

LAW AND PUBLIC SAFETY

OFFICE OF THE ATTORNEY GENERAL

DIVISION OF GAMING ENFORCEMENT

Fixed Odds Wagering

Special Adopted New Rules: N.J.A.C. 13:69Q-1.1 - 1.14

Special Adopted New Rules Adopted: November 3, 2021, by David Rebuck, Director, Division of Gaming Enforcement.

Filed: _____, 2021 as R. 2021 d.

Authority: N.J.S.A. 5:5-196, P.L. 2021, c.193.

Effective Date:

Expiration Date:

Take notice that, pursuant to P.L. 2021, c.193, the Division of Gaming Enforcement (“DGE”) has adopted new rules N.J.A.C. 13:69Q-1.1 – 1.14. The New Rules codify statutory provisions that permit race tracks and off-track wagering facilities to be licensed by DGE for this purpose to offer fixed odds wagers to the public on horse races. The special adoption sets forth the licensing standards and operational controls to be followed by operators that wish to take fixed odds wagers on horse races. The requirements for race tracks to use third party operators to take fixed odds wagers are also set forth in the special adoption.

These new rules will remain in effect until May 3, 2023, or until new rules and amendments are proposed for public comment and are readopted through standard rulemaking procedures of the Administrative Procedure Act, N.J.S.A. 52:14B-1 et seq.

Full text of the special adopted new rules follows:

CHAPTER 69Q – FIXED ODDS WAGERING

13:69Q-1.1 Definitions

“Authority” means the New Jersey Sports and Exposition Authority.

“Best odds guarantee” means an offer by a licensed wagering operator that patrons who make a fixed odds wager will receive more favorable odds if the odds move in the patron's favor by the start of the race, but will never receive worse than the odds at the time they placed the wager.

“Division” means the New Jersey Division of Gaming Enforcement established pursuant to P.L. 1977, c. 110 (N.J.S.A. 5:12-1 et seq.)

“Fixed Odds” means customers are able to secure a given odds price at the time of placing their wager. This price will not be subject to any future fluctuations.

“Fixed odds wagering system” means a system approved by the Division which may be comprised of computer equipment and software and by which fixed odds wagers may be recorded and betting tickets issued or wagers recorded in person, by direct phone call or online.

“Fixed odds vendor” shall mean a company who provides goods or services to a race track or licensed wagering operator that have, in the discretion of the Division, a significant impact on the wagering aspects of a race track or licensed wagering operator. Examples of such vendors include oddsmakers and manufacturers of totalisator equipment.

“Kiosk” means the electronic betting terminals installed for the purposes of wagering.

“Kiosk drop” shall mean the removal of funds from a kiosk in a secure manner approved by the Division and the accounting of the funds collected.

“Licensed wagering operator” means a wagering operator that holds a license or authority described under the legislation or regulations of the State of New Jersey to carry out fixed odds wagering operations in New Jersey. This may include a race track, which operates fixed odds wagering on its own or a third party authorized to conduct fixed odds wagering operations at or on behalf of a race track or on behalf of another entity.

“Odds” means when expressed in monetary terms, the return for a stake of a certain monetary unit, inclusive of the unit of Stake.

“Odds maker” shall mean a person or entity who sets fixed odds on horse races which licensed wagering operators or any entity that has been contracted to operate a fixed odds wagering system offers to patrons.

“Operating board” means the board previously established under the Off-Track and Account Wagering Act to negotiate, manage and oversee any agreements made for the purposes of operating an account wagering system, off-track wagering facility, exchange wagering system, or fixed odds wagering system.

“Participation agreement” means a written agreement that sets forth the manner in which the fixed odds wagering system shall be managed, operated and capitalized, as well as how expenses and revenues shall be allocated and distributed by and among the Authority and other participants subject to the agreement, including standardbred and thoroughbred permit holders in New Jersey.

“Race track” means the physical facility where a permit holder conducts a horse race meeting pursuant to a license issued by the New Jersey Racing Commission pursuant to P.L. 1940, c. 17 (N.J.S.A. 5:5-22 et seq.).

“Racing Commission” means the New Jersey Racing Commission established by P.L. 1940, c. 17, section 1 (N.J.S.A. 5:5-22).

“Stake” means the monetary outlay by a Customer in placing a Bet.

“Starting post price” shall mean the final fixed odds established for each participating horse at the start of a race.

“Suspicious betting activity” means unusual betting activity that cannot be explained and is indicative of match fixing, the manipulation of an event, misuse of inside information, or other prohibited activity.

“Ticket writer” shall mean a cashier who operates a totalisator, collects money from wagering patrons, issues wagering tickets to patrons, and cashes winning wagering tickets.

“Void” means that the Bet is cancelled as if it had not been made and the Stake must be refunded.

“Wagering ticket” means a printed record issued or an electronic record maintained by the fixed odds wagering system that evidences a fixed odds wager.

13:69Q-1.2 General requirements for retail fixed odds wagering

(a) A race track or licensed wagering operator offering fixed odds wagering on authorized horse racing events shall maintain a cash reserve of not less than the greater of \$100,000 or the amount necessary to ensure the ability to cover the outstanding fixed odds wagering liability.

(b) A licensed wagering operator shall investigate each patron complaint and provide a response to the patron within five calendar days. For complaints that cannot be resolved to the satisfaction of the patron and which are related to patron accounts, settlement of wagers, and/or illegal activity, a copy of the complaint and licensee's response, including all relevant documentation, shall be provided to the Racing Commission.

(c) A licensed wagering operator offering retail fixed odds wagering at an authorized race track shall use: (1) Totalisator equipment approved by the Racing Commission which has been demonstrated to be capable of accepting fixed odds wagers and providing to patrons a wagering ticket accurately reflecting the patron's wager. Such totalisators shall be located in a secure location approved by the Division and shall have windows and counters approved by the Division. (2) A kiosk submitted to and approved by the Division for use in fixed odds wagering. Such kiosks shall be located within a race track in locations approved by the Racing Commission as suitable for wagering.

(d) Receipts from retail fixed odds wagering shall be transported to a secure location approved by the Division for counting. Transportation to the location and the count shall be set forth in internal controls created by the licensed wagering operator.

(e) Licensed wagering operators shall comply with all state and federal laws, regulations and standards regarding currency transaction reports, anti-money laundering protocols, and the filing of suspicious activity reports.

(f) Licensed wagering operators shall ensure that any patron wagering or collecting winnings in excess of \$10,000 shall not wager or collect winnings without providing his or her name, taxpayer ID number and other personally identifiable information.

(g) Winning wagering tickets shall be redeemed by a ticket writer, or at a kiosk, after verifying the validity of the wagering ticket through the fixed odds wagering system. The ticket writer or kiosk shall cause the system to electronically redeem and cancel the wagering ticket upon redemption. Winning tickets shall expire if not redeemed within one year of the determination of the wager being a winner and shall be subject to (u) below.

