds from the player’s bank account to the facility operator in accordance with a deposit schedule complying with Regulation .29 of this chapter.

(8) “Customer deposit account” means a player specific account established in a facility operator’s cashiers’ cage accountability into which a player may deposit cash or funds accepted by means of personal check, wire transfer, cash equivalent or other negotiable instrument.

1
2 (9) "Gaming ticket" means an instrument that upon insertion into a video lottery
3 terminal bill validator entitles the player inserting the gaming ticket to credits on a
4 video lottery terminal corresponding to the amount printed on the gaming ticket.
5

6 (10) "Gaming ticket system" means the collective hardware, software,
7 communications technology and other ancillary equipment owned or leased by a
8 facility operator to facilitate the issuance or redemption of a gaming ticket.
9

10 (11) "Noncashable credit" means a credit on a video lottery terminal which
11 activates play but is not convertible to cash at the conclusion of play.
12

13 (12) "Promotional play" means an award by a facility operator of noncashable
14 credits on a video lottery terminal:
15

16 (a) Directly or indirectly to a player; and
17

18 (b) With or without regard to the:
19

20 (i) Identity of the player; or
21

22 (ii) Player's level of gaming activity.
23

24 (13) "Promotional play system" means the collective hardware, software,
25 communications technology and other ancillary equipment owned or leased by a
26 facility operator to facilitate the award of promotional play at a video lottery
27 terminal or table game by means of a:
28

29 (a) Promotional play instrument; or
30

31 (b) Download from the system to the video lottery terminal.
32

33 (14) "Replacement check" means a personal check accepted by a facility operator
34 in a counter check substitution, consolidation or redemption transaction under
35 Regulation .28 of this chapter.
36

37 (15) "Signature", for a facility employee or contractor, means:
38

39 (a) At a minimum, the first initial, last name and Commission license
40 number, written by the facility employee or contractor; or
41

42 (b) The unique identification code issued to the facility employee or
43 contractor by the facility operator if the document to be signed is
44 authorized by the Commission to be generated by a video lottery system
45 and the method of signature is approved or required by the Commission.
46

(16) "Video lottery system" means the collective hardware, software, communications technology and other ancillary equipment owned or leased by a facility operator to collect, monitor, interpret, analyze, authorize, issue, redeem, report and audit data with regard to activity at video lottery terminals, including, but not limited to, a

(a) Video lottery terminal data system;

(b) Casino management system;

(c) Gaming ticket system;

(d) Promotional play system; and

(e) Player tracking system.

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

.02 Accounting Records.

A. A facility operator shall maintain complete, accurate and legible records of all transactions pertaining to the revenues and expenses of a facility.

B. General ledger records shall be maintained on a double entry system of accounting with transactions recorded on a basis consistent with generally accepted accounting principles in the United States.

C. Subsidiary ledgers and records supporting general ledger records shall be prepared in accordance with generally accepted accounting principles in the United States.

D. Subsidiary ledgers and records shall include, at a minimum, documents that:

(1) Support the financial statements and all transactions impacting the financial statements including contracts or agreements with manufacturers, contractors and management companies;

(2) Pertain to proceeds including generation of, accounting for, and transmission into the State Lottery Fund;

(3) Identify for each video lottery terminal and table game on a week-to-date, month-to-date and year-to-date basis:

(a) Handle;

(b) Payout;

(c) Win amount;

(d) Win percentage; and

(e) Average payout percentage;

(4) Summarize the cost, by number of individuals and category of service, of complimentary services under Regulation .09 of this chapter;

(5) Identify all costs and expenses associated with the operation of a facility;

(6) Are prepared in compliance with the internal controls approved by the Commission under Regulation .05 of this chapter; and

(7) Relate to:

(a) Loans and other amounts payable by a facility operator;

(b) Player disputes including player complaint forms filed with the Commission under Regulation .48 of this chapter;

(c) Negotiable instruments accepted, deposited, returned as uncollected or ultimately written-off by a facility operator under this chapter; and

(d) Investments in property and equipment for the benefit of a facility.

.03 Forms and Documents.

A. A form or document required by this chapter, including stored data, shall have:

(1) All information placed on the form or document recorded in ink or other permanent form; and

(2) The title of the form or document and the name of the facility imprinted or preprinted on it.

B. If under this chapter multiple copies are required of a form or document, all copies shall have the name of the recipient receiving the copy preprinted on the bottom of the copy in order to differentiate between the copies.

C. If under this chapter a form or document is required to be accounted for by series number or copies of a form or document are required to be compared for agreement, the responsible department shall report exceptions in writing to the facility's internal audit department not later than two days after identification of the exception.

1 D. A facility operator may prepare more copies of a form or document than required by
2 this chapter.

3
4 **.04 Content of Internal Controls.**

5
6 A. A facility operator shall develop a written description of its administrative and
7 accounting procedures including the system of internal controls over video lottery
8 terminal and table game operations.

9
10 B. A facility operator's internal controls are subject to review and approval under
11 Regulation .05 of this chapter.

12
13 C. Internal controls shall, at a minimum, include:

14
15 (1) Administrative controls and record keeping that document the authorization of
16 transactions;

17
18 (2) Accounting controls that provide reasonable assurance that:

19
20 (a) Transactions or financial events which occur in connection with the
21 operation of a video lottery terminal or table game are:

22
23 (i) Executed in accordance with the facility operator's
24 authorization protocols;

25
26 (ii) Recorded to permit preparation of financial statements in
27 conformance with generally accepted accounting principles in the
28 United States and the requirements of this chapter; and

29
30 (iii) Recorded to permit proper and timely reporting and
31 calculation of proceeds and to maintain accountability for assets;

32
33 (b) Access to assets is permitted only in accordance with the facility
34 operator's authorization protocols; and

35
36 (c) The recorded accountability for assets is compared with existing assets
37 at reasonable intervals and appropriate action is taken with regard to a
38 discrepancy;

39
40 (3) Procedures and controls for ensuring:

41
42 (a) That a video lottery terminal accurately and timely communicates all
43 required activities and financial details to the:

44
45 (i) Central monitor and control system; and
46

(ii) Video lottery system;

(b) That all functions, duties and responsibilities are segregated and performed in accordance with sound financial practices by qualified personnel; and

(c) Through the use of a surveillance and a security department, that the facility is secure at all times during normal operation and during any emergency due to malfunctioning equipment, loss of power, natural disaster or any other cause;

(4) Access controls which address, at a minimum:

(a) Content of, and administrative responsibility over, the manual or computerized access control matrix governing employee access to restricted areas;

(b) Issuance of a temporary access credential; and

(c) Comprehensive key controls;

(5) A record retention policy in accordance with Regulation .08 of this chapter;

(6) Procedures and controls over the movement of cash and the count room;

(7) Procedures and standards for conducting internal audits; and

(8) Other procedures and controls the Commission may require to be included in a facility operator's internal controls.

D. A facility operator shall make available a current version of its Commission approved internal controls, in hard copy or through secure computer access, to:

(a) All mandatory departments required under Regulation .10(E)(6) of this chapter; and

(b) The Commission's on-site office.

E. A facility operator shall maintain, in hard copy or electronic form, all superseded internal controls together with the written representations required under Regulation .05 of this chapter, for at least five years subsequent to the date the internal controls were superseded.

.05 Review of Internal Controls.

1 A. At least 60 days before video lottery terminal or table game operations are to
2 commence, a facility operator shall submit its internal controls to the Commission for
3 review and written approval.

4
5 B. The internal controls shall be accompanied by:

6
7 (1) A certification by the facility operator's chief executive officer or chief legal
8 officer that the submitted internal controls conform to the requirements of State
9 Government Article, Subtitle 9-1A, Annotated Code of Maryland and this
10 chapter;

11
12 (2) A certification by the facility operator's director of finance that the submitted
13 internal controls:

14 (a) Establish a consistent overall system of internal controls;

15
16 (b) Provide reasonable assurance that financial reporting conforms to
17 generally accepted accounting principles in the United States; and

18
19 (c) Conform to the requirements of State Government Article, Subtitle 9-
20 1A, Annotated Code of Maryland and this chapter; and

21
22
23 (3) An opinion letter by an independent certified public accountant expressing an
24 opinion as to:

25 (a) The effectiveness of the design of the submitted system of internal
26 controls over financial reporting;

27
28 (b) Whether the submitted system of internal controls conforms to the
29 requirements of State Government Article, Subtitle 9-1A, Annotated Code
30 of Maryland and this chapter; and

31
32 (c) If applicable, whether a deviation from the requirements of State
33 Government Article, Subtitle 9-1A, Annotated Code of Maryland or this
34 chapter identified by the independent certified public accountant in the
35 course of its review of the submitted system of internal controls is
36 material.
37

38
39 C. A facility operator may not commence operations until its internal controls are
40 approved in writing by the Commission.

41
42 D. If the Commission determines that a submitted internal control is deficient the:

43 (1) Commission shall provide the facility operator with written notice of the
44 deficiency; and
45
46

1 (2) Facility operator shall revise the internal control as appropriate and resubmit
2 to the Commission for review.
3

4 E. A facility operator may not implement a change or amendment in its approved internal
5 controls without the prior written approval of the Commission.
6

7 F. A facility operator's initial internal controls submission and a change or amendment to
8 its approved internal controls shall be reviewed and approved in accordance with a
9 process and time frame developed and implemented by the Commission.
10

11 G. The process developed by the Commission under §F of this regulation shall, at a
12 minimum, require the facility operator to:
13

14 (1) Submit a redlined copy of any section of the approved internal controls to be
15 changed or amended with added text underlined and deleted text lined out;
16

17 (2) Document on the redlined copy the date the Commission approved the section
18 to be changed or amended and the date the revision was submitted to the
19 Commission for review;
20

21 (3) Submit a narrative explaining the reason for the change or amendment which
22 includes the facility operator's target date for implementation;
23

24 (4) Submit the written representations required in §B(1) and (2) of this regulation
25 with regard to the proposed change or amendment;
26

27 (5) Maintain a log of all changes or amendments in approved internal controls
28 which includes the initial approval date and the effective date of any change or
29 amendment approved by the Commission; and
30

31 (6) Mark each page of approved internal controls with the date on which it was
32 approved by the Commission.
33

34 **06. Standard Financial and Statistical Reports.**

35
36 A. The Commission may require a facility operator to submit daily, weekly, monthly,
37 quarterly, and annual reports of financial and statistical data.
38

39 B. Reports required under this regulation shall be in a form and submitted in accordance
40 with a time frame specified by the Commission.
41

42 C. Unless other wise specified by the Commission, reports to the Commission shall be
43 signed by the:
44

45 (1) Chief executive officer if the facility operator is a corporation;
46

- 1 (2) General partner if the facility operator is a partnership;
2
3 (3) Manager if the facility operator is a limited liability company;
4
5 (4) Chief executive officer or functional equivalent if the facility operator is any
6 other form of business association; or
7
8 (5) Owner if the facility operator is a sole proprietorship.
9
- 10 D. A facility operator shall submit a report to the Commission on the due date specified
11 by the Commission unless an extension has been approved in writing by the Commission.
12
- 13 E. The Commission may, on written notice to a facility operator, require an interim report
14 to be submitted in a form and in accordance with a time frame specified by the
15 Commission.
16
- 17 **.07 Annual Audit and Other Regulatory Reports.**
18
- 19 A. A facility operator shall cause its annual financial statements to be audited in
20 accordance with generally accepted auditing standards by an independent certified public
21 accountant.
22
- 23 B. The annual financial statements shall be prepared on a comparative basis for the
24 current and prior fiscal year and present financial position and results of operations in
25 conformity with generally accepted accounting principles in the United States.
26
- 27 C. The audited financial statements shall include a footnote reconciling and explaining
28 any difference between the financial statements included in any report submitted to the
29 Commission under Regulation .06 of this chapter and the audited financial statements.
30
- 31 D. A facility operator shall with regard to adjustments resulting from the annual audit:
32
- 33 (1) Disclose to the Commission all adjustments whether or not recorded in the
34 accounting records; and
35
- 36 (2) Record the adjustment in the accounting records of the year to which the
37 adjustment relates.
38
- 39 E. No later than 90 days after the end of its fiscal year, a facility operator shall submit to
40 the Commission:
41
- 42 (1) A copy of its audited financial statements; and
43
- 44 (2) Any management letter or report prepared with regard to the financial
45 statements by its independent certified public accountant.
46

1 F. A facility operator shall require the independent certified public accountant auditing its
2 financial statements to render the following additional reports:

3
4 (1) A report identifying:

5
6 (a) Material weaknesses or significant deficiencies in the facility
7 operator's Commission approved internal controls noted in the course of
8 the examination of the financial statements; and

9
10 (b) Recommendations as to how to eliminate each material weakness or
11 significant deficiency identified; and

12
13 (2) A report expressing an opinion as to the adequacy of the facility operator's
14 Commission approved internal controls over financial reporting.

15
16 G. A facility operator shall prepare a written response to the reports required by §F of this
17 regulation which includes details as to any corrective action taken.

18
19 H. No later than 120 days after the end of its fiscal year, a facility operator shall submit
20 to the Commission a copy of:

21
22 (1) The reports required under §F of this regulation;

23
24 (2) The response required under §G of this regulation; and

25
26 (3) Any other report on internal controls or other matters relative to its accounting
27 or operating procedures rendered by its independent certified public accountant.

28
29 I. If a facility operator or any of its affiliates are publicly held, the facility operator shall
30 submit to the Commission a copy of:

31
32 (1) Any report required to be filed with the Securities and Exchange Commission
33 including:

34
35 (a) Form S-1;

36
37 (b) Form 8-K;

38
39 (c) Form 10-Q;

40
41 (d) Form 10-K;

42
43 (e) Proxy statement;

44
45 (f) Information statement; and
46

1 (g) Registration statement; and

2
3 (2) Any other report required to be filed with a domestic or foreign securities
4 regulatory agency.

5
6 J. A report required to be filed under §I of this regulation shall be submitted to the
7 Commission no later than 10 days after the date of filing with the applicable agency.

8
9 K. A facility operator shall submit a written report to the Commission if an independent
10 certified public accountant who is engaged as the principal accountant to audit its
11 financial statements:

12
13 (1) Resigns;

14
15 (2) Is dismissed as the facility operator's principal accountant; or

16
17 (3) Another independent certified public accountant is engaged as principal
18 accountant.

19
20 L. A report required to be filed under §K of this regulation shall include:

21
22 (1) The date of the resignation, dismissal or new engagement;

23
24 (2) Whether in connection with the audits of the two most recent years preceding
25 a resignation, dismissal or new engagement there were any disagreements,
26 resolved or unresolved, with the former accountant on:

27
28 (a) Accounting principles or practices;

29
30 (b) Financial statement disclosure; or

31
32 (c) Auditing scope or procedure;

33
34 (3) The nature of any disagreement disclosed in §L(2) of this section;

35
36 (4) Whether the principal accountant's report on the financial statements for either
37 of the past two years contained an adverse opinion, disclaimer of opinion or was
38 qualified;

39
40 (5) The nature of any adverse opinion, disclaimer of opinion or qualification; and

41
42 (6) A letter from the former principal accountant addressed to the Commission
43 stating whether the principal accountant concurs with the statements made by the
44 facility operator in the report to the Commission submitted under this section.

1 M. A report required to be filed under §K of this regulation shall be submitted to the
2 Commission no later than 10 days after the end of the month in which the resignation,
3 dismissal or new engagement occurred.

4
5 N. No later than two days after the date of filing with the applicable agency, a facility
6 operator shall file with the Commission a copy of each Suspicious Activity Report-
7 Casino filed under 31 CFR §103.21.

8
9 O. A facility operator or a director, officer, employee or agent of a facility operator who
10 reports suspicious activity under 31 CFR §103.21 may not notify an individual involved
11 in the suspicious activity that the suspicious activity has been reported.

12
13 P. No later than two days after the date of filing with the applicable agency, a facility
14 operator shall file with the Commission a copy of each Currency Transaction Report by
15 Casino filed under 31 CFR §103.22.

16
17 Q. At least 30 days before video lottery terminal operations are to commence, a facility
18 operator shall submit to the Commission a copy of its compliance program required
19 under 31 CFR §103.64.

20
21 R. On or before the effective date, a facility operator shall submit to the Commission any
22 change or amendment to its compliance program required under 31 CFR §103.64.

23
24 **.08 Record Retention.**

25
26 A. For the purposes of this regulation, "books and records" means any document
27 pertaining to, prepared in or generated by a facility operator, without regard to the
28 medium through which the record is generated or maintained, including all general ledger
29 records, subsidiary records and ledgers, computer generated data, forms, documents,
30 internal audit reports and work papers, correspondence and personnel records.

31
32 B. All original books and records shall be:

33
34 (1) Prepared and maintained in a complete, accurate and legible form;

35
36 (2) Stored in a format that ensures readability, regardless of whether the
37 technology or software that created or maintains it has become obsolete;

38
39 (3) Retained in a secure location equipped with a fire notification system:

40
41 (a) At the facility; or

42
43 (b) An off-site location approved by the Commission under §F of this
44 regulation for the express purpose of document storage;

1 (4) Kept immediately available for inspection by the Commission during all hours
2 of operation;

3
4 (5) Organized and indexed in a manner designed to provide immediate
5 accessibility to the Commission; and

6
7 (6) Destroyed only after expiration of the minimum retention period required
8 under this regulation.

9
10 C. The Commission may, on submission of a written request by a facility operator,
11 authorize destruction prior to the expiration of the minimum retention period required
12 under this regulation.

13
14 D. Unless a request for destruction is submitted in writing and approved in writing by the
15 Commission, a facility operator shall retain indefinitely original books and records
16 documenting:

17
18 (1) Ownership of the facility;

19
20 (2) Internally initiated investigations and due diligence;

21
22 (3) Personnel matters;

23
24 (4) Signature cards of current employees; and

25
26 (5) Destruction of documents including:

27
28 (a) The identity of the document;

29
30 (b) Period of retention; and

31
32 (c) Date of destruction.

33
34 E. Unless a request for destruction is submitted in writing and approved in writing by the
35 Commission, a facility operator shall retain for a minimum of five years all original
36 books and records not:

37
38 (1) Identified for indefinite retention under §D of this regulation; or

39
40 (2) Subject to an exemption under §F of this regulation.

