

Table of Contents

TITLE 42 LOUISIANA GAMING

Part I. Charitable Bingo, Keno, Raffle

Subpart 1. Bingo

Chapters 1-15. Reserved	1
Chapter 17. Charitable Bingo, Keno and Raffle	1
Subchapter A. General Requirements	1
Subchapter B. Gaming Requirements	5
Subchapter C. Suppliers	9
Subchapter D. Reporting Requirements	11
Subchapter E. Pull Tabs	11
Subchapter F. Investigations	14
Subchapter G. Civil Penalties	14

Subpart 2. Electronic Video Bingo

Chapter 18. Electronic Video Bingo Rules	23
Chapter 19. Electronic Video Bingo	31
Chapter 22. Commercial Lessors	40
Chapter 23. Casino Nights	42
Subchapter A. Licensing of Private Contractors for Casino Nights	42
Subchapter B. General Provisions	43
Subchapter C. Conduct of Authorized Games	44

Part II. Gaming Equipment and Raffles at Trade Shows and Conventions

Chapter 1. Regulation of Gaming Equipment	47
Chapter 2. Raffles at Trade Shows and Conventions	50

Part III. Gaming Control Board

Chapter 1. General Provisions	53
Chapter 2. Electronic Cards	67
Chapter 3. Compulsive and Problem Gambling	67

Part V. T.V. Bingo

Chapter 1-19. Reserved	75
Chapter 20. Cable Television Bingo	75
Subchapter A. New Orleans Organizations	75

Subchapter B. Private Contractor.....	77
Chapter 30. Civil Sanctions.....	80

Part VII. Pari-Mutuel Live Racing Facility Slot Machine Gaming

Chapter 17. General Provisions.....	83
Chapter 19. Administrative Procedures and Authority	87
Chapter 21. Licenses and Permits	87
Chapter 23. Compliance, Inspections and Investigations	94
Chapter 25. Transfers of Interest in Licensees and Permittees; Loans and Restrictions	99
Chapter 27. Accounting Regulations	104
Chapter 29. Operating Standards	125
Chapter 33. Surveillance and Security	133
Chapter 35. Patron Disputes.....	136
Chapter 41. Enforcement Actions	136
Chapter 42. Racetracks: Electronic Gaming Devices	137
Chapter 43. Specifications for Gaming Tokens and Associated Equipment	152
Chapter 45. Labor Organizations	154

Part IX. Landbased Casino Gaming

Subpart 1. Economic Development and Gaming Corporation

Chapters 1-8. Reserved	157
Chapter 9. Articles of Incorporation	157
Chapter 11. Bylaws and Rules of Procedure.....	160
Chapter 13. Procurement Policies and Rules	164
Chapter 19. General Provisions.....	167
Chapter 21. Applications; Suitability, Permitting and Licensing	175
Chapter 23. Compliance, Inspections and Investigations	188
Chapter 25. Transfers of Interest in the Casino Operator and Permittees; Loans and Restrictions	190
Chapter 27. Accounting Regulations	195
Chapter 29. Operating Standards Generally.....	225
Chapter 31. Rules of Play.....	238
Chapter 33. Surveillance	240
Chapter 35. Patron Disputes.....	242
Chapter 39. Public and Confidential Records	243
Chapter 41. Enforcement Actions	244
Chapter 42. Electronic Gaming Devices.....	250
Chapter 43. Specifications for Gaming Equipment and Electronic Devices	264
Chapter 45. Labor Organizations	274

Part XI. Video Poker

Chapters 1-23. Reserved	277
Chapter 24. Video Draw Poker	277

Part XIII. Riverboat Gaming**Subpart 1. Riverboat Gaming Commission**

Chapter 1. Issuance and Construction of Regulations and Administrative Matters	297
Chapter 7. Operating Standards	300

Subpart 2. State Police Riverboat Gaming Division

Chapter 17. General Provisions.....	301
Chapter 19. Administrative Procedures and Authority	304
Chapter 21. Licenses and Permits	304
Chapter 23. Compliance, Inspections and Investigations	315
Chapter 25. Transfers of Interest in Licensees and Permittees; Loans and Restrictions	321
Chapter 27. Accounting Regulations	326
Chapter 29. Operating Standards	358
Chapter 31. Rules of Play.....	367
Chapter 33. Surveillance and Security	368
Chapter 35. Patron Disputes.....	371
Chapter 39. Public and Confidential Records	371
Chapter 40. Designated Check Cashing Representatives	373
Chapter 41. Enforcement Actions	377
Chapter 42. Electronic Gaming Devices	377
Chapter 43. Specifications for Gaming Devices and Equipment.....	392
Chapter 45. Labor Organizations	397

Part XV. Lottery

Chapter 1. On Line Lottery Games	401
Chapter 3. Procurement Policies and Rules	405
Chapter 5. Retailer Regulations	409
Chapter 7. Instant Lottery Games General Rules.....	416
Chapter 9. Special Rules and Regulations on Payment of Prizes	421
Index	423

Title 42
LOUISIANA GAMING
Part I. Charitable Bingo, Keno, Raffle
Subpart 1. Bingo

Chapters 1-15. Reserved

**Chapter 17. Charitable Bingo, Keno
and Raffle**

Subchapter A. General Requirements

§1701. Statement of Department Policy

A. The public's health, safety and welfare are the primary considerations in the restatement, repeal, amendment and adoption of these rules. Further, it shall be the policy of the Division of Charitable Gaming to decrease the potential for fraud in the charitable games of chance and to insure that the net proceeds are contributed to bona fide charitable causes and further to prevent the infiltration of elements of organized crime or professional gambling into charitable gaming.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:99 (February 1987), LR 17:383 (April 1991).

§1703. Definitions

A. As used throughout this Chapter, the following definitions apply.

Act—Licensing Law enacted as R.S. 33:4861.1 et seq., together with R.S. 40:1485.1 et seq., on regulation of charitable gaming including all amendments thereto that may hereafter be enacted.

Applicant—The organization, its members, officers, agents, or employees who have applied for any license from the division.

Bona Fide, Active, or Volunteer Member—A person accepted for membership in an organization eligible to be licensed under this Part upon application, with such action being recorded in the official minutes of a regular meeting or who has held full and regular membership status in the organization. The member functions shall not be limited to gaming-related activities.

Certain Related Offenses—Include the following offenses committed contrary to the laws of this state, local jurisdictions, other states, the federal government, or other countries:

- a. any felony offense;
- b. any offense directly or indirectly related to gambling or gaming laws;

c. the misdemeanor offense of any theft or related offense, any attempted theft or related offense, issuing worthless checks, illegal possession of stolen things, or false swearing or related offense.

Charitable Gaming—The conducting or assisting in the conducting of any game of chance authorized by R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq.

Charitable Gaming Supplies—Any supplies (except raffle tickets), equipment, device, goods or wares intended for use in the conducting of any charitable gaming provided by law. It includes, but is not limited to, the receptacle and numbered objects to be drawn from it, the master board upon which the objects drawn are placed, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the number or designation as they are drawn, and all other articles essential to the operation, conducting and playing of bingo, keno, pull tabs or raffles. It also includes any computer system, software or cash register designed for the primary purpose of accounting for and reporting the transactions involved in the selling of share or shares to participate in charitable gaming. Bingo game sets commonly manufactured and sold as children's games for a retail price of \$20 or less shall be presumed not to be bingo equipment for these purposes unless used by a licensee in the licensee's gaming activity.

Department—The Louisiana Department of Public Safety and Corrections and shall include the Division of Charitable Gaming Control of the Office of State Police, Louisiana Department of Public Safety and Corrections.

Director—The commissioned state trooper of sufficient rank, consistent with civil service regulations, designated by the deputy secretary to head the division.

Division—The Division of Charitable Gaming Control, Office of State Police, Louisiana Department of Public Safety and Corrections.

Expenses—Ordinary, necessary and reasonable costs incurred in preparation for or in the conduct of the gaming activity.

Ideal Net Proceeds—The projected gross amount to be collected upon sale of all pull tabs in a set or deal minus (1) the actual cost of the pull tabs to the organization, and (2) the projected total amount of prizes or winnings in the set or deal.

Immediate Family—The subject individual's spouse, children, parents, brothers and sisters, spouses of children, and spouses of brother and sisters.

Licensee—any organization licensed to conduct charitable gaming activity pursuant to R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq., or licensed as a manufacturer or distributor of charitable gaming supplies, manufacturer or distributor of electronic video bingo machines, commercial lessors, or licensed as a private contractor for cable television bingo.

Non-Commercial Lessor—a bona fide non-profit organization licensed by the division to conduct games of chance which leases any building or structure used for charitable gaming to other organizations licensed by the division.

Patriotic—in addition to any other commonly accepted meaning, an organization whose membership is composed of veterans of the United States of America Military to include without limitation, United States Army, United States Air Force, United States Marines, United States Navy, and United States Coast Guard, and said organization has acquired an appropriate nonprofit designation issued by the Federal Internal Revenue Service with its registered office and/or place of domicile in the state of Louisiana, or an auxiliary organization to such a veterans' organization.

Private Contractor—a firm or person possessing demonstrated skills in the conduct and administration of charitable games of chance, and licensed by the division to provide for the operation and management of cable television bingo and any employee or agent of such firm or person.

Promotional Game—any game, contest, or arrangement used by any entity in order to stimulate sales or attendance, where absolutely no purchase or fee is necessary in order to participate in or win the game, contest or event.

Pull Tab or Charity Game Ticket—a single or a banded ticket or card with its face covered to conceal one or more numbers or symbols where one or more cards or tickets in each set has been designated in advance as a winner.

Pull Tab Set or Deal—any form, series or group of pull tabs having the same serial number.

Raffle—a type of lottery in which several persons pay, in shares, the value of something put up as a stake, and then determine by chance which one of them shall become the sole possessor of it and any portion or share is retained by the person(s) conducting the raffle.

Reasonable Market Rental Rate—that rate at which similar facilities or equipment available for similar purposes, in the community may be leased or rented.

Session—represents authorized games of chance played within a time limit of two consecutive hours, within the same calendar day, with a minimum of 12 hours between sessions. The four-hour session limit shall not apply to sessions held in conjunction with a bona fide fair or festival on property where no rent is paid for the session and payout of prizes is determined by the number of persons playing. Sessions are limited to not more than one session per day per licensee. In no instance, shall the total prize amounts exceed

\$4,500 per session without a special license. A session of keno or bingo, when the licensee possesses a special license is limited to six consecutive hours.

Special License—a license to conduct one bingo session where the total prize amount shall not exceed \$25,000 in cash or things of equal value. No organization shall be issued more than two special licenses a year.

B. The division shall establish the following fee schedule:

1. customized organization list per request, \$1 per name (maximum fee \$500);
2. manufacturer's license, \$200;
3. distributor's license, \$100;
4. organization license, \$50;
5. license modification per organization request, \$25, after first free modification;
6. copy of public record, \$ 0.25 per page;
7. super bingo license (limit two), \$100;
8. private contractors cable TV bingo, \$1,000;
9. organization application for cable TV bingo, \$50;
10. retail sale outlet, \$200;
11. paid volunteer personnel history disclosure/identification card, \$15;
12. personnel history disclosure form/identification card/cable TV bingo, \$15;
13. commercial lessor's license, \$200.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:99 (February 1987), LR 17:383 (April 1991), Louisiana Legislature, House Concurrent Resolution Number 94 of the 1997 Regular Session, LR 25:205 (January 1999).

§1705. Eligibility for Charitable Gaming Licenses

A. The law requires organizations to be licensed by the department prior to being eligible for a local license.

B. License to conduct charitable gaming shall only be issued to:

1. an organization meeting qualifications as required by Louisiana's Raffles, Bingo, and Keno Licensing Law, R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq.; and
2. organizations conducting games within a parish or municipality that has an ordinance authorizing charitable gaming under the provision of R.S. 33:4861.1 et seq.; and
3. organizations actively domiciled in Louisiana for the two consecutive years immediately preceding their application. This domiciliary requirement may be waived by the director for a specific fund raising event for newly formed organizations whose members meet the domiciliary requirement.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:100 (February 1987).

§1707. Application for a License to Conduct Charitable Gaming

A. An application to conduct charitable gaming must be submitted to the division upon forms prescribed and provided by the department.

B. The application shall include the names, dates of birth and current home addresses of original incorporators, current officers, partners or principals of the organization, federal tax identification number, federal tax exemption certificate, latest federal income tax return, local ordinance authorizing charitable gaming, financial reports for previous year, current charitable gaming licenses, and copy of any rental or lease agreements where gaming is to be conducted, where applicable.

C. The application is not complete unless it is dated and signed by the proposed member in charge of charitable gaming and the head of the organization, who shall be the president, chairman of the board of directors, or the chief executive officer or other duly elected head of the organization. It is the intent of this Section that the legally responsible official of the applicant organization shall sign in his representative capacity and the application shall contain all information and statements required by the department.

D. A fee in the amount of \$50 must accompany each application to cover the cost of processing. Fee is nonrefundable should the application be denied.

E. All games conducted must comply with all the requirements of these rules and to the requirements of the Act and such other laws and rules as may be applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:100 (February 1987).

§1709. Expiration of License/Reissuance

A. All licenses issued pursuant to these rules expire at midnight, June 30, of each year.

B. An application for a new license must be submitted to the division on forms prescribed by the department, the fee paid, and new license issued, before any gaming activity can be conducted.

C. The department shall consider the same criteria for reissuance of a license as considered for the original license. Failure to satisfy license criteria contained in the Act and these rules shall result in denial of a license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:100 (February 1987).

§1711. Manufacturer's Suitability and Business Relationships

A. The department may deny an application or revoke, suspend, restrict, or limit approval of registration if it finds an applicant or a business relationship between an applicant and another person or a business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the department may consider the person or business entity's:

1. general character, including honesty and integrity;
2. financial security and stability, competency, and business experience in the capacity of the relationship;
3. record, if any, of violations which may affect the legal and proper operation of a pull tab game, including a violation of the laws or local ordinances of this state, other states, and countries without limits as to the nature of the violations;
4. refusal to provide access to records, information, equipment, or premises to the department or peace officers when such access is reasonably necessary to ensure or protect public health, safety or welfare.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986).

§1713. Revocation, Suspension, Restriction, Denial or Nonrenewal of Application or Fair Hearing; Judicial Review

A. When the department revokes, suspends, restricts or denies an application for registration or renewal, the applicant may request a fair hearing. The request for a hearing shall be made in writing to the department within 45 days of the revocation, suspension, restriction or denial by the department. Upon the department's receipt of written request, a fair hearing shall be conducted in accordance with the provisions of the Louisiana Administrative Procedure Act.

B. Administrative procedure conducted by the department are subject to judicial review according to the provisions of the Louisiana Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986).

§1715. Standards for Construction

A. Pull tabs shall be constructed so that it is impossible to determine the covered or concealed number, symbol, or set of symbols, on the pull tab until it has been dispensed to and opened by the player, by any method or device, including but not limited to, the use of a marking, variance in size, variance in paper fiber, or light.

B. All pull tabs, except banded and latex-covered pull tabs, will be constructed using a two or three-ply paper stock construction.

C. The manufacturer shall conspicuously print on the face or cover sheet the series number and the name of the manufacturer or label trademark identifying the manufacturer. On banded pull tabs, the series number and the name of the manufacturer or label or trademark identifying the manufacturer shall be printed so both are readily visible prior to opening the pull tab.

D. The cover sheet shall be color-coded when individual series numbers are repeated and may show the consumer how to open the pull tab to determine the symbols or numbers. The cover sheet will contain perforated and/or clean-cut openings centered over the symbols or numbers on the back of the face sheet in such a manner as to allow easy opening by the consumer after purchase of the pull tabs, while at the same time, not permitting pull tabs to be opened prematurely in normal handling. Perforation should exist on both horizontal lines of the opening with either a perforated or clean-cut edge on the vertical or elliptical line where the tab must be grasped for opening after bending the edge of ticket down. On latex covered pull tabs, either the face or back of the pull tab shall be color-coded when individual series numbers are repeated and may show the consumer how to remove the latex to determine the symbols or numbers. On banded pull tabs, the paper stock shall be color-coded when individual series numbers are repeated.

E. Pull tabs will be glued or sealed so that it is impossible to determine the covered or concealed numbers, symbol or set of symbols on the pull tab until it has been dispensed to and opened by the player.

F. All pull tabs shall be of a uniform thickness within a series. Vendable pull tabs are defined as pull tabs that are sold out of mechanical pull tab dispensing devices approved for such use in this state. The single opening and double sided tabs shall have an overall bulk thickness of 0.045 inch per pull tab, plus or minus 0.003 inch. The multiple opening tabs shall have an overall bulk thickness of 0.026 inches per pull tabs plus or minus 0.002 inches.

G. Nonvendable pull tabs are defined as those that cannot be sold out of mechanical pull tab dispensing devices approved for use in this state. Nonvendable pull tabs may be dispensed from fishbowls, receptacles, packing boxes or spindles. Manufacturers of nonvendable pull tabs may use any thickness that complies with all other rules. In no instance will any type of pull tabs be approved where the winning tabs are distinguishable by visible variation in dimension.

H. All pull tabs within a single pull tab series shall also be uniform in length and width and may not vary by more than 3/64 inch between series. Vendable pull tabs which are single opening or double sided tabs shall be 1 7/8 inches x 1 inch, plus or minus 1/8 inch. Multiple opening vendable pull tabs shall be 3 1/2 inches x 1 7/8 inches, plus or minus 1 inch. Nonvendable pull tabs may be manufactured in any size so long as it complies with all other rules.

I. Winner Protection. A unique symbol or printed device shall be placed in the high tier winner window so as to insure that the high tier winner is made unique.

J. Color or Printing Variations. It should not be possible to detect or pick out winning from losing tickets through variations in printing, graphics or colors, especially those involving different printing plates.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986).

§1719. Assembly and Packaging

A. Manufacturers of pull tabs shall manufacture, assemble, and package each pull tab series in such a manner that none of the winning pull tabs, nor the location or approximate location of any of the winning pull tabs can be determined, in advance of opening the pull tabs in any manner or by any device, including but not limited to any pattern in manufacture, assembly, packaging, markings, or by the use of a light.

B. Winning pull tabs shall be randomly distributed and mixed among all other pull tabs in the series. The series shall be assembled and packaged with special care so as to eliminate any pattern as between series, or portions of series, from which the location or approximate location of any of the winning tabs may be determined.

C. When the series is packaged in more than one package, box or other container, the entire series of individual pull tabs shall be mixed in such a manner that no person can determine the position or approximate location of any of the winning pull tabs or determine whether any one package or portion of a series contains a larger or smaller percentage of winner pull tabs than the balance of the series. The packages, boxes or other containers shall not be numbered as to distinguish one from the other. Each series of pull tabs shall contain a packing slip placed inside the package containing the name of manufacturer, series number, date the series was packaged, and the name or identification of the person who packaged the series. This information may be printed on the back of the flare or the outside of at least one of the packages, boxes or containers in which the pull tabs are packed.

D. No distributor or manufacturer of pull tabs shall sell or otherwise provide to any person in this state or for use in this state any pull tab series that does not contain a minimum of 70 percent in prizes. For the purpose of determining the percentage of prizes offered in any pull tab series under this Section, total merchandise prizes shall be computed at the amount actually paid therefor by the licensed operator plus 50 percent of actual cost.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986).

Subchapter B. Gaming Requirements

§1721. Raffles

A. Organizations conducting raffles must first obtain a gaming license as required by R.S. 33:4861.1.

1. Applications for a gaming license to hold a raffle shall include the following information:

- a. date of raffle;
- b. location of drawing or determination of winner;
- c. prize(s) to be given and their value (see §1727);
- d. cost of tickets or chances to participants.

2. The following information pertaining to each raffle held shall be maintained by licensee and retained for a period of three years:

- a. number of tickets or chances sold;
- b. number of tickets or chances printed or available;
- c. name of person drawing winning ticket(s) or determining winner(s);
- d. prizes given and their value (see §1727);
- e. name, address and date of birth of winner(s).

3. No raffles shall be so conducted where the winner must be present during a drawing to win, unless so stated on the ticket.

4. Merchandise for a raffle must be purchased or obtained by donation prior to the sale of any chances. Where the prize to be awarded is cash in excess of \$1,000, the organization shall furnish the division with proof of liquid assets equal to or greater than the value of the prize.

5. The sponsoring organization shall take such steps as are necessary under the circumstances to insure that each ticket purchaser has a chance to be selected as the prize winner and that the prize winner is selected in an entirely random manner.

B. Exemptions from Raffle Licensing Requirements

1. A license and payment of a fee to conduct charitable gaming shall not be required of an organization to conduct a raffle if the organization is one which:

- a. would qualify under Louisiana law to conduct charitable gaming;
- b. all net proceeds are dedicated to purposes allowable under the charitable gaming law;
- c. the games are conducted within a parish or municipality which allows charitable gaming under the provisions of R.S. 33:4861.3;
- d. the cost of a ticket which makes the purchaser eligible to win any prizes is not greater than \$1;

e. the raffle is not conducted at a time and place other games of chance allowed under the Act are being conducted;

f. the total number of tickets sold or available for sale does not exceed \$3,000;

i. the total value of all prizes to be awarded does not exceed \$2,000, and the prizes or merchandise have either been donated or purchased prior to the sale of any chances thereon and that the organization conducts no such raffle or other game of chance more often than twice any calendar year; or

ii. the raffle is a door prize raffle available only to members or bona fide guests present at a regularly scheduled meeting of the organization that is not conducted more than once a month and the value of the prize does not exceed \$100 or one half of the value of the tickets sold at the drawing whichever is lesser.

2. All organizations conducting such raffles exempt from licensing requirements must maintain records for a period of one year from the date of the raffle which accurately show at a minimum, the gross revenue from each activity, details of the expenses of conducting the activity, and details of the uses to which the net proceeds are used. Such records shall be available for inspection by the division upon request.

3. All organizations conducting raffles exempt from licensing requirements, shall give the division written notice at least 15 days prior to any such activity, stating the organization's intention to conduct a raffle, date and location of drawing, prizes to be given, cost of tickets and the number of tickets printed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:100 (February 1987).

§1723. Bingo Licensing Exemptions

A. Organizations conducting charitable gaming activity on property which the federal government claims exclusive jurisdiction on, groups which participate in closed bingo sessions for amusement purposes only within their respective social clubs, elderly groups or retirement communities, etc., where the organization or persons conducting the games do not profit or take a percentage from them, or organizations exempted by the following rules in Subsection B are not required to be licensed by the division.

B. Organizations are also exempt from bingo licensing requirements when:

1. the organization otherwise meets all statutory requirements and applicable rules and regulations of the division;

2. bingo activity is limited to no more than five bingo sessions per calendar year;

3. the organization uses donated prizes, which total value is less than \$2,000 and gross receipts from all gaming activities together does not exceed \$5,000 in any calendar year;

4. the local governing body has passed an ordinance permitting charitable gaming activity;

5. only bona fide active members or their spouses of said organization conduct, or assist in the conducting of the games, (spouses may assist, but cannot act in a managerial capacity as defined in §1725.D);

6. the organization gives written notice, at least 15 days prior to any such activity, to the division stating the organization's intention to conduct the games, the location of the activities and the date and time they will be conducted;

7. the organization maintains records of the gaming activity on forms approved by the division. These records shall be available upon request for inspection by the division;

8. bingo activity is conducted on totally donated premises, or the organization's own premises;

9. all revenue therefrom, after deducting the cost of prizes and other reasonable and necessary expenses of the gaming activity, is devoted solely to religious, charitable, patriotic, public spirited, or educational purposes;

10. exempt organizations purchase gaming supplies only from licensed distributors.

C. Organizations may exceed the limits of bingo sessions set forth in Subsections A or B only if they first obtain a license from the division as required by R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:101 (February 1987).

§1725. Miscellaneous

A. No license shall be issued to any organization determined by the division to be renting or leasing facilities or equipment for more than the reasonable market rental rate.

B. Licensed organizations shall provide all bingo and keno cards or paper sheets for use during sessions. Participants shall not be allowed to play on their own bingo or keno cards. Nothing shall prohibit the organization from allowing persons legally blind from using their own cards.

C. Licensed organizations shall register all workers of a bingo or keno game prior to the beginning of a session.

1. The register shall include the following on all workers for the organization:

- a. name;
- b. current residential address;
- c. date of birth;

d. job description;

e. name of organization (if a nonmember of the licensed organization conducting games).

2. This register shall be available for inspection upon request by the division or any authorized law enforcement officer.

D. Active members of one licensee shall be allowed to assist in the conduct of another licensee's gaming activity but may not act in a managerial capacity.

1. Workers performing the following activity are considered to be in a managerial capacity, and must be bona fide active members of the organization licensed to conduct the gaming activity:

- a. workers who appear to be in charge of the game;
- b. workers responsible for filling out forms or paperwork;
- c. workers responsible for the money or money counts;
- d. workers acting as caller during a bingo game.

2. Workers assisting in registration, the sales of pull tabs, paper sheets, or tickets are not considered to be in a managerial position. Organizations using other workers to assist in its games must have these workers listed on the register required in Subsection C above along with the name of the licensed organization of which they are a member. Spouses are allowed to assist in the gaming activity, but cannot act in a managerial capacity.

E. No person or entity shall lease, rent, or otherwise furnish any premises to an organization not licensed by the division for the purpose of conducting charitable gaming.

F. Organizations shall only conduct the games authorized on their license. Straightline bingo, horse race bingo, and other variations, are not considered the same as the game commonly known as "Bingo" authorized by R.S. 33:4861.4, unless prior written approval is granted by the division specifying the manner in which the game is to be played.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:101 (February 1987).

§1727. Value of Prizes

A. When merchandise is awarded as a prize in a game, its value shall be determined by its cost to the licensee or if donated, the fair market value. The fair market value of donated merchandise prizes may not be reported as an expenditure in financial statement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1729. Transfer of Surplus Supplies

A. Notwithstanding the provisions of the Act, a licensee may transfer surplus supplies or equipment to another licensee upon written application to and written permission of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1731. Record Retention Requirements

A. A licensee must maintain and make available for inspection by the division all necessary books of accounts, records, documents and such other information as the division may require to insure that licensees are in compliance with the law. These records must be retained for three years.

B. These records include but are not limited to:

1. bank statements;
2. canceled checks;
3. deposit slips;
4. sales invoices and receipts;
5. purchase invoices and receipts;
6. shipping documents;
7. lease agreements;
8. inventory records; and

9. records of daily gaming activity as may be prescribed by the division.

C. All organizations using pull tabs shall retain unsold or defective pull tabs along with the winning tickets of any series not completely sold. Winning tickets shall be defaced by the licensee when redeemed for prize payout. Organizations should record names and identities of all jackpot winners and pull tab high tier winners.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1733. Separate Gaming Account

A. A licensee must maintain a separate checking account for all receipts and disbursements related to charitable gaming. All checks on this account must have preprinted consecutive numbers and have the words, "Charitable Gaming Account," along with licensee's state charitable gaming license number, printed on the face of the check.

B. All disbursements related to charitable gaming (including disbursements for prizes, supplies, equipment, operating expenses, contributions, etc.) shall be made only by a check drawn on the special gaming bank account, with the sole exception of prize payouts of under \$600 per prize. All checks shall be made payable to a specific person or corporation, and at no time shall a check be made payable to cash.

C. All receipts from charitable gaming, except for the amount of cash used to make prize payouts of under \$600 per prize, shall be deposited in the special gaming bank account no later than the next banking day following the date of the charitable gaming session. All deposit slips shall be sufficiently completed as to be able to readily identify the date and source of the receipts being deposited.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1735. License Not Transferable

A. A license for charitable gaming is only valid for the applicant, the premises, and the date and times indicated on the license.

B. The license is further restricted to the particular game or games approved by the department and identified on the license.

C. Any license issued pursuant to the Act and these rules is a privilege and not personal property, and must be surrendered to the division upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1742. Minimum Internal Accounting Control

A. Effective July 1, 1991, all licensees whose gaming activities grossed over \$25,000 in the prior license year or any new licensee who the division projects to gross over \$25,000 in a year, must establish and maintain an internal accounting control system which meets minimum standards established by the Division of Charitable Gaming Control. The system must provide reasonable assurance that all transactions are properly and accurately recorded, that gaming proceeds are disbursed in accordance with established policy of the licensed organization and that assets are protected against loss or theft. The director may waive this requirement for organizations whose gaming activities gross over \$25,000 but less than \$100,000 provided that the organization demonstrates competency and proficiency in utilizing an accounting system acceptable to the director.

B. The following are minimum internal accounting controls which must be implemented by all licensees:

1. the results of each gaming session must be fully and accurately documented. The "Division's Model Accounting System" will be used in its entirety by all licensed organizations with an anticipated annual gross of \$25,000 or more in order to ensure strict accountability for the handling of cash and inventory by all participating members; provide a sound audit trail; and allow for the systematic accumulation of data needed for preparation of the division's quarterly report;

2. a specific member must be designated as session manager for each gaming session. This person will be held responsible for the overall control of cash, inventory, and accounting at the session. A record of such designees must be maintained; and

3. the organization must maintain a single separate charitable gaming checking account. All checks on this account must be prenumbered. Checks made payable to cash are prohibited; and

4. all proceeds from each gaming session, other than that amount paid out as cash prizes and that amount retained as a cash bank, must be deposited into the separate gaming account no later than the next banking day following the close of the session; and

5. gaming session reports and deposits must be reviewed quarterly by a designated organization member who is not associated with gaming operations; and

6. the separate gaming account must be reconciled monthly by someone other than a person who is authorized to sign checks on that account; and

7. all disbursements from the separate gaming account must be in strict compliance with established written policy of the organization; must be fully supported by permanently filed receipts, invoices, or other sufficient documentation; and must be properly and accurately recorded; and

8. detailed inventory records must be maintained on all gaming supplies. These records must be verified by means of a physical count made at least semi-annually by an organization member who is not associated with gaming operations. A record of these physical counts must be maintained; and

9. all forms, bank records, and other documentation described herein must be maintained for a period of three years.

C. Accounting for Sale of Bingo Hard Cards. Every organization, with an anticipated annual gross of \$25,000 or more, which uses reusable bingo cards (slide, shutter or hard cards) must employ the receipting and recordkeeping procedures described by this rule, or submit to the division for preapproval an accounting system of their own design which similarly accounts for the sale of each card and provides a sound audit trail. The following procedures are required unless advance approval is obtained from the division for use of an alternative system.

1. Each hard card must be assigned a distinct card control number. This number, along with the name of the card owner, or hall location, must be permanently and conspicuously printed or stamped on the card.

2. Duplicate preprinted serially-numbered receipts must be used to account for all hard card sales. A receipt must be prepared and issued upon each individual sale of one or more cards, with the licensee retaining the duplicate copy of the receipt. Each receipt must be initialed by the issuer (worker) and show the date of the session, the control number(s) of the card(s) issued, and the dollar amount of the

sale. A line should be drawn under the last card number listed on the sheet so as to preclude anyone from adding extra card numbers to the list of paid cards.

3. All voided receipts must be initialed by the issuer, and retained by the organization.

4. Upon redemption of a winning card, the player must present his or her receipt showing purchase of the card. The checker must verify that the winning card number is listed on the receipt, and that the date of the receipt is current. In addition, should the receipt bear any apparent alterations, scratch-throughs, suspect initials, or other suspect markings, then the authenticity of the receipt must be verified by comparison to the licensee's duplicate.

5. At the end of each session, all receipts must be accounted for, and the licensee must reconcile total sales per duplicate copies of issued receipts with actual dollar amount collected from the sale of hard cards. A written record of this reconciliation must be prepared and retained by the organization.

6. The licensee shall be held strictly accountable for all receipt forms or booklets purchased and for all receipts issued. All receipt numbers must be fully accounted for, and all duplicate copies of issued receipts and voided receipts must be retained for a period of three years.

NOTE: In addition to the above procedures, each organization using hard cards must attach a statement to each of their Charitable Gaming Quarterly Reports, which shows the total amount collected during the quarter from the sale of hard cards.

D. Failure of an organization to establish and maintain an acceptable internal accounting control system will subject that organization to restriction, suspension or revocation of its gaming license.

E. Training sessions and accounting forms are available from the division to assist licensees in complying with this requirement.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:385 (April 1991).

§1743. Expenses

A. All expenses incurred in connection with the conduct of charitable gaming must be paid from the separate charitable gaming bank account.

B. All expenses paid must be bona fide, reasonable in amount, and ordinary and necessary to the conduct of the gaming activity. In connection with this rule, the following definitions shall apply.

Bona Fide Can expense that is genuine and authentic.

Ordinary Can expense that is commonly incurred in the conduct of charitable gaming.

Necessary Can expense that is appropriate and justifiably required to conduct the games.

Reasonable Can expense that is moderate or fair in amount.

C. Incurring or paying, whether directly or indirectly, of expense for the following goods and services is specifically prohibited:

1. transportation of game players;
2. child care or baby sitting service;
3. rentals in excess of reasonable market rental rate;
4. promotional items given to game players during a bingo or keno session.

D. All expenses paid must be fully supported by receipt or other written evidence.

E. Payments for door prizes are not deductible as an expense, but rather are deductible as gaming prize payouts subject to the \$4,500 per session limitation (\$25,000 per special session).

