

SUBCHAPTER 1. GENERAL PROVISIONS

Sections 1.50 through 1.55

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19:45-1.50 Keno drawer credit procedures

(a) Prior to the end of each keno writer's or keno runner's shift or at such other times as may be necessary, the keno writer or keno runner may transfer excess currency, coin, gaming chips, slot tokens and coupons to either the main bank, master coin bank or keno supervisor by preparing a keno credit slip.

(b) Keno credit slips shall be serially prenumbered forms. The series numbers of all keno credit slips shall be unique to the game of keno and each series of keno credit slips shall be used in sequential order. All original and duplicate void keno credit slips shall be marked "VOID" and shall require the signature of the keno writer or keno runner who prepared the slip.

(c) A keno credit slip shall be at least a two-part manual or computerized form and shall contain, at a minimum, the following information on the original and duplicate of the slip:

1. The denomination of the currency, coin, gaming chips and slot tokens being exchanged;
2. The total amount of each denomination of currency, coin, gaming chips and slot tokens being exchanged;
3. The total amount of coupons being exchanged;
4. The total amount of currency, coin, gaming chips, coupons and slot tokens being exchanged;

5. The keno work station location number;
6. The date and time of preparation; and
7. The signature of the keno writer or keno runner or, if computer prepared, the identification code of the keno writer or keno runner.

(d) Upon completion of the keno credit slip by the keno writer or keno runner, a keno supervisor or a supervisor thereof, main bank cashier, master coin bank cashier or cage supervisor shall verify the items being removed from the keno drawer and the information recorded on the keno credit slip. If the items to be removed and the recorded information agree, the keno supervisor or supervisor thereof, main bank cashier, master coin bank cashier or cage supervisor shall sign the original and duplicate keno credit slip and place the items into a secured envelope or container for transportation to the main bank or master coin bank or designated area of keno booth pursuant to N.J.A.C. 19:45-1.47. The duplicate keno credit slip shall be maintained by the keno writer or keno runner in the keno drawer as a balancing item and the original shall be transported by the keno supervisor or supervisor thereof, main bank cashier, master coin bank cashier or cage supervisor with the envelope or container. Prior to the transportation of the keno credit, the keno writer or keno runner shall enter the amount being credited into the computer terminal. Notwithstanding the foregoing, the keno supervisor may input the amount of the credit into the computer terminal provided the keno writer or keno runner verifies the amount input by the keno supervisor to the amount recorded on the duplicate keno credit slip.

(e) A casino security department employee shall be required to escort the keno supervisor or supervisor thereof, main bank cashier, master coin bank cashier or cage supervisor and the envelope or container if the credit is with the main bank or master coin bank. Once at the main bank or master coin bank, the casino security department employee shall sign the original keno credit slip as evidence of his or her escort of the funds.

(f) Upon receipt of the envelope or container, the receiving individual, if

different from the individual who verified the credit in (d) above, shall count the contents and compare the amount counted to the totals recorded on the keno credit slip. If the contents and the recorded totals agree, the receiving individual shall sign the original and maintain it for subsequent forwarding to the accounting department at the end of the gaming day or deposit it into a locked accounting box.

As adopted, effective: 06/05/95

As amended, effective: 04/06/98

19:45-1.51 Keno computer system

(a) Each casino licensee shall submit for approval the internal control procedures governing the security and control of its keno computer system. Such internal controls shall, without limitation, include:

1. System access restrictions which shall, at a minimum, preclude multiple log-ons by the same individual;
 2. Hardware and software controls;
 3. A description of the information that shall be contained on all storage media, including but not limited to hard disk drives;
 4. Floppy disc controls;
 5. Override policies and restrictions;
 6. Adequate documentation of keno tickets and payoff information;
- and
7. Backup and recovery procedures.

(b) The keno computer system shall have the capability of generating a hard (paper) copy of each keno transaction. Each keno transaction shall be identified with a unique identification number for the individual who performed said transaction. The identification number for each employee shall be different than that employee's computer password code.

(c) Each keno computer system shall:

1. Record the information identified by (a)3 above as it occurs and in a redundant manner as approved by the Commission, which shall permit a complete and prompt recovery of all information in the event of any malfunction; and

2. Immediately inform the casino licensee of any malfunction, in a manner approved by the Commission.

(d) Following any malfunction of a keno computer system, the casino licensee shall immediately notify the Commission and Division, and shall not utilize the system until the malfunction has been successfully repaired. Notwithstanding the foregoing, the Commission may permit a casino licensee to utilize the system prior to it being successfully repaired, for a period not to exceed 48 hours, provided that:

1. The malfunction is limited to a single storage media device, such as a hard disk drive;

2. In addition to the malfunctioning storage media device, the keno computer system contains a backup storage media device not utilized in the normal operation of the system, which backup device shall immediately and automatically replace the malfunctioning device, to permit a complete and prompt recovery of all information in the event of an additional malfunction; and

3. Continued use of the malfunctioning system would not limit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the keno game.

(e) At any time, a representative of the Commission may count the contents of a selected keno drawer and compare that count to the computer-generated reports.

As adopted, effective: 06/05/95

As amended, effective: 07/02/01

19:45-1.52 Payment of table game progressive payout wagers

(a) Whenever a patron wins a table game progressive payout pursuant to N.J.A.C. 19:45-1.39B, the casino licensee may either:

1. Pay the wager from the gaming chips in the table inventory container;
2. Issue a receipt to the patron which may be exchanged for payment at the cashiers' cage; or
3. Bring the payment to the patron at the table from the cashiers' cage.

