

205 CMR: MASSACHUSETTS GAMING COMMISSION

205 CMR 138.00: UNIFORM STANDARDS OF ACCOUNTING PROCEDURES AND INTERNAL CONTROLS

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As used in 205 CMR 138.00 the following words and phrases shall have the following meanings unless the context clearly indicates otherwise:

Annuity Jackpot means any slot machine payout offered by a gaming licensee, where a patron is entitled to receive cash payments at specified intervals in the future.

Asset Number means a unique number permanently assigned to a slot machine and a slot cash storage box for purposes of tracking that machine and storage box while owned by a gaming licensee.

Bank is defined in M.G.L. c. 167B, § 1.

Cage Supervisor means any person who supervises personnel and functions within the cashiers' cage.

Cash means currency or coin.

Cash Equivalent means a certified check, cashier's check, treasurer's check, personal checks, travelers' check, money order, or other instrument deemed a cash equivalent by the commission.

Check is defined in M.G.L. c. 106, §§ 3 through 104.

Chief Gaming Executive means the individual employed by a gaming establishment who is responsible for the daily conduct of a gaming licensee's gaming business. Unless the chief gaming executive also serves as the chief executive officer of the gaming licensee, the chief gaming executive shall report directly to the chief executive officer of the gaming licensee.

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Closer means the original of the Table Inventory Slip upon which each table inventory is recorded at the end of each shift.

Debit Card Cash Transaction means a transaction in which a patron obtains cash, chips, plaques, or slot tokens from a cashier by presenting a recognized debit card.

Derogatory Information means issues that have a negative bearing on one's casino credit including such things as a patron credit account being partially or completely uncollectible, checks returned unpaid by the patron's bank, settlements, liens, judgments, other credit problems of the patron, or any other information provided by a gaming licensee's security or surveillance department.

Electronic Fund Transfer is defined in M.G.L. c. 167B, § 1.

Handle means the total value of coins, slot tokens, including foreign slot tokens, currency, coupons, gaming vouchers, and electronic credits invested by a patron to activate the play of a slot machine or other electronic gaming device.

Identification Credential means government issued photo identification which contains the person's signature.

Imprest means the basis on which cashiers' cage and slot booth funds are replenished from time to time in exactly the value of the net of expenditures made from the funds and value received. Incompatible function means a function that places any person or department in a position to both perpetrate and conceal errors or irregularities in the normal course of their duties. For example, anyone recording transactions and having access to assets ordinarily would be considered to be in a position to perpetrate errors or irregularities. Persons may have incompatible functions if such persons are members of departments which have supervisors not independent of each other.

Master Game Report means a record of the computation of the win or loss or, for the game of poker, the poker revenue, for each gaming table, each game, and each gaming day.

Multi-state Jackpot means any progressive slot machine jackpot offered by one or more gaming licensees in conjunction with a licensee from another jurisdiction pursuant to a multi-state progressive slot system agreement.

Opener means the duplicate copy of the table inventory slip upon which each table inventory is recorded at the end of each shift and serves as the record of each table inventory at the beginning of the next succeeding shift.

Outstanding Patron Check means any Counter Check or replacement check that is not due for deposit or presentation pursuant to 205 CMR 138.45 and has not in fact been deposited or presented for payment or redeemed by the drawer.

Patron Check means a Counter Check or a replacement check.

Patron Deposit means the total value of cash, cash equivalents, complimentary cash gifts, slot tokens, prize tokens, gaming chips or plaques deposited with a gaming licensee by a patron for his or her subsequent use pursuant to 205 CMR 138.40.

Poker Revenue means the total value of rake charged to patrons at all poker tables pursuant to 205 CMR.

Replacement Check means a counter check which replaces one or more previously issued counter checks.

Slot Drop Container shall include slot drop buckets, slot drop boxes and slot cash storage boxes.

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Slot Machine Drop means the total value of coins, slot tokens, and foreign slot tokens in a slot drop bucket or a slot drop box, the total value of currency, gaming vouchers and coupons in a slot cash storage box, and the total value of electronic credits withdrawn from patron accounts, if applicable.

Slot Machine Win means the value of the drop less any jackpots paid less any change to the hopper inventory.

Supervisor means a key gaming employee or gaming employee employed in the operation of a gaming establishment in a supervisory capacity or empowered to make discretionary decisions which regulate gaming operations, including but not limited to, boxpersons, floorpersons, pit bosses, poker shift supervisors, table games shift managers, the gaming manager, and the assistant gaming manager.

Suspicious Gaming Voucher means any gaming voucher that appears to have been counterfeited, tampered with or altered in any way that would affect its integrity, suitability, validity or value.

Table Game Drop means the sum of the total value of currency, coin, or coupons deposited in the drop box at a gaming table.

Table Game win or loss means the amount of table game drop minus the change in the tables chip inventory, including chips issued during fills and chips removed during credits for tables other than poker tables.

Third Party Check means a check endorsed by its payee to another party who becomes the holder in due course.

Unscanned Gaming Voucher means any gaming voucher that a gaming licensee elects to redeem when its gaming voucher system or any component thereof is inoperable and, as a result, the system is unable to determine the validity of the voucher.

Unsecured Currency, Unsecured Gaming Voucher, Unsecured Ticket, and Unsecured Coupon means currency, a voucher, ticket, or coupon found inside a bill changer but outside a bill validator box.

Unverified Gaming Voucher means any gaming voucher, other than a suspicious gaming voucher, that the gaming voucher system fails to verify and electronically cancel in the system when it is presented for redemption and scanned.

Wire Transfer means a transfer of funds through Fedwire Funds Service as governed by 12 CFR Part 210, Subpart B - *Funds Transfers Through Fedwire*.

138.02: Licensee's System of Internal Controls

(1) At least 60 days prior to commencing operations a gaming licensee shall submit to the commission its proposed minimum system of internal procedures and administrative and accounting controls (internal controls) in accordance with 205 CMR 138.02(4). An Operations Certificate shall not be issued to a gaming licensee for the commencement of gaming operations in accordance with 205 CMR until the submission is approved in accordance with 205 CMR 138.02(2). The commission or its designee may perform any inspection necessary in order to determine conformance with the approved internal controls.

(2) The commission shall refer the proposal submitted in accordance with 205 CMR 138.02(1) to the Executive Director who shall review the submission for compliance with M.G.L. c.23K, 205 CMR 138.00 and other applicable sections of 205 CMR. Upon completion of review the Executive Director shall either approve the submission or advise the gaming licensee in writing of any deficiency, and may include any other recommendations and/or required changes intended to ensure that a robust system of internal controls is implemented. The gaming licensee may either accept a recommendation or required change in writing or advise the Executive Director in writing as to the reason for its disagreement. The gaming licensee may dispute any determination or recommendation made by the Executive Director to the commission which shall resolve the issue.

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The commission or the Executive Director may revisit any provision of the internal controls at any time and direct adjustment if necessary, and provide for a reasonable implementation period, to ensure that a robust system of internal controls is in effect. Upon approval by the Executive Director the gaming licensee shall be issued a writing evidencing the approval of its internal controls including any associated conditions.

(3) At least 15 business days prior to changing any provision of the approved internal controls a gaming licensee shall submit the proposed change, including an explanation therefor, and new certifications from its chief legal and financial officers consistent with 205 CMR 138.02(4)(i) and (j), to the commission. The commission shall refer the proposed change to the Executive Director who shall review the proposal to determine whether it complies with 205 CMR 138.00. Changes to the system of internal controls will generally be permitted if the proposed change does not lessen the applicable administrative, accounting, or physical control. Upon completion of review the Executive Director shall either approve the proposed change or advise the gaming licensee in writing as to why the proposal does not comply with 205 CMR 138.00. The gaming licensee may appeal the Executive Director's determination to the commission which shall resolve the issue. Approved changes shall be maintained as part of the approved internal controls.

Modifications to internal controls may not be implemented until approved by the Executive Director or the commission. Provided, however, if the Executive Director does not object or otherwise respond to the submission in writing within 15 business days of receipt of the submission, the gaming licensee may make the proposed change subject to further direction by the Executive Director in accordance with 205 CMR 138.02(3).

(4) The internal controls shall include the following:

- (a) Administrative controls which include, as their primary objective, policies and procedures designed to assure that all activities and transactions of the gaming licensee are instituted and completed in accordance with the applicable policy and/or procedure.
- (b) Accounting controls, as detailed in 205 CMR, which include, as their primary objective, procedures to assure that all activities and transactions of the gaming licensee are accurately reported and recorded in accordance with generally accepted accounting principles.
- (c) Reporting controls which shall include policies and procedures for the timely reporting of economic and social impact reports, and standard financial and statistical reports and information in accordance with 205 CMR.
- (d) Surveillance controls as detailed in 205 CMR 141.00: *Surveillance of the Gaming Establishment*.
- (e) Physical controls which include, as their primary objective, the safeguarding of company assets to include safeguards in the form of organizational safeguards, such as segregation of duties between incompatible functions, and physical safeguards such as restricted access to assets and routine security devices such as cameras and locking doors.
- (f) A network security plan as described in 205 CMR 143.12: *Network Security*.
- (g) A plan to ensure compliance with 205 CMR 140.00: *Gross Gaming Revenue and Tax Remittance and Reporting*.
- (h) All applicable policies and procedures required pursuant to 205 CMR 138.04 through 138.70.
- (i) A certification by the gaming licensee's chief legal officer that the submitted procedures conform to M.G.L. c. 23K, 205 CMR 138.00, and any applicable regulations referenced therein; and
- (j) A certification by the gaming licensee's chief financial officer that the submitted procedures provide adequate and effective controls, establish a consistent overall system of internal procedures and administrative and accounting controls, and conform to generally accepted accounting principles and 205 CMR.

(5) Nothing in 205 CMR 138.00 shall be interpreted so as to limit a gaming licensee's use of technology, provided that, if the gaming licensee intends to utilize any new technology not identified in its initial proposal, it shall submit the changes to its system of internal controls to incorporate the use of any such new technology to the commission which shall refer the proposed change to the Executive Director who shall review the proposal in accordance with 205 CMR 138.02(3).

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- (6) (a) If a gaming licensee desires to incorporate a provision in its internal controls that is not in conformance with 205 CMR 138.00, or to exclude a provision required by 205 CMR 138.00, it may petition to do so by including its proposal in its internal controls filing, or petition to change a provision of the internal controls in accordance with 138.02(3), along with a citation to the applicable provision of 205 CMR 138.00 and a written explanation as to why the variance is being requested. The Executive Director may allow the variance upon a finding that the proposal is at least equivalent to the relevant provision contained in 205 CMR 138.00 and/or that the proposal is likely to achieve the same outcome as if the provision contained in 205 CMR 138.00 were incorporated. Such variance shall be identified in the written approval issued in accordance with 205 CMR 138.02(2) and a report filed with the commission that identifies the provision of 205 CMR 138.00 that a variance was granted from and provides the general reason the variance was granted. Provided, however, that a gaming licensee may not seek a variance from any of the provisions of 205 CMR 138.40 through 138.47.
- (b) In the event that a gaming licensee will be temporarily unable to abide by a provision of its system of internal controls, the Director of the IEB, or his or her designee, may upon request by the gaming licensee grant a limited temporary variance from a provision of the gaming licensee's system of internal controls, provided that such variance shall be for a set period of time not to exceed 48 hours, that the provision at issue shall relate to the gaming operation of the gaming establishment, and that it be based on good cause shown such that the health, safety or welfare of the public or the integrity of gaming will not be adversely impacted. Provided, that a gaming licensee may not seek a limited temporary variance from any of the provisions of 205 CMR 138.40 through 138.47. Where the circumstances warrant, such a variance may be renewed by the Director of the IEB, or his or her designee, for one additional 48 hour period. All such requests and determinations shall be documented and submitted to the Executive Director for review as promptly as possible.
- (7) Upon approval in accordance with 205 CMR 138.02(2) and (3), the gaming licensee shall implement and abide by its system of internal controls. The commission and the IEB may take any steps necessary to determine whether the internal controls are being followed and to enforce compliance. The gaming licensee shall periodically compare its approved system of internal controls, as written, to the system actually in place and operating for the purpose of identifying areas of non-compliance, if any, so as to take immediate corrective action. The periodic comparison shall be performed by either independent auditors or internal auditors.
- (8) The gaming licensee shall maintain in its records and at all times a complete set of its system of internal controls in effect at that time.
- (9) When possible, all filings and records required to be submitted to the commission in accordance with 205 CMR 138.00 shall be done electronically unless otherwise directed by the commission.

138.03: Records Regarding Company Ownership

All records regarding ownership, as described in 205 CMR, shall be maintained at a location as determined by the gaming licensee provided that the commission is notified of such location where the records are to be stored. The commission shall be granted prompt and unfettered access to all such records upon request.

138.04: Gaming Licensee's Organization

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include tables of organization, which shall provide for:
- (a) A system of personnel and chain of command which permits management and supervisory personnel to be held accountable for actions or omissions within their areas of responsibility;
- (b) The segregation of incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of his or her duties;

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- (c) Primary and secondary supervisory positions which permit the authorization or supervision of necessary transactions at all relevant times; and
- (d) Areas of responsibility which are not so extensive as to be impractical for one person to monitor.

(2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions detailing the structure, function, and area of responsibility for the following mandatory departments and supervisory positions, with each of the mandatory departments and supervisors cooperating with, yet performing independently of, all other mandatory departments and supervisors of the gaming licensee as follows:

- (a) A surveillance department supervised by an executive who shall be responsible for the management of the surveillance department. The chief surveillance executive shall be subject to the reporting requirements specified in 205 CMR 138.04(4). The surveillance department monitoring room shall be supervised by an individual licensed as a key gaming employee in accordance with 205 CMR 134.00: *Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations* who shall be present in the room at all times or, if not present, be within immediate contact and at a known location at the gaming establishment.
- (b) An internal audit department supervised by an audit department executive. The audit department executive shall be subject to the reporting requirements specified in 205 CMR 138.04(4).
- (c) An IT department supervised by an executive who shall be responsible for the management of the IT department.
- (d) A casino games department supervised by an executive who shall be responsible for the management of the casino games department. The chief casino games executive shall be responsible for the operation and conduct of all authorized games and gaming devices in a gaming establishment.
- (e) A security department supervised by an executive who shall be responsible for the management of the security department.
- (f) A gaming accounting department supervised by an executive who shall be responsible for the management of the gaming accounting department. The chief gaming accounting executive shall be responsible for all gaming related accounting control functions.
- (g) A compliance committee consisting of at least three members, at least one of whom shall be independent of the gaming licensee. The compliance committee may consist of less than three members on a temporary basis upon a showing of good cause by the gaming licensee, but, under all circumstances, a compliance committee must include at least one independent member. The compliance committee may be created at either the gaming licensee level or at the level of a parent, holding or intermediary company. The compliance committee shall provide its policies and procedures to the commission, which policies and procedures shall provide for, at a minimum, the following:
  1. The monitoring of policies, procedures, material transactions and proposed transactions for purposes of avoiding impropriety or the appearance thereof;
  2. The review of payments to individuals and entities and the provision of services, gifts or anything of value to or on behalf of any public official provided, that review of such conduct as it relates to foreign public officials may be performed by legal counsel to the gaming licensee who shall then report their findings to the compliance committee;
  3. The review of political contributions;
  4. Ensuring compliance with all applicable federal, state and local laws and regulatory requirements;
  5. Protecting against unethical or unlawful behavior by employees;
  6. The conduct of due diligence reviews and investigations of directors, officers, executive level employees and those entities and individuals having material associations with the gaming licensee; and
  7. Providing the commission with the minutes of its meetings within 45 days of the conduct of those meetings. If necessary, minutes in draft form may be submitted followed by final minutes when approved.
- (h) An independent audit committee consisting of at least three members provided, however, that the independent audit committee may be comprised of less than three members on a temporary basis upon a showing of good cause to the commission. The independent audit committee may be created at either the gaming licensee level or at the level of a parent, holding or intermediary company. The Committee shall provide the commission with the minutes of its meetings within 45 days of the conduct of those meetings. If necessary, minutes in draft form may be submitted followed by final minutes when approved.

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(3) Each mandatory department shall be supervised at all times by at least one individual who has been licensed as a key gaming employee in accordance with 205 CMR 134.00: *Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations*.

(4) The chief executives of the surveillance and internal audit departments required by 205 CMR 138.04(2) shall comply with the following reporting requirements:

(a) Each executive shall report directly to the chief gaming executive of the gaming licensee regarding administrative matters and daily operations provided, however, a gaming licensee may allow each of these executives to report directly to a management executive of the licensee other than the chief gaming executive if that management executive reports directly to the chief gaming executive.

(b) Each executive shall report directly to one of the following persons or entities regarding matters of policy, purpose, responsibility, and authority. The hiring, termination, and salary of each executive shall also be controlled by one of the following persons or entities:

1. The independent audit committee of the gaming licensee's board of directors;
2. The independent audit committee of the board of directors of any holding company of the gaming licensee which has absolute authority to direct the operations of the gaming licensee;
3. The senior surveillance or internal audit executive of any holding company included in 205 CMR 138.04(4)(b)2. if such executive reports directly to the independent audit committee of the board of directors of the holding company; or
4. For gaming licensees or holding companies which are not corporate entities, the non-corporate equivalent of any of the persons or entities listed in 205 CMR 138.04(4)(b)1. through 3.

(5) In the event of a vacancy in the chief executive officer position, the chief gaming executive, or in any executive position responsible for management of one of the mandatory departments set forth in 205 CMR 138.04(2)(a) through (f), the gaming licensee shall:

(a) Provide written notice to the commission no later than five days from the date of the vacancy, advising of the following:

1. The vacant position;
2. The date on which the position became vacant; and
3. The date on which it is anticipated that the vacancy will be filled on a permanent basis.

(b) Within 30 days, the gaming license shall either fill the vacant position described in 205 CMR 138.04(5) on a permanent basis or designate an individual to assume the duties and responsibilities of the vacant position on a temporary basis, which appointment shall not exceed 120 days, subject to extension upon approval by the commission. An individual temporarily designated shall not simultaneously function as the department supervisor for any department identified in 205 CMR 138.04(2) and such individual's areas of responsibility shall not be so extensive as to be impractical for one individual to monitor.

(c) Within five days of filling any vacancy, whether on a temporary or permanent basis, the gaming licensee shall provide written notice to the commission advising of the following:

1. The position;
2. The name of the person designated;
3. The date that the vacancy was filled; and
4. An indication of whether the position has been filled on a temporary or permanent basis.

(6) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include, and a gaming licensee shall maintain on file, a current table of organization delineating the lines of authority for all personnel engaged in the operation of the gaming establishment, which shall, for each department and division, include direct and indirect lines of authority within the department or division.

(7) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all gaming employees employed in the gaming establishment are properly trained in their respective professions. Proper training of a gaming employee in the respective field for which the gaming employee is or shall be employed by the gaming licensee may be established as follows:

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- (a) Satisfactory completion by the employee of a course of instruction in the employee's respective field provided by a person recognized by the commission as a certified training school in accordance with 205 CMR 137.00: *Gaming Schools*;
- (b) Satisfactory completion by the employee of a course of instruction or on the job training program provided by the gaming licensee in the employee's respective field;
- (c) Relevant prior work experience of the employee in the employee's respective field; or
- (d) Other relevant training or experience.

