

SUBCHAPTER 10. REQUIREMENTS FOR DOING BUSINESS WITH VENDORS

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19:43-10.1 Requirements for doing business; Active Vendors Record; Prohibited Vendors Record

(a) No agreement entered into with any person by or on behalf of a casino licensee or applicant shall be performed or in force or effect unless the casino licensee or applicant has filed a Master Purchasing and Disbursement Report, and:

1. The person is licensed as a casino service industry pursuant to N.J.S.A. 5:12-92a or c, is an applicant for a casino service industry license pursuant to N.J.S.A. 5:12-92c, or is an applicant for a casino service industry license pursuant to N.J.S.A. 5:12-92a or N.J.S.A. 5:12-92c and N.J.A.C. 19:51-1.2A(b) and has been granted a transactional waiver pursuant to N.J.A.C. 19:51-1.2B; or
2. The appropriate filings have been submitted on behalf of the person in accordance with N.J.A.C. 19:43-10.4 or the Commission has exempted the transaction from such filing requirements pursuant to N.J.A.C.

19:43-10.5.

(b) The Commission shall maintain an Active Vendors Record of persons with whom a casino licensee or applicant may do business for the reasons set forth in (a) above.

(c) Notwithstanding any other provision of this subchapter no casino licensee or applicant shall enter into an agreement with any person who:

1. Has been found disqualified pursuant to N.J.S.A. 5:12-86; or
2. Has failed to comply with the filing requirements of N.J.A.C.

19:43-10.4;

3. Has been subject to a suspension, revocation or denial of a casino service industry license or dismissal of an application pursuant to N.J.A.C. 19:41-9.3 or 19:51-1.5 or 1.10;

4. Is restricted from application pursuant to N.J.A.C. 19:41-8.6 or 19:51-1.2A(h); or

5. Has been temporarily prohibited from doing business with casino licensees and applicants pursuant to N.J.A.C. 19:42-3.

(d) The Commission shall maintain a Prohibited Vendors Record of persons with whom casino licensees and applicants are prohibited from doing business for the reasons set forth in (c) above. Such record shall be made available to casino licensees and applicants on a regular basis.

(e) No person shall be removed from the Prohibited Vendors Record except as follows:

1. By order of the Commission;
2. Upon expiration of the applicable period of restriction; or
3. For a person who is placed on the Prohibited Vendors Record

for failure to comply with all applicable filing requirements, upon compliance therewith or after a period of five years from the date of prohibition unless the Commission determines that such person should remain on the Record to protect the public interest and further the policies set forth in N.J.S.A. 5:12-1(b)6, 1(b)9, 92 and 104.

As adopted, effective: 09/05/95
As amended, effective: 01/21/97
As amended, effective: 12/06/99

19:43-10.2 Maintaining agreements; filing of agreements

(a) Pursuant to N.J.S.A. 5:12-104b, each casino licensee or applicant shall be required to maintain a fully signed copy of every written agreement and records with respect to any unwritten agreement, which provide, at a minimum, the terms thereof, the parties thereto and a description of the goods or services provided regarding the following, whether or not the casino licensee or applicant is a party to such agreement and whether or not the agreement provides for the exchange of direct compensation:

1. The realty of the casino hotel or related facility, including construction, maintenance, renovation, expansion or demolition;
2. Any person doing business with or for the benefit of the casino licensee or applicant; or
3. Any person doing business on the premises of the casino hotel.

(b) Each casino licensee or applicant shall submit a copy of any written agreement or a precise written description of any unwritten agreement for which records are maintained pursuant to (a) above upon oral or written request from the Commission based upon a determination that such filing is necessary to protect the public interest and accomplish the policies of the Act.

(c) Except as otherwise provided in (d) below, each casino licensee or applicant shall submit to the Commission a copy or a precise written description of the following:

1. Any agreement subject to (a) above or any material amendment thereto, which agreement or amendment specifically provides for payments of \$300,000 or more during any 12-month period; or

2. Any agreement subject to (a) above which includes as a party, an independent producer who shall receive revenue from ticket sales for public entertainment held at a casino hotel.