(b) If the casino licensee elects to pay the wager pursuant to either (a)2 or 3 above, the casino licensee shall submit for review and approval internal control procedures governing the payment to the patron. At a minimum, the procedures shall provide for the following:

1. Documentation prepared by a floorperson or supervisor thereof which records the configuration of the winning hand and the amount of the payment, with a copy deposited into the drop box attached to the table and a copy given to the patron;
2. A multi-part form which is prepared by the general cashier or cage supervisor which documents the issuance of the payment to the patron or a casino security department representative for transportation to the patron;
3. Procedures of the casino accounting department for verifying the payment of the table game progressive payment which shall include verifying the meter readings required by N.J.A.C. 19:45-1.39B; and
4. Procedures for the adjustment to the Master Game Report and the proper reporting of table game win/loss.

(c) All forms used for the payment of table game progressive payouts shall be serially prenumbered forms, each series of which shall be used in sequential order, with the series of numbers of all forms received by the casino being accounted for by employees independent of the cashiers' cage and the table games department. All voided forms shall be marked "VOID" and shall

require the signature of the preparer.

(d) All forms used for the payment of table game progressive payouts shall be clearly identified as forms used for such purpose.

(e) All table game progressive payments shall be made in the presence of a casino supervisor.

(f) Prior to the payment of a table game progressive, a casino supervisor shall record the amount on the progressive meter in a manner as approved by the Commission.

As adopted, effective: 08/07/95

19:45-1.53 Accounting controls for chippersons and chip carts

(a) A chipperson shall commence his or her shift with an imprest inventory of gaming chips and currency known as a "chipperson inventory." No casino licensee shall cause or permit coin, currency, coupons, gaming chips or slot tokens to be added to, or coin, currency or gaming chips to be removed from, the chip inventory during the gaming day except:

1. In an even exchange with a chipperson by a patron seated at a poker table while a game is in progress;
2. In order to make change for such a patron purchasing gaming chips; or
3. In receipt of a coupon from such a patron in exchange for gaming chips, in conformity with N.J.A.C. 19:45-1.46(j).

(b) The chipperson inventory shall be placed and kept in a lockable cart approved by the Commission, known as a "chip cart." For a given shift, each chipperson shall have his or her own chip cart, and no other person shall operate from the chip cart of that chipperson. When not in use, all chip carts shall be stored in a segregated and secure area approved by the Commission.

(c) The keys to the chip carts shall be maintained and controlled either by the accounting department or the security department, in a secure place

approved by the Commission. Each key shall be signed-in and signed-out in accordance with procedures approved by the Commission.

(d) Each casino licensee shall develop internal control procedures for the accounting and reconciliation of all chipperson inventories used each gaming day. These procedures shall include the documentation used by the chip bank in issuing the inventories, the documentation used by the main bank in receiving the inventories, the verification of each inventory by a cage supervisor, and the reporting of any overage or shortage, provided that any shortages of \$250.00 or more must also be reported immediately to the casino licensee's casino controller, the Commission and the Division. Copies of all documentation and reports shall be forwarded to casino accounting on a daily basis.

Adopted, effective: 11/01/99

19:45-1.54 Gaming vouchers; physical characteristics; procedures for issuance and redemption

(a) In conjunction with, or in lieu of, the requirements of N.J.A.C. 19:45-1.36 for a hopper and either a slot drop bucket or slot drop box, a casino licensee may issue a gaming voucher to automatically pay a jackpot or the amount on a credit meter, which voucher shall be dispensed automatically from a slot machine to a patron, provided that:

1. The slot machine satisfies the requirements of N.J.A.C. 19:45-1.37(b)5 and (e)4, and such slot machine is connected to a computerized gaming voucher system ("system") that satisfies the requirements of N.J.A.C. 19:45-1.55;

2. The design specifications of the gaming voucher are submitted to and approved by the Commission prior to issuance, which specifications shall comply with the requirements of (b) below;

3. Each gaming voucher is redeemable only in accordance with the requirements of (c) through (e) below and shall not expire, provided however, that nothing shall preclude a casino licensee from restricting the redemption location for a gaming voucher after a specified period of time, above a specified value, or both, in accordance with approved internal controls, provided that adequate written notice explaining the restriction or restrictions, as approved by the Commission, is provided to patrons in accordance with (b)7 below;

4. Except as permitted by (a)4i below, no gaming voucher shall result in a deduction from gross revenue unless the voucher is redeemed, the system is used to verify the validity of the serial number and value of the voucher, which verification shall be performed upon redemption except as provided in (d)6 through 8 below, and the voucher is forwarded to and accepted by the casino accounting department in accordance with the requirements of this section;

i. Consistent with the provisions of (g)1v(3) below, a casino licensee may obtain a deduction from gross revenue for an unverified gaming voucher in its physical possession provided that the casino licensee:

(1) Investigates the unverified gaming voucher and records the information required by (d)14ii below;

(2) Establishes that it paid the presenting patron the stated value of the gaming voucher in redemption thereof and did not pay any other patron in redemption of the voucher; and

(3) Produces sufficient documentation from its gaming voucher system or related systems to establish that the gaming voucher was validly issued by the gaming voucher system;

5. In addition to the requirements of (a)4 above, no gaming voucher redeemed at a slot machine shall result in a deduction from gross revenue unless the gaming voucher is counted in the count room in accordance with the requirements of N.J.A.C. 19:45-1.33; and

6. The casino licensee has approved internal controls in accordance with the requirements of this chapter.

(b) Each gaming voucher shall be designed and manufactured with sufficient graphics or other security measures, so as to permit, to the greatest extent possible, the proper verification of the voucher. Notwithstanding the forgoing, each gaming voucher shall contain, at a minimum, the following information:

1. The name or trade name of the casino licensee, and if the casino licensee is affiliated with a casino in any other jurisdiction with an identical or similar name or trade name, the words “Atlantic City” or “New Jersey”;
2. The date and time of issuance;
3. The value of the voucher, in both numbers and words;
4. A unique serial number, which shall be automatically generated by the system in accordance with the requirements of N.J.A.C. 19:45-1.55(e)1 and shall include a method of identifying the casino licensee issuing the voucher;
5. The asset number of the slot machine dispensing the voucher;
6. At least one anti-counterfeiting measure, which shall appear on one or both sides of the voucher;
7. The locations where the voucher may be redeemed and any restriction regarding redemption in accordance with (a)3 above; and
8. A bar code or magnetic strip which shall enable the system to identify the numeric information in (b)1 through 5 above when the voucher is subsequently presented for redemption.

