

LAW AND PUBLIC SAFETY

DIVISION OF GAMING ENFORCEMENT

GAMING OPERATION ACCOUNTING CONTROLS AND STANDARDS

GAMING EQUIPMENT

Proposed Amendments: N.J.A.C. 13:69D-1.8, -1.9; -1.10; -1.12A; -1.15; -1.17; -1.25; -1.28; -1.33; -1.33A; -1.37B-1.40; -1.42; -1.54; N.J.A.C. 13:69E-1.6A

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

Authority: N.J.S.A. 5:12-69a, -70a, -76g, -76n, -76r, -99a, -100c, -100h

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

Proposal Number: PRN 2017-

Submit written comments by , to:

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The agency proposal follows:

Summary

The Division of Gaming Enforcement (Division) proposes to amend N.J.A.C. 13:69D-1.8 to reduce to one year the period of time slot machine entry logs must be maintained after a machine is removed from service. There is no current limitation on how long such logbooks must be maintained. N.J.A.C. 13:69D-1.9 is proposed for amendment to eliminate the

requirement that casinos generate a report of all cash or non-cash complimentaries valued in excess of \$2000.

N.J.A.C. 13:69D-1.10 is proposed for amendment to permit a registered casino vendor to access a casino's surveillance system remotely for the purpose of making repairs, so long as the vendor is monitored by the surveillance department. N.J.A.C. 13:69D-1.12A is proposed for amendment to permit a keno department employee to be included as a person whose access badge allows access to the slot department. N.J.A.C. 13:69D-1.15 is proposed for amendment to permit general cashiers to receive withdrawn funds from a patron's front money account and Counter Checks in exchange for cash and chips. Additional proposed amendments will permit a cashier to receive gaming chips from an affiliated casino if the jurisdiction where the affiliate is located permits this and if the patron is known to the affiliate or the licensee. In addition, N.J.A.C. 13:69D-1.15(f)(9) is amended to reflect that the transaction that occurs when a countercheck is issued by a patron to a casino in exchange for cash to enable slot play actually happens at the casino cage rather than on the casino floor at a slot machine.

Proposed amendments to N.J.A.C. 13:69D-1.17 increase from one day to two days the period for removing drop boxes from gaming tables or electronic gaming tables. N.J.A.C. 13:69D-1.25(n) is proposed for amendment to permit a casino to immediately issue gaming chips at a table to a patron who accesses his credit line without the patron having to wait to sign the Counter Check. If the patron refuses to sign after receiving chips, the unsigned check must be deposited in the drop box and the casino may not void the Counter Check on account of such refusal to sign. Proposed new subsection N.J.A.C. 13:69D-1.25(s) will require a casino to create an internal control to generate a mandatory report on the grant of credit to the Governor,

members of the legislature, and certain other persons identified by statute. The process by which a licensee complies with such requirement is left to the licensee to create.

N.J.A.C. 13:69D-1.28 is proposed for amendment to allow a check bank cashier to alter the account number of a Counter Check in the limited circumstances where the customer notifies the casino that the account previously disclosed to the casino is closed and a new account is to be substituted. Proposed amendments to N.J.A.C. 13:69D-1.33(m) specify that coupons in the count room should be counted by the designated banker unless otherwise authorized. Proposed amendments to N.J.A.C. 13:69D-1.33(s) allow the count team to transport the locked trolley with drop boxes to casino accounting, as opposed to the accounting department coming to the count room. Proposed amendments to N.J.A.C. 13:69D-1.33A similarly allow the count team to transport gaming vouchers to the accounting department. N.J.A.C. 13:69D-1.37B(a) is proposed for amendment to include cashier generated vouchers as part of test currency. N.J.A.C. 13:69D-1.37B(c) is proposed for amendment to allow cashier generated gaming vouchers to be voided by a cashier rather than just a supervisor.

N.J.A.C. 13:69D-1.40 is proposed for amendment to eliminate the requirement that a jackpot request have the winning symbols noted, requiring this only if there has been an override. The request must note if the jackpot is a taxable event. N.J.A.C. 13:69D-1.42 is proposed for amendment to permit slot drop boxes to be removed once per month rather than once per week. Additional proposed amendments allow slot drop boxes to be gathered in increments of more than one so long as they are placed directly into a locked trolley and not placed on the floor or some other location. N.J.A.C. 13:69D-1.54 is proposed for amendment to authorize redeemed gaming vouchers to go to casino accounting for audit purposes.

N.J.A.C. 13:69E-1.6A is proposed for amendment to allow gaming chips and plaques to be exchanged for Counter Checks or front money funds.