F. Deductions on quarterly reports for nonsufficient fund (NSF) checks exceeding \$500 or 1 percent of gross proceeds must be accompanied by a written explanation of collections efforts undertaken and evidence of changes in check cashing policies which will ensure future amounts do not exceed 1 percent of gross proceeds.

G. Pull Tabs. A licensee is prohibited from selling a pull tab for an amount different from the pull tab's face value. Under no circumstances may a licensee give away free pull tabs or sell pull tabs at discounted prices.

AUTHORITY NOTE: Adopted in accordance with R.S.40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:386 (April 1991).

§1744. Assigned Fixed Value Required on Disposable and Nondisposable Bingo/Keno Cards, and Bonanza Sheets

A. For the purpose of this rule, a disposable bingo/keno card is a card made of paper or other suitable material which is designed or intended for use at a single bingo/keno occasion. A nondisposable bingo/keno card is a reusable card such as a hard card, or one that contains a slide or shutter.

B. Each organization will assign a fixed value, the amount it intends to charge, for individual nondisposable bingo/keno cards, if used; and/or for each cut and collation of disposable bingo/keno card, and bonanza sheet it intends to use, sell, or otherwise furnish in the conduct of its gaming sessions.

C. Each organization will submit a list to the division with the assigned fixed values it intends to charge for each disposable or nondisposable bingo/keno card, and bonanza sheet that it intends to sell. This list will be resubmitted with each license application submitted by the organization.

D. All sales of disposable and nondisposable bingo/keno cards, and bonanza sheets must be in accordance with the fixed assigned values as reported to the division.

E. Neither the fixed assigned values nor the cuts and collations of disposable bingo/keno cards can be changed without prior written approval from the division.

F. Organizations may not:

1. issue or otherwise furnish any free disposable or nondisposable bingo/keno cards, or bonanza sheets; or
2. discount the price of any disposable or nondisposable bingo/keno card or bonanza sheet.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4, R.S. 33:4861.13 C., R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:386 (April 1991).

Subchapter C. Suppliers

§1745. Licensing of Manufacturers and Distributors

A. Any person or business entity desiring to manufacture or distribute charitable gaming supplies for use in this state must:

1. be issued and maintain all required federal, state, parish and municipal licenses;
2. apply to the department on forms prescribed by the department for licensing;
3. meet the suitability and business relationship criteria of these rules.

B. No person shall be licensed as a manufacturer or distributor who holds a permit to sell liquor of either high or low alcoholic content in this state or who is directly or indirectly involved with the conduct of charitable gaming, in leasing or renting any premises for charitable gaming or in the providing of any other incidental goods or services in connection with charitable gaming.

1. No person shall ship into or sell charitable gaming supplies in this state until his application for license is granted by the department.

2. No person shall ship into or sell pull tabs in this state unless the pull tabs meet the standards for construction, assembly and packaging as required by these rules.

C. A license may be suspended or revoked by the department upon the department's determination, after notice and opportunity for hearing, that the licensee has not complied with the conditions of the license.

D. No manufacturer shall sell or ship charitable gaming supplies to anyone in this state other than a licensed distributor.

E. No distributor shall purchase or secure any charitable gaming supplies except from a licensed manufacturer.

F. No manufacturer or distributor of gaming supplies or equipment shall directly or indirectly give gifts, trips, prizes, premiums, or other such gratuities to any charitable gaming organization, its employees, or commercial lessors other

than nominal promotional items for which the retail value is less than \$5 and contains prominently printed advertising which includes the name and address of the manufacturer(s) or distributor(s) providing the item.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:102 (February 1987).

§1747. Application for Manufacturer's License

A. An application for a license to manufacture charitable gaming supplies and equipment must be submitted to the Division of Charitable Gaming Control upon forms prescribed by the department.

B. The application shall include the names, date of birth, and current home addresses of original incorporators, current officers, Louisiana agents for service of process, partners or principals of the organization, federal tax identification number, or current licenses where applicable.

C. A fee in the amount of \$200 to cover the cost of the processing of the application must accompany each application. The fee is not refundable if the application is denied.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:102 (February 1987).

§1749. Application for Distributor's License

A. An application for a license to distribute or sell charitable gaming supplies and equipment must be submitted to the Division of Charitable Gaming Control upon forms prescribed by the department.

B. The application shall include the names, dates of birth and current home addresses of original incorporators, current officers, Louisiana agents for service of process, partners or principals of the organization, federal tax identification number, or current licenses where applicable.

C. A fee in the amount of \$100 to cover the cost of the processing of the application must accompany each application. The fee is not refundable if the application is denied.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:102 (February 1987).

§1751. Applicant Suitability and Business Relationships

A. The department may deny an application or revoke, suspend, restrict, or limit a license when it finds that the applicant or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the department may consider the person or business entity's:

1. general character, including honesty and integrity;
2. financial security and stability, competency, and business experience in the capacity of the relationship;
3. record, if any, of violations which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant and any violation of the laws of this state, other states, and countries without limitations as to the nature of the violation;
4. refusal to provide records, information, equipment, or access to premises to any member of the division or any peace officers when such access is reasonably necessary to ensure or protect public health, safety or welfare;
5. association or relationship to a licensed manufacturer, distributor, charitable organization or commercial lessor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:103 (February 1987).

§1753. Manufacturers' and Distributors' Background Investigation

A. Manufacturers and distributors shall reimburse the division for all reasonable costs incurred for background investigations. Reasonable costs shall include but are not limited to travel cost at the prevailing state per diem rate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:103 (February 1987).

§1755. Distributor's State Identification Stamp

A. Each distributor shall purchase from the division a state identification stamp for a fee of \$100. Each separate package of all charitable gaming supplies and equipment shall be permanently and conspicuously marked with this stamp at the point of sale to a licensed organization at which time the distributor will collect the following fees:

1. 3 percent of the ideal net proceeds on all pull tab or break-open tickets;
2. 5 percent of the actual value of all other charitable gaming supplies;
3. distributors shall remit these fees with their monthly reports of sales to the division.

B. These fees and the sales report required in §1761 are due no later than midnight of the fifteenth of each following month. In addition to any other civil or criminal penalties, distributors who are late in submitting these fees and/or reports, shall be assessed late penalties of \$250 or 10 percent of amount due whichever is greater for fees not submitted after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Interest shall be imposed on the late payment of user fees at the rate of 10 percent per annum. The daily rate is calculated at 0.00027

times the amount of unpaid fees for each day the payment is late. This interest is in addition to any penalties that may be imposed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:103 (February 1987).

§1757. Timely Payment of Supplies; Penalty for Violation

A. No distributor shall sell, offer to sell, or deliver any charitable gaming product to any licensed organization in this state, and no organization shall buy or accept delivery of any licensed charitable gaming supplies except on terms of immediate payment or on terms requiring payment not later than the fifteenth day following that on which actual delivery is made. If any payment is not made when due, the distributor shall immediately notify the charitable gaming division thereof and the division shall notify all manufacturers and distributors licensed in the state of the default and thereafter no person shall sell any charitable gaming product to the organization in default on any other terms than immediate payment until otherwise authorized by the division. Under penalty of suspension of its license, the organization which is in default shall pay its obligation in full within 30 days from the date it became due.

B. No distributor shall accept payment from any licensed organization for any gaming supplies unless that payment is in the form of a check bearing the organization's state license number and drawn on the organization's separate charitable gaming account.

C. Any licensee who violates this Section may have its license suspended for not more than 30 days for the first offense and not more than 60 days for a subsequent offense. Each failure of an organization to make payment for any default before the expiration of the period of suspension constitutes a subsequent offense. In addition, the organization may be required to make payment in cash for all gaming products subsequently purchased.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986), amended LR 13:103 (February 1987).

Subchapter D. Reporting Requirements

§1761. Reporting Requirements for License Holders

A. Each licensee and manufacturer shall file with the department a quarterly report signed by the member in charge or head of the organization as described in §1707 on forms prescribed and supplied by the department. The report must be postmarked, or if hand delivered, received in the division's office, no later than the last business day of the first month following the end of the quarter. Business days are defined as Monday through Friday, not including state

holidays. Quarters are on a calendar year basis and begin and end as follows: The first quarter begins January 1 and ends March 31; the second quarter begins April 1 and ends June 30; the third quarter begins July 1 and ends September 30; the fourth quarter begins October 1 and ends December 31.

B. Each distributor shall file with the division a monthly report signed by the head of the organization as described in §1707. These reports along with the user fees are due no later than midnight of the fifteenth of each following month.

C. In addition to any other civil or criminal penalties, organizations which are late in filing these reports may be assessed a \$100 late penalty for each quarterly or monthly report or reports not submitted timely after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Repeated violations shall be cause for denial, suspension, or revocation of said license.

D. Manufacturer's quarterly reports and distributor's monthly reports shall include, but are not limited to, the following information regarding the sale of gaming supplies:

1. licensed organization sold to;
2. number of item (form number);
3. item description (form design);
4. cost per item;
5. quantity sold to organization;
6. manufacturers and distributors shall record and be able to track each pull tab series or deal by serial number. The serial numbers must be included or attached to invoices.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:103 (February 1987).

Subchapter E. Pull Tabs

§1771. Standards for Construction of Pull Tabs

A. Pull tabs shall be constructed so that it is impossible to determine the covered or concealed number, symbol, or set of symbols, on the pull tab until it has been dispensed to and opened by the player, by any method or device, including but not limited to, the use of a marking, variance in size, variance in paper fiber, or light.

B. All pull tabs, except banded and latex covered pull tabs, will be constructed using a two or three-ply paper stock construction.

C. The manufacturer shall conspicuously print on the face or cover sheet the name of the manufacturer or trademark identifying the manufacturer. The series number shall be printed on the game information side of the ticket. On banded pull tabs, the series number and the name of the manufacturer or trademark identifying the manufacturer shall be printed so both are readily visible prior to opening the pull tab. Each deal or set shall have a separate serial number.

D. The cover sheet or "open here" side shall be color coded when individual series numbers are repeated and may show the consumer how to open the pull tab to determine the symbols or numbers. The cover sheet will contain perforated and/or clean-cut openings centered over the symbols or numbers on the back of the face sheet in such a manner as to allow easy opening by the consumer after purchase of the pull tabs, while at the same time, not permitting pull tabs to be opened prematurely in normal handling. Perforation should exist on both horizontal lines of the opening with either a perforated or clean-cut edge on the vertical or elliptical line where the tab must be grasped for opening after bending the edge of the ticket down. On latex covered pull tabs, either the face or back of the pull tab shall be color coded when individual series numbers are repeated and may show the consumer how to remove the latex to determine the symbols or numbers. On banded pull tabs, the bands shall be color coded when individual series numbers are repeated.

E. Pull tabs will be glued or sealed so that it is impossible to determine the covered or concealed numbers, symbol or set of symbols on the pull tab until it has been dispensed to and opened by the player.

F. All pull tabs shall be of a uniform thickness within a series. Vendable pull tabs are defined as pull tabs that are sold out of mechanical pull tab dispensing devices approved for such use in this state. The single opening and double sided tabs shall have an overall bulk thickness of 0.045 inch per pull tab, plus or minus 0.003 inch. The multiple opening tabs shall have an overall bulk thickness of 0.026 inches per pull tab, plus or minus 0.002 inches.

G. Nonvendable pull tabs are defined as those that cannot be sold out of mechanical pull tab dispensing devices approved for use in this state. Nonvendable pull tabs may be dispensed from fishbowls, receptacles, or spindles; however, in no case shall they be dispensed from the packing box. Manufacturers of nonvendable pull tabs may use any thickness that complies with all other rules. In no instance will any type of pull tabs be approved where the winning tabs are distinguishable by visible variation in dimension.

H. All pull tabs within a single pull tab series shall also be uniform in length and width and may not vary by more than 3/64 inch between series. Vendable pull tabs which are single opening or double sided tabs shall be 1 7/8 inches x 1 inch, plus or minus 1/8 inch. Multiple opening vendable pull tabs shall be 3 1/2 inches x 1 7/8 inches, plus or minus 1 inch. Nonvendable pull tabs may be manufactured in any size so long as they comply with all other rules.

I. Winner Protection. A unique symbol or printed device shall be placed in the high tier winner window so as to insure that the high tier winner is made unique.

J. Color or Printing Variations. It should not be possible to detect or pick out winning from losing tickets through variations in printing, graphics or colors, especially those involving different printing plates.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986), amended LR 13:103 (February 1987).

§1773. Assembly and Packaging of Pull Tabs

A. Manufacturers of pull tabs shall manufacture, assemble, and package each pull tab series in such a manner that none of the winning pull tabs, nor the location or approximate location of any of the winning pull tabs can be determined, in advance of opening the pull tabs in any manner or by any device; including, but not limited to, any pattern in manufacture, assembly, packaging, markings, or by the use of a light.

B. Winning pull tabs shall be randomly distributed and mixed among all other pull tabs in the series. The series shall be assembled and packaged with special care so as to eliminate any pattern as between series, or portion of series, from which the location or approximate location of any of the winning tabs may be determined.

C. When the series is packaged in more than one package, box or other container, the entire series of individual pull tabs shall be mixed in such a manner that no person can determine the position or approximate location of any of the winning pull tabs or determine whether any one package or portion of a series contains a larger or smaller percentage of winning pull tabs than the balance of the series. The packages, boxes or other containers shall not be numbered or marked in any way so as to distinguish one from the other. When a series is packaged in more than one package, the entire series or deal shall be put into play at the same time. Each series of pull tabs shall contain a packing slip placed inside the package containing the name of manufacturer, series number, date the series was packaged, and the name or identification of the person who packaged the series. This information may be printed on the back of the flare or the outside of the packages, boxes or containers in which the pull tabs are packed.

D. No distributor or manufacturer of pull tabs shall sell or otherwise provide to any person in this state, or for use in this state, any pull tabs series that does not conform to the following:

1. maximum 4,000 tickets per deal;
2. \$500 maximum prize for an individual ticket;
3. minimum payback percentage:

Ticket Price	Minimum Payback
\$0.25	65%
\$0.50	65%
\$1.00	70%
\$2.00	75%

4. Ticket price shall not exceed \$2.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:158 (March 1986), amended LR 13:104 (February 1987), LR 18:283 (March 1992).

§1775. Progressive Pull-Tabs

A. Each progressive pull-tab jackpot must be established only through the play of deals bearing a licensed manufacturer's form number. Each jackpot must use the identical form number for each deal contributing to the prize jackpot. Pull-tab deals must meet all requirements as set forth in R.S. 4:725 and 725.1 and in LAC 42:I.1715, 1719, 1771, and 1773.

B. Accountability. Organizations participating in a progressive pull-tab jackpot must maintain all required forms as prescribed by the office.

1. For each progressive pull-tab jackpot, the organization must maintain, at a minimum, the following records for a period of three years from the date that the progressive game prize was awarded or the game was considered closed:

- a. date the progressive jackpot started;
- b. method or rules of determining a potential jackpot winner;
- c. method or rules of determining how a player Wins the jackpot;
- d. dollar amount of contribution into the jackpot per deal;
- e. dollar amount of the jackpot cap;
- f. accumulated jackpot totals including any backup jackpots;
- g. serial number and date sold of the pull tab deals contributing to the jackpot; and
- h. name and identification of the winner with the date and amount won.

2. The organization must maintain a separate non-interest bearing charitable gaming progressive pull-tab checking account. All checks on this account must have preprinted consecutive numbers and have the words "Progressive Pull-Tab Account" and the licensee's state charitable gaming license number printed on the face of the checks. All progressive jackpot winners, regardless of the amount, must be paid by check written from this separate progressive pull-tab account. Checks made payable to cash are prohibited.

3. The amount of contribution into the jackpot per deal must be deposited into this progressive pull-tab account no later than the second banking day following the sale of a complete deal.

4. In addition to the jackpot contribution in Paragraph 3 above, the organization must maintain a minimum balance in their progressive pull-tab account that is equal to \$500 or the organization's average weekly jackpot contribution(s), whichever is greater.

C. Multiple Locations. If an organization offers progressive pull-tabs at multiple locations, the organization must offer separate progressive pull-tabs at each location.

D. Payout Percentage. Progressive pull-tab deals must meet the payout percentage as described in LAC 42:I.1773. The percentage payout per a progressive pull-tab deal must include any contribution into the progressive jackpot from a particular deal.

E. Posting of Progressive Jackpot. Organizations must conspicuously post all progressive jackpot totals, including any backup amounts, in order for the players to determine the amount of jackpots offered at any one time. Organizations must also conspicuously post house rules in complete view of the players describing the means by which specific progressive jackpots will be awarded. Postings must be visible during the entire session offering the progressive pull-tabs.

F. Jackpot Cap Amount. Prior to a jackpot win, the organization may raise, but not lower, a pull-tab progressive jackpot cap.

G. Continuous Play. Once an organization offers a progressive pull-tab for play, the organization must continue to offer that particular progressive pull-tab at every subsequent session at that location until the jackpot and any backup jackpots are won.

H. Cease Play. If an organization ceases playing charitable gaming or wishes to stop playing a progressive jackpot pull-tab game, the organization must, with prior approval from the office, transfer the current jackpot(s) to another progressive game or determine a method to award all progressive jackpots to the players. With prior approval from the office, an organization may alter the suggested rules of the manufacturer to determine a winner.

I. Prohibitions. The following persons are strictly prohibited from playing, directly or indirectly, any progressive pull-tab games:

- 1. all members or volunteers holding, operating, or conducting or assisting in the holding, operating, or conducting any part of a particular charitable gaming session that offers a progressive pull-tab game;
- 2. licensed distributors or manufacturer owners, their shareholders, or directors at any site;
- 3. any employees of licensed distributors or manufacturers while on official duty during any part of a particular charitable gaming session that offers a progressive pull-tab game.

J. Submission to the Office. The manufacturer must submit, within 15 calendar days of the progressive pull-tabs being shipped into the state, information on all progressive pull-tabs being offered. The submission of each type of progressive pull-tab must include the following:

- 1. form number;
- 2. total number of pull-tabs per deal;
- 3. total amount of prizes per deal including jackpot contribution; and
- 4. full set of rules or alternative rules for the progressive pull-tab including the method to determine winners.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:725.1.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Office of Charitable Gaming, LR 29:2853 (December 2003).

Subchapter F. Investigations

§1781. Investigation of License Holders

A. The department may, upon its own motion, investigate the actions of any licensee, licensed manufacturer or distributor. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rule or other statutes of the state of Louisiana has occurred. All licensees, including licensed manufacturers and distributors shall fully cooperate with the division in any such investigation. Cooperation shall include but not be limited to making available for inspection all premises, equipment, books of accounts, records, documents and such information the division may require to insure compliance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:104 (February 1987).

§1783. Suspension and Revocation of License Holders

A. The department may suspend any license held by an alleged violator after opportunity for hearing when:

1. the department receives:
 - a. a certified copy (or other credible evidence) of any judgment or conviction of any licensee or his agent, servant or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana or any Louisiana parish, city or town relating to charitable gaming or gambling; or
 - b. a certified copy of the record (at other credible evidence) of the forfeiture by any permittee or his agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming or gambling; or
2. the department, after investigation, has reasonable cause to believe that any license holder, his agent or employee has violated the provisions of the Act or these rules.

B. The department may suspend a license prior to the opportunity for hearing, when the department, after investigation has reasonable cause to believe continued operation of the licensee endangers public health, safety or welfare. During the period of suspension, the licensee shall not conduct charitable gaming.

C. A license may be revoked, subsequent to opportunity for a hearing, as penalty for violation of the Act or these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 12:157 (March 1986), amended LR 13:104 (February 1987).

§1785. Right to Fair Hearing—Judicial Review

A. When the department revokes, suspends, restricts or denies an application for license renewal, the applicant may request a hearing. The request for a hearing shall be made in writing to the department within 15 days of the revocation, suspension, restriction, or denial by the department. Upon the department's receipt of written request, a hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division, LR 12:157 (March 1986), amended LR 13:105 (February 1987), LR 20:448 (April 1994).

Subchapter G. Civil Penalties

§1787. Penalty Provisions

A. Civil penalties may be assessed by the division against any person, licensee or other legal entity in accordance with the following schedule.

1. Except as provided in LAC 42:I.1755.B, violations of statutes or administrative rules relative to reporting requirements including, but not limited to, submission of quarterly reports shall be subject to a civil penalty not in excess of \$100 per violation.
2. Violations of statutes or rules relative to the conducting of games of chance, including but not limited to, conducting unauthorized games, participation by unauthorized persons, unauthorized distribution or procurement of supplies or equipment, failure to maintain proper records of gaming sessions, failure to properly use and retain records relative to the model accounting system shall be subject to a civil penalty not to exceed \$500 per violation.
3. Violations of statutes or administrative rules relative to making false statements in documents submitted to the division and maintained by the organization including, but not limited to, the applications, monthly or quarterly financial reports, inventories, session records, and any supporting documentation shall be subject to a civil penalty not in excess of \$1,000 per violation.
4. Violations of statutes or rules relative to the use of charitable gaming proceeds including, but not limited to, using net gaming proceeds in whole or in part for any uses other than educational, charitable, patriotic, religious or public spirited shall be subject to a civil penalty not to exceed \$2,000 per violation.
5. Violations of statutes or rules relative to theft or misappropriation of charitable gaming proceeds shall be subject to a civil penalty not to exceed \$5,000 per violation.
6. Failure to comply with orders, warnings or mandates of the division or to comply with agreements

entered into with the division shall be subject to a civil penalty of \$500 per violation.

7. Any other violation of a statutory provision or administrative rule for which a penalty is not provided for in this Section shall be subject to a civil penalty not to exceed \$500 per violation.

B. In addition to denial of a license, refusal to renew a license, restriction, suspension, revocation, civil penalty, or bar from participation in charitable gaming activities, the division may order any person, licensee, or other entity to make full restitution in the amount of any misused, misappropriated or stolen charitable gaming proceeds to the organization or persons deprived thereof and may institute appropriate action for the collection of said amounts.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 13:105 (February 1987), amended LR 18:283 (March 1992).

§1789. Progressive Bingo

A. Any licensed charitable organization or organizations playing at the same location may deposit a predetermined amount of money before each licensed call bingo session into a special account in order to offer a jackpot prize.

B. Participating organizations may conduct a progressive blackout bingo game which shall be conducted in conjunction with the organizations' regular blackout bingo games.

C. A progressive bingo jackpot consists of all contributions made by participating organizations excluding the \$200 start-up fee during the series of progressive bingo jackpot games.

D. A progressive bingo jackpot is won along with the regular jackpot prize when a player achieves a blackout in 49 balls or less. If no blackout is achieved in 49 balls or less, the organization's regular blackout game shall continue. The division may upon written request and adequate justification issue a written approval allowing organizations to increase the number of balls called to achieve a blackout.

E. Separate additional sheets shall be sold at \$2 per sheet for the play of the progressive blackout and regular blackout game. The cut and configuration of sheets shall be established by the organization and shall be approved by the division in writing prior to use.

F. Each participating organization shall provide a start-up fee of \$200 at the commencement of a progressive bingo game series for deposit into a "Charitable Gaming Progressive Jackpot Account." The \$200 start-up fee deposit shall remain in the account until the progressive bingo games are discontinued by the organizations and shall be refundable upon termination of the games or to any single organization withdrawing from the games.

G. A separate checking account shall be opened by the participating organizations for the progressive bingo jackpot.

1. The account shall be in the name of "Charitable Gaming Progressive Jackpot Account" which shall be imprinted on all checks. Checks from this account shall require two signatures.

2. The commercial or noncommercial lessor shall designate a representative who shall make deposits of all monies contributed to the progressive bingo jackpot by 10 a.m. on the next banking day and who shall be responsible for maintaining the "Charitable Gaming Progressive Jackpot Account" in accordance with generally accepted accounting principals approved by the division.

3. Designated representatives of the commercial or noncommercial lessor and each participating organization shall be authorized signatories on the account and shall be in attendance at the location at the conclusion of each respective organization's progressive blackout game for the purpose of issuing a check bearing the signatures of the hall representative and the organization representative from the special account to the winner.

4. All banking fees and costs shall be borne by the commercial or noncommercial lessor.

H. Each participating organization shall submit a check to the designated commercial or noncommercial lessor representative in the amount of \$100 prior to the commencement of the organization's scheduled call bingo session made payable to the "Charitable Gaming Progressive Jackpot Account." The \$100 contribution shall be nonrefundable except in the event of hall closure. Each \$100 contribution shall constitute part of the total amount of prizes awarded during that call bingo session.

I. The dollar amount of the progressive bingo jackpot shall be continuously and conspicuously displayed only during call bingo sessions conducted by participating organizations at the location and within view of all patrons purchasing progressive and regular blackout sheets.

J. All checks written to the "Charitable Gaming Progressive Jackpot Account" shall be reported in a manner acceptable to the division and the governing authority of the municipality or parish.

K. In accordance with R.S. 33:4861.26.E, participating organizations may establish a maximum jackpot or cap only upon written application to and receipt of written permission from the division. Once approved by the division, any subsequent change to the maximum jackpot or cap shall require written approval from the division. Participating organizations may, prior to the progressive bingo jackpot being won, raise but may not lower the maximum jackpot or cap.

1. Such request for written approval shall include at least the following information:

a. the location where the progressive bingo jackpot game shall be conducted;

b. the name and license number of each organization participating in the game;

c. the total amount of funds currently in the charitable gaming progressive jackpot account;

d. the current progressive jackpot in the charitable gaming progressive jackpot account;

e. the current amount of organizations' start up fees in the charitable gaming progressive jackpot account;

f. the requested maximum jackpot or cap and the proposed date in which such maximum jackpot or cap shall be offered as the progressive bingo jackpot prize.

2. In the event that the maximum jackpot or cap established with the division is reached, organizations may continue to make contributions to the charitable gaming progressive jackpot account in the amount of \$100 in order to accumulate a second or subsequent jackpot. However, once the maximum jackpot or cap is reached, participating organizations shall not offer any subsequent progressive bingo jackpot prize until such time that the first progressive bingo jackpot prize is won.

3. The dollar amount of the maximum jackpot or cap as established with the division shall be continuously and conspicuously displayed with the current dollar amount of the progressive bingo jackpot.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.26.E and R.S. 40:1485.4.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division LR 20:448 (April 1994), amended LR 21:472 (May 1995), LR 22:110 (February 1996).

§1791. Progressive Mega Jackpot Bingo

A. In accordance with R.S. 33:4861.3 and R.S. 33:4861.26, the governing authority of any municipality or parish shall decide whether a progressive mega jackpot bingo game shall be permitted within the municipality or parish. Such game shall be the aggregate of predetermined contributions made by a group of licensed charitable organizations before each licensed call bingo session deposited into one special account in order to offer a prize for a specific progressive mega jackpot bingo game. For the purpose of conducting a progressive mega jackpot bingo game, such organizations shall:

1. establish links or networks as provided in R.S. 33:4861.26.A.(1) and G;

2. deposit a predetermined amount of money not to exceed \$100 per participating organization into one special account before each licensed call bingo gaming session. Each contribution shall be in the amount of \$100 and shall be considered part of the total amount of prizes awarded during that session.

B. Participation. Organizations shall participate in only one progressive mega jackpot bingo game at a time and only within the jurisdictional limits approved by the division.

1. Organizations participating in a progressive blackout bingo game as authorized by LAC 42:I.1789 at the same location shall not be allowed to participate in a progressive mega jackpot bingo game. Any organization

electing to participate in a progressive mega jackpot bingo game shall first award any progressive blackout bingo prize as authorized by LAC 42:I.1789 prior to entry into any such game.

2. As provided in R.S. 33:4861.26.G, in the event that the population of a single parish exceeds 400,000, only those organizations playing call bingo within that parish shall be able to network or link with other organizations within that parish to offer a prize for a specific progressive mega jackpot bingo game. In the event that the population of a single parish does not exceed 400,000, those organizations playing call bingo within that parish may network or link with other organizations of other parishes as long as the combined population of those parishes networking or linking together does not exceed 400,000.

3. The population of the respective parishes shall be based on the parish population figures as shown by the most recent federal decennial census.

C. Requirements Prior to Start Up. Each location, hall, commercial lessor or noncommercial lessor that has any licensed organization(s) participating in the progressive mega bingo jackpot game shall transmit by facsimile to the division and to the respective governing authority of the parish or municipality or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable, the following information and documentation prior to the start up of a progressive mega jackpot bingo game or before any additional organizations are allowed to enter:

1. list of names of licensed charitable organizations participating in the progressive mega jackpot bingo game and the respective gaming location's name and physical address, and the designated organization representative as provided in Paragraph I.2 and any subsequent changes;

2. list of all members holding, operating, or conducting or assisting in holding, operating, or conducting any game or games of chance, if different from the list submitted with the most current license application;

3. a copy of the authorized signatory cards for the progressive mega jackpot bingo account and any subsequent changes;

4. a copy of the ordinance from the governing authority of the municipality or parish allowing the progressive mega jackpot bingo game, and the population statistics for the parish or parishes, if applicable;

5. the governing authority of the municipality or parish, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable;

6. the proposed starting date and session time of the progressive mega jackpot bingo game.

D. Entry and Withdrawal. Each participating organization shall provide a start up fee in the amount of \$200 at the commencement of or entry into a progressive mega jackpot bingo game for deposit into a "Charitable

Gaming Progressive Mega Jackpot Bingo Account." All organizations electing to participate in a progressive mega jackpot bingo game shall contribute an additional \$100 prior to the commencement of a progressive mega jackpot bingo game which shall constitute the progressive mega jackpot bingo prize for the first 24-hour period. This contribution is nonrefundable and shall also be considered part of the total amount of prizes awarded for each organization's first scheduled session of the progressive mega jackpot bingo game.

1. Each participating organization shall submit a check to the designated hall, commercial lessor or noncommercial lessor representative in the amount of \$100 during its licensed four-hour session and prior to the commencement of the organization's first scheduled call bingo game made payable to the "Charitable Gaming Progressive Mega Jackpot Bingo Account." This \$100 contribution is nonrefundable and shall constitute part of the progressive mega jackpot bingo prize for the following day and shall be considered part of the total amount of prizes awarded during that session.

2. If a participating organization voluntarily or involuntarily discontinues participation in the progressive mega jackpot bingo game for any reason, that organization shall not be allowed to re-enter the progressive mega jackpot bingo game until the current progressive mega jackpot bingo prize is won.

3. The \$200 start-up fee deposit shall remain in the account until the progressive mega jackpot bingo game is discontinued by the organizations and shall be refundable upon discontinuance of the progressive mega jackpot bingo blackout game or to any single organization withdrawing, whether voluntarily or involuntarily, from the progressive mega jackpot bingo game within three calendar days of withdrawal.

4. Except as otherwise provided in Paragraph 2 of this Subsection, organizations shall be allowed entry into the progressive mega jackpot bingo game at any time before the progressive mega jackpot bingo blackout prize is won.

5. All monies accumulated in the progressive mega jackpot bingo account for a game shall be given away if all participating organizations in that game withdraw, voluntarily or involuntarily, and discontinue that progressive mega jackpot bingo game.

E. Structure of Game. The progressive mega jackpot bingo game shall be conducted in conjunction with the organizations' regular blackout bingo games and the structure of such game shall be as follows:

1. Only separate additional 3 on 1 up sealed vertical bingo sheets shall be sold at \$2 per sheet for the play of only the progressive mega jackpot bingo game. Purchase of the 3 on 1 up sealed vertical bingo sheet shall afford patrons a chance to win the progressive mega jackpot bingo game and the regular blackout bingo prize.

2. Only those patrons who have purchased a minimum buy-in package for the organization's regular session games shall be allowed to purchase separate 3 on 1 up sealed vertical bingo sheets for the progressive mega jackpot bingo game at that session. The minimum buy-in package shall not contain sheets of cards that entitle a patron to win the progressive mega jackpot bingo prize, but the purchase of any such package shall afford a patron the opportunity to win only the respective organization's regular blackout bingo prize.

3. Any card or sheet that is altered from the original manufacturer's cut, collation, or print shall be invalid.

4. No progressive mega jackpot bingo game 3 on 1 up sealed vertical bingo sheets shall be sold after the first ball is called for the progressive mega jackpot bingo game. Such progressive mega jackpot bingo sheets shall:

a. be purchased by the organization on a separate invoice from a licensed distributor;

b. have an assigned fixed value for each participating organization approved by the division in writing prior to start up of or entry into any progressive mega jackpot bingo game and shall only be good for the session date stamped;

c. be stamped with the words "PROGRESSIVE MEGA JACKPOT BINGO GAME", the organizations' name, license number, and session date to be valid and shall not be purchased as part of a buy-in package.

5. The progressive mega jackpot bingo game shall be completed as the last called bingo game of the licensed session.

F. Amount of Prizes Awarded. A progressive mega jackpot bingo account consists of all contributions made by participating organizations excluding the \$200 start up fee as provided in Subsection D of this Section during the progressive mega jackpot bingo game.

1. Except as otherwise provided in Subsection D of this Section, the dollar amount of the progressive mega jackpot bingo game shall be the accumulated dollar amount of all contributions deposited or due to be deposited into the progressive mega jackpot bingo account by all participating organizations in a progressive mega jackpot bingo game for the period ending at 12 a.m. (midnight) of the previous calendar day.