(c) Except as provided in (i) below for employee redemption of gaming vouchers, each gaming voucher shall be redeemed by a patron for a specific value of cash, a casino check of that casino licensee in the amount of the gaming voucher surrendered, gaming voucher credits, or slot tokens, which value shall not exceed \$10,000. Notwithstanding the forgoing, a casino

licensee shall not permit a gaming voucher that is presented for redemption to be redeemed if it knows, or reasonably should know, that:

1. The gaming voucher is materially different from the sample of the gaming voucher approved by the Commission pursuant to this section;
2. The gaming voucher was previously redeemed; or
3. The gaming voucher was printed as a test gaming voucher in accordance with the provisions of (d)9 below.

(d) Prior to issuing a gaming voucher, each casino licensee shall establish a system of internal controls for the issuance and redemption of gaming vouchers, which internal controls shall be submitted to the Commission for approval and shall, at a minimum, implement the following requirements and procedures.

1. Except as otherwise provided in (d)5 below with regard to the receipt or discovery of a suspicious gaming voucher, a general cashier, slot cashier, gaming voucher redemption machine or slot machine shall, upon the presentation of a gaming voucher for redemption, scan the gaming voucher into the gaming voucher system to verify the validity of the serial number and value of the voucher. If the gaming voucher is valid, the gaming voucher system shall immediately cancel the voucher electronically and permit the redemption of such voucher for the value printed thereon.

- i. At the end of each shift, gaming vouchers redeemed by a general cashier or slot cashier and verified and electronically cancelled by the gaming voucher system shall be transferred to the main bank or master coin bank separately from all other inventory items.

- ii. Gaming vouchers presented for redemption at a slot machine shall be transported to the count room in accordance with the requirements of N.J.A.C. 19:45-1.42.

- iii. Gaming vouchers presented for redemption at a gaming voucher redemption machine shall be transported to a count room or the cashiers' cage pursuant to N.J.A.C. 19:45-1.33A.

2. The casino licensee shall maintain a record of all transactions in the gaming voucher system for a period of time specified in the casino licensee's internal controls, which period shall not be less than 90 days from the date of the transaction, provided that any such records removed from the system after 90 days shall be stored and controlled in a manner approved by the Commission.

3. Notwithstanding the provisions of (d)2 above, the casino licensee shall maintain an "unredeemed gaming voucher record" of the information required by (b)1 through 5 above for gaming vouchers that have been issued but not yet redeemed, which record shall be stored in the gaming voucher system for a period of time specified in the casino licensee's internal controls, which period shall not be less than two years from the date of issuance of the voucher, provided that:

i. Any unredeemed gaming voucher record removed from the system after two years shall be stored and controlled in a manner approved by the Commission;

ii. Prior to the redemption of a gaming voucher, the complete serial number of the unredeemed voucher shall only be available to the system;

iii. The redemption of any gaming voucher for which the unredeemed gaming voucher record is not stored in the system shall not result in a deduction from gross revenue, unless the casino licensee has approved internal controls which require that, prior to redemption, the unredeemed gaming voucher record be reloaded into the system, and the validity of the serial number and value of the voucher be subsequently verified by the system; and

iv. After the redemption of a gaming voucher for which the unredeemed gaming voucher record has been reloaded into the system, the unredeemed gaming voucher record shall be immediately canceled electronically and the gaming voucher redeemed for the value printed thereon.

4. At the end of each gaming day, the gaming voucher system shall generate reports, as approved by the Commission, which reports may be generated by the casino accounting department if they are not susceptible to alteration or deletion or provided to the casino accounting department by the MIS department. The casino accounting department shall utilize the reports for purposes of the reconciliation required by (g) below. Such reports shall contain the following information, at a minimum:

i. All gaming vouchers that have been issued by each slot machine, including at a minimum, the asset number of the slot machine and the value, date and time of issuance of each voucher;

ii. All gaming vouchers that have been redeemed and canceled by each slot machine, gaming voucher redemption machine or other redemption location, including at a minimum:

(1) The asset number of the slot machine or gaming voucher redemption machine;

(2) The location if other than a slot machine or gaming voucher redemption machine;

(3) The serial number, value, date and time of redemption of each gaming voucher;

(4) The total value of all gaming vouchers redeemed at slot machines;

(5) The total value of all gaming vouchers redeemed at gaming voucher redemption machines; and

(6) The total value of all gaming vouchers redeemed at locations other than slot machines or gaming voucher redemption machines;

iii. The unredeemed liability for gaming vouchers;

iv. If the system is approved to record meter readings in accordance with the provisions of N.J.A.C. 19:45-1.42(o), the readings of the slot machine meters required pursuant to N.J.A.C. 19:45-1.37(b)5 and (e)4,

and a comparison of such readings to the number and value of issued and redeemed gaming vouchers, as applicable; and

v. Exception reports and audit logs.