(h) A retail fixed odds wagering system shall be capable of recording the following information for each wager made:

1. Description of event;
2. Wager selection;
3. Type and odds of wager;
4. Amount of wager and potential payout;

5. Date and time of wager;
6. Unique wager identifier, which shall be masked on all system menus, printed reports, and displays for all unredeemed and unexpired wagers; and
7. Notice of when the ticket expires.

(i) In addition to the information in (h) above, all tickets generated by a cashier or at a kiosk shall include the following:

1. Name and address of the operator issuing the ticket;
2. A barcode or similar symbol or marking as approved by the Division, corresponding to the unique wager identifier;
3. Notice to patron of all methods of redeeming a winning ticket; and
4. Identification of cashier or kiosk generating the ticket.

(j) For all lost tickets that are redeemed, a fixed odds wagering system shall record and maintain the following information:

1. Date and time of redemption;
2. Employee responsible for redeeming the ticket;
3. Name of patron redeeming the ticket;
4. Unique ticket identifier; and
5. Location of the redemption.

(k) A retail fixed odds wagering system shall be capable of recognizing valid wagering tickets that contain a duplicate unique wager identifier used for redemption and require the redemption by a ticket writer rather than at a kiosk.

(l) A retail fixed odds system shall be capable of preventing the redemption of any wagering tickets previously redeemed or tickets in which the data related to the tickets has been manually altered in an unauthorized manner.

(m) If a winning fixed odds wagering ticket is unclaimed for a period of one year after the last event wagered upon, the obligation to pay the patron shall expire. No later than the 15th of each month, a retail fixed odds wagering operator shall pay to the Division all unclaimed winnings from the month prior. For example, wagering tickets expiring in January 2023 shall be paid to the Division no later than February 15, 2023.

(n) Retail fixed odds patron wagers shall be made with:

1. Cash;
2. Cash equivalent;
3. Credit or debit card;

4. Gift cards;

5. Promotional funds; and

6. Any other means approved by the Racing Commission for use in making parimutuel wagers.

Nothing shall require a licensed wagering operator to accept all of the methods listed. The operator shall provide conspicuous notice to patrons of the methods of payment it chooses to accept and shall include such methods in its internal controls.

(o) Licensed wagering operators shall be prohibited from offering credit to patrons. This will not prohibit a licensed wagering operator from offering a branded gift card or branded credit or debit card to patrons.

(p) Licensed wagering operators shall set fixed odds available to patrons for wagering. In determining odds offered to patrons, licensed wagering operators may employ one or more individuals who shall be deemed officers of the licensed wagering operators. Licensed wagering operators may also employ the services of a third party to recommend odds to be offered. Such oddsmaker entities shall be deemed as fixed odds vendors and shall be registered with the Division as set forth in N.J.A.C. 13:69Q-1.7 below. The Director shall have discretion at all times to call forward such registrants to a higher level of licensure.

(q) (1) Licensed wagering operators shall offer fixed odds wagers only on races approved by the Racing Commission as suitable for parimutuel wagers. If an event that originates within New

Jersey is approved for parimutuel wagering, it can be offered for fixed odds wagering by all licensed wagering operators.

(2) If an event originates outside New Jersey, it may be offered for fixed odds wagering provided the licensed wagering operator complies with all applicable laws, including the Interstate Horseracing Act, and further provided that the licensed wagering operator has received the consent of the track offering the event.

(r) Licensed wagering operators shall offer fixed odds wagering to patrons 18 years of age or older and who are not self-excluded pursuant to any list maintained by the Racing Commission.

(s) A licensed wagering operator shall not unilaterally void any wager without the consent of the Division.

(t) Fixed odds wagers shall not be subject to any adjustment of odds once a wager is made by a patron and accepted by an operator. However, licensed wagering operators may recalculate the starting post price at any time prior to the start of a race. Operators may make fixed odds wagers unavailable and offer only the starting post price to patrons during the time period when odds are being recalculated due to scratches or other events. Operators may in their discretion offer a best odds guarantee.

13:69Q-1.3 General requirements for online fixed odds wagering

(a) Each licensed wagering operator accepting wagers from patrons online shall, prior to commencing operations, and annually thereafter, perform a system integrity and security assessment conducted by an independent professional selected by the operator. The party performing the assessment and the scope of the assessment shall be approved by the Division. The independent professional's report on the assessment shall be submitted to the Division and shall include:

1. Scope of review;
2. Name and company affiliation of the individual(s) who conducted the assessment;
3. Date of the assessment;
4. Findings;
5. Recommended corrective action, if applicable; and
6. The operator's response to the findings and recommended corrective action.

The Division shall impose a civil penalty of not less than \$5,000 for failure to obtain the required security assessment.

(b) A licensed wagering operator shall only accept online wagers from patrons that have been affirmatively located as being physically present in the State of New Jersey at the time of their wager unless the Division has granted permission for acceptance of wagers from another jurisdiction. Licensed wagering operators shall employ a methodology approved by the Division that ensures patrons are located in New Jersey or other approved location when placing wagers.

The licensed wagering operator shall submit for approval to the Division a schedule of intervals at which a patron shall be geolocated while the account is being accessed.

(c) (1) Licensed wagering operators shall offer fixed odds wagers only on races approved by the Racing Commission as suitable for parimutuel wagers. If an event that originates within New Jersey is approved for parimutuel wagering, it can be offered for fixed odds wagering by all licensed wagering operators.

(2) If an event originates outside New Jersey, it may be offered for fixed odds wagering provided the licensed wagering operator complies with all applicable laws, including the Interstate Horseracing Act, and further provided that the licensed wagering operator has received the consent of the track offering the event.

(d) Licensed wagering operators shall offer online fixed odds wagering to patrons 18 years of age or older and who are not self-excluded pursuant to any list maintained by the Racing Commission.

(e) Online fixed odds wagering shall only be engaged in by patrons who have established an online fixed odds wagering account.

(f) The message “If you or someone you know has a gambling problem and wants help, call 1-800-Gambler” shall be displayed prominently within the log on screen and a command to display this message on the log off screen shall be transmitted whenever the system detects a log off.

(g) When a patron logs on to an online fixed odds wagering system, the system shall display the date and time of the patron's previous log on.

(h) If a patron has suspended his or her account, a licensed wagering operator shall not send gaming-related electronic mail to such patron while the account is suspended.

(i) A client terminal used for online fixed odds wagering shall not contain patron account information or game logic that determines the outcome of any game.

(j) Client terminal software used for online fixed odds wagering shall not contain unauthorized data collection, file extraction, malware, or any other feature that compromises the integrity of the client terminal or the data contained therein.