41
42 F. The following exceptions apply to the retention period in §D of this regulation:

43
44 (1) A minimum retention period of four years shall apply to documentation
45 pertaining to cashiers' cage transactions;

46

1 (2) A minimum retention period of three years shall apply to:

2
3 (a) Signature cards of terminated employees;

4
5 (b) Insurance records relating to claims by players;

6
7 (c) Surveillance and security department:

8
9 (i) Employee duty logs;

10
11 (ii) Visitor logs;

12
13 (iii) Incident logs;

14
15 (iv) Recording logs; and

16
17 (v) Equipment malfunction reports; and

18
19 (d) Documentation pertaining to gaming tickets or promotional play
20 instruments reported to the Commission as possibly counterfeit, altered or
21 tampered with;

22
23 (3) A minimum retention period of six months shall apply to:

24
25 (a) Cancelled promotional play instruments for which all reconciliations
26 required by the facility operator's approved internal controls have been
27 conducted and resolved;

28
29 (b) Voided gaming tickets; and

30
31 (c) Gaming tickets redeemed at a location other than a video lottery
32 terminal or ticket redemption unit; and

33
34 (4) A minimum retention period of thirty days shall apply to gaming tickets
35 redeemed at a video lottery terminal or ticket redemption unit.

36
37 G. The Commission may, on submission of a written request by the facility operator,
38 approve a location outside the facility to store original books and records.

39
40 H. A facility operator requesting to store original books and records outside the facility
41 shall submit to the Commission:

42
43 (1) A description of the proposed location, including details with regard to
44 security and fire notification systems;

45
46 (2) Details with regard to the ownership of the proposed storage facility; and

(3) Procedures for Commission access to original books and records retained at the proposed location.

I. A facility operator may not store books and records outside the facility without the prior written approval of the Commission.

J. The Commission may, on submission of a written request by a facility operator, approve a microfilm, microfiche or other suitable media system for the copying and storage of original books and records.

K. A facility operator submitting a system for the copying and storage of original books and records shall demonstrate to the satisfaction of the Commission that the:

(1) Processing, preservation and maintenance methods to be utilized will make books and records readily available for review and reproduction;

(2) Inspection and quality control methods to be utilized will insure that when books and records are viewed or reproduced they will exhibit a high degree of legibility and readability;

(3) Availability to the Commission at the facility or approved off-site storage location of all equipment necessary to readily locate, read and reproduce books and records; and

(4) Availability of a detailed index of all microfilmed, microfiche or other stored data maintained and arranged to facilitate the immediate location of particular books and records.

L. A facility operator may not utilize a microfilm, microfiche or other suitable media system for the copying and storage of original books and records without the prior written approval of the Commission.

M. A facility operator may utilize the services of a contractor for the destruction of books and records permitted to be destroyed under this regulation.

N. Nothing in this regulation shall be construed as relieving a facility operator of any obligation to prepare or maintain books and records required by any other federal, state or local governmental entity.

.09 Complimentary Services.

A. For the purposes of this regulation, “guest” means an individual who receives complimentary services as a result of a relationship with the primary recipient of the complimentary services.

1 B A facility operator may offer complimentary services subject to the following
2 requirements:

3
4 (1) A facility operator shall be under the authority of the County Alcoholic
5 Beverages Licensing Authority for the county in which the facility is located with
6 regard to the sale to individuals of food and alcoholic beverages;

7
8 (2) Except as provided in this section, a facility operator may not provide food or
9 alcoholic beverages to individuals at no cost;

10
11 (3) Food or alcoholic beverages offered by a facility operator for sale to
12 individuals may be offered only at prices that are determined by the County
13 Alcoholic Beverages Licensing Authority to be commensurate with the price of
14 similar types of food and alcoholic beverages at restaurants in the county in which
15 the facility is located; and

16
17 (4) A facility operator may provide food at no cost to individuals to the same
18 extent allowed under Article 2B, §12-106, Annotated Code of Maryland for a
19 person engaged in the sale or barter of spirituous, malt, or intoxicating liquors and
20 licensed in Maryland.

21
22 C. A facility operator shall develop, maintain in writing and implement adequate internal
23 controls over the authorization and provision of complimentary services.

24
25 D. A facility operator shall at all times make available to the Commission the internal
26 controls required under §C of this regulation but is not required to include them in the
27 system of internal controls submitted to the Commission for approval under Regulation
28 .05 of this chapter.

29
30 E. A facility operator shall collect and retain data pertaining to the cost of, and number of
31 individuals provided with, each category of complimentary services.

32
33 F. A facility operator shall submit to the Commission an annual report summarizing
34 complimentary services provided during the calendar year.

35
36 G. The report required under §F of this regulation shall:

37
38 (1) Be submitted no later than March 31 of the following year;

39
40 (2) Separate complimentary services into the following categories:

41
42 (a) Rooms;

43
44 (b) Food and Beverage;

45
46 (c) Travel;

1
2 (d) Gifts:

3
4 (i) Cash;

5
6 (ii) Non-cash; and

7
8 (e) Other; and

9
10 (3) Determine the cost of complimentary services provided to a player as follows:

11
12 (a) Complimentary services offered by a facility operator in the normal
13 course of business shall be reported at an amount based upon the full retail
14 price normally charged for the service by the facility operator;

15
16 (b) Complimentary services not offered for sale by the facility operator in
17 the normal course of business but provided directly by the facility operator
18 to the player shall be reported at an amount based upon the actual cost to
19 the facility operator of providing the service;

20
21 (c) Complimentary services provided directly or indirectly on behalf of a
22 facility operator by a third party not related to the facility operator shall be
23 reported at an amount based upon the actual cost to the facility operator of
24 having the third party provide the service; and

25
26 (d) Complimentary services provided directly or indirectly on behalf of a
27 facility operator by a third party related to the facility operator shall be
28 reported at an amount based upon the actual cost to the third party of
29 providing the service.

30
31 H. A facility operator shall submit to the Commission a report identifying a player who,
32 together with guests, received \$5,000 or more in complimentary services within a period
33 of 5 consecutive days.

34
35 I. The report required by §H of this regulation shall:

36
37 (1) State the reason complimentary services were provided;

38
39 (2) Include the player's rating in the facility operator's player rating system at the
40 time the complimentary services were provided;

41
42 (3) Disclose the total amount provided in complimentary services separated into
43 the following categories:

44
45 (a) Rooms;

1 (b) Food and Beverage;

2
3 (c) Travel;

4
5 (d) Gifts:

6
7 (i) Cash;

8
9 (ii) Non-cash; and

10
11 (e) Other; and

12
13 (4) Be submitted by the 15th day of the month following the month in which the
14 complimentary services were provided.

15
16 **.10 Table of Organization.**

17
18 A. For the purposes of this regulation, the title used to describe a department head is
19 intended to indicate responsibility for the functions of the enumerated department and
20 does not obligate the facility operator to the use of that particular title.

21
22 B. Subject to the requirements of this regulation, a facility operator shall tailor its table of
23 organization to meet its needs and policies.

24
25 C. At least 30 days before video lottery terminal or table game operations are to
26 commence, a facility operator shall submit to the Commission for review and written
27 approval a table of organization depicting all direct and indirect reporting lines for:

28
29 (1) The chief executive officer required under §E(5) of this regulation;

30
31 (2) Mandatory departments required under §E(6) of this regulation;

32
33 (3) The cashiers' cage manager required under §M of this regulation;

34
35 (4) Employees authorized to verify credit applications under Regulation .25 of
36 this chapter; and

37
38 (5) Employees authorized to extend credit or to approve credit limit increased
39 under Regulation .24 of this chapter.

40
41 D. A facility operator may not commence operations until the table of organization
42 submitted under §C of this regulation is approved in writing by the Commission.

43
44 E. A facility operator's table of organization shall include:
45

1 (1) A system of personnel and chain of command which permits management and
2 supervisory personnel to be held accountable for actions or omissions within their
3 areas of responsibility;
4

5 (2) The segregation of incompatible functions, duties and responsibilities so that
6 no individual is in a position both to:
7

8 (a) Commit an error or to perpetrate a fraud; and
9

10 (b) Conceal the error or fraud in the normal course of the individual's
11 duties;
12

13 (3) The performance of all functions, duties and responsibilities by qualified
14 personnel;
15

16 (4) Areas of responsibility which are not so extensive as to be impractical for one
17 individual to monitor;
18

19 (5) A chief executive officer:
20

21 (a) Based for employment purposes at the facility;
22

23 (b) Licensed as a principal employee; and
24

25 (d) Ultimately responsible for the daily conduct of all operations at the
26 facility; and
27

28 (6) The following mandatory departments and supervisors:
29

30 (a) A surveillance department supervised by a director of surveillance:
31

32 (i) Based for employment purposes at the facility;
33

34 (ii) Subject to the reporting requirements of §F of this regulation;
35

36 (iii) Licensed as a principal employee; and
37

38 (iv) Responsible for the surveillance of all aspects of video lottery
39 terminal and table game operations;
40

41 (b) An internal audit department supervised by a director of internal audit:
42

43 (i) Based for employment purposes at the facility;
44

45 (ii) Subject to the reporting requirements of §F of this regulation;
46

1 (iii) Licensed as a principal employee; and

2
3 (iv) Responsible for assessing compliance with approved internal
4 controls, applicable laws and regulations, the reliability of financial
5 reporting, deterring and investigating fraud and the safeguarding of
6 assets;

7
8 (c) An information technology department supervised by a director of
9 information technology:

10
11 (i) Based for employment purposes at the facility;

12
13 (ii) Licensed as a principal employee; and

14
15 (iii) Responsible for the quality, reliability, accuracy, and security
16 of all video lottery systems, associated equipment and software
17 utilized by the facility operator regardless of whether the data,
18 software or systems are located in or outside the facility;

19
20 (d) A security department supervised by a director of security:

21
22 (i) Based for employment purposes at the facility;

23
24 (ii) Licensed as a principal employee; and

25
26 (iii) Responsible for the overall security of the facility;

27
28 (e) An accounting department supervised by a director of finance:

29
30 (i) Based for employment purposes at the facility;

31
32 (ii) Licensed as a principal employee; and

33
34 (iii) Responsible for all accounting and finance functions including
35 the control and supervision of the cashiers' cage, satellite cages and
36 the count room; and

37
38 (f) An gaming operations department supervised by a director of gaming
39 operations:

40
41 (i) Based for employment purposes at the facility;

42
43 (ii) Licensed as a principal employee;

44
45 (iii) Responsible for the operation and conduct of gaming at video
46 lottery terminals and table games; and

(iv) Nothing in this regulation shall preclude a facility operator from establishing a video lottery terminals and table games department supervised by a director of video lottery terminal operations and a director of table games operation.

F. The director of surveillance and the director of internal audit required under §E(6) of this regulation shall be independent of the chief executive officer regarding matters of policy, purpose, responsibility and authority and shall report directly to an:

(1) Individual based for employment purposes at the facility with no incompatible functions; or

(2) Audit committee of:

(a) The facility operator; or

(b) A Commission authorized licensed affiliate of the facility operator.

G. The individual or audit committee to whom the director of surveillance and the director of internal audit report under §F of this regulation shall also control the hiring, termination and salary of the director.

H. The director of surveillance and the director of internal audit may report to the chief executive officer with regard to daily operations.

I. Mandatory departments and the supervisors over them shall cooperate with, yet perform independently of, all other mandatory departments and supervisory positions.

J. A facility operator may designate more than one individual to serve jointly as the director of a mandatory department required by §E of this regulation.

K. A joint director of a mandatory department under §J of the regulation shall be:

(1) Based for employment purposes at the facility.

(2) Individually and jointly accountable and responsible for the operation of the department

L. A department that is not mandatory may operate under, or in conjunction with, a mandatory department where the table of organization is consistent with the requirements of §E of this regulation.

M. A facility operator's cashiers' cage manager shall be licensed as a principal employee.

1 N. On any shift for which the cashiers' cage manager is not present in the facility, the
2 cashiers' cage shift manager responsible for the cashiers' cage shall be licensed as a
3 principal employee.
4

5 O. A facility operator may not implement a change in the table of organization approved
6 by the Commission under §D of this regulation without the prior written approval of the
7 Commission.
8

9 P. A facility operator shall ensure that an individual employed at the facility is trained in
10 the policies, procedures, and internal controls relevant to the individual's function.
11

12 Q. If there is a vacancy in the chief executive officer position or any mandatory
13 department director position required by §E of this regulation, the following shall apply:
14

15 (1) No later than five days after the date of a vacancy, a facility operator shall
16 notify the Commission in writing of:
17

18 (a) The vacant position;
19

20 (b) The date on which the position will become or became vacant; and
21

22 (c) The date on which the facility operator anticipates that the vacancy will
23 be filled on a permanent basis;
24

25 (2) No later than 30 days after the date of a vacancy, a facility operator shall fill
26 the vacant position on a temporary basis;
27

28 (3) No later than 120 days after the original date of the vacancy, a facility operator
29 shall fill the vacant position on a permanent basis; and
30

31 (4) No later than five days after filling a vacancy, a facility operator shall notify
32 the Commission in writing of:
33

34 (a) The vacant position filled;
35

36 (b) The name of the individual designated to fill the position;
37

38 (c) The date that the vacancy was filled; and
39

40 (d) Whether the vacancy has been filled on a temporary or permanent
41 basis.
42

43 **.11 Surveillance System Design Standards.** 44

45 A. A facility operator shall install in its facility a surveillance system that complies with
46 the requirements of this regulation.

1
2 B. A facility operator's surveillance system shall be reviewed and approved by the
3 Commission under Regulation .12 of this chapter.

4
5 C. A facility operator's surveillance system shall include:

6
7 (1) Light sensitive cameras enabled by:

8
9 (a) Lenses of sufficient magnification to read a video lottery terminal reel
10 strip and credit meter;

11
12 (b) Lighting which is continuous and of sufficient quality to produce clear
13 video recordings and still pictures; and

14
15 (c) 360 degree pan, tilt and zoom capability, without camera stops,
16 configured to clandestinely monitor and record:

17
18 (i) Play and transactions conducted at video lottery terminals;

19
20 (ii) Transactions conducted in the cashiers' cage and any satellite
21 cage including the face of each individual transacting business
22 with a cashier;

23
24 (iii) Transactions conducted at ticket redemption units, automated
25 jackpot payout machines and automated teller machines;

26
27 (iv) Activity in the count room;

28
29 (v) Movement of cash and cash storage boxes within the facility;

30
31 (vi) Entrances and exits to the facility and the gaming floor;

32
33 (vii) Activities in all other restricted areas; and

34
35 (viii) Other areas and events designated by the Commission;

36
37 (2) A monitor room located in the facility:

38
39 (a) Staffed by employees of the facility operator's surveillance department
40 24 hours per day; and

41
42 (b) Equipped with:

43
44 (i) A communication system capable of monitoring all security
45 department communications;

(ii) Connections, direct or through a documented communication protocol with the security department, to all facility alarm systems;

(iii) A surveillance failure notification system that provides an audible, as well as a visual notification, of any failure in the surveillance system or the digital video recording media storage system;

(iv) An emergency power system, tested by the facility operator in the presence of the Commission at least once a year, which can be used to operate the surveillance system in the event of a power failure;

(v) Computer terminals permitting event notification to, and read only access by authorized surveillance department employees to, the facility operator's video lottery system;

(vi) An updated photo library, consisting of photographs that are no more than 4 years old, of all current employees of the facility;

(vii) A copy of the facility operator's gaming floor plan required under COMAR 36.03.11.05;

(viii) A copy of the procedures addressing the evacuation of the facility in the event of fire or other emergency required under Regulation .14 of this chapter; and

(ix) Copies of the surveillance system contingency plans required under Regulation .12 of this chapter;

(3) Digital video recording capability equipped to:

(a) Superimpose the date and time on all monitoring and recording;

(b) Identify and locate, through the use of a meter, counter or other device or method, a particular event which was recorded;

(c) Identify on video recording disks or other storage media the type of media player and software prerequisite to viewing the digital images; and

(d) Be authenticated through use of an embedded video verification encryption code or watermark;

(4) Audio recording capability in the count room that is :

(a) Installed and disclosed to employees of the facility; and

(b) Is consistent with Courts and Judicial Proceedings Article, §§ 10-401 – 10-414, Annotated Code of Maryland; and

(5) An access system which:

(a) Controls:

(i) Physical and logical access to the surveillance system;

(ii) Physical access to the surveillance monitor room; and

(b) Restricts access to the security administration capabilities of the system.

D. A facility operator shall configure its surveillance system to record all areas and transactions enumerated in §C(1)(c) of this regulation at a minimum of 30 frames per second with a resolution of 4 common image format.

E. A facility operator may configure its surveillance system to record activity in areas of the facility not covered by §D of this regulation at a reduced frame rate with a resolution of 4 common image format.

(1) Public areas shall be recorded at a minimum frame rate of 15 frames per second.

(2) Areas not accessible to the public shall be recorded at a minimum frame rate of 7.5 frames per second.

F. Except as provided in §G of this regulation, a facility operator shall retain surveillance recordings:

(1) For a minimum of 7 days for transactions or events in the areas covered under §E of this regulation; and

(2) For a minimum of 14 days for transactions or event in the areas covered under §D of this regulation.

G. Upon the request of the Commission or a law enforcement agency that has proper jurisdiction over the facility, a recording shall be retained and stored in accordance with the directives of the Commission or law enforcement agency pertaining to that recording.

H. Except as provided in this regulation, the surveillance system shall be under the exclusive control of the facility operator's surveillance department.

1 I. A facility operator shall provide the Commission with timely and unfettered access to
2 its surveillance monitor room, surveillance system and all transmissions.

3
4 J. A facility operator shall timely comply with a request from the Commission to:

5
6 (1) Use, as necessary, any monitor room in the facility;

7
8 (2) Display on the monitors in its monitor room or in the Commission's on site
9 monitor room any event capable of being captured by the surveillance system;

10
11 (3) Relinquish control of a camera or monitor;

12
13 (4) Discontinue monitoring a particular camera or recording activity captured by
14 it;

15
16 (5) Make a video recording or photograph of any event capable of being captured
17 by the surveillance system; and

18
19 (6) Restrict or deny access to a recording or photograph.

20
21 K. A surveillance system may not be remotely accessed from a location outside the
22 surveillance monitor room without the prior written approval of the Commission.

23
24 L. An entrance to a surveillance monitor room may not be visible from the gaming floor.