138.05: System for Ensuring Employees Are Properly Licensed or Registered

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all individuals employed in the gaming establishment are properly licensed or registered in accordance with 205 CMR 134.01: *Key Gaming Employee Licensees*, 134.02: *Gaming Employee Licensees*, and 134.03: *Gaming Service Employees*. The system of internal controls shall include without limitation the following:

- (a) Procedures for assuring that only properly licensed and/or registered individuals are employed in each position for which a license or registration is required;
- (b) Procedures to prepare and submit petitions for temporary licenses to individuals for employment in the gaming establishment pursuant to 205 CMR 134.12: *Temporary Licenses*;
- (c) Procedures to assure the timely renewal of licenses and registrations of individuals employed in the gaming establishment;
- (d) Procedures for terminating or suspending the employment of individuals licensed or registered pursuant to 205 CMR 134.01: *Key Gaming Employee Licensees*, 134.02: *Gaming Employee Licensees*, and 134.03: *Gaming Service Employees* within 24 hours of notification from the commission that the license, registration, or application of such individual has been revoked, suspended, or denied; and
- (e) Procedures for compliance with the employee reporting information required to be submitted to the commission on a bi-monthly basis in accordance with 205 CMR 138.05(2).

(2) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for reporting the following to the commission on a bi-monthly basis and in a format as directed by the commission. For each individual licensed or registered in accordance with 205 CMR 134.00: *Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations*:

- (a) License or registration number;
- (b) Last name, first name, middle initial;
- (c) Date of birth;
- (d) Position or job title, represented by a job code that corresponds with a position or job title in the gaming licensee's job compendium;
- (e) Initial hire date;
- (f) Effective date of any change in individual's position or job title;
- (g) Access code, if any, assigned to the individual, designating the restricted areas that the individual is permitted to enter;
- (h) For each individual who has been suspended or terminated since the most recent prior report was submitted to the commission:
  - 1. The information in 205 CMR 138.05(2)(a) through (g); and
  - 2. The effective date of suspension or termination.
- (i) A record of any and all designations to describe categories of employees, including without limitation, "full time," "part time" or "seasonal;" the number of individuals in each category; and the total number of individuals in all categories.
- (j) The date on which the inform

138.06: System for Business Dealings with Vendors

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for ensuring that all persons conducting business with a gaming licensee as a vendor to a gaming establishment are properly licensed or registered in accordance with 205 CMR 134.04. The system of internal controls shall include without limitation the following:

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- (a) Procedures for assuring that only properly licensed and/or registered vendors are conducting business with a gaming licensee;
- (b) Procedures to prepare and submit petitions for temporary licenses of vendors pursuant to 205 CMR 134.12: *Temporary Licenses*;
- (c) Procedures to assure the timely renewal of licenses and registrations of vendors; and
- (d) Procedures for terminating or suspending the conduct of business with a vendor licensed or registered pursuant to 205 CMR 134.04: *Vendors* within 24 hours of notification from the Commission that the license, registration, or application of such vendor has been revoked, suspended, or denied.

(2) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a plan for providing a Disbursement Report to the Commission on a bi-monthly basis and in a format as directed by the Commission. The Disbursement Report shall reflect, for each vendor licensed or registered in accordance with 205 CMR 134.04: *Vendors*, the following information:

- (a) Name of vendor;
- (b) Vendor license or registration number;
- (c) The amount of each individual disbursement drawn by the gaming licensee to the vendor, and the amount of each individual disbursement drawn by the vendor to the gaming licensee;
- (d) The date of each disbursement;
- (e) The total of all disbursements made during the reporting period by vendor; and
- (f) The date and amount of any payment to or from a vendor subsequently voided or corrected.

(3) Agreements with Vendors. Each gaming licensee shall maintain a fully signed copy of every written agreement and records with respect to every unwritten agreement to which it is a party which provide, at a minimum, the terms of the agreement, the parties to the agreement, a description of the goods and/or services to be provided under the agreement, and details regarding the exchange of direct compensation under the agreement, including but not limited to dollar amounts, for any person doing business for the benefit of the gaming licensee and/or the gaming establishment, any person doing business relating to the construction, maintenance, renovation, and/or expansion of the gaming establishment, and any person doing business on the premises of the gaming establishment.

138.07: Internal Controls A: (Reserved)

138.08: Accounting Records

- (1) A gaming licensee shall maintain complete, accurate, and legible records of all transactions pertaining to the revenues and costs for the gaming establishment including those required in accordance with 205 CMR.
- (2) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accrual basis. Detailed, supporting, subsidiary records sufficient to meet the requirements of 205 CMR shall also be maintained.

138.09: Retention, Storage and Destruction Records

- (1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a records retention schedule, and provisions related to the storage and destruction of records that at a minimum incorporates the following provisions:
  - (a) The following records shall be retained indefinitely unless permission for destruction is requested by the gaming licensee and approved by the commission:
    - 1. Corporate records required by 205 CMR 138.02;
    - 2. Records of corporate and due diligence investigations and associated procedures;
    - 3. Current employee personnel files; and
    - 4. A record of any record destroyed, identifying the particular record, the period of retention and the date of destruction.

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(b) All financial, accounting, contract, payroll, personnel, employee and budget documents shall be retained for the periods prescribed in sections D and E of the *Massachusetts Statewide Records Retention Schedule*, 02-11. (References in the *Schedule* to the state comptroller, state accounting system and other similar terms shall be read to refer to the Licensee and its accounting systems).

(c) All tax return filings and related records referenced in section L3 Tax Filing #1 of the *Massachusetts Statewide Records Retention Schedule*, 02-11 shall be retained for six years.

(d) All tax revenue accounting records referenced in section L5 Tax Collection #12 of the *Massachusetts Statewide Records Retention Schedule*, 02-11 shall be retained in accordance with the periods prescribed in the *Schedule*.

(e) In addition to those records referenced in 205 CMR 138.09(1)(a) through (d), the Licensee's records retention schedule shall include provisions by category relative to:

1. All gaming related records;
2. Security related records;
3. Surveillance related records (subject to 205 CMR 141.05(7));
4. Records relative to junkets; and
5. Records relative to vendors

(2) (a) A gaming licensee may petition the commission at any time for approval of a facility off the site of the gaming establishment to be used to generate or store records required to be retained in accordance with 205 CMR 138.09(1). Such petition shall include:

1. A detailed description of the proposed off-site facility, including security and fire safety systems; and
2. The procedures pursuant to which commission agents will be able to gain access to the records retained at the off-site facility.

(b) A gaming license may store any records electronically or via other suitable medium.

(3) A gaming licensee shall, except as otherwise provided, notify the commission and the Gaming Enforcement Division of the Massachusetts Attorney General's Office in writing at least 60 days prior to the scheduled destruction of any record required to be retained in accordance with 205 CMR 138.09(1). Such notice shall list each type of record scheduled for destruction, including a description sufficient to identify the records included; the retention period; and the date of destruction.

(4) The commission or the Gaming Enforcement Division of the Massachusetts Attorney General's Office may prohibit the destruction of any record required to be retained in accordance with 205 CMR 138.09(1) by so notifying the gaming licensee in writing within 45 days of receipt of the notice of destruction pursuant to 205 CMR 138.09(3) or within the specified retention period. Such original record may thereafter be destroyed only upon notice from the commission, the IEB, the Massachusetts Attorney General's Office, or by order of the commission upon the petition of the gaming licensee or by the commission on its own initiative.

(5) The gaming licensee may utilize the services of a disposal company for the destruction of any records required to be retained in accordance with 205 CMR 138.09(1) except those related to credit. Any cash complimentary coupons to be destroyed by a disposal company shall be cancelled with a void stamp, hole punch or similar device, or must contain a clearly marked expiration date which has expired.

(6) Nothing in 205 CMR 138.00 shall be construed as relieving a gaming licensee from meeting any obligation to prepare or maintain any book, record or document required by any other federal, state or local governmental body, authority or agency.

138.10: Jobs Compendium Submission

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a jobs compendium detailing job descriptions, chains of command, and lines of authority for all personnel engaged in the operation of the gaming establishment. The licensee shall maintain and update the jobs compendium on a regular basis.

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- (2) A jobs compendium shall include the following sections, in the order listed:
  - (a) An alphabetical table of contents listing the position title and job code for each job description included in 205 CMR 138.10(1) and the page number on which the corresponding job description may be found;
  - (b) A table of organization for each department and division, including all positions, and illustrating by position title, direct and indirect lines of authority within the department or division. Each page of a table of organization shall specify the following:
    1. The date of its submission;
    2. The date of the previously submitted table of organization which it supersedes; and
    3. A unique title or other identifying designation for that table of organization.
  - (c) A description of each employee position which accurately corresponds to the position title as listed in the table of organization and in the alphabetical table of contents. Each position description shall be contained on a separate page, organized by departments or divisions, and shall include, at a minimum, the following:
    1. Position title and corresponding department;
    2. Job duties and responsibilities;
    3. Detailed descriptions of experiential or educational requirements;
    4. Proposed registration or license rank consistent with 205 CMR 134.01 through 134.03;
    5. The date of submission of each employee position job description and the date of any prior job description it supersedes; and
    6. The date of submission and page number of each table of organization on which the employee position title is included.
- (3) A proposed amendment to a previously approved jobs compendium, including any amendment to a table of organization, may be implemented by the gaming licensee without the prior approval of the commission in accordance with 205 CMR 138.02(3), provided that:
  - (a) The amendment is immediately recorded in the jobs compendium maintained by the licensee on its premises; and
  - (b) The amendment is submitted to the commission by the end of the business day on the date of implementation, including at a minimum, the following:
    1. A detailed cover letter listing by department each position title to which modifications have been made, a brief summary of each change, instructions regarding any changes in page numbers and the date of implementation; and
    2. The proposed changes to the information required by 205 CMR 138.10(2), including the corresponding job descriptions and tables of organization, contained on pages which may be used to substitute for those sections of the jobs compendium previously approved by the commission.
- (4) A gaming licensee shall not be required to comply with the filing requirements of 205 CMR 138.10(3) for amendments to job descriptions for positions which require a gaming service employee registration, provided that the gaming licensee files with the commission a notice of any addition, deletion or amendment to any position that requires gaming service employee registration. Such notice shall include the title, department, job code, salary grade and table of organization on which that position is identified.
- (5) Notwithstanding any other requirement of 205 CMR, each gaming licensee shall submit a complete and up-to-date jobs compendium in accordance with 205 CMR 138.02 to the commission 18 months after approval of its system of internal controls in accordance with 205 CMR 138.02 and every two years thereafter, unless otherwise directed by the commission.
- (6) Each gaming licensee shall maintain on its premises a complete, updated copy, which may be maintained electronically, of its jobs compendium.
- (7) No provision of 205 CMR 138.00 shall be construed so as to limit a gaming licensee's discretion in utilizing a particular job title for any position in its jobs compendium.

138.11: Personnel Assigned to the Operation and Conduct of Gaming

Each gaming licensee shall be required to employ the following personnel in the operation of its gaming establishment regardless of the position titles assigned to such personnel by the gaming licensee in its approved jobs compendium:

- (1) Each gaming licensee shall at all times maintain a level of staffing that ensures the proper operation and effective supervision of all authorized games and simulcast wagering in the gaming establishment.
- (2) Each gaming licensee shall be required to employ a gaming manager. The gaming manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of a gaming licensee's casino games department including, without limitation, the hiring and terminating of all gaming establishment employees.
  - (a) In the absence of the gaming manager and the assistant gaming manager, should the gaming establishment have an assistant gaming manager, a table games shift manager or slot shift manager, as applicable, who is employed within the casino games department shall be designated by the gaming licensee as the person responsible for the overall operation of the casino games department and such person shall have the authority of a gaming manager.
  - (b) The slot department shall be supervised and managed by a slot department manager/shift manager at all times in accordance with 205 CMR 138.11(4)(h)5.
- (3) The following personnel shall be used to operate the table games in a gaming establishment:
  - (a) Gaming clerk shall be the employee located at a desk in the pit to prepare documentation required for the operation of table games including, without limitation, Requests for Fills, Requests for Credits, Counter Checks and documents that evidence the exchange of gaming chips or plaques.
  - (b) Dealers shall be the employees assigned to each table game to directly operate and conduct the game.
  - (c) Stickperson shall be the dealer assigned to each craps table to control the dice and may be responsible for the proposition wagers made at the craps table. A stickperson may also be assigned to a mini-craps table, in addition to the required dealer, to control the dice and may be responsible for the proposition wagers made at the mini-craps table.
  - (d) Boxperson shall be the first level supervisor assigned the responsibility of directly participating in and supervising the operation and conduct of the craps game.
  - (e) Floorperson shall be the second level supervisor assigned the responsibility for directly supervising the operation and conduct of a craps game, and the first level supervisor assigned the responsibility for directly supervising the operation and conduct of all other table games.
  - (f) Pit boss shall be the third level supervisor assigned the responsibility for the overall supervision of the operation and conduct of a craps game and the second level supervisor assigned the responsibility for the overall supervision of the operation and conduct of all other table games other than poker.
  - (g) Poker shift supervisor shall be the supervisor assigned with the responsibility for directly supervising all activities related to the operation and conduct of poker. A poker shift supervisor may also supervise table games other than poker in *lieu* of a pit boss.
  - (h) Table games shift manager shall be the supervisor assigned to each shift with the responsibility for the supervision of table games conducted in the gaming establishment provided, however, that:
    1. If a gaming licensee chooses to establish an independent slot department a gaming manager may personally perform the required duties of a table games shift manager when the gaming manager is present in the gaming establishment; and
    2. A gaming licensee may, as part of its revised supervision plan as set forth in 205 CMR 138.11(6), permit its table games shift manager to provide a break, for a reasonable period of time, for a pit boss on duty during the hours of 12:00 A.M. to 12:00 P.M.
- (4) Each gaming licensee shall maintain the following minimum levels of staffing:
  - (a) One gaming clerk shall be assigned to the entire gaming establishment;
  - (b) One dealer shall be assigned to each table for any table game other than craps and baccarat;
  - (c) Three dealers shall be assigned to each craps and baccarat table;
  - (d) One boxperson shall be assigned to each craps table;

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- (e) One floorperson shall supervise not more than:
1. Six tables comprised of any combination of table games excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR), craps, mini-craps, and pai gow tiles; or
  2. One baccarat table; or
  3. As to the game of minibaccarat, when using the dealing procedure in 205 CMR:
    - a. Two minibaccarat tables using the dealing procedure in 205 CMR; or
    - b. One minibaccarat table using the dealing procedure in 205 CMR and one table of any other table game excluding baccarat, mini-craps and pai gow tiles (unless the pai gow tiles table has continuous, dedicated surveillance camera coverage); or
  4. As to the game of craps:
    - a. Two craps tables; or
    - b. One craps table and one table of any other table game excluding baccarat, mini-craps and pai gow tiles; or
    - c. One mini-craps table.
  5. As to the game of pai gow tiles:
    - a. One pai gow tiles table; or
    - b. Two pai gow tiles tables if the tables are in a side-by-side configuration and continuous, dedicated surveillance camera coverage is maintained for the pai gow tiles tables; or
    - c. One pai gow tiles table with continuous, dedicated surveillance camera coverage and one table of any other table game excluding baccarat, craps and mini-craps.
  6. As to the game of poker:
    - a. Six poker tables if the poker shift supervisor is supervising both poker tables and table games other than poker; or
    - b. Ten poker tables if the poker shift supervisor is supervising only poker tables; or
    - c. 12 poker tables if the poker shift supervisor is supervising only poker tables and no floorperson assigned to poker by a gaming licensee has any responsibilities for seating players.
- (f) One pit boss shall supervise not more than 24 gaming tables, provided that all of the tables are within view of each other; and
- (g) One poker shift supervisor shall supervise all open poker tables; provided, however, that the poker shift supervisor may supervise a total of not more than 16 poker tables and table games other than poker (in *lieu* of a pit boss) if fewer than 16 poker tables are open.
1. Notwithstanding the provisions of 205 CMR 138.11(4)(g):
    - a. If a gaming licensee has six or fewer poker tables open for gaming activity, no poker floorperson shall be required and the poker tables may be supervised by the poker shift supervisor, provided that the poker shift supervisor is not supervising any other table games; and
    - b. If a gaming licensee has at least one but fewer than four poker tables open for gaming activity, the poker shift supervisor may supervise any combination of not more than four poker tables and table games other than poker (in *lieu* of a pit boss) and no floorperson shall be required to supervise the poker tables provided that the floorperson supervision requirements for games other than poker are satisfied.
  2. Notwithstanding the provisions of 205 CMR 138.11(4)(g), a gaming licensee may implement a plan for revised supervision by floorpersons, poker shift supervisors, pit bosses or slot shift managers. A plan for revised supervision of table games shall not include any gaming tables at which the cards shall be used for more than 24 hours pursuant to 205 CMR. In any plan for revised supervision:
    - a. One floorperson may supervise not more than eight tables comprised of any combination of table games excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR, craps, mini-craps, pai gow tiles and blackjack when offering the streak wager permitted under 205 CMR);
    - b. One pit boss may supervise not more than 36 gaming tables, provided that all of the tables are within view of each other;
    - c. One poker shift supervisor may supervise a total of not more than 30 poker tables and gaming tables other than poker (in *lieu* of a pit boss), provided that:
      - i. The poker shift supervisor is supervising all poker tables which are open to the public; and
      - ii. One floorperson may supervise not more than eight poker tables;

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- d. One floorperson may supervise two craps tables and one additional table of any other table game excluding baccarat, minibaccarat (when using the dealing procedure in 205 CMR, mini-craps, and pai gow tiles);
  - e. One floorperson may supervise one craps table and two additional tables comprised of any combination of table games excluding baccarat, minibaccarat, mini-craps, and pai gow tiles;
  - f. One floorperson assigned to poker may supervise not more than 12 poker tables if the poker shift supervisor is supervising only poker tables; and
  - g. One floorperson assigned to poker may supervise not more than 14 poker tables if the poker shift supervisor is supervising only poker tables and no floorperson assigned to poker has any responsibilities for seating players.
- (h) The following personnel shall be used to maintain and operate the slot machines, electronic gaming equipment, and bill changers in a gaming establishment:
- 1. Slot mechanics shall be the persons assigned the responsibility for repairing and maintaining slot machines, electronic gaming equipment, and bill changers in proper operating condition and participating in the filling of payout reserve containers.
  - 2. Slot attendants shall be the persons assigned the responsibility for the operation of slot machines and bill changers, including, but not limited to, participating in manual jackpot payouts and filling payout reserve containers.
  - 3. Slot supervisors shall be the first level supervisors assigned the responsibility for directly supervising the operation of slot machines and bill changers.
  - 4. Slot shift manager shall be the second level supervisor with the responsibility for the overall supervision of the slot machine and bill changer operation for each shift.
  - 5. The slot department manager shall be the executive assigned the responsibility and authority for the supervision and management of the overall operation of the gaming licensee's slot machines, electronic gaming equipment, and bill changers. In the absence of the slot department manager, the slot shift manager shall have the authority of the slot department manager.
- (i) If a gaming licensee will offer automated table games for which part, but not all, of the game play requires manual involvement by an employee, the gaming licensee's staffing plan shall incorporate staffing of these games such that proper operation and effective supervision will be provided.
- (5) Nothing in 205 CMR 138.11 shall be construed to limit a gaming licensee from utilizing personnel in addition to those described in 205 CMR 138.11 nor shall anything in 205 CMR 138.11 be construed to limit the discretion of the commission to order the utilization of additional personnel by the gaming licensee as necessary.
- (6) The gaming manager or table games shift manager shall notify the IEB no later than 24 hours in advance of implementing or changing any plan for revised supervision for table games, and the slot shift manager, provided, however, that notice may be provided less than 24 hours in advance in circumstances which are emergent or may otherwise not reasonably be anticipated.
- (a) Any notice of a plan for revised supervision of table games shall include, without limitation, the following information:
- 1. The pit number and configuration of any pit affected;
  - 2. The type, location and table number of any table affected;
  - 3. The standard staffing level required for the gaming table or tables and the proposed variance therefrom;
  - 4. The start date and time, and the duration, of the revised supervision; and
  - 5. The basis for the request to revise the number of supervisory personnel, which shall include any relevant factors which demonstrate that proper operation and effective supervision of the affected gaming tables will be maintained, such as, as applicable, a showing:
    - a. That the revised supervision is justified by a reduced volume of play at the specified times and gaming tables in the gaming establishment;
    - b. That the particular dealers or supervisors assigned to the affected tables possess a degree of skill and experience indicative of sufficient ability to operate the affected tables with revised supervision, in which case a record of the personnel assigned to such tables during the period of revised supervision shall be maintained;

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- c. That a reduced number of gaming tables will be operating in the affected pits, which are in a configuration to ensure proper supervision and operation; or
  - d. ny other facts or circumstances which establish that a revision in the number of supervisory personnel is appropriate.
- (b) The commission may, at any time upon 12 hours notice, direct that the plan for revised supervision be terminated and that the licensee maintain standard staffing levels as defined in 205 CMR 138.11.