(d) An agreement that is otherwise subject to (c) above shall not be required to be submitted to the Commission if:

1. The agreement is with a casino service industry licensee or applicant or a person who has been exempted from casino service industry licensure pursuant to N.J.S.A. 5:12-92c; or

2. The agreement involves a transaction which has been exempted from vendor registration pursuant to N.J.A.C. 19:43-10.5.

(e) Any written description submitted pursuant to this section shall be submitted to the Commission's Enterprise License Bureau at the address specified in N.J.A.C. 19:40-3.1 and shall provide, at a minimum, the following:

1. The nature of the goods or services to be provided to the casino licensee or applicant;

2. The full name and business address of the non-casino party to the agreement;

3. The duration of the agreement or, if provided in the agreement, the specific date or dates of performance; and

4. The financial terms of the agreement.

(f) An agreement submitted pursuant to (c) above shall be filed as follows:

1. An agreement with any enterprise listed on the Active Vendors Record shall be filed no later than 20 calendar days following the date of execution of any written agreement or the date of acceptance of an unwritten agreement; and

2. An agreement with an enterprise not listed on the Active Vendors Record shall be filed at the time that a Vendor Registration Form is filed for that enterprise in accordance with N.J.A.C. 19:43-10.4.

Adopted as 19:41-11.1

As amended, effective: 11/16/81
As amended, effective: 11/04/91
As amended, effective: 10/19/92
As amended, effective: 01/04/93
Amended and recodified as 19:43-10.2, effective: 05/02/94
As amended, effective: 09/05/95
As amended, effective: 07/07/97
As amended, effective: 03/02/98
As amended, effective: 11/21/05
As amended, effective: 09/08/09

19:43-10.3 Review of agreements and records of agreements; termination upon disapproval

(a) The Commission may review each agreement and record maintained or filed pursuant to N.J.A.C. 19:43-10.2 to determine the following:

1. The reasonableness of the terms of the agreement, including the terms of compensation;
2. The qualifications of the persons involved in and associated with the agreement in accordance with the standards enumerated in section 86 of the Act, after which the Commission may make a finding as to the suitability of such persons to be involved or associated with the casino licensee or applicant;
3. Whether any enterprise involved therein or associated therewith is providing or likely to provide goods or services to, or conducting or likely to conduct business with, a casino licensee or applicant, its employees or agents which requires casino service industry licensure pursuant to section 92 of the Act and N.J.A.C. 19:51-1.2 or 1.2A, in which case the Commission shall direct that a casino service industry license application be promptly filed by the enterprise; and
4. Whether any action is desirable or necessary to regulate, control or prevent economic concentration in any casino service industry or to encourage or preserve competition in any casino service industry in accordance

with N.J.S.A. 5:12-1b(12) and N.J.A.C 19:51-1.6.

(b) If the Commission disapproves of an agreement governed by N.J.A.C. 19:43-10.2 or any person associated therewith, the Commission may by directive require the termination of such agreement or association or pursue any remedy or combination of remedies provided for in the Act or the regulations of the Commission. If such disapproved agreement or association is not thereafter promptly terminated as required by Commission directive, the Commission may pursue any remedy or combination of remedies provided for in the Act or the regulations of the Commission. This subsection shall apply notwithstanding that the Commission has granted an exemption pursuant to N.J.S.A. 5:12-92c to any person involved in or associated with such agreement from the casino service industry license requirements set forth therein.

(c) Each agreement maintained or filed pursuant to N.J.A.C. 19:43-10.2 shall be deemed to include a provision for its termination without liability on the part of the casino licensee or applicant, or on the part of any qualified party to the agreement or any related agreement the performance of which is dependent upon such agreement, in the event that the Commission disapproves the agreement in accordance with (b) above.

