

MARYLAND REGISTER

Emergency Action on Regulations

TO BE COMPLETED BY AELR COMMITTEE	EMERGENCY Transmittal Sheet	TO BE COMPLETED BY DSD
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Emergency Status Approved		Document Number
_ -Yes _ -No		
Emergency Status Begins On		Date of Publication in MD Register
On		
Emergency Status Ends On		
On		
Name of AELR Committee Counsel		

1. COMAR Codification

Title Subtitle Chapter Regulation

36 03 10 07-.09, .18, .20, .24, .26-.28, .30, .32, .34, .35
 36 03 10 38, .41-.43, .49

2. Name of Promulgating Authority

Maryland State Lottery and Gaming Control Agency

3. Name of Regulations Coordinator

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Fontaine, Assistant Attorney General, (telephone #(410) 230-8780) on September 25, 2014. A signed copy of the approval is on file at this agency.

Name of Authorized Officer

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Title

Director

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Date

October 22, 2014

Title 36
MARYLAND STATE LOTTERY AND GAMING
CONTROL AGENCY

Subtitle 03 GAMING PROVISIONS

36.03.10 Video Lottery Facility Minimum Internal Control Standards

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36.03.10 Video Lottery Facility Minimum Internal Control Standards

Authority: 36.03.10: State Government Article, §§9-1A-04(d) and 9-1A-24(b),(d), and (f), Annotated Code of Maryland

Notice of Emergency Action

□

The Joint Committee on Administrative, Executive, and Legislative Review has granted emergency status to amend Regulations .07-.09, .18, .20, .24, .26-.28, .30, .32, .35, .38, .41-.43, and .49 under COMAR 36.03.10 Video Lottery Facility Minimum Internal Control Standards.

Emergency status began:

Emergency status expires:

Comparison to Federal Standards

There is no corresponding federal standard to this emergency action.

Estimate of Economic Impact

The emergency action has no economic impact.

Economic Impact on Small Businesses

The emergency action has minimal or no economic impact on small businesses.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 15

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

Special (Gaming Proceeds)

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

To update the Regulations of the Maryland Lottery and Gaming Control Agency to incorporate provisions that better refine the internal control standards for all video lottery facilities.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

To update the Regulations of the Maryland Lottery and Gaming Control Agency to incorporate provisions that better refine the internal control standards for all video lottery facilities.

G. Response to small business worksheet:

(September 30, 2014)

36.03.10 Video Lottery Facility Minimum Internal Control Standards

Authority: State Government Article, §§9-1A-04(d) and 9-1A-24(b),(d), and (f), Annotated Code of Maryland

.07 Annual Audit and Other Regulatory Reports.

- A. – E. (text unchanged)
- F. A facility operator shall require the independent certified public accountant auditing its financial statements to render the following additional reports:
 - (1) – (2) (text unchanged)
 - (3) *A report expressing an opinion as to the adequacy and effectiveness of the facility operator's information technology security controls.*
- G. – M. (text unchanged)
- N. No later than [2] 7 days after the date of filing with the applicable agency, a facility operator shall file with the Commission a copy of each Suspicious Activity Report-Casino filed under 31 CFR §103.21.
- O. (text unchanged)
- P. No later than [2] 7 days after the date of filing with the applicable agency, a facility operator shall file with the Commission a copy of each Currency Transaction Report by Casino filed under 31 CFR §103.22.
- Q. – R. (text unchanged)

.08 Record Retention.

- A. – E. (text unchanged)
- F. The following exceptions apply to the retention period in §D of this regulation:
 - (1) – (2) (text unchanged)
 - (3) A minimum retention period of [6 months] *30 days* shall apply to:
 - (a) – (c) (text unchanged)
 - (4) A minimum retention period of [30] 7 days shall apply to gaming tickets redeemed at a video lottery terminal or ticket redemption unit.
- G. – N. (text unchanged)

.09 Complimentary Services.