25
26 **.12 Surveillance Department Operating Procedures.**

27
28 A. At least 60 days before video lottery terminal or table game operations are to
29 commence, a facility operator shall submit to the Commission for review and written
30 approval:

31
32 (1) A surveillance system meeting the requirements of Regulation .11 of this
33 chapter including, at a minimum, details pertaining to:

34
35 (a) Camera configuration inside and outside the facility;

36
37 (b) Monitor room configuration;

38
39 (c) Video recording format and configuration specifications;

40
41 (d) Authentication of digital recordings, including Commission access to
42 the system's video verification encryption code or watermark;

43
44 (e) Audio recording format; and

45
46 (f) System access controls; and

1
2 (2) Surveillance department operating procedures conforming to this regulation.
3

4 B. A facility operator may not commence operations until its surveillance system and
5 surveillance department operating procedures are approved in writing by the
6 Commission.
7

8 C. A facility operator's surveillance department operating procedures shall, at a
9 minimum, require:
10

11 (1) Coverage of all areas and transactions enumerated in Regulation .11 of this
12 chapter;
13

14 (2) Contingency plans addressing:
15

16 (a) Full and partial failure of the surveillance system including:
17

18 (i) A contact list with telephone numbers for individuals required
19 to be notified in the event of a failure; and
20

21 (ii) Facility closure protocols; and
22

23 (b) Planned shutdown of the surveillance system;
24

25 (3) A surveillance incident log:
26

27 (a) Maintained by monitor room employees in:
28

29 (i) A book with bound numbered pages that cannot be readily
30 removed; or
31

32 (ii) An electronic format equipped with software that prevents
33 modification of an entry after it has been initially entered into the
34 system; and
35

36 (b) Documenting the scheduled coverage in §C(1) of this regulation and
37 all other non-routine surveillance activity as follows:
38

39 (i) Date and time surveillance is commenced;
40

41 (ii) Name and Commission license number of the individual
42 initiating, performing or supervising the surveillance;
43

44 (iii) Reason for the surveillance;
45

(iv) Whether the suspicious activity involves an alleged regulatory violation or criminal activity;

(v) Name, if known, alias or description of an individual being monitored;

(vi) Description of the activity in which the individual being monitored is engaged; and

(vii) Reading on a meter, counter or device that identifies the point on the video recording at which the event was recorded;

(viii) Time at which a video recording is commenced and terminated, if different than when surveillance is commenced or terminated;

(ix) Date and time surveillance is terminated;

(x) Summary of the results of the surveillance; and

(xi) Description of the time, date and cause of any equipment or camera malfunction which occurred during the conduct of surveillance;

(4) A surveillance room entry log:

(a) To be signed by an individual entering the surveillance monitor room who is not a surveillance department employee assigned to the monitor room's work shift at the time of entry;

(b) Maintained by monitor room employees in:

(i) A book with bound numbered pages that cannot be readily removed; or

(ii) An electronic format equipped with software that prevents modification of an entry after it has been initially entered into the system; and

(c) Documenting the following:

(i) Date and time of entering the monitor room;

(ii) The entering individual's name and department or affiliation;

(iii) The reason for entering the monitor room;

(iv) The name of the individual authorizing the individual's entry into the monitor room; and

(v) The date and time of exiting the monitor room;

(5) That surveillance monitor room employees notify:

(a) Security department supervisory personnel within 5 minutes of an incident of equipment failure affecting coverage of the facility;

(b) The Commission within 30 minutes of an incident of equipment failure affecting coverage of the facility citing:

(i) Date and time;

(ii) Cause of the malfunction; and

(iii) Time the facility operator's security department was notified of the malfunction;

(6) That the facility operator confirm in writing a notice given verbally to the Commission under §C(5) of this regulation; and

(7) That, on a daily basis, the facility operator synchronize the date and time on the surveillance system to the date and time on the central monitor and control system and its video lottery system.

D. A facility operator may not implement a change or amendment in its surveillance system or surveillance department operating procedures approved by the Commission under §B of this regulation without the prior written approval of the Commission.

E. Surveillance department employees shall be reasonably segregated and independent of all other departments at the facility.

F. A surveillance department employee may not transfer to any other department in the facility without the prior written approval of the Commission.

.13 Surveillance Department Minimum Staffing.

A. At least 60 days before video lottery terminal or table game operations are to commence, a facility operator shall submit its surveillance department minimum staffing plan to the Commission for review and written approval.

B. A facility operator may not commence operations until its surveillance department minimum staffing plan is approved in writing by the Commission.

1
2 C. A surveillance department minimum staffing plan shall assess, on a per shift basis, the
3 minimum number of on duty surveillance department employees necessary to:
4

5 (1) Provide adequate and effective surveillance of all activities in and outside the
6 facility;
7

8 (2) Ensure the physical safety of employees and invitees to the facility;
9

10 (3) Comply with all applicable laws and regulations including Commission
11 approved internal controls and operating procedures;
12

13 (4) Monitor the facility to ensure that the following individuals are identified,
14 prohibited from entering the facility and, if necessary, immediately removed from
15 the facility an:
16

17 (a) Intoxicated individual;
18

19 (b) Individual who is mandatorily excluded in accordance with State
20 Government Article, 9-1A-24(d), Annotated Code of Maryland; and
21

22 (c) Individual who is voluntarily excluded in accordance State
23 Government Article, 9-1A-24(e), Annotated Code of Maryland; and
24

25 (5) Monitor the gaming floor to ensure that an individual under the age of 21
26 years is identified, prohibited from accessing the gaming floor in accordance with
27 State Government Article, 9-1A-24(c), Annotated Code of Maryland and, if
28 necessary immediately removed from the gaming floor.
29

30 D. A facility operator's proposed surveillance department minimum staffing plan shall
31 consider:
32

33 (1) Square footage and layout of the facility;
34

35 (2) Number and configuration of video lottery terminals and table games;
36

37 (3) Use of fixed and roving security posts;
38

39 (4) Activity level on a per shift basis and identify it as slow, normal or peak; and
40

41 (5) Department supervisory needs; and
42

43 (6) A limit of one employee per monitor station.
44

1 E. A facility operator may not implement a change or amendment in the surveillance
2 department minimum staffing plan approved by the Commission under §B of this
3 regulation without the prior written approval of the Commission.
4

5 **.14 Security Department Operating Procedures.**
6

7 A. At least 60 days before video lottery or table game operations are to commence, a
8 facility operator shall submit to the Commission for review and written approval its
9 security department operating procedures.
10

11 B. A facility operator may not commence operations until its security department
12 operating procedures are approved in writing by the Commission.
13

14 C. A facility operator's security department operating procedures shall, at a minimum,
15 include:
16

17 (1) A security zone plan for the facility employing fixed security posts and roving
18 security officers designed to ensure:
19

20 (a) The physical safety of employees and invitees to the facility;
21

22 (b) The safeguarding of assets;
23

24 (c) Compliance with all applicable laws and regulations including
25 Commission approved internal controls and operating procedures.
26

27 (d) That the following individuals are identified, prohibited from entering
28 the facility and, if necessary, immediately removed from the facility an:
29

30 (i) Intoxicated individual;
31

32 (ii) Individual who is mandatorily excluded in accordance with
33 State Government Article, 9-1A-24(d), Annotated Code of
34 Maryland; and
35

36 (iii) Individual who is voluntarily excluded in accordance State
37 Government Article, 9-1A-24(e), Annotated Code of Maryland;
38 and
39

40 (e) That an individual under the age of 21 years is identified, prohibited
41 from accessing the gaming floor in accordance with State Government
42 Article, 9-1A-24(c), Annotated Code of Maryland and, if necessary
43 immediately removed from the gaming floor; and
44

45 (2) Procedures and controls addressing:
46

- 1 (a) Facility access controls including:
2
3 (i) An access badge system;
4
5 (ii) If utilized, specifications pertaining to a computerized access
6 control system; and
7
8 (iii) Administrative responsibility over a manual or computerized
9 access control system;
10
11 (b) A temporary access credential;
12
13 (c) Key controls;
14
15 (d) Emergency alarm and fire command responsibilities including
16 communication protocols with the surveillance department;
17
18 (e) Evacuation of the facility in the event of fire or other emergency;
19
20 (f) The identification and immediate removal of an intoxicated individual,
21 an individual under the age of 21 years, an individual who is mandatorily
22 excluded and an individual who is voluntarily excluded;
23
24 (g) Player disputes under Regulation .48 of this chapter; and
25
26 (h) The notice requirements of §(C)(4) of this regulation;
27
28 (3) A security department incident log:
29
30 (a) Maintained by security department employees in:
31
32 (i) A book with bound numbered pages that cannot be readily
33 removed; or
34
35 (ii) An electronic format equipped with software that prevents
36 modification of an entry after it has been initially entered into the
37 system; and
38
39 (b) Documenting the following:
40
41 (i) Assignment number of the incident;
42
43 (ii) Date and time;
44
45 (iii) Name and Commission license of the department member
46 covering the incident;

(iv) Nature of the incident; and

(v) Resolution of the incident; and

(4) A requirement that a facility operator notice the Commission on detection of:

(a) An individual engaged in, attempting to engage in, or suspected of cheating, theft, embezzlement, or other illegal activities;

(b) An individual possessing a firearm, electronic control device, dangerous weapon or other device or object prohibited under Regulation .49 of this chapter;

(c) An individual who is:

(i) Under the age of 21 years;

(ii) Intoxicated;

(iii) Mandatorily excluded in accordance with State Government Article, 9-1A-24(d), Annotated Code of Maryland; or

(iv) Voluntarily excluded in accordance State Government Article, 9-1A-24(e), Annotated Code of Maryland.

.15 Security Department Minimum Staffing.

A. At least 60 days before video lottery terminal or table game operations are to commence, a facility operator shall submit its security department minimum staffing plan to the Commission for review and written approval.

B. A facility operator may not commence operations until its security department minimum staffing plan is approved in writing by the Commission.

C. A security department minimum staffing plan shall assess, on a per shift basis, the minimum number of on duty security department employees necessary to:

(1) Ensure the physical safety of employees and invitees to the facility;

(2) Effectively safe guard assets;

(3) Comply with all applicable laws and regulations including Commission approved internal controls and operating procedures;

1 (4) Monitor the facility to ensure that the following individuals are identified,
2 prohibited from entering the facility and, if necessary, immediately removed from
3 the facility an:

4
5 (a) Intoxicated individual;

6
7 (b) Individual who is mandatorily excluded in accordance with State
8 Government Article, 9-1A-24(d), Annotated Code of Maryland; and

9
10 (c) Individual who is voluntarily excluded in accordance State
11 Government Article, 9-1A-24(e), Annotated Code of Maryland; and

12
13 (5) Monitor the gaming floor to ensure that an individual under the age of 21
14 years is identified, prohibited from accessing the gaming floor in accordance with
15 State Government Article, 9-1A-24(c), Annotated Code of Maryland and, if
16 necessary immediately removed from the gaming floor.

17
18 D. A facility operator's proposed security department minimum staffing plan shall
19 consider:

20
21 (1) Square footage and layout of the facility;

22
23 (2) Number and configuration of video lottery terminals and table games;

24
25 (3) Use of fixed and roving security posts;

26
27 (4) Activity level on a per shift basis and identify it as slow, normal or peak; and

28
29 (5) Department supervisory needs.

30
31 E. A facility operator may not implement a change or amendment in the security
32 department minimum staffing plan approved by the Commission under §B of this
33 regulation without the prior written approval of the Commission.

34
35 **.16 Internal Audit Department Standards.**

36
37 A. At least 60 days before video lottery terminal operations are set to commence, a
38 facility operator shall submit to the Commission for review and approval Internal
39 audit department operating standards and procedures that:

40
41 (1) Meet the requirements of Regulation .10E(6)(b) of this chapter;

42
43 (2) Conform to this regulation; and

44
45 (3) Ensure that an internal audit is conducted in accordance with generally
46 accepted auditing standards in the United States.

1
2 B. A facility operator's internal audit department operating procedures and standards
3 shall, at a minimum, require the internal audit department to:

- 4
5 (1) Work independently from the departments of the facility that are subject to
6 audit;
7
8 (2) Assess whether the facility's internal controls comply with applicable law and
9 Commission directives;
10
11 (3) Test the facility's compliance with its internal controls;
12
13 (4) Immediately report a deficiency in, or noncompliance with, the facility's
14 internal controls to:
15
16 (a) The audit committee;
17
18 (b) The chief executive officer;
19
20 (c) Management is this defined/referenced earlier in chapter 14?; and
21
22 (d) The Commission.
23
24 (5) Recommend resolution for eliminating a deficiency in, or noncompliance
25 with, the facility's internal control system;
26
27 (6) Meet periodically with the audit committee or director of internal audit;
28
29 (7) Perform audits of:
30
31 (a) All departments of the facility that are designated under §§ C and D of
32 this Regulation; and
33
34 (b) A department of the facility designated by the Commission;
35
36 (8) Prepare an audit report for each audit conducted;
37
38 (9) Accurately document the audit process and results in an audit report that, at a
39 minimum, shall include:
40
41 (a) Audit objectives;
42
43 (b) Audit procedures and scope;
44
45 (c) Findings and conclusions;
46

- 1 (d) A recommendation for addressing a deficiency in, or noncompliance with,
2 the facility's internal controls;
3
4 (e) Resolution of all exceptions; and
5
6 (f) Management's response.
7
8 (10) Submit audit reports to the Commission on a schedule specified by the
9 Commission;
10
11 (11) Within 90 days of the issuance of an audit report, verify that:
12
13 (a) A deficiency or noncompliance revealed during an audit has been
14 corrected; and
15
16 (b) An exception disclosed during an audit has been resolved.
17
18 C. The audit department shall audit at least semi-annually the functions and
19 operations of the facility's:
20
21 (1) Cashiers' cage;
22
23 (2) Main bank;
24
25 (3) Collection of cash storage boxes;
26
27 (4) Cash count;
28
29 (5) Revenue audit;
30
31 (6) Operations department;
32
33 (7) Surveillance department;
34
35 (8) Player tracking system; and
36
37 (9) Key control.
38
39 D. The audit department shall audit at least annually:
40
41 (1) Responsible gaming program;
42
43 (2) Security department;
44
45 (3) Currency transaction reporting;
46

1 (4) Suspicious activity reporting;

2

3 (5) Information technology controls;

4

5 (6) Accounts payable; and

6

7 (7) Purchasing.

8

9 E. The internal audit department shall conduct an audit on an unannounced basis
10 when possible.

11

12 **.17 Access to Central Monitor and Control System Equipment.**

13

14 A. Central monitor and control system equipment shall reside in an area physically
15 segregated from other systems and equipment utilized by the facility operator which
16 conforms to the requirements of COMAR 36.03.11.03.

17

18 B. At least 10 days before video lottery terminal operations are to commence, the
19 Commission shall issue to the facility operator a list of individuals that it has approved to
20 have access to the central monitor and control system equipment under State Government
21 Article, § 9-1A-02(c)(5), Annotated Code of Maryland.

22

23 C. A facility operator may not implement a change or amendment in its approved access
24 list without the prior written approval of the Commission.

25

26 D. A facility operator shall develop and include in the internal controls submitted to and
27 approved by the Commission under Regulation .05 of this chapter, procedures addressing
28 physical access to central monitor and control system equipment located in the facility.

29

30 E. Central monitor and control system equipment may be accessed by:

31

32 (1) An individual on the list described under §B of this regulation;

33

34 (2) A compliance agent of the Commission; and

35

36 (3) Commission staff authorized by the Director.

37

38 F. The facility operator's internal controls shall require:

39

40 (1) All keys which access the segregated area where the central monitor and
41 control system equipment resides to be maintained by representatives of the:

42

43 (a) Commission; and

44

45 (b) Central monitor and control system operator; and

46

1 (2) An individual requiring access to the segregated area where the central
2 monitor and control system equipment resides who is not included on the
3 Commission approved access list maintained under §B of this regulation to be:
4

5 (a) Authorized by the Commission; and
6

7 (b) At all times, escorted by a Commission compliance agent, or
8 Commission staff authorized by the Director; and
9

10 (c) Reported in the entry log maintained in accordance with § G(s) of this
11 regulation..
12

13 G. The Commission shall maintain an entry log for the segregated area where the central
14 monitor and control system equipment resides which is:
15

16 (1) Kept inside the segregated area in a book with bound numbered pages that
17 cannot be readily removed; and
18

19 (2) Utilized by an individual entering the segregated area to record:
20

21 (a) Date and time of entering;
22

23 (b) Entering individual's name and department or affiliation;
24

25 (c) Reason for entering;
26

27 (d) Name of the individual authorizing the individual's entry into the
28 segregated area; and
29

30 (e) Date and time of exiting.
31

32 33 **.18 Cashiers' Cage Design Standards.** 34

35 A. A facility operator shall have on, adjacent or proximate to the gaming floor, a physical
36 structure known as a cashiers' cage to house the cashiers and to serve as the central
37 location in the facility for:
38

39 (1) The custody of the cash, accounting records and forms and documents
40 required under this chapter to conduct video lottery and table game operations;
41

42 (2) The initial financial consolidation of all transactions pertaining to video lottery
43 terminal and table game activity; and
44

45 (3) Other functions normally associated with the operation of a cashiers' cage.
46

1 B. A cashiers' cage shall include the design features required by this regulation.

2
3 (1) A manually triggered silent alarm system connected:

4
5 (a) Directly to the security department; and

6
7 (b) Directly, or through a documented communication protocol, to the
8 monitor room of the surveillance department.

9
10 (2) A double door entry and exit system that will not permit an individual to pass
11 through the second door until the first door is securely locked.

12
13 (a) The first door leading from the gaming floor shall be controlled by the
14 security department, the surveillance department or a Commission
15 approved computerized access control system.

16
17 (b) The second door leading into the cashiers' cage shall be controlled by
18 the cashiers' cage or a Commission approved computerized access control
19 system.

20
21 (c) The double door entry and exit system shall be equipped with
22 surveillance capability sufficient to allow monitoring of:

23
24 (i) All ingress and egress; and

25
26 (ii) The interior compartment.

27
28 (d) Both doors of the double door entry and exit system shall be equipped
29 with:

30
31 (i) Separate locks with a key or release mechanism which is
32 different on each door; and

33
34 (ii) Locks which are operational in the event of a power failure.

35
36 (3) Any entrance to the cashiers' cage that is not a double door entry and exit
37 system shall be equipped as an alarmed emergency exit door.

38
39 C. A facility may have one or more satellite cages physically separate from the cashiers'
40 cage which:

41
42 (1) May perform all of the functions of a cashiers' cage authorized by this chapter;
43 and

44
45 (2) Shall be equipped with an alarm system in compliance with §B(1) of this
46 regulation.

1
2 D. A facility operator shall make readily available to the Commission:
3

4 (1) An access control matrix indicating which employee job descriptions are
5 authorized to have access to the cashiers' cage and any satellite cage; and
6

7 (2) A list of employees, with license number, who are authorized:
8

9 (a) To have access to the:
10

11 (i) Cashiers' cage and any satellite cage;
12

13 (ii) Keys to the manual locks securing the double door entry and
14 exit system; and
15

16 (iii) Release button on magnetic locks securing the double door
17 entry and exit system;
18

19 (b) To activate or deactivate alarm systems for the cashiers' cage and any
20 satellite cage; and
21

22 (c) To grant access to the cashiers' cage and any satellite cage through the
23 access control matrix or a computerized access control system.
24

25 **.19 Accounting Controls for a Cashiers' Cage.**
26

27 A. A facility operator may only conduct transactions with individuals at its cashiers' cage
28 and any satellite cage during the hours of operation approved by the Commission for the
29 facility under COMAR 36.04.03.02.
30

31 B. A facility operator shall at all times maintain in its cashiers' cage a reserve cash
32 bankroll sufficient to pay all winning wagers.
33

34 C. A facility operator shall:
35

36 (1) Compute its reserve cash bankroll requirement based on a calendar year; and
37

38 (2) Submit its computation to the Commission:
39

40 (a) At least 30 days prior to the commencement of video lottery or table
41 game operations; and
42

43 (b) On or before January 30 of each year subsequent to the year in which
44 operations are commenced.
45

1 D. A facility operator shall develop and include in the internal controls submitted to and
2 approved by the Commission under Regulation .05 of this chapter, procedures addressing
3 the segregation of the cashiers' cage and the general conduct of cashiers' cage
4 transactions.