2. The dollar amount of any progressive mega jackpot bingo game shall not exceed the sum of \$50,000. Participating organizations shall not cap the progressive mega jackpot bingo prize in an amount less than the limit of \$50,000. Once the limit in the amount of \$50,000 is reached for any progressive mega jackpot bingo game, participating organizations shall continue to make contributions to the progressive mega jackpot bingo account to accumulate a second or subsequent jackpot. However, in the event that the limit in the amount of \$50,000 is reached, organizations shall not offer any subsequent progressive mega jackpot bingo prize until such time that the progressive mega jackpot

prize limit in the amount of \$50,000 is won. Only one progressive mega jackpot prize of participating organizations shall be awarded during any 24-hour period as provided in Subsection G of this Section.

G. Time of Game. The organizations' licensed session starting time and date shall be the basis for determining the winner(s) to be paid during a 24-hour period. For purposes of determining the time of a progressive mega jackpot bingo prize winner(s), a 24-hour period shall include all licensed sessions of participating organizations licensed to commence beginning on or after 12:01 a.m. and ending 24 hours later on or before 12 a.m. (midnight).

H. Winner(s). A progressive mega jackpot bingo game shall be won when any player(s) achieves a blackout in 48 balls called or less only on the 3 on 1 up sealed vertical bingo sheet and only during the 24-hour period described in Subsection G of this Section. Each face on any 3 on 1 up vertical bingo sheet shall be considered when determining the number of winners.

1. In the event that a patron achieves a blackout in 47 balls called or less on a sheet of cards from a minimum buy-in package, that patron shall win only the regular blackout bingo prize of the respective organization and that regular blackout bingo game shall end. If such a blackout is achieved in 47 balls called or less, play shall resume until the forty-eighth ball is called, and once called, the progressive mega jackpot bingo game shall end. If no blackout is achieved, the game shall continue until a consolation prize is won as provided in Paragraph 5 of this Subsection.

2. In the event a patron achieves a blackout on sheets of cards from a minimum buy-in package on the same number of balls called as a patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet, the regular blackout bingo prize of the respective organization shall be divided equally between all verified winners of the progressive mega jackpot bingo game at that session. The progressive mega jackpot bingo game shall be won only by a patron(s) who achieves a blackout on the 3 on 1 up sealed vertical bingo sheet as provided in this Subsection.

3. In the event there is more than one winner of the progressive mega jackpot bingo game during the 24-hour period as provided in Subsection G of this Section, the progressive mega jackpot bingo prize shall be divided equally between all verified winners of that progressive mega jackpot bingo game.

4. A patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet in fewer balls called than a patron who achieves a blackout on a 3 on 1 up sealed vertical bingo sheet at another licensed session of a participating organization shall share the progressive mega jackpot bingo prize equally with all verified winners during the 24-hour period as provided in Subsection G of this Section.

5. If no blackout is achieved in 48 balls called or less, the organization's progressive mega jackpot bingo game shall continue until a consolation prize is won. The

consolation prize shall be the respective organization's regular blackout bingo prize and shall constitute part of the total amount of prizes awarded during that called bingo session.

6. A ball shall not be considered called unless it has been announced by the caller.

7. The division may, upon written request and adequate justification, issue a written approval allowing participating organizations in a progressive mega jackpot bingo game to increase the number of balls called to achieve a progressive mega jackpot bingo prize winner. Such request shall be signed by all bingo chairpersons of each participating organization.

I. Noninterest Bearing Account. A separate noninterest bearing checking account shall be opened by the participating organizations for the progressive mega jackpot bingo game.

1. The account shall be in the name of "Charitable Gaming Progressive Mega Jackpot Bingo Account" which shall be imprinted on all checks. Checks from this account shall require two signatures.

2. Each location, hall, commercial lessor, or non-commercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall designate in writing and submit to the division a representative who shall make deposits and obtain bank receipts of all monies contributed and deposited into the progressive mega jackpot bingo game account before the close of bank business on the next banking day.

3. At least two designated representatives of each participating organization shall be authorized signatories on the account.

4. Monthly bank statements for the progressive mega jackpot bingo game account shall be mailed directly to the governing authority of the municipality or parish, or the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo game, if applicable.

5. All banking fees and other costs related to the progressive mega jackpot bingo game shall be borne as provided in Subsection N of this Section.

J. The dollar amount of the progressive mega jackpot bingo game shall be continuously and conspicuously displayed by participating organizations during call bingo sessions conducted only by participating organizations at least within the location and within view of all patrons purchasing progressive mega jackpot bingo sheets.

K. All revenues related to the progressive mega jackpot bingo game, and all checks written to and issued from the "Charitable Gaming Progressive Mega Jackpot Bingo Account" shall be reported by each participating organization in a manner acceptable to the division, the governing authority of the municipality or parish, and the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo game, if applicable.

L. Any licensed charitable organizations playing bingo within the state who participates in a progressive mega jackpot bingo game shall contract a certified public accountant or management company selected by the participating organizations and who shall be approved by the division to oversee the progressive mega jackpot bingo game and account in the event that the governing authority of the municipality or parish does not have a regulatory body to oversee the game. The governing authority of the municipality or parish, or if applicable, the contracted certified public accountant or management company approved by the division shall be responsible for, but not limited to the following:

1. reconciling bank statements monthly;
2. ensuring that each \$100 contribution for each session played has been properly deposited in a timely manner, as described in Subsection R of this Section;
3. ensuring that all banking fees and other related costs as provided in Subsection N of this Section are recovered from the proper parties;
4. ensuring that checks written on the account are disbursed only to verified progressive mega jackpot bingo blackout prize winners, to organizations requesting refunds of the \$200 start up fee due to voluntary or involuntary withdrawal from the progressive mega jackpot bingo game as provided in Subsection D of this Section, or for those purposes as may be necessary, if approved in writing by the division;
5. immediately notifying by facsimile all organizations participating in the progressive mega jackpot bingo game that the \$50,000 limit has been reached.

M. Equipment. Each location, hall, commercial lessor or noncommercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall have at least the following equipment on site and operational at all times.

1. Facsimile machine installation at each such location capable of transmitting to the division, the governing authority of the parish or municipality, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game, if applicable.
2. A minimum of at least one camera and one monitor at each such location that is capable of televising the first and the next ball to be called and the winning card(s) of the progressive mega jackpot bingo game(s) to the patrons at that session.
3. A video cassette recorder at each such location capable of monitoring and recording any winning card and all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game.
4. A minimum of at least two bingo boards at each such location capable of displaying the bingo balls called for the regular games, the blackout game, the bonanza games, and the progressive mega jackpot bingo game.

5. A master verification checkbook or similar verification device at each such location depicting the faces of the bingo cards printed by the manufacturer of the bingo cards being used for the progressive mega jackpot bingo game.

N. Costs. Each location, hall, commercial lessor or non-commercial lessor that has any licensed organization(s) participating in the progressive mega jackpot bingo game shall bear all costs, related to, but not limited to, the following:

1. facsimile machine installation at each such location capable of transmitting the required data and information to the division, the governing authority of the parish or municipality, or the certified public accountant or management company contracted to oversee the progressive mega jackpot bingo game for the parish or parishes, if applicable;
2. banking fees and other related costs, accounting fees of the certified public accountant or management company contracted to oversee all deposits, disbursements, and reporting and tax requirements of the progressive mega jackpot bingo game account(s), if applicable. These costs shall be shared by each such location proportionate to the number of sessions held at each site;
3. attorney fees as may be required for any progressive mega jackpot bingo game. These costs shall be shared by each such location proportionate to the number of sessions held at each site;
4. a minimum of at least one camera and one monitor at each such location that is capable of televising the first and next ball to be called and the winning card(s) of the progressive mega jackpot bingo game to patrons at that session;
5. a video cassette recorder capable of monitoring and recording any winning card and all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game;

6. a minimum of at least two bingo boards capable of displaying the bingo balls called for the regular games, the blackout game, the bonanza games and the progressive mega jackpot bingo game;

7. a master verification checkbook or similar verification device at each such location depicting the faces of the bingo cards printed by the manufacturer of the bingo cards being used for the progressive mega jackpot bingo game.

O. Organization Requirements and Verification Procedures. All licensed charitable organizations participating in a progressive mega jackpot bingo game shall use the following procedures in verifying the play and winner(s) of the progressive mega jackpot bingo game.

1. Use at each of its games the required camera, monitor, and video cassette recorder at its gaming location to televise and record the following:

a. the caller announcing the organization's name, license number, session date and time prior to calling the first ball of the progressive mega jackpot bingo game;

b. all bingo balls as they are extracted from the bingo machine and announced to the patrons along with any hand movement of the caller during the entire progressive mega jackpot bingo game;

c. the winning card(s) of the progressive mega jackpot bingo game and to display on the monitor such card(s) to the patrons at that session.

2. Use at each of its sessions at least two bingo boards for its progressive mega jackpot bingo game.

3. Ensure that all bingo balls are available and have not been modified in any way from their original manufacture before placing them in play. Bingo balls shall be inspected by at least the hall manager, session manager, bingo manager, caller, and at least two bingo patrons before placing them in play for the progressive mega jackpot bingo game.

4. Ensure that any division, parish, or municipal representative, any bona fide active member of the participating organizations, any participating hall owner or representative(s), and any participating patron present has the right and ample opportunity to view and inspect any ball or balls for the progressive mega jackpot bingo game before placing them in play and after any winner has been achieved.

5. The caller shall announce:

a. the organization's name, license number, session date and time, and record this information on the video cassette prior to calling the first ball of the progressive mega jackpot bingo game;

b. the dollar amount of the progressive mega jackpot bingo prize prior to the start of each gaming session;

c. that the progressive mega jackpot bingo game shall commence at least five minutes before the first ball is called for the progressive mega jackpot bingo game;

d. when the forty-eighth ball is called and ask if there are any winners;

e. any progressive mega jackpot bingo game winners from another organization's licensed session for the 24-hour period as provided in Subsection H of this Section prior to the first called bingo game of a session or upon receipt of a the facsimile as provided in Paragraph 13 of this Subsection;

f. in order to be eligible to win the progressive mega jackpot bingo game and to collect the prize, one must possess two of the four types of personal identification as provided in Subsection P of this Section.

6. Reduce to writing the sequence that the bingo balls are actually called for the progressive mega jackpot bingo game. Such record shall be in ink and shall become part of the session records and shall be maintained for a period of three years as required by this Part.

7. In the event that there is a progressive mega jackpot bingo game winner as provided in Subsection H of this Section, the video cassette tape shall immediately be rendered incapable of further recording, and secured by the session manager of that organization.

a. The organization shall verify that the winning progressive mega jackpot bingo card(s) compares to the actual balls called. Such verification shall be made by at least the session manager, bingo manager, and the caller.

b. The organization shall use at each of its games the master verification checkbook or similar verification device at its gaming location to compare to the winning card(s) of the progressive mega jackpot bingo game to ensure that such winning card(s) is a valid winner and has not been altered. Such verification shall be made by at least the session manager, bingo manager, and the caller.

c. The organization shall forward such cassette to the division or to the governing authority of the municipality or parish within three business days where it shall be reviewed and retained for a period of one year.

8. In the event that a licensed bingo session is not held by any participating organization, such organization shall transmit a facsimile immediately to the division and the governing parish or municipal regulatory body or the contracted certified public accountant or management company, if applicable, stating that a licensed session was not held and the reason why the session was not held. This facsimile shall be signed by the organization's member-in-charge.

9. Ensure that the contracted certified public account or management company, if applicable, receives a copy of the participating organization's licensed scheduled sessions prior to beginning the progressive mega jackpot bingo game and any subsequent changes to said license.

10. Vouchers. All organizations participating in a progressive mega jackpot bingo game shall utilize the same type of carbon copy voucher when awarding progressive mega jackpot bingo prize winners. All required information on the voucher(s) shall be accurately completed and properly signed immediately after the winning progressive mega jackpot bingo card(s) has been verified as provided by this Subsection. The voucher(s) shall contain, but shall not be limited to, the following information:

a. organization name, license number, session date, and session starting time;

b. printed names and signatures of the session manager, bingo manager, and caller;

c. name of the hall;

d. number of winners for the session;

e. number of balls called for the winning card;

f. printed name, signature, current address, Social Security number, and telephone number of the winner.

11. Any winner(s) of the progressive mega jackpot bingo game shall be given the original voucher, and the carbon copy voucher(s) shall be retained along with the winning 3 on 1 up sealed vertical bingo sheet(s) by the organization awarding the progressive mega jackpot bingo prize. The progressive mega jackpot bingo winner(s) printed name(s), signature(s) and Social Security number(s) shall be affixed to the back of the winning card(s) in order to be valid.

12. Any participating organization(s) which has a progressive mega jackpot bingo winner(s) at its licensed session shall immediately transmit by facsimile the completed voucher(s), the session record as provided in Paragraph 6 of this Subsection and the winning card(s) of the progressive mega jackpot bingo game to the following:

- a. the division;
- b. governing parish or municipal regulatory body, if applicable;
- c. the contracted certified public accountant or management company approved by the division for that progressive mega jackpot bingo game, if applicable;
- d. all locations, halls, commercial lessors and non-commercial lessors whose organizations participate in the progressive mega jackpot bingo game.

P. Payment of the Winner(s). The original voucher(s), the carbon copy voucher(s) and the original winning 3 on 1 up sealed vertical bingo sheet(s) shall be presented to the governing parish or municipal regulatory body or the contracted certified public accountant(s) or management company, if applicable, within three working days for verification. No winner(s) of the progressive mega jackpot bingo prize shall be certified and no winner shall be paid until verified by the governing parish or municipal regulatory body or the contracted certified public accountant or management company, if applicable. Any winner of the progressive mega jackpot bingo game shall be paid only by check from the charitable gaming progressive mega jackpot bingo account. No winner(s) of the progressive mega jackpot bingo prize shall be paid unless two of the following types of personal identification are presented by the winner(s) to the governing parish or municipal regulatory body or the certified public accountant or management company overseeing the progressive mega jackpot bingo account, if applicable:

1. Social Security card;
2. valid driver's license;
3. voter's registration card;
4. birth certificate.

Q. Any organization awarding a progressive mega jackpot bingo prize shall be responsible for all local, parish, state, and federal tax withholding and reporting requirements.

R. Each location, hall, commercial lessor, or non-commercial lessor that has any licensed organization participating in the progressive mega jackpot bingo game shall:

1. prepare a detailed deposit slip(s) for all participating organizations' contributions to the progressive mega jackpot bingo game to be deposited from the previous calendar day indicating each licensed organization's name, license number, and the amount to be deposited;

2. deposit all participating organizations' contributions to the progressive mega jackpot bingo game from the previous calendar day(s) into the progressive mega jackpot bingo account before close of bank business on the next banking day, and maintain a detailed log of such deposits;

3. transmit daily by facsimile the detailed deposit slip and proof of deposit as provided in Paragraphs 1 and 2 of this Subsection to the governing parish or municipality regulatory body or the contracted certified public accountant or management company overseeing the progressive mega jackpot bingo account for that game, if applicable;

4. immediately and conspicuously display at each participating progressive mega jackpot bingo game site for a period of one week after the awarding of the progressive mega jackpot bingo game prize at least the following information concerning the progressive mega jackpot bingo winner:

- a. the location, hall, commercial hall or noncommercial hall where the progressive mega jackpot bingo prize was won;
- b. date and time that the progressive mega jackpot bingo was prize won;
- c. the organizations' name, license number, and session starting time from which the progressive mega jackpot bingo prize was won;
- d. the amount of the progressive mega jackpot bingo prize awarded;
- e. the number of winners for that progressive mega jackpot bingo prize;

5. ensure that all bingo equipment, including but not limited to, the required camera, monitor, video cassette recorder, bingo boards, and the verification device is properly maintained and is functional before and during each licensed session;

6. ensure that all bingo balls are available and have not been modified in any way from their original manufacture before placing them in play;

7. ensure that the progressive mega jackpot bingo prize amount is continuously posted and conspicuously displayed prior to and during the entire progressive mega jackpot bingo game of each respective organization;

8. ensure that a copy of the progressive mega jackpot bingo rules are continuously posted and conspicuously displayed for all patrons to review;

9. ensure that in the case of a hall closure that the participating organizations have the opportunity to hold a final session to award the progressive mega jackpot bingo prize as provided in Subsection D of this Section.

LOUISIANA GAMING

S. The following persons shall be strictly prohibited from playing for the progressive mega jackpot bingo prize.

1. No charitable gaming employee or volunteer shall play for the progressive mega jackpot bingo prize while on duty at the gaming site. For purposes of this Section, a gaming employee or volunteer is any member of the licensed organization holding, operating or conducting any game or games of chance or any member of another licensed organization assisting in the holding, operating or conducting of any game or games of chance. A gaming employee or volunteer working any part of a session or taking a temporary break shall be considered on duty for that gaming session. A charitable gaming employee or volunteer may play bingo, while off duty, at another gaming site other than the site where their organization(s) conduct(s) a licensed gaming session.

2. No location, hall, commercial lessor or non-commercial lessor owners, or its shareholders, directors, employees or agents shall play the progressive mega jackpot bingo game at their licensed location.

3. No licensed distributor owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

4. No licensed manufacturer owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

5. No licensed private casino contractor owners, or its shareholders, directors or agents shall play the progressive mega jackpot bingo game at any site.

6. No employee who regulates charitable games of chance on a state, parish or local level shall play the progressive mega jackpot bingo game at any site.

T. Players of the progressive mega jackpot bingo game shall not be allowed to play bingo cards for any person enumerated in Subsection S of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.26 and R.S. 40:1485.4.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Charitable Gaming Division, LR 22:111 (February 1996).

Title 42
LOUISIANA GAMING
Part I. Charitable Bingo, Keno, Raffle
Subpart 2. Electronic Video Bingo

Chapter 18. Electronic Video Bingo
Rules

§1801. Statement of Department Policy

A. The public health, safety and welfare, is the primary consideration in promulgating electronic video bingo machine rules and shall continue to be the primary consideration in their application and enforcement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:793 (November 1988).

§1803. Definitions and Terms

A. As used throughout this Chapter, the following definitions apply.

Accounting Ticket An electronic readout which will give the following information on a printed ticket:

- a. the serial number of the machine;
- b. the time of day that ticket was printed in hours and minutes in a 24-hour format;
- c. the date on which the ticket was printed;
- d. coins in;
- e. credits played;
- f. credits won;
- g. credits paid.

Act The Charitable Bingo, Keno and Raffle Law enacted as Louisiana Revised Statutes 33:4861.1 et seq., including all amendments thereto that may hereafter be enacted including Acts 671, 823, 373 and 989 of 1985.

Applicant Any person who has applied for or is about to apply for registration as a manufacturer, distributor or supplier or for a permit stamp for an electronic video bingo machine.

Audit Copies An exact copy of each printed ticket voucher, said copy to be printed and retained until submitted in conjunction with reporting requirements.

Bingo The game of chance commonly known as bingo played for prizes with cards bearing numbers or other designations, five or more in one line, the holder covering numbers, as objects, similarly numbered are drawn from a receptacle and the game being won by a person who first covers a previously designated arrangement of numbers on such a card.

Charitable Organization A nonprofit veterans, eleemosynary, benevolent, education, religious, fraternal or civil and service association or corporation domiciled in this state. Any such organization or corporation shall have qualified with the United States Revenue Service for an exemption from federal income tax under Section 501(c)(3), (4), (7), (8), (9), or (10) of the Internal Revenue Code.

Commercial Lessor Any person or other entity, except a nonprofit organization who holds a bingo license, who leases any building, structure or premises to holders of bingo licenses.

Commercial Lessor's Location A building, structure or premises leased to nonprofit organizations who hold bingo licenses at said location.

Cost of Each Game The amount charged for each game played on the machine; said amount shall not be less than one quarter nor more than four quarters.

Department The Louisiana Department of Justice, Office of the Attorney General, and shall include the electronic video panel of the Department of Justice.

Distributor A person or business entity who owns and leases electronic video bingo machines to a charitable organization in this state.

Electronic Video Bingo A machine designed for the specific purpose of playing the game of bingo as described above except that an electronic random number generator may be utilized to select numbers in lieu of the drawing of numbers from a receptacle and that one or more video images containing numbers or other designations five or more in one line may be utilized instead of a card.

Gross Revenues Total coins played into a permitted machine without regard for expenses or payouts.

Law The Electronic Video Bingo Machine Law, R.S. 33:4861.17 including all amendments thereto that may hereafter be enacted.

Lease Agreement That agreement entered into between the holder of a bingo license and the electronic video bingo permittee; said agreement shall indicate that at least 45 percent of the net win from a machine must be paid to the licensee.

Manufacturer A person or business entity who manufactures for sale electronic video bingo machines in this state.

Maximum Prize Not more than \$1,000 cash.

Net Revenue—The sum obtained by subtracting total coins in minus total amount paid out as ticket vouchers tendered for cash money.

Net Win—The sum obtained by subtracting total coins in minus total amount paid out on ticket vouchers tendered for cash money.

Noncommercial Lessor—Any nonprofit organization who holds a bingo license and who leases any building, structure or premises to other holders of bingo licenses.

Noncommercial Location—A building, structure or premises owned or occupied by a nonprofit organization who holds a bingo license the principal activities at the location shall be the meeting of members and the conducting of affairs of the nonprofit organization.

Payout—The number of credits won by the players, whether used to play additional games or collected on a ticket voucher in proportion to the amount of cash and credit wagered: said payout shall not be less than 80 percent nor more than 90 percent of the amount of cash and credits wagered.

Permit Stamp—An exterior decal issued by the department which authorizes a specific machine to be operated as an electronic video bingo machine.

Permit Stamp Fee—The amount paid by the permittee to the department for each machine permitted.

Permittee—A manufacturer, distributor or charitable organization who owns electronic video bingo machine(s) and operates those permitted machines in accord with these rules and regulations.

Person—An individual, partnership, joint venture, or corporation doing business in this state.

Rules—These regulations.

Seal A—The seal placed on PROMs of the logic board of all electronic video bingo machines.

Seal B—The seal placed on hard meter counter of all electronic video bingo machines.

Ticket Voucher—A printed ticket which is tendered to the player at the completion of game play if there are any remaining credits on the game. These ticket vouchers are redeemable for cash money.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:793 (November 1988).

§1805. Registration of Manufacturers, Distributors or Owners of Electronic Video Bingo Machines

A. Any person desiring to own, sell or distribute electronic video bingo machines in this state shall:

1. be issued and maintain all required federal, state, parish, and municipal licenses;

2. apply to the department on forms prescribed by the department for registration and pay to the department a nonrefundable \$2,000 registration fee. Said fee is payable on initial application and will be used by the department to cover the cost of processing the application, and any other costs associated with the administration of these rules. If the cost of a background check of the applicant and his business exceeds \$2,000, the applicant will be given notice of these anticipated additional costs prior to the expenditure by the department;

3. apply to the department on forms prescribed 90 days prior to the end of the registration year (June 30) for a renewal of registration. Said application for renewal shall be accompanied by a \$500 nonrefundable fee; which shall be used by the department to cover the cost of the renewal application, including background checks and other costs associated with the administration of these rules;

4. furnish to the department monthly reports identifying the quantities, models, manufacturers, owners, and distributors of machines, and such other information the department may determine necessary to regulate and control electronic video bingo machines in accordance with the Act and these rules; and

5. meet the suitability and business relationship criteria of §1817.

B. No manufacturer or distributor except one who is a licensed charity shall be registered who holds a permit or who is directly involved with the operating or the assisting in the operation of any other game of chance permitted under the Act or who is involved directly or indirectly in leasing or renting any premises or equipment for such game or in the providing of any other incidental goods or service in connection with such game or games.

C. No manufacturer or distributor shall ship electronic video machines into this state until his application for registration is granted by the department.

D. Registration may be suspended or revoked by the department upon the department's determination, after notice and opportunity for hearing, that the registrant has not complied with the conditions of registration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:794 (November 1988).

§1807. Permitting Process

A. Eligibility. Permit stamps for electronic video bingo shall only be issued to:

1. a charitable organization doing business in those parishes or incorporated municipalities where an ordinance has been adopted allowing gaming by means of electronic video bingo; or

2. a manufacturer or distributor of electronic video bingo machines who is registered under these rules and who leases or rents such machines only to charitable

organizations in parishes or incorporated municipalities where an ordinance has been adopted allowing gaming by means of electronic video bingo.

B. Application for Permit Stamp

1. An application to permit an electronic video bingo machine must be submitted to the Electronic Video Bingo Panel of the department upon forms prescribed by the department. The application is not complete unless it is dated and signed by the applicant, and contains all information and statements required by the department.

2. A separate application must be completed for each machine.

3. The first installment \$150 of the \$600 permit fee must accompany each application.

4. A machine permitted under these rules must comply with all requirements and specifications of the Act and these rules.

C. Issuance of Permit Stamp

1. Upon approval of an application, the department shall issue a permit, stamp, a logic board seal, (Seal A) and a hard meter seal, (Seal B).

2. The permit stamp and seals will be affixed to the machine by the department's representatives. The permit stamp must be affixed to the exterior machine cabinet so that the stamp is visible and easily read. The machine may not abut another machine, wall or other obstruction which would obscure a person's ability to see and read the permit stamp.

3. The permit stamp and seals must be affixed to a machine before the machine is placed in service.

4. The permit stamp and seals must be affixed to the machine for which they were applied and are not transferable to any other machine.

5. A violation of the aforementioned provisions may result in a civil violation and fee and possible revocation of license in accordance with these regulations.

D. Permit Stamp Not Transferable

1. A permit stamp for an electronic video bingo machine is only valid for the applicant and the premises identified on the permit application.

2. A permit stamp is further restricted to the particular machine approved by the department and identified on the permit application.

3. A permit stamp issued pursuant to the Act and these rules is a privilege and not personal property.

4. A machine may not be moved from the location named in the permit application and placed in service at another location unless application is made for transfer, the video bingo machine is permitted at the new location, the machine is inspected, the permit fee is current and a new permit stamp is issued. A new permit stamp is required even if a machine has a current unexpired permit stamp for the former location.

E. Expiration or Renewal of Permit

1. All permits expire at midnight June 30, each year.

2. An application for permit renewal and the nonrefundable permit fee must be submitted to the Electronic Video Bingo Panel of the department on forms prescribed by the department 90 days prior to June 30, the expiration date of all permits. All fees must be paid, a new permit issued, and seals issued and affixed to the machine before a previously permitted machine may be operated after midnight of June 30.

3. The department will consider the same criteria for renewal of permits as for the original issuance of permits. Failure to satisfy permit criteria contained in the Act and these rules may result in denial of renewal of a permit, except for permits requested in fiscal year 1988-89; for said year the panel will develop a particular timeline for permit renewal and publish this timeline to all interested persons.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:795 (November 1988).

§1809. Machine, Hardware and Software Specifications

A. General Specifications. Detailed specifications for electronic video bingo machines are required by the department. Such specifications are required to ensure the legal operation and integrity of each machine and provide the department with methods to monitor machines.

B. Hardware Specifications. An electronic video bingo machine must include the following hardware specifications.

1. All electrical and mechanical parts and design principles shall follow acceptable codes and standards in both design and manufacture.

2. An electronic video bingo machine shall be designed to ensure that the player will not be subjected to any unreasonable physical, electrical, or mechanical hazards.

3. A machine shall be equipped with a surge protector that will feed all AC, electrical current to the machine and a battery backup power supply to maintain the accuracy of all electronic meters displaying information required by the Act and these rules during power fluctuations and loss. The battery must be in a state of charge during normal operation of the machine.

4. The design of a machine shall ensure there are no readily accessible game function-related points which would allow any input and that there is no access to input or output circuits unless it is necessary for the proper operation of the machine.

5. The nonresettable mechanical meters required must meet the following specifications:

a. either the meters must be located so they can be viewed and read externally from the front of the machine or the keys to the cash area must be immediately available at the permitted premises;

b. the meters shall be situated in a left to right or top to bottom configuration according to function and visibly labeled as follows:

- i. coins in;
- ii. credits played;
- iii. credits won;
- iv. credits paid; and

c. the mechanical meters shall be manufactured in such a way as to prevent access to the internal parts of the meter.

6. The department may require and provide a valid identification sticker to be attached to the mechanical meters to verify the meters are assigned to a specific permitted machine.

7. A machine must have a separate and locked area for the logic board and software. The department must be allowed immediate access to this locked area upon request. Permittee must notify the department if access to this area becomes necessary and make application for authorization to access area on forms prescribed by the department. Seals may be broken only in the presence of department personnel after having made application for and receiving authorization.

8. The ticket printing mechanism must be located in the locked logic area to ensure the safekeeping of the audit copy. The printing mechanism must produce a printed original and duplicate that will remain legible throughout the retention period required by these rules.

9. The logic and printer interface boards shall be mounted within the logic area so they are not visible upon operating the logic area door.

10. A machine must have a nonremovable identification device attached externally to the machine which shall include the following information about the machine:

- a. manufacturer;
- b. serial number;
- c. model or make; and

d. any other information required by the department.

11. The logic board must have a unique serial number that may be used to identify the board for approval and inspection purposes. The serial number shall be in 10 symbol configuration. The first four symbols shall identify the manufacturer and the last six symbols shall identify the board.

12. The electronic meters shall be able to maintain totals no less than eight digits in length.

13. Printing of all totals from the electronic meters shall occur automatically, by means of a switch attached to either the door or the lock for the door, each time access to either the logic compartment or the cash area occurs.

14. Any necessary resetting of electronic meters shall be done only after requesting authorization by the department. Seals may be broken only in the presence of department personnel after having made application for and receiving authorization.

15. The face of each machine shall be clearly labeled so as to inform the public that no one under age 18 years is allowed to play.

16. The printer mechanism shall have a paper sensing device that will prevent play if there is insufficient paper to print a ticket for a customer or an audit ticket. Upon setting a "paper low" or "paper out" condition the machine must display a message to that effect on the monitor.

17. The machine printer shall print a ticket voucher to the player at the completion of game play if there are any remaining credits on the game. The information printed on the ticket shall consist of the following:

- a. the serial number of the machine;
- b. the time of day that the ticket was printed in hours and minutes in a 24-hour format; and
- c. the date on which the ticket was printed;
- d. all of the electronic meter readings as described in this Section.

C. Software Specifications. A machine is required to possess software specifications that enable it to play the game of electronic video bingo with operation set forth by the Act. The software logic must have the following characteristics.

1. The logic of the program must not interfere in any way with expected random play.

2. The random number selections process shall conform to an acceptable random order of occurrence and uniformity of distribution.

D. Modifications. All hardware and software modifications made to a permitted electronic video bingo machine must be submitted to the department for approval prior to installation.

E. Restrictions on Optional Game Format or Features

1. A machine shall only offer the game of electronic video bingo as provided by the Act and these rules and shall not offer any other game or variant which will award free games or credits which deviate from the award of games or credits for games of bingo.

2. The department shall determine what optional features may be allowed and such features must be approved by the department prior to inclusion in a machine's game format.

F. Prohibited Machines

1. Any machine including amusement machines which, in substance simulates the game of bingo without conforming to the requirements of the Act and is placed in service for play by the public is prohibited. The machine is subject to immediate seizure and destruction in accordance with the provisions of R.S. 15:31.

2. Any person who owns or operates or possesses a machine described in Paragraph 1 above, is in violation of the Act, and these rules.

G. Possession of Electronic Video Bingo Machines. A manufacturer, distributor, owner, or repair service may possess or own electronic video bingo machines, logic boards, meters, and machine components which conform to the statutory requirements and rules relating to electronic video machines. Such machines possessed or owned may not be operated except when inspected, permitted, and placed on a permittee's premises.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:795 (November 1988).

§1811. Operation of Machines

A. Time Location and Duration of Play. Electronic video bingo machines may be available in any location licensed for charitable bingo and played in the following manner.

1. At commercial locations the machines may be played only during the times when call bingo is played.

2. At noncommercial locations the machines may be played by the general public when call bingo is played.

3. At noncommercial locations the machines may also be played by the membership of the organization and the general public at times other than called bingo, not to exceed the total number of sessions for bingo authorized by the local jurisdiction.

B. A violation of the aforementioned provisions result in a civil violation and fine and possible revocation of license in accordance with these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:796 (November 1988).

§1813. Fees

A. Registration and Associated Fees

1. A nonrefundable fee of \$2,000 shall be paid by a manufacturer, distributor or owner of electronic video bingo machines to the department to cover the cost of processing the application and any other costs associated with the administration of these rules.

2. Upon notice an applicant shall pay to the department any additional costs incurred by the department in doing background checks necessary for registration processing.

3. An applicant shall pay to the department a nonrefundable fee of \$500 to cover the costs of the renewal application, continuing background checks and other associated costs.

B. Independent Testing

1. The permittee shall be required to furnish a logic board of the model machine to be permitted.

2. The permittee shall agree to pay to the department all costs associated with testing in order for the department to have the machine tested by an independent testing laboratory. Said laboratory will use established uniform testing criteria on each machine tested.

3. Testing laboratory fees must be paid by the permittee prior to the issuance of permit fee and seals.

C. Permit Stamp Fee

1. A nonrefundable fee of \$600 shall be paid by the permittee to the department to cover the cost of the permit stamp and the cost of the application for each machine, as well as the regulation of the machine throughout the permitted years.