5. A casino licensee shall, in accordance with (d)5i, ii and iii below, immediately report to the Commission and Division, using a three-part form, at a minimum (suspicious gaming voucher report), any suspicious gaming voucher that is presented for redemption or otherwise discovered; provided, however, that nothing herein shall preclude a casino licensee from issuing the presenting patron a gaming voucher receipt in accordance with (d)8 below.

i. The suspicious gaming voucher report shall be completed by a cage/slot cashier supervisor and shall contain, at a minimum, the following:

- (1) The gaming date, shift and time of preparation;
- (2) The issuance date and serial number of the suspicious gaming voucher;
- (3) The location at which the suspicious gaming voucher was presented or discovered;
- (4) The name and license number of the employee who received or discovered the suspicious gaming voucher;
- (5) If applicable and available, the name and address of the patron who presented the suspicious gaming voucher;
- (6) The reason(s) the gaming voucher was considered to be suspicious including, if applicable, the exact text displayed by the gaming voucher system when the voucher was scanned at the time of redemption;
- (7) If there is evidence that the gaming voucher was previously redeemed, the date, value and location of the previous redemption;
- (8) The signature and license number of the cage/slot cashier supervisor preparing the report; and

(9) The signature and license number of the casino security department member responsible for distributing the report pursuant to (d)5iii below.

ii. The cage/slot cashier supervisor who completes the suspicious gaming voucher report shall make two copies of the suspicious gaming voucher, sign all copies of the suspicious gaming voucher report, and forward the original and two copies of the gaming voucher together with the signed, three-part suspicious gaming voucher report to a casino security department member for distribution.

iii. The casino security department member who receives the documents pursuant to (d)5ii above shall:

(1) Sign all copies of the suspicious gaming voucher report;

(2) Place the original suspicious gaming voucher and the duplicate copy of the suspicious gaming voucher report in a sealed envelope, secure the envelope until it is picked up by the Division, and immediately notify the Division that the suspicious gaming voucher had been presented or discovered;

(3) Forward a copy of the suspicious gaming voucher and the triplicate copy of the suspicious gaming voucher report to the Commission's principal inspector; and

(4) Place a copy of the suspicious gaming voucher and the original copy of the suspicious gaming voucher report in a locked accounting box located in the main bank or master coin bank or such other location as approved by the Commission.

6. Notwithstanding the requirements of (d)1 above, if the gaming voucher system or any component thereof is inoperable and, as a result, the system is unable to determine the validity of a gaming voucher, a casino licensee may redeem a gaming voucher without first verifying its validity and without immediately canceling the voucher electronically in the system (unscanned gaming voucher) provided that:

i. The voucher is redeemed by a general cashier or slot cashier or above, at a location approved in accordance with the requirements of N.J.A.C. 19:45-1.55;

ii. If the value of the voucher exceeds \$500.00, the cashier or supervisor shall identify the presenting patron and record the following information on the gaming voucher:

(1) The name of the patron; and

(2) The initials and license number of the cashier or supervisor who identified the patron;

iii. The voucher is physically canceled in a manner required by the casino licensee's approved internal controls and physically segregated and secured until it is scanned by the cashier or supervisor pursuant to (d)6iv below or transferred to the main bank or master coin bank pursuant to (d)6vi below;

iv. Any unscanned gaming voucher that is subsequently scanned during the cashier's shift and verified and electronically canceled in the system shall thereafter be processed together with the gaming vouchers redeemed during the shift pursuant to (d)1 above;

v. Unscanned gaming vouchers remaining at the end of a cashier's shift shall be recorded on a form (unscanned gaming voucher transfer form), which shall contain, at a minimum, the following:

(1) The gaming date, shift and time of preparation;

(2) The total number and value of unscanned gaming vouchers redeemed during the cashier's shift; and

(3) The signature and license number of the cashier preparing the form;

vi. The unscanned gaming voucher transfer form shall be transferred with the corresponding unscanned gaming vouchers to the main bank or master coin bank at the end of the cashier's shift;

vii. Unscanned gaming vouchers transferred to the main bank or master coin bank shall remain in the main bank or master coin bank, where they shall be secured in a locked compartment, with access to the key limited to department supervisors, subject to the requirement that such vouchers be scanned or voided in the system within seven days;

viii. Unscanned gaming vouchers that are subsequently scanned in the main bank or master coin bank and verified and electronically canceled in the system subsequent to the cashier's shift during which they were redeemed shall be processed together with the gaming vouchers redeemed during the gaming day on which they were scanned pursuant to (d)1 above; and

ix. Unscanned gaming vouchers that the system fails to verify and electronically cancel when they are subsequently scanned shall be treated as unverified gaming vouchers.

(1) If they are scanned during the cashier's shift during which they were redeemed, they shall be recorded and transferred in accordance with (d)9 and (10) below.

(2) If they are scanned in the main bank or master coin bank, a supervisor shall prepare an unverified gaming voucher transfer form summarizing the number and total value of the unverified gaming vouchers, and they shall be transferred to casino accounting in accordance with (d)11 below.

7. Notwithstanding the requirements of (d)1 above, a casino licensee may redeem a gaming voucher that the gaming voucher system fails to verify and electronically cancel when it is scanned (unverified gaming voucher) provided that:

i. The voucher is redeemed by a general cashier or slot cashier or above, at a location approved in accordance with the requirements of N.J.A.C. 19:45-1.55;

ii. If the value of the voucher exceeds \$500.00, the cashier or supervisor shall identify the presenting patron and record the following information on the gaming voucher:

(1) The name of the patron; and

(2) The initials and license number of the cashier or supervisor who identified the patron;

iii. The voucher is physically cancelled in a manner required by the casino licensee's approved internal controls; and

iv. The voucher is physically segregated and secured with other unverified gaming vouchers until transferred to the main bank or master coin bank in accordance with (d)9 and 10 below; provided, however, that nothing shall preclude the cashier or supervisor from re-scanning an unverified gaming voucher during the cashier's shift, and if the gaming voucher is verified and electronically cancelled in the system when it is re-scanned, the gaming voucher shall thereafter be processed with the gaming vouchers redeemed during the shift pursuant to (d)1 above.