Adopted as 19:41-11.2

As amended, effective: 11/16/81

As amended, effective: 10/19/92

Amended and recodified as 19:43-10.3, effective: 05/02/94

As amended, effective: 09/05/95

19:43-10.4 Filing requirements: Vendor Registration Form and Junket Enterprise Registration Form

(a) Each casino licensee or applicant shall file with the Commission a VRF, as set forth in N.J.A.C. 19:41-5.11, for any enterprise with which it is conducting the following types of business, if the Active Vendors Record

maintained pursuant to N.J.A.C. 19:43-10.1 does not indicate that a VRF has been filed for such enterprise by any casino licensee or applicant:

1. Within 20 calendar days from the date of the formal offer and acceptance of any of the following types of agreements:

i. Any agreement with a bus owner or operator for the transportation of passengers to a casino hotel in exchange for complimentary services or items for such passengers upon arrival;

ii. Any agreement for goods or services if payments pursuant to the agreement are reasonably expected to total \$10,000 or more;

iii. Any agreement with an independent producer who will receive revenue from ticket sales for public entertainment held at a casino hotel which agreement does not provide for direct compensation to the casino licensee;

iv. Any lease relating to the premises of the casino hotel or related facility;

v. Any agreement which does not involve the direct exchange of compensation;

vi. Any agreement with a simulcast sending track; or

vii. Any agreement relating to the construction, maintenance, renovation, expansion or demolition of the casino hotel or related facility, whether or not the casino licensee or applicant is a party to such agreement; and

2. Within 20 calendar days from the end of the monthly financial reporting period for vendor transactions in which the casino licensee's or applicant's calendar year to date business with an enterprise totals \$10,000 or more.

(b) In addition to the agreements listed in (a) above, each casino licensee or applicant shall file with the Commission a complete VRF, as set forth in N.J.A.C. 19:41-5.11, for any enterprise where required pursuant to this subsection, whether or not the casino licensee or applicant is a party to such

agreement. The Commission may, on its own initiative, or following a recommendation by the Division, upon a preliminary determination that the filing of a complete VRF is necessary to protect the public interest and further the policies of the Act, notify a casino licensee or applicant and an enterprise that a complete VRF is required to be filed within 10 days.

1. The casino licensee or applicant and/or enterprise may appear before the Commission to contest the VRF filing requirement upon so notifying the Commission prior to the expiration of the 10 day filing period. In the event that the filing requirement is contested the Commission will determine whether or not a complete VRF is necessary to protect the public interest and further the policies of the Act.

2. A failure by the casino licensee or applicant and enterprise to contest the filing requirement within the 10 day period or to appear before the Commission shall be grounds for a determination by the Commission that the filing of a complete VRF is necessary to protect the public interest and further the policies of the Act.

(c) Each casino licensee or applicant shall, prior to the arrival at the casino hotel of a junket which involves one or more junket enterprises, file with the Commission a Junket Enterprise Registration Form (JERF) as set forth in N.J.A.C. 19:41-5.12 for each junket enterprise involved in such junket which does not appear on the Active Vendors Record maintained by the Commission pursuant to N.J.A.C. 19:43-10.1. This requirement shall apply regardless of whether such junket enterprise has had a VRF filed with the Commission on its behalf pursuant to (a) or (b) above for an agreement unrelated to junkets.

(d) Notwithstanding (a), (b) and (c) above, an incomplete VRF or JERF shall be considered timely filed by the licensee or applicant in accordance with this section if:

1. The incomplete registration form is timely filed pursuant to (a), (b) or (c) above, as appropriate; and

2. A revised registration form, completed in accordance with a deficiency notice provided by the Commission, is filed:

i. For a VRF, within 10 days of service of notice or by the end of the deadlines set forth in (a) above, whichever is later; or

ii. For a JERF, within 10 days of service of notice or prior to the arrival of the junket, whichever is later.

(e) Filings required by this section shall be directed to the Casino Control Commission's Enterprise License Bureau at the address specified in N.J.A.C. 19:40-3.1.

(f) In the event that an enterprise fails to provide the information necessary to complete a VRF as required by this section, the casino licensee or applicant shall notify the Commission within the applicable filing deadlines established in (a) above.

