

LAW AND PUBLIC SAFETY

DIVISION OF GAMING ENFORCEMENT

Gaming Accounting Controls and Standards

Electronic Credit System; Patron Deposits, Credit Account Withdrawals, and Redemption Transactions

Proposed New Rule: N.J.A.C. 13:69D-1.27B

Authorized By: David Rebeck, Director, Division of Gaming Enforcement.

Authority: N.J.S.A. 5:12-69, 70, 76, and 100.

Calendar Reference: See Summary below for explanation of exception to calendar requirement.

Proposal Number: PRN 2013-079.

Submit written comments by July 19, 2013 to:

Lon E. Mamolen, Deputy Attorney General

Division of Gaming Enforcement

1300 Atlantic Avenue

Atlantic City, NJ 08401

The agency proposal follows:

Summary

Proposed new N.J.A.C. 13:69D-1.27B authorizes a casino licensee to use an electronic credit system, approved by the Division, to process electronic counter checks and patron deposits consistent with the rules governing their non-electronic counterparts.

The proposed new rule specifies required capabilities of an electronic credit system, independently or in conjunction with another computer system as approved by the Division.

The proposed new rule prescribes procedures for a voided transaction processed through an electronic credit system, as well as procedures in the event the electronic credit system becomes inoperable.

The proposed new rule delineates the duties of a cashier with no incompatible functions in processing an electronic patron deposit or a withdrawal utilizing an electronic credit system. In addition, the proposed new rule delineates the duties of a slot attendant and slot supervisor in processing an electronic patron withdrawal at a slot machine, as well as the duties of a casino clerk and casino supervisor in processing an electronic withdrawal at a gaming table utilizing an electronic credit system.

The proposed new rule enables a patron to redeem an electronically issued counter check in full at a gaming table upon presentation of only chips or plaques to a dealer. The new rule sets forth procedures for a casino supervisor to complete the redemption transaction. Further, the new rule delineates the procedures for a cage cashier in processing the full or partial redemption of a patron's electronically issued counter check at the cashiers' cage upon presentation of cash, cash equivalents, complimentary cash gifts, slot tokens, gaming chips, or plaques or checks authorized pursuant to section 101 of the Casino Control Act, N.J.S.A. 5:12-1 et seq.

The proposed new rule sets forth the respective procedures for a patron to substitute and consolidate electronically issued counter check(s).

Finally, the proposed new rule requires a casino licensee that uses an electronic credit system to record each electronic deposit and credit account withdrawal by a patron at a gaming table on its Master Game Report in accordance with a methodology approved by the Division.

This notice of proposal is not required to be referenced in a rulemaking calendar since a public comment period of 60 days is being provided. See N.J.A.C. 1:30-3.3(a)5.

Social Impact

The proposed new rule would facilitate patron deposits and withdrawals from deposit or credit accounts with a casino licensee for a multitude of gaming transactions including issuance, redemption, substitution, and consolidation of counter checks to make these transactions easier.

Economic Impact

The proposed new rule, as more patrons grow comfortable with the use of an electronic credit system, would enable a casino licensee to achieve certain efficiencies in conducting many gaming transactions. These efficiencies should provide some long-term cost savings to casino licensees. In addition, companies that sell, install, and service electronic credit systems within a casino licensee's accounting and gaming operations stand to derive an economic benefit.

Federal Standards Statement

A Federal standards analysis is not required because the proposed new rule is authorized by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., and is not subject to Federal law.

Jobs Impact

The proposed new rule is not anticipated to create new jobs in the gaming industry, except to the extent that companies that sell, install, and service electronic credit systems may hire additional personnel for this new segment of business.

Agriculture Industry Impact

The proposed new rule will have no impact on agriculture in New Jersey.

Regulatory Flexibility Statement

The proposed new rule will only affect the operations of New Jersey casino licensees and companies that sell, install, and service electronic credit systems, none of which is a "small business" as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq. because they all employ more than 100 full-time employees. Accordingly, a regulatory flexibility analysis is not required.

Housing Affordability Impact Analysis

The proposed new rule will have no impact on the affordability of housing in the State of New Jersey, nor will it evoke a change in the average costs associated with housing because the rule affects electronic payment systems in the casinos in Atlantic City.

Smart Growth Development Impact Analysis

The proposed new rule will have no impact on housing production in Planning Areas 1 and 2, or within the designated centers, under the State Development and Redevelopment Plan in the State of New Jersey because the rule affects electronic payment systems in the casinos in Atlantic City.

Full text of the proposed new rule follows:

13:69D-1.27B Electronic credit system; patron deposits, credit account withdrawals, and redemption transactions

(a) A casino licensee may use an electronic credit system, approved by the Division, to process electronic counter check transactions and/or patron deposit transactions in a manner consistent with N.J.A.C. 13:69D-1.24, 1.25, 1.26, 1.28, and 1.29.