138.12: Alcoholic Beverage Control

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures designed to ensure compliance with 205 CMR including, at a minimum, procedures designed to ensure proper training of employees involved in the service of alcoholic beverages, procedures designed to prevent serving alcoholic beverages to underage or visibly intoxicated individuals, procedures to ensure that visibly intoxicated or impaired patrons are not permitted to play slot machines or table games (as further detailed in 205 CMR 138.14), and procedures to ensure that alcohol is properly secured and stored.

138.13: Complimentary Services or Items and Promotional Gaming Credits

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a detailed complimentary distribution program consistent with M.G.L. c. 23K, § 28 and a description of its proposed use and distribution of promotional gaming credits. The program shall include provisions detailing the protocols and procedures for the distribution of complimentary alcoholic beverages to patrons in the gaming area. Further, if in accordance with 205 CMR 136.07(4), alcoholic beverages will be provided free of charge to patrons in a licensed area outside of the gaming area, and paid for by a third party other than the gaming beverage licensee or jointly responsible person or will be paid for using a form of monetary-like consideration other than money, the gaming licensee shall detail the manner in which such payments will be made and/or accepted and records of the transaction maintained.

(2) The gaming licensee's complimentary distribution program shall be such that reasonable assurance is provided that any complimentary services or items, as defined by M.G.L. c. 23K, § 2, whether provided directly to the patron and the patron's guests by the gaming licensee or indirectly to the patron and the patron's guests on behalf of a third party, are:

- (a) Issued by employees authorized for such purposes in accordance with the program;
- (b) In accordance with M.G.L. c. 23K, § 28(c), valued in an amount based upon the retail price normally charged by the gaming licensee for the service or item. The value of a complimentary service or item not normally offered for sale by a gaming licensee or provided by a third party on behalf of a gaming licensee shall be the cost to the gaming licensee of providing the service or item, as determined under rules adopted by the commission;
- (c) Recorded, compiled and maintained in such a way so as to allow a system of reporting in accordance with M.G.L. c. 23K, § 28(b) that can report complimentaries by date, issuer, recipient, type, and value.

(3) A gaming licensee may include in its policy and procedure provisions for the discretionary discounting of the amount of an outstanding Counter Check to be redeemed by a patron for any marketing related reason.

138.14: Internal Control Procedures for Security Department

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions describing the duties and operation of its security department. Such provisions shall include details relative to the design, construction, and location of primary and secondary armored car routes to and from the armored car bay, including provisions for the security of such routes.

138.15: Internal Control Procedures for Access Badge System and Issuance of Temporary License Credentials, and Restricted Areas

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions related to credentials. All key gaming employees, gaming employees, and gaming service employees, while engaged in the performance of their duties on the premises of the gaming establishment, shall visibly display a credential issued by the gaming licensee on his or her person at all times, and have in their possession their commission issued identification.

The system of internal controls related to credentials shall at a minimum incorporate the following credentialing system:

(a) A – Access shall apply to individuals in the following positions with the gaming licensee: Chief Executive Officer, Chief Operating Officer, President, Audit Committee, Vice Presidents, Directors, General Counsel, Associate General Counsel, Security Employees, Surveillance Employees, qualifiers deemed suitable in accordance with 205 CMR 115.05(3): *Positive Determination*, and Internal Audit Employees. Only those Vice Presidents and Directors directly related to gaming operations, Finance or Administration shall be assigned an "A" access code. All non-gaming related Vice Presidents and Directors shall be required to have a security escort to gain access to restricted areas.

All employees and others designated with the "A" access code shall have access to all restricted areas, with limitations on access to the count rooms, surveillance room. Access may be permitted to count rooms while a count is not in progress with a valid reason and permission of the IEB Agent on duty. Access to the surveillance room and catwalks for non-surveillance employees must be with permission of the Director of Surveillance.

(b) M – Access shall apply to MIS Employees. All employees designated with the "M" access code shall have access to the MIS computer room. They have access to all other restricted areas with valid reason and prior approval of restricted area department manager. (Access to the count rooms requires permission of the IEB Agent on duty.)

(c) C – Access shall apply to Cashiers, Cage Employees, Slot Coin Cage Employees, Collection Employees, Credit Employees, Pit Clerks, Income Control, All Accounting /Finance Employees, Hard Count Room Employees, Soft Count Room Employees, Impressionment Employees, and Simulcast Employees.

All employees designated with the "C" access code shall have access to cashiers cage, satellite cashiers cage, master coin bank, slot booths, runways, simulcast counters, and pit areas with valid reason and prior approval of the restricted area department manager. Also, they shall have access to the count rooms to perform functions previously approved in their internal control submissions and with permission of the IEB Agent on duty.

(d) CS – Access shall apply to slot attendant supervisors who supervise slot coin cashiers, and slot coin cashiers who report to slot attendant supervisors. All employees designated with the "CS" access code shall have access to slot booths, runways, slot repair room, and to the cashiers cage only when necessary to pass through the cashiers cage to access a slot coin booth. A "CS" badged employee shall not have access to the master coin bank.

(e) P – Access shall apply to Casino Games Employees, Poker Games Employees, and Gaming Table Maintenance Employees. All employees designated with the "P" access code shall have access to the casino pit and poker pit areas.

(f) S – Access shall apply to Slot Department Employees. All employees designated with the "S" access code shall have access to the slot repair room.

(g) V – Access shall apply to all visitors to restricted areas. All visitors to restricted areas shall be designated with the "V" access code and shall have access to restricted areas only when such entry is authorized by an employee designated with "A" access code and the restricted area supervisor. Further, if such entry is so authorized, a visitor may enter a restricted area only when accompanied by an "A" employee or by a security officer, and by notification of the IEB Agent on duty. Visitors may access the surveillance room/catwalks only with the permission of the Director of Surveillance and either an IEB agent or an agent of the Gaming Enforcement Division of the Massachusetts Attorney General's Office.

(2) The commission shall issue an official credential that shall bear the inscription "Massachusetts Gaming Commission", the official seal of the commission, the signature of the chair of the commission or his or her designee, as well as a photograph of the licensee or registrant and specific identification information for the person to whom the credential is issued. The information shall include:

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- (a) License or registration number;
  - (b) Name; and
  - (c) Access code.
- (3) The credential format shall be in a shape and legibility that will enhance surveillance capability and visual acuity.
- (4) Notwithstanding 205 CMR 138.15(1), the Director of the IEB or his or her designee, may, upon written request by a gaming licensee, and upon a showing of good cause, exempt certain positions, titles, or persons from the requirements of 205 CMR 138.15(1).
- (5) Commission employees, agents or contractors or employees of agencies authorized to conduct regulatory or regulatory related activities pursuant to M.G.L. c. 23K at a gaming establishment shall carry their agency credentials on their person at all times while engaged in the performance of their duties. Credentials may not be utilized for unofficial, social, or non-employment related access, purpose, or presence within any gaming establishment.
- (6) A temporary credential shall only be issued by the security department if the following criteria are verified:
  - (a) The employee to whom the credential is to be issued is listed in the gaming licensee's current employee status report;
  - (b) The employee holds a current license or registration issued in accordance with 205 CMR 134.00: *Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations*;
  - (c) The employee is authorized by his or her supervisor to possess the specific credential to be working in the designated or restricted area authorized by such credential; and
  - (d) The employee has not been issued more than 12 temporary credentials within the preceding 12 month period from the issuance of the first temporary credential.
- (7) The temporary credentials may be issued to an employee only for a 24 hour period and shall contain the following information:
  - (a) A prominent space to allow the insertion of the name of the specific employee to whom it is issued;
  - (b) The date and time of issuance by the security department;
  - (c) Name and credential number of issuing security officer;
  - (d) The conspicuous notation that the credential is "VOID AFTER 24 HOURS"; and
  - (e) A sequential number reflecting the number of temporary credentials issued at that gaming establishment that is to be recorded in both an onsite IEB and security department bound log book or database.
- (8) The IEB shall approve the design of the temporary credentials. The gaming licensee's security department shall secure the temporary credentials until needed for issuance in compliance with 205 CMR 138.15(7). The security department shall provide a monthly report to the IEB identifying the number, names, departments and frequency of temporary credentials issued as well as any missing, stolen, destroyed, or replaced credentials. The IEB may require additional information regarding any credential issuance or utilization and the gaming licensee shall provide all such information in a timely fashion.

138.16: Access to Public and Restricted Areas

- (1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to access to restricted areas. No gaming licensee shall permit any individual to have access to any restricted area in its gaming establishment unless such access is permitted in accordance with the gaming licensee's internal controls. Restricted areas shall, at a minimum, include the following areas:
  - (a) Count Rooms. All employees designated with the "C" access code, as provided by 205 CMR 138.15(1), whose duties require access may enter this restricted area. Employees designated with the "A" and "M" access codes, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.

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(b) Cashiers Cage, Satellite Cashiers Cage, Master Coin Bank, Slot Booths, and Runways. All employees designated with the "A" and "C" access codes, as provided by 205 CMR 138.15(1), may enter these restricted areas. Employees must be listed on the cage access list to gain access to the cage. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. The cage secretary and/or a cage area cleaner may enter the cashier's cage without a security escort to complete their job function; however these individuals must have the permission of the cage area supervisor and are the sole responsibility of that supervisor. All employees designated with the "CS" access code, as provided by 205 CMR 138.15(1), may enter the slot booths, and runways. They may enter the cashier's cage only when access is needed to gain entrance to a slot coin booth. At no time shall a "CS" access code, as provided by 205 CMR 138.15(1), have access to the master coin bank.

(c) Slot Repair Room. All employees designated with the "A", "CS", and "S" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.

(d) Simulcast Counters. All employees designated with the "A" and "C" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.

(e) Computer Room. All employees designated with the "A" and "M" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Any licensed employee may enter this area with a valid reason and permission of the restricted area supervisor. A MIS secretary and/or computer room area cleaner may enter the computer room without a security escort to complete their job function, however these individuals must have the permission of the computer room supervisor and shall be the sole responsibility of that supervisor. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.

(f) Card and Dice Storage Room. All employees designated with the "A" access code, as provided by 205 CMR 138.15(1), and those games/poker department employees who hold the position of casino/poker shift manager or above may enter this restricted area. Any employee may enter this area with a valid reason and permission of the restricted area supervisor.

(g) Card and Dice Destruction Room. All employees designated with "A" access code, as provided by 205 CMR 138.15(1), may enter this restricted area.

(h) Pit Areas. All employees designated with the "A" and "P" access code, as provided by 205 CMR 138.15(1), may enter this restricted area. Employees designated with the "M", and "C" access codes, as provided by 205 CMR 138.15(1), may have access with limitations described under their access letter. Any employee may enter this area with a "valid" reason and permission of the restricted area supervisor.

(i) Surveillance Room and Catwalks. All employees designated with the "A" access code, as provided by 205 CMR 138.15(1), who are surveillance room employees may enter this restricted area. All other employees designated with the "A" access code may have access with the limitations described under their access letter. Employees designated with the "M" access code, as provided by 205 CMR 138.15(1), may have access with the limitations described under their access letter. Anyone who enters this restricted area, who is not a surveillance room employee or a member of the IEB, must sign the surveillance room entry log prior to entering the restricted area. The surveillance room secretary and/or surveillance room area cleaner may enter the surveillance room without a security escort to complete their job function, however these individuals must have the permission of the surveillance room area supervisor and are the sole responsibility of that supervisor. Any employee may enter this area with a valid reason, permission of the restricted area supervisor, and permission of an IEB agent on duty.

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(j) Access to Restricted Area for Employees Who Do Not Hold a Gaming Employee License. All employees who would not otherwise be afforded access to a restricted area in accordance with 205 CMR 138.15(1) may be granted access to restricted areas with a valid reason, a security escort, and permission of the restricted area's department manager with limitations on the count rooms, surveillance room. Access may be granted to the count rooms while the counts are not in progress and with permission of the IEB Agent on duty or the Gaming Enforcement Division of the Massachusetts Attorney General's Office. Access to the surveillance room/catwalks may be granted only with a valid work related reason and permission of the Director of Surveillance.

(2) A gaming licensee may deny or limit access to any public areas of the gaming establishment for any reason necessary to ensure public safety and/or the integrity of the gaming operations, including, but not limited to, the following reasons:

- (a) Persons excluded in accordance with 205 CMR 133.00: *Voluntary Self Exclusion* or M.G.L. c. 23K, § 45;
- (b) Underage persons in a prohibited area;
- (c) Players required by a gaming licensee to leave the game of poker in accordance with 205 CMR.

(3) Nothing in 205 CMR 138.16 or a gaming licensee's system of internal controls shall limit the authority of commission employees or agents or the Gaming Enforcement Division of the Massachusetts Attorney General's Office from obtaining access to restricted areas in the performance of their respective duties and responsibilities.

138.17: Searches of Employees and the Workplace by the Gaming Licensee

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include internal policies and procedures for the gaming licensee's security department to conduct searches of employees, including screening for drugs and alcohol, and employee workplaces, workspaces, and personal receptacles, specifically describing the policies and procedures with respect to searches conducted at random and based upon reasonable suspicion. Examples of "workspaces" include, but are not limited to, desks, closets, lockers, and drawers located within the gaming establishment.

(2) If the policies and procedures referenced in 205 CMR 138.17(1) are approved by the commission, such policies and procedures shall be set forth in writing, prior to implementation, as a portion of the gaming licensee's employee personnel policy manual. The content of this manual shall include a requirement that the employee consents to searches conducted in the described workplace areas and subject to the described circumstances as a condition of employment with the gaming licensee. This manual shall be distributed to all employees. Each employee shall acknowledge in writing, by way of the employee's signature, receipt of the manual and an understanding of its contents, and specifically an understanding that the employee consents to the policy and understands it. The gaming licensee shall maintain the written acknowledgements in a central repository.

138.18: Vendor Access Badges

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions related to vendor access badges. Access badges may be issued to personnel of a gaming vendor and non-gaming vendor licensed or registered in accordance with 205 CMR 134.00: *Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations* who in the course of providing their goods or services require access to a restricted area of the gaming establishment. Access badges shall be issued by the security department of the gaming licensee upon a verification of the identification of the specific employee with at least two forms of identification, at least one of which must be a government issued photo identification, and the employee's work schedule. Each access badge shall be effective only for the term of the service to be provided, issued on a daily basis after confirmation of identity, and shall be surrendered to the security department at the end of each day.

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- (2) The access badge shall contain the following information:
  - (a) A prominent space to allow the insertion of the name of the specific person to whom it is issued and identify the vendor employer;
  - (b) The date and time of issuance by the security department;
  - (c) Name and access badge number of issuing security officer; and
  - (d) A sequential number reflecting the number of total badges issued at that gaming establishment that is to be recorded in both an onsite IEB and security department access badge log book or database.

138.19: Count Rooms; Physical Characteristics; Count Protocols

(1) A gaming licensee shall have one or more rooms to be known as a "count room" specifically designated, designed, and used for counting the contents of table drop boxes, and slot drop boxes containers. If a gaming licensee's system of internal controls provides for counts of the contents of slot drop buckets and slot drop boxes in a different room from the room where the table drop boxes and slot cash storage boxes are counted, that latter shall be known as the "soft count room", and the former shall be known as the "hard count room".

(2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of all equipment used in the counting and recording process and all other systems used for purposes related to the counting of gross revenue and shall otherwise comport with the requirements of 205 CMR 138.19.

(3) A gaming licensee shall design and construct each count room to provide maximum security with, at a minimum, the following security measures:

- (a) A metal door installed on each entrance and exit equipped with a lock which shall be maintained and controlled by the security department;
- (b) An alarm device, which audibly signals the surveillance, security departments, and the on-site IEB office whenever a count room door is opened;
- (c) A light system, which illuminates one or more lights in the surveillance department and at each count room door, for purposes of maintaining constant surveillance on the entrance and exits to the count room;
- (d) Closed circuit television cameras wired to the surveillance department capable of, but not limited to, the following:
  1. Video monitoring of the entire count process; and
  2. Continuous video-monitoring of the interior of the count room, including storage cabinets or trolleys used to store drop boxes, slot drop containers, and emergency drop boxes.
- (e) For the soft count room only, microphones wired to the surveillance department for audio monitoring of the entire count process. Any room that is wired for audio monitoring shall have, conspicuously posted on the entrance and the walls within, a notice indicating that the room is subject to such monitoring.

(4) In addition to the requirements of 205 CMR 138.19(3), a count room used to count coin slot drop boxes and buckets shall have:

- (a) A fixed-door type or a hand-held metal detector used by a security department member to inspect all persons exiting the hard count room; and
- (b) A separate light system or other device approved by the IEB which shall provide a continuous visual signal at the count room door, whenever any access door to the count room is opened while the system is activated. The light system or device shall:
  1. Maintain the visual signal until the system is reset or deactivated; and
  2. Be designed so as to permit its activation, deactivation or resetting only by a member of the security department.