8. If a casino licensee elects not to redeem an unverified gaming voucher, the casino licensee shall:

i. Retain the voucher;

ii. Require a general cashier or slot cashier or above to prepare a two-part receipt (gaming voucher receipt) containing, at a minimum, the following:

(1) The gaming date, shift and time of preparation;

(2) The serial number and stated value of the gaming voucher;

(3) The location at which the gaming voucher was presented for redemption;

(4) The name and address of the patron who presented the gaming voucher; and

(5) The name, license number and signature of the cashier or supervisor thereof preparing the gaming voucher receipt; and

iii. Distribute the completed gaming voucher receipt as follows:

(1) The original shall be attached to the corresponding unverified gaming voucher and transferred to the main bank or master coin bank at the end of the cashier's shift; and

(2) The duplicate shall be presented to the patron.

9. Unverified gaming vouchers redeemed or retained during a cashier's shift pursuant to (d)7 and 8 above shall be recorded on a form (unverified gaming voucher transfer form), which shall contain, at a minimum, the following:

- i. The gaming date, shift and time of preparation;
- ii. The total number and value of unverified gaming vouchers redeemed or retained during the cashier's shift; and
- iii. The signature and license number of the cashier preparing the form.

10. The unverified gaming voucher transfer form shall be transferred with the corresponding unverified gaming vouchers to the main bank or master coin bank at the end of the cashier's shift.

11. At the end of each gaming day, all unverified gaming vouchers redeemed or retained pursuant to (d)7 and 8 above shall be transferred to casino accounting with the corresponding unverified gaming voucher transfer form, where they shall be separately accounted for.

12. If, in the course of an investigation conducted pursuant to (d)13 and 14 below, an unverified gaming voucher that was retained but not redeemed pursuant to (d)8 above is determined to be valid, the casino licensee shall, in accordance with its approved internal controls, pay the patron identified on the corresponding gaming voucher receipt in redemption of the gaming voucher.

13. A casino licensee shall investigate all unverified gaming vouchers for which it seeks a deduction from gross revenue pursuant to (a)4i above, all unverified gaming vouchers that it elects not to redeem pursuant to (d)8 above and, if necessary, a sufficient number of unverified gaming vouchers that it redeems pursuant to (d)7 above to represent a 10 percent sample of all unverified gaming vouchers. The investigation shall be conducted by the department responsible for the operation of slot machines and/or casino accounting in consultation, as necessary, with the MIS department to determine the reason the gaming voucher system failed to verify and electronically cancel the gaming vouchers.

14. The results of each investigation conducted pursuant to (d)13 above shall be recorded in a log (unverified gaming voucher log) that shall contain, at a minimum, the following:

- i. The gaming date, shift and time of preparation;
- ii. As to each unverified gaming voucher, the following:
 - (1) The issuance date and serial number of the voucher;
 - (2) The stated value of the voucher;
 - (3) The date the voucher was presented for redemption;
 - (4) If redeemed, the amount paid to the patron;
 - (5) The name of the patron if the voucher was redeemed for more than \$500.00;
 - (6) The location at which the voucher was redeemed;
 - (7) The exact text displayed by the gaming voucher system when the voucher was scanned at the time of redemption;
 - (8) The manufacturer, product type and asset number of the slot machine that issued the gaming voucher;
 - (9) If applicable, the manufacturer, product type and asset number of the slot machine or gaming voucher redemption machine that failed to properly redeem the gaming voucher; and

(10) The actual reason that the system failed to verify and electronically cancel the gaming voucher or, if the actual reason cannot be determined after a diligent investigation, the probable reason; and

iii. The signature and license number of the employee preparing the log.

15. If the unverified gaming voucher log is not prepared by casino accounting, the original log shall be transferred to casino accounting within 48 hours. A copy of the log shall be maintained by the preparer of the log, and a copy shall be forwarded to the Commission's principal inspector.

16. The casino licensee shall, in accordance with the schedule set forth in (d)17 below, summarize the results of the investigations recorded on unverified gaming voucher logs in a report (unverified gaming voucher log summary report) that includes, at a minimum, the following:

i. The total number of unverified gaming vouchers that were, as applicable, issued or rejected for redemption, listed and grouped by the product type of each slot machine manufacturer or gaming voucher redemption machine manufacturer; and

ii. The total number and value of unverified gaming vouchers listed and grouped by the reported actual or probable cause for the failure of the system to verify and electronically cancel the vouchers.

17. An unverified gaming voucher log summary report shall be filed twice a month with the Division and the Commission's principal inspector, and all supporting documentation shall be retained. The first report shall summarize all unverified gaming voucher logs prepared for gaming vouchers presented for redemption from the 1st to the 15th of the month and shall be filed on or before the end of the month. The second report shall summarize all unverified gaming voucher logs prepared for gaming vouchers presented for redemption from the 16th to the end of the month and shall be filed on or before the 15th of the following month.

18. Any unverified gaming voucher determined to be a suspicious gaming voucher in the course of the investigation conducted pursuant to (d)13 above shall be transmitted to the Division with the Division's copy of the corresponding unverified gaming voucher log summary report, and a copy of the suspicious gaming voucher shall be retained by casino accounting. All remaining unverified gaming vouchers shall be retained by the casino licensee in accordance with the requirements of N.J.A.C. 19:45-1.8(c)3iv.

19. Notwithstanding the requirements of (d)1 above, upon presentation of a gaming voucher for redemption at a slot machine, the total value of which voucher cannot be completely converted into slot credits due to the denomination of the slot machine, the slot machine shall perform one of the following procedures, as specified in the casino licensee's approved internal controls:

i. If the slot machine was approved after January 1, 2011, the slot machine shall store the value of that portion of the gaming voucher that cannot be converted into slot credits in the memory of the slot machine and return the stored value along with any other slot credits belonging to the patron when the patron cashes out; or

ii. If the slot machine was approved prior to January 1, 2011, the slot machine shall:

(1) Automatically issue a new gaming voucher containing the value that cannot be completely converted, either immediately or upon the patron's request; or

(2) Not redeem the gaming voucher and immediately return the voucher to the patron; or

(3) Comply with the provisions of (d)19i above.