- A. (text unchanged)
- [C.] B. – [E.] D. (text unchanged)
- [F.] E. A facility operator shall submit to the Commission [an annual report] *a quarterly report, including year-to-date totals, summarizing complimentary services provided during the calendar year by the 15th day of the following month or as requested by the Commission.*
- [G.] F. The report required under §F of this regulation shall:
 - [(1)] Be submitted no later than March 31 of the following year;
 - [(2)] (1) (text unchanged)
 - [(3)] (2) (text unchanged)
- [H.] G. (text unchanged)
- [I.] H. The report required by §H of this regulation shall:
 - (1) – (3) (text unchanged)
 - (4) Be submitted *quarterly, including year-to-date totals*, by the 15th day of the [month following the] month in which the complimentary services were provided, *or as requested by the Commission.*

.18 Cashiers' Cage Design Standards.

- A. (text unchanged)
- B. A cashiers' cage shall include the following design features:
 - (1) A manually triggered silent alarm system connected:
 - (a) Directly to the security department; [and] *or*
 - (b) Directly, or through a documented communication protocol, to the monitor room of the surveillance department;
 - (2) – (3) (text unchanged)
- C. – D. (text unchanged)

.20 Checks Accepted from a Player.

- A. – E. (text unchanged)

- F. A facility operator may not:
- (1) (text unchanged)
 - (2) Except for a check issued under §E of this regulation, accept from a player under this regulation a check or multiple checks which in the aggregate exceed [\$2,500] \$5,000 during a gaming day; or
 - (3) (text unchanged)

G. – H. (text unchanged)

- I. A facility operator's internal controls shall require a check accepted from a player by a general cashier to be:
- (1) *If a personal check other than an electronic check, the check shall be [Restrictively] restrictively endorsed "for deposit only" to the bank account designated for this purpose by the facility operator;*

[(2)] (a) Initialed by the accepting general cashier;

[(3)] (b) Date and time stamped;

(c) *Documented on the face of the check the number on the player's government-issued photographic identification; and*

(d) *If a personal check equaling or exceeding \$500, confirmed for availability of funds under §G of this regulation;*

[(4)] (2) (text unchanged)

(a) – (b) (text unchanged)

[(c)] Document on the face of the check the number on the player's government-issued photographic identification;]

[(5)] (3) *If presented by a player as a payroll or payout check under §E of this regulation, confirmed to have been issued as employment compensation or as a payout in connection with gaming activity; and*

[(6)] *If a personal check equaling or exceeding \$500, confirmed for availability of funds under §G of this regulation; and]*

[(7)] (4) (text unchanged)

.24 Credit Authorization.

A. – C. (text unchanged)

D. A facility operator shall accept a credit application submitted by a player:

(1) (text unchanged)

(2) *By mail[.]; and*

(3) *By electronic submission.*

E. (text unchanged)

F. A credit file shall:

(1) (text unchanged)

(2) Contain the credit application submitted by the player documenting, at a minimum, the following:

(a) – (c) (text unchanged)

(d) Personal checking account information including:

(i) Name and [address] *routing number* of a bank, savings and loan or credit union subject to federal or State banking regulation on which a counter check is to be drawn;

(ii) – (iii) (text unchanged)

(e) – (g) (text unchanged)

(3) (text unchanged)

G. – M. (text unchanged)

N. *A facility operator may approve a "this trip only" increase in a credit limit after performing the verifications required by §L of this regulation if:*

(1) *The increase:*

(a) *Is in effect for a single trip to the facility consisting of consecutive gaming days; and*

(b) *Exceeds 25 percent of the currently authorized credit limit; and*

(2) *The increase is documented in the player's credit file including the signature or authorization code of the employee approving the "this trip only" credit limit increase.*

[N.] O. – [R.] S. (text unchanged)

.26 Counter Check Issuance at the Cashiers' Cage.