2. This nonrefundable fee must be submitted in the following manner:

a. the initial \$150 paid at the time of application for permit;

b. the balance of the annual \$600 fee paid in equal installments on July 1, October 1, January 1, and April 1 in each fiscal year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:797 (November 1988).

§1815. Reporting and Record Requirements

A. Reporting Requirements

1. For each machine the permittee must file with the department a monthly video bingo machine report signed by the permittee. The forms for said reporting will be prescribed by the department. The report will be used to verify the winning percentage of the machine. The following requirements apply:

a. the report must be delivered to the Electronic Video Bingo Panel at the Office of the Attorney General, Box 94005, Capitol Station, Baton Rouge, LA 70804-9005 or postmarked no later than midnight of the tenth day of the month following the reporting month. A reporting month for these purposes shall be considered the first day of the month through the last day of the month;

b. permittee shall include with the report the audit tape covering the weeks reported;

c. the report is due on each machine after it has been permitted regardless of whether the machine was in use during a subsequent month of the permit year.

2. If a permittee leases, rents, or shares machine ownership or a machine's revenues with another person or business entity, the permittee must provide upon the same form prescribed by the department, in Paragraph 1 above, monthly information for each machine as follows:

a. full identification including name, address and Social Security number (or federal identification number) of all persons or business entities involved in the above-mentioned business relationship;

b. percentage of participation in machine income by each person or business entity involved in the above-mentioned business relationship;

c. specific machine income paid to or received by each person or business entity involved in the above-mentioned business relationship.

3. A violation of the aforementioned provisions may result in a civil violation and fee and possible revocation of license in accord with these rules.

B. Records Retention Requirements. Records requirements are as follows.

1. Machine operation records must be maintained and made available for inspection by the department upon request. The records must provide all necessary information the department may require to insure operation of machines in compliance with the law.

2. The records must include, but are not limited to, the accounting ticket and corresponding permittee records containing the performance synopsis of the machine.

3. The permittee records required by this rule must be maintained in the state of Louisiana by the permittee for a minimum of three years.

C. Dissemination of Information

1. Certain information collected by the department is known to contain confidential information. The information in Paragraph 2 is confidential and may not be revealed by the department except under order of a court of competent jurisdiction.

2. Information designated as confidential includes, but is not limited to, the following:

a. technical manuals, instructions, wiring, or logic diagrams for the machine;

b. listings of source codes and flow charts;

c. results of simulations and related information explaining simulation methodology;

d. model PROMs or logic boards contained compiled programs.

3. Information relating to the results of actual operations as shown on a machine's meter is not confidential and may be used to compile studies or reports.

4. Persons with access to confidential information as described in Paragraph 2 may not use or reveal anything of a confidential nature outside the scope of its intended purpose.

5. The department shall secure confidential information and restrict all persons from access, except designated employees whose duties include testing and interpretation of the information. Such information is not public record and may not be released to any member of the public.

D. Software Information. A permittee may be required to provide information to the department necessary to ensure the machine's software and logic are in compliance with the Act and these rules. The information may be provided directly by the permittee, the distributor or the manufacturer of the machine. The information shall include, but not be limited to:

1. all technical manuals, instructions, wiring and logic diagrams for the machine;

2. all microprocessor manuals;

3. all source listings, including programmer's comments, and flow charts for the electronic video bingo programs, character sets, including those that may reside on the printer interface board;

4. a hexadecimal dump of all compiled programs;

5. model PROMs containing compiled electronic video bingo character sets, including those that may reside on the printer interface board;

6. access to a compiler for the programming language used if the department is unable to compile the program with the equipment it has available;

7. the algorithm for the random number generator along with a written description;

8. a photo or drawing of the display which shows all setups, test modes with detailed written descriptions and instructions;

9. a listing of the paycheck values and the probabilities of the outcome of cards for the program logic used;

10. the schedule of proposed payout odds and overall payback percentage;

11. tabulated results of five separate simulations of not less than 200,000 games using the bingo program;

12. instructions on the means, including assumptions made, by which the simulations in Paragraph D.11 were created so the department can verify the simulation results; and

13. a description of the methods of all testing criteria if performed and the results of the tests for the following:

a. random number generator;

b. electromechanical interference;

c. radio frequency interference;

d. FCC standards;

e. A.C. line noise;

f. static electricity; and

g. extreme temperature conditions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:481.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:797 (November 1988).

§1817. Enforcement and Regulation

A. Applicant Suitability and Business Relationships. The department may deny an application or revoke, suspend, restrict, or limit a permit or approval of a machine when it finds that the applicant or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant or other persons or business entities in a business relationship, the department may consider the person or business entity's:

1. general character, including honesty and integrity;
2. financial security and stability, competency, and business experience in the capacity of the relationship;
3. records, if any, of violations which may affect the legal and proper operation of a machine including a violation affecting another permittee or applicant and any violation of the laws of this state, other states, and countries without limitations as to the nature of the violation;
4. refusal to provide access to records, information, equipment, or premises to the department or peace officers when such access is reasonably necessary to ensure or protect public health, safety or welfare.

B. Approval of Machines

1. The department may conditionally approve and maintain a list of specific models of machines based on its finding that the machines conform to the Act and these rules.

a. Final approval of each machine is required even if a machine has been conditionally approved.

b. Conditional or final approval may be withdrawn by the department subsequent to finding that a machine does not conform to specifications, and testing standards established by the department, including new or revised requirements of the Act and these rules.

2. The department may allow shipment of a machine for the purpose of providing conditional approval of that particular make or model provided the following conditions are met:

- a. the department will not be responsible for any purchase, shipping, or handling charges;
- b. all the information required by these rules must accompany the machine; and
- c. prior to shipment, the department has approved such shipment of a machine for scheduled testing and approval.

3. New rules may be adopted which redefine or set forth new specifications that previously approved machines do not comply with. In such cases, and only in such cases, the department will allow a specified time for a permittee to bring a machine into compliance with new or modified specifications.

C. Machine Repair

1. When the department approves the software and logic board of a machine, it will use the prescribed security seal process to guard against any unauthorized tampering or changes to the method by which the game of bingo is played on the machine.

2. Any repair made to a machine's logic board which requires the breaking of a departmental seal must be reported to the department before the seal is removed or broken as described in these rules. At that time, readings of the machine's electronic meters and mechanical meters must be approved by the department and initial electronic and mechanical meter readings provided to the department before the machine is again placed in operation on the permittee's premises.

3. Any repair or replacement made to a machine's meters must be reported to the department before a seal is removed or broken as described in these rules. At that time, readings of the machine's electronic and mechanical meters must be approved by the department and the initial readings of the electronic and mechanical meters must be provided to the department before the machine is again placed in operation on the permittee's premises.

4. The department must subsequently be given access to the machine to reseal the meters and verify their proper operation before the machine can be placed in operation.

5. To assure the integrity, security, and monitoring of machines in service, a permitted machine or any portion thereof may not be substituted or replaced until the replacement machine has been permitted by the department.

D. Inspection and Seizure of Machines

1. The department or its duly authorized representative has the right at all times to make an examination of any machine being used to play electronic video bingo. Such right of inspection includes immediate access to all machines and unlimited inspection of all machine parts. The department or its authorized representative may immediately seize and remove any machine or device which violates the Act, these rules or the statutes of Louisiana. Such emergency seizure is subject to a hearing as described in these rules.

2. Given reasonable cause, the department may remove a machine or parts from a machine for laboratory testing and analysis. When parts are removed, the department may seal any machine left on the permittee's premises pending the department's investigation. The breaking or removal of the department's seal without approval, may subject the permittee to seizure of the entire machine and suspension or revocation of the permit.

E. Investigation of Permittee. The department may, upon its own motion, and shall upon receipt of a written verified complaint of any person, investigate the actions of any permittee and the operations of any machine. The

investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rules or other statutes of the state of Louisiana has occurred.

F. Civil Violations

1. When the department determines a permittee has violated the Act or these rules, the department may issue a civil violation to the permittee in an amount not less than \$250 nor more than \$1,000. Violations may be issued for each Act not in accord with these regulations. Each day of operation in violation constitutes a separate violation.

2. A violation may be issued for, but is not limited to the following acts:

- a. the operation of an unpermitted machine;
- b. the use of more than 35 electronic video bingo machines on a premises;
- c. the unauthorized breaking of Seal A or Seal B in a machine;
- d. the failure to report and pay timely the fees assessed;
- e. the failure to prohibit minors from playing the machine;
- f. the falsification of application or reporting documents;
- g. the refusal to allow inspection of the machine;
- h. the unauthorized destruction of printed ticket vouchers and accounting ticket copies.

G. Suspension and Revocation

1. The department may suspend any and all permits held by an alleged violator after opportunity for hearing when:

- a. the department receives:
 - i. a certified copy (or other credible evidence) of a judgment or conviction of any permittee or his agent, servant, or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana or any Louisiana parish and/or town relating to charitable gaming; or
 - ii. a certified copy of the record (or other credible evidence) of the forfeiture by any permittee or his agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming; or
 - iii. the department, after investigation, has reasonable cause to believe that any permittee, his agent or employee has violated the provisions of the Act or these rules and has been issued a violation or citation.

2. The department may suspend a permit or permits prior to the opportunity for hearing when the department, after investigation, has reasonable cause to believe continued operation of the permitted machine endangers public health, safety, and welfare. During the period of suspension, the permittee shall not operate such machine.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:798 (November 1988).

§1819. Administrative Proceedings and Adjudication

A. Denial of Application for Registration or Permit or Renewal of Registration or Permit

1. In accordance with the Louisiana Administrative Procedure Act, no application for registration, permit or renewal of registration or permit shall be denied without prior notice to the applicant. Said notice shall include facts and/or conduct which warrant the intended action. The applicant shall be given a opportunity to show compliance. If the applicant fails to comply, the department may proceed to deny the registration or permit or the renewal of such. Absent the need for emergency action, the existing license shall not expire until the last day for seeking review of a department order.

2. When the department denies an application for registration or permit or renewal of a registration or permit the applicant may request a hearing within 30 days of denial. Upon the department's receipt of written request, a hearing shall be conducted in accordance with the provisions of the Louisiana Administrative Procedure Act.

B. Administrative Proceedings and Judicial Review

1. The department shall conduct a hearing:

- a. following the emergency revocation, restriction, limitation, or seizure of a machine suspension of a permit;
- b. prior to the revocation of a permit; and
- c. prior to the denial of renewal of a permit.

2. All hearings must be held in accordance with the Louisiana Administrative Procedure Act.

3. Administrative procedures conducted by the department are subjected to judicial review in accordance with the provisions of the Louisiana Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:799 (November 1988).

§1821. Repeal of Previously Adopted Rules

A. These permanent rules will remain effective until repealed or amended. The authority for the department to adopt these rules is found in Act 671 of the 1985 Louisiana Legislature and in the Louisiana Administrative Procedure Act (R.S. 49:950 et seq.)

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Justice, Corrections, Criminal Justice and Law Enforcement Division, LR 11:799 (November 1988).

Chapter 19. Electronic Video Bingo

§1901. Definitions

A. As used throughout this Chapter, the following definitions apply.

Act—The Charitable Raffles, Bingo and Keno Licensing Law enacted as R.S. 33:4861.1 et seq., together with R.S. 40:1485.1 et seq., including all amendments thereto that may hereafter be enacted.

Applicant—The organization, its members, officers, agents, or employees who have applied for any license from the division.

Audit Copy—An exact copy of each printed ticket voucher.

Bona Fide, Active, or Volunteer Member—A person accepted for membership in an organization eligible to be licensed under this Part upon application, with such action being recorded in the official minutes of a regular meeting or who has held full and regular membership status in the organization. The member functions shall not be limited to gaming related activities.

Certain Related Offenses—Include the following offenses committed contrary to the laws of this state, local jurisdictions, other states, the federal government, or other countries:

- a. any felony offense;
- b. any offense directly or indirectly related to gambling or gaming laws;
- c. the misdemeanor offense of any theft or related offense, any attempted theft or related offense, issuing worthless checks, illegal possession of stolen things, or false swearing or related offense.

Charitable Gaming—The conducting or assisting in the conducting of any game of chance authorized by R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq.

Charitable Gaming Supplies—Any supplies (except raffle tickets), equipment, device, goods or wares intended for use in the conducting of any charitable gaming provided by law. It includes, but is not limited to, the receptacle and numbered objects to be drawn from it, the master board upon which the objects drawn are placed, the cards or sheets bearing numbers or other designations to be covered and the objects used to cover them, the boards or signs, however operated, used to announce or display the number or designation as they are drawn, and all other articles essential to the operation, conducting and playing of bingo, keno, pull tabs or raffles. It also includes any computer system, software or cash register designed for the primary purpose of accounting for and reporting the transactions involved in the selling of share or shares to participate in charitable gaming. Bingo game sets commonly manufactured and sold as children's games for a retail price of \$20 or less shall be presumed not to be bingo equipment for these purposes unless used by a licensee in the licensee's gaming activity.

Commercial Location—a building, structure or premises owned, leased, rented or otherwise controlled by a commercial lessor.

Department—The Louisiana Department of Public Safety and Corrections and shall include the Division of Charitable Gaming Control of the Office of State Police, Louisiana Department of Public Safety and Corrections.

Director—The commissioned state trooper of sufficient rank designated by the deputy secretary to head the division.

Division—The Division of Charitable Gaming Control, Office of State Police, Louisiana Department of Public Safety and Corrections.

Electronic Video Bingo—The game of bingo as defined by Louisiana law when offered by a machine utilizing video images and a random number generator rather than objects drawn from a receptacle and cards.

EPROM—An erasable and programmable read-only memory.

Expenses—Ordinary, necessary and reasonable costs incurred in preparation for or in the conduct of the gaming activity (expenses are further clarified in §1747).

Ideal Net Proceeds—The projected gross amount to be collected upon sale of all pull tabs in a set or deal minus:

- a. the actual cost of the pull tabs to the organization; and
- b. the projected total amount of prizes or winnings in the set or deal.

Immediate Family—Subject individual's spouse, children, parents, brothers and sisters, spouses of children, and spouses of brother and sisters.

Licensee—Any organization licensed to conduct charitable gaming activity pursuant to R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq., or licensed as a manufacturer or distributor of charitable gaming supplies, manufacturer or distributor of electronic video bingo machines, commercial lessors, or licensed as a private contractor for cable television bingo.

Logic—A digital integrated circuit.

Machine—An electrically or electronically operated device designed for the playing of electronic video bingo.

Net Win—The sum obtained by subtracting total coins in minus the total amount paid out on ticket vouchers tendered for cash money.

Noncommercial Lessor—A bona fide nonprofit organization licensed by the division to conduct games of chance, which leases any building or structure used for charitable gaming to other organizations licensed by the division.

Noncommercial Location—A building, structure or premises owned or occupied by a noncommercial lessor; the principal activities at the location shall be the meeting of members and the conducting of affairs of the nonprofit organization.

Pal programmable array logic.

Patriotic In addition to any other commonly accepted meaning, an organization whose membership is composed of veterans of the United States of America Military to include without limitation, United States Army, United States Air Force, United States Marines, United States Navy, and United States Coast Guard, and said organization has acquired an appropriate nonprofit designation issued by the Federal Internal Revenue Service with its registered office and/or place of domicile in the state of Louisiana, or an auxiliary organization to such a veterans' organization.

Payout The number of credits won by the players, whether used to play additional games or collected on a ticket voucher, in proportion to the Act of cash and credit wagered.

Permit Stamp Can exterior decal issued by the division which authorizes a specific machine to be operated as an electronic video bingo machine.

Permit Stamp Fee The amount paid by the permittee to the division for each machine permitted.

Permittee A licensed distributor or charitable organization that owns and operates a permitted electronic video bingo machine in this state.

Private Contractor A firm or person possessing demonstrated skills in the conduct and administration of charitable games of chance, and licensed by the division to provide for the operation and management of cable television bingo, and any employee or agent of such firm or person.

Prom Programmable read-only memory.

Promotional Game Any game, contest, or arrangement used by any entity in order to stimulate sales or attendance, where absolutely no purchase or fee is necessary in order to participate in or win the game, contest or event.

Pull Tab or Charity Game Ticket A single or banded ticket or card with its face covered to conceal one or more numbers or symbols where one or more cards or tickets in each set has been designated in advance as a winner.

Pull Tab Set or Deal Any form, series or group of pull tabs having the same serial number.

Raffle A type of lottery in which several persons pay, in shares, the value of something put up as a stake, and then determine by chance which one of them shall become the sole possessor of it and any portion or share is retained by the person(s) conducting the raffle.

Reasonable Market Rental Rate That rate at which similar facilities or equipment available for similar purposes, in the city may be leased or rented.

Session Represents authorized games of chance played within a time limit of four consecutive hours, within the same calendar day, with a minimum of 12 hours between sessions. The four-hour session limit shall not apply to

sessions held in conjunction with a bona fide fair or festival on property where no rent is paid for the session and payout of prizes is determined by the number of persons playing. Sessions are limited to not more than one session per day per licensee. In no instance, shall the total prize amounts exceed \$4,500 per session without a special license. A session of keno or bingo, when the licensee possesses a special license is limited to six consecutive hours.

Special License A license to conduct one bingo session where the total prize amount shall not exceed \$25,000 in cash or things of equal value. No organization shall be issued more than two special licenses a year.

Ticket Voucher A printed ticket which is tendered to the player at the completion of game play for remaining credits on the machine; the voucher is redeemable for cash money.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1903. Licensing of Manufacturers, Distributors or Owners of Electronic Video Bingo Machines

A. Any person desiring to own, sell or distribute electronic video bingo machines in this state or manufacture electronic video bingo machines for use in this state shall:

1. comply with and meet all criteria as set forth in R.S. 33:4861.1 et seq., the Charitable Raffles, Bingo and Keno Licensing Law and the administrative provisions of LAC 42:I.1701 et seq. and as subsequently amended;
2. be issued and maintain all applicable federal, state, parish, and municipal licenses; and
3. apply for a license on forms prescribed by the division and submit with the application a nonrefundable \$2,000 application fee. This fee is payable on initial application to cover the cost of processing the application and any other costs associated with the administration of these rules. If the cost of a background check of the applicant and his business exceeds \$2,000, the applicant will be given notice of these anticipated additional costs and the option to pay said costs prior to the expenditure by the division, and applicant will be responsible for said additional costs it elects to incur.

B. Licensed manufacturers, distributors and owners of electronic video bingo machines must apply for license renewal on forms prescribed by the division no less than 30 days prior to the expiration of the license and submit with the renewal application a \$500 nonrefundable fee to cover the cost of processing the renewal application, including background checks and other costs associated with the administration of these rules.

C. No manufacturer, distributor or charitable organization shall solicit for sale, or sell electronic video bingo machines for use or storage in this state or ship electronic video bingo machines into this state until a license is granted by the division.

D. No manufacturer, distributor or charitable organization shall solicit for sale, or sell electronic video bingo machines for use or storage in this state or ship into this state without prior written authorization from the division, any electronic video bingo machine that has not been approved by the division for use in this state.

E. Licensed electronic video bingo manufacturers shall notify the division in writing of the sale and shipment of any of their machines into the state of Louisiana no less than five days prior to the date of delivery. This notification must include:

1. evidence that the sale is to a distributor approved by the division;
2. make, model numbers, individual serial numbers and the number of machines to be sold and shipped;
3. customer sales information, copies of contracts and copies of all financial arrangements;
4. intended date of shipment, including customer's name, destination, date of shipment, customer's invoice, and bill of lading; and
5. an affidavit stating any differences, however slight, between the incoming machines and the prototype previously approved by the division.

F. Licensed electronic video bingo distributors and charitable organizations shall notify the division in writing of the intended purchase of a machine prior to delivery. This notification must include:

1. name of manufacturer;
2. make, model of machine;
3. number of machines to be purchased;
4. copies of any contracts and financial arrangements.

G. A license may be suspended or revoked by the division upon the division's determination that the licensee has not complied with the conditions of licensing.

H. The division may deny, restrict, suspend, limit, or revoke a license as a manufacturer or distributor of electronic video bingo machines when it is ascertained that an applicant has solicited electronic video bingo business prior to being licensed by the division.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1905. Permitting Process

A. Authorization to use or distribute electronic video bingo machines shall only be issued to:

1. a licensed charitable organization for its own machines in its noncommercial location in a parish or incorporated municipality where an ordinance has been adopted allowing gaming by means of electronic video bingo; or

2. a licensed distributor of electronic video bingo machines who leases or rents such machines only to licensed charitable organizations in parishes or incorporated municipalities where an ordinance has been adopted allowing gaming by means of electronic video bingo.

B. Charitable organizations submitting an application to use electronic video bingo machines supplied by an electronic video bingo distributor must furnish to the division:

1. copy of current license or permit obtained from the parish or municipality authorizing that particular charitable organization to participate in charitable gaming including the authorization to use electronic video bingo machines;
2. copy of lease or rental agreement between that particular charitable organization and the approved electronic video bingo distributor;
3. copy of parish or municipal ordinance authorizing the use of electronic video bingo machines; and
4. location and address where specified electronic video bingo machines are to be used and owner information.

C. An approved electronic video bingo machine distributor before placing any machines on location must submit to the division an application for a permit stamp for each machine intended for use. The application must include:

1. make, model, serial number and quantity of machines intended for use;
2. name of each participating charitable organization;
3. copy of lease or rental agreement between the charitable organizations and the approved electronic video bingo distributor;
4. the prorata share of the nonrefundable \$600 annual permit fee for each machine intended for use; and
5. location and address where specified electronic video bingo machines are to be used and owner information. A separate application must be completed for each machine.

D. The prorata share of the nonrefundable \$600 annual permit fee equal to \$50 per month or portion of each month remaining in the applicable year must accompany each application. Monthly payments of \$50 will be accepted as required in LAC 42:I.1947.

1. The permittee is liable for full payment of the annual permit fee for each licensed machine.

E. Upon approval of an application for placing machines at a given location, a representative of the division shall inspect, test, and approve each machine. The division representative will affix a permit stamp, logic board seal and hard meter seal to each machine, whereupon they may be transported to an approved location.

F. A maximum of 35 machines shall be permitted for a location.

G. Permit stamps must be affixed to the exterior machine cabinet so the stamp is visible and easily read. The machine may not be positioned or located in any way which would obscure a person's ability to see and read the permit stamp.

H. No machine shall be placed in service prior to the division's issuance and affixing of a permit stamp, logic board seal and hard meter seal.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1907. Permit Stamp, Machine Location

A. A permit stamp for a machine is only valid for the permittee and the premises identified on the approved permit application.

B. A permit stamp is further restricted to the particular machine approved by the division and identified on the permit application.

C. A permit stamp is not the personal property of the permittee and may be removed by the division at any time.

D. No machine shall be removed from the location specified in the permit application for use at another location until a new application is approved and the transfer is authorized in writing by the division.

E. No machine shall be moved from the location specified in the permit application without prior authorization from the division.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1909. Expiration of License/Reissuance

A. All electronic video bingo permit stamps and licenses for electronic video bingo manufacturers and distributors issued pursuant to these rules expire at midnight December 31 of each year.

B. An application for permit stamp renewal and the first payment of \$50 of the \$600 nonrefundable permit stamp fee must be received by the division on prescribed forms no less than 30 days prior to expiration, or on December 1.

C. All fees must be paid and a new permit stamp issued, before a previously permitted machine may be operated in this state.

D. The division will consider the same criteria for renewal of permit stamps as for the original issuance of permit stamps. Failure to satisfy permit criteria contained in R.S. 33:4861.1 et seq., or these administrative rules may result in denial or removal of a permit stamp.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1911. Machine Specifications

A. Prior to approval for use in the state, each machine must meet the following specifications with respect to its operation.

1. It shall offer only the game of bingo.
2. The random number selection process shall conform to an acceptable random order of occurrence and uniformity of distribution.
3. The field of numbers shall be mixed after each game by using a random number generator.
4. A field of numbers from 1-75 shall be utilized.
5. After the field of numbers has been mixed and before the start of the game, the field of numbers is to be frozen with all numbers used for play taken in order from the top of the frozen field.
6. When only one bingo card is displayed, the machine may allow the player the option of manually selecting the numbers on the card. In all other cases, the bingo cards shall be generated by the random number generator and no two cards during one game may be identical.
7. Any variable data, e.g. promotional graphics, shall not reside on EPROMS that contain game programs.
8. Payout shall be not less than 80 percent and not more than 90 percent.
9. The maximum prize awarded shall not exceed \$1,000 per game.
10. The machine shall not dispense cash.
11. One credit shall equal \$ 0.25 in value.
12. The maximum allowable bet shall not exceed \$1 per game.
13. The machine may have two mechanisms that accept coins. These mechanisms must have devices referred to as "lockouts" which prohibit the machine from accepting coins during periods when the machine is inoperative.
14. The machine may have a mechanism that accepts cash in the form of bills that do not exceed \$20. This mechanism must have a device referred to as a "lockout" which prohibits the machine from accepting bills during periods when the machine is inoperative.
15. The game payable shall be prominently displayed and understandable to the player. The payable must follow a progression in proportion to the amount wagered so that the player receives at least the benefit of the initial coin with each additional coin.
16. The game of play shall conform to standard rules of bingo.

17. Each card shall contain 24 numbered spaces per card and one free spot.

18. The machine shall designate the winning arrangement of numbers prior to commencing play.

19. The player shall have a choice of cards on which to play.

20. All winning cards shall be available for display on the screen, including any that may be played by the machine in any game.

21. The machine shall display the number of balls picked and the credits awarded for the number of balls drawn in order to obtain a bingo.

22. Each game shall produce a bingo. All ties are credited to the player.

23. The machine shall pass a static test consisting of 30,000 volts plus or minus 10 percent produced by a high frequency generator for no more than one minute.

B. Prior to approval for use in the state, each electronic video bingo machine must meet the following specifications with respect to its hardware.

1. All electrical and mechanical parts and design principles shall follow acceptable codes and standards in both design and manufacture.

2. The machine shall be designed to ensure that the player will not be subjected to any unreasonable physical, electrical or mechanical hazards.

3. The machine shall be designed to ensure there are no readily accessible game function-related points which would allow any input and that there is no access to input or output circuits unless it is necessary for the proper operation of the game.

4. The machine shall be equipped with a surge protector that will feed all A.C. electrical current to the machine and a nonvolatile memory to maintain the accuracy of all electronic meters displaying information required by these rules during power fluctuations and loss. Each machine must maintain accuracy of all electronic meters and critical game information for 180 days after the power is disconnected from the machine.

5. The machine shall not have any switches, jumpers, wire posts, or other means of manipulation that could affect the operation or outcome of a game. The machine may not have any functions or parameters adjustable by and through any separate video display or input codes except for the adjustment of features that are wholly cosmetic or other operational parameters as approved by the division. This is to include devices known as "knockoff switches."

6. The machine shall have locked doors to two separate areas—one containing the logic board and software for the game and one containing the cash.

7. The ticket printing mechanism shall be located in a locked compartment of the machine to ensure the safekeeping of the audit copy.

8. Printing of all totals from the electronic meters shall occur automatically by means of a switch attached to either the door or the lock of the door each time access to either the logic compartment or the cash area occurs.

9. The printing mechanism shall have a paper sensing device that will prevent play if there is insufficient paper to print a ticket voucher for a customer or an audit copy. Upon sensing a "paper low" or "paper out" condition, the machine must display a message to that effect on the monitor.

10. The machine printer shall print a ticket voucher to the player at the completion of game play if there are any remaining credits on the game. The original ticket voucher and the duplicate audit copy must remain legible for three years. The minimum information printed on the ticket voucher shall consist of the following:

- a. the name of the licensed establishment;
- b. the serial number of the machine;
- c. the time of day that the ticket was printed in hours and minutes in a 24-hour format;
- d. the date on which the ticket was printed;
- e. the sequential number of the ticket voucher;
- f. the value of the prize.

11. The logic board shall have a legible, unique serial number that is stamped in permanent ink or engraved.

12. Game EPROMs contained on the logic board must be readily accessible from the front of the machine.

13. The face of each machine shall be clearly labeled so as to inform the public that no one under age 18 years is allowed to play.

14. The machine shall have a nonremovable identification tag affixed by the manufacturer to the machine's exterior side. The tag information must include the following:

- a. manufacturer's name;
- b. serial number;
- c. model;
- d. date of manufacture (required only on machines manufactured after April 1, 1991);
- e. any other information required by the division.

C. Prior to approval for use in the state, each machine must meet the following specifications with respect to its metering system.

1. The machine shall be equipped with four nonresettable mechanical meters housed in a readily accessible locked machine area.

2. The mechanical meters shall be manufactured in such a way as to prevent access to the internal parts without destroying the meter.

3. The mechanical meters shall be hardwired as no quick connects are allowed in the meter wiring system.

4. The mechanical meters shall be situated in a left to right or top to bottom configuration according to function and visibly labeled as follows:

- a. coins in (including the equivalent of four coins per \$1 bill inserted in the bill acceptor);
- b. credits played;
- c. credits won;
- d. credit paid.

5. The machine shall contain electronic metering whereby meters record and display on the video screen a minimum of the following information:

- a. total coins in for mechanism 1;
- b. total coins in for mechanism 2 (if applicable);
- c. total coins in for the bill acceptor (if applicable);
- d. combined total of coins in;
- e. total credits played;
- f. total credits won;
- g. total credits paid.

6. The electronic meters shall have the capability to maintain correct totals no less than eight digits in length.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1913. Software Information to be Provided to the Division

A. A permittee shall provide to the division information necessary to ensure the machine's software is in compliance with R.S. 33:4861.1 et seq. and these administrative rules. The information shall include, but not be limited to:

- 1. all technical manuals;
- 2. all schematics, printed wire assembly and hardware block diagrams;
- 3. all microprocessor manuals;
- 4. all source listings, including programmer's comments and flow charts for the game program(s) and printer routine(s);
- 5. hexadecimal dump(s) for each compiled program;
- 6. master EPROM's containing compiled game programs and character sets, including those that may reside on the printer interface board;
- 7. access to a compiler for the programming language used if the division's selected lab is unable to compile the program with the equipment it has available;
- 8. a written description of the random number generator algorithm;

9. schedule of proposed payouts, percentages and odds determinations;

10. a complete copy of the programmer's memory map;

11. a description of the methods of all testing criteria, if performed, and the results of the tests of the following:

- a. random number generator;
- b. electromechanical interference;
- c. radio frequency interference;
- d. FCC standards;
- e. A.C. line noise;
- f. static electricity;
- g. extreme temperature conditions;

12. truth tables for all PALS used; and

13. an operator's manual for each peripheral device utilized.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1915. Machine Testing

A. The division shall not permit a particular make or model machine until tests prescribed by the division confirm the machine complies with all specifications required by the Act and by the rules of the division.

B. The permittee shall furnish at its expense a prototype of the machine for which a permit is sought to a laboratory selected by the division for testing.

C. Any and all modifications made to an approved machine must be submitted to the division for approval in advance.

D. The division may require an approved machine to be retested at a laboratory selected by the division if a modification has been made since the original test.

E. The permittee shall pay to the division all costs associated with the machine testing, and shall be responsible for any purchase, shipping, or handling charges prior to the machine being permitted by the division.

F. The testing laboratory shall use established uniform testing criteria on each machine tested. Testing includes inspection of the hardware, software, and all information provided to the division or the testing laboratory to assure a machine meets all requirements of the Act and the specifications of §§1911 and 1913 of these administrative rules.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1917. Approval of Machines

A. The division may conditionally approve and maintain a list of specific models of machines based on its finding that the machines conform to the specifications provided in the rules of the division.

1. Final approval of each machine is required for a permit stamp even if a machine has been conditionally approved.

2. Conditional or final approval may be withdrawn by the division upon finding that a machine does not conform to specifications and testing standards provided in the rules of the division.

B. Machines which fail to conform with the specifications provided in the rules of the division may be conditionally approved and permitted provided that:

1. the manufacturer, distributor or owner provides an itemization of the nonconforming criteria and the machine complies with all other technical specifications provided in the rules of the division;

2. the manufacturer, distributor or owner provides a written plan specifying the time period required for modifications to conform to the specifications;

3. the itemization and plan submitted by the manufacturer, distributor or owner is accepted in writing by the division.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1919. Machine Repair

A. After the division approves the software and logic board of a machine, it will use the prescribed security seal process to guard against any unauthorized tampering or changes.

B. The division may require and provide an identification sticker to be attached to the logic board and the mechanical meters to verify the parts are assigned to a specific permitted machine.

C. No security seal shall be broken except when authorized by the division and only in the presence of division personnel.

D. Any repair or replacement of a machine's mechanical meter or logic board which requires the breaking of the security seal shall be reported to the division before the seal is broken. At that time, readings of the machine's electronic and mechanical meters must be approved by the division and the initial readings of the electronic and mechanical meters shall be provided to the division before the machine is again placed in operation.

E. The division shall be given access to the machine to reseal the meters and verify their proper operation before the machine can be placed in operation.

F. To assure the integrity, security, and monitoring of machines in service, a permitted machine or any portion thereof may not be substituted or replaced until the replacement machine has been permitted by the division.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1921. Inspection and Seizure of Machines

A. The division or its duly authorized representative has the right at all times to make an examination of any machine being used to play electronic video bingo. Such right of inspection includes immediate access to all machines and unlimited inspection of all machine parts.