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 amendments address accounting controls for casino licensees. These changes may provide regulatory relief for casino licensees and may therefore result in more efficient operations. This could allow casino licensees to improve their customer service and create a better experience for patrons, increasing casino popularity as a form of entertainment. The proposed changes are technical in nature and may result in casino personnel being able to provide better customer service.

Economic Impact

The proposed amendments provide regulatory relief for certain casino processes, making casinos more efficient and providing a better entertainment experience for casino patrons. This could lead to more repeat business, leading to better financial results. Any significant economic impact from these proposed amendments is somewhat speculative. The proposed changes are technical in nature and may result in casino personnel being able to provide better customer service, producing an economic benefit.

Federal Standards Statement

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

Jobs Impact

The proposed amendments will not have any impact on the number of jobs in the state of New Jersey.

Agriculture Industry Impact

The proposed amendments will have no impact on the agriculture industry in New Jersey.

Regulatory Flexibility Analysis

The proposed amendments will only affect the operations of New Jersey casino licensees, none of which qualifies as a "small business" as defined in the Regulatory Flexibility Act, N.J.S.A. 52:14B-16 et seq., because they employ more than 100 persons full-time in the State of New Jersey. Accordingly, a regulatory flexibility analysis is not required.

Housing Affordability Impact Analysis

The proposed amendments will have an insignificant impact on affordable housing in New Jersey and there is an extreme unlikelihood that the proposed amendments would evoke a change in the average costs associated with housing because the rule concerns the conduct of gambling at New Jersey casinos.

Smart Growth Development Impact Analysis

The proposed amendments will not have an impact on smart growth and there is an extreme unlikelihood that the proposed amendments would evoke a change in housing production in Planning Areas 1 or 2 or within designated centers under the State Development and Redevelopment plan in New Jersey because the proposed amendment concerns the conduct of gambling at New Jersey casinos.

Full text of the proposal follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

13:69D-1.8 Retention, storage, and destruction of books, records, and documents

(a) - (f) (No change.)

(g) All original books, records, and documents shall be retained in accordance with the following retention schedules unless otherwise authorized by the rules of Division. However, nothing herein shall be construed as relieving a casino licensee or a WAP or MSPS progressive slot system operator from meeting any obligation to maintain any book, record, or document required by any other Federal, state, or local governmental body, authority, or agency.

1. - 4. (No change.)

5. One-year retention:

i. - xi. (No change.)

xii. Card, dice and tile inventory storage logs; [and]

xiii. Machine entry logs after the respective machine has been removed from the casino floor; and

[xiii.] **xiv.** Any and all reports or documents relating to the forfeiture of winnings or things of value obtained by a prohibited person as defined in that subchapter.

6. – 9. (No change.)

13:69D-1.9 Complimentary services or items

(a) – (d) (No change.)

(e) [Each licensee shall, upon the request of the Division, generate a report that details all individually issued cash or non-cash complimentaries in excess of \$ 2,000 on a daily basis.] The issuance of cash or non-cash complimentaries shall be supported by documentation which, at a minimum, includes:

1. – 7. (No change.)

(f) – (o) (No change.)

13:69D-1.10 Closed circuit television system; surveillance department control; surveillance department restrictions

(a) – (j) (No change.)

(k) All CCTV system transmissions shall be secure and, with the exception of wide area progressive monitoring, restricted to the licensed casino hotel facility; provided, however, the Director or his or her Division designee may, by written order, authorize specific transmissions outside of the casino hotel facility, on a case-by-case basis. **It is further provided that a A registered CCTV vendor shall be permitted, with the approval of a surveillance supervisor, to remotely access the CCTV system to troubleshoot and repair the system. Such access**

shall be granted by the casino licensee and disabled after each use. A record of all remote access granted shall be maintained by the Surveillance Department, which shall include at a minimum the following:

- 1. Date and time the access was granted;**
- 2. Reason for access;**
- 3. Names of the vendor and vendor's representative accessing the system;**
- 4. Date and time the access was disabled; and**
- 5. Name of the surveillance supervisor approving the access.**

(l) (No change.)

13:69D-1.12A Internal control procedures for access badge system and issuance of temporary identification credentials

(a) (No change.)

(b) Each casino shall adhere to the following universal access codes:

1. - 5. (No change.)
6. Any employee designated with "S" access shall have access to the slot repair room and slot storage areas. "S" access shall only be issued to slot **and keno** department employees.
7. - 9. (No change.)

(c) - (d) (No change.)