20. Any casino licensee that issues a gaming voucher in lieu of equipping a slot machine with a hopper shall have a slot monitoring system with the capability to preclude the generation of a Hopper Fill in accordance with the provisions of N.J.A.C. 19:45-1.41 for such slot machine, with no

cashier having the ability to override such restriction, and shall have approved internal controls that identify by whom and the manner by which the non-hopper feature is enabled and to identify slot machines with a hopper separately from those without a hopper to ensure the proper collection, recordation, and reconciliation of gross revenue.

21. Any casino licensee that utilizes a system or a slot machine that does not print a test gaming voucher that is visually distinguishable from a valid gaming voucher whenever the slot machine is tested on the casino floor by a slot attendant, slot mechanic, or slot supervisor shall have approved internal controls for the issuance of test currency to a slot attendant, slot mechanic, or slot supervisor from the Cashier's Cage and the return and reconciliation of such test currency and any gaming vouchers printed during the testing process.

(e) Notwithstanding the requirements of (d) above, if a patron requests by mail to redeem a gaming voucher in any value, the casino licensee may effectuate such redemption, however, only by a cage supervisor as defined in N.J.A.C. 19:45-1.1, in accordance with the casino licensee's approved internal controls, which shall include, at a minimum, the following:

1. Procedures for using the system to verify the validity of the serial number and value of the voucher, which, if valid, shall be immediately canceled electronically by the system; and

2. Procedures for the issuance of a casino check containing the value of the voucher.

(f) Any amount paid to a patron in redemption of an unverified gaming voucher shall not be required to be recorded as a cash complimentary in accordance with the provisions of N.J.A.C. 19:45-1.9.

(g) On a daily basis, with the exception of unscanned gaming vouchers held by the main bank or master coin bank for subsequent scanning pursuant to (d)6vii above, all gaming vouchers shall be counted in accordance with this

subsection and transported to the casino accounting department in a manner approved by the Commission.

1. All gaming vouchers redeemed by a bill changer shall be counted in the count room in accordance with N.J.A.C. 19:45-1.33 and shall be transported to the casino accounting department upon conclusion of the count process.

2. All gaming vouchers redeemed at a gaming voucher redemption machine shall be counted in accordance with approved internal controls in a count room in accordance with N.J.A.C. 19:45-1.33A(a)10 or at the cashier's cage in accordance with N.J.A.C. 19:45-1.33A(a)9, documented on a Balance Receipt by a main bank or master coin bank cashier and thereafter transported to the casino accounting department separate from all other inventory items.

i. If the gaming vouchers have been counted in account room, the main bank or master coin bank shall perform a piece count of 10 percent of the number of strapped gaming vouchers and, if in agreement, record the value of all gaming vouchers, currency and coupons, as a credit. The gaming vouchers shall be transported with the Original Balance Receipt to the casino accounting department, and the currency shall be transported with the duplicate Balance Receipt to the main bank or master coin bank.

3. All gaming vouchers redeemed at a cashiering location shall be counted by the main bank or master coin bank, and [a] either:

i. A casino accounting representative shall, prior to accepting a transfer of the vouchers, perform a piece count of the vouchers being transferred, compare the result of such count to a record of all vouchers recorded [as credits] by the main bank or master coin bank, and sign the document attesting to the accuracy of the information recorded thereon. All gaming vouchers shall be then transported to the casino accounting department[.]; or

ii. A casino accounting representative shall sign a document approved by the Commission acknowledging receipt of the vouchers, transport

the vouchers in a sealed bag to the casino accounting department, perform a piece count of the vouchers, compare the result of such count to a record of all vouchers recorded by the main bank or master coin bank, and sign the document attesting to the accuracy of the information recorded thereon.

(h) Casino accounting department representatives with no incompatible functions shall perform, at a minimum, the following:

1. On a daily basis:

i. Review for the propriety of signatures and all other information on gaming voucher documentation as required in accordance with the provisions of this chapter;

ii. Compare gaming voucher system reports to gaming vouchers received in accordance with (g) above to ensure proper electronic cancellation of gaming vouchers;

iii. Calculate the unredeemed liability for gaming vouchers, such as by reconciling the total number and value of redeemed gaming vouchers to the total number and value of gaming vouchers issued through the use of system reports generated in accordance with the requirements of (d)4iii above, unless the system performs the calculation in a manner approved by the Commission;

iv. Unless the casino licensee utilizes counting equipment in its cashiers' cage or count room that enables its gaming voucher system to verify the serial number and obtain the value of gaming vouchers redeemed at locations other than slot machines, reconcile the serial number and value of gaming vouchers to the system report(s) generated pursuant to (d)4 above, by examining:

(1) No less than five percent of all gaming vouchers redeemed at such locations; or

(2) A random sample of all gaming vouchers redeemed at such locations, provided, however, that the random sample shall have a statistical confidence level of 95 percent with a precision of plus or minus two

percent and that the Commission shall have approved the procedures for selecting the sample size and for assuring a proper selection of the sample.

v. Verify that casino accounting has received:

(1) The closing paperwork for each cashier

and supervisor who redeemed gaming vouchers during the gaming day; and

(2) The Balance Receipt prepared for each gaming voucher redemption machine in conjunction with the bill validator drop performed at the end of the gaming day.

vi. Complete the Slot Win Report for the recordation of all gaming voucher revenue and deductions for gaming vouchers redeemed in accordance with the following:

(1) Gaming voucher drop shall be the greater of the value of gaming vouchers redeemed, as recorded on the gaming voucher system report required by (d)4ii above, or the value of gaming vouchers counted in the count room, as recorded on the Slot Cash Storage Box Report, provided, however, that unsecured gaming vouchers shall be separately reported on the Slot Win Report in accordance with N.J.A.C. 19:45-1.42;