B. The division or its duly authorized representative shall be entitled to observe the removal and verify the counting of all monies contained in a machine. The division or its duly authorized representative may remove and physically count the monies contained in a machine after giving the machine owner or his employee, agent, or representative the opportunity to be present during the process.

C. If a machine is constructed so that the four mechanical meters required in administrative rule §1911.C cannot be easily viewed and accurately read externally from the front of the machine, the key to the locked area housing the meters must be immediately available on the premises and provided to division personnel upon request.

D. The division or its authorized representative may immediately seize and remove any machine or device which is in violation of law or any rule of the division.

E. The division may remove a machine or parts from a machine for laboratory testing and analysis. When parts are removed, the division may seal any machine left on the permittee's premises pending the division's investigation. The breaking or removal of the division's seal by anyone without approval may subject the permittee to seizure of the entire machine or machines in addition to other penalties provided for in these rules.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1923. Investigation of Permittee

A. The division may, upon its own motion, and shall upon receipt of a written verified complaint of any person, investigate the actions of any permittee and the operations of any machine. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of law or any rule of the division has occurred.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1925. Prohibited Machines

A. Any machine, including amusement machines, which in substance simulates the game of bingo without conforming to the requirements of the Act or any rule of the division and which is placed in service for play by the public is prohibited and shall be subject to immediate seizure and destruction.

B. No person shall own, operate, or possess a machine described in Subsection A.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1931. Possession of Electronic Video Bingo Machines

A. A manufacturer, distributor, owner, or repair service may possess or own electronic video bingo machines, logic boards, meters, and machine components which conform to the provisions of the Act and the rules of the division. Such machines possessed or owned may not be operated except when inspected, permitted, and placed at an approved location.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1933. Times of Machine Operation

A. Machines may be available for play at a commercial location only during a licensed four-hour session during which no less than 10 games of call bingo or keno are played.

B. Machines may be available for play at a noncommercial location only during a licensed four-hour session irrespective of call bingo or keno.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1935. Combination of Interests Prohibited

A. No officer, director, or manager of an organization which conducts charitable games of chance shall:

1. have a direct or indirect financial interest in any entity which manufactures or distributes electronic video bingo machines;
2. serve as an officer, director, shareholder of more than 2 percent of the shares, proprietor or employee of an entity which manufactures or distributes electronic video bingo machines.

B. No person or the immediate family members of a person who serves as an officer, director, shareholder of more than 2 percent of the shares, proprietor, or employee of an entity which manufactures or distributes electronic video bingo machines shall act as a commercial lessor in this state.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1941. Reporting Requirements for Electronic Video Bingo Manufacturers

A. Each licensed electronic video bingo manufacturer shall file with the division a semiannual report on forms prescribed and provided by the division. The report must be postmarked, or if hand delivered, received in the division's office no later than the last business day of July for the reporting period of January 1 through June 30 and no later than the last business day of January for the reporting period of July 1 through December 31. Business days are defined as Monday through Friday, not including state holidays.

1. The manufacturer's semiannual report is due regardless of activity during the reported period.

2. The manufacturer's semiannual report is required in addition to the requirements of administrative rule §1903.E.

B. The manufacturer's semiannual reports shall include, but are not limited to the following information regarding the sale of electronic video bingo machines:

1. licensed organizations or distributors sold to;
2. number of machines sold to each organization or distributor;
3. cost per machine.

C. In addition to any other civil or criminal penalties, electronic video bingo manufacturers which are late in filing a semiannual report may be assessed a \$100 late penalty for each semiannual report not submitted timely. Repeated violations shall be cause for denial, suspension, or revocation of the license.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1943. Reporting Requirements for Electronic Video Bingo Distributors

A. Each licensed electronic video bingo distributor shall file with the division a monthly report on forms prescribed and provided by the division. The report must be postmarked, or if hand delivered, received in the division's office no later than midnight of the fifteenth day of each following month. If the fifteenth day is a weekend or state holiday, the report is due the next business day.

1. The distributor's monthly report is due regardless of activity during the month.

2. The distributor's monthly report is required in addition to the requirements of administrative rule §1903.F.

B. The distributor's monthly reports shall include, but are not limited to the following information regarding each electronic video bingo machine owned or controlled by the distributor:

1. the organization leasing the machine;
2. the number of sessions each organization utilized the machine;
3. the gross proceeds for each machine;
4. the cost of prizes for each machine;
5. the adjusted gross proceeds for each machine;
6. each organization's net earnings per location;
7. meter readings for each machine.

C. In addition to any other civil or criminal penalties, electronic video bingo distributors which are late in filing a monthly report may be assessed a \$250 late penalty for each monthly report not submitted timely. Repeated violations shall be cause for denial, suspension, or revocation of the license.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1945. Reporting Requirements for Organizations Owning Electronic Video Bingo Machines

A. Each charitable organization owning an electronic video bingo machine shall file with the division a quarterly report on forms prescribed and provided by the division. The report shall be filed with each quarterly report on forms prescribed and provided by the division. The report shall be filed with each quarterly report required by administrative rule §1761.

B. The organization's electronic video bingo quarterly reports shall include, but are not limited to the following information regarding each machine owned by the organization:

1. the gross proceeds for each machine;
2. the cost of prizes for each machine;
3. the adjusted gross proceeds for each machine; and
4. meter readings for each machine.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1947. Payment of Permit Fees

A. Each permittee who did not initially submit full payment of the \$600 annual permit fee per machine shall submit monthly payments to the division. The permit fees are due the first day of each month and they are applied to that same month.

B. No penalty will be assessed provided the fees are postmarked, or if hand delivered, received in the division's office no later than midnight of the fifteenth day of the month. If the fifteenth day is a weekend or state holiday, the fees are due the next business day.

C. In addition to any other civil or criminal penalties, permittees who submit their permit fees later than the fifteenth day of the month as described in Subsection B shall be assessed a 10 percent delinquency charge for each permitted machine.

D. If a permittee fails to submit permit fees and all applicable delinquency charges within 30 days of the date due, all machine permits for that permittee shall be suspended immediately.

1. After revocation, a distributor's license and machine permits may be reinstated only after an application for reinstatement is submitted.

2. Prior to reinstatement, a permittee shall pay all past due fees, delinquency charges, and a \$500 reinstatement fee.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1949. Distributor's Payment to Organizations

A. The distributor shall pay no less than 45 percent of each machine's net win to the organizations which used the machine during the monthly reporting period.

B. Payment shall be made no less than monthly by check payable to the name of the organization.

C. Payment for the previous month shall be postmarked, or if hand delivered, received by the organization no later than midnight of the fifteenth day of the following month. If the fifteenth day is a weekend or state holiday, payment is due the next business day.

D. Repeated violations shall be cause for denial, suspension, or revocation of the license.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1951. Record Retention Requirements of Electronic Video Bingo

A. The owner or distributor of each machine must maintain for a minimum of three years and make available the following records for the division's inspection:

1. machine operation records which provide all necessary information the division may require to ensure that each machine has complied with these rules; and
2. the exact copy of all printed ticket vouchers for each machine.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1953. Dissemination of Information

A. Certain information collected by the division is confidential. The information referenced in Subsection B is considered confidential and shall not be revealed by the division except under order of a court of competent jurisdiction or with written permission of the owner or provider of the information.

B. Information designated as confidential includes, but is not limited to the following:

1. technical manuals, instructions, wiring, or logic diagrams for the machine;
2. listings of source codes and flow charts;
3. results of simulations and related information explaining simulation methodology;
4. model PROMS or logic boards containing complied programs.

C. Information relating to the results of actual operations as shown on a machine's meter is not confidential and may be used to compile studies or reports.

D. Persons with access to confidential information as described in Subsection B may not use or reveal anything of a confidential nature outside the scope of its intended purpose.

E. The division shall secure confidential information and restrict all persons from access, except designated employees whose duties include testing and interpretation of the information. Such information is not public record and may not be released to any member of the public.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

§1955. General Penalty Provision

A. Any violation of any provision of the Act or any rule of the division for which a penalty is not specified may be cause for denial, suspension, or revocation of a license or permit and/or a fine of not more than \$5,000.

AUTHORITY NOTE: Adopted in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:482 (May 1991).

Chapter 22. Commercial Lessors**§2201. Licensing of Commercial Lessors**

A. Any person, corporation or other legal entity desiring to act as a commercial lessor in this state shall:

1. comply with and meet all criteria as set forth in R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and the administrative provisions of LAC 42:I.1701 et seq. and as subsequently amended;

2. be issued and maintain all applicable federal, state, parish and municipal licenses; and

3. apply for a license on forms prescribed by the division and submit with the application a nonrefundable \$200 annual license fee.

B. Licensed commercial lessors must apply for license renewal on forms prescribed by the division no less than 30 days prior to the expiration date and submit with the renewal application a nonrefundable \$200 annual license fee.

C. No person, corporation or other legal entity shall act as a commercial lessor until such license is granted by the division.

D. The licensee shall conspicuously display its commercial lessor's license issued by the division at the premises where any charitable game of chance is conducted at all times during such conduct.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:800 (August 1991).

§2203. Background Investigation

A. Each person serving in relation to a commercial lessor as owner, partner, shareholder holding more than 5 percent ownership interest, director, manager or employee shall cooperate with the division's background investigation. Such cooperation shall include, but not be limited to, fully and truthfully completing all application forms, fully and truthfully answering investigators' pertinent questions, and supplying fingerprint samples when requested by the division.

B. The initial application form, as attached hereto and made a part of, is deemed to be a continuing application. All applicants and licensees shall notify the division in writing of all changes within 10 days of the change.

(Editor's Note: The application form referred to in the following rule is on file at the Office of the State Register and is available upon request from the Division of Charitable Control, Office of the State Police.)

1. The application forms for the business shall include, but not be limited to inquiries relative to the following categories: the building, owners, equipment, vendors, and employees.

2. The application forms for each owner, partner, shareholder holding more than 5 percent ownership interest, director, manager or employee shall include, but not be limited to inquiries relative to the following categories: personal biography, marital history, family members, military history, criminal history, employment history, character references, gaming or liquor licenses, and organization memberships.

C. If the cost of a background investigation of the applicant and his business exceeds \$200, the applicant will be given notice of these anticipated additional costs and the option to pay said costs prior to the expenditure by the division, and applicant will be responsible for said additional costs it elects to incur.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:800 (August 1991).

§2205. Expiration of License/Reissuance

A. All licenses for commercial lessors issued pursuant to these rules expire at midnight, June 30 of each year.

B. The division will consider the same criteria for renewal of licenses as for the original issuance of licenses. Failure to satisfy license criteria rules may result in denial, suspension, or revocation of a license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:801 (August 1991).

§2207. Gifts Prohibited

A. No commercial lessor shall directly or indirectly conduct raffles, or provide to the players, patrons, spectators or charitable organization members or workers present at the commercial lessor's premises anything of economic value in the form of a gift or a prize regardless of whether or not compensation is required for receipt of the prize or gift. This prohibition excludes nominal promotional items possessing a retail value of less than \$5 and containing prominently printed advertising which includes the name of the commercial lessor providing the item.

B. No commercial lessor shall loan money to a charitable organization.

C. Nothing shall prohibit the commercial lessor from forbearing or reducing the rent to an amount less than the amount stipulated by written lease; however, the commercial lessor shall not be allowed to reclaim the amount of any reduction or forbearance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:801 (August 1991).

§2209. Prohibitions

A. No commercial lessor, employee or agent thereof shall take part in or assist with the holding, operating, or conducting of a game of chance. Prohibited participation and assistance by the commercial lessor includes, but is not limited to being actively involved in decisions made by a charitable organization relative to the following:

1. the number of games per session;
2. the type of games of chance to be conducted;
3. the winning arrangement of numbers;
4. the payout per game;
5. the payout per session;

6. a dispute between an organization and a patron, except as necessary to prevent a disturbance or damage to persons or property;

7. the type of paper, pull tabs or raffle tickets to be utilized;

8. the distributor from which the organization purchases its supplies;

9. the workers the organization employs, including accountants, attorneys and workers for gaming sessions (excluding location employees, such as concession and janitorial personnel);

10. the handling, counting, and depositing of gaming proceeds; or

11. the dates, times, and locations an organization conducts its games of chance after having been licensed by the division.

B. Nothing in this Section shall be construed to prohibit a commercial lessor from making a suggestion concerning an organization's charitable gaming activity provided that noncompliance with the suggestion does not result in any adverse impact on the organization.

C. No commercial lessor shall directly or indirectly sell, donate or otherwise distribute rights of participation in any game of chance regardless of whether permitted by law or licensed by the division at the premises provided in its application or where charitable games of chance are conducted.

D. No commercial lessor shall loan, rent, or otherwise provide space to a gaming supplies distributor to store unsold gaming supplies on the premises.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:801 (August 1991).

§2211. Storage Lockers

A. A licensed commercial lessor may furnish a storage locker or cabinet to an organization for its gaming supplies; however, the locker shall be constructed in such a manner that supplies cannot be removed without a key or undue effort and damage to the cabinet or lock.

B. No commercial lessor, employee, or agent thereof shall have access to a storage locker or cabinet used by an organization for storage of gaming supplies. If the lock is furnished by the commercial lessor, all keys shall be given to the organization.

C. Reasonable locksmith's fees may be assessed to any organization that loses the key or fails to return the key upon vacating the locker.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:801 (August 1991).

§2213. Lease Agreement

A. A commercial lessor providing premises, whether for payment or no charge, to a charitable organization for the purpose of conducting a game of chance shall provide the organization with a written lease agreement. The agreement shall include but not be limited to:

1. name of location;
2. address of location;
3. name of organization;
4. amount of rent;
5. date of expiration;
6. provisions for cancellation of the lease with 30 days written notice by either party without cause;
7. signature of commercial lessor or his authorized agent;
8. signature of organization official; and
9. the dates and times during which the organization has agreed to conduct games of chance.

B. No lease agreement shall provide for a session less than four hours.

C. No commercial lessor shall assess a fee or charge rent to any organization which cannot honor its allotted time slot due to action taken by the division or delay in processing an application.

D. No commercial lessor shall assess fees to any charitable organization in addition to the rent stipulated by written lease or as reduced in accordance with §2207.C.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:802 (August 1991).

§2215. Combination of Interests Prohibited

A. No person licensed as a commercial lessor or his immediate family shall:

1. have a direct or indirect financial interest in any entity which manufactures or distributes supplies or equipment for charitable games of chance;
2. serve as a proprietor, employee, officer, director, shareholder or owner of more than 2 percent ownership interest, of any entity which manufactures or distributes supplies or equipment for charitable games of chance;
3. serve as an officer or director of any charitable organization which rents, leases, or uses the commercial premises for conducting games of chance; or
4. hold, operate, conduct or assist in the holding, operating or conducting of a charitable game of chance at the commercial premises.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4 and R.S. 33:4861.17.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 17:802 (August 1991).

Chapter 23. Casino Nights**Subchapter A. Licensing of Private Contractors for Casino Nights****§2301. Definitions**

A. For the purposes of this Chapter the following definitions shall apply:

Act The Charitable Raffles, Bingo and Keno Licensing Law enacted as R.S. 33:4861.1 et seq., together with R.S. 40:1485.1 et seq., on regulation of charitable gaming including all amendments thereto that may hereafter be enacted.

Bona Fide, Active, or Volunteer Member A person accepted for membership in an organization eligible to be licensed under this Part upon application, with such action being recorded in the official minutes of a regular meeting or who has held full and regular membership status in the organization. The member functions shall not be limited to gaming related activities.

Cash All coins, currency, and legal tender of the United States and foreign governments including gold, silver, or other negotiable instruments such as cashiers checks, certified checks, money orders, stocks, bonds, or negotiable securities.

Casino Night or Las Vegas Night A charitable fund raising event utilizing authorized games of chance as enumerated in this Chapter being conducted by a charitable organization licensed by the division for such purposes.

Certain Related Offenses To the laws of this state, local jurisdictions, other states, the federal government, or other countries:

- a. any felony offense;
- b. any offense directly or indirectly related to gambling or gaming laws;
- c. the misdemeanor offense of any theft or related offense, any attempted theft or related offense, issuing worthless checks, illegal possession of stolen things, or false swearing or related offense.

Immediate Family The subject individual's spouse, children, parents, brothers and sisters, spouses of children, and spouses of brothers and sisters.

Private Casino Contractor Any person or other entity licensed pursuant to the provisions of R.S. 33:4861.1 et seq. as a distributor of gaming supplies or equipment who is engaged directly or indirectly in the business of providing equipment, supplies, and/or services for the conducting of charitable casino nights for licensed charitable organizations.

Reasonable Market Rental Rate—That rate at which similar facilities or equipment available for similar purposes, in the community may be leased or rented.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:283 (March 1992).

§2303. Compliance

A. Any person, corporation or other legal entity desiring to act as a private casino contractor in this state shall:

1. comply with and meet all criteria as set forth in R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and the administrative provisions of LAC 42:I.Chapter 17 and as subsequently amended; and comply with all other applicable provisions of federal, state and local laws;

2. be issued and maintain all applicable federal, state, parish and municipal licenses; and

3. qualify for and possess a current valid license to distribute gaming supplies issued by the division pursuant to the provisions of R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992).

§2305. Commencement of Activity

A. No person, corporation, or other legal entity shall act as a private casino contractor until the effective date of any license which is granted by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992).

§2307. License Required for Leasing Equipment

A. No person, corporation, or other legal entity except a licensed private casino contractor shall lease casino night equipment to any person or organization for use during a casino night.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992).

§2309. Information Required; Unsuitability

A. In conjunction with its application the private casino contractor shall furnish to the division for approval the following information for each of his employees or independent contractors to be used to work or assist during a casino night during the licensing year:

1. full name;
2. date of birth;
3. Social Security number; and
4. current physical address.

B. Any significant change in the information submitted on its application for licensure shall be filed by a licensee with the division within 10 days of the change. Names of additional workers not provided in the application shall be provided to the division no later than two business days prior to the event. A significant change shall include but not be limited to any change in the officers, directors, managers, proprietors, employees, or persons having a direct or indirect financial interest in any licensed organization or entity.

C. The division may declare unsuitable and restrict from participation in charitable gaming any person assisting in the holding, operation or conduct of casino nights who:

1. has been convicted of certain related offenses as established by the division within the last five years or who presently has such a charge pending in any state or federal court;

2. any person who has ever been convicted of a gambling-related offense in any state or federal court;

3. any person who is or has ever been a professional gambler;

4. is in consideration of any of the factors enumerated in LAC 42:I.1751 determined unsuitable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992).

Subchapter B. General Provisions

§2311. Leasing Equipment from Licensed Private Casino Contractors

A. No organization shall lease casino night equipment for use during a casino night from anyone other than a licensed private casino contractor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992).

§2313. Specific License Required

A. No person, corporation, or organization shall conduct a casino night without a charitable gaming license issued by the division specifically authorizing the casino night at the specific date and times. Such license shall be conspicuously displayed at the premises where the event is conducted at all times during such activity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:284 (March 1992).

§2315. Organization Compliance

A. Any person, corporation, or organization desiring to conduct casino nights shall:

1. comply with and meet all criteria as set forth in R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and the administrative provisions of LAC 42:I.Chapter 17 and as subsequently amended; and comply with all other applicable provisions of federal, state and local laws;

2. be issued and maintain all applicable federal, state, parish and municipal licenses; and

3. qualify for and possess a valid license to conduct charitable games of chance issued by the division pursuant to the provisions of R.S. 33:4861.1 et seq. and R.S. 40:1485.1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992).

§2317. Contracts

A. Each organization leasing casino night equipment or utilizing private casino contractor labor or services shall submit to the division a copy of the contract for such equipment, labor and/or services no later than seven days prior to the scheduled event. The casino night contract shall include, but not be limited to the following:

1. name of licensed charitable organization;
2. name and address of distributor or private casino contractor company;
3. date, times and location of event;
4. detailed list of games to be conducted;
5. description of gaming equipment including number of gaming tables to be supplied;
6. rental price of each gaming table and any other rental terms and conditions;
7. number of dealers or other workers to be supplied;
8. proposed charges for labor and services;
9. signature of organization official; and
10. signature of private casino contractor.

B. Any changes in the information contained in Subsection A which occur within seven days of the event shall be provided to the division in writing within 10 days after the event.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992).

§2319. Additional Consideration Prohibited

A. No organization shall pay any consideration, other cost or service charge, directly or indirectly, over the agreed rental price for the rental of casino night equipment and/or for private casino contractor labor or services.

B. No lease providing for a rental arrangement for premises, equipment, labor or services in conjunction with a casino night shall provide for payment in excess of the reasonable market rental rate for such premises, equipment, labor or services. Any charges for premises, equipment, labor or services in excess of the reasonable market rental rate shall be waived or reimbursed within 10 days of such determination by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992).

§2321. Percentage Payments Prohibited; Use Fees

A. No organization shall pay a percentage of the receipts or net profits from the casino night for the rental of casino night equipment or for private casino contractor labor or services.

B. Use fees shall be based on rental, lease, or sale of equipment excluding any charge for labor or services.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992).

§2323. Name Tags

A. Each organization member, organization worker, or private casino contract worker assisting in the conduct of a casino night shall wear a printed or typed name tag clearly visible by the participants. The printing on the tag shall include, but not be limited to the following:

1. the name of the person; and
2. the name of the private casino contractor's company for whom the person is working, if applicable; or
3. the name of the organization of which the person is a member, if applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992).

Subchapter C. Conduct of Authorized Games

§2325. Authorized Games

A. During a casino night, an organization or private casino contractor may conduct only the following authorized games of chance:

1. blackjack;
2. roulette;
3. any dice game where the player competes against the house;
4. money wheel;

5. baccarat;
6. poker; and
7. bourrée.

B. Nothing shall prohibit an organization from also conducting, during a licensed scheduled casino night, the games of chance authorized by R.S. 33:4861.4.A, when such games are conducted in accordance with the Act. The authorized games of chance enumerated in this Section shall not be conducted utilizing any electromechanical device or other mechanism employing cathode ray tubes, video display screens, or microprocessors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:285 (March 1992).

§2327. Wagering on Authorized Games Only

A. A wager shall not be placed on any contest other than an authorized game of chance being conducted at the designated time and location. Side bets shall not be permitted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992).

§2329. Display of Rules

A. The private casino contractor or the organization conducting the casino night shall notify players of the rules governing each game by posted rules with letters a minimum of one-half inch high or by a legibly printed program provided to all participants.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992).

§2331. Miscellaneous Provisions

A. In all dice games, the size of each die shall be a minimum of 3/4 inch.

B. Equipment used in the conduct of a casino night shall be maintained in good repair and proper working condition.

C. The utilization of equipment and method of play shall be such that each participant is afforded an equal chance of winning.

D. Each game must be conducted by a dealer present at the gaming table.

E. No organization worker or contract worker shall accept tips, either with real or imitation money, from the participants.

F. No organization worker or contract worker shall conduct the game when his or her immediate family member is a participant at the worker's table.

G. No person under 18 years of age shall be permitted to participate in gaming at the casino night or assist in the conduct of the casino night.

H. No private casino contract worker or organization worker shall be eligible to bid on prizes in the event an auction is conducted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992).

§2333. Tickets; Recordkeeping Requirements

A. The organization conducting a casino night shall require tickets for admission to the event. No ticket shall be sold for less than the price printed on it.

B. Nothing shall prohibit an organization from printing separate, complimentary invitations or tickets for dignitaries or selected persons. However, the organization shall maintain a list of every person who is admitted free of charge. The list shall be considered part of the session records and be retained for three years.

C. Each admission ticket sold for admission to a casino night shall be preprinted and prenumbered in consecutive order. Each admission ticket shall include but not be limited to the following:

1. organization name;
2. organization license number;
3. date, time, and location of event; and
4. ticket price.

D. Admission tickets shall be sold only by bona fide members of the organization licensed to conduct the casino night or bona fide members of another licensed organization. No tickets shall be sold by the private casino contractor, his agents, or employees regardless of whether said person is a member of a licensed charitable organization.

E.1. The organization shall maintain a log including but not limited to the following:

- a. name of each worker issued tickets;
- b. name of organization to which each worker belongs if the worker is not a bona fide member of the organization licensed to conduct the casino night;
- c. serial numbers of tickets issued, sold, and returned by each worker;
- d. amount of money submitted by each worker for advance ticket sales.

2. The log and all unsold tickets shall be considered part of the session records and shall be retained for three years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and A.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992).

§2335. Accountability

A. Imitation money sales shall be fully and accurately documented. Each organization shall insure strict accountability for the handling of cash and imitation money by all participating members. Said system shall provide a sound audit trail and allow for the systematic accumulation of data for the SP-7 financial report.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992).

§2337. Imitation Money

A. Upon admission, each participant shall be given the same amount in value of imitation money that other participants are given.

B. No cash shall be wagered or paid as winnings during a casino night.

C. Imitation money shall be sold only by organization workers on the floor or at selected sales areas. Imitation money shall not be sold at an individual gaming table.

D. Imitation money shall have no actual cash value.

E. If redeemed, the imitation money must be bid on merchandise prizes in an auction which must be completed no later than two hours after the conclusion of the authorized games of chance. Cash prizes shall not be awarded.

F. After the original issue of imitation money, no person shall provide imitation money to any participant except for the original issue price.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:286 (March 1992).

§2339. Register of Workers

A. The charitable organization conducting a casino night shall prepare and maintain a register of workers including the following information:

1. name;
2. current residential address;
3. date of birth;
4. job description; and
5. name of organization.

AUTHORITY NOTE: Promulgated in accordance with R.S. 40:1485.4, and R.S. 33:4861.24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 18:287 (March 1992).

Title 42 LOUISIANA GAMING

Part II. Gaming Equipment and Raffles at Trade Shows and Conventions

Chapter 1. Regulation of Gaming Equipment

§101. Applicability

A. This Chapter shall apply to any person who manufactures, sells, distributes, transports or repairs any gaming equipment within this state for use outside this state or who proposes to engage in the manufacture, sale, distribution, transportation, or repair of any gaming equipment within this state for use outside this state and to any manufacturer or distributor of gaming equipment, whether or not licensed or permitted in the state of Louisiana, who proposes to temporarily display gaming equipment at a trade show or convention in a facility having a legal capacity of 250 or more persons.

B. Except as provided in §105, this Chapter shall not apply to:

1. any person authorized in accordance with provisions of the Louisiana Gaming Control Law, R.S. 27:1 et seq., to manufacture, distribute, own, operate, service, repair, maintain or inspect any slot machine, video draw poker device, other gaming device or equipment;

2. any person authorized in accordance with the Charitable Raffles, Bingo and Keno Licensing Law, R.S. 4:701 et seq., to manufacture, distribute, own, operate, service, repair, maintain or inspect any electronic video bingo machine, electronic video pull tab machine, other gaming device or equipment;

3. any person operating amusement games in accordance with the provisions of R.S. 4:10.1 et seq.;

4. any person operating a lottery game or equipment in accordance with the provisions of the Louisiana Lottery Corporation Law, R.S. 47:9001 et seq.;

5. any person operating gaming equipment pursuant to a tribal compact executed between a federally recognized Indian tribe and an authorized representative of the state of Louisiana pursuant to the provisions of the Indian Gaming Regulatory Act; or

6. any person in possession of an antique slot machine as defined in and as provided by R.S. 15:31.1.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:502 (March 2000).

§102. Definitions

A. As used in this Chapter, the following terms shall have the meanings provided below.

Applicant—any person which has submitted an application to manufacture, sell, distribute, transport or repair gaming equipment within the state pursuant to the provisions of this Chapter.

Division—the Gaming Enforcement Division of the Office of State Police.

Gaming Equipment—any mechanical, electrical, or other contrivance used to facilitate the risking of loss of anything of value in order to realize a profit.

Transporter—any person primarily engaged in the business of transporting gaming devices or equipment for hire.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:503 (March 2000).

§103. Application; Fees

A. Any applicant for a license or permit pursuant to the provisions of this Chapter shall submit an application to the division on forms prescribed and provided by the division.

B. The following fees shall apply to each specified type of license or permit and shall accompany each new or renewal application.

Manufacturer	\$2,000
Distributor	\$1,000
Service/Repair Entities, Transporter	\$ 500
Temporary Permits	\$ 100

C. Applicants shall provide additional information and documentation as requested by the division. Failure to provide requested information and documentation shall render an application incomplete.

D. Applicants, licensees and permittees shall notify the division in writing of all changes to information required in any application within 10 days of the effective date of the change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:503 (March 2000).

§104. License Expiration and Renewal

A. All licenses issued pursuant to the provisions of this Chapter shall expire on June 30 of each year.

B. A renewal application shall be submitted to the division on forms prescribed and provided no later than May 1 of the current licensing year.

C. Renewal applications shall be accompanied by the appropriate annual fee as provided in §103.B.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:503 (March 2000).

§105. Temporary Permit and Application

A. A manufacturer or distributor of gaming equipment may apply for a permit to temporarily display gaming equipment at a trade show or convention in a facility with a legal capacity of 250 or more persons for a period not to exceed 15 consecutive days by submitting an application to the division on forms prescribed and provided by the division.

B. An application for a temporary permit shall be submitted to the division no later than 30 days prior to the date the applicant proposes to ship or transport gaming equipment into the state.

C. Each application for a temporary license shall contain the following information:

1. description of gaming equipment, including the name of manufacturer, model number, serial numbers, and identification numbers, if applicable;

2. a detailed description of the period of time and purpose for which the gaming equipment will be located within the state;

3. identification of the method to be utilized to transport the gaming equipment into and out of the state, including the name of common carrier or shipper;

4. identification of the locations the gaming equipment will be stored, displayed, repaired or otherwise possessed within the state and a description of the security measures to be implemented at each location;

5. name, address and Social Security number of any and all employees or agents which will or may be in custody or control of gaming equipment located in the state during the permit period;

6. copies of up to two current gaming licenses or permits from other gaming jurisdictions, if applicable.

D. Upon timely receipt of sufficient information and payment of the appropriate fee, the division may issue a temporary permit to the applicant for the limited purposes and time periods provided in the application, not to exceed 15 days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:503 (March 2000).

§106. General Requirements

A. All applicants, licensees and permittees shall insure that gaming equipment is not used for gambling purposes.

B. Unless necessary for repair, servicing or inspection, no gaming equipment shall be operated in any manner other than a display mode.

C. No gaming equipment shall be operated by persons under 21 years of age.

D. All gaming equipment and all areas where gaming equipment is stored or otherwise located shall be made available for immediate inspection by agents of the division.

E. Applicants, licensees and permittees shall be and remain in compliance with all applicable local ordinances, state and federal laws, including 15 U.S.C. 1171 et seq.

F. Except when on display in a public facility, all gaming equipment shall be stored in a secured location inaccessible to persons other than authorized agents of the licensee or permittee.

G. All gaming equipment on display in a public facility shall be maintained in the immediate custody and control of an authorized agent of the licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:504 (March 2000).

§107. Reporting and Recordkeeping Requirements

A. All licensed manufacturers and distributors shall maintain a current record of gaming equipment received, gaming equipment sold, and gaming equipment in inventory.

B. All licensed manufacturers and distributors shall provide the division with a current list of authorized service entities and other personnel that they have certified. The list, which shall be updated in order to maintain an accurate list of service personnel, shall include, but not be limited to the following information:

1. name and address of service entity and all of its certified technicians;

2. Social Security number and date of birth of all technicians;

3. date of certification of all technicians; and

4. level(s) of certification of all technicians.

C. Licensed Manufacturers

1. If requested by the division, all licensed manufacturers shall provide a semi-annual report, signed by the licensee or an authorized representative of the licensee, on forms provided by the division.

2. The semi-annual report shall include, but not be limited to the following information:

- a. gross gaming equipment sales for that period;

- b. specific delivery location of all gaming equipment and identity of person(s) purchasing and receiving gaming equipment;

- c. names and addresses of carriers used in transporting gaming equipment;
- d. names and addresses of person to whom the gaming equipment was sold;
- e. list of gaming equipment sold to each licensee;
- f. if applicable, make, model and serial number of all gaming equipment sold and in inventory.

D. Licensed Distributors

1. If requested by the division, all licensed distributors shall provide a quarterly report, signed by the licensee or an authorized representative of the licensee, on forms provided by the division.

2. The quarterly report shall include, but not be limited to the following information:

- a. gross sales for the quarter;
- b. make, model, and serial number of all gaming equipment sold or leased;
- c. name and address of all persons that the gaming equipment was sold or leased to;
- d. description of gaming equipment sold or leased;
- e. delivery address of each item of gaming equipment sold or leased; and
- f. if requested, copies of invoices, credit memos and/or documents substantiating any transactions and/or sales.

3. In addition, if requested by the division, all licensed distributors shall provide a quarterly inventory report, signed by the licensee or an authorized representative of the licensee, on forms provided by the division.

4. The inventory report shall include, but not be limited to the following information:

- a. total number of items of gaming equipment in inventory; and
- b. if applicable, make, model, and serial number of all gaming equipment in inventory.

E. Licensed Service or Repair Entities

1. All licensed service or repair entities shall be required to maintain the following records:

- a. invoices, of all services and/or repairs to gaming equipment which shall contain, but not be limited to:
 - i. date gaming equipment was received;
 - ii. date gaming equipment was serviced;
 - iii. date gaming equipment was returned;
 - iv. service or repair entity name and license number;
 - v. gaming equipment owner name;

- vi. manufacturer, make, model and serial number of the gaming equipment, if applicable; and/or
- vii. description of service and/or repair performed on the gaming equipment;

viii. name of certified technician performing service and/or repair on the gaming equipment;

b. a list of all certified technicians, including a list of the types of devices and equipment that each technician is certified to service and/or repair.

