Full text of the proposal follows (additions indicated in boldface **thus**):

13:69D – 1.11 Casino licensee's organization

(a) (No change.)

(b) In addition to satisfying the requirements of (a) above, each casino licensee's system of internal controls shall include, at a minimum, the following departments and supervisory positions. Each of the departments and supervisors required or authorized by this section (a "mandatory" department or supervisor) shall cooperate with, yet perform independently of, all other mandatory departments and supervisors of the casino licensee. Mandatory departments and supervisory positions are as follows:

1. - 3. (No change.)

4. A casino games department supervised by a person referred to in this section as a casino manager. The casino games department shall be responsible for the operation and conduct of all authorized games and bill changers in a casino and casino simulcasting facility. **In addition, the casino game department shall be responsible for the operation of mobile gaming in accordance with the rules of the Division.** A casino licensee may choose, in its discretion, to:

i. - vi. (No change.)

5. - 6. (No change.)

(c) - (h) (No change.)

CHAPTER O. MOBILE GAMING

13:69O-1.1   Definitions

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13:69O-1.1   Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"Client terminal" means any device that is used to interact with a gaming system for the purpose of conducting gaming activity.

"Daily limit" means the daily maximum amount a patron may use to fund his mobile gaming account, excluding winnings.

"Game server" means the server which contains game software and control programs.

"Gaming session" means the period of time commencing when a patron activates a particular game by placing a wager and terminating when a patron concludes playing that game.

"Gaming system" means either a server based gaming system, a mobile gaming system, or table game simulcasting system.

"Mobile gaming" means all gaming activity conducted via an electronic device which does not accept or issue cash, vouchers or coupons.

"Mobile gaming account" means an account established by a casino licensee that a patron may use for the deposit and withdrawal of funds used for mobile wagering.

"Mobile gaming manager" means a person licensed as a casino key employee responsible for the operations of mobile gaming.

"Mobile gaming operator" or "mobile operator" means a party or parties licensed by the Division to operate a mobile gaming system.

"Mobile gaming system" means all hardware, software and communications that comprise a system for the purpose of offering electronic versions of authorized casino games to be played on client

terminals within the property boundaries of an approved casino facility.

"Patron session" means a period of time when a patron is logged on to a mobile gaming system.

"Peer to peer gaming" means all gaming activity, such as poker, where patrons are competing against each other.

"Secure transaction file" means a file which contains data that is unalterable or cannot be modified without detection.

"Server based gaming" means all gaming activity conducted via a client terminal where the outcome of a game is determined by a Random Number Generator (RNG) maintained on a server or a dealer verified outcome from a simulcasted table game.

"Server based gaming system" means all hardware, software and communications that comprise a system utilized for the purpose of offering electronic versions of authorized casino games where material aspects of game functionality occur at the server level.

"Table game simulcasting system" means all hardware, software and communications that comprise a system used to simulcast table games.

13:69O-1.2   General requirements for mobile gaming

(a) Mobile gaming shall only occur within the property boundaries of an

approved hotel facility. For purposes of this Chapter, the approved hotel facility shall include any area located within the property boundaries of the casino hotel facility, including any recreation area or swimming pool, where mobile gaming devices may be used by patrons but excluding parking garages or parking areas. A mobile gaming system shall disable all gaming activity on a client terminal whenever it is removed from the property boundaries.

(b) A client terminal used for mobile gaming shall not contain account information or game logic that determines the outcome of any game.

(c) A casino licensee offering mobile wagering shall have a mobile gaming manager responsible for ensuring the integrity and operation of mobile gaming and reviewing all reports of suspicious behavior. The mobile gaming manager shall immediately notify the Division upon detecting any person participating in mobile wagering who is:

1. Engaging in or attempting to engage in, or who is reasonably suspected of cheating, theft, embezzlement, collusion, money laundering or any other illegal activities, including those activities prohibited in Article 9 of the Act; and

2. Required to be excluded pursuant to N.J.S.A. 5:12-71, N.J.S.A. 5:12-71.2 or any person who is prohibited from entering a casino or a casino simulcasting facility pursuant to N.J.S.A. 5:12-119(a).