A. – B. (text unchanged)

C. A facility operator's internal controls shall include:

(1) (text unchanged)

(2) Procedures and controls addressing the identification of a player which include:

(a) A requirement that a [player complete a] one-part request for counter check document *be prepared* which includes:

(i) – (iii) (text unchanged)

(b) A requirement that a general cashier obtain from the player [two forms of identification, at least one of which is] a valid *form of* [,unexpired government-issued photographic identification;

- (c) A requirement that a general cashier satisfactorily compare the:
 - (i) Signature of the player on the counter check request document with the [signatures] *signature* on [both] *the identification [credentials] credential*; and
 - (ii) (text unchanged)
- (d) A requirement that a general cashier record on the counter check request document the:
 - (i) Number on the player's government-issued photographic identification; *and*
 - [(ii) Type and number of the second identification credential presented and reviewed; and]
 - [(iii)] *(ii)* (text unchanged)
- (e) – (g) (text unchanged)
- (3) – (5) (text unchanged)
- (6) Procedures and controls over the counter check issuance process which require:
 - (a) – (c) (text unchanged)
 - (d) A general cashier to distribute the copies of the counter check as follows
 - (i) – (ii) (text unchanged)
 - (iii) The accounting copy of the counter check shall be attached by the general cashier to the counter check request document and [deposited into a locked accounting box for forwarding] *forwarded* to the accounting department;
- (7) – (9) (text unchanged)
- (10) Procedures utilized to issue a manual counter check which:
 - (a) – (d) (text unchanged)
 - (e) Require the key to the cabinet in §C(10)(d) of this regulation to be:
 - (i) Controlled by the security department or the [accounting] *cage* department *employees responsible for the control of and accounting for the unused supply of counter checks*; and
 - (ii) (text unchanged)

.27 Counter Check Issuance at a Table Game or Video Lottery Terminal.

- A. – B. (text unchanged)
- [C.] (proposed for repeal)
- C. A facility operator's internal controls for a counter check exchanged for value chips or plaques at a gaming table shall include:
 - (1) Use of a player signature file which shall:
 - (a) Be established prior to the completion by a player of a request for counter check document at the table game; and
 - (b) Require an identification credential review in accordance with Regulation .26C(2) of this chapter;
 - (2) Procedures and controls addressing the identification of the player which include:
 - (a) A requirement that a floorperson satisfactorily compare the:
 - (i) Signature of the player on a form with the signature on the identification credential; and
 - (ii) Player's physical appearance with the photograph contained on the valid form of unexpired government-issued photographic identification presented by the player;
 - (b) A requirement that a floorperson record on the form the:
 - (i) Number on the player's government-issued photographic identification; and
 - (ii) Signature of the floorperson;
 - (c) A requirement that a floorperson or above shall:
 - (i) Obtain the player's signature, on a form, which shall be compared to the signature contained within a player signature file;
 - (ii) Sign the form indicating that the signature of the player on the form matches the signature in the player signature file; and
 - (iii) Attach the form to the accounting copy of the counter check exchanged by the player prior to forwarding it to the accounting department;
 - (d) A requirement that after the player's identity has been verified by the floorperson or above, staff shall:
 - (i) Ensure that subsequent verification of the player's identity during the same shift and in the same gaming pit is satisfied by the employee who performed the initial verification signing a form attesting to the player's identity before each subsequent counter check is exchanged;
 - (ii) Ensure that the form includes the player's name and the serial number of the initial counter check exchanged by the player; and
 - (iii) Ensure that the form attaches to the accounting copy of the subsequent counter check prior to forwarding the accounting copy to the accounting department;
 - (e) A requirement that a floorperson or above attest to the identity of the player which includes:
 - (i) The floorperson or above record the floorperson's or above's gaming license number and sign a form or the counter check attesting to the player's identity; and
 - (ii) If used, the form is attached to the accounting copy of the counter check exchanged by the player prior to forwarding it to the accounting department.

