

Title 36 MARYLAND 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 and 9-1A-04
Annotated Code of Maryland**

.38 Jackpot Payout.

A. Definition.

B. A facility operator shall utilize a multipurpose 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 requires the filing of IRS Form W-2G, Certain Gambling Winnings.

C. A facility operator shall:

(1) Prepare and timely file IRS Form W-2G, Certain Gambling Winnings, in accordance with IRS rules and regulations;

(2) Withhold payment of a jackpot prize to satisfy a player's financial obligation to the State, such as the payment of child support arrearage or other requirements of State law; and

(3) Immediately report to the Commission any incident in which a video lottery terminal fails to lock up and preclude play following a single jackpot event of \$1,200 or more.

D. A facility operator shall pay a jackpot or credit meter payout of:

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1 (1) \$25,000 or more by check; and

2 (2) Less than \$25,000 by:

3 (a) Cash or check; or

4 (b) Check on the request of a player.

5 E. 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 the
7 payment of a jackpot or credit meter payout not totally and automatically paid by a video lottery
8 terminal.

9 F. A facility operator's internal controls shall include:

10 (1) The use of a two-part computer-generated jackpot or credit meter payout document
11 initiated on the request of a gaming operations department attendant or gaming operations
12 department supervisor or above after verifying the:

13 (a) Winning combination of characters on the video lottery terminal or table game
14 and the amount of the jackpot; or

15 (b) Number of accumulated credits;

16 (2) A requirement that, if a jackpot or credit meter payout is \$1,200 or more but less than
17 \$10,000, a security department employee or a gaming operations department attendant or
18 gaming operations department supervisor or above other than the preparer of the
19 document sign the jackpot or credit meter payout document after verifying the payment
20 of the jackpot or credit meter payout to the player and:

21 (a) Winning combination of characters on the video lottery terminal and the
22 amount of the jackpot; or

23 (b) Number of accumulated credits;

24 (3) A requirement that, if a jackpot or credit meter payout is \$10,000 or more but less
25 than \$25,000, a security department employee or a gaming operations department
26 supervisor or above other than the preparer of the document sign the jackpot or credit
27 meter payout document after verifying the payment of the jackpot or credit meter payout
28 to the player and:

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(a) Winning combination of characters on the video lottery terminal and the amount of the jackpot; or

(b) Number of accumulated credits;

(4) A provision that, if a jackpot or credit meter payout document generated under §F(1) of this regulation is requested by a gaming operations department supervisor or above, the verification required by §F(3) of this regulation may be completed by a gaming operations department attendant, a gaming operations department supervisor or above, or a security department employee;

(5) A requirement that, if a jackpot or credit meter payout is \$25,000 or more, an operations department shift manager or higher level operations department employee other than the preparer of the document sign the jackpot or credit meter payout document after verifying the payment of the jackpot or credit meter payout to the player and:

(a) Winning combination of characters on the video lottery terminal and amount of the jackpot; or

(b) Number of accumulated credits;

(6) A provision that, if a jackpot or credit meter payout document required under §F(1) of this regulation is requested by a gaming operations department shift manager or higher level gaming operations department employee, the verification required by §F(5) of this regulation may be completed by a gaming operations department attendant, a gaming operations department supervisor or above, or a security department employee;

(7) A requirement that the following information be on a two-part computer-generated jackpot or credit meter payout document:

(a) Date and time;

(b) Asset number of the video lottery terminal or table game on which the jackpot was registered or credits accumulated;

(c) Winning combination of characters constituting the jackpot or a code corresponding to the winning combination of characters constituting the jackpot or an indication that a credit meter payout is to be made;

(d) Amount to be paid;

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- 1 (e) Unique transaction number generated by the video lottery system;
- 2 (f) Signature or identification code of the preparer of the document;
- 3 (g) If the payout is \$1,200 or more, the signature or identification code of a
- 4 verifying witness in accordance with this regulation; and
- 5 (h) Unless an automated jackpot payout machine or a cash wallet is utilized to
- 6 effect the payment, the signature or identification code of the cashier issuing the
- 7 funds;
- 8 (8) If utilized, procedures and controls applicable to a jackpot or credit meter payout:
- 9 (a) Using an automated jackpot payout machine meeting the requirements of
- 10 Regulation .42 of this chapter; and
- 11 (b) By a gaming operations department attendant from a cash wallet impressed
- 12 with ~~\$5,000~~ \$10,000 or less;
- 13 (9) If utilized, procedures and controls to be implemented if the facility operator resets
- 14 the video lottery terminal or credit meter before the player is paid;
- 15 (10) A requirement that the surveillance department:
- 16 (a) Be notified of a jackpot or credit meter payout of \$25,000 or more;
- 17 (b) Log all notices regarding a jackpot or credit meter payout in the surveillance
- 18 log required under Regulation .12 of this chapter; and
- 19 (c) Obtain and retain in accordance with Regulation .11 of this chapter a
- 20 photograph of the face of the player receiving the payout;
- 21 (11) Details pertaining to:
- 22 (a) Payment of a jackpot or credit meter payout at the:
- 23 (i) Cashiers' cage;
- 24 (ii) Video lottery terminal; and
- 25 (iii) Table game;
- 26 (b) The use of an accounting drop box; and

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

(12) Procedures addressing unclaimed jackpots or accumulated credits abandoned on a video lottery terminal or table game;

(13) Details which establish the ability of the facility operator's video lottery system to:

(a) Ensure that a two-part computer-generated jackpot or credit meter payout document is not susceptible to change or deletion from the system after preparation;

(b) Process and document system overrides or adjustments to jackpot or credit meter payouts including:

(i) Overrides or adjustments where the payout requested does not match the payout amount sent from the video lottery terminal to the video lottery system; and

(ii) Identification of the level of employee having override authority; and

(c) Process voided jackpot or credit meter payout documents; and

(14) Procedures utilized to issue a manual jackpot or credit meter payout document which:

(a) Are to be used only when the video lottery system is unable to generate an jackpot or credit meter payout document;

(b) Conform to the jackpot payout or credit meter payout verification and signature requirements of this regulation;

(c) Involve use of a three-part serially prenumbered manual jackpot or credit meter payout document residing in a book, wiz machine, or functional equivalent;

(d) Require manual jackpot or credit meter payout books, ~~wiz machines~~, or their functional equivalent to be maintained in a secured locked cabinet in the cashiers' cage; and

(e) Require the key to the cabinet in §F(14)(d) of this regulation to be:

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

3 (ii) Limited to sign out by a gaming operations department supervisor or
4 above.

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