(d) A licensee shall file with the Division internal controls for all aspects of mobile gaming operations prior to implementation and any time a

change is made thereafter. The internal controls shall include detailed security, operations and accounting procedures.

(e) A casino licensee offering mobile gaming shall describe in its internal controls the method for securely issuing, modifying and resetting a patron's account password or Personal Identification Number (PIN) where applicable. Such method shall include at a minimum:

1. Proof of identification; and

2. Notification to the player following the change via e-mail or regular mail.

(f) All terms and conditions for mobile gaming shall be included as an appendix to the internal controls of the licensee and shall address all aspects of the operation including the following:

1. Name of the party or parties with whom the patron is entering into a contractual relationship, including any licensee;

2. Patron's consent to have the licensee confirm the patron's age and identity;

3. Rules and obligations applicable to the patron other than rules of the game;

4. Full explanation of all fees and charges imposed upon a patron related to gaming transactions;

5. Availability of account statements detailing patron account activity;

6. Privacy policies, including information access;

7. **Legal age policy;**

8. **Treatment of inactive account fund balances;**

9. **Patron's right to set daily limits and to self-exclude; and**

10. **Notice that a malfunction voids all pays.**

(g) **Whenever the terms and conditions that apply to mobile gaming are changed, the licensee shall require a patron to acknowledge acceptance of such change. Unless otherwise authorized by the Division, the patron's acknowledgement shall be date and time stamped by the mobile gaming system.**

13:69O-1.3 Mobile gaming accounts

(a) **Prior to engaging in mobile gaming a patron shall establish a mobile gaming account in person with a casino licensee at a location approved by the Division.**

(b) **In order to establish a mobile gaming account, a casino licensee shall:**

1. **Create a patron identification file and verify the patron's identity in accordance with N.J.A.C. 13:69D-1.5A;**

2. **Require the patron to establish a PIN and either a password or other security measure as approved by the Division;**

3. **Verify that the patron is of legal age, not self-excluded, on the exclusion list or otherwise prohibited from participation in gaming;**

4. Record the patron's acceptance of the licensee's terms and conditions to participate in mobile gaming; and

5. Record the patron's acknowledgement of the opportunity for compulsive gambling assistance via 1-800-Gambler.

(c) Each mobile gaming account shall be unique to the patron who establishes the account and to the mobile gaming system. Patrons may only have one mobile gaming account for each licensee or affiliate of the casino licensee where the mobile gaming account is established.

(d) A patron's mobile gaming account may be funded through the use of:

1. Patron deposit account pursuant to N.J.A.C. 13:69D-1.24;

2. Patron's credit or debit card in accordance with the requirements of the card's issuer;

3. Cash complimentaries, promotional credits or bonus credits;

4. Amounts accumulated during a gaming session;

5. Adjustments made by the licensee following the resolution of a dispute after documented notification to the patron; or

6. Any other means approved by the Division.

(e) Funds may be withdrawn from a patron's mobile gaming account for the following:

1. Funding game play;

2. Cash-out at the cashier's cage;

3. Transfer to a patron deposit account established pursuant to

N.J.A.C. 13:69D-1.24;

4. Adjustments made by the licensee following resolution of a dispute after documented notification to the patron;

5. Transfers directly to a patron's banking account the casino licensee has previously verified pursuant to the standards established in N.J.A.C. 13:69D-1.27; or

6. Withdrawals as otherwise approved by the Division.

(f) A licensee shall not permit a patron to place funds in or transfer funds to any other patron.

13:69O-1.4 Mobile gaming system

(a) A mobile gaming system shall utilize sufficient security to ensure patron access is appropriately limited to the account holder. Unless otherwise authorized by the Division, security measures shall, at a minimum, include a PIN and either a password, security account card or other security mechanism.

(b) A mobile gaming system shall be designed with a methodology approved by the Division to ensure secure communications between a client terminal and the mobile gaming system.

(c) A mobile gaming system shall be designed to detect and report:

1. Suspicious behavior such as cheating, theft, embezzlement, collusion, money laundering or any other illegal activities.

2. Excluded persons pursuant to N.J.S.A. 5:12-71, N.J.S.A. 5:12-71.2 or any person who is prohibited from entering a casino or a casino simulcasting facility pursuant to N.J.S.A. 5:12-119(a).