5
6 E. A facility operator's internal controls shall require:

7
8 (1) The cashiers' cage and any satellite cage to be physically segregated by
9 personnel and function as follows:

10
11 (a) General cashiers shall be responsible for:

12
13 (i) An individual imprest inventory of cash;

14
15 (ii) Receipt and payout of cash, negotiable instruments, gaming
16 tickets and other documentation from and to players subject to the
17 limitations imposed under this chapter;

18
19 (iii) Preparation of jackpot documents; and

20
21 (iv) Other functions designated by the facility operator which are
22 not incompatible with the functions of a general cashier;

23
24 (b) Main bank cashiers shall be responsible for:

25
26 (i) Receipt of cash, negotiable instruments, gaming tickets, jackpot
27 and other documentation from general cashiers in exchange for
28 cash or documentation;

29
30 (ii) Replenishment of ticket redemption units and automated
31 jackpot payout machines;

32
33 (iii) Receipt of unsecured cash and unsecured gaming tickets;

34
35 (iv) Receipt of cash and documentation from the count room;

36
37 (v) Preparation of the overall cashiers' cage reconciliation;

38
39 (vi) Preparation of bank deposits;

40
41 (vii) Compliance with reserve cash bankroll requirements;

42
43 (viii) Receipt of original and redemption copies of counter checks;

44
45 (ix) Receipt from general cashiers of documentation supporting
46 counter check substitution, consolidation or redemption; and

(x) Other functions designated by the facility operator which are not incompatible with the functions of a main bank cashier;

(2) Each general cashier and main bank cashier to prepare a cashiers' count sheet on each shift:

(a) Recording the amount of the inventory in the window or bank;

(b) Reconciling the total closing inventory with the total opening inventory; and

(c) Including the signature of the:

(i) Outgoing general or main bank cashier; and

(ii) Incoming general or main bank cashier; and

(3) At the end of the gaming day, the cashiers' cage shall forward a copy of each cashiers' count sheet and related documentation to the accounting department for:

(1) Agreement of opening and closing inventories; and

(2) Comparison of forms or documents.

.20 Checks Accepted from a Player.

A. A facility operator may accept a negotiable instrument in the form of a check meeting the requirements of this regulation from a player to enable the player to take part in gaming.

B. A facility operator may accept a check only during the hours of operation approved by the Commission for the facility under COMAR 36.03.06.02.

C. A facility operator may accept a personal check that is:

(1) Made payable to the facility operator;

(2) Drawn on a bank, saving and loan association or credit union subject to federal or state banking regulation;

(3) Drawn for a specific amount;

(4) Currently dated not postdated; and

(5) Payable on demand.

1
2 D. Subject to the requirements of §E of this regulation, a facility operator may accept a
3 check issued by a:

4
5 (1) Facility operator; and

6
7 (2) Person that:

8
9 (a) Is an affiliate of the facility operator; and

10
11 (b) Holds a valid gaming license in another jurisdiction;

12
13 E. A facility operator shall only accept a check under §D of this regulation which has
14 been issued to an individual as:

15
16 (1) Employment compensation; or

17
18 (2) A payout in connection with gaming activity.

19
20 F. A facility operator may not:

21
22 (a) Except as provided under §C of this regulation, accept a check that is
23 payable to an individual including a:

24
25 (i) Social Security check;

26
27 (ii) Unemployment insurance check;

28
29 (iii) Disability payment check; or

30
31 (iv) Public assistance check;

32
33 (b) Except for a check issued under § E of this regulation, accept from a
34 player under this regulation a check or multiple checks which in the
35 aggregate exceed \$2,500 during a gaming day; and

36
37 (c) Charge a player a fee for accepting a check.

38
39 G. For a personal check equaling or exceeding \$500, a facility operator shall confirm the
40 availability of funds by:

41
42 (a) Directly contacting the bank, saving and loan association or credit
43 union upon which the check is drawn; or
44

1 (b) Obtaining an authorization and guarantee of the check from a check
2 verification and warranty service licensed as a contractor under COMAR
3 36.03.02.
4

5 H. A facility operator shall develop and include in the internal controls submitted to and
6 approved by the Commission under Regulation .05 of this chapter, procedures addressing
7 the acceptance and verification of checks meeting the requirements of this regulation.
8

9 I. A facility operator's internal controls shall require a check accepted from a player by a
10 general cashier to be:
11

12 (1) Restrictively endorsed "for deposit only" to the bank account designated for
13 this purpose by the facility operator;
14

15 (2) Initialed by the accepting general cashier;
16

17 (3) Date and time stamped;
18

19 (4) Verified for signature authenticity by a general cashier who shall:
20

21 (a) Obtain from the player one form of identification that is a valid,
22 unexpired government issued photographic identification;
23

24 (b) Satisfactorily compare the:
25

26 (i) Signature of the player on the personal check or endorsing the
27 payroll or payout check with the signature on an identification
28 credential;
29

30 (ii) Player's physical appearance with the photograph contained on
31 the valid, unexpired government issued photographic identification
32 presented by the player; and
33

34 (c) Document on the face of the check the number on the player's
35 government issued photographic identification.
36

37 (5) If presented by a player as a payroll or payout check under §E of this
38 regulation, confirmed to have been issued as employment compensation or as a
39 payout in connection with gaming activity;
40

41 (6) If a personal check equaling or exceeding \$500, confirmed for availability of
42 funds under §G of this regulation; and
43

44 (7) Immediately exchanged for:
45

46 (a) Cash;

(b) If the facility operator has the capability, a gaming ticket;

(c) A chip or plaque; or

(d) A customer deposit account in accordance with this chapter.

.21 Wire Transfers.

A. A facility operator may accept a negotiable instrument in the form of a wire transfer from a player to enable the player to take part in gaming.

B. A facility operator shall record in its cashiers' cage accountability any funds accepted by wire transfer with no documented business purpose other than to enable a player to take part in gaming within 24 hours of receipt of the wire transfer.

C. A facility operator shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .05 of this chapter, procedures addressing the acceptance, verification and sending of wire transfers meeting the requirements of this regulation.

D. A facility operator's internal controls shall:

(1) Require preparation of a cashiers' cage wire transfer log to record the following information pertaining to a wire transfer accepted by a facility operator on behalf of a player:

(a) A sequential number assigned by the facility operator to the wire transfer accepted;

(b) Date and time notice of the wire transfer was received;

(c) Name of the financial institution to which the funds were sent;

(d) Account number to which the funds were sent;

(e) Amount transferred;

(f) Name of the player for whose benefit the funds were accepted;

(g) The name and address of the financial institution from which the funds were transferred;

(h) Account number from which the funds were debited;

1 (i) The method by which the facility operator was notified of the receipt of
2 the wire transfer;

3
4 (j) If noticed by telephone, the name and title of the individual providing
5 notice;

6
7 (k) The signature of the cashiers' cage employee receiving and recording
8 the information required by this section; and

9
10 (i) If applicable, a notation that the wire transfer has been returned under
11 §E of this regulation;

12
13 (2) Require that a cashiers' cage supervisor other than the cashiers' cage employee
14 who initially documented acceptance of the wire transfer:

15
16 (a) Independently confirm:

17
18 (i) Date, time and method by which the facility operator was
19 notified of the wire transfer; and

20
21 (ii) If noticed by telephone, the name and title of the individual
22 providing notice;

23
24 (b) Record the date and time of confirmation in the wire transfer log; and

25
26 (c) Sign the wire transfer log as completing the confirmation process;

27
28 (3) Document the procedures used to:

29
30 (a) Establish, verify and document the identity of a player sending a wire
31 transfer;

32
33 (b) Make the wire transfer proceeds available to a player at the cashiers'
34 cage; and

35
36 (c) Adjust the cashiers' cage accountability;

37
38 (4) Require preparation of a cashiers' cage wire transfer log to record the
39 following information pertaining to a wire transfer sent by a facility operator on
40 behalf of a player:

41
42 (a) A sequential number assigned by the facility operator to the wire
43 transfer sent;

44
45 (b) Name of the player;

1 (c) Date of the transaction;

2
3 (d) Amount wired;

4
5 (e) Source of funds;

6
7 (f) The name and address of the financial institution to which the funds
8 were wired;

9
10 (g) Account number to which the funds are credited;

11
12 (h) If the request to send a wire transfer is made in person at the cashiers'
13 cage, the signature of the player;

14
15 (i) If the request to send a wire transfer is not made in person at the
16 cashiers' cage, documentation supporting the receipt of a request by the
17 facility operator to send a wire transfer on behalf of a player;

18
19 (j) The signature of the cashiers' cage employee receiving and recording
20 the information required by this regulation; and

21
22 (k) The signature of the cashiers' cage supervisor or accounting
23 department supervisor authorizing the wire transfer; and

24
25 (5) Document the procedures used to:

26
27 (a) Establish, verify and document the identity of a player requesting that a
28 wire transfer be sent;

29
30 (b) Send the wire transfer; and

31
32 (c) Adjust the cashiers' cage accountability.

33
34 E. A facility operator shall take immediate action to return to a player by wire transfer
35 funds initially accepted by wire transfer under the following circumstances:

36
37 (1) The wired funds received by the facility operator have no documented
38 business purpose other than to enable a player to take part in gaming;

39
40 (2) All or a substantial portion of the wired funds remain in the facility operator's
41 cashiers' cage accountability more than 14 days following transfer to that
42 accountability; and

43
44 (3) The player has engaged in minimal or no video lottery or table game play
45 since receipt of the wire transfer.

1 F. A wire transfer returned in accordance with §E of this regulation shall be sent to the
2 same individual, financial institution and account number from which the funds were
3 debited.

4
5 G. Return of a wire transfer shall be recorded in the wire transfer log maintained under
6 §D of this regulation.
7

8 **.22 Cash Equivalents.**

9

10 A. A facility operator may accept a negotiable instrument in the form of a cash equivalent
11 from a player to enable the player to take part in gaming.
12

13 B. A facility operator may accept a cash equivalent only during the hours of operation
14 approved by the Commission for the facility under COMAR 36.04.03.02.
15

16 C. A facility operator shall develop and include in the internal controls submitted to and
17 approved by the Commission under Regulation .05 of this chapter, procedures addressing
18 the acceptance and verification of cash equivalents meeting the requirements of this
19 chapter.
20

21 D. A facility operator's internal controls shall:
22

23 (1) Enumerate the type of cash equivalents complying with this chapter to be
24 accepted;
25

26 (2) Detail the specific verification procedures required by each issuer;
27

28 (3) Require that a general cashier:
29

30 (a) Perform the specific verification procedures required by each issuer;
31

32 (b) Prepare and maintain documentation evidencing the verification of a
33 cash equivalent accepted; and
34

35 (c) Examine a cash equivalent for counterfeiting, forgery or alteration;
36

37 (4) Detail the criteria for cashiers' cage supervisor involvement in the verification
38 process; and
39

40 (5) Include procedures for verifying the authenticity of a player's signature on a
41 cash equivalent in conformance with the signature authentication procedures in
42 Regulation .20 of this chapter.
43

44 **.23 Customer Deposits**

45

1 A. A facility operator may establish a customer deposit account for a player to enable the
2 player to take part in gaming.

3
4 B. A facility operator shall perform all procedures required by this chapter before
5 depositing funds accepted by means of check, wire transfer, cash equivalent or other
6 negotiable instrument into a customer deposit account.

7
8 C. A facility operator may accept a customer deposit only during the hours of operation
9 approved by the Commission for the facility under COMAR 36.04.03.02.

10
11 D. A facility operator shall develop and include in the internal controls submitted to and
12 approved by the Commission under Regulation .05 of this chapter, procedures addressing
13 the acceptance of customer deposits meeting the requirements of this regulation.

14
15 E. A facility operator's internal controls shall:

16
17 (1) Require acceptance of customer deposits at the cashiers' cage;

18
19 (2) Require preparation of a receipt documenting:

20
21 (a) Amount deposited;

22
23 (b) Date of the deposit; and

24
25 (c) The signature of the general cashier accepting the customer deposit;

26
27 (3) Provide for full or partial withdrawal of a customer deposit:

28
29 (a) By a player at the cashiers' cage; or

30
31 (b) Upon receipt by the facility operator of a written request for
32 withdrawal whose validity has been established; and

33
34 (4) Include procedures for documenting acceptance and withdrawal of customer
35 deposits including a verification of the authenticity of a player's signature on a
36 customer deposit withdrawal document in conformance with the signature
37 authentication procedures in Regulation .20 of this chapter.

38
39 **.24 Credit Authorization.**

40
41 A. For the purposes of this regulation, "derogatory information" means any information
42 associated with a credit account indicating that the account is partially or completely
43 uncollectible, has had checks returned unpaid or has required settlement, lien, judgment
44 or other collection efforts by a gaming operator.

45
46 B. A facility operator may not extend a line of credit to a player to enable the player to

1 take part in gaming which exceeds the player's authorized credit limit.

2
3 C. A facility operator may extend credit to a player if a:

4
5 (1) Player submits a credit application in writing in accordance with this
6 regulation;

7
8 (2) Facility operator complies with the:

9
10 (a) Credit application verification requirements of Regulation .25 of this
11 chapter; and

12
13 (b) Credit authorization and credit file documentation requirements of this
14 regulation;

15
16 (3) Credit is issued:

17
18 (a) By acceptance of a negotiable instrument in the form of a counter
19 check under Regulation .26 or .27 of this chapter; and

20
21 (b) During the hours of operation approved by the Commission for the
22 facility under COMAR 36.04.03.02; and

23
24 (4) Player's outstanding counter check balance does not at any time exceed the
25 player's authorized credit limit.

26
27 D. A facility operator shall accept a credit application submitted by a player:

28
29 (1) During the hours of operation approved by the Commission for the facility
30 under COMAR 36.04.03.02; and

31
32 (2) By mail.

33
34 E. A facility operator shall create and maintain a credit file for a player applying for an
35 extension of credit or authorized counter check privileges.

36
37 F. A credit file shall:

38
39 (1) Be prepared, either manually or by computer, by a general cashier or credit
40 department representative with no incompatible functions including the ability to
41 authorize credit or approve a change in a credit limit;

42
43 (2) Contain the credit application submitted by the player documenting, at a
44 minimum, the following:

45
46 (a) Name;

1
2 (b) Residential address;

3
4 (c) Personal telephone number;

5
6 (d) Personal checking account information including:

7
8 (i) Name and address of a bank, saving and loan or credit union
9 subject to federal or state banking regulation on which a counter
10 check is to be drawn;

11
12 (ii) Account number; and

13
14 (iii) A representation that the player is individually authorized to
15 draw on the account;

16
17 (e) Credit limit requested by the player;

18
19 (f) Good faith estimate of:

20
21 (i) Outstanding indebtedness including gaming related credit limits
22 and outstanding balances; and

23
24 (ii) The amount and source of income and assets that support the
25 requested credit limit; and

26
27 (g) Signature of the player:

28
29 (i) Acknowledging the request for an extension of credit and
30 counter check privileges;

31
32 (ii) Certifying that all information provided on the application is
33 true and accurate;

34
35 (iii) Authorizing the facility operator to conduct the due diligence
36 it deems appropriate prior to the credit decision; and

37
38 (iv) Acknowledging that the player may be subject to civil or
39 criminal liability if any material information provided is willfully
40 false; and

41
42 (3) Document, in accordance with §J of this regulation, the credit limit initially
43 authorized by the facility operator for a player and any change in that credit limit.
44

45 G. A facility operator may:
46

1 (1) Consider a checking account of a sole proprietorship owned by a player to be
2 a personal checking account; and
3

4 (2) Not consider a partnership or corporate checking account to be a personal
5 checking account even if a player is individually authorized to draw on the
6 account.
7

8 H. Prior to authorizing an extension of credit, the facility operator shall verify the
9 information on the credit application submitted by the player in accordance with
10 Regulation .25 of this chapter.
11

12 I. A facility operator shall restrict authority to extend credit or to approve a change in a
13 credit limit to the following employees:
14

15 (1) If the facility operator's table of organization includes a separate credit
16 department, a cage a credit director, a credit manager, cage/credit shift manager or
17 credit executive who has no involvement with the verifications required under
18 Regulation .25 of this chapter;
19

20 (2) A principal employee in a direct reporting line above the director of gaming
21 operations or a credit manager; and
22

23 (3) A credit committee composed of principal employees:
24

25 (a) Which may authorize credit as a group; and
26

27 (b) Whose members may not act individually to authorize credit unless an
28 individual meets the requirements of §I(1) or (2) of this regulation.
29

30 J. A facility operator shall record in a player's credit file the initial decision to authorize
31 an extension of credit including:
32

33 (1) The credit limit assigned to the player;
34

35 (2) Date and time the credit limit was activated;
36

37 (3) Information used to support the extension of credit including the source of the
38 information, if such information is not otherwise recorded in the credit file under
39 Regulation .25 of this chapter;
40

41 (4) If applicable, a brief explanation as to why:
42

43 (a) The credit limit authorized deviates from the credit limit requested by
44 the player in the credit application; and
45

46 (b) Credit was authorized when the verification process conducted under

1 Regulation .25 of this chapter disclosed derogatory information; and

2
3 (5) The signature or authorization code of the employee authorizing the extension
4 of credit.

5
6 K. A facility operator shall require a request for a change in credit limit to be in writing
7 and include:

8
9 (1) Date and time of the request;

10
11 (2) New limit requested by the player; and

12
13 (3) Signature of the player.

14
15 L. Prior to approving a change in a player's authorized credit limit, a facility operator
16 shall:

17
18 (1) Verify the player's current gaming related credit limits and outstanding
19 balances in accordance with Regulation .25 of this chapter unless the facility
20 operator verified that same information earlier in the same gaming day;

21
22 (2) If a player's increased credit limit will exceed \$2,500, verify the player's
23 outstanding indebtedness in accordance with Regulation .25 of this chapter unless
24 the facility operator verified the player's outstanding indebtedness in the previous
25 12 months;

26
27 (3) Verify the player's personal checking account information in accordance with
28 Regulation .25 of this chapter unless the facility operator verified the player's
29 checking account information in the previous 24 months;

30
31 (4) Review player rating system data regarding the amount and frequency of play
32 subsequent to the initial extension of credit; and

33
34 (5) Document in the player's credit file;

35
36 (a) If approved, the change in credit limit;

37
38 (b) If disapproved, the reason the credit limit was not changed;

39
40 (c) The verifications required by this regulation;

41
42 (d) The player's rating in the player rating system on the date the change
43 in credit limit was authorized; and

44
45 (e) The signature or authorization code of the employee responsible for the
46 assessment of the request for a change in credit limit.