(k) Software utilized for online fixed odds wagering shall either:

1. Continuously display the current time in the time zone where the game server is physically located and the time elapsed while in the current patron session; or

2. Cause a pop-up notification, at least every half-hour, to be prominently displayed on the client terminal advising the patron of the current time and the amount of time elapsed since his or her log on.

(l) A licensed wagering operator offering online fixed odds wagering shall have a supervising manager responsible for the operation and integrity of online fixed odds wagering. The supervising manager or designee shall be the main point of contact with the Division and shall immediately notify the Division upon detecting any person participating in online fixed odds 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;
2. Required to be excluded by having placed himself on the list of excluded persons maintained by the Racing Commission;
3. Prohibited by the licensed wagering operator from participating in online fixed odds wagering.

(m) A licensed wagering operator shall create, maintain and file with the Division internal controls for all aspects of fixed odds wagering operations prior to its implementation and any time a change is made thereafter. The internal controls shall include detailed procedures for system security, operations, accounting, and reporting of problem gamblers.

(n) A licensed wagering operator offering fixed odds wagering shall describe in its internal controls the method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), or other approved security feature, where applicable. Any

method shall include notification to the patron following any modification via electronic or regular mail, text message, or other manner approved by the Division. Such method shall include at a minimum:

1. Proof of identity, if the account is established in person;
2. The correct response to two or more challenge questions; or
3. Strong authentication.

(o) All terms and conditions for online fixed odds wagering shall be included as an appendix to the internal controls of the licensee addressing 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 operator confirm the patron's age and identity;
3. Rules and obligations applicable to the patron including, but not limited to:
 - i. Prohibition from allowing any other person to access or use his or her fixed odds wagering account;
 - ii. Prohibition from engaging in online fixed odds wagering activity, unless they are physically present in New Jersey or other location approved by the Racing Commission;
 - iii. Consent to the monitoring and recording by the operator and/or the Racing Commission of any wagering communications and geographic location information;

iv. Consent to the jurisdiction of the State of New Jersey to resolve any disputes arising out of fixed odds wagering; and

v. Prohibition against utilizing automated computerized software or other equivalent mechanism, such as a “bot,” to engage in wagering.

4. Full explanation of all fees and charges imposed upon a patron, if applicable;

5. Availability of account statements detailing patron account activity;

6. Privacy policies, including information access;

7. Legal age policy, including a statement that it is a criminal offense to allow a person who is under the age of 18 to participate in online fixed odds wagering;

8. Full explanation of all rules applicable to dormant fixed odds wagering accounts;

9. Patron's right to set responsible gaming limits and to self-exclude;

10. Patron's right to suspend his or her online fixed odds wagering account; and

11. Information to be displayed on a patron protection page. The patron protection page shall be accessible to a patron during a patron session. The patron protection page shall contain, at a minimum, the following:

i. Method for changing or retrieving a password or other approved access security feature and the ability to choose “strong authentication” log in protection;

ii. Method for filing a complaint with the licensed wagering operator;

iii. Method for filing with the Division an unresolved complaint after all reasonable means to resolve the complaint with the licensee have been exhausted utilizing a Dispute Form on the Division's website;

iv. Method for obtaining a copy of the terms and conditions agreed to when establishing an online fixed odds wagering account;

v. Method for the patron to obtain account and wagering history from the licensed wagering operator;

vi. Notification that underage gambling is a criminal offense and that anyone who facilitates someone under the age of 18 to gamble has committed a criminal offense;

vii. Notification that the patron is responsible to configure his or her client terminal's auto-lock feature to protect the client terminal from unauthorized use; and

viii. Notification that a patron is prohibited from allowing any other person to access or use his or her online fixed odds wagering account;

(p) Whenever the material terms and conditions that apply to online fixed odds wagering 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 online fixed odds wagering system.

(q) Equipment used to conduct online fixed odds wagering shall be located, with the prior approval of the Division, within the race track with whom the fixed odds wagering operator is

affiliated or in another secure location approved by the Division. Backup equipment shall be located in a secure location approved by the Division.

(r) Online fixed odds wagering systems shall require a patron, following 15 minutes of user inactivity, as measured by the system, to re-enter his or her username and password or to log in using another method approved by the Division;

(s) A licensed wagering operator shall comply with all Federal requirements including, but not limited to, suspicious activity reporting and W2-G reporting.

(t) A licensed gaming operator shall investigate each patron complaint related to online fixed odds wagering and provide a response to the patron within five calendar days. For complaints that cannot be resolved to the satisfaction of the patron, a copy of the complaint and the operator's response including all relevant documentation shall be provided to the Racing Commission. The Racing Commission may refer complaints involving fixed odds wagering system equipment or server issues to the Division.

(u) An online fixed odds wagering system shall allow patrons to access a player protection page at all times while logged into their account. The player protection page shall include all features listed in (o)¹¹ above.

(v) All licensed wagering operators with employees who have direct contact with patrons via phone, e-mail, electronic chat, or other means shall implement training for those employees at the start of their employment, and at regular intervals thereafter, addressing areas set forth in subsections 1 through 3 below. If the training requirement under this subsection follows the standards set forth by the Council on Compulsive Gambling of New Jersey it shall be deemed sufficient.

1. Recognizing the nature and symptoms of problem gambling behavior and how to assist players in obtaining information regarding help for a gambling problem and self-exclusion programs;

2. Responding to patrons who may disclose that they have a gambling problem; and

3. Responding to reports from third parties, such as family members, about patrons who may have a gambling problem.

(w) Each online fixed odds wagering site or mobile application shall display the following:

1. A prominent message, which states “If you or someone you know has a gambling problem and wants help, call 1-800-Gambler”;

2. A direct link to the Council on Compulsive Gambling New Jersey, Inc., and one other organization based in the United States dedicated to helping people with potential gambling problems;

3. A clear statement of the operator's policy and commitment to responsible gaming; and

4. Rules governing self-imposed responsible gaming limits and the ability for the patron to establish those limits.

(x) A licensed wagering operator shall not unilaterally void any wager without the consent of the Division.

(y) Online fixed odds wagers shall not be subject to any adjustment of odds once a wager is made by a patron and accepted by an operator. However, licensed wagering operators may recalculate the starting post price at any time prior to the start of a race. Operators may make fixed odds wagers unavailable and offer only the starting post price to patrons if odds are being recalculated due to scratches or other events. Operators may in their discretion offer a best odds guarantee.

(z) If a fixed odds wagering account has no log-ons for a period of one year, it shall be considered dormant.

1. At least 30 days but no more than 60 days before an account will become dormant, a licensed wagering operator shall contact the accountholder at the email address for the account, informing the patron that if the account has no log-ins for a year, the account will be dormant and the funds therein lost.