- (3) A requirement that prior to issuing a counter check, the floorperson or above determines the player's remaining credit limit from the cage or casino management system.
- (4) A requirement that all copies of a computer-generated counter check include the following information:
- (a) Name of the player;
 - (b) Name of the bank, savings and loan, or credit union on which the counter check is to be drawn;
 - (c) Date and time;
 - (d) Amount of the counter check;
 - (e) Location of preparation of the counter check;
 - (f) Signature of a gaming operations department supervisor; and
 - (g) Signature or identification code of the preparer of the counter check.
- (5) A requirement that the floorperson or above present the original and all duplicate copies of the counter check to the player for signature.
- (6) A requirement that the back of the original copy of the counter check contain a restrictive endorsement "for deposit only" to the facility operator's designated bank account after being transferred to the check bank; and
- (7) Procedures and controls over the counter check issuance process which require:
- (a) A floorperson to receive the signed counter check directly from the player;
 - (b) The issuance copy of the counter check to be immediately given to the dealer or boxperson to be exchanged for value chips or gaming plaques;
 - (c) The issuance copy of the counter check to be deposited by the dealer or boxperson in the drop box;
 - (d) The original, redemption and, if applicable, the acknowledgement copies of the counter check to be expeditiously transported to the cage where the original and redemption copies shall be maintained and controlled by the cage cashier designated to act as the check bank; and
 - (e) The accounting copy of the counter check to be maintained and controlled by the pit clerk or above until forwarded to the accounting department.
- D. A facility operator's internal controls for a counter check exchanged for cash or gaming ticket directly at a video lottery terminal shall include:
- (1) Use of a player signature file which shall:
- (a) Be established prior to the completion by a player of a request for counter check document at the video lottery terminal; and
 - (b) Require an identification credential review in accordance with Regulation .26C(2) of this chapter;
- (2) Procedures and controls addressing the identification of the player which include:
- (a) A slot attendant to obtain the amount of the requested Counter Check and the player's signature on a two-part Counter Check Request Form and transport the Counter Check Request Form directly to the cage cashier; and
 - (b) A cage cashier to compare the signature on the two-part counter check request form to the signature contained within a player signature file;
- (3) Procedures and controls over the counter check issuance process which require:
- (a) A general cashier to:
 - (i) Prepare the counter check in accordance with this regulation;
 - (ii) Summon to the cashiers' cage a verifying employee from the security department or gaming operations department provided the verifying employee is not the gaming operations department supervisor who transported the counter check request document to the cashiers' cage;
 - (iii) Present the original and duplicate copy of the counter check request document, all copies of the counter check and the cash, gaming ticket, chip, or plaque to the gaming operations department supervisor and the verifying employee;
 - (iv) Obtain the signature of the gaming operations department supervisor on all copies of the counter check confirming that the amount of the counter check agrees with the amount on the counter check request document;
 - (v) Obtain the signature of the verifying employee on the original and duplicate copy of the request for counter check document confirming that the amount of cash, gaming ticket, chip, or plaque to be transported to the player agrees with the amount on the counter check and on the counter check request document;
 - (vi) Retain the duplicate copy of the request for counter check document; and
 - (vii) Release to the verifying employee the original of the request for counter check document, all copies of the counter check, and the cash, gaming ticket, chip, or plaque for transportation, in the presence of the gaming operations department supervisor who transported the counter check request to the cashiers' cage, to the player;
 - (b) A verifying employee to present all copies of the counter check to the player for signature in the presence of the gaming operations department supervisor;
 - (c) A gaming operations department supervisor to compare the player's signature on the counter check to the signature on the request for counter check document;
 - (d) A verifying employee to immediately exchange the counter check for:
 - (i) Cash; or
 - (ii) If a facility operator has the capability, a gaming ticket;
 - (e) A gaming operations department supervisor to:
 - (i) Sign the back of the accounting copy confirming the exchange with the player; and

(ii) Drop the accounting copy of the counter check and the original request for counter check document into an accounting drop box for forwarding to accounting;

(f) A verifying employee to immediately return the original, redemption, and issuance copies of the counter check to a general cashier; and

(g) A general cashier to:

(i) Expeditiously transfer the original and redemption copies of the counter check to the check bank directly or to a security department employee for transportation to the cashiers' cage if the counter check is issued in a satellite cage; and

(ii) Attach the duplicate copy of the request for counter check document to the accounting copy of the counter check to serve as documentation supporting the exchange of cash, gaming ticket, for the counter check.

.28 Counter Check Substitution, Consolidation, and Redemption.

A. (text unchanged)

B. A personal check accepted by a facility operator in a substitution, consolidation, or redemption transaction shall:

(1) (text unchanged)

(2) Except as provided in §C of this regulation, [Comply] comply with the requirements of Regulation .20 of this chapter; and

(3) (text unchanged)

C. If a personal check is accepted in an amount less than or equal to the amount of a counter check being partially or fully redeemed, the \$5,000 limitation on acceptance of personal checks in Regulation .20F of this chapter does not apply.