1
2 M. A facility operator may approve a “this trip only” increase in a credit limit without
3 performing the verifications required by §L of this regulation if:
4

5 (1) The increase:
6

7 (a) Is in effect for a single trip to the facility consisting of consecutive
8 gaming days; and
9

10 (b) Does not exceed 25% of the currently authorized credit limit.
11

12 (2) Documented in the player’s credit file including the signature or authorization
13 code of the employee approving the “this trip only” credit limit increase.
14

15 N. A facility operator may not accept a counter check from a player before the decision to
16 authorize an extension of credit, approve a change in a credit limit or approve a “this trip
17 only” credit limit increase is recorded in the credit file including the signature or
18 authorization code of the employee authorizing the extension of credit or credit limit
19 increase.
20

21 O. A facility operator shall suspend the counter check privileges of a player:
22

23 (1) On receipt of:
24

25 (a) Derogatory information;
26

27 (b) Information that indicates that a player’s financial position has
28 materially deteriorated;
29

30 (c) A returned check; or
31

32 (d) Notice from the Commission that the player has requested a
33 suspension of credit privileges under Regulation .32 of this chapter; or
34

35 (2) Who has been inactive at the facility’s video lottery terminals and table games
36 for more than 24 months.
37

38 P. A facility operator may reinstate the counter check privileges of a player suspended
39 under §O of this regulation after:
40

41 (1) Completion of the verification requirements of Regulation .25 of this chapter;
42

43 (2) Receipt as a result of those verifications of information supporting the
44 authorized credit limit; and
45

46 (3) If applicable:

1
2 (a) Payment in full of a returned check; or
3

4 (b) Notice from the Commission that the player's credit privileges have
5 been reinstated under Regulation .32 of this chapter.
6

7 Q. If derogatory information develops pertaining to a player's account at a facility, a
8 facility operator shall report the derogatory information to the same casino credit bureau
9 it utilizes to verify gaming related credit limits and outstanding balances under
10 Regulation .25 of this chapter within 24 hours of development of the derogatory
11 information.
12

13 R. A facility operator shall develop and include in the internal controls submitted to and
14 approved by the Commission under Regulation .05 of this chapter, procedures addressing
15 the issuance of credit including:
16

17 (1) Identifying the employee positions authorized to extend credit or approve a
18 change in a credit limit; and
19

20 (2) Creation and maintenance of the credit file.
21

22 **.25 Verification of Credit Application Information.**
23

24 A. Prior to authorizing an extension of credit and counter check privileges under
25 Regulation .24 of this chapter, a facility operator shall verify the information on the credit
26 application submitted by the player in accordance with this regulation.
27

28 B. The verification of credit application information required under this regulation:
29

30 (1) Shall be conducted by a general cashier or credit department representative
31 with no incompatible functions including the ability to authorize credit or approve
32 a change in a credit limit;
33

34 (2) Shall be documented in the player's credit file by recording the following:
35

36 (a) Source of the verification;
37

38 (b) Date and time;
39

40 (c) Method of verification; and
41

42 (d) Signature of the verifying general cashier or credit department
43 representative; and
44

45 (3) May be performed telephonically if the facility operator:
46

- (a) Requests documentation confirming the information verified telephonically;
- (b) Documents the request for confirming information in the player's credit file; and
- (c) Maintains all confirming documentation received in the player's credit file.

C. If a player's credit limit will exceed \$2,500, the facility operator shall verify the player's residential address with:

- (1) A consumer credit bureau;
- (2) The player's bank; or
- (3) An alternative source which may not include examination of additional identification credentials or other documentation presented by the player at the facility.

D. The facility operator shall:

- (1) Verify the player's current gaming related credit limits and outstanding balances with:
 - (a) A casino credit bureau; or
 - (b) Each gaming operator with whom the player has an outstanding limit;
- (2) Document the player's current gaming related credit limits and outstanding balances in the credit file by recording for each gaming related credit limit:
 - (a) The date the player's credit account was established;
 - (b) Amount of the current authorized credit limit;
 - (c) Current balance; and
 - (d) Any derogatory information noted in the player's account; and
- (3) If applicable, document in the credit file that no gaming related credit limit or outstanding balance information is available on the player;

E. A facility operator shall:

- (1) Verify the player's outstanding indebtedness with a:

1
2 (a) Consumer credit bureau; or

3
4 (b) Casino credit bureau; and

5
6 (2) Document the player's outstanding indebtedness in the credit file by
7 recording;

8
9 (a) If available, the current balance of each debt obligation; and

10
11 (b) Any derogatory information noted.

12
13 F. A facility operator shall:

14
15 (1) Verify the player's personal checking account information with:

16
17 (a) The player's bank; or

18
19 (b) A bank verification service; and

20
21 (2) Document the player's personal checking account information by recording in
22 the credit file:

23
24 (a) Confirmation that the account is a personal account on which the
25 player may draw individually;

26
27 (b) Account number;

28
29 (c) Date the account was opened;

30
31 (d) If available, average balance of the account for the last twelve months;

32
33 (e) Balance in the account; and

34
35 (f) Name and title of the person supplying the information.

36
37 G. A facility operator shall verify that the player is not an individual who is:

38
39 (1) Under 21 years of age;

40
41 (2) Voluntarily suspended from counter check privileges under Regulation .32 of
42 this chapter;

43
44 (3) Mandatorily excluded in accordance with State Government Article, 9-1A-
45 24(d), Annotated Code of Maryland; or

(4) Voluntarily excluded in accordance State Government Article, 9-1A-24(e), Annotated Code of Maryland.

H. A facility operator shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .05 of this chapter, procedures:

(1) Identifying those employees authorized to conduct the verifications required under this regulation; and

(2) Addressing the verification process required under this regulation.

.26 Counter Check Issuance at the Cashiers' Cage.

A. Subject to the requirements of this chapter, a facility operator may accept a negotiable instrument in the form of a counter check from a player at the cashiers' cage to enable the player to take part in gaming.

B. A facility operator shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .05 of this chapter, procedures addressing the issuance of a counter check at the cashiers' cage.

C. A facility operator's internal controls shall include:

(1) The use of a four-part computer generated counter check that:

(a) Consists of an original, redemption, issuance and accounting copy;

(b) Is initiated on receipt by a general cashier of a request for counter check document; and

(c) Is serially numbered and issued;

(2) Procedures and controls addressing the identification of a player which include:

(a) A requirement that a player complete a one-part request for counter check document which includes:

(i) Amount requested;

(ii) If a facility operator has the capability of offering a gaming ticket as an alternative to cash, an indication as to the desired form of payment; and

(iii) Signature of the player;

1 (b) A requirement that a general cashier obtain from the player two forms
2 of identification, at least one of which is a valid, unexpired government
3 issued photographic identification;
4

5 (c) A requirement that a general cashier satisfactorily compare the:
6

7 (i) Signature of the player on the counter check request document
8 with the signatures on both identification credentials; and
9

10 (ii) Player's physical appearance with the photograph contained on
11 the valid, unexpired government issued photographic identification
12 presented by the player;
13

14 (d) A requirement that a general cashier record on the counter check
15 request document the:
16

17 (i) Number on the player's government issued photographic
18 identification;
19

20 (ii) Type and number of the second identification credential
21 presented and reviewed; and
22

23 (iii) Signature of the general cashier;
24

25 (e) An option for a general cashier who has on that same shift previously
26 verified the identity of a player by credential review in accordance with
27 §C(2)(b) of this regulation to satisfy the requirements of this regulation by
28 recording on the counter check request document:
29

30 (i) The series number of the counter check for which the identity of
31 the player was established by credential review; and
32

33 (ii) Signature of the general cashier;
34

35 (f) An option for a facility operator who has created a signature file on a
36 player prior to the completion by the player of a request for counter check
37 document to satisfy the requirements of this regulation by having the
38 general cashier:
39

40 (i) Confirm that the player's signature on the counter check request
41 document matches the signature in the signature file; and
42

43 (ii) Sign the counter check request document; and
44 .

(g) A requirement that a credential review in accordance with §C(2)(b) and (c) of this regulation is a prerequisite to creation of a player signature file;

(3) A requirement that prior to issuing a counter check a general cashier confirm with a check bank cashier or through the video lottery system that the amount requested does not exceed the player's credit limit.¹

(4) A requirement that all copies of a computer generated counter check include the following information:

(a) Name of the player;

(b) Name of the bank, saving and loan or credit union on which the counter check is to be drawn;

(c) Date and time;

(d) Amount of the counter check;

(e) Location of preparation of the counter check;

(f) Signature of a cashiers' cage supervisor; and

(g) Signature or identification code of the preparer of the counter check;

(5) A requirement that the back of the original copy of the counter check contain a restrictive endorsement "for deposit only" to the facility operator's designated bank account;

(6) Procedures and controls over the counter check issuance process which require:

(a) A cashiers' cage supervisor to sign all copies of the counter check after confirming that the counter check was prepared for the amount the player recorded on the counter check request document;

(b) A player to sign all copies of the counter check in the presence of the same general cashier who verified the player's identification and prepared the counter check;

(c) A general cashier to immediately exchange the counter check for:

(i) Cash;

(ii) If a facility operator has the capability, a gaming ticket; or

(iii) A customer deposit account in accordance with this chapter;
and

(d) A general cashier to distribute the copies of the counter check as follows:

(i) The original and redemption copies of the counter check shall be expeditiously transferred to the check bank directly or to a security department employee for transportation to the cashiers' cage if the counter check is issued in a satellite cage;

(ii) The issuance copy of the counter check shall be maintained by the general cashier to serve as documentation supporting the exchange of cash, a gaming ticket or a customer deposit for the counter check; and

(iii) The accounting copy of the counter check shall be attached by the general cashier to the counter check request document and deposited into a locked accounting box for forwarding to the accounting department;

(7) If utilized, procedures and controls addressing:

(a) Use of a signature exemplar;

(b) Creation of a player signature file; and

(c) Generation of a gaming ticket at the cashiers' cage.

(8) Procedures and controls addressing:

(a) Voided counter checks;

(b) The use and location of accounting drop boxes; and

(c) Audit procedures performed by the facility operator's accounting department at the conclusion of each gaming day;

(9) Details which establish the ability of the facility operator's video lottery system to ensure that a four-part computer generated counter check is not susceptible to change or deletion from the system after preparation; and

(10) Procedures utilized to issue a manual counter check which:

(a) Are to be utilized only when the video lottery system is unable to generate a counter check;

(b) Conform to the requirements of this regulation;

(c) Require use of a serially pre-numbered five-part counter check consisting of an original, redemption, issuance, accounting and acknowledge copy residing in a book, wiz machine or functional equivalent;

(d) Require manual counter checks to be maintained in a secured locked cabinet in the cashiers' cage; and

(e) Require the key to the cabinet in §C(10) of this regulation to be:

(i) Controlled by the security department or the accounting department; and

(ii) Limited to sign out by a cashiers' cage shift manager or cashiers' cage manager.

.27 Counter Check Issuance at a Video Lottery Terminal.

A. Subject to the limitations of this chapter, a facility operator may accept a negotiable instrument in the form of a counter check from a player at a video lottery terminal to enable the player to take part in gaming.

B. A facility operator shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .05 of this chapter, procedures addressing the issuance of a counter check at a video lottery terminal or table game.

C. A facility operator's internal controls shall include:

(1) Use of a player signature file which shall:

(a) Be established prior to the completion by a player of a request for counter check document at the video lottery terminal; and

(b) Require an identification credential review in accordance with Regulation .26(C)(2) of this chapter;

(2) Procedures and controls addressing the identification of the player which include:

1 (a) A requirement that a player complete a two-part request for counter
2 check document at the video lottery terminal in the presence of a gaming
3 operations department supervisor which includes:

4
5 (i) Amount requested;

6
7 (ii) If a facility operator has the capability of offering a gaming
8 ticket as an alternative to cash, an indication as to the desired form
9 of payment;

10
11 (iii) Signature of the player;

12
13 (b) A requirement that a gaming operations department supervisor
14 transport both copies of the request for counter check document to a
15 general cashier; and

16
17 (c) A requirement that a general cashier:

18
19 (i) Confirm that the player's signature on the counter check request
20 document matches the signature in the signature file; and

21
22 (ii) Sign the counter check request document;

23
24 (3) A requirement that prior to issuing a counter check a general cashier confirm
25 with a check bank cashier or through the video lottery system that the amount
26 requested does not exceed the player's credit limit.

27
28 (4) A requirement that all copies of a computer generated counter check include
29 the following information:

30
31 (a) Name of the Player;

32
33 (b) Name of the bank, saving and loan or credit union on which the
34 counter check is to be drawn;

35
36 (c) Date and time;

37
38 (d) Amount of the counter check;

39
40 (e) Location of preparation of the counter check;

41
42 (f) Signature of a gaming operations department supervisor; and

43
44 (g) Signature or identification code of the preparer of the counter check;

45
46 (5) A requirement that the back of the original copy of the counter check contain a

1 restrictive endorsement "for deposit only" to the facility operator's designated
2 bank account;

3
4 (6) Procedures and controls over the counter check issuance process which
5 require:

6
7 (a) A general cashier to:

8
9 (i) Prepare the counter check in accordance with this regulation;

10
11 (ii) Summon to the cashiers' cage a verifying employee from the
12 security department or gaming operations department provided the
13 verifying employee is not the gaming operations department
14 supervisor who transported the counter check request document to
15 the cashiers' cage;

16
17 (iii) Present the original and duplicate copy of the counter check
18 request document, all copies of the counter check and the cash,
19 gaming ticket, chip or plaque to the gaming operations department
20 supervisor and the verifying employee;

21
22 (iv) Obtain the signature of the gaming operations department
23 supervisor on all copies of the counter check confirming that the
24 amount of the counter check agrees with the amount on the counter
25 check request document;

26
27 (v) Obtain the signature of the verifying employee on the original
28 and duplicate copy of the request for counter check document
29 confirming that the amount of cash, gaming ticket, chip or plaque
30 to be transported to the player agrees with the amount on the
31 counter check and on the counter check request document;

32
33 (vi) Retain the duplicate copy of the request for counter check
34 document; and

35
36 (vii) Release to the verifying employee the original of the request
37 for counter check document, all copies of the counter check and
38 the cash, gaming ticket, chip or plaque for transportation, in the
39 presence of the gaming operations department supervisor who
40 transported the counter check request to the cashiers' cage, to the
41 player;

42
43 (b) A verifying employee to present all copies of the counter check to the
44 player for signature in the presence of the gaming operations department
45 supervisor;

(c) A gaming operations department supervisor to compare the player's signature on the counter check to the signature on the request for counter check document;

(d) A verifying employee to immediately exchange the counter check for:

(i) Cash;

(ii) If a facility operator has the capability, a gaming ticket;

(iii) Chip; or

(iv) Plaque.

(e) A gaming operations department supervisor to:

(i) Sign the back of the accounting copy confirming the exchange with the player; and

(ii) Drop the accounting copy of the counter check and the original request for counter check document into an accounting drop box for forwarding to accounting;

(f) A verifying employee to immediately return the original, redemption and issuance copies of the counter check to a general cashier; and

(g) A general cashier to:

(i) Expeditiously transfer the original and redemption copies of the counter check to the check bank directly or to a security department employee for transportation to the cashiers' cage if the counter check is issued in a satellite cage; and

(ii) Attach the duplicate copy of the request for counter check document to the accounting copy of the counter check to serve as documentation supporting the exchange of cash, gaming ticket, chip or plaque for the counter check.

.28 Counter Check Substitution, Consolidation and Redemption.

A. A player to whom a counter check has been issued by a facility operator may use a personal check meeting the requirements of §B of this regulation to:

(1) Substitute for a counter check which has not been deposited by the facility operator;

1 (2) Consolidate two or more counter checks which have not been deposited by the
2 facility operator; and
3

4 (3) Redeem, partially or in full, a counter check which has not been deposited by
5 a facility operator.
6

7 B. A personal check accepted by a facility operator in a substitution, consolidation or
8 redemption transaction shall:
9

10 (1) Be drawn on an account which has been verified in accordance with
11 Regulation .25 of this chapter;
12

13 (2) Comply with the requirements of Regulation .20 of this chapter; and
14

15 (3) Be redeemed or deposited in accordance with Regulation .29 of this chapter.
16

17 C. A player who has issued a replacement check to a facility operator may present
18 another replacement check in a substitution, consolidation or partial redemption
19 transaction involving the original replacement check.
20

21 D. A replacement check accepted by a facility operator in a substitution, consolidation or
22 partial redemption transaction shall be:
23

24 (1) Dated with the date of the initial counter check being substituted, consolidated
25 or partially redeemed; or
26

27 (2) If the check is subject to Commission approved internal controls which ensure
28 that the date of the initial counter check being substituted, consolidated or
29 partially redeemed is used to determine the date on which the replacement check
30 is deposited under Regulation .29 of this chapter, currently dated.
31

32 E. A facility operator shall not accept a replacement check in substitution, consolidation
33 or partial redemption for the purpose of avoiding or delaying the deposit requirements for
34 a counter check or replacement check under Regulation .29 of this chapter.
35

36 F. If a player has more than one counter check or replacement check which has not been
37 deposited, the most recently dated check shall be redeemed first.
38

39 (1) If more than one check bears the same date, the player may choose the order
40 in which to redeem the checks.
41

42 (2) If, pursuant to Commission approved internal controls, a facility operator does
43 not require a replacement check used in a substitution, consolidation or partial
44 redemption transaction to be dated with the date of the initial counter check being
45 substituted, consolidated or partially redeemed, then the date of the initial counter

1 check and not the date of the replacement check shall be used to determine the
2 order in which outstanding checks are redeemed.
3

4 G. A facility operator may conduct a substitution, consolidation or partial redemption
5 transaction:
6

7 (1) At the cashiers' cage during the hours of operation approved by the
8 Commission for the facility under COMAR 36.03.11.02; and
9

10 (2) By mail.
11

12 H. A facility operator shall develop and include in the internal controls submitted to and
13 approved under Regulation .05 of this chapter, procedures and controls addressing the
14 substitution, consolidation, full and partial redemption of a counter check.
15

16 **.29 Deposit of Counter Checks.**
17

18 A. A facility operator shall deposit a counter check in its bank account or present the
19 counter check directly to the player's bank:
20

21 (1) No later than:
22

23 (a) Seven days after the date of the check for a check of \$1,000 or less;
24

25 (b) 14 days after the date of the check for a check greater than \$1,000 but
26 not more than \$2,500; and
27

28 (c) 21 days after the date of the check for a check greater than \$2,500 but
29 not more than \$5,000; or
30

31 (2) In accordance with a deposit schedule agreed to between the facility operator
32 and the player if the deposit schedule:
33

34 (a) Does not authorize deposit more than 21 days after the date of the
35 check;
36

37 (b) May not be amended or modified to change the deposit date of a
38 counter check after acceptance of the counter check from the player; and
39

40 (c) Was at the time of the initial authorization of credit or an approved
41 change in a credit limit:
42

43 (i) Agreed to and approved by the employee who extended the
44 credit; and
45

46 (ii) Documented in the credit file.