2. If an account goes dormant, the operator shall close the account and send any funds remaining in the account to the Division for deposit in the State's General Fund.

13:69Q-1.4 Requirements for online fixed odds wagering accounts

(a) Prior to engaging in online fixed odds wagering, a patron shall establish an online fixed odds wagering account.

(b) In order to establish a patron's online fixed odds wagering account, a licensed wagering operator shall:

1. Create an electronic patron file, which shall include at a minimum, an exact match for:
 - i. Patron's legal name;
 - ii. Patron's date of birth;
 - iii. Entire or last four digits of the patron's Social Security number, if voluntarily provided, or equivalent for a foreign patron such as a passport or taxpayer identification number;
 - iv. Patron's account number;
 - v. Patron's residential address (a post office box is not acceptable);
 - vi. Patron's electronic mail address;
 - vii. Patron's telephone number;
 - viii. Any other information collected from the patron used to verify his or her identity;
 - ix. The method used to verify the patron's identity; and
 - x. Date of verification.

2. Encrypt all of the following information contained in an electronic patron file:

i. Patron's Social Security number or equivalent for a foreign patron such as a passport or taxpayer identification number;

ii. Patron's passwords and/or PINs; and

iii. Credit card numbers, bank account numbers, or other personal financial information.

3. Verify the patron's identity:

i. If the account is established in person, record the document number of the government issued credential and any other documents examined; or

ii. If the account is established remotely, use another methodology for remote multi-sourced authentication, which may include third-party and governmental databases, as approved by the Division.

4. Require the patron to establish a password or other access security feature as approved by the Division and advise the patron of the ability to utilize "strong authentication" log in protection;

5. Verify that the patron is of the legal age of 18, not self-excluded, or otherwise prohibited from participation in gaming;

6. Record the patron's acceptance of the operator's terms and conditions to participate in online fixed odds wagering;

7. Record the patron's certification that the information provided to the operator by the individual who registered is accurate;

8. Record the patron's acknowledgement that the legal age for Internet or mobile gaming is 18 and that he or she is prohibited from allowing any other person to access or use his or her Internet or mobile gaming account; and

9. Notify the patron of the establishment of the account via electronic mail or regular mail.

(c) A patron shall have no more than one fixed odds wagering account with each licensed wagering operator. Each account shall be:

1. Non-transferable;
2. Unique to the patron who establishes the account; and
3. Distinct from any other account number that the patron may have established with the operator.

(d) A patron's online fixed odds wagering account may be funded through the use of:

1. A patron's deposit in person;
2. A patron's credit or debit card;
3. A patron's reloadable prepaid card;
4. Cash complimentaries, promotional credits, or bonus credits;
5. Winnings;
6. Adjustments made by the operator with documented notification to the patron;

7. ACH transfer, provided that the operator has security measures and controls to prevent ACH fraud;

8. A transaction at an approved fixed odds wagering kiosk; or

9. Any other means approved by the Division.

(e) A failed ACH deposit attempt shall not be considered fraudulent if the patron has successfully deposited funds via an ACH transfer on a previous occasion with no outstanding chargebacks. Otherwise, the operator shall:

1. Temporarily block the patron's account for investigation of fraud after three consecutive failed ACH deposit attempts within a 10-minute time period. If there is no evidence of fraud, the block may be vacated; and

2. Suspend the patron's account after three additional consecutive failed ACH deposit attempts within a 10-minute period.

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

1. The funding of fixed odds wagers;

2. A cash-out, regardless of the deposit method used, at the cashier's cage, if requested by a known patron;

3. A cash-out transfer to a patron's reloadable prepaid cash card;

4. Adjustments made by the licensee with documented notification to the patron;

5. A cash-out transfer directly to the patron's individual account with a bank or other financial institution (banking account) provided that the licensee verifies the validity of the account with the financial institution;

6. A cash withdrawal from a kiosk up to \$3,000; or

7. Any other means approved by the Division.

(g) A licensed wagering operator shall not permit a patron to transfer funds to another patron.

(h) All adjustments to patron accounts for amounts of \$500.00 or under shall be periodically reviewed by supervisory personnel as set forth in the operator's internal controls. All other adjustments shall be authorized by supervisory personnel prior to being entered.

(i) Online fixed odds wagering systems shall provide an account statement with account details to a patron on demand, which shall include detailed account activity for at least the six months preceding 24 hours prior to the request. In addition, an online fixed odds wagering system shall, upon request, be capable of providing a summary statement of all patron activity during the past year. Information to be provided on the summary statement shall include, at a minimum, the following:

1. Deposits to the patron's account;

2. Withdrawals from the account;

3. Win or loss statistics;
4. Beginning and ending account balances; and
5. Self-imposed responsible gaming limit history, if applicable.

(j) A licensed wagering operator shall reverify a patron's identification upon reasonable suspicion that the patron's identification has been compromised.

(k) An online fixed odds wagering system shall provide a conspicuous and readily accessible method for a patron to close his or her account through the account management or similar page. Any balance remaining in a patron's online fixed odds wagering account closed by a patron shall be refunded pursuant to the operator's internal controls.

13:69O-1.5 Online fixed odds wagering system standards and operational controls

(a) An online fixed odds wagering 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 include at a minimum:

1. A Username which shall not be in the format or syntax of an email address;
2. Password of sufficient length and complexity to ensure its effectiveness;
3. Upon account creation the option for users to choose "strong authentication" log in protection; and

4. Electronic notification to the patron's registered e-mail address, cellular phone or other device each time an Internet or mobile gaming account is accessed, provided however, that a patron may opt out of such notification.

(b) An online fixed odds wagering system shall be designed with a methodology approved by the Division to ensure secure communications between a client terminal and the online fixed odds wagering system.

(c) An online fixed odds wagering system shall be designed to detect and report:

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

2. Attempts by prohibited persons to create or utilize an online fixed odds wagering account.

(d) Unless otherwise approved by the Division, an online fixed odds wagering system shall associate a patron's account with a single client terminal during each patron session.

(e) Each patron session shall have a unique identifier assigned by the online fixed odds wagering system.

(f) The online fixed odds wagering system shall immediately terminate a patron session whenever:

1. Required by the Division or operator; or
2. The patron ends a session.

(g) Fixed odds wagering systems shall prevent any patron from wagering or withdrawal activity when sufficient funds are not present in their account.

(h) Online fixed odds wagering systems shall disable a patron's account after three failed log in attempts and require strong authentication to recover or reset a password or username.