F. Licensed Transporters. All licensed transporters shall be required to maintain the following records relative to gaming equipment transported within the state:

- 1. name of manufacturer, serial number, and model number if applicable;
- 2. date of transport, identification of points of origin and destination;
- 3. copies of all bills of lading and invoices; and
- 4. name and address of shipper and recipient.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:504 (March 2000).

§108. Hearings

A. Any person whose license or permit the division proposes to suspend or revoke, other than immediate suspensions as provided in R.S. 47:7005.D, may request a hearing by filing a written request with the division. The request shall be filed within 10 days of the date of receipt of the certified mailing or personal service of the notice of proposed action.

B. A hearing shall be conducted in accordance with procedural and evidentiary rules contained in the Administrative Procedure Act, R.S. 49:950 et seq., R.S. 47:7001 et seq. and rules promulgated in accordance therewith.

C. No discovery request shall be made within 20 days of the date scheduled for the hearing.

D. Hearing requests shall be promptly docketed and scheduled for hearing.

E. The requesting party shall be notified of the time, date and location of the hearing by certified mail or personal service.

F. Testimony taken at a hearing shall be under oath.

G. Depositions may be used at hearings as provided in the Administrative Procedure Act, R.S. 49:950 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

§109. Record Preparation Fees

A. Any person requesting a hearing, or to whom a hearing is being afforded pursuant to R.S. 47:7001 et seq. and rules promulgated in accordance therewith, shall be assessed and pay a fee based upon costs of preparing the administrative record and transcript for submission to the division or the 19th Judicial District Court.

B. No less than 10 days prior to the date scheduled for the administrative hearing, the party shall deposit with the division the sum of \$100 as prepayment of the costs of preparing the administrative record and transcript.

C. Failure to timely pay the \$100 deposit may result in dismissal of the hearing with prejudice.

D. After the hearing has been conducted, the actual costs of preparing the administrative record and transcript will be determined by the division and the party will be notified of such actual costs.

E. In the event actual costs are less than \$100, a refund will be made to the party.

F. Actual costs in excess of \$100 shall be assessed against the party, who shall pay the excess costs within 10 days of the date of receipt of the notice of assessment.

G. Failure to timely pay the excess costs assessed may result in dismissal of the hearing, and shall prevent the record and transcript from being transmitted to the 19th Judicial District Court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

Chapter 2. Raffles at Trade Shows and Conventions

§201. Applicability

A. This Chapter shall apply to any person conducting a raffle at a trade show or convention having a legal capacity of 250 or more persons pursuant to R.S. 47:7001 et seq.

B. This Chapter shall not apply to:

1. any person or organization conducting a raffle pursuant to the provisions of the Charitable Raffles, Bingo and Keno Licensing Law, R.S. 4:701 et seq.;

2. any person conducting a raffle pursuant to the provisions of R.S. 27:402.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

§202. Definitions

A. As used in this Chapter, the following terms shall have the meanings provided below.

Division—the Gaming Enforcement Division of the Office of State Police.

Raffle—a game of chance played by drawing for prizes or the allotment of prizes by chance, by the selling of shares, tickets, or rights to participate in such game or games, and by conducting the game or games accordingly.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

§203. Temporary Permit and Application

A. A person may apply for a permit to conduct a raffle at a trade show or convention in a facility having a legal capacity to hold 250 or more persons for a period not to exceed 15 consecutive days by submitting an application to the division on forms prescribed and provided by the division.

B. An application for a temporary permit shall be submitted to the division no later than 30 days prior to the date the applicant proposes to conduct the raffle drawing.

C. Each application for a temporary permit shall contain the following information:

1. name and location of facility where trade show or convention is to be held;

2. dates of trade show or convention, dates raffle tickets will be sold and date and time drawing shall be conducted at the facility;

3. name, address, and Social Security number of each person which will sell raffle tickets or conduct the raffle drawing;

4. description and reported value of the prize or prizes to be awarded and the amount which will be charged for tickets or, if applicable, a statement that any or all tickets may be given away;

5. cost of tickets or chances to win.

D. Upon timely receipt of sufficient information and payment of a fee in the amount of \$50, the division may issue a temporary permit to the applicant for the limited purposes and time periods provided in the application, not to exceed 15 days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:505 (March 2000).

§204. General Requirements

A. Any prize which will be awarded by raffle drawing shall be owned by the applicant or permittee prior to the sale of any tickets or chances to win.

B. No raffle shall be conducted where the winner must be present at the drawing in order to win, unless clearly stated on the raffle ticket.

C. Raffle tickets or chances to win shall be consecutively numbered and designed and constructed to allow the licensee to retain a consecutively numbered stub for each ticket sold and to provide the purchaser with a matching consecutively numbered ticket at the time of purchase.

D. Permittee shall retain the following records and documentation for three years from the date of the raffle drawing:

1. name, address, and Social Security number of the winner(s);
2. amount received from the sale of all raffle tickets and expenses incurred;
3. stubs of all tickets sold, winning tickets and the unsold tickets; and

4. copies of all records and documentation submitted in conjunction with the raffle to any local, state or federal taxing authority.

E. Permittees shall comply with all applicable local ordinances, and state and federal laws and regulations, including, but not limited to, income withholding and reporting requirements.

F. Permittees shall take steps to insure that each ticket purchaser has an equal chance to win and that the prize winner is selected in an entirely random manner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:7001 and 7003.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, LR 26:506 (March 2000).

Title 42
LOUISIANA GAMING
Part III. Gaming Control Board

Chapter 1. General Provisions

§101. Definitions

Board The Louisiana Gaming Control Board.

Chairman The Chairman of the Louisiana Gaming Control Board.

Department The Department of Public Safety, Office of State Police.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1140 (November 1996).

§102. Issuance and Renewal of Licenses by the Department

A. The Department is authorized to issue to qualified applicants, non-key gaming employee permits and nongaming vendors' licenses, and to renew licenses for the operation of video draw poker devices at facilities with no more than three video draw poker devices at their licensed establishment. The Department is authorized to determine the applicants' qualifications in accordance with law, including but not limited to the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Video Draw Poker Devices Control Law, R.S. 27:301 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., and rules promulgated in accordance therewith, when such provisions and rules are not in conflict with any provisions of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1140 (November 1996).

§103. Hearings on Rule 102 Disputes

A. Any person required to be licensed or permitted by the Department by authority of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and whose license or permit, or the renewal thereof, has been denied by the Department, may request a hearing by the Board by filing a written request with the Board. The request must be filed within 10 days of receipt of the certified mailing of the denial, or where the notice of denial has been personally served by the department, 10 days from service of the notice.

B.1. A hearing will be conducted in accordance with procedural and evidentiary rules contained in the Administrative Procedure Act, R.S. 49:950 et seq., and the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

2. No discovery request shall be made within 20 days of the date scheduled for the hearing.

C. The Board may reverse or modify an action if it finds that the action of the Department, under facts determined by the Board, was contrary to any provisions of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., or was contrary to the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Video Draw Poker Devices Control Law, R.S. 27:301 et seq., or the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., and any rules promulgated in accordance therewith, when such laws and rules are not in conflict with the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1140 (November 1996).

§104. Delegation to Chairman

A. The Chairman is authorized to exercise all powers and authority of the Board except that the Chairman shall not:

1. enter into contracts in excess of \$100,000;
2. adopt rules;
3. enter into the casino operating contract on behalf of the Louisiana Gaming Control Board, provided however that the casino operating contract shall be executed on behalf of the Louisiana Gaming Control Board by the Chairman or a designated representative when the casino operating contract is approved by the Louisiana Gaming Control Board and the Chairman or a designated representative is specifically ordered by Board resolution to execute the casino operating contract on behalf of the Louisiana Gaming Control Board;
4. issue a riverboat gaming operator license, provided that the Chairman may determine that conditions imposed on a conditionally licensed riverboat gaming operator have been met;
5. approve changes of the berth or design specifications of a riverboat; or

6. approve transfers of ownership interests in a riverboat gaming operator licensee, the casino gaming operator, or a qualified video poker truck stop facility.

B. Any decision, order, or ruling of the Chairman exercised pursuant to the provisions of this rule shall be subject to veto as provided by the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15, R.S. 27:24 and R.S. 27:220.

HISTORICAL NOTE: Promulgated by the Louisiana Gaming Control Board, LR 22:1140 (November 1996), amended LR 25:80 (January 1999).

§105. Civil Penalties

A. The Department is authorized to take enforcement action by imposing civil penalties against any entity that has a license, permit or casino contract, for violation of the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Video Draw Poker Devices Control Law, R.S. 27:301 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., or rules promulgated in accordance therewith, provided that such provisions and rules are not in conflict with any provisions of the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

B. In imposing civil penalties, the Department shall issue a citation which will specify the violation. The citation shall provide for the payment of a civil penalty to the Department in accordance with a schedule which will be approved by the Board and which will be furnished to licensees, permittees or a casino operator on request. The penalty shall be paid within 10 days of the issuance of the citation unless within that period the person to whom the citation is issued files a written request for a hearing with the Board.

C. The Department may institute an administrative action with the Board based upon the noncompliance of the licensee, permittee or casino contractor with an enforcement action, or based upon a pattern of violations requiring enforcement action. Such administrative action may result in the suspension or revocation of a license or permit or such other penalty as the Board may deem appropriate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1138 (November 1996).

§106. Persons Furnishing Significant Services

A. For purposes of R.S. 27:81.A, a person who furnishes significant services which are material and integral to the operation of a licensed riverboat shall include but not be limited to:

1. any individual, corporation, firm, partnership, or other legal entity that furnishes, by contract or otherwise, marine operations services and personnel to licensed riverboat operators;

2. masters and/or pilots and chief mates and/or first mates of riverboats whether employees or contract personnel who have authority to certify reports regarding cruising schedules and are authorized to operate the vessel for cruises.

B. Any person defined in Subsection A, shall submit an application to the Board and be issued a permit by the Board prior to furnishing services to any licensed riverboat operator. This rule applies to all marine operations regardless of any permit held.

C. All persons defined in Subsection A, furnishing services to a licensed riverboat operator prior to August 6, 1996, may continue to furnish services until their application has been finally acted upon by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1138 (November 1996).

§107. Standards of Conduct and Ethical Rules

A.1. No Board member or employee shall engage in gaming activities in any establishment under the jurisdiction of the Board, except as required in the course of his duties.

2. No Board member or employee shall solicit or accept employment from a casino operator or from any licensee or permittee, or any holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee, for a period of five years after termination of service on the Board or employment by the Board.

3. No immediate family member of a Board member shall be employed by the casino operator, any licensee or a permittee, or any holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee.

4. No Board member or Board employee nor a member of the immediate family of any Board member or employee shall acquire a future direct or indirect pecuniary interest in the gaming casino operator or any other gaming licensee or permittee, or a holding, intermediary, or subsidiary company of an operator, a licensee, or a permittee, during the term of office or employment of the member or employee.

5. No Board member or Board employee shall attempt to affect the result of an election or a nomination for an office; directly or indirectly coerce, attempt to coerce, command, or advise a person to pay, lend, or contribute any thing of value to a political party, a committee, an organization, an agency, or a person for political purposes; or take part in a political campaign or the management of a political campaign.

6.a. No member or Board employee nor a member of the immediate family of a Board member or Board employee shall make a contribution or loan to, or expenditure on behalf of, a Candidate or committee.

b. No casino operator or any other licensee or permittee shall make a contribution or loan to, or expenditure on behalf of, a Candidate or committee.

7.a. No Board member or Board employee shall represent the interests of any individual or entity, other than the Board's interests, before the Board for a period of five years following the date of termination of the person's term or employment with the Board.

b. A consultant or person under contract for services to the Board may not represent the interests of any individual or entity, other than the Board's interests, before the Board nor may such consultant or person under contract for services act as a consultant to or for or have a contract for service with the casino operator or any other licensee or permittee, or any holding, intermediary, or subsidiary company of an operator, licensee, or permittee, during the term of any agreement with the Board.

8. No Board member or Board employee during service on or employment by the Board or thereafter shall reveal information which is confidential, as provided in R.S. 27:21, except as is permitted in that Section.

9. A Board member should not permit private or ex parte interviews, arguments or communications designed to influence his or her action with reference to any matter before the Board.

10. A Board member should not accept in any matter before the Board, documents or written communications intended or calculated to influence his or her action unless the contents are promptly made known to all parties.

B.1. Violations by a Board member or any immediate family member of a Board member of any ethical rule adopted by the Board or provided by law shall be cause for removal of the Board member.

2. Violations by a Board employee of any ethical rule adopted by the Board or provided by law may be sanctioned by the Board by suspension, demotion, or termination from employment, or some lesser sanction as determined appropriate by the Board after receiving a report from a Board hearing officer, if a hearing is requested by the employee, subject to applicable civil service laws and regulations.

3. Violations of any ethical rule after termination of Board service or employment shall be punishable by the imposition of a fine not to exceed \$10,000, as determined by a hearing officer pursuant to R.S. 27:25.D.

C. As used in this rule, and for the purposes of R.S. 27:13, *Licensee* or *Permittee* shall mean any person who holds a license or permit issued pursuant to the provisions of the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., the Video Draw Poker Device Control Law, R.S. 27:301 et seq., or the Louisiana Gaming Control Law, R.S. 27:1 et seq., specifically including, but not limited to, manufacturers, distributors, suppliers, vendors, device owners, service entities, persons furnishing services or goods material and integral to the operation of a riverboat, gaming employees, key employees, non-key employees, equity owners, contractors, and all establishments regardless of the number of gaming devices in operation at the facility.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1139 (November 1996).

§108. Board Hearings

A. Any person against whom an administrative action is proposed, and any person against whom an enforcement action is taken, may request a hearing by filing a written request with the Board. The request shall be filed within 10 days of the date of receipt of the certified mailing or personal service of the notice of proposed action or within 10 days of the date the enforcement action is taken. All hearings requested and any matter the Board determines should be heard in a public hearing shall be conducted in accordance with this Section.

B.1. A hearing will be conducted in accordance with procedural and evidentiary rules contained in the Administrative Procedure Act, R.S. 49:950 et seq., and the Louisiana Gaming Control Law, 1996 Acts, First Extraordinary Session, Number 7, enacting R.S. 27:1 et seq., and rules promulgated in accordance therewith.

2. No discovery request shall be made within 20 days of the date scheduled for the hearing.

3. Hearings may be conducted by hearing officers employed by or under contract with the Board.

C.1. Hearing requests shall be promptly docketed and scheduled for hearing.

2. The requesting party shall be notified of the time, date and location of the hearing by certified mail or personal service.

D.1. Testimony taken at a hearing shall be under oath.

2. Depositions may be used at hearings as provided in the Administrative Procedure Act, R.S. 49:950 et seq.

E. A copy of the hearing officer's decision shall be mailed to all parties within two business days of the date the decision is rendered.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:77 (January 1997), amended LR 24:2129 (November 1998).

§109. Record Preparation Fees

A. Any person requesting a hearing, or to whom a hearing is being afforded, pursuant to the provisions of §§103 and 108 or otherwise pursuant to the provisions of the Louisiana Gaming Control Law, R.S. 27:1 et seq., the Louisiana Riverboat Economic Development and Gaming Control Act, R.S. 27:41 et seq., the Video Draw Poker Devices Control Law, R.S. 27:301 et seq., the Louisiana Economic Development and Gaming Corporation Act, R.S. 27:201 et seq., and rules promulgated in accordance therewith, shall be assessed and pay a fee based upon costs of preparing the administrative record and transcript for submission to the Board or the 19th Judicial District Court.

B.1. No less than 10 days prior to the date scheduled for the administrative hearing, the party shall deposit with the Board the sum of \$100 as prepayment of the costs of preparing the administrative record and transcript.

2. Failure to timely pay the \$100 deposit may result in dismissal of the hearing (with prejudice).

C.1. After the hearing has been conducted, the actual costs of preparing the administrative record and transcript will be determined by the Board and the party will be notified of such actual costs.

2. In the event actual costs are less than \$100, a refund will be made to the party.

3. Actual costs in excess of \$100 shall be assessed against the party, who shall pay the excess costs within 10 days of the date of receipt of the notice of assessment.

4. Failure to timely pay the excess costs assessed may result in dismissal of the hearing, and shall prevent the record and transcript from being transmitted to the Board or 19th Judicial District Court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:304 (March 1997).

§110. Quarterly Submissions

A. Commencing with the issuance of any riverboat gaming operator license, the licensee shall submit on a quarterly basis to the Board a statement of compliance with the applicant or licensee's previously submitted application or economic development plan as to those aspects of the plan which are then underway.

B. The licensee will certify quarterly under oath that a good faith effort to meet the voluntary procurement and employment conditions is being made, and shall quarterly demonstrate to the Board that an effort was made to meet the conditions. The quarterly statement shall be forwarded to the Board no later than 20 days after the end of each quarter.

C. Each licensee authorized to conduct slot machine gaming at an eligible facility pursuant to the provisions of Chapter 7 of the Louisiana Gaming Control Law shall submit to the Board on a quarterly basis a statement of compliance with the provisions of R.S. 27:363(C) and shall certify under oath that a good faith effort to comply with the provisions of R.S. 27:363(C) is being made. The quarterly statement shall be forwarded to the Board no later than 20 days after the end of each quarter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:304 (March 1997), amended LR 30:1703 (August 2004).

§111. Delivery of Documents

A. All new applications, renewal applications, notices and any other written communication or documentation required to be furnished to the Board or the division, by any

statutory provision, regulation or rule, shall be submitted via delivery by the United States Postal Service, or a private or commercial interstate carrier.

B. Documentation delivered by any means other than as provided in §111.A shall not be accepted.

C. Upon written request, the provisions of §111 may be waived by the Chairman in writing and upon a showing of good cause.

D. Section 111 shall not apply to gaming employee permit applications.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1321 (October 1997).

§112. Petition for Agency Review of Rule

A. All petitions for agency review made pursuant to R.S. 49:953(C) shall be in writing and shall contain the following information:

1. a copy of the rule change proposed, whether for adoption, amendment, or repeal;

2. a statement of the proposed action requested, whether the rule change is proposed for adoption, amendment, or repeal; a brief summary of the content of the rule change proposed if for adoption or repeal; and a brief summary of the change in the rule if proposed for amendment;

3. the specific citation of the enabling legislation purporting to authorize the adoption, amending, or repeal of the rule;

4. a statement of the circumstances which require adoption, amending, or repeal of the rule.

B. Petitions for agency review shall be submitted in writing to the Gaming Control Board at its office in Baton Rouge.

C. The petition shall be considered at a scheduled meeting of the Gaming Control Board.

D. The decision of the Board relative to recommendations for rule changes in accordance with §112 may be made in any lawful manner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997).

§115. Appeals to the Board

A. Appeals to the Board from a decision of a hearing officer shall be decided by the Board. The appeal shall be decided on the record by a majority of a quorum of the Board or a majority of a panel of three members of the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:695 (April 1998).

§116. Petition for Declaratory Orders and Rulings, Statutes and Rules

A. Any interested person may file a petition for a declaratory order or ruling as to the applicability of any statutory provision or as to the applicability or validity of any rule or order of the Board.

B. Petitions referred to in §116.A shall be in writing and filed with the Board at its office in Baton Rouge.

C. Petitions filed with the Board in accordance with §116 shall be disposed of promptly.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:695 (April 1998).

§117. Donations to Public Schools

A. The term *licensee* as used in this Section shall include all persons licensed pursuant to the provisions of the Gaming Control Law, R.S. 27:1 et seq., but shall not include establishments licensed to conduct video draw poker gaming operations as a restaurant, bar, lounge, hotel or motel. The term *permittee* as used in this Section shall include all persons permitted pursuant to the provisions of the Gaming Control Law, R.S. 27:1 et seq. but shall not include gaming employees or nongaming vendors.

B. No casino gaming operator, licensee or permittee shall offer to make donations or contributions to public, private or parochial elementary schools or youth groups without solicitation of the donation by the public, private or parochial elementary school or youth group.

C. No educational aid, clothing, recreational or amusement item or other article donated or otherwise provided by a casino gaming operator, licensee or permittee to any public, private or parochial elementary or secondary school shall contain a logo, symbol or language related to gaming or gambling or which bears the actual or commonly known name of the casino gaming operator, licensee or permittee.

D. No donations or contributions shall be made by a casino gaming operator, licensee or permittee to:

1. a public elementary or secondary school without prior written notification by the proposed donee or recipient to the school board having jurisdiction over the proposed donee or recipient;

2. a private or parochial elementary or secondary school without prior written notification by the proposed donee or recipient to the governing body of the proposed donee or recipient.

E. All donations and contributions made as provided in Subsection D shall be in compliance with all applicable school board or school governing body rules, regulations and policies concerning donations and contributions.

F. All donations or contributions made in conjunction with an "Adopt A School Program" shall be conducted in accordance and in compliance with all applicable school board or school governing body rules, regulations and policies concerning such programs, and other rules, regulations and policies concerning donations and contributions.

G. Failure of a casino gaming operator, licensee or permittee to comply with Subsections B through D or with the school board or school governing body rules, regulations or policies as provided in Subsections E and F shall constitute a violation of these rules and subject the casino gaming operator, licensee or permittee to administrative action including but not limited to revocation, suspension or civil penalty.

H. A copy of this rule shall be provided to all school board and school governing bodies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:2256 (November 1999).

§118. Programs to Address Problem Gambling

A. As used in this Section *licensee* means each person who is licensed or otherwise authorized to conduct gaming operations.

B. Each licensee shall post or provide in conspicuous places in or near gaming areas and areas where cash or credit is made available to patrons including cash dispensing machines written materials concerning the nature and symptoms of problem gambling and the toll-free telephone number of the Louisiana Problem Gambling Hot Line or similar entity approved by the Board.

C. All licensees other than video draw poker establishments shall implement procedures and training for all employees who directly interact with gaming patrons in gaming areas. Such training shall, at a minimum, consist of information concerning the nature and symptoms of problem gambling behavior and assisting patrons in obtaining information about problem gambling programs. This Subsection shall not be construed to require employees of licensees to identify problem gamblers. Each licensee shall designate personnel responsible for maintaining the program and addressing the types and frequency of such training and procedures. Training programs conducted or certified by the Office of Alcohol and Drug Abuse are presumed to provide adequate training for the period certified.

D. Licensed video draw poker establishments shall comply with procedures and training requirements developed by the division and approved by the Board.

E. Each licensee that engages in the issuance of credit, check cashing, or the direct mail marketing of gaming opportunities, shall implement a program containing the elements described below, as appropriate, that allows patrons to self-limit their access to the issuance of credit, check cashing, or direct mail marketing by that licensee. As appropriate, such program shall contain, at a minimum, the following:

1. the development of written materials for dissemination to patrons explaining the program;

2. the development of written materials for dissemination to patrons explaining the excluded persons provisions of R.S. 27:1 et seq. and the administrative rules of the Board;

3. the development of written forms allowing patrons to participate in the program;

4. standards and procedures that allow a patron to be prohibited from access to check cashing, the issuance of credit, and the participation in direct mail marketing of gaming opportunities;

5. standards and procedures that allow a patron to be removed from the licensee's direct mailing and other direct marketing regarding gaming opportunities at that licensee's location; and

6. procedures and forms requiring the patron to notify a designated office of the licensee within 10 days of the patron's receipt of any financial gaming privilege, material or promotion covered by the program.

F. The Chairman may request that any licensee submit any of the elements of the licensee's program described in Subsections B, C, and E to the Board for review. If the Board makes an administrative determination that the licensee's program does not adequately address the standards as set forth in Subsections B, C and E above, then the Board may issue such a determination identifying the deficiencies and specifying a time certain within which such deficiencies must be corrected.

G. Failure by the licensee to establish the programs set forth in Subsections C and E, to comply with the procedures and training requirements established under Subsection D, or to cure a deficiency identified pursuant to Subsection F, shall constitute a violation of these rules, and may result in administrative action including but not limited to revocation, suspension or civil penalty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:2256 (November 1999).

§119. Reciprocity

A. Any person licensed or permitted pursuant to the provisions of Chapters 4, 5, 6, or 7 of Title 27 of the Revised Statutes which seeks to apply for and be licensed or permitted to manufacture, repair or sell slot machines, gaming devices, gaming supplies or nongaming supplies or to provide services pursuant to another Chapter of Title 27 shall:

1. meet all statutory requirements of the Chapter for which an application or authorization to conduct business is sought, all general rules of the Board and all rules and regulations applicable to the new gaming activity;

2. be in good standing with the Board, the gaming enforcement section of the Louisiana State Police and the division with responsibility relative to regulation of the gaming activity for which the licensee or permittee is licensed or permitted to engage in. Good standing for the purposes of this Section shall mean that:

a. the licensee or permittee has no administrative or enforcement actions pending relative to the respective license or permit;

b. there are no pending or ongoing investigations of possible violations by the licensee or permittee;

c. the licensee or permittee has filed a complete application and provided any and all information required to be furnished by statute, rule or regulation or which has been requested to be provided by the Board or the respective division;

3. any administrative or enforcement action, other than assessment of a civil penalty, instituted against a licensee or permittee shall apply to and be given reciprocal effect to all licenses, permits or other authorizations to conduct business held by such licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:339 (February 2000).

§120. Application and Reporting Forms

A. All applicants, licensees, permittees, and persons required to be found suitable shall utilize and complete, as applicable, the most recent version of the following forms.

1. Riverboat

a. Level I, Part A, Suitability Gaming Application, DPSSP 6616, including, but not limited to:

- i. Instructions;
- ii. Application for Gaming License or Suitability Approval Application, Business Entity Form;
- iii. Applicant Information;
- iv. Ownership Interest;
- v. General Information;
- vi. Records/Books Information;
- vii. Professional Services Information;
- viii. Gaming Information (Miscellaneous);
- ix. General Applicant Information;
- x. Financial Disclosure Information;
- xi. Affidavit of Full Disclosure;
- xii. Applicant's Request to Release Information;
- xiii. Verification;
- xiv. Release of All Claims;

xv. Business Tax Information Authorization Request;

xvi. Federal Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;

xvii. Federal Internal Revenue Service Gaming Tax Clearance Certificate;

xviii. State Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;

xix. Louisiana Department of Revenue and Taxation Tax Clearance Certificate.

b. Level I, Part B, Personal History and Financial Record Suitability Gaming Application, DPSSP 6617, including, but not limited to:

i. Instructions;

ii. Personal History and Financial Record Suitability Gaming Application;

iii. Personal Information;

iv. Criminal History Information;

v. Civil Litigation Information;

vi. Military Service Data Information;

vii. Employment History Information;

viii. Professional Licenses, etc., Information;

ix. Business Associations Information;

x. Financial Information;

xi. General Information;

xii. Supplemental Page Information;

xiii. Verification;

xiv. Affidavit of Full Disclosure;

xv. Individual's Request to Release Information;

xvi. Release of All Claims;

xvii. Individual Tax Information Authorization Request;

xviii. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

xix. State Individual Consent to Disclosure of Tax Information;

xx. Federal Internal Revenue Service Tax Clearance Certificate;

xxi. Federal Individual Consent to Disclosure of Tax Information.

c. Level I, Parts A and B, Renewal Riverboat Gaming Application, DPSSP 6618 and 6619, including, but not limited to:

i. Part A—Instructions;

ii. Additional Application Information Required;

iii. Part B—Instructions;

iv. Definitions.

d. Level I, Renewal Suitability Gaming Application, Part A, DPSSP 6618, including, but not limited to:

i. Applicant Information;

ii. General Information;

iii. Records/Books Information;

iv. Professional Services Information;

v. Gaming Interest Information;

vi. General Information;

vii. Financial Disclosure Information;

viii. Affidavit of Full Disclosure;

ix. Applicant's Request to Release Information;

x. Verification;

xi. Release of All Claims;

xii. Business Tax Information Authorization Request;

xiii. Federal Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;

xiv. Federal Internal Revenue Service Tax Clearance Certificate;

xv. State Department of Revenue And Taxation Consent to Disclosure of Tax Information;

xvi. Louisiana Department of Revenue and Taxation Tax Clearance Certificate.

e. Level I, Renewal Suitability Gaming Application, Part B, Personal History and Financial Record, DPSSP 6619, including, but not limited to:

i. Personal Information;

ii. Criminal History Information;

iii. Civil Litigation Information;

iv. Employment History;

v. Professional Licenses, etc., Information;

vi. Business Associations Information;

vii. Financial Information;

viii. General Information;

ix. Supplemental Page Information;

x. Verification;

xi. Affidavit of Full Disclosure;

xii. Individual's Request to Release Information;

xiii. Release of All Claims;

xiv. Individual Tax Information Authorization Request;

LOUISIANA GAMING

xv. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

xvi. State Individual Consent to Disclosure of Tax Information;

xvii. Federal Internal Revenue Service Tax Clearance Certificate;

xviii. Federal Individual Consent to Disclosure of Tax Information.

f. Casino Gaming Key Employee Permit Application, Instructions and Application, DPSSP 0074, including, but not limited to:

- i. Application for Permit;
- ii. Personal History and Financial Record;
- iii. Personal Financial Questionnaire;
- iv. Verification;
- v. Affidavit of Full Disclosure;
- vi. Release of All Claims;
- vii. Individual Tax Information Authorization Request;

xiii. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

ix. State Individual Consent to Disclosure of Tax Information;

x. Federal Internal Revenue Service Tax Clearance Certificate;

xi. Federal Individual Consent to Disclosure of Tax Information.

g. Key Riverboat Gaming Employee Renewal Application, DPSSP 0084, including, but not limited to:

- i. Instruction Sheet;
- ii. Application for Permit;
- iii. Affidavit of Full Disclosure;
- iv. Release of All Claims.

h. Riverboat and Landbased Casino Non-Key Gaming Employee Permit Application, DPSSP 0075, including but not limited to:

- i. Permit Application;
- ii. Gaming Employee Applicant Conditional Approval Agreement (Non-Key Gaming);
- iii. Request to Release Information and Release of Claims by Company/Corporation/Individual.

i. Non-Key Riverboat Gaming Employee Renewal Application, DPSSP 0065, including, but not limited to:

- i. Instruction Sheet;
- ii. Application for Permit;
- iii. Employee Gaming Permit Renewal Affidavit;
- iv. Release of All Claims.

j. Supplier of Significant Services (Marine Operations) Permit Application Individual Form Instructions and Application, DPSSP 0089:

- i. Instructions;
- ii. Personal Information;
- iii. Criminal History Information;
- iv. Military Service Data Information;
- v. Civil Litigation Information;
- vi. Employment History Information;
- vii. Professional Licenses, etc., Information;
- viii. Business Associations Information;
- ix. Personal Financial Questionnaire;
- x. Supplemental Page Information;
- xi. Verification;
- xii. Affidavit of Full Disclosure;
- xiii. Individual's Request to Release Information;
- xiv. Release of All Claims;

xv. Individual Tax Information Authorization Request;

xvi. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

xvii. State Individual Consent to Disclosure of Tax Information;

xviii. Federal Internal Revenue Service Tax Clearance Certificate;

xix. Federal Individual Consent to Disclosure of Tax Information.

k. Individual Marine Operation Permit Renewal Application, DPSSP 0091, including, but not limited to:

- i. Instruction Sheet;
- ii. Application for Permit;
- iii. Affidavit of Full Disclosure;
- iv. Release of All Claims.

l. Casino Gaming Non-Gaming Supplier Permit Application, DPSSP 0076, including, but not limited to:

- i. Application for Permit;
- ii. Verification;
- iii. Non-Gaming Application Request to Release Information and Release of Claims Company/Corporation/Individual;

iv. Business Tax Information Authorization Request;

- v. Tax Clearance Request.

m. Level II, Casino Gaming Permit Application Manufacturers and Suppliers, Part A, DPSSP 0073, including, but not limited to:

- i. Instruction Page;
- ii. Schedule of Fees;
- iii. Application for Permit;
- iv. Statement of Assets;
- v. Statement of Liabilities;
- vi. Verification;
- vii. Affidavit of Full Disclosure;
- viii. Release of All Claims;
- ix. Individual Tax Information Authorization Request;
- x. Applicant's Request to Release Information.

n. Level II, Casino Gaming Permit Application, Personal History and Financial Record, Part B, DPSSP 0077, including, but not limited to:

- i. Personal Information;
- ii. Personal Financial Questionnaire;
- iii. Statement of Assets;
- iv. Statement of Liabilities;
- v. Verification;
- vi. Affidavit of Full Disclosure;
- vii. Individuals Request to Release Information;
- viii. Release of All Claims;
- ix. Individual Tax Information Authorization Request.

o. Gaming Permit/License Application for Manufacturers, Suppliers/Distributors and Service Entities, DPSSP 6613, including, but not limited to:

- i. Instructions;
- ii. Schedule of Fees;
- iii. Application for Permit;
- iv. Vendor Reciprocity Affidavit.

p. Non-Gaming Supplier Permit Application for Suppliers of Non-Gaming Goods/Services, DPSSP 6614, (In Accordance with Reciprocity Provisions of R.S. 27.91.E), including, but not limited to:

- i. Instructions;
- ii. Application for Permit;
- iii. Vendor Reciprocity Affidavit;
- iv. Request to Release Information and Release of Claims by Company/Corporation/Individual;
- v. Tax Clearance Request;

vi. Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;

vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

viii. Internal Revenue Service Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

q. Supplier of Significant Services (Marine Operations) Permit Application, DPSSP 0088, including, but not limited to:

- i. Application for Permit;
- ii. Business Financial Questionnaire;
- iii. Statement of Assets;
- iv. Statement of Liabilities;
- v. Verification;
- vi. Affidavit of Full Disclosure;
- vii. Applicants Request to Release Information;
- viii. Release of All Claims;
- ix. Applicants Tax Information Authorization Request.

r. Non-Gaming Supplier Renewal Application, DPSSP 0090, including, but not limited to:

- i. Application for Permit;
- ii. Affidavit Form;
- iii. Request to Release Information and Release of Claims by Company/Corporation/Individual;
- iv. Business Tax Information Authorization Request;
- v. Tax Clearance Request.

s. Manufacturer/Supplier Renewal Application, DPSSP 0064, including, but not limited to:

- i. Application for Permit;
- ii. Affidavit Form;
- iii. Request to Release Information and Release of Claims by Company/Corporation/Individual;
- iv. Business Tax Information Authorization Request;
- v. Tax Clearance Request.

t. Fingerprint Cards

2. Land Based Casino

a. Casino Gaming Key Employee Permit Application Instructions and Application, DPSSP 0074, including, but not limited to:

- i. Personal History and Financial Record;
- ii. Personal Financial Questionnaire;

LOUISIANA GAMING

- iii. Statement of Assets;
 - iv. Statement of Liabilities;
 - v. Verification;
 - vi. Affidavit of Full Disclosure;
 - vii. Individual's Request to Release Information;
 - viii. Release of All Claims;
 - ix. Individual Tax Information Authorization Request;
 - x. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);
 - xi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal);
 - xii. Businesses, Trusts, Estates, etc., Consent to Disclosure of Tax Information.
- b. Gaming Key Employee Permit Renewal Application Packet, including, but not limited to:
- i. Instructions;
 - ii. Gaming Key Employee Permit Renewal Application;
 - iii. Gaming Permit Affidavit;
 - iv. Request to Release Information and Release of Claims by Company/Corporation/Individual.
- c. Riverboat and Landbased Casino Non-Key Gaming Employee Permit Application, DPSSP 0075, including, but not limited to:
- i. Permit Application;
 - ii. Gaming Employee Applicant Conditional Approval Agreement (Non-Key Gaming);
 - iii. Request to Release Information and Release of Claims by Company/Corporation/Individual.
- d. Gaming Non-Key Employee Permit Renewal Application, including, but not limited to:
- i. Instructions;
 - ii. Gaming Non-Key Employee Permit Renewal Application;
 - iii. Request to Release Information and Release of Claims by Company/Corporation/Individual.
- e. Gaming Permit/License Application for Manufacturers, Suppliers/Distributors and Service Entities (in Accordance with Reciprocity Provisions), DPSSP 6613, including, but not limited to:
- i. Application for Permit;
 - ii. Vendor Reciprocity Affidavit.