1
2 B. A facility operator shall deposit a replacement check accepted from a player in a
3 substitution, consolidation or partial redemption transaction in its bank account or present
4 the replacement check directly to the player's bank:

5
6 (1) On the deposit date of the initial counter check in accordance with Regulation
7 .28(D) of this chapter; and

8
9 (2) In accordance with one of the deposit options of §A of this regulation.

10
11 C. A facility operator shall deposit in its bank account or present directly to the player's
12 bank a personal check accepted in full redemption of a counter check on the next day.

13
14 D. A facility operator shall:

15
16 (1) If there are a series of consolidation or redemption transactions with a player,
17 consider the initial counter check to be the earliest dated counter check returned to
18 the player in the first of the series of consolidation or redemption transactions;
19 and

20
21 (2) In computing the time periods in §§A, B and C of this regulation, consider the
22 last day of the period to be included unless it is a Saturday, Sunday, or a state or
23 federal holiday, in which event the time period shall run until the next banking
24 day.

25
26 E. A facility operator shall develop and include in the internal controls submitted to and
27 approved under Regulation .05 of this chapter, procedures and controls addressing the
28 deposit of counter checks and replacement checks.

29
30 F. A facility operator's internal controls shall include:

31
32 (1) Procedures and controls addressing:

33
34 (a) Release of a counter check or replacement check for presentment to a
35 player's bank to:

36
37 (i) A principal employee of the facility operator; or

38
39 (ii) An attorney; and

40
41 (b) Correction, prior to deposit or presentment or on redeposit of a
42 returned check, of data entry errors in:

43
44 (i) Bank name;

45
46 (ii) Bank routing number;

(iii) Bank account number; or

(iv) Micro-encoding number; and

(2) A prohibition against correcting information that identifies the verified bank account on which the counter check was originally drawn.

.30 Returned Checks.

A. All checks returned after deposit shall be:

(1) Returned directly to an accounting department employee with no incompatible functions; and

(2) Maintained by a check bank cashier with no incompatible functions.

B. A facility operator shall immediately redeposit a returned check unless there is a reasonable basis for concluding that the check will not be honored a second time.

C. A facility operator shall:

(1) Limit collection efforts pertaining to a returned check to the following persons:

(a) A gaming or principal licensed employee of the accounting department with no incompatible functions; and

(b) An attorney representing the facility operator;

(2) Notice the employee or attorney authorized to conduct collection efforts of any verbal or written communication with a player regarding collection efforts;

(3) Document all collection efforts in the player's credit file; and

(4) Send a statement to a player at reasonable intervals.

D. After reasonable collection efforts, returned checks may be considered uncollectible for accounting purposes if the write off is authorized by the:

(1) Chief executive officer; and

(2) Director of finance or another designated principal employee who does not possess authority to authorize credit or approve a change in a credit limit.

.31 Accounting Controls in a Check Bank.

1
2 A. In addition to the documentation requirements of Regulations .24 and .25 of this
3 chapter, a facility operator shall record in a player's credit file all transactions affecting a
4 player's outstanding indebtedness to the facility operator.

5
6 (1) Transactions shall be recorded in chronological order.

7
8 (2) Credit transactions shall be segregated from customer deposit transactions.

9
10 (3) The credit file shall include:

11
12 (a) For counter checks, the date, amount and series number;

13
14 (b) For each substitution check:

15
16 (i) The date, amount and check number of the substitute check; and

17
18 (ii) The series number of the counter check or check number of the
19 replacement check returned to the player;

20
21 (c) For each consolidation check:

22
23 (i) The date, amount and check number of the consolidation check;
24 and

25
26 (ii) The series numbers of the counter check or check number of
27 the replacement check returned to the player;

28
29 (d) For each redemption check:

30
31 (i) The date, amount and check number of the redemption check;

32
33 (ii) An indication as to whether the redemption was partial or full;
34 and

35
36 (iii) The series number of the counter check or check number of
37 the replacement check returned to the player;

38
39 (e) Date, amount and series or check number of each check:

40
41 (i) Deposited; and

42
43 (ii) Returned;

44
45 (f) If a check has been returned, the reason for its return;
46

1 (g) Player's outstanding balance after each transaction;
2

3 (h) Date, amount and series or check number of a check which has been
4 partially or completely written off by the facility operator; and
5

6 (i) If a write off, the reason for the write off.
7

8 B. A facility operator shall maintain original and redemption copies of counter checks
9 and replacement checks accepted in substitution, consolidation and redemption
10 transactions in its check bank.
11

12 C. A facility operator's check bank shall prepare and maintain for each shift, manually or
13 by computer, a log of all counter checks exchanged and of all replacement checks
14 received in substitution, consolidation and redemption transactions which includes the
15 following:
16

17 (1) The balance of the checks on hand in the check bank at the beginning of each
18 shift;
19

20 (2) For counter checks accepted and for replacement checks received in
21 substitution, consolidation or redemption on the shift:
22

23 (a) Date of the check;
24

25 (b) Name of the drawer of the check;
26

27 (c) Amount of the check;
28

29 (d) If a counter check, the series number;
30

31 (e) If a replacement check, the check number; and
32

33 (f) If applicable, an indication that the check was accepted in a
34 substitution, consolidation or redemption transaction;
35

36 (3) For checks deposited, substituted, consolidated or redeemed by a player on the
37 shift:
38

39 (a) Date on which the check was deposited, substituted, consolidated or
40 redeemed;
41

42 (b) Name of the drawer of the check;
43

44 (c) Amount of the check;
45

46 (d) If a counter check, the series number;

(e) If a replacement check, the check number; and

(f) An indication as to whether the check was deposited, substituted, consolidated, or redeemed; and

(4) The balance of the checks on hand in the check bank at the end of each shift.

D. A facility operator shall develop and include in the internal controls submitted to and approved by the Commission under Regulation .05 of this chapter, procedures addressing accounting controls over the check bank including end of shift and end of gaming day deposits and reconciliations.

.32 Player Request for Suspension of Credit Privileges.

A. A player may voluntarily suspend his credit privileges at all Maryland facilities by submitting a written request to the Commission in a form specified by the Commission.

B. A request for suspension of credit privileges shall be made:

(1) In person at locations specified by the Commission; or

(2) By mail if:

(a) Submitted with a signature signed before a notary public or other individual empowered by law to take oaths; and

(b) Accompanied by a certificate of acknowledgement by the notary public or other individual empowered by law to take oaths attesting to the identity of the individual making the request.

C. The Commission shall:

(1) Maintain a master list of all individuals who have requested suspension of credit privileges under this regulation; and

(2) Expeditiously notify a facility operator in writing of any additions to or deletions from the master list.

D. A facility operator shall suspend the credit privileges of an individual requesting suspension within 24 hours of receipt of notice that the individual's name has been added to the Commission's master list.

E. A facility operator shall:

(1) Maintain the most current Commission master list in its cashiers' cage; and

(2) Within 24 hours of receipt of notice that an individual has requested a suspension of credit privileges record the suspension in the player's credit file.

F. No less than 60 days after the request for suspension of credit privileges, a player whose credit privileges have been suspended under this regulation may request reinstatement of credit privileges by submitting a written request to the Commission in a form specified by the Commission.

G. The Commission shall on receipt of a request for reinstatement:

(1) Update its master list of individuals to document the request for reinstatement; and

(2) Notify a facility operator in writing of an individual's removal from the Commission's master list.

H. A facility operator may not reinstate the credit privileges of a player removed from the Commission's master list without performing the verifications required by Regulation .25 of this chapter.

I. A facility operator shall notice the Commission in a form specified by the Commission as to its decision with respect to restoration of the player's counter check privileges at the facility.

J. Information furnished to or obtained by the Commission under this regulation shall be deemed confidential and shall not be disclosed except to facility personnel whose duties and functions require access to the information.

K. A facility operator requested to provide information regarding the status of a player's credit account shall not disclose any information other than to identify the credit account as voluntarily suspended.

.33 Prohibition on the Use of Credit Cards and Debit Cards.

A. A video lottery terminal or table game may not be played or activated in any way by insertion, directly or indirectly, or use of a:

(1) Credit card;

(2) Debit card; or

(3) Electronic transfer of funds from a credit card or debit card.

.34 Player Tracking System.

1 A. For the purposes of this regulation, a “player tracking system” means the collective
2 hardware, software, communications technology and other ancillary equipment owned or
3 leased by a facility operator to collect, monitor, interpret, analyze, authorize, report and
4 audit data pertaining to:

5
6 (1) Player activity generally at video lottery terminals and table games; and
7

8 (2) Individual player activity at video lottery terminals and table games where the
9 player has registered with the facility operator for inclusion in the player tracking
10 system.
11

12 B. A facility operator shall utilize a player tracking system meeting the requirements of
13 this subtitle.
14

15 C. A facility operator may not collect or monitor the activity of an individual who it
16 knows, suspects or has reason to know or suspect is:
17

18 (1) Under the age of 21 years;
19

20 (2) Mandatorily excluded in accordance with State Government Article, 9-1A-
21 24(d), Annotated Code of Maryland; or
22

23 (3) Voluntarily excluded in accordance State Government Article, 9-1A-24(e),
24 Annotated Code of Maryland.
25

26 D. A facility operator shall provide a player with a record of video lottery terminal and
27 table game spending levels if:
28

29 (1) The player:
30

31 (a) Has registered with the facility for inclusion in the player tracking
32 system; and
33

34 (b) Submits a signed request for the spending level documentation at the
35 cashiers’ cage; and
36

37 (2) The identification of the player is established including the authenticity of the
38 player’s signature on the request in accordance with the signature authentication
39 procedures in Regulation .20(I)(4) of this chapter.
40

41 **.35 Gaming Ticket.** 42

43 A. A facility operator may issue a gaming ticket and utilize a gaming ticket system
44 meeting the requirements of this subtitle.
45

46 B. A facility operator shall:

1
2 (1) Issue a gaming ticket which does not expire for 182 days after the date of
3 issuance;

4
5 (2) Configure its gaming ticket system to:

6
7 (a) Prevent issuance of a gaming ticket exceeding \$10,000; and

8
9 (b) Require gaming tickets of \$5,000 or more to be redeemed only at the
10 cashiers' cage;

11
12 (3) Configure a ticket redemption unit under Regulation .38 of this regulation to:

13
14 (a) Redeem only a gaming ticket of less than \$5,000; and

15
16 (b) Direct a player attempting to redeem a gaming ticket of \$5,000 or more
17 to the cashiers' cage; and

18
19 (4) Redeem at its cashiers' cage a gaming ticket of:

20
21 (a) \$5,000 or more by check; and

22
23 (b) Less than \$5,000 by:

24
25 (i) Cash or check; or

26
27 (ii) Check on the request of a player.

28
29 C. A facility operator shall immediately report to the Commission evidence that a gaming
30 ticket has been counterfeited, tampered with, or altered in any way which would affect
31 the integrity, fairness, or reliability of the gaming ticket.

32
33 D. A facility operator shall develop and include in the internal controls submitted to and
34 approved by the Commission under Regulation .05 of this chapter, procedures addressing
35 the issuance and redemption of a gaming ticket.

36
37 E. A facility operator's internal controls shall:

38
39 (1) Require a gaming ticket to include:

40
41 (a) Name or trade name of the facility operator;

42
43 (b) Date and time of issuance;

44
45 (c) Amount of the gaming ticket;

1 (d) Unique series number automatically generated by the gaming ticket
2 system;

3
4 (e) Asset number of the video lottery terminal dispensing the gaming
5 ticket;

6
7 (f) At least one anticounterfeiting measure, which appears on one or both
8 sides of the gaming ticket;

9
10 (g) Locations where the gaming ticket may be redeemed and any
11 restrictions applicable to redemption;

12
13 (h) A bar code or magnetic strip which enables the gaming ticket system
14 to identify the numeric information required by this section; and

15
16 (i) Notice to the player of the terms of expiration;

17
18 (2) Include procedures and controls which:

19
20 (a) Require a gaming ticket system to perform the following prior to
21 payment:

22
23 (i) Verify the validity of the series number and amount of the
24 gaming ticket; and

25
26 (ii) Electronically cancel the gaming ticket;

27
28 (b) Require the gaming ticket system to be configured:

29
30 (i) To permit access to the complete series number of an
31 unredeemed gaming ticket only to gaming ticket system
32 administrative employees and accounting department employees
33 not assigned to the cashiers' cage; and

34
35 (ii) To maintain a record of all unredeemed gaming tickets for a
36 minimum of two years from the date of issuance of the gaming
37 ticket unless a request to remove or relocate system records is
38 submitted in writing and approved in writing by the Commission;

39
40 (c) Address the following events:

41
42 (i) Calculation and transmittal by the facility operator of its
43 outstanding expired unredeemed gaming ticket balance to the
44 State;

(ii) An election by a facility operator to pay a gaming ticket when the gaming ticket system is inoperable or otherwise unable to verify the validity of the gaming ticket at the time of payment; and

(iii) An election by a facility operator to pay a gaming ticket where the gaming ticket system fails to verify and electronically cancel the gaming ticket when it is presented by the player and scanned for verification; and

(d) Require generation, at the conclusion of each gaming day, of reports detailing:

(i) Gaming tickets issued;

(ii) Gaming tickets redeemed and cancelled by redemption location;

(iii) Unredeemed liability for gaming tickets;

(iv) Readings on gaming ticket related video lottery terminal meters;

(v) Meter readings compared to number and amount of issued and redeemed gaming tickets; and

(vi) Any exceptions.

.36 Promotional Play.

A. A facility operator may:

(1) Issue promotional play if it is not awarded as cashable credit; and

(2) Utilize a promotional play system meeting the requirements of this subtitle.

B. A facility operator may not issue promotional play to a player equaling or exceeding \$5,000 per gaming day without approval from the chief executive or the chief executive's designee.

C. A facility operator shall immediately report to the Commission evidence that a promotional play instrument has been counterfeited, tampered with, or altered in any way which would affect the integrity, fairness, or reliability of the promotional play instrument.

D. A facility operator shall submit to the Commission in a form and in accordance with a time frame specified by the Commission a weekly report summarizing:

1
2 (1) Promotional play awarded for the period including:
3

4 (a) Total amount in promotional play awarded in noncashable credits; and
5

6 (b) Other forms of promotional play; and
7

8 (2) Promotional play redeemed by players for the period including:
9

10 (a) Total amount in promotional play redeemed in noncashable credits;
11 and
12

13 (c) Other forms of promotional play redeemed.
14

15 E. A facility operator shall develop and include in the internal controls submitted to and
16 approved by the Commission under Regulation .05 of this chapter, procedures
17 addressing:
18

19 (1) Methods utilized to:
20

21 (a) Issue promotional play; and
22

23 (b) Redeem promotional play; and
24

25 (2) A promotion play instrument including a requirement that it document:
26

27 (a) Name or trade name of the facility operator;
28

29 (b) Amount in noncashable credits;
30

31 (c) Unique series number automatically generated by the promotional play
32 system;
33

34 (d) Locations where a promotional instrument may be redeemed and any
35 restrictions applicable to redemption;
36

37 (e) A bar code or magnetic strip which enables the promotional play
38 system to identify the numeric information required by this section; and
39

40 (f) Notice to the player of the terms of expiration.
41

42 F. Limitation on free promotional play.
43

44 (1) Through the first full fiscal year of a facility's operations, the proceeds of a
45 facility excludes money given away by a licensee as free promotional play and
46 used by players to bet in a video lottery terminal.

(2) After the first full fiscal year of a facility's operations, the amount of money given away as free promotional play in a fiscal year may not exceed a percentage of the facility's proceeds received in the prior fiscal year under State Government Article, § 9-1A-27(a)(2) or (b)(1), Annotated Code of Maryland that equates to 20% of total video lottery terminal proceeds the facility generated in the prior fiscal year.

(3) An amount of money given away as free promotional play in a fiscal year exceeding the percentage defined in subsection (2) of this regulation of the facility's proceeds of the prior fiscal year shall be allocated as proceeds under State Government Article, § 9-1A-27, Annotated Code of Maryland.

G. No later than 90 days after the end of the fiscal year, a facility operator shall submit to the Commission a written:

(a) Report of its use of free promotional play during the prior fiscal year; and

(b) Recommendation for any adjustment to the limitation on free promotional play established under § F(2) of this regulation.

H. For purposes of §§F and G of this regulation, "fiscal year" means the fiscal year of the facility operator.

.37 Ticket Redemption Unit.

A. A facility operator may utilize a ticket redemption unit meeting the requirements of this subtitle.

B. A facility operator shall locate a ticket redemption unit on the gaming floor subject to the surveillance coverage requirements of Regulation .11 of this chapter.

C. A ticket redemption unit:

(1) Shall in accordance with Regulation .36 of this chapter be configured to:

(a) Redeem a gaming ticket of less than \$5,000; and

(b) Direct a player attempting to redeem a gaming ticket of \$5,000 or more to the cashiers' cage; and

(2) May be configured to function as a bill breaker changing bills of one denomination into bills of a smaller denomination.

1 D. A facility operator shall develop and include in the internal controls submitted under
2 Regulation .05 of this chapter, procedures addressing a ticket redemption unit.

3
4 E. A facility operator's internal controls shall address:

5
6 (1) Distribution of cash to a ticket redemption unit;

7
8 (2) Removal of gaming tickets and cash accepted by a ticket redemption unit;

9
10 (3) Reconciliations associated with the replenishment process;

11
12 (4) Generation of the following reports by a ticket redemption unit or ancillary
13 system or application for the reconciliation period, which may be by gaming day,
14 shift or drop cycle:

15
16 (a) A gaming ticket transaction report which details:

17
18 (i) Disposition, as paid, partially paid, or unpaid, of gaming tickets
19 accepted by a ticket redemption unit;

20
21 (ii) Gaming ticket validation number;

22
23 (iii) Date and time of redemption; and

24
25 (iv) Amount requested; and

26
27 (v) Amount dispensed;

28
29 (b) A reconciliation report which details:

30
31 (i) Date and time;

32
33 (ii) Unique asset identification number of the ticket redemption
34 unit;

35
36 (iii) Total amount of cash in the currency and coin cassettes;

37
38 (iv) Total number of bills accepted by denomination;

39
40 (v) Total amount of gaming tickets accepted; and

41
42 (c) A gaming ticket and currency storage box report which details the
43 following data whenever a storage box is removed from the ticket
44 redemption unit:

45
46 (i) Date and time;

(ii) Unique asset identification number of the ticket redemption unit;

(iii) Unique identification number for each storage box in the ticket redemption unit;

(iv) Total amount of currency dispensed;

(v) Total number of bills dispensed by denomination;

(vi) Total amount of gaming tickets accepted;

(vii) Total count of gaming tickets accepted; *and*

(viii) Details required to be included in the gaming ticket transaction report required under §E(4)(a) of this regulation.