[C.] D. – [H.] I. (text unchanged)

.30 Returned Checks.

A. (text unchanged)

[B. A facility operator shall immediately redeposit a returned check unless there is a reasonable basis for concluding that the check will not be honored a second time.]

[C.] B. – [D.] C. (text unchanged)

.32 Player Request for Suspension of Credit Privileges.

A. A player may voluntarily suspend [his] *the player's* credit privileges at [all] a Maryland [facilities] facility by submitting a written request to the [Commission] facility in a form specified by the [Commission] facility.

B. A request for suspension of credit privileges shall be made:

(1) In person at [locations specified by the Commission] a facility; or

(2) (text unchanged)

C. The [Commission] facility receiving a player's request for suspension of credit privileges shall[:

(1) Maintain] maintain a master list of all individuals who have requested suspension of credit privileges under this regulation [; and

(2) Expeditiously notify a facility operator in writing of any additions to or deletions from the master list].

D. A facility operator shall suspend the credit privileges of an individual requesting suspension within 24 hours of receipt of notice that the individual's name has been added to the [Commission's] facility's master list.

E. A facility operator shall:

(1) Maintain the most current [Commission] master list in its cashiers' cage; and

(2) (text unchanged)

F. No less than 60 days after the request for suspension of credit privileges, a player whose credit privileges have been suspended under this regulation may request reinstatement of credit privileges by submitting a written request to the [Commission in a form specified by the Commission] facility.

G. The [Commission] facility shall on receipt of a request for reinstatement[:

(1) Update] update its master list of individuals to document the request for reinstatement[; and

(2) Notify a facility operator in writing of an individual's removal from the Commission's master list].

H. A facility operator may not reinstate the credit privileges of a player removed from [the Commission's] facility's master list without performing the verifications required by Regulation .25 of this chapter.

[I. A facility operator shall notice the Commission in a form specified by the Commission as to its decision with respect to restoration of the player's counter check privileges at the facility.]

[J.] I. Information furnished to or obtained by the [Commission] facility under this regulation shall be deemed confidential and may not be disclosed except to facility personnel whose duties and functions require access to the information.

[K.] J. (text unchanged)

.34 Player Tracking System.

A. – C. (text unchanged)

D. A facility operator shall provide a player with a record of video lottery terminal and table game spending levels if:

- (1) The player:
 - (a) Has registered with the facility for inclusion in the player tracking system; and
 - (b) Submits a signed request for the spending level documentation at [the cashiers' cage; and]:
 - (i) *The cashiers' cage; or*
 - (ii) *Other location at the facility approved by the Commission; and*
- (2) The identification of the player *and the authenticity of the player's signature on the request* is established [including the authenticity of the player's signature on the request in accordance with the signature authentication procedures in Regulation .20I(4) of this chapter.] *by an employee satisfactorily comparing the:*
 - (a) *Player's information recorded on the spending level request documentation with the information contained on the valid, unexpired government-issued photographic identification presented by the player; and*
 - (b) *Player's physical appearance with the photograph contained on the valid, unexpired government-issued photographic identification presented by the player.*

.35 Gaming Ticket.

- A. (text unchanged)
- B. A facility operator shall:
 - (1) – (3) (text unchanged)
 - (4) Redeem at its cashiers' cage a gaming ticket of:
 - (a)] \$5,000 or more by [check; and
 - (b) Less than \$5,000 by:
 - [(i)] (a) Cash or check; or
 - [(ii)] (b) Check on the request of a player.
- C. – E. (text unchanged)

.38 Jackpot Payout.

- A. – C. (text unchanged)
- D. A facility operator shall pay a jackpot or credit meter payout of:
 - (1) [\$5,000] \$25,000 or more by check; and
 - (2) Less than [\$5,000] \$25,000 by:
 - (a) – (b) (text unchanged)
- E. – F. (text unchanged)

.41 Automated Jackpot Payout Machine.