- f. Level II, Casino Gaming Permit Application Manufacturers and Suppliers, Part A, DPSSP 0073, including, but not limited to:
- i. Schedule of Fees;
 - ii. Application for Permit;
 - iii. Statement of Assets;
 - iv. Statement of Liabilities;
 - v. Verification;
 - vi. Affidavit of Full Disclosure;
 - vii. Release of All Claims;
 - viii. Individual Tax Information Authorization Request;
 - ix. Applicant's Request to Release Information;
 - x. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);
 - xi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal);
 - xii. Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information.
- g. Manufacturers and Suppliers Gaming Permit Renewal Application, including, but not limited to:
- i. Instructions;
 - ii. Renewal Application;
 - iii. Gaming Permit Affidavit;
 - iv. Request to Release Information and Release of Claims by Company/Corporation/Individual;
 - v. Individual Tax Information Authorization Request;
 - vi. Business Tax Information Authorization Request;
 - vii. Tax Clearance Request.
- h. Non-Gaming Supplier Permit Application for Suppliers of Non-Gaming Goods/Services (in Accordance with Reciprocity Provisions), DPSSP 6614, including, but not limited to:
- i. Application for Permit;
 - ii. Vendor Reciprocity Affidavit;
 - iii. Request to Release Information and Release of Claims by Company/Corporation/Individual;
 - iv. Tax Clearance Request;
 - v. Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;

vi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance (State);

vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance (Federal).

i. Casino Gaming Non-Gaming Supplier Permit Application, DPSSP 0076, including, but not limited to:

i. Application for Permit;

ii. Verification;

iii. Non-Gaming Application Request to Release Information and Release of Claims Company/Corporation/Individual;

iv. Business Tax Information Authorization Request;

v. Tax Clearance Request;

vi. Business, Trusts, Estates, Etc., Consent to Disclosure of Tax Information;

vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

viii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

j. Non-Gaming Suppliers Permit Renewal Application, including, but not limited to:

i. Instructions;

ii. Renewal Application;

iii. Affidavit;

iv. Non-Gaming Request to Release Information and Release of Claims by Company/Corporation/Individual;

v. Business Tax Information Authorization Request;

vi. Tax Clearance Request.

k. Level I, Suitability Gaming Application, Part A, including, but not limited to:

i. Application for License;

ii. Statement of Assets;

iii. Statement of Liabilities;

iv. Affidavit of Full Disclosure;

v. Applicant's Request to Release Information;

vi. Individual Tax Information Authorization Request;

vii. Verification.

l. Level II, Casino Gaming Permit Application Personal History and Financial Record Part B, DPSSP 0077, including, but not limited to:

i. Personal Information;

ii. Personal Financial Questionnaire;

iii. Statement of Assets;

iv. Statement of Liabilities;

v. Verification;

vi. Affidavit of Full Disclosure;

vii. Individual's Request to Release Information;

viii. Release of All Claims;

ix. Individual Tax Information Authorization Request;

x. Business, Trusts, Estates, etc., Consent to Disclose Tax Information;

xi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

xii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

m. Land Based Casino Gaming Division, Junket or Limousine Service Casino Gaming Permit Application, DPSSP 6611, including, but not limited to:

i. Schedule of Fees;

ii. Application for Permit;

iii. Statement of Assets;

iv. Statement of Liabilities;

v. Verification;

vi. Affidavit of Full Disclosure;

vii. Release of All Claims;

viii. Individual Tax Information Authorization Request;

ix. Applicant's Request to Release Information;

x. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

xi. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal);

xii. Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information.

n. Gaming Device Shipment Notification, including, but not limited to:

i. Gaming Device Shipment Notification, DPSSP 6501;

ii. Gaming Device Shipment Notification (Supplemental), DPSSP 6502;

o. Finger Print Cards.

LOUISIANA GAMING

3. Video Poker
 - a. Video Gaming Application, DPSSP 0031;
 - b. Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;
 - c. Affidavit of Full Disclosure, DPSSP 0036;
 - d. Request to Release Information, DPSSP 0037;
 - e. Release of All Claims, DPSSP 0035;
 - f. Individual Consent to Disclosure of Tax Information;
 - g. Personal History Questionnaire, DPSSP 0032;
 - h. Personal Financial Questionnaire, DPSSP 0033;
 - i. Designated Representative/Manager Application Form, DPSSP 5403;
 - j. Multiple Use Reporting Form, VGD 071498;
 - k. Application for Video Poker Device Permit, DPSSP 0059;
 - l. Gaming Device Ownership Transfer Notification, DPSSP 0052;
 - m. Video Gaming Device Service/Repair Form, DPSSP 0040;
 - n. Pari-Mutuel Wagering Facility Monthly Report, DPSSP 0046;
 - o. Authorization Agreement for Pre-Authorized Payments, DPSSP 0038;
 - p. Video Gaming Device Shipment Notification, DPSSP 0043;
 - q. Minimum Monthly Fuel Sales Report, DPSVGD 1011;
 - r. Monthly Fuel Sales Meter Reading Report, DPSVGD 1012;
 - s. Renewal Application, DPSSP 0049;
 - t. Renewal Affidavit/Certification, DPSSP 0051;
 - u. Finger Print Cards;
4. Live Racing Facility Slot Machine Gaming
 - a. Level I, Part A, Suitability Gaming Application, DPSSP 6616, including, but not limited to:
 - i. Instructions;
 - ii. Application or Gaming License or Suitability Approval Application, Business Entity Form;
 - iii. Applicant Information;
 - iv. Ownership Interest;
 - v. General Information;
 - vi. Records/Books Information;
 - vii. Professional Services Information;
 - viii. Gaming Information (Miscellaneous);
 - ix. General Applicant Information;
 - x. Financial Disclosure Information;
 - xi. Affidavit of Full Disclosure;
 - xii. Applicant's Request to Release Information;
 - xiii. Verification;
 - xiv. Release of All Claims;
 - xv. Business Tax Information Authorization Request;
 - xvi. Federal Business, Trusts, Estates, Etc., Consent to Disclosure of Tax Information;
 - xvii. Federal Internal Revenue Service Gaming Tax Clearance Certificate;
 - xviii. State Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;
 - xix. Louisiana Department of Revenue and Taxation Tax Clearance Certificate.
 - b. Level I, Part B, Personal History and Financial Record Suitability Gaming Application, DPSSP 6617, including, but not limited to:
 - i. Instructions;
 - ii. Personal History and Financial Record Suitability Gaming Application;
 - iii. Personal Information;
 - iv. Criminal History Information;
 - v. Civil Litigation Information;
 - vi. Military Service Data Information;
 - vii. Employment History Information;
 - viii. Professional Licenses, etc., Information;
 - ix. Business Associations Information;
 - x. Financial Information;
 - xi. General Information;
 - xii. Supplemental Page Information;
 - xiii. Verification;
 - xiv. Affidavit of Full Disclosure;
 - xv. Individual's Request to Release Information;
 - xvi. Release of All Claims;
 - xvii. Individual Tax Information Authorization Request;
 - xviii. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;
 - xix. State Individual Consent to Disclosure of Tax Information;

xx. Federal Internal Revenue Service Tax Clearance Certificate;

xxi. Federal Individual Consent to Disclosure of Tax Information.

c. Level I, Parts A and B Renewal Riverboat Gaming Application, DPSSP 6618 and 6619, including, but not limited to:

- i. Part A—Instructions;
- ii. Additional Application Information Required;
- iii. Part B—Instructions;
- iv. Definitions.

d. Level I, Renewal Suitability Gaming Application, Part A, DPSSP 6618, including, but not limited to:

- i. Applicant Information;
- ii. General Information;
- iii. Records/Books Information;
- iv. Professional Services Information;
- v. Gaming Interest Information;
- vi. General Information;
- vii. Financial Disclosure Information;
- viii. Affidavit of Full Disclosure;
- ix. Applicant's Request to Release Information;
- x. Verification;
- xi. Release of All Claims;
- xii. Business Tax Information Authorization Request;

xiii. Federal Business, Trusts, Estates, Etc., Consent to Disclosure of Tax Information;

xiv. Federal Internal Revenue Service Tax Clearance Certificate;

xv. State Department of Revenue and Taxation Consent to Disclosure of Tax Information;

xvi. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

e. Level I, Renewal Suitability Gaming Application, Part B, Personal History and Financial Record, DPSSP 6619, including, but not limited to:

- i. Personal Information;
- ii. Criminal History Information;
- iii. Civil Litigation Information;
- iv. Employment History;
- v. Professional Licenses, etc., Information;
- vi. Business Associations Information;
- vii. Financial Information;

viii. General Information;

ix. Supplemental Page Information;

x. Verification;

xi. Affidavit of Full Disclosure;

xii. Individual's Request to Release Information;

xiii. Release of All Claims;

xiv. Individual Tax Information Authorization Request;

xv. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

xvi. State Individual Consent to Disclosure of Tax Information;

xvii. Federal Internal Revenue Service Tax Clearance Certificate;

xviii. Federal Individual Consent to Disclosure of Tax Information.

f. Key Riverboat Gaming Employee Permit Application, DPSSP 0074, including, but not limited to:

- i. Application for Permit;
- ii. Personal History and Financial Record;
- iii. Personal Financial Questionnaire;
- iv. Verification;
- v. Affidavit of Full Disclosure;
- vi. Release of All Claims;
- vii. Individual Tax Information Authorization Request;

viii. Louisiana Department of Revenue and Taxation Tax Clearance Certificate;

ix. State Individual Consent to Disclosure of Tax Information;

x. Federal Internal Revenue Service Tax Clearance Certificate;

xi. Federal Individual Consent to Disclosure of Tax Information.

g. Key Riverboat Gaming Employee Renewal Application, DPSSP 0084, including but not limited to:

- i. Instruction Sheet;
- ii. Application for Permit;
- iii. Affidavit of Full Disclosure;
- iv. Release of All Claims.

h. Riverboat and Landbased Casino Non-Key Gaming Employee Permit Application, DPSSP 0075, including but not limited to:

- i. Permit Application;
- ii. Gaming Employee Applicant Conditional Approval Agreement (Non-Key Gaming);
- iii. Request to Release Information and Release of Claims by Company/Corporation/Individual.

LOUISIANA GAMING

i. Non-Key Riverboat Gaming Employee Renewal Application, DPSSP 0065, including, but not limited to:

- i. Instruction Sheet;
- ii. Application for Permit;
- iii. Employee Gaming Permit Renewal Affidavit;
- iv. Release of All Claims.

j. Casino Gaming Non-Gaming Supplier Permit Application, DPSSP 0076, including, but not limited to:

- i. Application for Permit;
- ii. Verification;
- iii. Non-Gaming Application Request to Release Information and Release of Claims Company/Corporation/Individual;
- iv. Business Tax Information Authorization Request;
- v. Tax Clearance Request.

k. Casino Gaming Permit Application, Manufacturer and Suppliers, Part A, DPSSP 0073, including, but not limited to:

- i. Instruction Page;
- ii. Schedule of Fees;
- iii. Application for Permit;
- iv. Statement of Assets;
- v. Statement of Liabilities;
- vi. Verification;
- vii. Affidavit of Full Disclosure;
- viii. Release of All Claims;
- ix. Individual Tax Information Authorization Request;
- x. Applicants Request to Release Information.

l. Level II, Casino Gaming Permit Application, Personal History and Financial Record, Part B, DPSSP 0077, including, but not limited to:

- i. Personal Information;
- ii. Personal Financial Questionnaire;
- iii. Statement of Assets;
- iv. Statement of Liabilities;
- v. Verification;
- vi. Affidavit of Full Disclosure;
- vii. Individual's Request to Release Information;
- viii. Release of All Claims;
- ix. Individual Tax Information Authorization Request.

m. Gaming Permit/License Application for Manufacturers, Suppliers/Distributors and Service Entities, DPSSP 6613, including, but not limited to:

- i. Instructions;
- ii. Schedule of Fees;
- iii. Application for Permit;
- iv. Vendor Reciprocity Affidavit.

n. Non-Gaming Supplier Permit Application for Suppliers of Non-Gaming Goods/Services, DPSSP 6614, including, but not limited to:

- i. Instructions;
- ii. Application for Permit;
- iii. Vendor Reciprocity Affidavit;
- iv. Request to Release Information and Release of Claims by Company/Corporation/Individual;
- v. Tax Clearance Request;
- vi. Business, Trusts, Estates, etc., Consent to Disclosure of Tax Information;
- vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);

viii. Internal Revenue Service Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

o. Non-Gaming Supplier Renewal Application, DPSSP 0090, including, but not limited to:

- i. Application for Permit;
- ii. Affidavit Form;
- iii. Request to Release Information and Release of Claims by Company/Corporation/Individual;
- iv. Business Tax Information Authorization Request;
- v. Tax Clearance Request.

p. Manufacturer/Supplier Renewal Application, DPSSP 0064, including, but not limited to:

- i. Application for Permit;
- ii. Affidavit Form;
- iii. Request to Release Information and Release of Claims by Company/Corporation/Individual;
- iv. Business Tax Information Authorization Request;
- v. Tax Clearance Request.

q. Finger Print Cards

5. Reciprocity

a. Gaming Permit License Application for Manufactures, Suppliers/Distributors and Service Entities, DPSSP 6613, including but not limited to:

- i. Application for Permit;
- ii. Vendor Reciprocity Affidavit.
- b. Non-Gaming Supplier Permit Application for Suppliers of Non-Gaming Goods/Services, DPSSP 6614, including but not limited to:
 - i. Application for Permit;
 - ii. Vendor Reciprocity Affidavit;
 - iii. Request to Release Information and Release of Claims by Company/Corporation/Individual;
 - iv. Tax Clearance Request;
 - v. Business, Trusts, Estates, etc.;
 - vi. Consent to Disclosure of Tax Information;
 - vii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (State);
 - viii. Louisiana Department of Revenue and Taxation Land Based Casino and Riverboat Gaming Tax Clearance Certificate (Federal).

B. All applicants, licensees, permittees and persons required to be found suitable shall fully comply with all instructions contained in the prescribed forms and shall provide all documentation and information requested therein.

C. Any revisions, additions, or other modifications to the prescribed forms shall be made upon recommendation of the respective division and approval of the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR. 26:340 (February 2000).

Chapter 2. Electronic Cards

§201. General Credit Provisions

A. No casino operator, casino manager or licensee, either directly or through any bank, financial institution, credit card company or similar entity, shall issue electronic cards or smart cards that have the capability of allowing patrons to access any line of credit or account, debit an account, or obtain credit through a credit agreement or otherwise allow any patron to incur debt in any manner not provided in the respective casino operator's, casino manager's or licensee's internal controls as approved by the division.

B. All electronic cards or smart cards issued by the casino operator, casino manager or any licensee for the purpose of wagering shall be prepaid with a fixed dollar amount that shall not be susceptible of being increased by patrons without purchasing additional value in a manner consistent with the respective casino operator's, casino manager's or licensee's internal controls as approved by the division.

C. Electronic cards or smart cards issued by the casino operator, casino manager or any licensee shall be used only for wagering at the respective casino operator's, or licensee's property.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:855 (April 2002).

Chapter 3. Compulsive and Problem Gambling

§301. Problem Gambling Programs

A. As used in this Section, *licensee* shall mean all persons licensed or otherwise authorized to conduct gaming operations pursuant to the provisions of Chapters 4, 5, and 7 of the Louisiana Gaming Control Law, R.S. 27:1 et seq., including the casino operator and casino manager, but not including persons licensed pursuant to Chapter 6 of the Louisiana Gaming Control Law.

B. The casino operator or casino manager and each licensee shall post or provide written materials concerning the nature and symptoms of problem gambling in conspicuous places within the gaming establishment in or near gaming areas and areas where cash or credit is made available to patrons, including cash dispensing machines.

C. The casino operator or casino manager and each licensee shall post one or more signs, as approved by the division, at points of entry to casino gaming establishments to inform customers of the toll free telephone number available to provide information and referral services regarding compulsive or problem gambling. The toll free number shall be provided by the division.

D. Failure by the casino operator or casino manager or a licensee to comply with the provisions of Subsections B or C above shall constitute violations of this Section. The penalty for violation of Subsection B or C shall be \$1,000 per day or administrative action including but not limited to suspension or revocation.

E.1. The casino operator or casino manager and all licensees shall develop a comprehensive program for its property or properties, that address, at a minimum, the areas of concern described in R.S. 27:27.1.C which are designed to:

a. provide procedures designed to prevent employees from willfully permitting a person identified on a Self-Exclusion List from engaging in gaming activities at the licensed establishment or facility;

b. provide procedures to offer employee assistance programs or equivalent coverage. The procedures shall be designed to provide confidential assessment and treatment referral for gaming employees and, if covered, their dependents who may have a gambling problem;

c. provide procedures for the development of programs to address issues of underage gambling and unattended minors at gaming facilities;

d. provide procedures for the training of all employees that interact with gaming patrons in gaming areas to report suspected problem gamblers to supervisors who shall be trained as provided in this Paragraph. The training shall, at a minimum, consist of information concerning the nature and symptoms of compulsive and problem gambling behavior and assisting patrons in obtaining information about compulsive and problem gambling and available options for seeking assistance with such behavior;

e. provide procedures designed to prevent serving alcohol to intoxicated gaming patrons consistent with the provisions of R.S. 26:931 et seq.;

f. provide procedures for removing Self-Excluded Persons from the licensed establishment or facility, including, if necessary, procedures that include obtaining the assistance of the division or local law enforcement;

g. provide procedures preventing any person identified on the Self-Exclusion List from receiving any advertisement, promotion, or other targeted mailing after ninety days of receiving notice from the Board that the person has been placed on the Self-Exclusion List;

h. provide procedures for the distribution or posting within the gaming establishment of information that promotes public awareness about problem gambling and provides information on available services and resources to those who have a gambling problem;

i. provide procedures for the distribution of responsible gaming materials to employees;

j. provide procedures for the posting of local curfews or laws and prohibitions, if any, regarding underage gambling and unattended minors;

k. provide procedures to prevent any person placed on the Self-Exclusion List from having access to credit or from receiving complimentary services, check cashing services, and other club benefits;

l. provide procedures designed to prevent persons from gaming after having been determined to be intoxicated for the purposes of R.S. 27:27.1.C.(5).

2. The casino operator or casino manager and each licensee shall designate personnel responsible for implementing and monitoring the program.

3. In addition to the areas of concern described in R.S. 27:27.1.C, the comprehensive program shall also include a program that allows patrons to self-limit their access to functions and amenities of the gaming establishment, including but not limited to, the issuance of credit, check cashing or direct mail marketing.

F. The casino operator or casino manager and each licensee shall submit the comprehensive program to the Board for approval within one hundred twenty days from the date this rule becomes effective as required by R.S. 27:27.1.C.

G. Upon approval, the casino operator, casino manager and all casino gaming licensees shall comply with their respective comprehensive compulsive and problem gambling programs submitted to the Board.

H. Sanctions

1. Failure by any licensee, the casino operator or casino manager to comply with LAC 42:III.301.F shall constitute a violation. The penalty for violation of LAC 42:III.301.F shall be \$1,000 per day or administrative action including but not limited to suspension or revocation.

2. Failure by any licensee, the casino operator or casino manager to comply with any provision of the programs approved by the Board shall constitute a violation of LAC 42:III.301.G. The penalty shall be \$5000 for the first offense, \$10,000 for the second offense and \$20,000 for the third offense. The penalty for fourth and subsequent offenses shall be \$20,000 or administrative action including but not limited to suspension or revocation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1987 (September 2002).

§303. Persons Required to be Excluded

A. Pursuant to R.S. 27:27.2, the Louisiana Gaming Control Board hereby provides for the establishment of a list of persons who are to be excluded or ejected from any room, premises, or designated gaming area of an establishment where gaming is conducted pursuant to Chapters 4, 5, and 7 of the Louisiana Gaming Control Law, R.S. 27:1 et seq.

B. Definitions. The following words and terms, when used in this Section, shall have the following meanings unless the context clearly indicates otherwise.

Board Excluded Person—any person who has been placed on the Board Exclusion List by preliminary or final order of the Board or division where applicable, and who is required to be excluded or ejected from a casino gaming establishment pursuant to the Louisiana Gaming Control Law.

Board Exclusion List—a list of names of persons who, pursuant to R.S. 27:27.2, are required to be excluded or ejected from casino gaming establishments.

Candidate—any person whose name is included in a petition to place such person on the Board Exclusion List pursuant to the Louisiana Gaming Control Law.

Career or Professional Offender—any person who, in an Occupational Manner or Context, engages in methods and activities that are deemed criminal violations or contrary to the public policy of this state for the purpose of economic gain.

Casino Gaming Establishment—any room, premises, or designated gaming area of any establishment where gaming is conducted pursuant to Chapters 4, 5, and 7 of the Louisiana Gaming Control Law.

Cheat—any person whose act or acts in any jurisdiction would constitute any offense under R.S. 14:67.18.

Occupational Manner or Context—the systematic planning, administration, management, or execution of an activity for financial gain.

C. Criteria for Exclusion

1. The Board Exclusion List may include any person who meets any of the following criteria:

a. a Career or Professional Offender whose presence in a casino gaming establishment would be adverse to the interests of the state of Louisiana or to authorized gaming therein;

b. an associate of a Career or Professional Offender whose association is such that his or her presence in a casino gaming establishment would be adverse to the interests of the state of Louisiana or to authorized gaming therein;

c. a person who has been convicted of a gaming or gambling crime or a crime related to the integrity of gaming operations;

d. a person who has performed any act or has a notorious or unsavory reputation that would adversely affect public confidence and trust in gaming, including, but not limited to, being identified with criminal activities in published reports of various federal and state legislative and executive bodies that have inquired into criminal activities. Such bodies shall include, but not be limited to, the following:

- i. California Crime Commission;
 - ii. Chicago Crime Commission;
 - iii. McClellan Committee (Senate Subcommittee on Investigation);
 - iv. New York Waterfront Commission;
 - v. Pennsylvania Crime Commission Report;
 - vi. Senate Permanent Subcommittee on Investigations;
 - vii. State of Colorado Organized Crime Strike Force; or
 - viii. President's Commission on Organized Crime;
- e. has been named or is currently on any valid exclusion list of any other jurisdiction;

f. is a person whose presence in a casino gaming establishment would be adverse to the state of Louisiana or authorized gaming therein, including, but not limited to:

- i. Cheats;
- ii. persons whose gaming privileges, permits, licenses, or other approvals have been suspended, revoked or denied;
- iii. persons who pose a threat to the safety of the patrons or employees of the casino operator or casino manager or any casino gaming licensee;

iv. persons with a documented history of conduct involving the disruption of the gaming operations in any jurisdiction;

v. persons subject to an order of a Louisiana court excluding such persons from any casino gaming establishments; or

vi. persons with pending charges for a gaming or gambling crime or a crime related to the integrity of gaming operations;

g. for purposes of Paragraph C.1 above:

i. a person's presence may be considered "adverse to the interest of the state of Louisiana or to authorized gaming therein" if known attributes of such person's character and background:

(a). are incompatible with the maintenance of public confidence and trust in the credibility, integrity and stability of licensed gaming;

(b). could reasonably be expected to impair the public perception of, and confidence in, the strict regulation of gaming activities; or

(c). would create or enhance a risk or appearance of unsuitable, unfair or illegal practices, methods or activities in the conduct of gaming or in the business or financial arrangements incidental thereto;

ii. a finding that a person's presence is "adverse to the interest of the state of Louisiana or to authorized gaming therein" may be based upon, but not limited to, the following:

(a). the nature and notoriety of the attributes of character or background of the person;

(b). the history and nature of the involvement of the person with authorized gaming in Louisiana or any other jurisdiction, or with any particular licensee or licensees or any related company thereof;

(c). the nature and frequency of any contacts or associations of the person with any licensee or licensees, or with any employees or agents thereof; or

(d). any other factor reasonably related to the maintenance of public confidence in the efficacy of the regulatory process and the integrity of gaming operations, the gaming industry, and its employees;

iii. race, color, creed, national origin or ancestry, sex or disability as defined in R.S. 51:2234.(11), shall not be a reason for placing the name of any person upon such list.

D. Duties of the Division

1. The division shall, on its own initiative, or upon recommendation by the Board, investigate any individual who would appear to be an appropriate Candidate for placement on the Board Exclusion List.

2. If, upon completion of an investigation, the division determines that an individual should be placed on the Board Exclusion List, the division shall make a recommendation

for exclusion to the Board, identifying the Candidate and setting forth the basis for which the division believes the Candidate satisfies the criteria for exclusion established by the Louisiana Gaming Control Law.

E. Notice

1. Upon a determination by the Board that one or more of the criteria for being named on the list are satisfied, such person shall be placed on the Board Exclusion List. The Board or division shall serve notice of exclusion in the matter prescribed in R.S. 27:27.2.C. The notice shall:

- a. identify the excluded person by name, including known aliases, and last known address;
- b. specify the nature and scope of the circumstances or reasons for such person's exclusion;
- c. inform the excluded person of his right to request a hearing for review and/or removal;
- d. inform the excluded person that the failure to timely request a hearing shall result in the decision's becoming final.

F. Contents of the Board Exclusion List

1. The following information shall be provided for each Board Excluded Person:

- a. the full name of the person and any known aliases the person is believed to have used;
- b. a description of the person's physical appearance, including height, weight, build, color of hair and eyes, and any other physical or distinguishing characteristics that may assist in identifying the person;
- c. the date of birth of the person;
- d. the date of the notice mandating exclusion;
- e. the driver's license number or state identification number of the person;
- f. a photograph of the person, if available and the date taken;
- g. the person's occupation and his current home and business address; and
- h. Social Security number, if available;
- i. the reason for exclusion.

G. Maintenance and Distribution of the List

1. The Board shall maintain a list of persons to be excluded or ejected from all casino gaming establishments.

2. The list shall be open to public inspection except information pertaining to the date of birth, driver's license number, state identification number, Social Security number and current home and business address of the Board Excluded Person.

3. The list shall be distributed by the division to the casino operator or casino manager and all casino gaming licensees.

4. No casino gaming licensee, the casino operator or casino manager or any employee, or agent thereof shall disclose the date of birth or current home or business address of a Board Excluded Person to anyone other than employees or agents of casino gaming licensees whose duties and functions require access to such information.

H. Duties of the Casino Operator or Casino Manager and Casino Gaming Licensees

1. The casino operator or casino manager, casino gaming licensees and their agents or employees shall exclude or eject the following persons from the casino gaming establishment:

a. any Board Excluded Person; or

b. any person known to the casino operator or casino manager or any casino gaming licensee to satisfy the criteria for exclusion in the Louisiana Gaming Control Law.

2. If a Board Excluded Person enters, attempts to enter, or is in the casino gaming establishment and is discovered by the casino operator or casino manager or any casino gaming licensee, the casino operator or casino manager or casino gaming licensee shall immediately notify the division of such fact and, unless otherwise directed by the division, immediately eject such excluded person from the casino gaming establishment.

3. Upon discovery of a Board Excluded Person in the casino gaming establishment, both the security and surveillance Departments of the casino operator, casino manager and casino gaming licensees shall initiate a joint investigation, unless otherwise directed by the division, to determine:

a. responsibility of employees of the casino gaming establishment for allowing a Board Excluded Person to gain access to the casino gaming establishment; and

b. the net amount of winnings and/or losses attributable to the Board Excluded Person.

4. The casino operator, casino manager, and each casino gaming licensee shall take reasonable steps to ensure that no winnings or losses arising as a result of prohibited casino gaming activity are paid or recovered by a Board Excluded Person.

5. It shall be the continuing duty of the casino operator, casino manager, and each casino gaming licensee to inform the Board and division in writing of the names of persons it knows or has reason to know are appropriate for placement on the Board Exclusion List.

I. Sanctions

1. Any casino gaming licensee, casino operator or casino manager who willfully fails to exclude a Board Excluded Person from the casino gaming establishment shall be in violation of these rules and may be subject to administrative action pursuant to R.S. 27:27.2.F and this Section.

2. The penalty for violation of LAC 42:III.I.1 shall be \$25,000 or administrative action including but not limited to suspension or revocation.

J. Removal from the Board Exclusion List

1. Hearing. Any person who desires to have his name removed from the Board Exclusion List shall submit a written request to the Board requesting a hearing before a hearing officer.

2. Absent. A change in circumstances that would have affected the Board exclusion. No person shall request a hearing to be removed from the Board Exclusion List for a period of five years from the date of the final decision.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1988 (September 2002).

§304. Self-Exclusion

A. Pursuant to R.S. 27:27.1, the Louisiana Gaming Control Board hereby provides for the establishment of a list of persons who, at his or her request, are to be excluded or ejected from all casino gaming establishments licensed or operating pursuant to Chapters 4, 5, and 7 of the Louisiana Gaming Control Law, R.S. 27:1 et seq.

B. Definitions

1. The following words and terms, when used in this Section, shall have the following meanings unless the context clearly indicates otherwise.

Casino Gaming Establishment—any room, premises, or designated gaming area of any establishment where gaming is conducted pursuant to Chapters 4, 5, and 7 of the Louisiana Gaming Control Law.

Self-Excluded Person—any person whose name is included, at his or her request, on the Self-Exclusion List maintained by the Board.

Self-Exclusion List—a list of names of persons who have voluntarily agreed to be excluded from all gaming activities and to be prohibited from collecting any winnings or recovering any losses at all licensed casino gaming establishments.

C. Request for Self-Exclusion

1. Any person may have his or her name placed on the Self-Exclusion List by submitting a request for self-exclusion in the form and manner required by this Section.

2. Any person requesting placement on the Self-Exclusion List shall submit, in person, a completed request for self-exclusion as required in Paragraph C.4 below. The request shall be delivered to an Office of State Police, Casino Gaming Division. Any person submitting a self-exclusion request shall be required to present valid identification credentials. Any person requesting self-exclusion pursuant to this Section shall be required to have his or her photograph taken by a division agent upon submission of the request.

3. No person placed on the Self-Exclusion List may request removal for a period of five years from the date the person is placed on the Self-Exclusion List.