(5) A transaction history report which details all critical player transaction history including the date, time, amount and disposition of each complete and incomplete transaction.

.38 Jackpot Payout.

A. For the purposes of this regulation, “supervisor or above” means a supervisor, shift manager or a higher level employee in the department cited.

B. A facility operator shall utilize a multi-purpose jackpot or credit meter payout document meeting the requirements of this regulation to pay:

(1) A jackpot not totally and automatically paid by a video lottery terminal; or

(2) Credits accumulated by a player on a video lottery terminal if:

(a) The number of accumulated credits exceeds the amount which may be paid utilizing a gaming ticket under Regulation .36 of this chapter;

(b) Due to malfunction the credits cannot be paid by the video lottery terminal; or

(c) A single jackpot event that requires the filing of IRS Form W-2G, Certain Gambling Winnings.

C. A facility operator shall:

1 (1) Prepare and timely file IRS Form W-2G, Certain Gambling Winnings, in
2 accordance with IRS rules and regulations; and
3

4 (2) Immediately report to the Commission any incident in which a video lottery
5 terminal fails to lock up and preclude play following a single jackpot event of
6 \$1,200 or more.
7

8 D. A facility operator shall pay a jackpot or credit meter payout of:
9

10 (1) \$5,000 or more by check; and
11

12 (2) Less than \$5,000 by:
13

14 (a) Cash or check; or
15

16 (b) Check on the request of a player.
17

18 E. A facility operator shall develop and include in the internal controls submitted to and
19 approved by the Commission under Regulation .05 of this chapter, procedures addressing
20 the payment of a jackpot or credit meter payout not totally and automatically paid by a
21 video lottery terminal.
22

23 F. A facility operator's internal controls shall include:
24

25 (1) The use of a two-part computer generated jackpot or credit meter payout
26 document initiated on the request of a gaming operations department attendant or
27 gaming operations department supervisor or above after verifying the:
28

29 (1) Winning combination of characters on the video lottery terminal or
30 table game and the amount of the jackpot; or
31

32 (2) Number of accumulated credits;
33

34 (2) A requirement that if a jackpot or credit meter payout is \$1,200 or more but
35 less than \$10,000, a security department employee or a gaming operations
36 department attendant or gaming operations department supervisor or above other
37 than the preparer of the document sign the jackpot or credit meter payout
38 document after verifying the:
39

40 (a) Winning combination of characters on the video lottery terminal and
41 the amount of the jackpot; or
42

43 (b) Number of accumulated credits; and
44

45 (c) Payment of the jackpot or credit meter payout to the player;
46

1 (3) A requirement that if a jackpot or credit meter payout is \$10,000 or more but
2 less than \$25,000, a security department employee or a gaming operations
3 department supervisor or above other than the preparer of the document sign the
4 jackpot or credit meter payout document after verifying the:

5
6 (a) Winning combination of characters on the video lottery terminal or
7 table game and the amount of the jackpot; or

8
9 (b) Number of accumulated credits; and

10
11 (c) Payment of the jackpot or credit meter payout to the player;

12
13 (4) A provision that if a jackpot or credit meter payout document generated under
14 §F(1) of this regulation is requested by a gaming operations department
15 supervisor or above, the verification required by §F(3) of this regulation may be
16 completed by a gaming operations department attendant, a gaming operations
17 department supervisor or above or a security department employee;

18
19 (5) A requirement that if a jackpot or credit meter payout is \$25,000 or more, an
20 operations department shift manager or higher level operations department
21 employee other than the preparer of the document sign the jackpot or credit meter
22 payout document after verifying the:

23
24 (a) Winning combination of characters on the video lottery terminal and
25 amount of the jackpot; or

26
27 (b) Number of accumulated credits; and

28
29 (c) Payment of the jackpot or credit meter payout to the player;

30 (6) A provision that if a jackpot or credit meter payout document required under
31 §F(1) of this regulation is requested by a gaming operations department shift
32 manager or higher level gaming operations department employee, the verification
33 required by §F(5) of this regulation may be completed by a gaming operations
34 department attendant, a gaming operations department supervisor or above or a
35 security department employee;

36 (7) A requirement that the following information be on a two-part computer
37 generated jackpot or credit meter payout document:

38 (a) Date and time;

39 (b) Asset number of the video lottery terminal or table game on which the
40 jackpot was registered or credits accumulated;

1 (c) Winning combination of characters constituting the jackpot or a code
2 corresponding to the winning combination of characters constituting the
3 jackpot or an indication that a credit meter payout is to be made;

4 (d) Amount to be paid;

5 (e) Unique transaction number generated by the video lottery system;

6 (f) Signature or identification code of the preparer of the document;

7 (g) If the payout is \$1,200 or more, the signature or identification code of
8 a verifying witness in accordance with this regulation; and

9 (h) Unless an automated jackpot payout machine or a cash wallet is
10 utilized to effect the payment, the signature or identification code of the
11 cashier issuing the funds;

12 (8) If utilized, procedures and controls applicable to a jackpot or credit meter
13 payout:

14 (a) Using an automated jackpot payout machine meeting the requirements
15 of Regulation .42 of this chapter; and

16 (b) By a gaming operations department attendant from a cash wallet
17 impressed with \$5,000 or less;

18 (9) If utilized, procedures and controls to be implemented if the facility operator
19 resets the video lottery terminal or credit meter before the player is paid;

20 (10) A requirement that the surveillance department:

21 (a) Be notified of a jackpot or credit meter payout of \$25,000 or more;

22 (b) Log all notices regarding a jackpot or credit meter payout in the
23 surveillance log required under Regulation .12 of this chapter; and

24 (c) Obtain and retain in accordance with Regulation .11 of this chapter a
25 photograph of the face of the player receiving the payout.
26
27
28

29 (11) Details pertaining to:

30 (a) Payment of a jackpot or credit meter payout at the:

31 (i) Cashiers' cage;

32 (ii) Video lottery terminal; and

- 1 (iii) Table game;
- 2 (b) The use of an accounting drop box; and
- 3 (c) Audit procedures to be performed by the facility operator's accounting
4 department at the conclusion of each gaming day;
- 5 (12) Procedures addressing unclaimed jackpots or accumulated credits abandoned
6 on a video lottery terminal or table game;
- 7 (13) Details which establish the ability of the facility operator's video lottery
8 system to:
- 9 (a) Ensure that a two-part computer generated jackpot or credit meter
10 payout document is not susceptible to change or deletion from the system
11 after preparation;
- 12 (b) Process and document system overrides or adjustments to jackpot or
13 credit meter payouts including:
- 14 (i) Overrides or adjustments where the payout requested does not
15 match the payout amount sent from the video lottery terminal to
16 the video lottery system; and
- 17 (ii) Identification of the level of employee having override
18 authority; and
- 19 (c) Process voided jackpot or credit meter payout documents; and
- 20 (14) Procedures utilized to issue a manual jackpot or credit meter payout
21 document which:
- 22 (a) Are to be used only when the video lottery system is unable to generate
23 an jackpot or credit meter payout document;
- 24 (b) Conform to the jackpot payout or credit meter payout verification and
25 signature requirements of this regulation;
- 26 (c) Involve use of a three-part serially pre-numbered manual jackpot or
27 credit meter payout document residing in a book, wiz machine or
28 functional equivalent;
- 29 (d) Require manual jackpot or credit meter payout books, wiz machines or
30 their functional equivalent to be maintained in a secured locked cabinet in
31 the cashiers' cage; and
32

(e) Require the key to the cabinet in §F(14)(d) of this regulation to be:

(i) Controlled by the security department or the accounting department; and

(ii) Limited to sign out by a gaming operations department supervisor or above.

.39 Annuity Jackpot.

A. For the purposes of this regulation:

(1) “Annuity jackpot” means a video lottery terminal or table game jackpot in which a player wins the right to receive fixed cash payments at specified intervals; and

(2) “Discount rate” means a discount rate equal to the United States Treasury constant maturity rate for 20 year United States government securities for the week ending prior to the date of the jackpot, as identified in the applicable H.15 Statistical Release issued by the Federal Reserve Board plus 0.5%.

B. A facility operator may not offer an annuity jackpot without the prior written approval of the Commission.

C. A facility operator submitting a request for approval of an annuity jackpot to the Commission shall submit details pertaining to the annuity jackpot including:

(1) The specific terms of:

(a) The annuity; and

(b) Any cash payout option;

(2) The written trust agreement supporting the trust fund used to make future cash payments on the annuity jackpot including details pertaining to:

(a) Administration and funding of the trust agreement;

(b) Liability for payments owed to a player; and

(c) Designation of a trustee;

(3) Internal controls addressing the offer and award of an annuity jackpot in accordance with §G of this regulation; and

(4) Documentation supporting that the average payout percentage on the video lottery terminal offering the annuity jackpot will comply with this subtitle.

D. A facility operator that offers an annuity jackpot payable over 10 years or more may offer a player the option to be paid in a single cash payout provided that payout is equal to the present value of the annuity jackpot as calculated in §E of this regulation.

E. The present value of a cash payout option on an annuity jackpot shall be determined by:

- (1) Applying the discount rate to each of the future annuity jackpot payments;
- (2) Multiplying the number of years until each jackpot payment would otherwise have been received; and
- (3) Adding to that amount the amount of the first cash payment that would otherwise have been received.

F. A facility operator shall pay a cash payout requested by a player in lieu of an annuity jackpot in accordance with Regulation .39 of this chapter.

G. A facility operator shall develop and include in the internal controls submitted to and approved under Regulation .05 of this chapter, procedures addressing the offer and award of an annuity jackpot.

H. A facility operator's internal controls shall include:

- (1) Procedures to be followed by a player to exercise a cash payout option; and
- (2) Procedures utilized to document payment of an annuity jackpot.

.40 Merchandise Jackpot.

A. For the purposes of this regulation:

- (1) "Merchandise" means goods, commodities or other things of value; and
- (2) "Merchandise jackpot" means a video lottery terminal or table game jackpot in which a player wins:
 - (a) Merchandise;
 - (b) A combination of a cash payout and merchandise; or
 - (c) An option to choose between a cash payout and merchandise.

1
2 B. A facility operator may not offer a merchandise jackpot without the prior written
3 approval of the Commission.
4

5 C. A facility operator submitting a request for approval of a merchandise jackpot to the
6 Commission shall submit details pertaining to the merchandise jackpot including:
7

8 (1) The specific terms of:
9

10 (a) The merchandise offer; and
11

12 (b) Any cash payout option;
13

14 (2) Documentation supporting the acquisition of the merchandise and its cash
15 equivalent value under §D of this regulation;
16

17 (3) Internal controls addressing the offer and award of a merchandise jackpot in
18 accordance with §H of this regulation; and
19

20 (4) Documentation supporting that the average payout percentage on the video
21 lottery terminal offering the merchandise jackpot will comply with this subtitle.
22

23 D. If a facility operator offers a merchandise jackpot consisting of merchandise or an
24 optional cash payout, the optional cash payout shall equal the cash equivalent value of the
25 merchandise determined in accordance with §E of this regulation.
26

27 E. The cash equivalent value of merchandise shall be determined as follows:
28

29 (1) Merchandise that the facility operator sells directly to the public in the normal
30 course of business shall be valued at an amount equal to the full retail price
31 normally charged for the merchandise;
32

33 (2) Merchandise that the facility operator does not sell directly to the public in the
34 normal course of business, but which is provided directly to a player by the
35 facility operator, shall be valued at an amount equal to the actual cost to the
36 facility operator of the merchandise;
37

38 (3) Merchandise that is provided directly or indirectly to a player on behalf of a
39 facility operator by a third party not related to the facility operator shall be valued
40 at an amount equal to the actual cost to the facility operator of having the third
41 party provide the merchandise; and
42

43 (4) Merchandise that is provided directly or indirectly to a player on behalf of a
44 facility operator by a third party who is related to the facility operator shall be
45 valued as if the related party were the facility operator under §E(1) and (2) of this
46 regulation.

1
2 F. For the purpose of determining proceeds, the cash equivalent value of any merchandise
3 paid as, or as a portion of a jackpot, shall be included in total winnings paid.
4

5 G. A facility operator shall pay a cash payout portion of a merchandise jackpot and a cash
6 payout requested by a player in lieu of a merchandise jackpot in accordance with
7 Regulation .39 of this chapter.
8

9 H. A facility operator shall develop and include in the internal controls submitted to and
10 approved by the Commission under Regulation .05 of this chapter, procedures addressing
11 the offer and award of a merchandise jackpot.
12

13 I. A facility operator's internal controls shall include:
14

15 (1) Procedures to be followed by a player to exercise a cash payout option; and
16

17 (2) Procedures utilize to document payment of a merchandise jackpot.
18

19 **.41 Automated Jackpot Payout Machine.**
20

21 A. A facility operator may utilize an automated jackpot payout machine meeting the
22 requirements of this subtitle.
23

24 B. A facility operator may locate an automated jackpot payout machine on the gaming
25 floor subject to the surveillance coverage requirements of Regulation .11 of this chapter.
26

27 C. A facility operator shall, in accordance with Regulation .39(D) of this chapter,
28 configure an automated jackpot payout machine to only process a jackpot or credit meter
29 payout of less than \$5,000.
30

31 D. A facility operator shall develop and include in the internal controls submitted to and
32 approved by the Commission under Regulation .05 of this chapter, procedures addressing
33 the payment of a jackpot or credit meter payout utilizing an automated jackpot payout
34 machine.
35

36 E. A facility operator's internal controls shall include procedures and controls
37 documenting:
38

39 (1) A jackpot or credit meter payout transaction at an automated jackpot payout
40 machine; and
41

42 (2) Reconciliation and replenishment of an automated jackpot payout machine.
43

44 **.42 Access to Bill Validators, Cash Storage and Table Game Drop Boxes.**
45

46 A. Access.

1
2 (1) A facility operator shall control access to a bill validator, cash storage box housed
3 in a video lottery terminal, and a table game drop box in accordance with this
4 regulation.

5
6 (2) Access to a bill validator shall be controlled by:

7
8 (a) At least one lock; and

9
10 (b) Requiring the key to the lock to be maintained by the gaming operations
11 department.

12
13 (3) The cash storage box shall be secured to a bill validator by two separate locks the
14 keys to which are different from each other, and;

15
16 (a) For the lock on the belly door or main door of the video lottery
17 terminal:

18
19 (i) The key is controlled by the gaming operations department;

20
21 (ii) Immediately prior to the commencement of the drop, the
22 operations department may, issue its belly door or main door
23 key to the accounting department;

24
25 (iii) A key transferred from the gaming operations department to
26 the accounting department shall be returned immediately
27 following the conclusion of the drop; and

28
29 (iv) The facility operator shall establish sign in and sign out
30 procedures in its internal controls documenting the transfers;
31 and

32
33 (4) For the lock on the release mechanism securing the cash storage box to the bill
34 validator, controlled by the security department.

35
36 (5) Access to the contents of a cash storage box shall be controlled by:

37
38 (a) At least one lock; and

39
40 (b) Requiring the key to the lock to be maintained by the accounting department.

41
42 B. Control. A facility operator shall either:

43
44 (1) Assign to a cash storage box an asset number that:

1 (a) Is permanently imprinted or affixed to the outside of the cash storage
2 box; and

3
4 (b) Corresponds to the asset number of the video lottery terminal in which
5 the cash storage box is installed; or

6
7 (2) With the written approval of the Commission, utilize a computerized system
8 for:

9
10 (a) Assigning a unique identification number to a cash storage box; and

11
12 (b) Attributing it to the video lottery terminal in which the cash storage
13 box is installed.

14
15 C. Unique identification number. A facility operator shall ensure that an asset number or
16 unique identification number on a cash storage box is clearly visible to:

17
18 (1) An employee involved in removing or replacing a cash storage box; and

19
20 (2) The surveillance department.

21
22 D. Emergency cash storage box. A facility operator may maintain an emergency cash
23 storage box without an asset number or a unique identification number if:

24
25 (1) The word "emergency" is permanently imprinted or affixed on the box; and

26
27 (2) When put into use the cash storage box is temporarily marked with the asset
28 number of the video lottery terminal in which it is installed.

29
30 E. Table Game Drop Box.

31
32 (1) A table game shall have a secure tamper-resistant table game drop box
33 attached to it in which the following shall be deposited:

34
35 (a) Cash exchanged for gaming chips and plaques at the gaming table;

36
37 (b) Issuance copies of counter checks exchanged at the gaming table for
38 gaming chips and plaques;

39
40 (c) Copies of fill request slips, fill slips, credit request slips, credit slips and
41 table inventory slips; and

42
43 (d) Other table game wagering instruments approved by the Commission.

44
45 (2) A table game drop box shall have:

- 1 (a) Two separate locks securing the contents deposited into it, the keys to
2 which must be different from each other;
3
- 4 (b) A separate lock securing the table game drop box to the gaming table, the
5 key to which must be different from each of the keys to the locks securing
6 the contents of the table game drop box;
7
- 8 (c) A slot opening through which currency, value chips or poker rake chips
9 for nonbanking games, other table game wagering instruments approved
10 by the Commission, and required instruments can be inserted into it;
11
- 12 (d) A mechanical device that must automatically close and lock the slot
13 opening upon removal of the table game drop box from the gaming table;
14
- 15 (e) Permanently imprinted or impressed thereon, and clearly visible to
16 surveillance, either:
17
- 18 (i) A number corresponding to a unique permanent number on the
19 gaming table to which the table game drop box is attached and at
20 least one letter indicating the type of game; and
21
- 22 (ii) The word “emergency.”
23
- 24 (f) In addition to the requirements of paragraph (e) of this regulation, a table
25 game drop box may also be identified by a bar code label that is securely
26 affixed to the table game drop box and must be:
27
- 28 (i) At a minimum, encoded with the information required under
29 paragraph (e) of this regulation; and
30
- 31 (ii) Prepared in accordance with the facility operator’s approved
32 internal controls.
33
- 34 (g) The security department shall control the key used to release a table game
35 drop box from a table game.
36
- 37 (i) Immediately prior to the commencement of the table game count
38 process, the security department may issue its release key to the
39 count room supervisor for the purpose of resetting the release
40 mechanism on empty table game drop boxes.
41
- 42 (ii) A key transferred by the security department shall be immediately
43 returned after the conclusion of the table game drop box count.
44

(iii) In its internal controls, a facility operator shall establish sign-in and sign-out procedures governing key transfers and control of a key during breaks taken by count room personnel.