(5) In addition to 205 CMR 138.19(3), the soft count room shall have:

- (a) A table constructed of clear glass or similar material for the emptying, counting, and recording of the contents of drop boxes and slot cash storage boxes which shall be known as the "count table";

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- (b) A table constructed of clear glass or similar material for the stacking of the contents of table drop boxes and slot cash storage boxes which have been counted, prior to the recount and acceptance by the cage cashier or cashier supervisor. The table shall be known as the "banking table"; and
  - (c) A locked accounting box, the key to which shall be maintained and controlled by a supervisor in the casino accounting department with no incompatible functions.
- (6) The count room doors shall be secured at all times except when opened for the following authorized purposes:
- (a) To allow one or more members of the count team to change shifts or take a work break;
  - (b) To permit access to equipment by authorized IT department employees;
  - (c) To permit table drop boxes or slot cash storage boxes to be secured in the count room;
  - (d) To permit empty table drop boxes, slot cash storage boxes, emergency table game drop boxes or emergency slot cash storage boxes that were not part of the current count to be removed from the count room;
  - (e) To allow a main bank cashier or cage supervisor to enter the count room to recount and accept the drop;
  - (f) To allow the count team to exit the room at the conclusion of the count; or
  - (g) In the event of an emergency.
- (7) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a workflow diagram that shall indicate, at a minimum, the location of all equipment in a count room, all equipment used in the counting process and the flow of all currency, coupons, gaming vouchers and paperwork from the start of the count to the conclusion of the count.
- (8) The count team may simultaneously count the contents of the table drop boxes and the slot cash storage boxes provided that the contents of the table drop boxes remain segregated from the contents of the slot cash storage boxes throughout the count and acceptance by the main bank cashier or cage supervisor.
- (9) Except during an emergency, with the exception of the count team and agents of the IEB, prior to anyone entering or leaving a count room during the soft count process, all contents that have been removed from either a drop bucket, drop box or slot cash storage box shall be counted at least once and secured. Any trolleys that contain uncounted drop boxes or slot cash storage boxes shall be secured.
- (10) The opening, counting, and recording of the contents of table drop boxes, and slot drop containers shall be performed in the presence of a count room supervisor. The count shall be performed by at least three employees (count team), which shall include the count room supervisor. The counting and recording process shall be discontinued where the minimum number of count room personnel is not present or are not capable of performing their responsibilities.
- (11) All persons present in the count room during the counting process, except agents of the IEB, shall:
- (a) Wear as outer garments, only a full-length, one-piece, pocketless garment with openings only for the arms, feet, and neck;
  - (b) Not be permitted to wear a long sleeve garment under the outer garment; and
  - (c) Not be permitted to carry a bag, pocketbook or other container unless it is transparent.
- (12) Access to the count room during the counting process shall be limited to the count team, internal audit personnel, other persons authorized by the IEB, or agents of the IEB. No count room employee shall, during the soft count process, enter a storage area for table drop boxes or slot cash storage boxes adjacent to the count room to perform any function not directly related to the counting process.

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(13) No person shall remove his or her hands from or return them to a position on or above the count table, banking table or counting equipment unless the backs and palms of his or her hands are first held straight out and displayed to other members of the count team and surveillance cameras. In addition, whenever any person enters or leaves the count room during the counting process, any employee remaining in the count room shall be required to step away from the count table, banking table and counting equipment until the person has entered or left the countroom.

(14) Immediately prior to the commencement of the count, doors to the count room shall be securely locked and remain locked at all times, except when opened for an authorized purpose in 205 CMR 138.19(6). A count team member shall notify surveillance that the count is about to begin, after which surveillance shall make a continuous video and, if applicable, audio recording, with the time and date inserted thereon, of the entire counting process. A count room member shall also notify surveillance whenever a count room door will be opened during the count.

(15) Once all currency, gaming vouchers, coupons, coin and/or slot tokens have been counted and the final count totals have been obtained, no employee shall be permitted to leave the count room, except in an emergency, until the recount and acceptance of the drop is completed by a cage cashier or cashier supervisor.

(16) The count room supervisor shall prepare a record of the names and credential or license numbers of each employee who was present in the count room during any part of the count process. Such record shall be forwarded to the accounting department at the conclusion of the count.

138.20: Possession of Firearms

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a policy prohibiting any person from possessing a firearm within or upon the premises of a gaming establishment. If the gaming licensee learns that an individual possesses a firearm within or upon the premises of a gaming establishment, the gaming licensee must immediately notify an official within the on-site office of the IEB and the individual violating the policy shall be removed from the premises of the gaming establishment by officers assigned to the Gaming Enforcement Unit. Thereafter, the gaming licensee shall promptly, and in any event no later than 48 hours of such removal, or violation of the policy, notify the Chief of the Gaming Enforcement Division of the Massachusetts Attorney General's Office.

(2) Notwithstanding 205 CMR 138.20(1), the following individuals may, in the course of their official duties, possess a firearm within or upon the premises of a gaming establishment:

- (a) A member of the Massachusetts State Police assigned to the Gaming Enforcement Unit;
- (b) A law enforcement officer of the host community police department assigned to work at the gaming establishment pursuant to the memorandum of agreement required to be executed in accordance with M.G.L. c. 23K, § 6(f);
- (c) An official who is specifically authorized to do so by the commission or the IEB; and
- (d) A federal law enforcement officer.

(3) Any law enforcement officer in possession of a firearm, other than a member of the Massachusetts State Police assigned to the Gaming Enforcement Unit, shall provide notification to an official within the on-site office of the State Police Gaming Enforcement Unit at the gaming establishment prior to arrival or upon arrival at the gaming establishment. This notification shall be documented with the onsite office of the State Police Gaming Enforcement Unit.

(4) The gaming licensee shall post in a conspicuous location at each entrance to the gaming establishment a legible sign that states:

*"No firearms are allowed within or upon the premises of this gaming establishment. This prohibition extends to all areas of this facility: public, non-public, restricted, and non-restricted areas. Persons violating this restriction will be removed from the premises and subject to further investigation and, if appropriate, prosecution. If you have any questions about this prohibition, please request to see an official from the Massachusetts Gaming Commission Office before proceeding."*

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*Certain law enforcement officers may be exempt from this prohibition; however they must notify the Massachusetts State Police of their presence by either visiting the Massachusetts State Police Gaming Enforcement Unit Office on site or by calling the State Police Gaming Enforcement Unit at 617-533-9765."*

138.21: Protection of Minors and Underage Youth

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include the internal policies and procedures as required in 205 CMR 150.00: *Protection of Minors and Underage Youth*.

138.22: Critical Incident Preparedness Plan

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a detailed critical incident preparedness plan to enhance the prevention of, preparedness for, and response to critical incidents, including without limitation natural disasters, workplace violence, dangerous substance, and active shooter crisis incidents. This plan shall include a training component which is designed to enhance awareness of pre-incident indicators and describe actions to take to prevent and prepare for potential crisis incidents. This plan also shall include an action plan that describes the gaming establishment's pre-planning and coordination for a series of activities and procedures involving the gaming licensee's management and security personnel; the commission on-site officials; the onsite responding Massachusetts State Police personnel; the responding local, county, state law enforcement personnel; EMS and other first responder personnel, all in response to potential or actual critical incidents. The gaming licensee shall review its crisis preparedness plan annually. The gaming licensee's submission shall be evaluated in terms of its adequacy to assure that reasonable preparation and steps have been taken to ensure public safety, inter-agency crisis communication, tactical coordination, site facility identification and pre-staging, which as a whole, shall serve to maximize the protections afforded to the public, patrons, employees, law enforcement officers, and first responders and maximize the efficacy of first responder actions in emergent critical incident situations.

138.23: Drop Boxes for Table Games and Electronic Table Games; Gaming Table Slot Cash Storage Boxes: (Reserved)

138.24: Cashiers' Cage; Satellite Cages; Master Coin Bank; Coin Vaults

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to the cashiers' cage, satellite, cages, master coin banks (if any), and coin vaults (if any) that incorporate, at a minimum, the following:

- (1) Each establishment shall have on or immediately adjacent to the gaming area a physical structure known as a cashiers' cage (cage) to house the cashiers and to serve as the central location in the gaming area for the following:
  - (a) The custody of the cage inventory comprising currency including cash, patrons' deposits, coin, patron checks, gaming chips and plaques, and of forms, documents, and records normally associated with the operation of a cage;
  - (b) The approval, exchange, redemption, and consolidation of patron checks received for the purposes of gaming;
  - (c) The receipt, distribution, sale and redemption of gaming chips and plaques;
  - (d) The issuance, receipt and reconciliation of imprest funds used by slot attendants in the acceptance of currency and coupons from patrons in exchange for currency;
  - (e) The issuance, receipt and reconciliation of imprest chip funds and currency used by chippersons in the acceptance of coin, currency, slot tokens and coupons from seated poker patrons in exchange for chips; and
  - (f) Such other functions normally associated with the operation of a cage.

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(2) If a gaming establishment will make use of coins or tokens in its gaming operation it shall have within the cage or in such other area as approved by the commission a physical structure known as a master coin bank to house master coin bank cashiers. The master coin bank shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein and serve as the central location in the gaming establishment for the following:

- (a) The custody of currency, coin, prize tokens, slot tokens, forms, documents and records normally generated or utilized by master coin bank cashiers, slot cashiers, changepersons, and slot attendants;
- (b) The exchange of currency, coin, coupons, prize tokens and slot tokens for supporting documentation;
- (c) The responsibility for the overall reconciliation of all documentation generated by master coin bank cashiers, slot cashiers, changepersons, and slot attendants;
- (d) The receipt of coin and slot tokens from the hard count room; and
- (e) Such other functions normally associated with the operation of the master coin bank.

(3) The cage shall be designed and constructed to provide maximum security for the materials housed therein and the activities performed therein; such design and construction shall, at a minimum, include the following features and specifications:

- (a) It shall be fully enclosed except for openings through which materials such as gaming chips and plaques, slot tokens and prize tokens, patron checks, cash, records, and documents can be passed to service the public, gaming tables, and slot booths;
- (b) It shall have a manually triggered silent alarm system for the cage, ancillary office space, and any related vault, which systems shall be connected directly to the monitoring rooms of the closed circuit television system, IEB office and the security department office;
- (c) It shall have double door entry and exit system (MAN-TRAP) that will not permit an individual to pass through the second door until the first door is securely locked. In addition:
  1. The first door adjacent to the gaming floor of the double door entry and exit system shall be controlled by one department (electronically and manually). The second door of the double door entry and exit system shall be controlled by a separate department from the first;
  2. The system shall have closed circuit television coverage which shall be monitored by the security department or surveillance department; and
  3. Any entrance to the cage that is not a double door entry and exit system shall be an alarmed emergency exit door only.
- (d) It shall have separate locks on each door of the double door entry and exit system, the keys to which shall be different from each other.

(4) Each master coin bank located outside the cage shall meet all the requirements of 205 CMR 138.24(3).

(5) Each gaming establishment may have separate areas for the storage of coin, prize tokens and slot tokens (coin vaults) in locations outside the cage or master coin bank.

(6) Each coin vault shall be designed, constructed and operated to provide maximum security for the materials housed and activities performed therein, and shall include at least the following:

- (a) A fully enclosed room, located in an area not open to the public;
- (b) A metal door with one key that shall be maintained and controlled by the main bank or master coin bank, which shall establish a sign-in and sign-out procedure for removal and replacement of that key;
- (c) An alarm device that signals the monitors of the gaming licensee's close circuit television system whenever the door to the coin vault is opened; and
- (d) Closed circuit television cameras capable of accurate visual monitoring and taping of any activities in the coin vault.

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(7) Each gaming establishment may also have one or more "satellite cages" separate and apart from the cashiers' cage, but in or adjacent to a gaming area or simulcasting facility, established to maximize security, efficient operations, or patron convenience and comfort and designed and constructed in accordance with 205 CMR 138.00. Subject to commission approval, a satellite cage may perform any or all of the functions of the cashiers' cage. The functions which are conducted in a satellite cage shall be subject to the applicable accounting controls set forth in 205 CMR.

(8) Each gaming licensee shall file with the commission the names of all persons possessing the combination or keys to the locks securing the entrance to the cage, any satellite cages, master coin bank and coin vaults; as well as all persons possessing the ability to operate alarm systems for the cage, any satellite cages, master coin bank and coin vaults.

(9) Notwithstanding 205 CMR 138.24(2), each gaming licensee may, with prior commission approval, operate its cashiers' cage without the master coin bank, provided that the main bank serves as the central location in the gaming establishment for the transactions enumerated in 205 CMR 138.24(2)(a) through (e), and provided further, that the references therein and elsewhere in 205 CMR 138.00 to:

- (a) Master Coin Bank Cashiers shall apply instead to the main bank cashiers assigned the duties and performing the functions that would otherwise be assigned to or performed by master coin bank cashiers; and
- (b) The Master Coin Bank shall apply instead to the main bank, but only insofar as it is authorized to perform master coin bank functions.

(10) Whenever the approved internal controls of a gaming licensee require or authorize documents to be transported from the cashiers' cage to a satellite cage or from a satellite cage to the cashiers' cage or another satellite cage, the gaming licensee shall, unless specified otherwise, transport the documents through the use of a pneumatic tube system or a casino security department representative.

138.25: Simulcast Counter: (Reserved)

138.26: Keys for Dual Locks; Gaming Licensee-controlled Keys and Locks; Notice to the IEB and Surveillance Department upon Malfunction and Repair, Maintenance or Replacement

(1) Any key, locking mechanism or locking system that is required by 205 CMR 138.00 shall be subject to review and approval by the IEB. Such key shall be capable of unlocking the locking device on no more than one type of secure box, compartment or location used or maintained within the gaming establishment.

(2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a process for obtaining, reproducing, inventorying and identifying each controlled key, locking mechanism, or locking system and setting forth the procedure by which the key, locking mechanism, or locking system shall be controlled. Such internal controls shall, at a minimum, include an enumeration of those incidents which would be considered to compromise the security of any part of the gaming establishment.

(3) The types of secure boxes, compartments or locations that require a unique key, locking mechanism, or locking system shall include, without limitation, the following:

- (a) Drop boxes;
- (b) Slot drop containers;
- (c) Trolleys to transport drop boxes from gaming tables to a secure location;
- (d) Trolleys or cabinets used to transport or store, respectively, slot cash storage boxes;
- (e) Count room entrance and exit doors;
- (f) Compartments housing slot drop buckets containers;
- (g) Areas in which slot cash storage boxes are located;
- (h) Compartments housing microprocessors or other control units controlling progressive meter(s) for progressive slot machines;

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- (i) Locations housing a computer that controls a progressive payout wager system for gaming tables offering a progressive payout wager; and
- (j) Storage cabinets or trolleys for unattached slot drop boxes.

(4) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include inventory procedures for any key required to be controlled and maintained by a gaming licensee and for any corresponding locking device including, without limitation, any key and locking device required by 205 CMR 138.00 for a dual control locking system. The key and locking device inventory controls of each gaming licensee shall include, at a minimum, procedures for:

- (a) Maintenance of inventory ledgers by identified, authorized personnel for purposes of documenting:
  - 1. The requisitioning of keys and locking devices from vendors;
  - 2. The receipt of blank key stock;
  - 3. The storage and issuance of keys and locking devices;
  - 4. Any loss, removal from service, and subsequent replacement of keys and locking devices;
  - 5. The destruction of keys and locking devices; and
  - 6. The results of physical inventories;
- (b) The storage of duplicate keys and locking devices, including a physical description of any storage location and the identification of authorized personnel in control of such location;
- (c) The destruction of keys and locking devices, including documentation detailing in whose presence any destruction shall occur; and
- (d) Physical inventories of all keys and locking devices at least once every 12 months.

(5) A gaming licensee shall notify the IEB and its surveillance department immediately upon becoming aware of any malfunction of any alarm system or alarmed door, and upon any emergency service to restore their proper function. In addition, a gaming licensee shall provide the IEB and its surveillance department with at least 24 hours written notice prior to effecting any non-emergency repair, maintenance or replacement of any such alarm system or alarmed door including, without limitation:

- (a) Alarm systems for any emergency exit from the gaming floor or simulcasting facility;
- (b) Alarm systems for the cage, its ancillary office space and any related vault;
- (c) Alarm systems for any master coin bank located outside the cage;
- (d) Alarmed emergency exit door(s) for the cage;
- (e) Alarmed doors to vaults signaling the closed circuit television system;
- (f) Alarmed doors to count rooms signaling the monitoring rooms and the security department;
- (g) Alarm systems providing for a continuous visual signal whenever any access door to the count room is open; and
- (h) Alarm systems for any slot cashier window in a slot booth.

138.27: Internal Controls B: (Reserved)

138.28: Gaming Day

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall specify what the hours of operation for the gaming establishment and what the 'gaming day' will be for accounting purposes. Each gaming licensee may establish a gaming day for slot machines which is different from its gaming day for table games; provided, however, that no gaming day shall be longer than 24 hours.

138.29: Accounting Controls for the Cashiers' Cage, Satellite Cages, Master Coin Bank and Coin Vaults

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include detailed protocols and procedures for the function of the cashiers' cage, satellite cages, master coin bank, and coin vaults, if any.

138.30: Accounting Controls Within the Simulcast Counter: (Reserved)

138.31: Procedure for Accepting Cash and Coupons at Gaming Tables: (Reserved)

138.32: Table Game Drop Boxes, Transport to and from Gaming Tables; Storage Boxes: (Reserved)

138.33: Removal of Slot Drop Containers; Unsecured Currency; Recording of Meter Readings for Slot Machine Drop

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures and protocols relative to the removal of slot drop containers, unsecured currency, and the recording of meter readings for slot machine drop that, at a minimum, incorporates the following requirements:

(1) A gaming licensee shall file with the IEB a drop schedule setting forth the specific times at which the slot drop containers will be brought to or removed from the slot machines and the routes to be utilized. The schedule shall include the number of slot drop containers to be removed each day by zone or other designation. At a minimum, the schedule shall provide for removal at least once per week.

(2) All slot drop containers which are not actively in use shall be stored in the count room or other secure area outside the count room as approved by the IEB to prevent unauthorized access. In addition, slot drop containers in use shall be stored in an enclosed storage cabinet or trolley, secured by a key. The key must have restricted access and may be maintained and controlled by either the security department or by means of an electronic key control system which documents the date, time, and electronic signature of any person signing out/in the aforementioned keys. Such electronic key control system also must have the ability to restrict access and ensure keys are released only when the properly authorized individual(s) are present. An electronic signature shall include a unique employee PIN and key card swipe, or PIN and employee biometric identification.

(3) Slot drop containers shall be removed from a slot machine by at least three employees, two of whom shall be members of the casino security department and one of whom shall be a member of the accounting department (the drop team). At least one member of the drop team shall be licensed as a key gaming employee in accordance with 205 CMR 134.00: *Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations*. Other than the security department members, all employees participating in the removal of slot drop containers shall wear as outer garments only a full-length, one-piece pocketless garment with openings only for the hands, feet and neck.

(4) A drop team member shall notify the surveillance department at the commencement of the slot drop process. Surveillance shall make a continuous video recording, with the time and date inserted thereon, of the entire slot drop process.

(5) All slot drop containers removed from the slot machines shall be transported directly to, and secured in, the count room by a casino security department member and a member of the accounting department. The process shall be documented in writing ensuring that the number of slot drop containers brought into the gaming area and the number of slot drop containers removed from the gaming area are reconciled with a drop box verification form.