(i) Online fixed odds wagering systems shall employ a mechanism that places an Internet or mobile gaming account in a suspended mode:

1. When requested by the patron for a specified period of time;
2. When required by the Division;
3. Upon a determination that a patron is a prohibited person; or
4. When initiated by an operator who has evidence that indicates:
 - i. Illegal activity;
 - ii. A negative patron account balance;
 - iii. After five failed ACH deposit attempts in a ten-minute period; or
 - iv. A violation of the terms of service.

(j) When an online fixed odds wagering account is in a suspended mode, the system shall:

1. Prevent the patron from wagering;
2. Prevent the patron from depositing funds, unless the deposit is for the purpose of remedying a negative balance;
3. Prevent the patron from withdrawing funds from his or her account, unless the suspended mode was initiated by the patron;
4. Prevent the patron from making changes to his or her account;
5. Prevent the removal of the account from the online fixed odds wagering system; and
6. Prominently display to the authorized patron that the account is in a suspended mode, the restrictions placed on the account, and any further course of action needed to remove the suspended mode.

(k) Unless the suspension was a result of a patron's self-exclusion, a licensee shall notify the account holder via electronic mail, regular mail, or other method approved by the Division, whenever his or her account has been closed or placed in a suspended mode. Such notification shall include the restrictions placed on the account and any further course of action needed to remove the restriction.

(l) A suspended account may be restored:

1. Upon expiration of the time period established by the patron;
2. When permission is granted by the Division;
3. When the patron is no longer a prohibited person; or
4. When the operator has lifted the suspended status which it had imposed.

(m) An online fixed odds wagering system shall be capable of allowing a patron to establish the following responsible gaming limits. Any decrease to these limits shall be effective no later than the patron's next log in. Any increase to these limits shall become effective only after the time period of the previous limit has expired.

1. A deposit limit shall be offered on a daily, weekly, and monthly basis and shall specify the maximum amount of money a patron may deposit into his or her account during a particular period of time.

2. A spend limit shall be offered on a daily, weekly, and monthly basis and shall specify the maximum amount of patron deposits that may be put at risk during a particular period of time.

3. A time-based limit shall be offered on a daily basis and shall specify the maximum amount of time, measured hourly from the patron's log in to log off, a patron may spend wagering on a fixed odds wagering system.

(n) A monthly report listing the total sum removed from patron accounts pursuant to this subsection shall be filed with the Division by each licensed wagering operator. A licensed

gaming operator shall not confiscate any funds from a patron's online fixed odds wagering account unless:

1. The patron has a confirmed chargeback, limited to the amount of the chargeback;
2. By court order;
3. The patron has engaged in cheating, collusion, chip dumping, or other illegitimate wagering activity; or
4. Otherwise approved by the Division.

(o) Unless otherwise approved by the Division, a record of all bonus and promotional wagering offers related to online fixed odds wagering such as risk-free wagers 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 after the offer is accepted and prior to completion. Offer terms and the record of all offers shall include at a minimum:

1. The date and time presented;
2. The date and time the offer is active and expires;
3. Patron eligibility, including any limitations on patron participation;
4. Any restriction on withdrawals of funds;
5. Wagering limitations or requirements for an offer to become cashable;
6. The order in which funds are used for wagers;

7. Eligible events; and

8. Rules regarding cancellation.

(p) A fixed odds wagering system shall provide a clear and conspicuous method for a patron to cancel his or her participation in a bonus or promotional wagering offer that utilizes restricted credits. If the patron elects to proceed with cancellation, unrestricted funds remaining in a patron's account shall be returned according to the terms and conditions.

(q) Once a patron has met the terms of a bonus or promotional wagering offer, the operator shall not cap or limit winnings earned while participating in the offer.

(r) Manual adjustments by a licensed wagering operator data shall only be made by a software application approved by the Division.

(s) When a patron's lifetime deposits to a fixed odds wagering account exceed \$2,500, the online fixed odds wagering system shall immediately prevent any wagering until the patron acknowledges the following:

1. The patron has met the Division's deposit threshold of \$2,500;

2. The patron has the capability to establish responsible gaming limits or close his or her account; and

3. The availability of 1-800-GAMBLER.

(t) The acknowledgement prescribed in (s)2 and 3 above shall be required on an annual basis thereafter.

13:69Q-1.6 Communications standards for online fixed odds wagering systems

(a) All online fixed odds wagering 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 either encrypt the data packets or 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 approved by the Division.

(c) A licensed wagering operator shall mask the service set identification (SSID) of the fixed odds wagering 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.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.

(f) Online fixed odds wagering systems shall maintain an internal clock that reflects the current date and time that shall be used to synchronize the time and date between all components that comprise the system. The system date and time shall be visible to the patron when logged on.

13:69Q-1.7 Licensing requirements for entities offering fixed odds wagering

(a) Race tracks and the Authority shall be licensed by the Division as a licensed wagering operator. Any other entity authorized to operate fixed odds wagering, either online or retail, shall be licensed by the Division as a casino service industry enterprise and shall be considered a licensed wagering operator. A race track or the Authority, if licensed by the Division as a casino service industry enterprise, or an applicant for such licensure, shall not be required to file the additional application form.

(b) (1) The application form for licensed wagering operators who are not already licensed as casino service industry enterprises, and who are not required by (a) above to be licensed by the Division as casino service industry enterprises, shall be available on the Division's website.

(2) The application form shall be completed in its entirety and shall be filed with the Division along with a non-refundable fee of \$25,000.

(3) The Authority shall file a certification that it is licensed by the Racing Commission and shall pay a non-refundable fee of \$25,000.

(4) Each race track offering fixed odds wagering shall pay a non-refundable fee of \$25,000. If a race track authorizes third parties to conduct retail or online fixed odds wagering, it shall pay a non-refundable fee of \$25,000 for each third party it so authorizes.

(5) The fee to be a licensed wagering operator shall be deposited into a separate program account of the Casino Control Fund for use by the Division in the regulation of fixed odds wagering. This account will be created by the Division in consultation with the Department of Law and Public Safety.

(6) The Division in its discretion may order a portion of the fees deposited into the separate program account be used for responsible gaming programs.

(c) Once an applicant to be a licensed wagering operator not required by (a) above to be a casino service industry enterprise has filed an application, the Division shall determine its completeness within 14 days. Within 60 days of the receipt of a completed application, the Division shall determine whether the license shall be issued. If the Division approves the application, the matter shall be transmitted to the Attorney General, who shall review the Division's findings

with regard to the application. Within 14 days, the Attorney General shall determine whether to accept the Division's findings. If the Attorney General has not decided within 14 days, the Division's decision shall stand as a final agency decision.

(d) (1) If the Division determines to issue a fixed odds wagering license, the initial approval shall be valid for a period of one year. Thereafter, a race track shall file an application for renewal for a five-year period. The Authority shall file a certification every five years that it is licensed by the Racing Commission.