(h) The keys to the two table game drop box locks required under section E(2) of this regulation shall be separately controlled:

i. One by the accounting department; and

ii. One by Commission compliance personnel.

(i) Before using a table game drop box labeled “Emergency” for a table game, a facility manager shall:

i. Obtain verbal approval of Commission compliance personnel; and

ii. Temporarily mark the emergency table game drop box with the number of the gaming table and at least one letter indicating the game type.

.43 Collection of Cash Storage and Table Game Drop Boxes.

A. At least 30 days before video lottery terminal or table game operations are to commence, a facility operator shall submit to the Commission in writing a drop schedule setting forth:

(1) Specific pick-up days and times for collection of cash storage and table game drop boxes and requirements that;

(a) Cash storage boxes shall not be commingled with table game drop boxes; and

(b) Table game drop boxes shall be collected once each gaming day regardless of whether the gaming table was open during the gaming day.

(2) Specifications as to what areas of the gaming floor will be covered on each pick-up day; and

(3) Specific transportation routes to be utilized from the gaming floor to the count room on each pick-up day.

B. A facility operator shall:

(1) Notify the Commission in writing of a permanent change in the drop schedule including a pick-up day or time, area of the floor to be dropped or transportation route; and

1
2 (2) Notify the Commission prior to any temporary deviation from the drop
3 schedule.
4

5 C. A facility operator shall make readily available to the Commission:
6

7 (1) An access control matrix indicating which employee job descriptions are
8 authorized to participate in the cash storage and table game drop box collection
9 process; and
10

11 (2) A list of employees, with license numbers, who are authorized to participate in
12 the cash storage and table game drop box collection process.
13

14 D. A facility operator shall develop and include in the internal controls submitted to and
15 approved by the Commission under Regulation .05 of this chapter, procedures addressing
16 the collection of cash storage and table game drop boxes.
17

18 E. A facility operator's internal controls shall:
19

20 (1) Detail the actual procedures to be performed and documentation to be
21 generated by drop team employees collecting cash storage and table game drop
22 boxes:
23

24 (a) In accordance with the drop schedule; and
25

26 (b) On an emergency basis;
27

28 (2) Require:
29

30 (a) Cash storage and table game drop boxes to be transported directly to,
31 and secured in:
32

33 (i) The count room; or
34

35 (ii) A trolley storage area approved by the Commission under
36 COMAR 36.03.11.
37

38 (b) The cash storage and table game drop box collection process to involve
39 the participation of at least three employees, at least one of whom is an
40 employee of the:
41

42 (i) Security department; and
43

44 (ii) Accounting department; and
45

1 (c) Prior to the movement of a trolley containing cash storage boxes from the
2 gaming floor into the count room, an accounting department supervisor to
3 verify that the number of cash storage boxes being transported from the
4 gaming floor equals the number of cash storage boxes scheduled for
5 collection that day.
6

7 (d) Prior to the movement of a trolley containing table game drop boxes from
8 the gaming floor into the count room, an accounting department
9 supervisor or floorperson or above shall verify that the number of table
10 game drop boxes being transported from the gaming floor equals the
11 number of table game drop boxes scheduled for collection.
12

13 (e) Prior to changing the type of table game offered, or removing a video
14 lottery terminal or table game from the gaming floor, and emergency drop
15 shall be conducted.
16

17 F. A facility operator shall transport cash storage and table game drop boxes in an
18 enclosed trolley secured by one lock that has a key which is controlled by the security
19 department.
20

21 G. A facility operator shall store cash storage and table game drop boxes not attached to a
22 bill validator, including emergency cash storage and table game drop boxes that are not
23 actively in use, in a cabinet or trolley:
24

25 (1) In the count room; or
26

27 (2) A trolley storage area approved by the Commission under COMAR 36.03.11;
28

29 H. The cabinet or trolley used for storage under §G of this regulation shall be secured by
30 one lock that has a key which is controlled by the security department.
31

32 I. Immediately prior to the commencement of the count process, the security department
33 may issue its key to the storage cabinet or trolley required under §G of this regulation to a
34 count room supervisor for the purpose of allowing count room personnel to gain access to
35 the cash storage or table game drop boxes to be counted.
36

37 J. A trolley storage area utilized to store cash storage or table game drop boxes prior to
38 the count process shall meet the design standards for a count room under Regulation .45
39 of this chapter.
40

41 **.44 Count Room Design Standards.** 42

43 A. A facility operator shall have adjacent or proximate to its cashiers' cage a count room
44 designated, designed and used for counting the contents of cash storage and table game
45 drop boxes.
46

1 B. A count room shall conform to the following standards:

2
3 (1) Be constructed of materials and have an interior design which provides
4 maximum security over the assets stored, and the activities conducted in, the
5 room;

6
7 (2) Meet the surveillance requirements of Regulation .11 of this chapter including
8 audio coverage of the count process; and

9
10 (3) Be constructed with doors equipped with:

11
12 (a) An alarm system which tracks all ingress to and egress from the room
13 and;

14
15 (i) Directly alerts the security department; *or*

16
17 (ii) Directly, or through a documented communications protocol,
18 alerts the surveillance department; and

19
20 (b) A locking mechanism with key back-up, or a key that is:

21
22 (i) Different from the key to any other door to the count room;

23
24 (ii) Different from the keys to the locks securing each cash storage
25 and table game drop box; and

26
27 (iii) Controlled by the security department or the accounting
28 department.

29
30 C. A facility operator shall install in its count room a table constructed of clear glass or
31 similar transparent material to be used for the emptying, counting and recording of the
32 contents of cash storage and table game drop boxes.

33
34 **.45 Accounting Controls for a Count Room.**

35
36 A. At least 30 days before video lottery terminal or table game operations are to
37 commence, a facility operator shall submit to the Commission a count schedule setting
38 forth the specific times during which cash storage and table game drop boxes are to be
39 counted and recorded.

40
41 B. Notifications. A facility operator shall:

42
43 (1) Notify the Commission in writing of any permanent change in the count
44 schedule; and

45
46 (2) Notify the Commission of any temporary deviation from the count schedule.

1
2 C. Count Frequency.
3

4 (1) A facility operator shall count the contents of each cash storage box at least
5 once every seven days unless an alternative count schedule is submitted in
6 writing to and approved in writing by the Commission.
7

8 (2) A facility operator shall count the contents of each table game drop box at
9 least once each gaming day unless an alternative count schedule is submitted
10 to, and approved in writing by, the Commission.
11

12 (a) The following shall be counted and recorded separately:
13

14 i. Table game drop boxes from banking games; and
15

16 ii. Table game drop boxes from nonbanking games.
17

18 D. A facility operator shall develop and include in the internal controls submitted to and
19 approved by the Commission under Regulation .05 of this chapter, procedures addressing
20 the counting and recording of cash storage and table game drop boxes.
21

22 E. A facility operator's internal controls shall:
23

24 (1) Detail all hardware, software and related equipment utilized by the facility
25 operator to conduct the count;
26

27 (2) Detail the actual procedures to be performed and documentation to be
28 generated by:
29

30 (a) Count team employees conducting the counting process; and
31

32 (b) The main bank cashier in verifying and accepting the count;
33

34 (3) Require computerized equipment utilized to count and strap currency, gaming
35 tickets and promotional play instruments to:
36

37 (a) Conduct two separate counts;
38

39 (b) If the separate counts are not in agreement, document the discrepancy;
40

41 (c) Be capable of determining the amount of a gaming ticket or
42 promotional play instrument by independently examining information
43 printed on the gaming ticket or promotional play instrument and:
44

45 (i) Calculating the amount internally; or
46

(ii) Obtaining the amount directly from a gaming ticket system or promotional play system in a secure manner; and

(d) If a gaming ticket system or promotional play system is utilized to obtain the amount of a gaming ticket or promotional play instrument, require the system to perform a calculation or integrity check to ensure that the amount of the gaming ticket or promotional play instrument has not been altered in the system in any manner since the time of issuance;

(4) Require a count room employee to:

(a) Wear a one piece, pocketless garment;

(b) Carry only a handbag or other container constructed of transparent material; and

(c) Remove their hands from, or return them to, a position on or above the count table or counting equipment only after holding the backs and palms of the hands straight out and exposing them to the view of other employees of the count team and a surveillance camera; and

(5) Prior to the commencement of the count, require a count room employee to notify the surveillance department and receive confirmation that recording of the count process has commenced.

F. Table Game Drop Box Count Requirements.

(1) The Commission may require that the table game drop box be conducted in the presence of a Commission compliance representative.

(2) After the contents of each table game drop box from a banking table game are counted, a member of the count team shall record, on a three-part Daily Banking Table Game Count Report or electronic equivalent prepared on a computer system, the following the:

(a) Value of each denomination of currency counted;

(b) Total value of all denomination of currency counted;

(c) Gaming date of the items being recorded;

(d) Total number of banking table game drop boxes opened and counted; and

(e) Current date.

- 1 (3) After the contents of each table game drop box from a nonbanking table game
2 are counted, a member of the count team shall record the following on a three
3 part Daily Nonbanking Table Game Count Report or electronic equivalent
4 prepared on a computer system, the:
5
6 (a) Value of Poker rake chips counted;
7
8 (b) Value of value chips counted;
9
10 (c) Total value of Poker rake chips and value chips counted;
11
12 (d) Gaming date of the items being recorded;
13
14 (e) Total number of nonbanking table game drop boxes opened and counted;
15 and
16
17 (f) Current date.
18
19 (4) After the preparation of the Daily Banking Table Game County Report and
20 the Daily Nonbanking Table Game Count Report, the count team members
21 and the count room supervisor shall sign the reports attesting to the accuracy
22 of the information recorded thereon.
23
24 (5) After the contents of all table game drop boxes have been counted, all cash,
25 value chips and Poker rake chips shall be presented in the count room by a
26 count team member to a main bank cashier or cage supervisor who, prior to
27 having access to the information recorded on the Daily Banking Table Game
28 Count Report and Daily Nonbanking Table Game Count Report, and in the
29 presence of the count team members and, if required, a Commission
30 compliance representative, shall recount the currency, value chips and Poker
31 rake chips as follows:
32
33 (a) The main bank cashier or cage supervisor may bulk count all strapped
34 currency;
35
36 (b) The Commission compliance representative may direct that currency
37 straps be recounted by the main bank cashier or cage supervisor if a
38 discrepancy is discovered during the initial bulk recount;
39
40 (c) All partial straps, loose currency, mutilated or torn currency, value chips
41 and Poker rake chips shall be recounted by the main bank cashier or cage
42 supervisor.
43
44 (6) Upon completion of the recount, the main bank cashier or cage supervisor
45 shall attest to the accuracy of the county by signature on the Daily Banking
46 Table Game Count Report and Daily Nonbanking Table Game Count Report;

1
2 (7) The Daily Banking Table Game Count Report and the Daily Nonbanking
3 Table Game Count Report shall be distributed as follows:
4

5 (a) Immediately after leaving the count room, the count room supervisor shall
6 deliver the original to revenue audit or place it in a secure locked box
7 controlled by revenue audit;
8

9 (b) The Commission compliance representative who observed the count shall
10 retain the second copy; and
11

12 (c) The cage supervisor or main bank cashier shall retain the third copy.
13

14 (8) Immediately after leaving the count room, the count room supervisor shall
15 deliver any additional documents contained in the table game drop boxes to
16 revenue audit or place the documents in a secured locked box controlled by
17 revenue audit, including:
18

19 (a) Requests for Fills;
20

21 (b) Fill Slips;
22

23 (c) Requests for Credit;
24

25 (d) Credit Slips;
26

27 (e) Issuance copies of Counter Checks; and
28

29 (f) Table Inventory Slips.
30

31 (9) In the presence of the Commission compliance representative who observed
32 the count, a count room employee shall conduct a thorough inspection of the
33 count room, and all counting equipment in the count room, to verify that no
34 currency, chips, checks, vouchers, coupons, or other documentation remains
35 in the room.
36

37 G. A gaming ticket or promotional play instrument accepted by a cash storage or table
38 game drop box shall be counted and included in the calculation of proceeds without
39 regard to the validity of the gaming ticket or promotional play instrument.
40

41 H. A promotional play instrument which is not canceled upon acceptance or during the
42 count process shall be canceled prior to the conclusion of the count.
43

44 I. A facility operator shall report in writing to the Commission within 72 hours of the
45 count:
46

(1) Any variance between the actual count of cash, gaming tickets and promotional play instruments in a cash storage box as determined in the count room and the amount for that particular cash storage box recorded on the:

(a) Facility operator's video lottery terminal; and

(b) If the data has been made available to the facility operator, the central monitor and control system.

(2) The reason for the variance; and

(3) Corrective action taken or adjustments made.

.46 Signs.

A. A facility operator shall construct all signs required under this regulation using a color scheme and font size reasonably expected to produce a sign which is readily visible to and readable by an individual entering the facility.

B. A facility operator shall post signs containing the following messages in a conspicuous location not more than 20 feet from each customer entrance to the facility: "An individual, including an off duty officer or agent of a local, state or federal law enforcement agency, may not possess a weapon or other device designed to be used to inflict pain or cause injury in [name of facility] without the prior written approval of the Maryland Lottery and Gaming Control Commission."

.47 Player Complaints.

A. A facility operator shall attempt to timely resolve a dispute with a player concerning operation of a video lottery terminal, table game or payment of alleged winnings.

B. A facility operator who is unable to satisfactorily resolve a dispute with a player within three days of notice of the dispute shall notify the Commission of the dispute.

C. On receipt of notice by the facility operator of the dispute, the Commission shall provide the player with a Commission player complaint form together with instructions for completing and submitting the form.

D. The Commission shall investigate a complaint submitted to the Commission and notice the player and facility operator of its determination.

E. The Commission may provide a player with a complaint form at any time upon request.

.48 Possession of a Weapon in a Facility.

1 A. Except as otherwise provided in this regulation, an individual may not possess in a
2 facility:

3
4 (1) A firearm as defined in Public Safety Article, § 5-101, Annotated Code of
5 Maryland;

6
7 (2) An electronic control device as defined in Criminal Law Article, § 4-109,
8 Annotated Code of Maryland;

9
10 (3) A dangerous weapon as defined in Criminal Law Article, § 4-101, Annotated
11 Code of Maryland; or

12
13 (4) Any other device or object designed to be used to inflict pain or cause injury.
14

15 B. The prohibition in §A of this regulation:

16
17 (1) Applies to all employees and contractors of the facility operator including
18 security department employees;

19
20 (2) Does not apply to:

21
22 (a) An on duty officer or agent of a local, state or federal law enforcement
23 agency having proper jurisdiction over the facility when the officer or
24 agent is acting in an official capacity;

25
26 (b) An individual who is employed by an armored car company or other
27 entity that is under contract with the facility to transport cash or a cash
28 equivalent; or

29
30 (c) An individual authorized by the Commission to possess a weapon or
31 device identified in §A of this regulation.
32

33 C. An individual requesting Commission authorization to possess a weapon identified in
34 §A of this regulation in a facility shall submit to the Commission in writing a request
35 documenting:
36

37 (1) A compelling need to possess a weapon in the facility;

38
39 (2) That the individual is lawfully in possession of the weapon under applicable
40 federal and state law; and

41
42 (3) That the individual has received training in the possession and use of the
43 weapon.
44

45 **.49 Acceptance of Tips or Gratuities.**
46

1 A. Except as otherwise provided in this Regulation:

2
3 (1) A supervisory video lottery employee of a facility is prohibited from soliciting
4 or accepting a tip or gratuity directly from a player;

5
6 (2) A video lottery employee is prohibited from soliciting a tip or gratuity from a
7 player.

8
9 (3) A facility operator may permit an employee who is authorized to accept a
10 gratuity from a player to accept a gaming ticket if the gaming ticket is
11 redeemed:

12
13 (a) At the cashiers' cage; and

14
15 (b) If the amount of the gaming ticket exceeds \$100, redemption requires the
16 approval of a cashiers' cage supervisor.

17
18 B. At least 30 days before table game operations are to commence, a facility operator
19 shall submit to the Commission for approval internal controls relating to the acceptance
20 of tips or gratuities by dealers at banking and nonbanking table games.

21
22 C. Except as provided in § G of this regulation, a dealer shall immediately deposit all tips
23 and gratuities into a transparent locked box reserved for tips and gratuities, and:

24
25 (1) If Roulette chips are received as a tips or gratuity, the marker button indicating
26 the specific value of the Roulette chips may not be removed until after the dealer,
27 in the presence of a floorperson or above, has converted the Roulette chips into
28 value chips which shall then be immediately deposited in the transparent locked
29 box reserved for tips and gratuities;

30
31 (2) Collected and accounted for at least once each gaming day;

32
33 (4) Placed in a common pool for distribution pro rata among all dealers in
34 accordance with § E of this regulation;

35
36 (5) A facility operator may include dealer supervisors in the common pool
37 described in § C(3) of this regulation.

38
39 D. Upon receipt of a tip or gratuity from a patron, a dealer shall extend his arm in an
40 overt motion and deposit the tip or gratuity in the locked box reserved for tips and
41 gratuities.

42
43 E. Tips and gratuities placed in a common pool shall be distributed pro rata among the
44 dealers in the pool based upon the number of hours worked, based on:

1 (1) Any standards for distribution established by a facility operator, which
2 may include:

3
4 (a) Hours of vacation time, personal leave time or any other
5 authorized leave of absence in the number of hours worked by
6 each employee;

7
8 (b) The number of hours worked by an employee; and

9
10 (c) Different full-time or part-time employees.

11
12 F. A distribution of tips and gratuities from a common tip pool shall occur no more than
13 once every 7 calendar days.

14
15 G. Notwithstanding the requirements in § C of this regulation, a facility operator that
16 offers the game of Poker may:

17
18 (2) Establish a separate common pool for tips and gratuities received by
19 its Poker dealers; or

20
21 (3) If it allows a Poker dealer to retain his or her own tips and gratuities:

22
23 (a) Shall require tips and gratuities received by a Poker dealer to be
24 deposited in a transparent locked box assigned to the particular
25 dealer; and

26
27 (b) Require that the transparent locked box be moved from table to
28 table with the dealer.

29
30 H. If a facility operator elects to follow the requirements of § G(2) of this regulation, at
31 the end of the Poker dealer's shift:

32
33 (1) The dealer shall take the transparent locked box assigned to the dealer to a
34 cage cashier; and

35
36 (2) The cage cashier shall open the container and count the tips and gratuities in
37 the presence of the Poker dealer, and record the total amount of the tips and
38 gratuities received by the dealer, and:

39
40 (a) Return the tips and gratuities to the dealer; or

41
42 (b) Retain all or a portion of the tips and gratuities for inclusion in the dealer's
43 paycheck.

44
45 I. A facility operator shall specify in its internal controls how dealer tips and gratuities
46 will be reported to the Internal Revenue Service.