(6) Emergency drop procedures to remove a full or inoperable slot drop container or for removal for other legitimate reasons, as approved by the IEB, outside of the slot drop schedule shall require at least three employees (two of whom shall have no incompatible functions, and one of whom shall be licensed as a key gaming employee in accordance with 205 CMR 134.00: *Licensing and Registration of Employees, Vendors, Junket Enterprises and Representatives, and Labor Organizations*), be replaced with an empty emergency slot drop container of the same type if the slot machine is to remain available for play by patrons, and include at a minimum in the procedures as follows:

(a) A security department member shall notify the surveillance department which shall monitor and record the transaction. If more than one slot drop container is being removed, such notification shall include the sequence in which the containers will be removed and replaced;

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(b) The security department member shall complete an emergency box form documenting the replacement of the slot drop container. The form shall include at a minimum:

1. The date and time;
2. The asset and location number;
3. The reason for the removal; and
4. The signatures of all employees participating in the process.

(c) The emergency box form shall be distributed by a member of the emergency drop team as follows:

1. The original affixed to the emergency slot drop container;
2. The duplicate placed in a locked accounting box; and
3. The triplicate delivered to the cage to be routed within 24 hours of preparation to the IEB's onsite office.

(d) A slot department member, in the presence of the other members of the emergency drop team, shall remove the slot drop container from the slot machine and replace it with the empty emergency slot drop container if the slot machine is to remain available for play by patrons;

(e) The slot drop container removed from the slot machine shall be transported by a minimum of two members of the emergency drop team to the count room where it must be secured in an emergency drop box cabinet or trolley; and

(f) For each slot drop container removed, an emergency drop team participant shall record on an emergency box log, to be maintained with the emergency drop box cabinet or trolley, the following:

1. The date and time the slot drop container was secured in the cabinet or trolley;
2. The slot drop container location and asset number; and
3. The signatures of at least two members of the emergency drop team participating in the emergency slot drop container process.

(7) Whenever currency, a gaming voucher, or a coupon is found inside a bill changer but outside of the slot cash storage box (unsecured drop) during the collection of slot cash storage boxes, a count team member and a member of the casino security department shall complete and sign a form which includes the asset number in which the unsecured drop was found, the date the unsecured drop was found, and the total value of the unsecured drop. The unsecured drop and the original form shall be transported to the count room and counted and recorded with the contents removed from the corresponding slot cash storage box. The duplicate of the form shall be placed in a locked accounting box. Upon completion of the count, the original form shall be placed in a locked accounting box located in the count room. The accounting department will retrieve the original form and reconcile it to the duplicate.

(8) Whenever unsecured drop is found at times other than the collection of slot cash storage boxes, a slot department member shall notify the surveillance department and complete and sign the form referenced in 205 CMR 138.33(7). The unsecured drop and the original form shall be transported by the slot department member, escorted by a security department member, to the cashiers' cage where a cashier shall sign the form. The unsecured drop and original shall be retained by the cashier, and the slot department member shall place the duplicate form in a locked accounting box. The accounting department shall reconcile the original form to the duplicate.

(9) Upon receipt of an unsecured gaming voucher or coupon, the cage cashier in the presence of the slot department member shall deface the gaming voucher or coupon, to the extent necessary, so as to prevent subsequent redemption.

(10) At the end of the gaming day, at a minimum, the original unsecured drop forms and as applicable, gaming vouchers and coupons, shall be forwarded to the accounting department. The accounting department shall reconcile the original and duplicate forms and record the appropriate amount on the Slot Win Report.

(11) In conjunction with the removal of any slot drop container, a gaming licensee shall manually read, or cause an approved slot monitoring system to record, the in-meter, drop meter, out-meter, attendant paid jackpots meter, attendant paid cancelled credits meter, bill meters and handle pull meter. In addition, the following meters shall be read and recorded:

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- (a) If the slot machine accepts gaming vouchers, the numerical and value cashable gaming voucher meters, and the numerical and value non-cashable gaming voucher meters;
- (b) If the slot machine accepts coupons enrolled in the gaming voucher system, the numerical and value cashable coupon meters and numerical and value non-cashable coupon meters;
- (c) If the slot machine accepts promotional credits, the electronic cashable credit meter and the electronic non-cashable credit meter; and
- (d) If the slot machine accepts funds from an account based wagering system, the wagering account transfer-in meter and the wagering account transfer out meter.

(12) The slot monitoring system shall provide a report to the accounting department for a comparison of the meter readings to the count room reports and the calculation of each slot machine's payout percentage. Only members of the accounting department shall have the authority to adjust meter readings subsequent to the count.

(13) Nothing in 205 CMR 138.00 or a gaming licensee's internal controls shall preclude the IEB from requiring a gaming licensee to read a slot machine meter manually as a remedial measure in the event of a malfunction or as it may otherwise deem necessary to ensure the integrity of gaming and the accurate reporting of gross revenue.

138.34: Procedures for Acceptance of Tips or Gratuities from Patrons

(1) In accordance with M.G.L. c. 23K, § 25(g), no key gaming employee or any other gaming employee who serves in a supervisory position shall solicit or accept a tip or gratuity from a player or patron in the gaming establishment where the employee is employed.

(2) In accordance with M.G.L. c. 23K, § 25(g), a dealer may accept tips or gratuities from a patron at the table game where such dealer is conducting play provided, however, that such tips or gratuities shall be placed in a pool for distribution among other dealers. A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the manner in which tips and gratuities shall be set aside for the dealer pool as well as the manner of distribution among dealers, which shall, at a minimum, incorporate the following principles:

- (a) At their election, the dealers shall be responsible for the collection, counting, and distribution of the tips and gratuities;
- (b) The gaming licensee shall cooperate in the collection, counting, and distribution process undertaken by the dealers, and shall provide surveillance, cashier, payroll and other systems necessary for the administration and security of the process;
- (c) Tips shall be calculated on a weekly basis unless the dealers specifically elect to calculate the tips on a daily basis, and shall be distributed based on time spent dealing;
- (d) The policies and procedures shall be subject to approval by the dealers in a manner provided by the dealers; and
- (e) The policies and procedures shall be in accord with M.G.L. c. 149, § 152A and other applicable law of the commonwealth.

(3) The policies and procedures required in accordance with 205 CMR 138.34(2) shall, at a minimum, include:

- (a) The method utilized by a dealer for acceptance of the tip or gratuity;
- (b) The physical characteristics of the transparent locked box utilized for purposes of depositing such tips or gratuities;
- (c) The method for ensuring that any non-value chips received as a tip at any table game authorized by the commission to utilize non-value chips for play, is expeditiously converted into value chips and deposited in a the locked box reserved for that purpose; and
- (d) The method of collecting, accounting for and placing such tips and gratuities in a common pool for distribution *pro-rata* among all dealers in accordance with the policies and procedures established in accordance with 205 CMR 138.34.

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(4) If a gaming licensee offers the game of poker the policies and procedures required in accordance with 205 CMR 138.34(2) may provide for a separate common pool for tips and gratuities received by poker dealers to be established. Provided, however, at the dealers' option, if a separate common pool is established for poker dealers, the policies and procedures may provide for distribution from the pool in accordance with the precise amount contributed. A gaming licensee, with the dealers' assent, may also designate a percentage of the prize pool or other such amounts as designated in a poker tournament submission, as approved by the commission, to be withheld for distribution to the tournament dealers on a *pro-rata* basis.

(5) A tip or gratuity may be provided electronically to a dealer upon initiation and authorization by a patron. A gaming licensee shall include in its internal controls the method utilized for the distribution of electronic tips or gratuities and ensure that a report listing all electronic tips shall be available from the system where the transaction occurred.

138.35: Table Inventory; Table Inventory Container; Chip Reserve Compartment: (Reserved)

138.36: Procedures for Counting Table Inventory, Opening Tables for Gaming, Shift Changes at Gaming Tables, and Closing Gaming Tables: (Reserved)

138.37: Procedure for Distributing and Removing Gaming Chips, Coins and Plaques to Gaming Tables

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to distributing and removing gaming chips, coins, and plaques to and from gaming tables that must include participation of personnel from at least three departments with incompatible functions.

138.38: Internal Controls C: (Reserved)

138.39: Internal Controls D: (Reserved)

138.40: Procedure for Acceptance of Checks, Cash Equivalents, Wire Transfers, and Credit/Debit Cards; Issuance of Counter Checks

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to the acceptance of checks and cash equivalents presented by patrons, and the issuance of counter checks to patrons for gaming purposes. These policies and procedures shall include, but not be limited to:

- (1) The specific locations in the gaming establishment where patron deposits may be received;
- (2) The specific form of deposits that will be accepted including cash, chips, plaques, slot tokens, jackpots, tournament winnings, casino checks, personal checks, certified checks, traveler's checks, wire transfers, electronic fund transfers, money orders, and other cash equivalents. Provided, procedures shall be included to ensure that the gaming licensee does not accept or cash government-issued checks, or third party checks, other than bank issued cashier's checks or travelers checks;
- (3) Identification requirements at such time that a patron deposits funds, including controls in place to assure that any cash received on deposit is done so in accordance with required currency transaction reporting and anti-money laundering criteria;
- (4) Specific policies and procedures for patron deposit accounts if they will be utilized by the gaming licensee including the permitted uses of funds placed on deposit to include, but not be limited to, in exchange for chips, tokens or other forms of gaming value, to establish a deposit account against which future draws may be made, and as payment towards outstanding counter checks;
- (5) Procedures to refund any balance in a patron's deposit account at such time that it is requested;

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- (6) Specific procedures for the issuance of counter checks, to include patron identification requirements, and documentation and accountability requirements to request a counter check, issue the counter check (whether at the main cage, gaming table or such other approved location), including disclosures, consistent with disclosures provided at the time the extension of credit was approved, which include the date or time period within which the counter check will be deposited with the patron's bank, and post the counter check transaction to the patron's account and the gaming licensee's books of account;
- (7) Specific procedures for the transfer and storage of documentation involved in all facets of the counter check process;
- (8) Procedures to ensure that any credit card or automated teller machine operating in the gaming establishment does not allow a patron to obtain cash from a government-issued electronic benefits transfer card and that it is otherwise in conformance with 205 CMR 138.47;
- (9) Procedures to ensure that debit card cash transactions are not permitted to be initiated within 15 feet of the gaming area;
- (10) Procedures to ensure that no gaming chips, plaques, tokens, and other forms of gaming value may be purchased with a credit card. Provided, patrons may be permitted to pay gaming tournament entry fees with a credit card;
- (11) Procedures, including the maintenance of a log, for accepting, verifying and accounting for wire transfers and electronic fund transfers, including wire transfer and electronic fund transfer fees, and procedures for sending funds by wire transfer or electric fund transfer; and
- (12) Procedures to ensure compliance with all applicable provisions of the Currency and Foreign Transactions Reporting Act of 1970 (commonly referred to as the Bank Secrecy Act) and corresponding FinCEN regulations including 31 CFR 1010: *General Provisions*, as applicable, and 31 CFR 1021: *Rules for Casinos and Card Clubs*.

138.41: Replacement Checks and the Redemption of Counter Checks

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to replacement checks and the redemption of counter checks that contain, at a minimum, provisions for the following:

- (1) A listing of the locations where redemptions may occur, and a listing of the types of cash and cash equivalents and third party instruments (subject to the restrictions set forth in 205 CMR 138.40(2)) that may be accepted in redemption of a counter check;
- (2) A distinction between full redemptions and partial redemptions;
- (3) Detailed procedures to:
  - (a) Process and complete redemptions, and issue replacement checks;
  - (b) Verify the patron's or agent's identification at the time of completing a redemption;
  - (c) Maintain a written record and complete the appropriate forms used to record the redemption, including the specific information contained on said form(s) and the form(s) signature requirements so as to assign responsibility and accountability over the redemption transaction;
  - (d) Transfer the appropriate documents to the accounting department (or such other department) for accounting purposes; and
  - (e) Process payments received through the mail, wire transfer, or electronic fund transfer.
- (4) A description of permitted redemptions, in full or in part, when made by a third-party other than the gaming patron; and
- (5) A description of the type of checks that may be accepted in substitution of a counter check.

138.42: Acceptance of Payments Toward Outstanding Patron Checks

(1) A gaming licensee may, in its discretion, permit the drawer of an outstanding patron check or any person acting for the benefit of such drawer to deposit cash, cash equivalents, casino checks, slot tokens, gaming chips or gaming plaques with a general cashier for the purpose of having such payment applied to the total or partial redemption of the patron check by the drawer.

(2) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures relative to the acceptance of payments pursuant to 205 CMR 138.42(1) which shall, at a minimum, provide for:

(a) A method of documenting or recording the receipt of each such payment, which method shall include, without limitation, the following:

1. The names of the drawer and the person making the payment;
2. The signature of the employee accepting the payment; and
3. The issuance of a receipt to the person making the payment;

(b) The maintenance of the general cashier's imprest inventory; and

(e) The notation in the drawer's credit account of the receipt of the payment.

(3) If any payments received by a gaming licensee pursuant to the procedure referenced in 205 CMR 138.42(2) entitle the drawer of a patron check to redeem the original patron check in its entirety by virtue of complete payment of the outstanding total, or if any such payments received in conjunction with the submission of a new patron check by the drawer in a lesser amount entitle the drawer of a patron check to redeem the original patron check in part due to such partial payment, the gaming licensee shall return the original patron check to the drawer.

(4) If the drawer of a patron check fails to redeem it prior to the date on which the patron check must be deposited in accordance with the policy or procedure implemented in accordance with 205 CMR 138.45, the gaming licensee shall deposit the patron check regardless whether any payment has been received. The gaming licensee, after timely depositing the patron check and allowing a commercially reasonable time for the patron check to clear, shall apply any payments received in accordance with priorities established in the system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02.

(5) If a patron check is dishonored by the drawer's bank upon presentation for payment and returned to the gaming licensee, any payments received, including payments that have been transferred to a patron deposit account pursuant to 205 CMR 138.40(4), that have not been returned to the drawer shall be used to reduce the amount to be collected from the drawer or to be deemed uncollectible pursuant to the provisions of 205 CMR 138.00.

138.43: Procedures for Establishing Patron Credit Accounts, and Recording Checks Exchanged, Redeemed or Consolidated

(1) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of its policies and procedures governing the issuance of credit to a patron to take part in gaming activity at its gaming establishment. A gaming licensee's policies and procedures governing the issuance of credit shall ensure at a minimum that:

(a) Prior to issuing credit to a patron the creditworthiness of the patron is established in a commercially reasonable manner in the context of their ability to repay the amount of credit requested or to be extended according to the terms of the credit extension agreement and any disclosures;

(b) Credit is not extended to an individual in an amount beyond that which the information reviewed demonstrates that they have a reasonable ability to repay;

(c) Credit will only be extended to patrons who the gaming licensee determines qualify for a minimum threshold of \$10,000.00 and will not exceed the amount requested by the patron;

(d) Credit will not be offered to any individual who self-identifies as a problem gambler during the credit application process, places themselves on a voluntary credit suspension list in accordance with 205 CMR 138.44, or is on public assistance;

(e) Credit requests, including increases, will not be accepted from or granted to patrons who are visibly intoxicated or exhibiting behaviors suggestive of impaired mental competency;

(f) Credit applications require patrons to acknowledge that they have reviewed a problem gambling self-assessment and indicate a desire to proceed with the process; and

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(g) Credit officers will obtain written or verbal verification from credit applicants that they are comfortable losing up to the amount of credit requested and granted.

(2) In addition to the provisions required in accordance with 205 CMR 138.43(1), the policies and procedures governing the issuance of credit shall contain provisions including, but not limited to, the following:

(a) The creation of a credit file for each patron shall be prepared by a general cage cashier or credit department representative with no incompatible functions prior to the gaming licensee's approval of a patron's credit limit. All patron credit limits and changes thereto shall be supported by the information contained in the credit file. Such file shall contain a credit application form upon which the following minimum information provided by the patron shall be recorded:

1. The patron's name;
2. The address of the patron's residence;
3. Patron's identification credential, credential number, place of issuance, and expiration date;
4. The patron's telephone number;
5. Banking information including:
  - a. The name and location of the patron's bank; and
  - b. The account number of the patron's personal checking account upon which the patron is individually authorized to draw and upon which all Counter Checks and and replacement checks will be drawn. Checking accounts of sole proprietorships shall be considered as personal checking accounts. Partnership or corporate checking accounts shall not be considered personal checking accounts even if a patron is individually authorized to draw on the account.
6. The credit limit requested by the patron;
7. The approximate amount of all other outstanding indebtedness including outstanding credit balances at other casinos or gaming establishments;
8. The amount and source of income and assets in support of the requested credit limit; and
9. The patron's signature indicating acknowledgement of the following statement, which shall be included at the bottom of every credit application form containing the information required to be submitted by the patron pursuant to 205 CMR 138.43(2)(a): *"I certify that I have reviewed all of the information provided above and that it is true and accurate. I authorize (name of the gaming licensee) to conduct such investigations pertaining to the above information in accordance with applicable federal and state laws and regulations as it deems necessary for the approval of my credit limit. Such investigation may include verification of the information I have provided with a consumer credit bureau, a casino credit bureau, my bank, and/or a bank verification service. I am aware that this application is required to be prepared in accordance with Massachusetts Gaming Commission regulations and I may be subject to civil or criminal liability if any material information provided by me is willfully false."*
10. Prior to processing a gaming patron's credit application, a gaming licensee shall clearly and conspicuously provide the patron with the following disclosures on a piece of paper separate and apart from the credit application and any related documents; provided that each statement shall be separately signed, dated, and acknowledged by said patron. Upon signing said disclosures, a copy shall be provided to the gaming patron.
  - a. *"You are applying for a credit extension from [name of gaming licensee], facilitated through a personal check or counter check (also known as a 'marker') on your bank account. If you fail to repay [name of gaming licensee] by [the date specified in this agreement], [name of gaming licensee] will attempt to recover the amount identified on the personal check or 'marker' from your bank account (by date marker will be deposited with the bank) or thereafter. If there are insufficient funds in your account, [name of gaming licensee] may initiate debt collection proceedings against you. Failure to timely repay your debt to [name of gaming licensee] may result in legal consequences, and will likely have a negative effect on your credit."*

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b. *"If you are concerned that you may have difficulty managing your gambling, or wish for any reason to exclude yourself from receiving credit from a gaming establishment in Massachusetts, you may add yourself to the gaming credit suspension list. Massachusetts gaming establishments are prohibited from providing credit to individuals appearing on this list. To sign up for the list, please visit [www.massgaming.com](http://www.massgaming.com) or call 1-800-426-1234."*

(b) Recording by a general cage cashier or credit department representative of the information required in accordance with 205 CMR 138.43 in the credit file prior to the gaming licensee's approval of a patron's credit limit.