(2) A race track offering fixed odds wagering shall be required to pay an annual fee to keep the five-year license active. The annual fee shall be non-refundable and shall be determined by the Division at the start of each fiscal year. A race track shall pay a non-refundable fee for each third party it authorizes to operate fixed odds wagering.

(e) (1) Once the Division has deemed an application submitted to become a licensed wagering operator is complete, the Division may authorize the entity to commence operations with regard to fixed odds wagering for a period of not more than six months. This permission may be renewed for additional periods of not more than six months. This permission shall be superseded upon the issuance of a license by the Division.

(2) Entities required by (a) above to obtain a casino service industry enterprise license to participate in fixed odds wagering may obtain a transactional waiver from the Division during the pendency of its license application.

(f) If the amount of the initial fee set forth in (b) above or the renewal fee set forth in (d) above is not sufficient to pay for the costs of the investigation of the initial or renewal application, the Division shall require the additional costs of the investigation to be paid by the licensed wagering operator and may require periodic payments towards such deficiency.

(g) (1) Oddsmakers, manufacturers of totalisator equipment, and any other entity who, in the exclusive discretion of the Division, is providing goods or services directly related to the wagering or revenue aspects of fixed odds wagering, shall file a registration form with the Division as a fixed odds vendor. The registration form shall be available on the Division's website. Failure to file a completed registration form within 45 days of the signing of a contract with a licensed wagering operator shall result in the entity being prohibited from conducting direct or indirect business with a licensed wagering operator for a minimum of 10 days or until the registration form is filed with the Division, whichever period is greater.

(2) Any entity that holds a Casino Service Industry Enterprise ("CSIE") license or Ancillary CSIE license issued by the Division, any applicant for such licensure, and any vendor registered with the Division as a casino vendor registrant shall not be required to file a fixed odds registration form and shall be deemed to be a fixed odds vendor who is subject to the jurisdiction of the Division.

(h) The Director shall have discretion to order any fixed odds licensee, registrant or other participant to be called forward at any time to a higher level of licensure.

(i) Each licensed wagering operator offering either retail or fixed odds wagering shall cause a third-party accounting firm to conduct an annual audit of the entity's fixed odds wagering operations. The third-party accounting firm shall file a certification with the Division that it conducted the audit. The licensed wagering operator shall make the results of the audit, including any reports and findings, available to the Division if requested.

13:69Q-1.8 Internal controls; house rules

(a) Licensed wagering operators shall file with the Division internal controls for all aspects of fixed odds wagering operations prior to commencing operations. Such internal controls shall be maintained by the licensed wagering operator and shall be filed with the Division at least 72 hours prior to implementation or amendment.

(b) In the event of a failure of the fixed odds wagering system's ability to pay winning wagers, the licensee shall have internal controls detailing the method of paying winning wagers. The licensee shall also file an incident report for each system failure and document the date, time, and reason for the failure along with the date and time the system is restored with the Division.

(c) The internal controls shall address the following, at a minimum:

1. User access controls for all fixed odds wagering personnel;

2. Segregation of duties;
3. Automated and manual risk management procedures;
4. Procedures for identifying and reporting fraud and suspicious conduct;
5. Procedures to prevent wagering by patrons prohibited from wagering such as self-excluded, not geographically authorized or underage;
6. Description of anti-money laundering compliance standards including, but not limited to, filing of CTRs, SARs, and procedures for detecting structuring to avoid reporting requirements;
7. Description of all types of wagers available to be offered by the system;
8. Description of all integrated third-party systems;
9. Description of procedures for ensuring that fixed odds vendors are appropriately registered if required; and
10. Description of procedures to be used by retail licensed wagering operators for telephone wagering.

(d) The internal controls shall detail the reconciliation of assets and documents contained in each ticket writer's drawer and in a kiosk.

(e) The internal controls shall detail the procedures to redeem lost tickets which shall include a supervisor's approval and documentation of the:

1. Date and time of the redemption;
2. Employee responsible for redeeming the ticket or voucher;
3. Supervisor authorizing the redemption;
4. Patron identification;
5. Unique ticket or voucher identifier; and
6. Location of the redemption.

(f) The internal controls shall detail procedures to reprint tickets that fail to print at either a ticket station or kiosk. Such procedures shall include a requirement of supervisory authorization for the reprint.

(g) Licensed wagering operators shall adopt comprehensive house rules, which shall be approved by the Division that include the following, at a minimum:

1. Method for calculation and payment of winning wagers, including the method of reducing winnings due to scratches;
2. Description of the process for handling incorrectly posted events, odds, wagers, or results;
3. Effect of schedule changes;
4. Method of notifying patrons of odds or proposition changes;
5. Acceptance of wagers at other than posted terms;
6. Expiration of any winning ticket one year after the date of the event;

7. Method of contacting the operator for questions and complaints;

8. Description of prohibited participants, including those with insider knowledge;

9. A statement regarding the policy and methods for limiting the maximum amount that a patron can win on any particular wager; however, such policy will not preclude a patron from collecting a payout in excess of the purported amount if the system allows the patron to place a valid wager that pays more than the stated maximum amount;

10. Method of funding a fixed odds wager; and

11. Methods of redemption, including redemption by mail or other means if permitted.

(h) The house rules, together with any other information the Division deems appropriate, shall be conspicuously displayed in the area where wagers are taken, posted on the operator's Internet website, and included in the terms and conditions of the account wagering system. Copies shall be made readily available to patrons.

13:69Q-1.9 Wagering on behalf of another prohibited

No licensed wagering operator shall knowingly accept a wager from a person on behalf of any other person. No licensed wagering operator shall knowingly allow a person to make a wager utilizing the account of another person.

13:69Q-1.10 Issuance of credit prohibited

Licensed wagering operators shall be prohibited from offering credit to patrons through counterchecks, markers, electronic markers or any other means. This shall not prohibit a licensed wagering operator from offering a branded gift card or branded credit or debit card to patrons.

13:69Q-1.11 Fixed odds wagering kiosks

(a) The operator of a fixed odds wagering system may use kiosks for wagering transactions in conjunction with an approved retail fixed odds wagering system. Each kiosk shall be in a location approved by the Division. Kiosks may, at the option of the licensed wagering operator:

1. Accept wagers from patrons;
2. Redeem winning wagering tickets;
3. Verify that a ticket is not a winning wager; or
4. Be used as an ATM.

(b) A kiosk used in accordance with this section shall not:

1. Issue a ticket with a potential payout of more than \$10,000;
2. Redeem a ticket with a value of more than \$3,000.

(c) An operator shall remove the bill validator boxes in the kiosks (“kiosk drop”) pursuant to a schedule that has been submitted to and approved by the Division. The kiosk drop shall be monitored and recorded by surveillance. The operator of a retail fixed odds wagering system shall submit the kiosk drop schedule to the Division, which shall include:

1. The time the drop is scheduled to commence, which shall be performed at least once every seven days; and
2. The number and locations of kiosks.