(d) Patron account access information shall not be permanently stored on client terminals used with a mobile gaming system. Such information shall be masked after entry, encrypted immediately after entry is complete and may be temporarily stored or buffered during patron entry provided that the buffer is automatically cleared:

1. After the patron confirms that the account access entry is complete; or

2. If the patron fails to complete the account access entry within one minute.

(e) A mobile gaming system shall associate a patron's account with a single client terminal during each patron session. In addition, the mobile gaming system shall immediately disable a patron session whenever:

1. Required by the Division or licensee;

2. The patron initiates session termination;

3. The system detects user inactivity for a time period exceeding 15 minutes;

4. The system is unable to validate the identity of the user; or

5. The system detects a critical error which impacts game play.

(f) A mobile gaming system shall default to a daily limit of $500. The system shall be equipped with a mechanism for a patron to change a daily

limit which may not exceed $2,500. Once established by a patron:

1. Any decrease shall be effective no later than the patron's next log-in;

2. Any increase shall become effective in the system 24 hours after the patron's request.

(g) A mobile gaming system shall implement automated procedures to identify and prevent the following patrons from placing a wager:

1. Patrons under the age of 21;

2. Patrons on the self-exclusion list;

3. Patrons on the exclusion list; and

4. Patrons who have exceeded their daily limit.

(h) A mobile gaming system shall provide patrons with access to a player protection page from any screen where game play or wagering activity may occur. The player protection page shall contain, at a minimum information on the following:

1. Compulsive gambling assistance via 1-800-Gambler;

2. Daily limits;

3. Password security;

4. Filing a complaint with the licensee;

5. Obtaining a copy of the terms and conditions agreed to at registration;

6. Rules regarding underage gaming, including sanctions; and

7. Obtaining patron account and game history.

(i) A mobile gaming system shall provide a patron with the ability to view the outcome and subsequent account balance changes for the previous game including a game completed subsequent to an outage (e.g. network disconnection or client terminal malfunction).

(j) The following information shall be readily available through a client terminal before a player's gaming session begins and at any time during a gaming session where applicable:

1. Sufficient information to identify the specific game selected;

2. Game play and payout rules which shall not rely on sound to convey their meaning;

3. Rules which describe procedures in case of patron disconnection from the network server during a game; and

4. All charges imposed on patrons such as fees, rake and vigorish.

(k) Unless otherwise approved by the Division, all bonus and promotional wagering offers marketed via a client terminal shall be maintained in an electronic file that is readily available to the Division. All bonus and promotional wagering offers shall be stated in clear and unambiguous terms and shall be readily accessible by the patron. Offer terms shall include at a minimum:

1. Date and time presented;

2. Date and time the offer is active and expires; and

3. Patron eligibility and redemption requirements.

13:69O-1.5   Server based gaming system; server based games (table games, slot machines and peer to peer)

(a) A server based gaming system shall:

1. Comply with N.J.A.C. 13:69D-2.1 et seq. and the Division's rules for alterable media regarding critical game code, control programs and pay tables;

2. Be designed with a method for the Division to approve all game software installations before the game software may be offered to patrons;

3. Be designed with a method approved by the Division for externally authenticating software responsible for:

      i. Operation of the game server;

      ii. Game content residing on the game server;

      iii.   Controlling patron accounts; and

      iv.   Revenue reporting;

4. Ensure continued operation in the event of a temporary power failure via Uninterrupted Power Supply (UPS);

5. Maintain the integrity of the hardware, software and data contained therein in the event of a shutdown;

6. Ensure the system recovers to the state it was in prior to any system outage; and

7. Have physical and logical controls, as appropriate, to ensure that only authorized hardware components are connected to the system.

(b) Client terminals used with a server based gaming system may be

installed in a fixed location as approved by the Division and may be configured to offer multiple and simultaneous wagering opportunities to patrons. The Division may require such location to be used in the calculation of casino floor space.

(c) A server based gaming system shall be designed with a methodology approved by the Division to ensure secure communications between a client terminal and a server based gaming system.