(2) Deductions for gaming voucher redemptions by a bill changer or at a cashiering location shall be the lesser of the value, as recorded on the gaming voucher system report required by (d)4ii above, or the total value of gaming vouchers counted in the count room, as recorded on the Slot Cash Storage Box Report plus the value of gaming vouchers transferred in accordance with (g) above. Deductions for gaming voucher redemptions by a gaming voucher redemption machine shall be calculated in accordance with N.J.A.C. 19:45-1.33A(b); and

(3) No adjustment shall be made to the amounts recorded on the Slot Win Report in accordance with (g)1v(1) and (2) above unless the reason for the adjustment is adequately documented by casino accounting in accordance with the approved internal controls of the casino licensee and the

adjustment is necessary in order to accurately report the casino licensee's gross revenue; and

vii. Attach or file with the Slot Win Report for the applicable gaming day any system reports and other items approved in the casino licensee's internal controls as supporting documentation;

2. On a weekly basis:

i. Compare the readings of the slot machine meters required pursuant to N.J.A.C. 19:45-1.37(b)5 and (e)4 to the number and value of issued and redeemed gaming vouchers, as applicable; and

ii. Review exception reports and audit logs;

3. Sign each system report or item reviewed in accordance with internal controls approved pursuant to (g), (g)1, and (g)2 above, attesting to the accuracy of the information recorded thereon; and

4. Maintain and control redeemed gaming vouchers until destruction in accordance with the requirements of N.J.A.C. 19:45-1.8.

(i) No adjustment to the value of any gaming voucher shall be made without the approval of the Commission.

(j) Employees of a casino licensee who are authorized to receive gaming vouchers as personal gratuities may redeem the gaming vouchers only at the cashiers' cage or a slot booth, subject to the terms and conditions set forth in (c) and (d) above. Gaming vouchers valued at more than \$100 shall be redeemed at the cashiers' cage only with the approval of the supervisor of the cashier conducting the redemption transaction.

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19:45-1.55 Computerized gaming voucher systems; required procedures

(a) In order to issue or redeem gaming vouchers in accordance with the procedures at N.J.A.C. 19:45-1.54, a casino licensee shall operate a computerized gaming voucher system (system) which satisfies the requirements of this section. Each slot machine, gaming voucher redemption machine and other location that redeems gaming vouchers shall be connected to such a system, provided that no slot machine, gaming voucher redemption machine or other redemption location may be connected to, or disconnected from, such a system without approved internal controls and prior written approval of the Commission to connect or disconnect each slot machine and other redemption location. If the system is used by a gaming voucher redemption machine or count room equipment to obtain the value of a gaming voucher, the system shall perform a calculation or integrity check of the value of each gaming voucher. In the case of a gaming voucher redemption machine, the calculation or integrity check shall be performed prior to permitting the gaming voucher to be redeemed by the gaming voucher redemption machine.

(b) All aspects of a system, including all hardware and software utilized therein, shall be subject to testing by the Division pursuant to N.J.A.C. 19:46-1.28 and review and approval by the Commission prior to the implementation of the system by the casino licensee and following implementation, prior to any changes thereto.

(c) Each system shall perform the following functions, at a minimum, in order to control logical access to the system:

1. Generate daily monitoring logs of user access, security incidents and unusual transactions, and immediately notify the MIS department of critical security incidents and unusual transactions in a manner approved by the Commission;
2. Be capable of assigning rights and privileges to each user, including:

i. Allowance for the secure administration of a unique system account for each user to provide an adequate segregation of duties; and

ii. Contain adequate password parameters such as lockout, minimum length, and expiration interval;

3. Use appropriate access permissions to restrict unauthorized users from viewing, changing or deleting critical files and directories; and

4. Utilize encryption for files and directories containing critical or sensitive data, which at a minimum shall include the unredeemed gaming voucher record. Notwithstanding the foregoing, in lieu of utilizing encryption for files and directories containing critical or sensitive data, the system shall be designed to permit, and the casino licensee shall implement, internal controls approved by the Commission to restrict users from viewing the contents of such files and directories, which internal controls shall, at a minimum, provide for the following:

i. The effective segregation of duties and responsibilities with regard to the system in the MIS department; and

ii. The automatic monitoring and recording by the system of access by any person to such files and directories.

(d) Each system shall perform the following functions, at a minimum, in order to control system operations:

1. Generate daily monitoring logs and alert messages for system performance, hardware problems, and software errors;

2. Authenticate the identity of a slot machine, gaming voucher redemption machine or other redemption location from which a transmission of data is received;

3. Ensure that all data sent through a transmission is completely and accurately received;

4. Detect the presence of corrupt or lost data packets and, as necessary, reject the transmission; and

5. Utilize an appropriate cryptographic system, such as public/private key encryption, for all critical transmissions of data, such as transmissions that include a gaming voucher serial number, slot machine meter information, or any other information used in the calculation or verification of gross revenue.

(e) Each system shall perform the following functions, at a minimum, in order to control the integrity of data:

1. Generate a unique serial number for each gaming voucher, with a portion of the serial number comprised of randomly generated numbers, symbols or characters, as approved by the Commission, or by such other method as approved by the Commission, which numbers, symbols or characters shall be constructed in a manner so as to prevent a person from being able to predict the composition of any other serial number generated by the system;

2. Validate the data type and format of all inputs to critical fields and reject any corrupt data;

3. Provide for the automatic and independent recordation of critical data upon gaming voucher generation and redemption, including at a minimum, the information specified in N.J.A.C. 19:45-1.54(b)1 through 5;

4. Provide for verification of the information contained on a gaming voucher presented for redemption and the unredeemed gaming voucher record to a source that separately records and maintains transaction data, such as an automated transaction log, or such other compensating procedure as approved by the Commission, which procedure shall:

i. Independently verify the accuracy of the gaming voucher serial number and value prior to redeeming the gaming voucher; and

ii. Not be used to satisfy any other requirements of this chapter; and

5. Segregate all security critical system programs, files and directories from all other programs and files and directories contained in the system.