(d) A security department member and a cage cashier, count person, or other employee of the operator shall obtain the keys necessary to perform the kiosk drop and/or currency cassette replacement in accordance with the operator's or race track's key sign-out and sign-in procedures.

(e) A cage cashier, soft count person, or employee of the operator with no incompatible functions shall place empty bill validator boxes needed for the kiosk drop into a secured cart and prepare a Kiosk Bill Validator drop form, which shall include the following:

1. drop date;
2. Identification number of the secured cart;
3. Number of empty boxes placed into the secured cart;
4. Signature of the cage cashier, soft count person, or employee of the operator documenting that the number of empty boxes equals the number of kiosks utilized by the operator.

(f) In the presence of a security department member, a cage cashier, soft count person, or employee of the operator shall complete the kiosk drop at each kiosk as follows:

1. Unlock the cabinet(s) housing the bill validator boxes;
2. Remove the bill validator boxes and place the removed bill validator boxes into a secured cart and insert the empty bill validator boxes and reject bins;
3. Lock the cabinet(s) housing the bill validator boxes; and
4. Transport the secured cart to a count room or other location approved by the Division for the count of the kiosk drop.

(g) The contents of the bill validator boxes shall be counted by one or more accounting or employees of the operator with no incompatible function who shall:

1. Document the contents, by item and amount, for each box on a Balance Receipt;
2. Prepare or generate a Kiosk Drop Totals report that summarizes the total currency and tickets counted;
3. Verify that the number of bill validator boxes counted equals the number of empty boxes initially recorded on the Kiosk Bill Validator drop form. Any exceptions encountered during the drop and count process shall be documented on this form;
4. Transfer the currency to a cashier with a copy of the Kiosk Drop Totals report;

5. Transport the tickets to a secured location approved by the Division for storage until destroyed; and

6. Transport the Balance Receipts, the Kiosk Drop Totals report, and Kiosk Bill Validator drop form to the accounting department.

(h) On a daily basis, or on such other schedule as permitted by the Division, an operator shall replenish the currency cassettes in the kiosks. A cashier, soft count person, or operator employee with no incompatible functions shall prepare the currency cassettes to replenish the kiosks, which shall be documented on a two-part Kiosk Cassette Fill form. One copy of the form shall be retained by the cashier, soft count person, or operator employee and the duplicate shall be used to document the completion of the transaction. The form shall include:

1. Designation of the kiosk to which the fill is to be performed;
2. For each denomination, the number of bills and total value;
3. The total value of all currency cassettes;
4. Date and time prepared; and
5. Signature of the cashier, soft count person, or operator employee.

(i) An accounting or operator employee shall place the replacement currency cassettes and empty reject bins into a secured cart.

(j) In the presence of a security department member, the accounting or operator employee shall complete the currency cassette replenishment at kiosk as follows:

1. Unlock the cabinet(s) housing the currency cassettes and reject bins;

2. Remove all currency cassettes and the reject bin, which shall be placed in a secure cart and generate a Credit Receipt that, at a minimum, includes:

- i. An identification number of the kiosk;

- ii. The date and time;

- iii. The denomination of each currency cassette; and

- iv. The total value of the total number of bills per denomination remaining in each currency cassette being replenished and the reject bin;

3. Insert the replacement currency cassettes and currency cassette reject bin; and

4. Enter data into the kiosk that describes the fill, and generate Fill Receipt that, at a minimum, includes:

- i. An identification number of the kiosk;

- ii. The date and time the fill was performed;

- iii. The denomination of currency for each currency cassette inserted into the machine;

and

- iv. The total value of the total number of bills per denomination, for each currency cassette being inserted into the machine.

5. Lock the cabinet and sign the duplicate copy of the Kiosk Cassette Fill attesting that the fill was completed. The Fill Receipt and the Credit Receipt shall be deposited in a locked accounting box.

6. Return all removed currency cassettes and reject bins in a secured cart to the count room or other location approved by the Division.

(k) One or more accounting or operator employees with no incompatible function shall count and document the value of the contents of each removed currency cassette and currency cassette reject bin as follows:

1. Document the count of each currency cassette and reject bin on a Balance Receipt by kiosk;

2. Prepare or generate a Fixed Odds Currency Cassette Replenishment Totals report that summarizes the total currency counted;

3. Transfer the currency to a cashier with a copy of the Currency Cassette Replenishment Totals report; and

4. Transport the Balance Receipts and Currency Cassette Replenishment Totals report to the race track accounting department or to the accounting department of the operator, as applicable.

(l) The casino, licensed wagering operator, or race track accounting department shall reconcile the kiosks on a daily basis or other schedule approved by the Division pursuant to internal

controls. Any variance of \$ 500.00 or more shall be documented by the accounting department and reported in writing to the Division within 72 hours of the end of the gaming day during which the variance was discovered. The report shall indicate the cause of the variance and shall contain any documentation required to support the stated explanation.

13:69Q-1.12 Accounting controls for a retail fixed odds wagering booth

(a) The assets for which each ticket writer is responsible shall be maintained on an imprest basis. A ticket writer shall not permit any other person to access his or her imprest inventory.

(b) A ticket writer shall begin a shift with an imprest amount of currency and coin to be known as the “fixed odds wagering inventory.” No funds shall be added to, or removed from, the fixed odds wagering inventory during such shift, except:

1. In collection of wagers;
2. In order to make change for a patron buying a wagering ticket;
3. In payment of winning or properly cancelled or refunded fixed odds wagering tickets;
4. To process parimutuel transactions provided that such transactions are separately reconciled;
5. To process deposits or withdrawals to or from a patron's online fixed odds wagering account; or

6. In transfers with the race track vault or cage.

(c) A “fixed odds wagering count sheet” shall be completed and signed by the fixed odds wagering shift supervisor, and the following information, at a minimum, shall be recorded thereon at the commencement of a shift:

1. The date, time, and shift of preparation;

2. The denomination of currency and coin in the fixed odds wagering inventory issued to the ticket writer;

3. The total amount of each denomination of currency and coin in the fixed odds wagering inventory issued to the ticket writer;

4. The station number to which the ticket writer is assigned; and

5. The signature of the shift supervisor.

(d) A ticket writer assigned to a ticket writer station shall count and verify the fixed odds wagering inventory at the fixed odds wagering vault or other approved location, and shall agree the count to the fixed odds wagering count sheet. The ticket writer shall sign the count sheet attesting to the accuracy of the information recorded thereon. The fixed odds wagering inventory shall be placed in a ticket writer's drawer and transported directly to the appropriate booth station by the ticket writer.