13:69D-1.15 Accounting controls and functions for the cashiers' main cage; satellite cage; master coin bank; coin vault; simulcast booth; slot booth; and chipperson

(a) - (e) (No change.)

(f) The assets for which each general cashier is responsible shall be maintained on an imprest basis. A general cashier shall not permit any other person to access their imprest inventory.

General cashiers functions shall include, but are not limited to, the following:

1. - 2. (No change.)

3. Receive cash, cash equivalents, casino checks, **patron deposit withdrawals, Counter Checks** and annuity jackpot trust checks from patrons in exchange for currency, slot tokens, gaming chips or plaques, gaming vouchers, or coin;

4. - 8. (No change.)

9. Process [Slot] **cage** Counter Checks;

10. - 13. (No change.)

14. Exchange and reconcile imprest funds used by slot attendants, including imprest change/pouch payout funds; [and]

15. Exchange gift cards for cashable or non-cashable credits[.]; **and**

16. Receive from or exchange to an affiliate of the casino gaming chips via carrier and inter-company funds transfer; provided however, that such exchange is permitted under the law of the jurisdiction where the affiliate is located; and provided further that the customer from whom the foreign chips are accepted is known to the licensee or its affiliate.

(g) - (t) (No change.)

13:69D-1.17 Table game drop boxes, transport to and from gaming tables; storage

(a) Each casino licensee shall file with the Division a schedule setting forth the specific times when drop boxes are to be removed from a gaming table or electronic table game to be counted and recorded. Drop boxes shall be removed, counted, and recorded, at a minimum, once [each]

every two gaming days, provided, however, a drop box need not be so removed if:

1. – 2. (No change.)

(b) – (n) (No change.)

13:69D-1.25 Procedure for acceptance of checks, cash equivalents, and credit cards; issuance of Counter Checks or Slot Counter Checks

(a) - (m) (No change.)

(n) A casino licensee may elect to issue funds to a patron who has requested a Counter Check prior to the Counter Check being issued to and signed by the requesting patron.

Such funds shall be evidenced by a lammer for the requested amount of the Counter Check being placed on the table in a location visible to surveillance. The lammer shall remain on the table until the Counter Check has been signed and placed in the drop box. The failure or refusal of the patron to sign the Counter Check after receiving the funds shall result in the Counter Check being deposited in the drop box with a notation that the patron refused to sign. A casino licensee shall be prohibited from voiding a Counter Check because the patron refuses to sign.

(n) - (q) (Recodify as (o) - (r); No change in text.)

(s) Each casino licensee shall create internal controls sufficient to ensure its ability to file the quarterly report required by N.J.S.A. 5:12-99a(17) regarding the issuance of casino credit to certain State employees and gaming personnel.

13:69D-1.28 Procedure for depositing checks received from gaming patrons

(a) – (d) (no change.)

(e) If a casino licensee determines, prior to the deposit or presentment of a Counter Check or Slot Counter Check that the bank name, the bank routing number, the patron's bank account number or the micro-encoding number contained on the check are incorrect due to a data entry error (for example, a misspelling, a wrong number, or a transposition of numbers), a check bank cashier may correct the erroneous entry with the written approval of a cage supervisor prior to the alteration of any check. **If a customer notifies the credit department that the bank account on file is closed and provides a new account which is approved by the credit department, a check bank cashier may, with the written approval of a cage supervisor, alter the check to utilize the new account.** [A] Except as provided herein, a casino licensee may not use this subsection to change the verified bank account on which the Counter Check or Slot Counter Check was originally drawn.

13:69D-1.33 Procedure for opening, counting, and recording contents of table drop boxes and slot cash storage boxes

(a) – (l) (No change.)

(m) A count team member designated as the banker shall count each denomination of currency, tokens, and gaming chips, and verbalize the amounts. **The banker shall also count table game coupons unless otherwise authorized by the Division.** The count room supervisor shall verify the amount verbalized to the amount recorded on the Master Game Report or Slot Cash Storage Box Report. The banker and count team supervisor shall sign the report(s) attesting to the accuracy of the information recorded thereon. The information recorded thereon shall not be accessible to any person outside the count room until after the main bank cashier or cage supervisor ("cashier") has verified and accepted the drop unless otherwise authorized by the

Division.

(n) – (r) (No change.)

(s) The original Master Game Report and Slot Cash Storage Box Report, after signing, and any other supporting documentation shall be placed in the locked accounting box or other approved secure device located in the count room. A member of the casino accounting department **or count team** shall [retrieve] **transport to casino accounting** the contents of the locked accounting box and the gaming vouchers and coupons which were processed during the count after the cashier verifies, accepts, and removes the drop from the count room.