(b) The electronic credit system shall be capable of maintaining independently or in conjunction with another computer system as approved by the Division, the following information:

1. A digital photograph and signature of the patron;
2. Encrypted employee and patron personal identification numbers (PINs);
3. For each patron account and transaction, the information required to be recorded by N.J.A.C. 13:69D-1.24, 1.25, 1.26, 1.28, and 1.29, as applicable; and
4. A record of each electronic transaction, printable in the check bank, which record shall include at a minimum:
 - i. Date and time;
 - ii. Transaction type;
 - iii. Document number;
 - iv. Location;
 - v. Patron name and account number; and
 - vi. Amount.

(c) If a transaction processed pursuant to this section is required to be voided, a cashiers' cage supervisor or above shall follow procedures set forth in the casino

licensee's internal controls. A record of the voided transaction and the reason for the void shall be maintained in the electronic credit system.

(d) If the electronic credit system becomes inoperable, all patron deposit or counter check transactions shall be accurately recorded and all revenue accounted for in accordance with the licensee's internal controls.

(e) For patron deposits utilizing the electronic credit system, a cashier with no incompatible functions shall:

1. Access the patron's account in the electronic credit system using a portable device or other approved method by entering his or her PIN or other method of identification approved by the Division;

2. Credit the patron's account by the amount of the deposit;

3. Input the date and method of deposit (for example, cash, chips, or other authorized items);

4. Require the patron to enter his or her PIN and signature to verify the amount of the deposit;

5. Digitally sign attesting to the accuracy of the transaction; and

6. Generate a two-part receipt detailing the transaction, one part to be provided to the patron and the other to be maintained by the cashier as part of his or her imprest inventory.

(f) Electronic withdrawals from a patron's deposit or credit account (counter checks) that occur at the casino cage or other location approved by the Division not specifically addressed in this section shall be issued by a cashier with no incompatible functions in the presence of another cashier or a slot supervisor. The cashier shall:

1. Access the patron's file in the electronic credit system using a portable device or other approved method;
2. Enter the amount requested, which the system shall reject if the amount exceeds the amount available;
3. Require the patron to enter his or her PIN and record his or her digital signature in the system;
4. Verify the patron's identity by comparing the patron's appearance to the digital photograph in the electronic credit system;
5. Enter his or her PIN and signature verifying the accuracy of the transaction;
6. Present the portable device to a slot supervisor for verification who shall enter his or her PIN and signature verifying the accuracy of the transaction;
7. Disburse the funds as requested by the patron (cash, electronic counter check, casino check, wire transfer, cashier generated voucher, or electronic transfer); and
8. Generate a document to be maintained by the cashier as part of his or her imprest inventory.

(g) Electronic withdrawals from a patron's deposit or credit account that occur at a slot machine shall be issued as follows:

1. A slot attendant shall prepare a two-part Counter Check Request (Request) consisting of an original and a duplicate, which shall include, at a minimum:
 - i. Patron's name and account number;
 - ii. Date and time of the request;
 - iii. Asset number and location;
 - iv. Amount requested;

v. Method of withdrawal (for example, cash or cashier-generated voucher);

vi. The patron's response to the printed question: "Are you the Governor, any State officer or employee, or any special State officer or employee, any member of the Judiciary, any member of the Legislature, any officer of a municipality or county in which casino gaming is authorized, or any gaming related casino employee?";

vii. Signature of the patron; and

viii. Signature of the slot attendant processing the transaction.

2. The slot attendant shall present the Request to a cashier with no incompatible function who shall verify that there are sufficient funds in the patron's account to satisfy the request.

3. The cashier processing the Request shall disburse the funds to the slot attendant in the presence of a slot supervisor and:

i. Sign the Request;

ii. Maintain the original of the Request as a part of his or her imprest inventory;

iii. Provide the slot attendant with a portable device connected to the electronic credit system; and

iv. Provide the duplicate of the Request to the slot attendant.

4. The slot attendant, accompanied by a slot supervisor, shall transport the funds to the patron at the slot machine. Prior to presenting the funds to the patron, the slot attendant shall:

i. Access the patron's file in the electronic credit system using a portable device or other approved method by entering his or her PIN;

ii. Enter the amount requested, which the system shall reject if the amount exceeds the amount available;

iii. Require the patron to enter his or her PIN and record his or her digital signature in the system;

iv. Verify the patron's identity by comparing the patron's appearance to the digital photograph in the electronic credit system;

v. Present the portable device to the supervisor who shall enter his or her PIN and signature on the portable device verifying the accuracy of the transaction;

vi. Disburse the funds as requested by the patron (cash or cashier generated gaming vouchers); and

vii. Drop the duplicate of the Request in a locked accounting box.