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As amended, effective: 09/05/95

As amended, effective: 07/07/97

As amended, effective: 12/06/99

As amended, effective: 09/08/09

19:43-10.5 Exemption from registration

(a) The Commission may, upon the written request of a casino licensee or applicant or on its own initiative, exempt a transaction from the filing requirements in N.J.A.C. 19:43-10.4 if the Commission determines that the filing of a Vendor Registration Form (VRF) is not necessary to protect the public interest and further the policies set forth in sections 1(b)6, 1(b)9, 92 and 104 of the Act. In making such a determination the Commission shall consider, without limitation, the following:

1. The nature of the goods or services provided or the business transacted;

2. The nature of the enterprise providing the goods or services or transacting the business with the casino licensee or applicant; and

3. Whether such enterprise is otherwise regulated by the Act or Commission regulations.

(b) The following transactions shall be deemed exempt pursuant to (a) above unless the filing of a VRF is otherwise directed by the Commission:

1. Contributions to non-profit charitable corporations or organizations, provided that no consideration is received for the contribution;

2. Direct payments to guests or guests and their representatives pursuant to a court order or stipulation of settlement or for settlement of guest losses or guest refunds;

3. Payments by the casino licensee or applicant for the following:

i. Payments for travel expenses incurred by an employee of the casino licensee or applicant in the conduct of the employer's business, which shall include the employee's lodging, meals, transportation and related expenses;

ii. Payments to prospective employees for reimbursement of travel expenses incurred as a result of the employment interview; and

iii. Payments for tuition, training seminars, publication subscriptions, conference registrations or membership dues for professional associations that will directly contribute to the work performance or professional development of the employee;

4. Payments received from an employee of the casino licensee or applicant for purchases of obsolete hotel property or supplies for personal use;

5. Payments to government agencies for goods or services provided under statutory or other legal mandate, or for taxes, assessments, fines, garnishments or licensing fees and payments to public utilities having legal service monopolies;

6. Payments to or from individuals or enterprises pursuant to compliance with state or federal law;

7. Payments by a third party manufacturer for rebates to a casino licensee or applicant for prior purchase of goods or services from licensed or registered vendors;

8. Payments for freight charges to freight transporters selected by the vendor for delivering goods C.O.D. or freight collect;

9. Transactions with travel industry enterprises that purchase or order lodging, meals, or other accommodations at a prededucted or gross commission rate which does not exceed 10 percent of cost;

10. Payments to any person required to qualify pursuant to N.J.S.A. 5:12-84b, 85c or 85e, which are a result of agreements pertaining to such person's status as a financial source or qualifier;

11. Payments to labor organizations, unions and affiliates registered pursuant to N.J.S.A. 5:12-93 for employee dues and benefits programs; and

12. Payments to the same vendor by an individual casino licensee or applicant for goods and services totaling less than \$10,000 in the same calendar year, made pursuant to a contract or purchase agreement with that vendor for less than \$10,000.

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As amended, effective: 09/05/95

As amended, effective: 12/06/99

As amended, effective: 09/08/09

19:43-10.6 Master Purchasing and Disbursement Report

(a) Each casino licensee or applicant shall generate a Master Purchasing and Disbursement Report in accordance with this section for all transactions subject to N.J.S.A. 5:12-104b. Such report shall be submitted to the Commission's Enterprise License Bureau at the address specified in N.J.A.C. 19:40-3.1 on the 22nd calendar day of each month by 5:00 P.M., unless that day is a Saturday, Sunday, or a State or Federal holiday, in which case the report shall be provided by 5:00 P.M. on the first weekday thereafter that is not

a State or Federal holiday, and shall include the following information for the period since the most recent report was filed:

1. A payee register listing alphabetically by payee all non-payroll transactions drawn by the casino licensee or applicant and, at a minimum, the following information in tabular form next to the name of each payee:

- i. Vendor identification number or exempt code;
- ii. Amount of each individual disbursement;
- iii. Date of each individual disbursement;
- iv. Subtotal of the disbursements by payee; and
- v. The grand total of all disbursements made during the reporting period;

reporting period;

2. A manual attachment listing any transaction subject to this section which is not included in the payee register in (a)1 above or the magnetic computer tape or the electronic data transmission in (a)6 below, including transactions with enterprises not yet assigned a vendor identification number, wire transfers, credits to vendors and transactions by a subsidiary, intermediary company, holding company or agent of the casino licensee or applicant for goods or services that benefit the casino licensee or applicant. All transactions appearing on the manual attachment shall include, at a minimum, the following information:

- i. Vendor name;
- ii. Vendor identification number (if assigned) or exempt code;
- iii. Date of disbursement or credit;
- iv. Amount of each disbursement or credit; and
- v. Subtotal of all disbursements or credits by vendor;