(c) Prior to the gaming licensee's approval of the patron's credit limit, a general cage cashier or credit department representative with no ability to grant credit or credit limit increases shall perform the following in a commercially reasonable manner and document the patron's file accordingly:

1. Verify the address of the patron's residence;
2. Verify the patron's outstanding casino credit balances which shall include the following:
  - a. The date the patron's casino credit account(s) was established; and
  - b. The current balance and status of the patron's credit account at each casino and gaming establishment including checks deposited by a casino or gaming licensee that have not yet cleared the bank and derogatory information;
3. Verify the patron's outstanding indebtedness;
4. Verify the patron's personal checking account information which shall include, but not be limited to, the following:
  - a. Type of account (personal or sole proprietorship);
  - b. Account number;
  - c. Date the account was opened;
  - d. Average balance of the account for the last six months;
  - e. Current balance in the account;
  - f. Whether the patron can sign individually on the account; and
  - g. Name and title of the person supplying the information; and
5. Verify that the patron's name is not designated on the list of individuals who have voluntarily requested suspension of credit privileges pursuant to 205 CMR 138.44 or placed their name on the voluntary self-exclusion list pursuant to 205 CMR 133.00: *Voluntary Self-exclusion*.

(d) All verifications performed by a general cage cashier or the credit department in accordance with 205 CMR 138.43(2)(c) shall be recorded in the credit file and accompanied by the signature of the general cage cashier or credit department representative who performed the required verifications or filed the relevant information. If at any time the gaming license has reason to believe a patron's information has changed, it shall re-verify the information in accordance with the following. The date and time of the signature of the general cage cashier or credit department representative shall be recorded either mechanically or manually contemporaneously with the transaction. If the employee is unable to obtain certain information despite using commercially reasonable efforts, the credit file shall be documented accordingly. The general cage cashier or gaming licensee's credit department shall fulfill the requirements of 205 CMR 138.43(2)(c) as follows:

1. Verification of the address of the patron's residence, as required by 205 CMR 138.43(2)(c)1., shall be satisfied by confirming the patron's address with a credit bureau or bank. If neither of these sources has the patron's address on file or will not provide the information, the gaming licensee may use an alternative source which shall not include any identification credentials required in 205 CMR 138.43(2)(a) or other documentation presented by the patron at the gaming establishment. The gaming licensee shall record the source of verification and the method by which such verification was performed in the patron's credit file. Verification of the patron's address may be performed telephonically.

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2. Verification of the patron's current casino credit limits and outstanding balances, as required by 205 CMR 138.43(2)(c)2., shall be performed through a casino credit bureau and, if appropriate, through direct contact with other casinos at which the patron indicated on the credit application that they have a credit limit or outstanding balance. The gaming licensee shall record the source of verification and the method by which such verification was performed in the patron's credit file. If no casino credit information relating to the patron is available from these sources, this shall be noted in the patron's credit file and shall be deemed to satisfy the verification requirement. The verification may be performed telephonically, *via* email, or any medium prior to the credit approval provided the gaming licensee requests written documentation of all such information as soon as possible and includes such written documentation in the patron's credit file. All requests for written documentation shall be maintained in the patron's credit file until such documentation is obtained.
  3. Verification of the patron's outstanding indebtedness, as required by 205 CMR 138.43(2)(c)(3), shall be performed by contacting a consumer credit bureau or other similar organization which is reasonably likely to possess information concerning the patron, and a casino credit bureau to determine whether the applicant has any liabilities or if there is any derogatory information concerning the applicant's credit history. Such contact shall be considered a verification of the outstanding indebtedness provided by the patron. The gaming licensee shall record the source of verification and the method by which such verification was performed in the patron's credit file. If either one or both of these credit bureaus do not have information relating to a patron's outstanding indebtedness this shall be recorded in the patron's credit file and the verification requirement shall be deemed satisfied. The verification may be performed telephonically prior to the credit approval provided the gaming licensee requests written documentation of all information obtained as soon as possible and includes such written documentation in the patron's credit file. All requests for written documentation shall be maintained in the patron's credit file until such documentation is obtained.
  4. Verification of the patron's personal checking account information, as required by 205 CMR 138.43(2)(c)4., shall be performed by the gaming licensee or a bank verification service directly with the patron's bank. A bank verification service utilized by a gaming licensee may make use of another bank verification service to make direct communication with the patron's bank. If a patron's bank is unwilling to provide information relative to an account, the gaming licensee may use an alternative source or note the unavailability of the information in the file in which case the verification requirement shall be deemed satisfied. The gaming licensee shall record the source of verification and the method by which such verification was performed, or attempted to be performed, in the patron's credit file. The verification may be performed telephonically *via* email, or any medium prior to the credit approval provided the gaming licensee or bank verification service requests written documentation of all information obtained as soon as possible and such written documentation is included in the patron's credit file. All requests for written documentation shall be maintained in the patron's credit file until such documentation is obtained.
- (e) A gaming licensee may rely upon information compiled and verified by an affiliate in another jurisdiction relative to the credit application of a patron in satisfaction of a provision of 205 CMR 138.43(1) through (2)(d) if said verification was performed within 60 days of credit being extended to the same patron at a casino.
- (f) The credit limit, and any changes thereto, must be approved by any one or more of the individuals holding the positions of credit manager, assistant credit manager, credit shift manager, credit executive, or a key gaming employee in a direct reporting line above the gaming manager or credit manager, or a credit committee composed of key gaming employees which may approve credit as a group, but whose members may not approve credit individually unless such person is included in the referenced job positions. The approval shall be recorded in the credit file and shall include:
1. Any other information used to support the credit limit and any changes thereto, including the source of the information, if such information is not otherwise recorded pursuant to 205 CMR 138.43(2);
  2. A brief summary of the key factors relied upon in approving or reducing the requested credit limit and any changes thereto;

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3. The reason credit was approved if derogatory information was obtained during the verification process;
  4. The signature, on the manual credit file, of the employee approving the credit limit together with the date and time of such authorization, which signature, date and time shall be recorded before any actual extension of credit; and
  5. If a computerized credit file is utilized, the authorization code of the employee approving the credit limit together with the date and time of the activation in the system, which authorization code, date and time shall be recorded by the system before any actual extension of credit.
- (g) Prior to approving a credit limit increase, a representative of the gaming licensee's credit department shall:
1. Obtain a written request from the patron which shall include:
    - a. Date and time of the patron's request;
    - b. Amount of credit limit increase requested by the patron; and
    - c. Signature of the patron.
  2. Verify the patron's current casino credit limits and outstanding balances, as required by 205 CMR 138.43(2)(c)2., unless such verification has performed earlier that same gaming day;
  3. Verify the patron's outstanding indebtedness as required by 205 CMR 138.43(2)(c)3., unless such procedure has been performed within the previous 60 days;
  4. Verify the patron's personal checking account information, as required by 205 CMR 138.43(2)(c)4., unless such procedure has been performed within the previous 60 days;
- (h) Credit limit increases may be approved without performing the requirements of 205 CMR 138.43(2)(g)2. through 4. if the increases are temporary and are noted as being for this trip only in the credit file. Temporary increases shall be limited to one during any thirty day period provided that the increase is approved during a single trip to the gaming establishment consisting of consecutive gaming days and the amount of the temporary increase does not exceed 25% of the currently approved credit limit.
- (i) The gaming licensee's credit department shall verify the patron's address, current casino credit limits and outstanding balances, outstanding indebtedness, checking account information, confirm that the patron is not on the list of patrons who have requested suspension of their credit privileges, and confirm that the patron is not on the list of patrons who have placed themselves on the voluntary self-exclusion list, as required by 205 CMR 138.43(2)(c)1. through 5. prior to the issuance of a counter check to a patron whose credit file has been inactive for a six month period.
- (j) All derogatory information received by a gaming licensee concerning a patron's credit account shall be reported by the gaming licensee on a daily basis to a casino credit bureau used by all Massachusetts gaming licensees. Each gaming licensee shall request written documentation of any derogatory information pertaining to its patrons to be reported to that gaming licensee on a daily basis by a casino credit bureau used by all Massachusetts gaming licensees. All documentation obtained from the casino credit bureau relative to a patron account shall be maintained in the patron's credit file. Any gaming licensee desiring to continue the patron's credit privileges on the basis of a satisfactory explanation having been obtained for the derogatory information may do so if the gaming licensee records the explanation for its decision in the credit file before issuing any further counter checks to the patron along with the signature of the credit department supervisor accepting the explanation. Provided, the gaming licensee shall comply with the requirements of either 205 CMR 138.43(2)(g)2. or 3. whenever any derogatory information is received by a gaming licensee's credit department relating to the patron's continued creditworthiness.
- (k) All transactions affecting a patron's outstanding indebtedness to the gaming licensee shall be recorded in chronological order in the patron's credit file and credit transactions shall be segregated from the patron deposit account transactions. The following information shall be included:
1. The date, amount and check number of each Counter Check initially accepted from the patron;
  2. The date, amount and check number of each consolidation check and the check numbers of the checks returned to the patron;
  3. The date, method, amount and check number of each redemption transaction and the check number of the check returned to the patron;

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4. The date, amount and check number of each substitution transaction and the check number of the check returned to the patron;
  5. The date, amount and check number of each check deposited;
  6. The date, amount and check number of each check returned to the gaming licensee by the patron's bank and the reason for its return;
  7. The outstanding balance after each transaction; and
  8. The date, amount and check number of any checks which have been partially or completely written off by the gaming licensee and a brief explanation of the reason for such write off.
- (l) A log of all Counter Checks issued and of all checks received for redemption, consolidation or substitution shall be prepared, manually or by computer, on a daily basis, by check cashiers and such log shall include, at a minimum, the following:
1. The balance of the checks on hand in the cashiers cage at the beginning of each shift;
  2. For checks initially accepted and for checks received for consolidation, redemption, or substitution:
    - a. The date of the check;
    - b. The name of the drawer of the check;
    - c. The amount of the check;
    - d. The Counter Check serial number(s) for Counter Check(s) received; and
    - e. An indication as to whether the check was initially accepted or received in a redemption, consolidation or substitution.
  3. For checks deposited, redeemed by patrons for cash, cash equivalents, complimentary cash gifts, gaming chips and plaques, or any combination thereof, consolidated or replaced:
    - a. The date on which the check was deposited, redeemed, consolidated or replaced;
    - b. The name of the drawer of the check;
    - c. The amount of the check;
    - d. The Counter Check serial number(s) for Counter Check(s) and Slot Counter Check(s) deposited, redeemed, consolidated or replaced; and
    - e. An indication as to whether the check was deposited, redeemed, consolidated or replaced.
  4. The balance of the checks on hand in the cashiers' cage at the end of each shift.
- (m) A list of all Counter Checks on hand, and of all checks received for redemption, consolidation or substitution shall be prepared, manually or by computer, on a monthly basis, at a minimum, and shall include the following:
1. The date of the check;
  2. The name of the drawer of the check;
  3. The amount of the check; and
  4. The Counter Check serial number(s) for Counter Check(s) and received.
- (n) At the end of each gaming day, at a minimum, the following procedures shall be performed:
1. The daily total of the amounts of checks initially recorded as described in 205 CMR 138.43(2)(l) shall be agreed to the daily total of Counter Checks issued;
  2. The daily total of the checks indicated as deposited on a log required by 205 CMR 138.43(2)(l) shall be agreed by employees with no incompatible functions to the bank deposit slips corresponding to such check; and
  3. The balance required by 205 CMR 138.43(2)(l) shall be agreed to the total of the checks on hand in the cashiers' cage.
- (o) A patron may not be issued a Counter Check until the operator has established a signature file for the patron.
- (3) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions for the maintenance of a patron identification file and the methodology the gaming licensee will utilize for verifying a patron's identity or signature for purposes of establishing a credit account which shall include, at a minimum, the following:
- (a) The patron's name;
  - (b) The patron's address;
  - (c) The patron's signature;
  - (d) The type of identification credentials examined;

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- (e) The date and time that the patron identification file was established; and
  - (f) The name and signature of the gaming establishment employee who examined the identification credentials of the patron and established the patron identification file.
- (4) The gaming licensee shall establish procedures for the organization and maintenance of data relative to the extension of credit, issuance of counter checks, and repayment of counter check for review upon request by the commission or its designee, and the Massachusetts Attorney General's Office. Such data shall include the following aggregated by month:
- (a) Total credit applications filed;
  - (b) Total credit applications approved;
  - (c) Total credit applications denied;
  - (d) The amount of credit extended for each approved credit application;
  - (e) The mean amount of credit extended;
  - (f) Total credit increases approved;
  - (g) Total temporary credit increases approved;
  - (h) Total number of counter checks presented to banks;
  - (i) The amount of each counter check presented to a bank;
  - (j) Total number of uncollectable counter checks including amounts in accordance with 205 CMR 138.46(11); and
  - (k) Number of debt collection proceedings commenced, the state and county where the proceedings were commenced, and the zip codes of the patron's residences.

138.44: Patron Request for Suspension of Credit Privileges

- (1) Any person may voluntarily suspend his or her credit privileges at all gaming establishments by submitting a written request to the commission in accordance with 205 CMR 138.44. Such requests shall be submitted to a designated agent as described in accordance with 205 CMR 138.44(3) or mailed to a designated address with a notarized signature in accordance with 205 CMR 138.44(2)(h). An individual requesting suspension of credit privileges shall present a valid government issued photo identification.
- (2) A request for suspension of credit privileges shall be submitted on a form prescribed by the commission, which shall include the following:
- (a) The name of the person requesting suspension of credit privileges;
  - (b) The address of the person's residence;
  - (c) The person's date of birth;
  - (d) The name of each gaming establishment where the person currently has an approved line of credit;
  - (e) The duration for which they wish to have their credit privileges suspended. An individual may select any of the following time periods as a minimum length of suspension:
    1. Six months;
    2. One year;
    3. Three years;
    4. Five years; or
    5. Lifetime.
  - (f) The signature of the person requesting suspension of credit privileges acknowledging the following statement: *"I certify that the information which I have provided above is true and accurate. I am aware that my signature below authorizes the Massachusetts Gaming Commission to direct all Massachusetts gaming licensees to suspend my credit privileges for a minimum period of six months from the date of this request and indefinitely thereafter, until such time as I submit a written request to the Commission for the reinstatement of any such credit privileges."*;
  - (g) If the request for suspension of credit privileges is made in person:
    1. The type of government issued photo identification examined; and
    2. The signature of the designated agent indicating that the signature of the person requesting suspension of credit privileges appears to agree with that contained on his or her government issued photo identification and that the photograph of the person appears to agree with his or her actual appearance; and

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3. If the request for suspension of credit privileges is made by mail, a certificate of acknowledgement executed by a notary public or other person empowered by law to take oaths attesting to the identity of the person who is making the request for suspension of credit privileges.
- (3) (a) An application for suspension of credit privileges made in person may only be accepted by a designated agent. An individual may only become a designated agent by successfully completing a course of training approved and administered by the commission or its designee. The course of training shall include, at a minimum, instruction on completion of the application, information relative to problem gambling and available resources, and an understanding of 205 CMR 138.40 through 138.46. A designated agent must be a licensed, certified, or registered health or mental health professional or employee thereof, or an employee of a gaming licensee, the commission, or other government entity. The commission may refuse to offer training to any individual whose service as a designated agent it determines would be contrary to the aims of 205 CMR 138.40 through 138.46.
- (b) Upon submission of an application, a designated agent shall review the application with the applicant. If the application is complete, the designated agent shall sign the application indicating that the review has been performed and the application has been accepted.
- (c) A designated agent may not sign an application if any required information is not provided.
- (d) The designated agent shall forward the signed application for suspension of credit to the commission within 24 hours of completion in a manner directed by the commission.
- (e) Upon receipt of an application, the commission, or its designee, shall review it for completeness. If the application meets all requirements of 205 CMR 138.40 through 138.46 the application shall be approved, and the individual's name shall be added to the credit suspension list. If the application is incomplete, the commission, or its designee, may deny the application and make efforts to contact the applicant advising them of such.
- (f) In addition to 205 CMR 138.44(3)(d), if an application is made in person at a gaming establishment, the designated agent shall promptly transmit a completed application to the gaming licensee's credit department such that any existing credit line for that individual may be immediately suspended and that no new credit may be extended.
- (4) The commission shall maintain an updated master list of all persons who have requested suspension of credit privileges pursuant to 205 CMR 138.44, and shall update the master list in the database.
- (a) Each gaming licensee shall suspend the credit privileges of any listed individual, promptly upon receipt of notice that such individual's name has been added to the list.
- (b) Each gaming licensee shall note any suspension or reinstatement of credit privileges pursuant to 205 CMR 138.44 in any existing credit file for the affected patron, including the following:
1. A copy of any applicable commission notice of the suspension or reinstatement of credit privileges;
  2. The date, time and signature of the credit department representative making the suspension or reinstatement entry in the credit file.
- (5) Any person whose credit privileges have been suspended pursuant to 205 CMR 138.44 may, no sooner than six months after the request for suspension of credit privileges, request reinstatement of his or her credit privileges by submitting a written request to the commission in accordance with the procedures specified in 205 CMR 138.44(1).
- (a) Such request shall be in a form prescribed by the commission, which shall include the following:
1. The information specified in 205 CMR 138.44; and
  2. The signature of the person requesting reinstatement of credit privileges, indicating acknowledgement of the following statement: *"I certify that the information which I have provided above is true and accurate. I am aware that my signature below constitutes a revocation of my previous request for suspension of credit privileges, and authorizes the Massachusetts Gaming Commission to permit any Massachusetts gaming licensee to reinstate my credit privileges."*

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(b) The commission shall remove such individual's name from the list established pursuant to 205 CMR 138.44, and update the master list in the database within seven days of receipt of the request.

(c) Upon receipt of notice that such individual's name has been removed from the list, a gaming licensee may reinstate such person's credit upon re-verification of the information required by 205 CMR 138.43(2)(c)1. through 4., or may extend credit to such person in accordance with the procedures set forth in 205 CMR 138.43.

(6) Information furnished to or obtained by the commission pursuant to 205 CMR 138.44 shall be securely maintained. No gaming licensee shall divulge any information relative to the placement of an individual's name on the master list other than to authorized credit department employees at the gaming establishment or to an authorized commission employee.

138.45: Procedure for Depositing Checks Received from Gaming Patrons

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of its policies and procedures governing the depositing of checks received from gaming patrons which incorporate, at a minimum, the following:

(1) Unless redeemed or consolidated sooner, all checks received from gaming patrons shall be deposited in the gaming licensee's bank account or presented directly to the patron's bank no later than:

(a) The banking day after the date of the check for a non-gaming check; or

(b) A timeframe prescribed by the gaming licensee as part of its policy, submitted in accordance with 205 CMR 138.02, not to exceed 90 days from the date of the initial check.

(2) In computing a time period prescribed by 205 CMR 138.45, a gaming licensee shall reference 205 CMR 102.05.

(3) In the event of a series of consolidation or redemption transactions with a patron, the initial check shall be the earliest dated check returned to the patron in the first of the series of consolidation or redemption transactions.

(4) Any check deposited into a bank will not be considered clear until a commercially reasonable time, as identified by the gaming licensee in its written protocol, has been allowed for such check to clear the bank.