(f) Each system shall be equipped with the following, at a minimum, in order to address continuity:

1. Data redundancy, such as disk mirroring, which writes a complete and duplicate copy of all data on the primary disk to a secondary disk as it occurs, to permit a complete and prompt recovery of all information in the event of any malfunction;

2. Environmental protection, such as an uninterruptible power supply, and fireproof and waterproof materials designed to protect critical hardware from a natural disaster; and

3. A backup capability, which enables the casino licensee to create, in accordance with procedures approved pursuant to (h)10 below, periodic backup copies of files and data on a removable storage device, such as magnetic tape, which shall be separate from the devices required in accordance with (f)1 above.

(g) Each system shall immediately inform the casino licensee of any malfunction, in a manner approved by the Commission. Following any malfunction of a system, the casino licensee shall immediately notify the Commission and Division, and shall not utilize the system until the malfunction has been successfully repaired. Notwithstanding the foregoing, the Commission may permit a casino licensee to utilize the system prior to it being successfully repaired, for a period not to exceed 72 hours, provided that:

1. The malfunction is limited to a single storage media device, such as a hard disk drive;

2. In addition to the malfunctioning storage media device, the system contains a backup storage media device not utilized in the normal operation of the system, which backup device shall immediately and automatically replace the malfunctioning device, to permit a complete and

prompt recovery of all information in the event of an additional malfunction;
and

3. Continued use of the malfunctioning system would not inhibit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.

(h) Prior to implementing a system, each casino licensee shall establish a system of internal controls which addresses the integrity, security and control of its system which internal controls shall be submitted to the Commission for approval and shall, at a minimum, provide for the following:

1. Documentation of the system design and layout in both narrative and diagrammatic formats, user manuals, and a list of all configurable options and settings;

2. Copies of all documents generated in accordance with the requirements of (c)1 and (d)1 above;

3. Procedures for assigning a slot machine's asset number and identifying a gaming voucher redemption machine and other redemption locations in the system, and enabling and disabling voucher capabilities for such slot machines and redemption locations;

4. Procedures for issuance, modification, and termination of a unique system account for each user in accordance with the requirements of (c)2i above;

5. Constraints used to configure and maintain user passwords in accordance with the requirements of (c)2ii above;

6. Procedures for restricting special rights and privileges, such as "administrator" and override capabilities, in accordance with the requirements of (c)3 above;

7. The duties and responsibilities of the MIS, internal audit, slot and casino accounting departments, respectively, and the level of access for each position with regard to the system, in accordance with the requirements of (c)3 above;

8. Identification of all software files and directories, the location and a description of each, and the reports generated from such files, which software files, directories, and locations shall not be changed except in accordance with the provisions of (i) below;

9. A description of physical controls on all critical hardware such as locks and surveillance, including the location and security of each piece of equipment as approved by the Commission;

10. Procedures for the backup and timely recovery of critical data and failure analysis, in accordance with the requirements of (f)3 above;

11. Logs used to document and maintain the details of any hardware and software modifications upon implementation, which modifications shall be first approved in accordance with the provisions of (i) below and thereafter performed in accordance with the requirements of (j) below; and

12. Procedures for reviewing the system's operation and, the adequacy and effectiveness of policies and procedures.

(i) Prior to implementing any programming change, upgrade, or hardware addition or replacement to an existing system, the casino licensee shall provide at least 72 hours advanced written notice to the Commission and Division in accordance with the requirements of this subsection, except that the Commission may permit a casino licensee to change or upgrade non-critical software files or directories or hardware, as recommended by the Division and specifically identified in the casino licensee's approved internal controls, provided that written notice in accordance with the requirements of this subsection shall be filed within 24 hours following the change. Any written notice filed by a casino licensee in accordance with this subsection shall include, without limitation, the following:

1. A description of the reasons for the proposed modification;
2. A list of the computer components and programs or versions to be modified or replaced;

3. A description of any screens, menus, reports, operating processes, configurable options, or settings that will be affected;
4. The method to be used to complete the proposed modification;
5. Date that the proposed modification will be installed and the estimated time for completion;
6. Name, title, and employer of the person(s) to perform the installation;
7. A diagrammatic representation of the proposed hardware design change;
8. Restriction on “update” access to the production code to the person implementing the modification; and
9. Procedures to ensure that user and operator manuals are updated to reflect changes in policies and procedures resulting from the proposed modification.

(j) Subject to any testing required pursuant to N.J.A.C. 19:46-1.28 and approval by the Commission upon receipt of the notification required by (i) above, modifications to the system shall be installed in the presence of an employee of the MIS department with no incompatible functions and a Commission inspector. Following completion of the modification, the casino licensee shall generate a record detailing the modification on the system or, if the system does not have the capability of generating such a record, such other record as may be required by the Commission. In the event the Commission determines that testing is required after the modification, the Commission shall establish the terms and conditions of such a test.

(k) In order to obtain a determination from the Commission that a system, as installed and configured by a casino licensee, can accurately perform the functions set forth in (c) through (f) above, the casino licensee shall, without limitation, perform the following:

1. Submit certifications from the manager of its MIS department and a qualifier of the company that manufactured the system, both initially

and following any changes to the gaming voucher system as approved pursuant to N.J.A.C. 19:46-1.20, stating that the system, as installed and configured by the casino licensee, can accurately perform the functions set forth in (c) through (f) above;

2. Successfully complete a minimum 60 day test of the system under terms and conditions established by the Commission;

3. Have approved internal controls as required by (h) above; and

4. Provide access to the system to the Commission and Division in a manner and from such locations as approved by the Commission and Division.

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