(d) Server based gaming systems shall notify patrons, via the client terminal, of software that is scheduled for removal. Unless otherwise authorized by the Division, the system shall:

1. Begin notification 24 hours in advance of the scheduled removal;

2. Clearly notify the patron prior to selecting the software for game play;

3. Provide continuous notification, such as a count down, five minutes prior to deactivation; and

4. Preserve prior game and patron history upon the removal.

(e) Server based gaming systems shall be designed with a method approved by the Division to automatically identify potential collusion or cheating activity and shall provide a method for a patron to report such activity to the licensee.

(f) Server based gaming systems shall provide a patron with the ability to view the outcome and subsequent account balance changes for the previous game including a game completed subsequent to an outage (e.g.

network disconnection or client terminal malfunction).

(g) The following information shall be readily available through a client terminal before a player's gaming session begins and at any time during the gaming session where applicable:

1. Sufficient information to identify the specific game selected;

2. Game play and payout rules which shall not rely on sound to convey their meaning;

3. Rules which describe procedures in case of patron disconnection from the network server during a game; and

4. All charges imposed on patrons such as fees, rake and vigorish.

(h) Server based gaming systems with client terminals which utilize a bill changer or are connected to a gaming voucher system shall:

1. Be permitted exclusively on approved casino floor space;

2. Comply with all applicable Division rules governing slot machines and electronic table games; and

3. Provide for revenue reporting separately as server based games on the Slot Win Report pursuant to N.J.A.C 13:69D-1.43A.

(i) Game play shall be initiated only after a patron has affirmatively placed a wager and activated play.

(j) Unless otherwise authorized in this section, all server based table games shall:

1. Accurately represent the layout and equipment used to play its corresponding authorized non-electronic table game including, when

applicable, wagering areas, cards, dice or tiles;

2. Function in accordance with approved rules for its corresponding authorized non-electronic table game;

3. Conspicuously indicate minimum and maximum wagers; and

4. Contain help screens that provide information and rules regarding approved variations such as the number of decks used, special odds and supplemental wagers.

(k) Server based table games may be designed to permit a patron to occupy more than one betting position at an individual game, provided that that same option is available in its authorized non-electronic version.

(l) All server based slot machine games shall comply with standards established by N.J.A.C. 13:69E-1.28A and 1.28G.

(m) Server based games shall operate in accordance with rules submitted to and approved by the Division for handling suspended or canceled games in accordance with the following:

1. Where no patron input is required to complete the game, the game shall produce the final outcome as determined by the RNG and the patron's account shall be updated accordingly;

2. For single patron games, where patron input is required to complete the game, the game shall:

i. Upon subsequent activation, return the patron to the game state immediately prior to the interruption and allow the patron to complete the game; or

ii. After an approved period of time, cancel the game resulting in the forfeiture of the patron's wager; or

iii. Make a selection on behalf of the patron in order to complete the game; and

3. For games with multiple patrons, where the result is affected by the time to respond to a game event, such as poker or blackjack, the game shall, after an approved period of time:

i. Cancel the patron's option to play resulting in the forfeiture of the patron's wager; or

ii. Make a selection on behalf of the patron in order to complete the game.

(n) Server based table game software used to conduct peer to peer gaming, such as poker, shall be prohibited from utilizing automated computerized players to compete with patrons.

13:69O-1.6   Table game simulcasting

(a) A casino licensee shall obtain Division approval to simulcast authorized table games.

(b) Table game simulcasting shall utilize a simulcast control server for the purpose of recording all wagering activity and game results. The simulcast control server shall:

1. Provide the patron with real time visual access to the live game

being played;

2. Prevent anyone from accessing the wagering outcome prior to finalizing a wager;

3. Record dealer verified game results before posting; and

4. Be equipped with a mechanism to void game results if necessary.

(c) Information about wagering conducted during table game simulcasting shall be provided to a patron in real time and shall include all game play information that would normally be available from the table game equivalent. Such information shall include:

1. Table number and location;

2. Table minimum and maximum wagers;

3. Number of decks used, if applicable;

4. Amount wagered;

5. Game outcome;

6. Vigorish amount, if applicable;

7. Payout odds, where applicable; and

8. Amount won or lost.

(d) The following information shall be readily available through the client terminal before a player's gaming session begins and at any time during the gaming session where applicable:

1. Sufficient information to identify the specific game selected;

2. Game play and payout rules which shall not rely on sound to convey their meaning;

3. Rules which describe procedures in case of patron disconnection from the network server during a game (e.g. internet connection outage or wagering terminal malfunction) and;

4. All charges imposed on the patron such as fees, and vigorish.

13:69O-1.7   Communications standards for gaming systems

(a) All gaming systems authorized by this Chapter shall be designed to ensure the integrity and confidentiality of all patron communications and ensure the proper identification of the sender and receiver of all communications. If communications are performed across a public or third-party network, the system shall utilize a secure communications protocol to ensure the integrity and confidentiality of the transmission.

(b) Wireless communications between the authenticator device and the authentication server shall be encrypted using a robust method such as IPsec, WPA2 or other method as approved by the Division.

(c) A licensee shall mask the Service Set Identification (SSID) of the gaming system network to ensure that it is unavailable to the general public.

(d) All communications that contain patron account numbers, user identification or passwords and PINs shall utilize a secure method of transfer (e.g., 128 bit key encryption) approved by the Division.

(e) Only devices authorized by the Division shall be permitted to establish communications between a client terminal and a gaming system.

13:69O-1.8 Mandatory gaming system logging

(a) Gaming systems shall electronically log the date and time any interactive gaming account is created or terminated (Account Creation Log).

(b) A gaming system shall maintain a patron game play history log (Game Play History Log) that provides all information necessary to re-create patron game play and account activity during each patron session. Unless the game play history log is a secure transaction file, a gaming system that utilizes account based wagering shall record the information required in (c) below to a secure transaction file, upon the occurrence of the following events:

   1. Start and termination of a patron session;

   2. Transfers to and from the patron's deposit account;

   3. Withdrawal of promotional credits;

   4. Reportable W2G jackpot;

   5. Award of a progressive jackpot;

   6. Award of a promotional bonus; and

   7. Initial wager and conclusion of a gaming session.

(c) The secure transaction file in (b) above shall contain at a minimum:

1. Date and time of the transaction;

2. Patron account number;

3. Game played;

4. Description of the event which triggered the recordation;

5. Patron account balance; and

6. Amount of the transaction.

(d) When software is installed to or remove from a gaming system, such action shall be recorded in a secure electronic log (Software Installation/Removal Log) which shall include:

1. Date and time of the action;

2. Identification of the software; and

3. Identity of the person performing the action.

(e) When a change in the availability of game software is made on a gaming system, the change shall be recorded in a secure electronic log (Game Availability Log) which shall include:

1. Date and time of the change;

2. Identification of the software; and

3. Identity of the person performing the change.

(f) Unless otherwise exempted by the Division, a gaming system shall record an electronic log of promotional offers (Promotions Log) extended through the system. Such log shall provide the information necessary to audit compliance with the terms and conditions of current and previous offers.

13:69O-1.9 Required revenue reports; reconciliation

(a) A gaming system shall be capable of generating the following daily reports:

1. Account Reconciliation Detail Report which shall provide the following information, by patron:

i. Beginning and ending balance; and

ii. Deposits and withdrawal detail.

2. Account Reconciliation Summary Report used to summarize all patron mobile account activity;

3. Wagering Detail Report used to detail amounts wagered, amounts paid out and win/loss for each game;

4. Wagering Summary Report used to summarize the win/loss for all mobile gaming by game type and in total; and

5. Variance Report used to provide the variance between the Account Reconciliation Summary Report and the Wagering Summary Report

(b) A casino licensee shall utilize the Wagering Summary Report in order to report gross revenue on a daily basis and shall review the variance report, investigate each variance and:

1. Prepare a summary schedule of each variance which details the date, source of the variance, variance amount and the reason for the variance; and

2. Report a manual adjustment to increase revenue by the amount of

the variance unless the reason for the variance documented above is sufficient to support a determination that revenue was properly reported.

(c) In lieu of (b) above, a licensee may summarize the daily variance report review in a manner and on a monthly schedule prescribed by the Division.

(d) No voids of completed wagering transactions shall occur without Division approval.