(5) If a gaming licensee determines, prior to the deposit or presentment of a 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 (*e.g.*, a misspelling, a wrong number or a transposition of numbers), a check bank cashier may correct the erroneous entry. Such procedure shall include:

(a) A description of the manner in which the error will be corrected by the check bank cashier;

(b) The creation of documentation that will permit both the check bank cashier and the casino accounting department to identify and compare a copy of the uncorrected check that was originally issued and the corresponding corrected check that was deposited or redeemed;

(c) The written approval of a cage supervisor prior to the alteration of any check by a check bank cashier; and

(d) A prohibition against using 205 CMR 138.45(8) to change the verified bank account on which the Counter Check was originally drawn.

(6) A gaming licensee may include in its policy and procedure provisions in accordance with 205 CMR 138.13 for the discretionary discounting of the amount of an outstanding Counter Check to be redeemed by a patron for any marketing related reasons.

138.46: Procedure for Collecting and Recording Checks Returned to the Gaming Licensee after Deposit

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include a description of its policies and procedures governing the collection and recording of checks returned to the gaming establishment after deposit which incorporate, at a minimum, the following:

(1) All dishonored checks returned by a bank after deposit shall be returned directly to the accounting department which shall notify the collections department and provide copies of the returned item(s). The original check will be given the check bank cashier who will control the item. Such employees shall have no incompatible functions.

(2) All debt collection practices must be conducted in accordance with all applicable state and federal laws including 940 CMR 7.00: *Debt Collection Regulations*, M.G.L. c. 93A, § 2, and M.G.L. c. 93, § 49. Provided, further, that a gaming licensee's debt collection policy shall:

(a) not allow for placement of a lien on a patron's primary residence; and

(b) prohibit the commencement of criminal proceedings or other use of criminal process unless the gaming licensee can show that there were insufficient funds in the patron's account at the time the patron signed the counter check. Gaming licensees are prohibited from selling or pledging as collateral any debt owed to the gaming licensee as a result of a gaming loss, including the failure to pay off a counter check issued under an extension of credit, provided however, a gaming licensee may pledge such gaming debt as collateral for a commercial loan to finance the licensee's gaming operations or may sell such gaming debt in connection with the sale of all of its assets in connection with a change of ownership and/or control of the gaming establishment.

(3) Debt collection shall be limited to key gaming employees or an attorney acting directly on behalf of a gaming licensee; provided, however, that a key gaming employee shall not make any such collections if that employee serves as a junket representative for the gaming licensee. Such procedure shall ensure that any key gaming employee engaged in debt collections does not have any incompatible functions. Any verbal or written communication with patrons regarding collection efforts shall be made with the full knowledge of the collection employees and shall be documented. Provided, 205 CMR 138.46(3) shall not be construed to prohibit marketing personnel licensed to the level of a key gaming employee from discussing with a patron the status of the patron's outstanding counter checks provided that any such communication is with full knowledge of the collection employees and is documented.

(4) Continuous records of all returned checks shall be maintained by accounting department employees with no incompatible functions. Such records shall include, at a minimum, the following:

(a) The date of the check;

(b) The name and address of the drawer of the check;

(c) The amount of the check;

(d) The date(s) the check was dishonored;

(e) The Counter Check serial number for Counter Checks; and

(f) The date(s) and amount(s) of any collections received on the check after being returned by a bank, including the date(s) and amount(s) of any complimentary cash gifts applied as payment on the check after being returned by a bank.

(5) If a gaming licensee determines that a Counter Check was returned by a bank because the bank name, the bank routing number, the patron's bank account number or the micro-encoding number contained on the check was incorrect due to a data entry error (*e.g.*, a misspelling, a wrong number or a transposition of numbers), a check bank cashier may correct the erroneous entry and cause the check to be re-deposited. Any such procedure shall, at a minimum, include:

(a) A description of the manner in which the error will be corrected by the check bank cashier;

(b) The creation of documentation and control procedures that will permit both the check bank cashier and the casino accounting department to identify and compare a copy of the uncorrected check that was originally deposited and the corresponding corrected check that was re-deposited;

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- (c) The written approval of a cage supervisor prior to the alteration of any check by a check bank cashier; and
  - (d) A prohibition against using 205 CMR 138.46(5) as a basis to change the verified bank account on which the Counter Check was originally drawn.
- (6) Statements shall be sent to patrons and the collections department at the gaming establishment, by accounting department employees with no incompatible functions, in a reasonably prompt manner upon initial receipt of a returned check or immediately upon receipt of a check returned for a second time if the check was immediately re-deposited pursuant to 205 CMR 138.46(5), and such statements shall include, but not be limited to, the following:
- (a) The name and address of the drawer;
  - (b) The date of the check;
  - (c) The amount of the check; and
  - (d) The date(s) and amount(s) of any collections received on the check after being returned by the bank.

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- (7) Patrons to whom statements are sent shall be advised of a contact telephone number, a return address and the department to which replies shall be sent.
- (8) Employees with no incompatible functions shall receive directly and shall initially record all collections.
- (9) Copies of statements and other documents supporting collection efforts shall be maintained and controlled by accounting department employees.
- (10) A record of all collection efforts shall be recorded and maintained by the collection area within the accounting department.
- (11) Listings of uncollectible checks shall be approved in writing by, at a minimum, the chief executive officer or the chief gaming executive, a key gaming employee identified and approved by the commission as part of the gaming licensee's system of internal controls, and the controller or the person to whom the controller directly reports; provided that, with the exception of the chief executive officer and chief gaming executive, none of the foregoing persons shall also have the authority to approve credit. All such uncollectible checks and listings shall be maintained and controlled by accounting department employees. A continuous trial balance of all uncollectible checks shall be maintained by employees of the accounting department. The continuous trial balance shall be adjusted for any subsequent collections.

138.47: Automated Teller Machines (ATM)

- (1) Use and operation of an Automated Teller Machine (ATM) or electronic branch, as defined by M.G.L. c. 167B, § 1, within a gaming establishment is governed by M.G.L. c. 167B and 209 CMR: *Division of Banks and Loan Agencies*.
- (2) No ATM or electronic branch, as defined by M.G.L. c. 167B, § 1, shall be located closer than 15 feet from the gaming area in a gaming establishment.
- (3) A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures that identify reasonable measures to be implemented that are tailored to inhibit the initiation and processing of any transaction allowing for the use of a card or card equivalent issued by a financial institution to obtain cash from a line of credit (*e.g.*, credit card cash advance) in the gaming establishment by either an ATM or any other means. Such reasonable measures shall include, but not be limited to:
  - (a) The conspicuous placement of signage on an ATM indicating that use of credit cards is prohibited;
  - (b) Ensuring that an ATM does not offer to a user any transaction option that is designed to enable the patron to obtain cash from a line of credit (*i.e.* no option to press a "credit card" or "cash advance" button); and
  - (c) Ensuring that no transaction in which a card or card equivalent issued by a financial institution is being used to obtain cash from a line of credit is, in whole or part, initiated or processed at the cage or elsewhere in the gaming establishment, by any employee or anyone else.
- (4) No data relative to an individual patron that is collected by an ATM or electronic branch may be sold, transmitted, or otherwise used for marketing purposes by a gaming licensee or provider of such device.

138.48: Procedure for Opening, Counting and Recording Contents of Table Drop Boxes and Slot Cash Storage Boxes

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to opening, counting, and recording contents of table drop boxes and slot cash storage boxes that include, at a minimum, the following provisions:

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(1) Immediately prior to the commencement of the count process, a count room supervisor shall:

- (a) Obtain a preliminary master game report which shall list forms and documents related to the table drop box count that were entered into the computer system at the time of preparation;
- (b) Reconcile the number of boxes recorded on the drop box verification form to the number of boxes secured in the trolley;
- (c) Remove the emergency drop box log and reconcile the log to the boxes removed from the emergency drop box cabinet or trolley; and
- (d) Document any unresolved discrepancies on a two-part Drop Variance Report, the original of which shall be delivered to the IEB and the duplicate placed in the locked accounting box.

(2) A gaming licensee shall open, count and record the contents of each drop box in the soft count room except that an emergency slot cash storage box may be held and counted on the regularly scheduled count for the slot machine from which it originated. For currency, gaming vouchers, and coupons, a gaming licensee shall perform a second count to obtain the aggregate total of each denomination of currency and coupon, and the total number of gaming vouchers counted. The counts shall be independent of each other and access to the result of the first count shall not be available to the employee performing the second count until completion of the second count. At the completion of the second count, a comparison of the two counts shall be made and any discrepancies resolved by the count team supervisor.

(3) A gaming licensee shall use a counting machine, to be identified in the internal controls, to count currency, gaming vouchers, and coupons. An alternative procedure shall be provided in the event that a counting machine cannot be used due to mechanical failure or other emergent situation.

(a) A gaming licensee may use one counting machine that automatically provides the counts required in 205 CMR 138.48(2) of the items at different stages of the counting process. If the counts are not in agreement, the machine shall document the discrepancy and cease operation until the discrepancy is resolved by a count team member.

(b) If a gaming licensee does not use a counting machine described in 205 CMR 138.48(3)(a), two different counting machines shall be used. Upon completion of the count using the first machine, the cash storage bins or cassettes shall be emptied and displayed to the full view of a closed circuit television camera to assure that the contents have been emptied. The second machine count shall be performed to verify the totals of the first machine. If the counts are not in agreement, the count team shall resolve the discrepancy before continuing the second count.

(c) Each machine shall generate a report at the completion of its count documenting the following:

1. The total of each denomination of currency;
2. The total of all currency;
3. The total number of gaming vouchers;
4. The total number and amount of coupons for which the count machine can determine the value of the coupon (machine count coupons); and
5. The total number of coupons for which the count machine cannot determine the value of the coupon (manual count coupons).

(4) A test count shall be conducted prior to the start of the first use of each counting machine, each gaming day, and prior to each count. The count room supervisor shall:

(a) Verify that the counting machine has a zero balance on its display and cause a receipt to be printed which denotes 0 cash, gaming vouchers or coupons on hand, and 0 notes, gaming vouchers or coupons in the machine, or other approved means to indicate that the machine has been cleared of all currency, gaming vouchers and coupons;

(b) Visually check the counting machine to be sure there are no bills, gaming vouchers or coupons remaining in the various compartments of the machine;

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(c) Supervise a count team member who shall select a drop box or slot cash storage box. If slot storage boxes are being counted that day, a slot cash storage box must be selected and it must contain currency, and if issued by the gaming licensee, gaming vouchers and coupons. The count team member shall place the entire contents of the table drop box or slot cash storage box into the first counting machine, which shall count the currency by denomination as well as any gaming vouchers and coupons. Any soiled or off-sorted bills, gaming vouchers or coupons shall be re-fed into the machine. Any items which the counting machine is not able to count automatically, such as coins, tokens, gaming chips or mutilated or torn currency, gaming vouchers, and coupons shall be manually counted, recorded either manually or entered into the counting machine, and segregated from items which the counting machine was able to count automatically. The count team member shall cause the counting machine, in conjunction with the gaming voucher system, to produce one or more test receipts of the count, and the count shall not be shown to anyone until completion of the final verification process;

(d) Supervise a second count team member, independent of the team member performing the initial count, who shall manually count or use a second counting machine to count and summarize the items on test receipts;

(e) Compare the totals on the test receipts for agreement. If the totals are in agreement, the count room supervisor shall sign and date the test receipts and place them in the locked accounting box to be forwarded to the casino accounting department at the end of the count process. If the totals do not agree, the test count procedures shall be repeated. The test count procedures shall be repeated until the totals are in agreement or a determination is made that the count machine cannot be used. The count room supervisor shall not permit a counting machine to be used until these totals are in agreement;

(f) Supervise a count team member who, at the conclusion of the test procedure shall display the cash bin or storage cassettes to the full view of a closed circuit television camera to assure that the contents have been emptied prior to replacing cassettes into the counting machine; and

(g) Verify that the counting machine has a zero balance in accordance with 205 CMR 138.48(4)(a).

(5) Procedures for the count of boxes shall be as follows:

(a) The contents shall be segregated and counted so as to permit the contents to be recorded for the box from which it was removed. Each box shall be individually:

1. placed on the count table at which time one count team member shall verbalize, in a tone of voice to be heard by all persons present and to be recorded by the surveillance audio recording device, the game and table number marked thereon for table drop boxes, or the asset or unique identification number marked thereon for slot cash storage boxes; and

2. unlocked and the contents emptied on the count table. The inside of the box shall be held up to the full view of a closed circuit television camera to assure all contents of the drop box or slot cash storage box have been removed, after which the drop box or slot cash storage box shall be locked and placed in the storage area for drop boxes and slot cash storage boxes;

(b) A count team member shall segregate:

1. Currency, machine count coupons, and gaming vouchers;
2. Coin, tokens, gaming chips, manual count coupons and any mutilated or torn items; and
3. Forms and documents;

(c) A count team member shall attempt to match pieces of mutilated or torn items which shall be processed as follows:

1. Mutilated or torn currency shall be recorded as revenue if the bill includes one entire serial number and one letter and number of the serial number from the other half of the bill;

2. Mutilated or torn currency that is not recorded as revenue shall be placed in a sealed transparent envelope or container and transferred to the main bank by the main bank cashier or cage supervisor at the end of the count; and

3. All mutilated or torn coupons and gaming vouchers shall be recorded as revenue regardless of condition;

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- (d) The value and number of coin, tokens, gaming chips, manual count coupons (by denomination) and any mutilated or torn items shall be manually entered into the counting machine for each drop box or slot cash storage box;
- (e) Currency, machine count coupons and gaming vouchers shall be placed in a counting machine. The counting machine shall count and calculate the value of the currency. The value of each gaming voucher or coupon shall be obtained from the counting machine or an approved gaming voucher system, as applicable;
- (f) Upon completion of the machine count:
  1. For each drop box, the counting machine shall generate the report required by 205 CMR138.48(3)(c);
  2. The currency, table game coupons, coin, tokens, and gaming chips counted shall be placed on the banking table; and
  3. Any drop box coupon which has not already been cancelled upon acceptance or during the count shall be cancelled prior to the conclusion of the count;
- (g) The forms and documents shall be compared to the preliminary master game report for accuracy by a count team member who shall not simultaneously have access to currency. Any discrepancies shall be recorded on the preliminary master game report to be resolved by the casino accounting department. The forms and documents and preliminary master game report shall be placed in the locked accounting box to be forwarded to the accounting department at the end of the count process; and
- (h) The count team supervisor shall prepare a detailed written report describing all count room incidents that may have negatively impacted the opening, counting and recording of the drop boxes (for example, a computer interface problem, dropped basket). The report shall include a description of any corrective action taken and shall be electronically filed with the IEB at the conclusion of the count.

(6) As the contents of each table drop box are counted, if not already recorded in the computer system used to create the Master Game Report and supporting documentation, a count team member shall manually record or cause a computer system to record, the following information by game and table number:

- (a) The value of each denomination of currency counted;
- (b) The value of coin, tokens and/or gaming chips counted;
- (c) The total value of currency, coin, tokens and gaming chips counted;
- (d) The value of each denomination and total value of coupons other than match play coupons;
- (e) The value of each denomination and total value of match play coupons and table game wager coupons;
- (f) 50% of the total value of match play coupons and table game wager coupons;
- (g) The amount recorded on each document and the total of all documents evidencing a debit card chip transaction;
- (h) The amount of the Opener;
- (i) The amount of the Closer;
- (j) The serial number and amount of each Counter Check and the total amount of all Counter Checks;
- (k) The serial number and amount of each Pit Redemption Form and the total of all Pit Redemption Forms;
- (l) The serial number and amount of each Fill and the total amount of all Fills;
- (m) The serial number and amount of each Credit and the total amount of all Credits;
- (n) The amount recorded on each Complimentary Vigorish Form and the total amount of all Complimentary Vigorish Forms;
- (o) The table game win or loss or, for poker, the poker revenue; and
- (p) The table game win or loss percentage.

(7) In addition to the requirements of 205 CMR 138.48(6), the Master Game Report shall include:

- (a) The gaming date of the items recorded;
- (b) The grand total for items in 205 CMR 138.46(6)(c) through (q);
- (c) The total number of drop boxes opened and counted; and
- (d) The date and time prepared.

138.48: continued

(8) If the gaming licensee offers the game of poker, the count room supervisor shall review the Master Game Report to ensure that negative poker revenue has not been reported for any poker table. If negative poker revenue has been reported for a poker table, the count room supervisor shall initial the Master Game Report for each such poker table and immediately notify the surveillance department of the poker table(s) and corresponding negative poker revenue reported thereon.

(9) As the contents of each slot cash storage box are counted, if not already recorded in the computer system used to create the Slot Cash Storage Box Report and supporting documentation, a count team member shall manually record or cause a computer system to record, the following information by asset number:

- (a) The asset number of the bill changer to which the slot cash storage box contents correspond;
- (b) The value of each denomination and total value of currency counted;
- (c) The number and value of each cashable coupon counted, and if a gaming voucher system is used to redeem coupons, the validation number and value of each coupon counted, and total number and value of all cashable coupons;
- (d) The number and value of each non-cashable coupon counted, and if a gaming voucher system is used to redeem such coupons, the validation number and value of each coupon counted, and total number and value of all non-cashable coupons;
- (e) A listing of the validation number and value of each gaming voucher counted, and total number and value of all gaming vouchers; and
- (f) Any additional information on the Slot Cash Storage Box Report as may be required by the IEB.

(10) In addition to the requirements of 205 CMR 138.48(9), the Slot Cash Storage Box Report shall include:

- (a) The gaming date of the items recorded;
- (b) The grand total for items in 205 CMR 138.48(9)(b) through (e);
- (c) The total number of drop boxes opened and counted;
- (d) The date and time prepared.

(11) After preparation of the Master Game Report or the Slot Cash Storage Box Report, the count room supervisor shall compare the total number of boxes counted to the number of boxes, including any emergency boxes, collected and recorded on the box reconciliation form. Any unresolved discrepancy shall be documented on the Drop Variance Report which shall be filed with the IEB.

(12) All suspected counterfeit currency shall be counted and recorded as drop on the Master Game Report or Slot Cash Storage Box Report. The counterfeit currency shall be segregated from all other currency and placed in a transparent container. A count room supervisor shall complete a Department of Treasury Counterfeit Note Report and place the container and report on the banking table.

(13) A count team member designated as the banker shall count each denomination of currency, table game coupons, tokens, and gaming chips, and verbalize the amounts. 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 IEB.

(14) All other count team members shall sign the Master Game Report and/or the Slot Cash Storage Box Report as evidence of their participation in the counting of the drop boxes and/or slot cash storage boxes.

138.48: continued

(15) After the contents of the boxes have been counted and recorded on the Master Game Report and/or Slot Cash Storage Box Report, the count room supervisor shall notify the main cage. A cashier shall enter the count room and not have any access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report. The cashier, in the presence of the banker, shall count the currency, table game coupons, coins, tokens, gaming chips, and mutilated or torn items.