- A. – B. (text unchanged)
- C. A facility operator shall, in accordance with Regulation .39D of this chapter, configure an automated jackpot payout machine to only process a jackpot or credit meter payout of less than [\$5,000] \$10,000.
- D. – E. (text unchanged)

.42 Access to Bill Validators, Cash Storage, and Table Game Drop Boxes.

- A. Access.
 - (1) (text unchanged)
 - (2) Access to a bill validator shall be controlled by:
 - (a) (text unchanged)
 - (b) Requiring the key to the lock to be maintained by the [gaming operations] security department.
 - (3) The cash storage box shall be secured to a bill validator by two separate locks, the keys to which are different from each other, and, for the lock on the belly door or main door of the video lottery terminal:
 - (a) The key shall be controlled by the [gaming operations] security department[.]; *in:*
 - (i) *a manual key box; or*
 - (ii) *an automated key tracking system;*
 - (b) Immediately prior to the commencement of the drop, the [operations] security department may[.] issue its belly door or main door key to the accounting department;
 - (c) A key transferred from the [gaming operations] security department to the accounting department shall be returned immediately following the conclusion of the drop; [and]
 - (d) The facility operator shall establish sign in and sign out procedures in its internal controls documenting the transfers[.]; *and*
 - (e) *If an automated key tracking system is used, a facility operator shall require dual access from the security department and accounting department to obtain keys.*
 - (4) – (5) (text unchanged)
- B. – D. (text unchanged)
- E. Table Game Drop Box.
 - (1) (text unchanged)
 - (2) A table game drop box shall have:

- (a) [Two separate] *One* lock[s] securing the contents deposited into it[, the keys to which must be different from each other];
- (b) A separate lock securing the table game drop box to the gaming table, the key to which must be different from [each of] the keys to the locks securing the contents of the table game drop box;
- (c) – (e) (text unchanged)
- (3) (text unchanged)
- (4) The security department shall control the key used to release a table game drop box from a table game[, and:] *in a manual key box or an automated key tracking system.*
- (a) Immediately prior to the commencement of the table game count process, the security department may issue its release key to the count room supervisor for the purpose of resetting the release mechanism on empty table game drop boxes;
- (b) A key transferred by the security department shall be immediately returned after the conclusion of the table game drop box count; [and]
- (c) In its internal controls, a facility operator shall establish sign-in and sign-out procedures governing key transfers and control of a key during breaks taken by count room personnel[.] ; *and*
- (d) *If an automated key tracking system is used, a facility operator shall require dual access from the security department and accounting department to obtain keys.*
- (5) The keys to the [two] table game drop box locks required under §E(2) of this regulation shall be [separately] controlled[:
- (a) One] by the [accounting] *security* department[; and
- (b) One by Commission compliance personnel].
- (6) (text unchanged)

.43 Collection of Cash Storage and Table Game Drop Boxes.

- A. – F. (text unchanged)
- G. A facility operator shall store cash storage and table game drop boxes not attached to a bill validator, including emergency cash storage and table game drop boxes that are not actively in use, in a *locked* cabinet or trolley:
- (1) In the count room; [or]
- (2) A trolley storage area approved by the Commission under COMAR 36.03.11[.]; *or*
- (3) *Other location at the facility approved by the Commission.*
- H. The cabinet or trolley used for storage under §G of this regulation shall be secured by one lock that has a key which is controlled by the security department[.] *in:*
- (1) *a manual key box; or*
- (2) *an automated key tracking system.*
- I. (text unchanged)
- J. A trolley storage area utilized to store cash storage or table game drop boxes prior to the count process shall meet the design standards for a count room under Regulation [.45] .44 of this chapter.

.49 Acceptance of Tips or Gratuities.

- A. Except as otherwise provided in this regulation:
- (1) – (2) (text unchanged)
- (3) A facility operator may permit an employee who is authorized to accept a gratuity from a player to accept a gaming ticket if the gaming ticket is redeemed:
- (a) (text unchanged)
- (b) With approval of [a cashiers' cage supervisor] *the employee's department supervisor*, if the amount of the gaming ticket exceeds \$100.
- B. – D. (text unchanged)
- E. (text unchanged)
- [(a)] (1) (text unchanged)
- [(b)] (2) (text unchanged)
- F. – I. (text unchanged)