(e) Whenever funds are transferred from the vault to a ticket writer, the supervisor responsible for the vault shall prepare a two-part Writer Transfer-Out form. Upon completion of the form, the original shall be retained by the vault supervisor and the duplicate shall be retained by the ticket writer. The form shall include, at a minimum, the:

1. Date and time of the transfer;
2. Designation of the vault location;
3. Ticket writer station to where the funds are being transferred to;
4. Amount of each denomination being transferred;
5. Total amount of the transfer;
6. Signature of the preparer of the transfer;
7. Signature of the supervisor verifying and issuing the funds; and
8. Signature of the ticket writer verifying and receiving the funds.

(f) Whenever funds are transferred from the ticket writer to a vault, a two-part Writer Transfer-In form shall be prepared. Upon completion of the form, the original shall be retained by the ticket writer and the duplicate shall be immediately returned with the funds to the vault. The form shall include, at a minimum, the:

1. Date and time of the transfer;
2. Designation of the vault location where the funds are being transferred to;
3. Ticket writer station to where the funds are being transferred from;

4. Amount of each denomination being transferred;
5. Total amount of the transfer;
6. Signature of the ticket writer verifying and sending the funds to the vault; and
7. Signature of the supervisor verifying and receiving the funds.

(g) At the conclusion of a ticket writer's shift, the ticket writer's drawer and its contents shall be transported directly to the vault or to a location approved by the Division in the booth, where the ticket writer shall count the contents of the drawer and record the following information, at a minimum, on the fixed odds wagering count sheet:

1. The date, time, and shift of preparation;
2. The denomination of currency and coin in the drawer;
3. The total amount of each denomination of currency and coin in the drawer;
4. The total of the Writer Transfer-Out forms;
5. The total of the Writer Transfer-In forms;
6. The total amount in the drawer; and
7. The signature of the ticket writer.

(h) The fixed odds wagering booth shift supervisor shall compare the ticket writer system closing balance to the fixed odds wagering count total, record any over or short amount, and sign the fixed odds wagering count sheet.

(i) If the fixed odds wagering count sheet lists an overage or shortage, the ticket writer and the shift supervisor shall attempt to determine the cause of the discrepancy in the count. If the discrepancy cannot be resolved, such discrepancy shall be reported to the surveillance department and the fixed odds wagering manager or department supervisor in charge at such time. Any discrepancy in excess of \$500.00 shall be reported to the Division. The report shall include the following:

1. Date;
2. Shift;
3. Name of the ticket writer;
4. Name of the supervisor;
5. Station number; and
6. Amount of the discrepancy.

(j) Whenever funds are transferred from the vault to the main cage, the supervisor responsible for the vault shall prepare a two-part Vault Transfer-Out form. Upon completion of the form, the original shall be retained by the vault supervisor and the duplicate shall be transferred with the funds to the main cage. The form shall include, at a minimum, the:

1. Date and time of the transfer;
2. Designation of the vault location;

3. Designation of the cage location;
4. Amount of each denomination being transferred;
5. Total amount of the transfer;
6. Signature of the preparer of the transfer;
7. Signature of the vault supervisor verifying and issuing the funds; and
8. Signature of the cage cashier verifying and receiving the funds.

(k) Whenever funds are transferred from the main cage to a vault, a two-part Vault Transfer-In form shall be prepared. Upon completion of the form, the original shall be retained by the cage cashier and the duplicate shall be transferred with the funds to the vault. The form shall include, at a minimum, the:

1. Date and time of the transfer;
2. Designation of the vault location where the funds are being transferred to;
3. Cashier location where the funds are being transferred from;
4. Amount of each denomination being transferred;
5. Total amount of the transfer;
6. Signature of the cage cashier verifying and sending the funds to the vault; and
7. Signature of the vault supervisor verifying and receiving the funds.

13:69Q-1.13 Mandatory online fixed odds system logging

(a) Online fixed odds wagering systems shall employ a mechanism capable of maintaining a separate copy of all of the information required to be logged in this section on a separate and independent logging device capable of being administered by an employee with no incompatible function. If the system can be configured such that any logged data is contained in a secure transaction file, a separate logging device is not required.

(b) Online fixed odds wagering systems shall provide a mechanism for the Division to query and export, in a format required by the Division, all system data.

(c) Online fixed odds wagering systems shall electronically log the date and time any account is created or terminated (Account Creation Log).

(d) An online fixed odds wagering system shall maintain all information necessary to recreate patron and account activity during each patron session, including any identity or location verifications, for a period of no less than 10 years.

(e) Unless otherwise authorized by the Division, when software is installed on or removed from a wagering system, such action shall be recorded in a secure electronic log (Software Installation/Removal Log), which shall include:

1. The date and time of the action;
2. The identification of the software; and
3. The identity of the person performing the action.

(f) Unless otherwise exempted by the Division, an online fixed odds wagering system shall record all promotional offers (Promotions Log) issued through the system. Such log shall provide the information necessary to audit compliance with the terms and conditions of current and previous offers.

(g) Results of all authentication attempts shall be retained in an electronic log (Authentication Log) and accessible for a period of 90 days.

(h) All adjustments to gaming system data made using stored procedures shall be recorded in an electronic log (Adjustments Log), which lists:

1. The date and time;
2. The identification and user ID of user performing the action;
3. A description of the event or action taken; and

4. The initial and ending values of any data altered as a part of the event or action performed.

13:69Q-1.14 Review of participation agreements

(a) Notwithstanding any law, rule, or regulation to the contrary, fixed odds wagering by residents of this State on the results of horse races conducted in this State or jurisdictions outside of this State shall be lawful provided that, for all fixed odds wagering conducted on in-State races, the licensed wagering operator maintains a written agreement with the Standardbred Breeders and Owners Association of New Jersey and the New Jersey Thoroughbred Horsemen's Association for such wagering on the associations' respective breeds.

(b) Such agreement shall include the portion of fixed odds wagering revenues payable to the respective Association, the amount payable to the Authority or the authorizing race track, as well as the amount to be maintained by the licensed wagering operator.

(c) The licensed wagering operator shall submit the required agreement to the Division and the Racing Commission for approval at least ten days prior to implementation. Within five days of receipt of the required agreement, the Racing Commission shall confer with the Division regarding the Division's approval or denial of the agreement. Any amendments shall be submitted to the Division and Racing Commission for approval at least ten days prior to their effective date. Within five days of receipt of the required agreement, the Racing Commission shall confer with the Division regarding the Division's approval or denial of the amendments.

(d) Any participation agreement shall include an agreement by the operator to pay a proportional share of the available net project revenues determined by the operating board to the standardbred or thoroughbred permit holder, as the case may be, and a re-negotiation mechanism to adjust a proportional share following the addition or removal of an operator.