(a) Currency, table game coupons, coin, tokens, and gaming chips shall be presented in the count room by the banker to a main bank cashier or cage supervisor (cashier). Prior to having access to the information recorded on the Master Game Report or the Slot Cash Storage Box Report, the cashier, in the presence of the banker, shall count the items in accordance with the following requirements:

1. The cashier shall have physical access to all items presented for counting and no currency or table game coupons presented for counting shall be wrapped or placed in any sealed bag or container until the entire count has been completed and the Master Game Report or the Slot Cash Storage Box Report has been signed by the cashier;
2. The cashier shall bulk count all strapped currency and table game coupons. The cashier shall count all partial straps, loose currency and table game coupons, mutilated or torn currency and coupons, coin, tokens, and gaming chips either by hand or with an approved counting machine. If a discrepancy in an individual denomination is discovered during the initial count, the cashier shall recount the currency of that denomination either by hand or with an approved counting machine;
3. The cashier shall randomly count the currency within at least 10% of the total number of straps. The count shall be by hand or with an approved counting device; and
4. The cashier shall randomly sample the table game coupons for intermixed denominations and proper cancellation.

(b) If the total currency or total coupons counted by the cashier do not agree with a total on the Master Game Report or Slot Cash Storage Box Report and the discrepancy cannot be resolved, a Drop Variance Report shall be completed by the count room supervisor. The original shall be delivered to the IEB and the duplicate placed in the locked accounting box in the count room. The report shall include, at a minimum, the following:

1. The date of preparation;
2. The source of the variance (currency and/or coupon);
3. The denomination(s) of the source of the variance;
4. The amount of the variance;
5. The measures taken to detect the source of the variance;
6. The name and signature of the count room supervisor; and
7. The name and signature of the cashier.

(c) Upon completion of the cashier's count, the cashier shall attest by signature on the Master Game Report and/or Slot Cash Storage Box Report, that the amount of cash from drop boxes counted, and the amount of coupons from table drop boxes counted as recorded on these documents, and if applicable, the Drop Variance Report, agree with the total amounts of cash and coupons counted by the count team. Upon attestation, all items other than coupons and vouchers shall be under the exclusive control of the cashier and shall not be handled by a count team member.

(16) Once all required signatures have been obtained, a copy of the totals page of the original Master Game Report, Slot Cash Storage Box Report and disc(s) detailing all gaming vouchers and coupons counted, shall be delivered to the IEB. In addition, an electronic copy of the Master Game Report and/or Slot Cash Storage Box Report shall be filed with the IEB within 48 hours of the completion of the drop.

(17) Each copy of an original Master Game Report or Slot Cash Storage Box Report which is not part of a multi-part form shall be stamped with the word "copy" by the count room supervisor prior to its distribution.

(18) Any coupons and gaming vouchers for which the value could not be determined by the count machine or the gaming voucher system shall be segregated and placed in the locked accounting box for review.

138.48: continued

(19) 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 located in the count room. A member of the casino accounting department with no incompatible functions shall retrieve the contents of the locked accounting box and the gaming vouchers and coupons which were processed during the count immediately after the cashier verifies, accepts, and removes the drop from the count room.

(20) For each trolley scheduled for the next drop, the count team supervisor shall determine that the number of empty boxes on the trolley is correct. The count team supervisor shall prepare and sign a drop box verification form as required by 205 CMR 138.00, with the following:

- (a) The trolley number;
- (b) The pit number and number of empty boxes by pit, if applicable;
- (c) The slot zone and number of empty boxes by zone, if applicable; and
- (d) The total boxes in the trolley.

(21) A count room employee shall conduct a thorough inspection of the entire count room and all counting equipment located therein to verify that no cash, tokens, gaming chips, gaming vouchers, or coupons remain in the room and shall certify the foregoing in a writing which shall be filed with the IEB.

138.49: Procedure for Opening, Counting and Recording the Contents of Bill Validator Boxes, Gaming Voucher Redemption Machines, Determination of Gross Revenue Deduction

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to opening, counting, and recording contents of bill validator boxes, gaming voucher redemption machines, and determination of gross revenue deduction that include, at a minimum, the following provisions:

(1) At least once every seven days, a gaming licensee shall coordinate the removal of the bill validator boxes from all gaming voucher redemption machines and the insertion of empty, replacement bill validator boxes into the machines (the bill validator drop).

(2) Prior to the bill validator drop, a gaming accounting supervisor shall count the number of empty bill validator boxes to be exchanged as part of the bill validator drop and confirm, in writing on a bill validator drop form, that the count equals the number of boxes scheduled to be collected. Prior to the drop, the form shall include at a minimum:

- (a) The date;
- (b) The gaming voucher redemption machine number(s) or location(s);
- (c) The number of boxes to be dropped; and
- (d) The signature of the accounting supervisor.

(3) A casino security department member and an accounting department member shall obtain the keys necessary to perform the bill validator drop from their respective departments.

(4) In the presence of the casino security department member, the accounting department member shall:

- (a) Place the appropriate number of empty bill validator boxes required for the bill validator drop into a secure cart;
- (b) Transport the cart and the boxes to the gaming area;
- (c) Unlock the cabinet(s) housing the bill validator boxes;
- (d) Exchange the bill validator boxes; and
- (e) Place the boxes removed in the secure cart.

(5) Immediately upon removal of each bill validator box, the gaming voucher redemption machine shall generate a receipt (Bill Validator Receipt) that documents the total value of each item (gaming vouchers, coupons and/or currency) in the bill validator box. Such receipt shall be placed into a locked accounting box by the accounting department member.

138.49: continued

- (6) Prior to the movement of the collected boxes, the accounting department member shall verify and confirm in writing by signing the bill validator drop form, that the number of boxes being transported from the gaming area equals the number of boxes in 205 CMR 138.49(2)(c). Any discrepancies shall be immediately reported to the surveillance department and in writing to the IEB in-house office.
- (7) Accompanied by an accounting department member and a casino security department member, the locked cart containing the bill validator boxes shall be transported to:
  - (a) The cashiers' cage for counting or a secure area approved by the IEB under the control of the main bank or master coin bank and stored there until counted; or
  - (b) The count room for counting only when the count of table game drop boxes or slot machine drop containers is not in progress.
- (8) The contents of the bill validator boxes shall be counted as follows:
  - (a) If the boxes are counted in the cashiers' cage, a main bank or master coin bank cashier shall document their contents, by item and amount, on a two-part Balance Receipt.
    1. The cashier who documents the contents of boxes shall retain the original Balance Receipt as an inventory document until forwarded directly to the casino accounting department with the main bank or master coin bank end-of-day paperwork.
    2. The cashier shall place the duplicate Balance Receipt in a locked accounting box.
  - (b) 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.
    1. The accounting department member(s) shall transport the gaming vouchers and coupons directly to the accounting department together with the original Balance Receipt and the supporting documentation for each bill validator box.
    2. The main bank or master coin bank cashier shall transport the currency directly to the main bank or master coin bank together with the duplicate Balance Receipt.
- (9) A gaming licensee shall generate reports necessary to reconcile the funds placed into and dispensed by the gaming voucher redemption machines.

138.50: Internal Controls E: (Reserved)

138.51: Accounting Controls for Gaming Voucher Redemption Machines

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing a computerized gaming voucher system for the redemption of gaming vouchers that comports with 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment* and for the reconciliation of the contents of the redemption machines.

138.52: Slot Machines and Bill Changers; Coin and Token Containers; Slot Cash Storage Boxes; Entry Authorization Logs

A system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures relative to slot machines and bill changers that include, at a minimum, provisions to ensure that all gaming devices and electronic gaming equipment in the gaming establishment comport with 205 CMR 143.00: *Gaming Devices and Electronic Gaming Equipment*.

138.53: Progressive Slot Machines

If a gaming licensee offers one or more progressive jackpots that increase in value as the machine is played based upon a set rate of progression and awarded when a player achieves a specific game outcome, the system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and protocols as provided by 205 CMR 143.02: *Progressive Gaming Devices*.

138.54: Linked Slot Machines Interconnected in More than One Gaming Establishment; Slot System Operator; Computer Monitor

Prior to participation by a gaming licensee in a multi-casino progressive slot system the gaming license shall submit a system of internal controls in accordance with 205 CMR 138.02 specifying the manner in which the participating gaming licensees and slot system operators will satisfy the provisions of 205 CMR 143.02: *Progressive Gaming Devices*.

138.55: Inspection of Slot Machine Jackpots

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the inspection of slot machines and electronic gaming devices including, at a minimum, the following provisions:

- (1) For all slot machine and other electronic gaming device jackpots over \$75,000 in cash, merchandise, or cash equivalent value, or any jackpot where there is evidence of a malfunction, the gaming licensee shall notify the IEB that a jackpot has been registered and permit the IEB to inspect any slot machine, progressive equipment or related equipment; and
- (2) Policies with respect to the payment of jackpots if an inspection is pending, but not yet completed, or an inspection is performed and the results are such that the jackpot may have been the result of an impropriety.

138.56: Attendant Paid Jackpots and Credit Meter Payouts

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include policies and procedures governing the payment of jackpots and credit meter payouts if and when the payment is not automatically disbursed from a slot machine or electronic gaming device in the form of a gaming voucher.

138.57: Internal Controls F: (Reserved)

138.58: Alternate Forms of Jackpot Payments

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the offer and payment of alternate forms of jackpots to include, but not be limited to:

- (1) If the jackpot is in the form of an annuity or other non-cash instrument, the terms and conditions on which that jackpot will be authorized, awarded and accounted for, including for any annuity jackpot a provision ensuring that, except as otherwise directed by the recipient, any remaining payments will be paid to the recipient's estate after the recipient's death;
- (2) If the jackpot is in the form of merchandise, the terms and conditions on which that jackpot will be authorized, awarded and accounted for; and
- (3) That appropriate tax forms are completed.

138.59: Procedure for Filling Payout Reserve Containers of Slot Machines and Hopper Storage Areas

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures for filling payout reserve containers of slot machines and hopper storage areas, if utilized.

138.60: Procedure Governing the Removal of Coin, Slot Tokens and Slugs from a Slot Machine Hopper

If a gaming licensee uses slot machines at the gaming establishment that accept coins, the system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include procedures governing the removal of coin, slot tokens, and slugs from a slot machine hopper.

138.61: Slot Accounting Requirements; Electronic Table Games Which Accept Gaming Vouchers or Coupons Redeemed by Gaming Voucher System

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include slot accounting procedures designed to ensure that the gaming licensee's slot activities are accurately and timely recorded and reported. Specifically, the policies and procedures, which shall comport with 205 CMR 143.03: *On-line Monitoring and Control Systems (MCS) and Validation System*, shall include, but not be limited to:

- (1) Identification of the specific types of gaming devices from which the revenue is considered slot revenue for reporting purposes.
- (2) The specific reports, by content and frequency, generated by the licensee's automated slot monitoring system, including the distribution thereof and the controls in place to maintain the integrity of the information contained therein.
- (3) The specific procedures utilized by the accounting department to review reports generated by the slot monitoring system and compare the information contained therein to supporting documents to include, but not be limited to:
  - (a) Records of currency, coupons and gaming vouchers inserted for credit;
  - (b) Records of wagering activities from account based wagering reports;
  - (c) Records of wagering activities from electronic fund sources;
  - (d) Records of fills;
  - (e) Records of jackpot and credit meter payouts;
  - (f) Records of voucher payouts;
  - (g) The contents, as counted, of slot cash storage boxes;
  - (h) Variances reported in the slot cash storage box count process;
  - (i) Such other documents that support the reported activity of a slot machine or other electronic gaming device.
- (4) Its detailed procedures to investigate and resolve differences, identified by the accounting department, resulting from the comparisons identified in 205 CMR 138.61(3), including supervisory approval thereof.
- (5) Its detailed procedures to audit and account for the activities of its slot machines on a manual basis, in the event that the automated slot monitoring system is not functional.
- (6) The form and frequency of its completed slot revenue reports to include the specific information contained therein (for example, revenue by machine, revenue by denomination, *etc.*), in a manner that is consistent with other reporting requirements.

138.62: Payment of Table Game Progressive Payout Wagers; Supplemental Wagers Not Paid from the Table Inventory: (Reserved)

138.63: Slot Machines and Bill Changers; Authorized Locations; Movements

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the movement and placement of slot machines and bill changers that, at a minimum, comport with 205 CMR 145.00: *Possession of Slot Machines*.

138.64: Accounting Controls for Chip Persons and Chips: (Reserved)

138.65: Cashless Wagering Systems: (Reserved)

138.66: Master Lists of Approved Table Games, Movements of Gaming Equipment; Amendments of Operation Certificates Upon Filing Updated Master List

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to the movements of gaming equipment that incorporate, at a minimum, the following provisions:

138.66: continued

- (1) Prior to the issuance of an operation certificate and the commencement of gaming or simulcast wagering, each gaming licensee shall file with the IEB office in the gaming establishment comprehensive lists of the table games in its gaming establishment (the Table Games Master List), if any.
- (2) At a minimum, each Table Game Master List shall contain the following information:
  - (a) The date on which the list was prepared;
  - (b) A description of each table by:
    1. Type of authorized game;
    2. Location number; and
    3. Serial and table number; and
  - (c) Such other information as the commission may require.
- (3) Whenever a gaming licensee proposes that gaming tables be brought into, removed from or moved within a gaming establishment, as applicable, the gaming licensee shall first:
  - (a) Obtain any amendment to its operation certificate; and
  - (b) Provide an authorized agent of the IEB with written notice at least 72 hours prior to the actual movement of each gaming table, slot machine and bill changer.
- (4) The gaming manager or his or her designee shall notify in writing the accounting department, the security department and the IEB, 72 hours in advance of all movements and removals of gaming tables. The notification shall include at a minimum:
  - (a) The date and time of movement or removal;
  - (b) The gaming table(s) or asset number(s) of slot machines, as applicable;
  - (c) Whether a movement or removal;
  - (d) The location from which gaming table or slot machine will be moved;
  - (e) The location to which the gaming table or slot machine will be moved; and
  - (f) The signature of a gaming manager or designee.
- (5) Prior to moving or removing a gaming table:
  - (a) The table inventory shall be credited from the table; and
  - (b) The table drop box shall be removed during a scheduled drop box pick-up and a replacement box not placed on the table.
- (6) Immediately after each gaming table is brought into, removed from or moved within a gaming establishment, the gaming licensee completing the move shall file and serve, in accordance with 205 CMR 138.66(1), updated master lists of its table games to the extent that the move causes a change in the information contained on the most recent version of the applicable list on file with the IEB.
- (7) The number of each type of authorized game included in the gaming licensee's operation certificate or any approved amendments thereto shall be amended, upon the filing of an updated Table Games Master List to conform to the correct number of each type of authorized game that is specified in the applicable list.

138.67: Employee Signatures

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions relative to signatures required in accordance with the internal controls and 205 CMR in general that incorporate the following provisions:

- (1) Signatures shall, at a minimum, comply with either of the following requirements:
  - (a) If written, they shall be, at a minimum, the signer's first initial, last name, and legible credential number, written by the signer, and be immediately adjacent to or above the title of the signer; or
  - (b) If electronic, they shall be the employee's name and identification number or other computer identification code issued to the employee by the gaming licensee, if the document to be signed is authorized to be generated by computer; and

138.67: continued

(c) They shall signify that the signer has personally prepared forms, records, and documents, and/or authorized, observed, and/or participated in a transaction to a sufficient extent to attest to the accuracy of the information recorded thereon, in conformity with the internal controls.

(2) Written signature records shall be prepared for each employee required to sign records and documents and shall include specimens of signatures, titles of signers and the date the signature was obtained. Such signature records shall be maintained alphabetically by last name either on a company-wide or departmental basis. The signature records shall be adjusted on a timely basis to reflect changes of personnel.

(3) Signature records shall either be:

(a) Securely stored in the accounting department; or

(b) Stored in electronic form and maintained by the IT Department in a secure format so that such signature records can be promptly retrieved in the event of a computer failure.

138.68: Expiration of Gaming-related Obligations Owed to Patrons; Payment to the Gaming Revenue Fund

(1) The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall include provisions governing the expiration of gaming-related obligations that provide, at a minimum, that:

(a) Any money that is owed to a patron by a gaming licensee as a result of a gaming transaction must be claimed within one year of the date of the gaming transaction or the obligation of the gaming licensee to pay the patron will expire. Upon expiration of the obligation, the involved funds must be transferred to the Gaming Revenue Fund in accordance with M.G.L. c. 23K, §§ 53 and 59.

(b) A gaming licensee shall maintain a record of all gaming-related obligations that have expired.

(2) Before the end of each calendar month the gaming licensee shall report the total value of gaming debts owed to its patrons that expired during the preceding calendar month in a format prescribed by the commission.

(3) Each gaming licensee shall submit a check with its monthly report payable to the Gaming Revenue Fund in accordance with M.G.L. c. 23K, § 59 in the amount of the gaming debts owed to its patrons that expired during the preceding month as stated in the report.

(4) Upon the payment of the expired debt, the gaming licensee shall post the payment and remove the amount from its records as an outstanding debt.

(5) Failure to make the payment to the Gaming Revenue Fund by the due date shall result in the imposition of penalties and interest as prescribed by 205 CMR.

(6) Nothing in 205 CMR 138.68 shall preclude the gaming licensee from, in its discretion, issuing cash or other form of complimentary to a patron to compensate the patron for a gaming debt that has expired.

138.69: Entertainment, Filming or Photography Within the Gaming Area

(1) No entertainment, filming or photography shall be offered or conducted within the gaming area, or shall be significantly visible or audible from or in the gaming area, unless the gaming licensee files a written notice with the IEB, at least 24 hours prior to the commencement of such entertainment, filming or photography, which notice shall include, at a minimum, the following information:

(a) The date and time of the scheduled entertainment, filming or photography;

(b) A detailed description of the type of entertainment, filming or photography to be offered;

(c) The number of persons involved in the entertainment, filming or photography;

(d) The exact location of the entertainment, filming or photography in the gaming area;

(e) A description of any additional security measures that will be implemented as a result of the entertainment, filming or photography; and

138.69: continued

(f) A certification from the supervisors of the gaming licensee's security, gaming operations, and surveillance departments that the proposed entertainment, filming or photography will not adversely affect the security and integrity of gaming operations.

(2) The IEB may at any time require the gaming licensee to immediately cease any entertainment, filming or photography offered within the gaming area, if the entertainment, filming or photography provided is in any material manner different from the description contained in the submission filed pursuant to 205 CMR 138.69(1) or in any way compromises the security or integrity of gaming operations.

(3) In reviewing the initial or continued suitability of an entertainment, filming or photography proposal, the IEB shall consider the extent to which the entertainment, filming or photography proposal may unduly disrupt or interfere with:

- (a) Efficient gaming operations;
- (b) The security of the gaming establishment or any portion thereof;
- (c) Surveillance operations; or
- (d) The security or integrity of gaming operations or any authorized game.

138.70: Technical Standards for Count Room Equipment

The system of internal controls submitted by a gaming licensee in accordance with 205 CMR 138.02 shall identify all equipment used in the counting process of the contents of drop boxes, slot cash storage boxes, slot drop buckets, and slot drop boxes that include, at a minimum, the following provisions:

- (1) A detailed description of the design and use of the computer equipment and any communication interfaces related to the counting process;
- (2) Names of all revenue files and who has access and what type of access they have to these files; and
- (3) Procedures for controlling changes to computer equipment, communication interfaces, configuration, and software which provide for, at a minimum, written or electronic notification in accordance with 205 CMR.

REGULATORY AUTHORITY

205 CMR 138.00: M.G.L. c. 23K, §§ 4(28), 4(28), 5, 25(d), 27, and 28.