(t) – (v) (No change.)

13:69D-1.33A Procedure for opening, counting and recording the contents of bill validator boxes from gaming voucher redemption machines

(a) - (g) (No change.)

(h) The contents of the bill validator boxes shall be counted as follows:

1. (No change.)

2. If the boxes are counted in the count room, the casino accounting department member(s) performing the count shall document the count for each individual bill validator box on a Balance Receipt. If the counting equipment documents the count of each individual bill validator box, the gaming vouchers, coupons and currency need only be documented for the entire bill validator drop and not for each individual bill validator box. At the completion of the count, a main bank or master coin bank cashier shall verify the contents on the Balance Receipt.

i. The casino accounting department member(s) **or count team member(s)** shall transport the gaming vouchers and coupons directly to the casino accounting department together with the

original Balance Receipt and the supporting documentation for each bill validator box.

ii. (No change.)

(i) (No change.)

13:69D-1.37B Testing of electronic gaming devices on the casino floor

(a) For purposes of this section:

1. "Test currency" means currency, coin or tokens, coupons, **cashier generated vouchers** or gaming vouchers issued by a casino licensee to a slot department or Internal Audit department employee to test gaming equipment;

2. - 3. (No change.)

(b) (No change.)

(c) Gaming vouchers created by an electronic gaming device during testing may be used to test other electronic gaming devices. Gaming vouchers created, but not used for testing other electronic gaming devices, shall be returned to the cage and voided or redeemed by a cage [supervisor] **cashier or above**, pursuant to internal controls.

13:69D-1.40 Payouts from electronic gaming devices

(a) (No change.)

(b) The Request shall include the following:

1. – 3. (No change)

4. [The winning combination or] A notation **that the payout is taxable or non-taxable** [of a credit meter payment];

5. – 6. (No change.)

(c) (No change.)

(d) A Payout Slip shall include, at a minimum, the following information:

1. (No change.)
2. The winning combination **if the payout is processed as an override** or notation that it was a credit meter payout;
3. – 10. (No change.)

(e) - (q) (No change.)

13:69D-1.42 Removal of slot drop buckets, slot drop boxes, and slot cash storage boxes; unsecured currency; recording of meter readings for slot machine drop

(a) Each casino licensee shall file with the Division a schedule setting forth the specific times at which the slot drop buckets, slot drop boxes and slot cash storage boxes ("slot drop containers") will be brought to or removed from the slot machines. The schedule shall include the number of slot drop containers to be removed each day by zone or other designation. No slot drop container shall be removed from a slot machine at other than the times specified on such schedule except with contemporaneous notification to the Division. The slot drop containers shall be removed at least once a [week] **month**. If an approved slot monitoring system is used to generate a slot drop estimate report pursuant to N.J.A.C. 13.69L-1.7(c), the schedule for the removal of slot drop boxes and slot drop buckets may be extended.

(b) – (h) (No change.)

(i) Procedures and requirements for removing slot drop containers from the slot machines shall be as follows:

1. (No change.)
2. The slot drop boxes or slot cash storage boxes removed from the slot machines shall **only** be placed [immediately] in an enclosed trolley [and] **which shall be** secured by a security padlock; provided, however, that the padlock shall be in place but need not be locked when the trolley is moved between slot zones. The locking system shall be maintained and controlled by the casino security department.

(j) - (u) (No change.)

13:69D-1.54 Gaming vouchers; procedures for issuance and redemption; redemption of coupons through a gaming voucher system

(a) - (b) (No change.)

(c) A casino licensee may redeem a gaming voucher at:

1. (No change.)
2. Cashiering locations; [or]
3. Electronic table games; **or**

4. In Casino Accounting for audit purposes.

(d) - (l) (No change.)

13:69E-1.6A Exchange and redemption of gaming chips, plaques and coupons

- (a) (No change.)
- (b) Gaming chips or plaques shall be issued to a patron only at the request of such patron and shall not be given as change in any other but a gaming transaction. Unless otherwise authorized

by the rules of the Division, gaming chips and plaques shall be issued only by dealers to casino patrons at gaming tables **or by a general cashier in exchange for Counter Checks or front money account withdrawals.** Gaming chips may be issued by chippersons to patrons seated at a poker table at which a game is in progress or by general cashiers. Gaming plaques and value chips shall be redeemed by casino patrons only at the cashiers' cage; provided, however, that value chips may be:

1. - 6. (No change.)

(c) - (k) (No change.)

David Rebuck
Director