3. A vendee register listing alphabetically by vendee the full amount of all non-operating transactions, including credits, in which the casino licensee or applicant was the vendor providing goods or services including, at a minimum, the following information in tabular form next to the

name of the vendee:

- i. Vendor identification number or exempt code;
- ii. Date of each transaction;
- iii. Amount of each transaction;
- iv. Subtotal of all transactions; and
- v. A general description of the type of good or service

provided;

4. A voided check register listing alphabetically by vendor previously reported transactions that were subsequently voided or require corrected information and at a minimum, the following information:

- i. Vendor name;
- ii. Vendor identification number or exempt code;
- iii. Date of original transaction; and
- iv. Amount of void;

5. A subcontractor register listing all payments not included in the payee register in (a)1 above made to maintenance and construction companies performing services on the existing or proposed casino hotel or related facility, regardless of whether such company is a general contractor, subcontractor, secondary subcontractor or otherwise, including, at a minimum, the following information:

i. Name and vendor identification number of each maintenance or construction company listed directly under the maintenance or construction company from which it received payment;

- ii. Transaction dates;
- iii. Dollar amount of each payment; and
- iv. Monthly total dollar amount disbursed to each

maintenance or construction company;

6. A magnetic computer tape or electronic data transmission listing all disbursements to enterprises appearing on the payee register in (a)1 above and appearing on the subcontractor register in (a)5 above, within

specifications as required by the Commission; and

7. The signature of the casino licensee's or applicant's chief operating officer or his or her designee verifying the accuracy of the information contained therein.

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As amended, effective: 12/06/99

19:43-10.7 Internal controls submission

(a) Each casino licensee or applicant shall, pursuant to N.J.S.A. 5:12-99, submit an original and two copies to the Commission of a description of its internal procedures and administrative and accounting controls concerning compliance with the requirements of N.J.S.A. 5:12-92 and 104b. Unless otherwise directed by the Commission, a partial submission addressing, at a minimum, the procedures in (a)3iii and (a)4 below, shall be provided to the Commission at least 30 days prior to the commencement of construction activity at a proposed casino hotel facility or related facility. A complete submission addressing, at a minimum, the following shall be provided to the Commission at least 30 days prior to the commencement of purchasing activities for the casino hotel facility or related facility:

1. Procedures for determining the status of enterprises on the Active Vendors Report to meet the requirements in N.J.A.C. 19:43-10.4;

2. Procedures for determining whether a casino licensee or applicant is prohibited pursuant to N.J.A.C. 19:43-10.1(c) from transacting business with an enterprise or individual;

3. Procedures for filing Vendor Registration Forms and Junket Enterprise Registration Forms pursuant to N.J.A.C. 19:43-10.4 for the following:

i. Direct business transactions with enterprises. These procedures shall include an exempt code legend if the alpha or numeric codes

that appear in the monthly Master Purchasing and Disbursement Report differ from those contained in N.J.A.C. 19:43-10.5(b);

ii. Purchases by a subsidiary, intermediary company, holding company, agent or commercial buyer for the benefit of the casino licensee or applicant;

iii. Business transactions with enterprises providing services related to the construction, renovation, expansion or demolition of the casino hotel facility or related facility, regardless of whether the casino licensee or applicant is a party to the agreement, including, without limitation, construction companies performing services for leaseholders located within the casino hotel facility or related facility; and

4. Procedures for providing financial reporting for (a)3ii and iii above in accordance with the requirements of N.J.A.C. 19:43-10.6(a)2 and 5, respectively.

(b) The Commission shall review each submission required by (a) above to determine whether it conforms to the requirements of the Act and the rules of the Commission. If the Commission finds any insufficiencies, it shall specify same in writing to the casino licensee or applicant who shall make appropriate alterations. When the Commission determines a submission to be adequate in all respects, it shall notify the casino licensee or applicant accordingly.

(c) Any proposed amendment to a previously approved vendor internal controls submission shall be submitted, unless otherwise directed by the Commission, no later than five days after any change in those procedures or controls takes effect. Such submission shall conform with the requirements set forth in (a) above.

(d) All submissions pursuant to this section shall be directed to the Casino Control Commission's Enterprise License Bureau at the address specified in N.J.A.C. 19:40-3.1.

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