5. If the transaction cannot be completed for any reason, the slot attendant and supervisor shall return the funds and the Request to a cashier with no incompatible functions. The cashier shall clearly and conspicuously record "VOID" on the duplicate of the Request and maintain the document as part of his or her imprest inventory.

6. On a daily basis, the casino accounting department shall compare the original and duplicate Requests to the electronic credit system. Any instances of misappropriation of funds or other irregularities shall be immediately reported to the Division.

(h) Electronic patron deposit or credit account withdrawals that occur at a gaming

table shall be processed by a casino clerk or casino supervisor. The casino clerk or casino supervisor shall:

1. Access the patron's file in the electronic credit system using a portable device or other approved method by entering his or her PIN;

2. Enter the amount requested, which the system shall reject if the amount exceeds the amount available;

3. Require the patron to enter his or her PIN and record his or her digital signature in the system;

4. Verify the patron's identity by comparing the patron's appearance to the digital photograph in the electronic credit system;

5. Enter his or her PIN and signature on the portable device verifying the accuracy of the transaction;

6. Require the dealer to enter his or her PIN and record his or her digital signature in the system;

7. Instruct the dealer to place the portable device and chips or plaques in a manner that allows for the display of the value on the portable device and chips or plaques to be viewed by the surveillance department;

8. Require the dealer to disburse the chips and/or plaques in the amount requested by the patron; and

9. If required by the Division, generate a document that shall be deposited in the drop box.

(i) A patron may redeem his or her electronically issued counter check(s) at a gaming table. Only full redemptions shall be permitted at a gaming table by presenting only

chips or plaques to a dealer. Prior to accepting the funds, the dealer shall summon a casino supervisor who shall:

1. Enter his or her PIN on a portable device;
2. Access the patron's file in the electronic credit system using the portable device or other approved method;
3. Verify the patron's identity by comparing the patron's appearance to the digital photograph in the electronic credit system;
4. Determine which outstanding counter check(s) will be redeemed;
5. Verify the total amount of outstanding counter check(s) being redeemed;
6. Verify that the amount presented agrees with the total amount of the electronic counter check(s) to be redeemed;
7. Instruct the dealer to verify that the chips or plaques equal the amount of outstanding counter check(s) being redeemed;
8. Instruct the dealer to display the portable device in a manner that allows for the portable device to be viewed by the surveillance department;
9. Require the dealer to enter his or her PIN and record his or her digital signature in the system;
10. Observe the dealer place the chips or plaques in the table inventory container;
11. Enter his or her PIN and signature on the portable device acknowledging the completion of the transaction;
12. Generate a two-part receipt detailing the transaction, one part to be provided to the patron and the other deposited into the drop box.

(j) A patron may fully redeem his or her electronically issued counter check(s) at a cashiers' cage by presenting cash, cash equivalents, complimentary cash gifts, slot tokens, gaming chips, or plaques or checks authorized pursuant to section 101 of the Act. A cage cashier shall:

1. Access the patron's file in the electronic credit system using a portable device or other approved method by entering his or her PIN;

2. Determine which outstanding counter check(s) will be redeemed;

3. Verify the total amount of outstanding counter check(s) being redeemed;

4. Verify that the amount presented agrees with the total amount of the electronic counter check(s) to be redeemed;

5. Sign the portable device acknowledging the completion of the transaction;
and

6. Generate a two-part receipt documenting the transaction, one part to be provided to the patron and the other to be maintained by the cashier as part of his or her imprest inventory.

(k) A patron may partially redeem his or her electronically issued counter check only at a cashiers' cage by presenting cash, cash equivalents, complimentary cash gifts, slot tokens, gaming chips, or plaques or checks authorized pursuant to section 101 of the Act. A cage cashier shall:

1. Access the patron's file in the electronic credit system using a portable device or other approved method by entering his or her PIN;

2. Determine which outstanding counter check will be partially redeemed;

3. Verify the amount presented and create an electronic counter check in

accordance with (f) above for the difference between the amount presented and the electronic counter check being partially redeemed;

4. Sign the portable device acknowledging the completion of the transaction;
and

5. Generate a two-part receipt documenting the transaction, one part to be provided to the patron and the other to be maintained by the cashier as part of his or her imprest inventory.

(l) A patron may substitute his or her electronically issued counter check(s) at a casino cage by:

1. Presenting a personal check drawn on an account that has been verified and recorded in the patron's credit file, whereupon a cashier with no incompatible function shall enter the transaction in the electronic credit system; or

2. Drawing an electronic counter check in accordance with this section on a different account that has been verified and recorded in the patron's credit file.

(m) A patron may consolidate his or her electronically issued counter checks at a cashiers' cage in accordance with a casino licensee's internal controls.

(n) A casino licensee that uses an electronic credit system shall record each electronic deposit and credit account withdrawal by a patron at a gaming table on the Master Game Report required by N.J.A.C. 13:69D-1.33 in accordance with a methodology approved by the Division.