4. A request for self-exclusion shall be in a form prescribed by the Board. Such form shall include:

a. identifying information concerning the person submitting the request for self-exclusion, as follows:

i. name, including any known aliases or nicknames;

ii. date of birth, driver's license or state identification number, if available;

iii. current home and business address;

iv. telephone number of current residence;

v. Social Security number, which information is voluntarily provided in accordance with Section 7 of the Privacy Act, 5 U.S.C. §552(a); and

vi. a physical description of the person, including height, weight, gender, hair color, eye color, and any other physical or distinguishing characteristics that may assist in the identification of the person;

vii. the date of exclusion;

b. a waiver and release which shall release, forever discharge, indemnify and hold harmless the state of Louisiana, the Louisiana Gaming Control Board ("Board"), the Louisiana Department of Public Safety and Corrections, Office of State Police ("State Police"), the Department of Justice, Office of the Attorney General ("Attorney General's Office"), all casino gaming licensees, the casino operator and casino manager and their members, agents, and employees, from any liability to the person requesting self-exclusion and his or her heirs, administrators, executors and assigns for any harm, monetary or otherwise, which may arise out of or by reason of any act or omission relating to the request for self-exclusion, request for removal from the Self-Exclusion List, or removal from the Self-Exclusion List, including:

i. processing or enforcement of the request for self-exclusion, request for removal or removal from the Self-Exclusion List;

ii. the failure of the casino operator or casino manager or a casino gaming licensee to withhold gaming privileges from, or restore gaming privileges to, a Self-Excluded Person;

iii. permitting a Self-Excluded Person to engage in gaming activity in a licensed casino gaming establishment while on the list of Self-Excluded Persons; and

iv. disclosure of the information contained in the self-exclusion request or list, except for a willful unlawful disclosure of such information;

c. the following statement signed by the person submitting the request for self-exclusion:

"I understand and read the English language or have had an interpreter read and explain this form. I am voluntarily requesting exclusion from all gaming activities at all Louisiana casino gaming establishments because I am a compulsive and/or problem gambler. I certify that the information that I have provided above is true and accurate, and that I have read, understand, and agree to the waiver and release included with this request for self-exclusion. I am aware that my signature below authorizes the Board or the State Police to direct all Louisiana casino gaming licensees, including the casino operator and casino manager, to restrict my gaming activities and access to casino gaming establishments for a minimum period of five years from the date of exclusion. During such period of time, I will not attempt to enter any casino gaming establishment. I further understand that my name will remain on the Self-Exclusion List until 1) I submit a written request to the Board to terminate my self-exclusion; 2) a hearing is held; and 3) there is a written decision of the Board determining that there is no longer a basis for me to be maintained on the list. I am aware that I cannot request removal from the list before five years have elapsed from the date of exclusion. I am aware and agree that during any period of self-exclusion, I shall not collect in any manner or proceeding any winnings or recover any losses resulting from any gaming activity at any casino gaming establishment and that any money or thing of value obtained by me from, or owed to me by, the casino operator, casino manager, or a casino gaming licensee as a result of wagers made by me while on the Self-Exclusion List shall be withheld and remitted to the state of Louisiana."

d. the type of identification credentials examined containing the signature of the person requesting self-exclusion, and whether the credentials included a photograph of the person; and

e. the signature of a Board or division member, agent, or employee authorized to accept such request, indicating that the signature of the person on the request for self-exclusion appears to agree with that contained on his or her identification credentials and that any photograph or physical description of the person appears to agree with his or her actual appearance.

5. Upon receipt and acceptance of the request for self-exclusion and completion and submission of all required information and documentation the requesting party shall be placed on the Self-Exclusion List by the division.

D. Self-Exclusion List

1. The Board shall maintain a list of persons who, at his or her request, are excluded and are to be ejected from all casino gaming establishments.

2. The list shall not be open to public inspection.

3. The list shall be distributed by the division to the casino operator or casino manager and each casino gaming licensee who shall acknowledge receipt of the list in writing. The division shall notify the casino operator, casino manager and all casino gaming licensees of the addition of new names and removal of names from the Self-Exclusion List within two business days of the effective date of such action.

4. The casino operator or casino manager and each casino gaming licensee shall maintain a copy of the Self-Exclusion List and shall establish procedures to ensure that

the Self-Exclusion List is updated and that all appropriate members, employees and agents of the casino operator or casino manager and each casino gaming licensee are notified of any addition to or deletion from the list within five business days after receipt of the notice from the division. Appropriate members, employees, and agents of the casino operator or casino manager and each casino gaming licensee are those whose duties and functions require access to such information. The notice provided by the division shall include the name and date of birth of any person whose name shall be removed from the Self-Exclusion List and the following information concerning any person whose name shall be added to the Self-Exclusion List:

- a. name, including any known aliases or nicknames;
- b. date of birth;
- c. address of current residence;
- d. telephone number of current residence;
- e. Social Security number, if voluntarily provided by the person requesting self-exclusion;
- f. driver's license or state identification number;
- g. a physical description of the person, including height, weight, gender, hair color, eye color and any other physical or distinguishing characteristic that may assist in the identification of the person; and
- h. a copy of the photograph taken by the division.

5. Information furnished to or obtained by the Board and division pursuant to this Section shall be deemed confidential and not be disclosed pursuant to R.S. 27:27.1.

6.a. Neither the casino operator, casino manager, nor any casino gaming licensee or any employee or agent thereof shall disclose the Self-Exclusion List or the name of, or any information about, any person who has requested self-exclusion to anyone other than employees and agents of the casino operator or casino manager or casino gaming licensee whose duties and functions require access to such information. Notwithstanding the foregoing, the casino operator or casino manager and each casino licensee may disclose the name of and information about a Self-Excluded Person to appropriate employees of other casino licensees in Louisiana for the purpose of alerting other casinos that a Self-Excluded Person has tried to gamble or obtain gaming related privileges or benefits in a casino gaming establishment. Nothing herein shall be construed to prohibit the licensee from disclosing the identity of Self-Excluded Persons to affiliated entities in Louisiana and other gaming jurisdictions for the limited purpose of assisting in the proper administration of compulsive and problem gaming programs operated by such affiliated entities.

b. Administrative hearings regarding or related to Self-Excluded Persons shall be closed to the public and any record created or evidence introduced in conjunction with such hearings shall be maintained confidential and not made available for public inspection.

E. Duties of the Casino Operator, Casino Manager, and each Casino Gaming Licensee

1. The casino operator or casino manager and each casino gaming licensee shall establish procedures that are designed, to the greatest extent practicable, to:

a. permit appropriate employees of the casino operator or casino manager and the casino gaming licensee to identify a Self-Excluded Person when present in the casino gaming establishment and, upon such identification, immediately notify:

i. those employees of the casino operator or casino manager and the casino gaming licensee designated to monitor the presence of Self-Excluded Persons; and

ii. appropriate representatives of the Board and division;

b. refuse wagers from and deny any gaming privileges to any Self-Excluded Person;

c. deny casino credit, check cashing privileges, player club membership, direct mail and marketing services complimentary goods and services, junket participation and other similar privileges and benefits to any Self-Excluded Person;

d. enforce the provisions of LAC 42:III.304.D.6.

2. The casino operator or casino manager and each casino gaming licensee shall distribute a packet of written materials approved by the division to any person inquiring or requesting information concerning the Board's self-exclusion program.

3. The casino operator or casino manager and each casino licensee shall submit to the Board for approval a copy of its procedures established pursuant to LAC 42:III.304.D.4 and E.1 above within 120 days from the date this rule becomes effective. Any amendments to said procedures shall be submitted to the Board and approved prior to implementation.

4. If a Self-Excluded Person enters, attempts to enter, or is in the casino gaming establishment and is discovered by the casino operator or casino manager or any casino gaming licensee, the casino operator or casino manager or casino gaming licensee shall immediately notify the division of such fact and, unless otherwise directed by the division, immediately eject such excluded person from the casino gaming establishment.

5. Upon discovery of a Self-Excluded Person in the casino gaming establishment, both the security and surveillance Departments of the casino operator, casino manager and casino gaming licensees shall initiate a joint investigation, unless otherwise directed by the division.

a. The joint investigation shall seek to determine:

i. responsibility of employees of the gaming establishment for allowing an excluded person to gain access to the casino gaming establishment; and

ii. the net amount of winnings or losses attributable to the excluded person.

b. The casino operator or casino manager and each casino gaming licensee shall provide a written report of the results of the joint investigation to the division.

6. The casino gaming establishment shall ensure that no winnings or losses arising as a result of prohibited gaming activity are paid or recovered by a Self-Excluded Person.

F. Sanctions

1. Any casino gaming licensee, casino operator, or casino manager who willfully fails to exclude a Self-Excluded Person from the casino gaming establishment shall be in violation of these rules and may be subject to administrative action pursuant to R.S. 27:27.1.J and this Section.

2. The penalty for violation of LAC 42:III.304.F.1 shall be \$25,000 or administrative action including but not limited to suspension or revocation.

G. Removal from Self-Exclusion List

1. Any Self-Excluded Person may, upon the expiration of five years from the date of exclusion, submit a written request to the Board for a hearing to have his or her name removed from the Self-Exclusion List. Such request shall be in writing and state with specificity the reason for the request.

2. The request shall include a written recommendation from a qualified mental health professional as to the Self-Excluded Person's capacity to participate in gaming activities without adverse risks or consequences. The person seeking removal from the Self-Exclusion List may be required to obtain a separate and independent recommendation from a qualified mental health professional, approved by the hearing officer, as to the Self-Excluded Person's capacity to participate in gaming activities without adverse risks or consequences.

3. If the hearing officer determines that there is no longer a basis for the person seeking removal to be maintained on the Self-Exclusion List, the person's name shall be removed from the Self-Exclusion List and his or her exclusion shall be terminated. The division shall notify the casino operator or casino manager and all casino gaming licensees of the determination. The casino operator, casino Manager or any casino gaming licensee may continue to deny gaming privileges to persons who have been removed from the list.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1990 (September 2002), amended LR 30:2493 (November 2004).

Title 42
LOUISIANA GAMING
Part V. T.V. Bingo

Chapter 1-19. Reserved

Chapter 20. Cable Television Bingo

**Subchapter A. New Orleans
Organizations**

§2001. General Provisions

A. Organizations shall be licensed by the division prior to being eligible for a local license.

B. License to conduct New Orleans Cable Television Bingo shall only be issued to:

1. an organization meeting qualifications as required by Louisiana's Raffles, Bingo, Keno Licensing Law, R.S. 33:4861.1 et seq., and R.S. 40:1485.1 et seq., administrative rules; and

2. an organization/member organizations actively domiciled in the state of Louisiana for minimum of two consecutive years immediately preceding their application; and

3. the organization, in addition, making application must prove to the division by a preponderance of the evidence to be a charitable, religious, nonprofit educational, public service, or civic organization. An organization's own determination that it is such an organization is not a controlling factor. In the division's determination, the division shall consider factors such as the group's stated purpose: the group's actual activities: the amount and proportion of its activities and monies that are devoted to its charitable, religious, nonprofit educational, public service, or civic activities: the amount and proportion of its revenue devoted to salaries, overhead, or other items, and whether it has qualified for nonprofit status with the Internal Revenue Service. Because of the exceptions to the state's constitutional prohibitions of gambling, the division shall carefully scrutinize all these factors and considerations. With respect to nonprofit status with the Internal Revenue Service, in particular, having such status with the Internal Revenue Service is a factor but will not be determinative alone.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:444 (July 1988).

§2003. Applicant Suitability and Business Relationships

A. The division may deny an application or revoke, suspend, restrict, or limit an organization's license when it finds that the applicant, or a business relationship between an applicant and another person or business entity, is

unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant, or other persons or business entities in a business relationship, the division may consider the person or business entity's:

1. general character, including honesty and integrity;

2. financial security and stability, competency and business experience in the capacity of the relationship;

3. record, if any, of violations which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant; or any violation of the laws of this state, other states, federal government, and countries without limitations as to the nature of the violation;

4. refusal to provide records, information, equipment, or access to premises to any member of the division or any peace officer when such access is reasonably necessary in the performance of duty or to ensure or protect public health, safety, or welfare;

5. association or relationship to a licensed manufacturer, distributor, charitable organization, commercial lessor, noncommercial lessor, or private contractor; and

6. compliance with Louisiana's Code for Governmental Ethics.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:444 (July 1988).

**§2005. Organization Application for a License to
Conduct New Orleans Cable Television Bingo**

A. An application to conduct cable television bingo must be submitted to the division upon forms prescribed and provided by the division.

B. The application shall include names, dates of birth, current office holders, current home addresses of original incorporators, members participating in gaming activity, federal tax identification number, federal tax exemption certificate, latest federal income tax return. Each applicant must also produce a description of accounting policies and procedures, and internal accounting controls.

C. The application is not complete unless dated and signed by the president of the organization in the presence of a notary public attesting to truthfulness of the information contained therein.

D. A fee in the amount of \$50 must accompany each application. Fee is not refundable should the application be denied.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2007. Expiration of License/Renewal

A. All licenses issued pursuant to these rules expire at midnight, June 30 of each year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2009. Volunteer Worker I.D.— Application/Requirements

A. No person shall sell, attempt to sell or otherwise furnish to any consumer, any cable TV bingo cards, or supplies unless that person has a valid identification card issued by the division and displayed conspicuously on his person.

B. An application shall be submitted to the division upon forms prescribed and provided by the division, before an I.D. card is issued.

C. The application is not complete unless it is signed and dated by the applicant in the presence of a notary public attesting to its truthfulness.

D. A fee in the amount of \$15 made payable to the Louisiana State Police shall accompany each application to defray the cost of processing.

E. An application for a license must be submitted to the division on forms prescribed by the division, the fee paid and the I.D. issued before the applicant can assist in the sale of cable bingo supplies.

F. No person under the age of 18 shall be issued an I.D. to sell cable television bingo supplies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2011. Volunteer/Worker License I.D. Not Transferable

A. A worker/volunteer I.D. is valid only for the applicant and applicant organization.

B. The I.D. is further restricted for use only regarding cable television bingo and shall not be used by the holder of such as an I.D. for any other purpose than in matters associated with cable television bingo.

C. Any I.D. issued pursuant to this Act and administrative rules is a privilege and not personal property and must be surrendered to the division upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2013. Transfer of Surplus Supplies

A. A licensee of cable television bingo shall not transfer any surplus supplies except upon written application to and written approval of the division.

B. Licensees may only sell or distribute cable television bingo cards in the Parish of Orleans.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2015. Minimum Internal Accounting Controls

A. All licensees must establish and maintain an internal accounting control system which meets minimum standards established or approved by the Division of Charitable Gaming Control. The system must provide reasonable assurance that all transactions associated with cable television bingo are properly and accurately recorded, that gaming proceeds are disbursed in accordance with established policy of the licensee and that assets are protected against loss or theft.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2023. Reporting Requirements for License Holders

A. Each licensee shall file with the division a quarterly report signed by the member-in-charge or head of the organization as described in §1715 on forms prescribed and supplied by the division. The report shall also be signed by the person preparing the report. The report must be postmarked, or if hand-delivered, received in the division's office, no later than the last business day of the first month following the end of the quarter. Business days are defined as Monday through Friday, not including state holidays. Quarters are on a calendar year basis and begin and end as follows.

1. The first quarter begins January 1 and ends March 31.
2. The second quarter begins April 1 and ends June 30.
3. The third quarter begins July 1, and ends September 30.
4. The fourth quarter begins October 1 and ends December 31.

B. Reports must be completed in full compliance with Instructions supplied by the division. Incorrect, incomplete or unsigned reports will not be accepted and shall not be considered as a timely filed report. Reports must contain

original signature(s) and be signed by the preparer. Any organization, whose license is suspended is still required to file a report for the reporting period during which the license was suspended.

C. Licensees are required to file quarterly reports for all quarters for which gaming was scheduled, whether or not the licensee actually conducted any transactions.

D. In addition to any other civil or criminal penalties, licensees which are late in filing these reports may be assessed a \$100 late penalty for each quarterly report or reports not submitted timely after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Repeated violations shall be cause for restriction, suspension, or revocation of said license.

E. Licensees are responsible for securing the necessary report forms from the division. Failure to procure report forms shall not be cause for failing to report.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2025. Record Retention Requirements

A. A licensee must maintain and make available for inspection by the division all necessary books of accounts, records, documents and such other information as the division may require to insure that licensees are in compliance with the law and administrative rules.

B. These records include but are not limited to bank statements, canceled checks, deposit slips, sales invoices and receipts, purchase invoices and receipts, shipping documents, lease agreements, inventory records, and records of gaming activity as may be prescribed by the division.

C. Records must be retained for three years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2027. Investigation of License Holders

A. The division may, upon its own initiative, investigate the actions of any licensee. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rules or other statutes of the state of Louisiana has occurred. All licensees, including licensed manufacturers, distributors and private contractors shall fully cooperate with the division in any such investigation. Cooperation shall include but not be limited to making available for inspection all premises, inventory, equipment, books of accounts, records, documents, and such information the division may require to insure compliance.

B. All departments, commissions, boards, agencies, officers, and institutions of this state and all subdivisions thereof, shall upon the institution of any proceeding or investigation of any licensee of the division involving

violations of this Act or these administrative rules, timely notify the division of the facts and circumstance of the investigation or proceeding.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:445 (July 1988).

§2029. Audits

A. Each organization licensed in this state is subject to audit by this division. The audit may include but is not limited to financial transactions as well as compliance with state laws and administrative rules.

B. Each auditee is expected to fully cooperate with the division auditors, providing them with adequate space to work and making available all inventories, bank records, gaming records, books of account, source documents, and such other documents and information as may be needed to complete the audit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

Subchapter B. Private Contractor

§2051. General Provisions

A. Any person or business entity desiring to be a private contractor for cable television bingo operations must:

1. be issued and maintain all required federal, state, parish and municipal licenses;
2. apply to the division on forms prescribed by the division for licensing;
3. meet the suitability and business relationship criteria of these rules; and
4. prove to the division by a preponderance of evidence, demonstrated skills in the conduct and management of charitable games of chance.

B. No person shall be licensed as a private contractor who holds a permit to sell liquor of either high or low content in this state; is directly or indirectly involved with the leasing or renting of any premises for charitable gaming; or owns, rents or otherwise provides locations in which cable television bingo paraphernalia will be sold by volunteers. Nothing in this Section shall be construed as to prevent the sale of cable television bingo cards at the private contractor's facility by volunteers of licensed organizations in accordance with guidelines established by the division.

C. A license may be suspended or revoked by the division upon the division's determination, after notice and opportunity for hearing that the licensee has not complied with the conditions of the license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2053. Applicant Suitability and Business Relationships

A. The division may deny an application or revoke, suspend, restrict, or limit a private contractors license when it finds that the applicant, or a business relationship between an applicant and another person or business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of an applicant, or other persons or business entities in a business relationship, the division may consider the person or business entity's:

1. general character, including honesty and integrity;
2. financial security and stability, competency, and business experience in the capacity of the relationship;
3. record, if any, of violations which may affect the legal and proper operation of charitable gaming including a violation affecting another licensee or applicant; or any violation of the laws of this state, other states, federal government and countries without limitations as to the nature of the violation;
4. refusal to provide records, information, equipment, or access to premises to any member of the division or any peace officer when such access is reasonably necessary in the performance of duty or to ensure or protect public health, safety or welfare;
5. association or relationship to a licensed manufacturer, distributor, charitable organization, commercial lessor, noncommercial lessor; and
6. compliance with Louisiana's Code for Governmental Ethics.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2055. Application

A. An application for a license as a private contractor for cable television bingo must be submitted to the Division of Charitable Gaming Control upon forms prescribed and provided by the division.

B. The application shall be signed by the applicant in the presence of a notary attesting to its truthfulness.

C. The applicant must come to the division with the application in person to be fingerprinted.

D. A fee of \$1,000 shall accompany each application. This fee is nonrefundable should the application be denied for any reason.

E. The application shall include name, date of birth, current home addresses of original incorporators, current board of directors and federal tax identification number. In addition, each application shall include a budget forecast for three years of operation, a detailed description of accounting

procedures and internal controls and such additional information as may be deemed necessary by the division. A personal history disclosure Form 1 shall be submitted on all key employees. Key employees are defined as owners, board members, managers, and salaried employees recompensed \$25,000 or greater annually.

F. Detailed specifications of the operation of cable television bingo are required by the division. Such specifications are required to ensure the legal operation and integrity of cable television bingo and provide the division with methods in which to monitor the activity. All contracts or components of cable television bingo must be submitted to the division for approval prior to being implemented by the private contractor.

G. Any modification(s) to any contract or component in the operation of cable television bingo shall be submitted to the division for approval prior to implementation.

H. The division may conditionally approve the method of operation based upon preliminary findings. Final approval of the director, however, is required even if the operation has been conditionally approved.

I. In addition to any application of a private contractor, each non-key employee(s) or agent(s) of the private contractor must submit an application on forms prescribed and provided by the department. A fee in the amount of \$10 made payable to the Louisiana state police must accompany the application. The applicant shall personally appear with the application to be fingerprinted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2057. Private Contractor Background Investigation

A. Private contractor(s) shall reimburse the division for all reasonable costs incurred for background investigations. Reasonable costs shall include but are not limited to travel cost at the state per diem rate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2059. Expiration/License Renewal

A. A private contractor's license shall expire on midnight, June 30 of each year.

B. The division may consider the same criteria for renewal of a license as considered for the original license.

C. Failure to satisfy any licensing criteria, or reporting requirements, or violations of the Act or these rules shall be cause for denial of a license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:446 (July 1988).

§2061. Acquisition of Supplies

A. No person shall ship into or sell cable television bingo supplies in this state until his license is granted by the division.

B. No person shall ship into or sell cable television bingo supplies in this state unless such supplies have been approved by the division.

C. No person shall ship into or sell cable television bingo supplies in this state unless those supplies or equipment were purchased from a licensed private contractor, distributor or manufacturer.

D. No private contractor, distributor or manufacturer of cable television bingo supplies shall directly or indirectly give gifts, trips, prizes, premiums or other such gratuities to any organization, person, volunteer, owner, employee or retail outlet location approved for the selling of cable television bingo supplies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2063. Payment of Supplies

A. No private contractor of cable television bingo shall sell, offer to sell, or deliver any cable television bingo supplies to any licensed organization except on terms of immediate payment or on terms requiring payment not later than the fifteenth day of the following month of which actual delivery is made.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2065. Minimum Internal Accounting Controls

A. A private contractor must establish and maintain an internal accounting control system which meets standards acceptable to the Division of Charitable Gaming Control.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2067. Reporting Requirements

A. Each private contractor shall file with the division such monthly reports as may be required by the division, signed by a company official and the preparer. The report must be received by the division no later than the fifteenth day of each following month.

B. Reports must be completed in full compliance with instructions supplied by the division. Incorrect, incomplete or unsigned reports will not be accepted and shall not be considered as a timely filed report.

C. Private contractors are responsible for securing the necessary report forms from the division.

D. A penalty of \$100 may be assessed for reports not timely submitted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2069. Collection of Use Fee

A. Private contractors shall collect and remit with monthly reports to the division the following use fee:

1. 5 percent of the gross proceeds collected from the sale of chances during the reporting period. This percentage is to be computed from gross proceeds before the deduction of other fees, prizes, expenses, or charges of any nature whatsoever.

B. Interest shall be imposed on the late payment of use fees at the rate of 10 percent per annum. The daily rate is calculated at 0.00027 times the amount of unpaid fees for each day the payment is late. This interest is in addition to any penalties that may be imposed.

C. In addition to any other civil or criminal penalties, private contractors who are late in submitting these fees shall be assessed late penalties of \$250 or 10 percent of amount due, whichever is greater, for fees not submitted after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2071. Record Retention Requirements

A. Private contractors must maintain and make available for inspection by the division all necessary books of accounts, inventories, records, documents and such other information as the division may require to insure that licensees are in compliance with the law and administrative rules. These records must be retained for a period of three years.

B. These records include but are not limited to:

1. bank statements;
2. canceled checks;
3. deposit slips;
4. sales invoices and receipts;
5. purchase invoices and receipts;
6. shipping documents;
7. lease agreements;
8. inventory records;
9. as may be prescribed by the division.

C. Private contractors shall record and be able to track each series of cable television bingo supplies.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2073. Investigation of License Holders

A. The division may, upon its own initiative, investigate the actions of any licensed private contractor. The investigation shall be undertaken for the purpose of gathering evidence and determining whether a violation of the Act, rules or other statutes of the state of Louisiana has occurred. All licensed private contractors shall fully cooperate with the division in any such investigation. Cooperation shall include but not be limited to making available for inspection all premises, equipment, books of accounts, records, documents and such information the division may require to insure compliance.

B. All departments, commissions, boards, agencies, officers, and institutions of this state and all subdivisions thereof shall upon the institution of any proceeding or investigation of any licensee of the division involving violations of this Act or these administrative rules, timely notify the division of facts and circumstances of the investigation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2075. Audits

A. Each private contractor licensed in this state is subject to audit by this division. Audits shall include but are not limited to financial transactions as well as compliance with state laws and administrative rules.

B. Each auditee is expected to fully cooperate with the division auditors, providing them with adequate work space and making available all inventories, bank records, gaming records, books of account, source documents, and such other documents and information as may be needed to complete the audit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2101. Retail Sales Premises—General

A. No organization or private contractor may sell cable television bingo supplies or cards at a location other than licensed premises.

B. The private contractor or organization shall submit on forms prescribed and provided by the division an application for retail sales outlets of cable television bingo supplies.

C. The division shall not license premises for the sale of cable television bingo supplies whose principal business is the sale of alcoholic beverages for on-premises consumption.

D. The division shall not license a location which is a public thoroughway, street or highway.

E. No volunteer of an organization may sell cable television bingo supplies or cards at a location other than at a retail sales outlet licensed for that organization or deliver or furnish cards to a location unsolicited.

F. No private residence shall be licensed by the division as a retail sales outlet.

G. A fee in the amount of \$200 shall accompany each application for a retail outlet.

H. Licensees may sell cable television bingo supplies on the organization's own premises wherein recognized meetings are attended by members to carry out the organization's purposes without first obtaining a license from the division. In no case shall sales on such premises take place more than one time a month without first obtaining a retail sales premises license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:447 (July 1988).

§2103. Retail Premises Suitability

A. The division may deny an application for a location when it finds the applicant or a business relationship between an applicant organization, volunteer or a business entity is unsuitable or endangers the health, safety, or welfare of the citizens of this state. In determining the suitability of a location the division may consider the location's:

1. general reputation or instances of problems at the location;
2. the owner's or occupant's of the premises, general character, financial security and stability;
3. record, if any, of violations which may affect the legal and proper operation; and
4. association or relationship to a licensed manufacturer, distributor, private contractor, organization, commercial lessor, or noncommercial lessor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:486.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:448 (July 1988).

Chapter 30. Civil Sanctions

§3001. Suspension and Revocation of License Holders

A. The division may suspend any license held by an alleged violator after opportunity for hearing when the division:

1. receives:

a. a certified copy (or other credible evidence) of any judgment or conviction of any licensee or his agent, servant or employee for any violation of any criminal law or ordinance of the United States, the state of Louisiana or any Louisiana parish, city or town relating to charitable gaming or gambling; or

b. a certified copy of the record (or other credible evidence) of the forfeiture by any permittee or his agent or employee of bond to appear to answer charges of violating any law or ordinance relating to charitable gaming or gambling; or

2. after investigation, has reasonable cause to believe that any license holder, his agent or employee has violated the provisions of the Act or these rules; or

3. determines that chronic violations of reporting requirements under §§1749, 1837, 1875, or 2067 has occurred. Continued disregard or nonresponsiveness will be grounds for revocation of a license.

B. The division may suspend a license prior to the opportunity for a hearing, when the division, after investigation, has reasonable cause to believe continued operation of the licensee endangers the public's health, safety or welfare. During the period of suspension, the licensee shall not conduct charitable gaming.

C. A license may be revoked, subsequent to opportunity for a hearing, as penalty for violation of the Act or these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:448 (July 1988).

§3003. Right to Fair Hearing—Judicial Review

A. When the division revokes, suspends, restricts or denies an application for license or renewal, the applicant may request a hearing. The request for a hearing shall be made in writing to the division within 45 days of the revocation, suspension, restriction or denial by the division. Upon the division's receipt of written request, a hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq.

B. Hearings conducted by the division are subject to judicial review according to the provisions of the Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:448 (July 1988).

§3005. General Penalty Provision

A. Any violation of any provision of this Act or any rule of the department for which a penalty is not specified may be cause for denial, suspension, or revocation of a license and/or a fine of not more than \$5,000.

B. These rules are enacted pursuant to Act 752 of the 1986 Legislative Session, Acts 85, 389 and 526 of the 1987 Legislative Session.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4861.1 et seq., R.S. 40:1485.1 et seq., and R.S. 33:4861.21.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Division of Charitable Gaming Control, LR 14:448 (July 1988).

Title 42

LOUISIANA GAMING

Part VII. Pari-Mutuel Live Racing Facility Slot Machine Gaming

Chapter 17. General Provisions

§1701. Definitions

A. As used in the regulations, the following terms have the meanings described below.

Act—the Louisiana Pari-Mutuel Racing Facility Economic Redevelopment and Gaming Control Act, R.S. 27:351 et seq. and as amended, R.S. 27:1 et seq. and as amended.

Administrative Approval—the authority conferred upon the board or the division by the board, any regulation, or by a condition imposed on a license, to grant or deny, in their individual discretion, a request for approval of a proposed action or transaction.

Affiliate—any person who directly or indirectly controls, is controlled by, or is under common control of another person.

Agent—any commissioned Louisiana state police trooper or designated employee of the Louisiana State Police, Gaming Enforcement Section.

Applicant—any person who has submitted an application to the board seeking a license, or approval, or the renewal thereof.

Applicant Records—those records which contain information and data pertaining to an applicant's criminal record, antecedents and background, and the applicant's financial records, furnished to or obtained by the board or division from any source incidental to an investigation for licensing, findings of suitability, registration, the continuing obligation to maintain suitability, or other affirmative approval.

Application—the forms, schedules and other documents prescribed by the board and division upon which an applicant seeks a license, registration, or other finding of suitability, or renewal thereof. Application also includes information, disclosure statements, personal and personal financial histories, financial statements and all documents incorporated in, attached to, or submitted with the application form.

Architectural Plans and Specifications, Architectural Plans, and Plans or Specifications—all of the plans, drawings, and specifications for the construction, furnishing, and equipping of the eligible facility, including, but not limited to, detailed specifications and illustrative drawings or models depicting the proposed size, layout and configuration of the facility, including electrical and plumbing systems, engineering, structure, and aesthetic interior and exterior design as are prepared by one or more

licensed professional architects and engineers. *Architectural Plans and Specifications* does not include *FF&E*, as defined in this Chapter.

Associated Equipment—any gaming equipment which does not affect the outcome of the game, except as otherwise provided in these regulations.

Background Investigation—all efforts, whether prior to or subsequent to the filing of an application, designed to discover information about an applicant, licensee, registrant, or other person required to be found suitable and includes without time limitations, any additional or deferred efforts to fully develop the understanding of information which was provided or should have been provided or obtained during the application process.

Business Year—the annual period used by a licensee for internal accounting purposes as defined and approved by the division.

Candidate—any person whose name is included in a petition to place such person on the exclusion list pursuant to these regulations.

Career or Professional Offender—any person whose behavior is pursued in an occupational manner or context for the purpose of economic gain, utilizing such methods as are deemed criminal violations of the public policy of this state.

Certified Electronic Technician—qualified service personnel or gaming employee trained by a manufacturer, distributor, supplier, or other qualified entity, or through training programs approved by the division, who are capable of performing any repairs, parts replacements, maintenance, and other matters relating to servicing of slot machines.

Chairman—the chairman of the Louisiana Gaming Control Board.

Cheat—any person whose act or acts in any jurisdiction would constitute cheating.

Coin—a metal representative of value, redeemable for cash, and issued or sold by a licensee for use in gaming devices at the eligible facility, commonly referred to as "token." Coin also means a metal representative of value manufactured for, or by, the United States Government.

Confidential Record—any paper, document or other record or data reduced to a record which is not open to public inspection.

Confidential Source or Informant—a provider of information which is not a matter of general public knowledge or of public record, as well as an information provider, the revelation of whose identity would tend to compromise the flow of information from that particular

provider or his class of providers. Examples of confidential sources include: governmental agencies which provide tax records or related information; law enforcement or criminal justice agencies, including cooperative or federally-funded data bases, which provide criminal history and related data under an information sharing or providing agreement or arrangement; private persons or entities which provide information subject to the condition that the information or their identities be kept confidential; informants, whether volunteering information or responding to investigatory measures; and any other provider or originator of information which might be deemed to be subject to a recognized privacy or confidentiality interest or a privilege against disclosure (unless the privilege has been waived), or the public disclosure of which might tend to endanger or compromise the provider of information, or impede the future furnishing of similar information.

Day—as used in these regulations shall mean a calendar day.

Designated Gaming Area—those contiguous portions of a licensed eligible facility in which gaming activities may be conducted, which shall be determined by measuring the area, in square feet, inside the interior walls of the licensed eligible facility, excluding any space therein in which gaming activities may not be conducted, such as bathrooms, stairwells, cage and beverage areas, and emergency evacuation routes.

Designated Representative—a person designated by the licensee to oversee and assume responsibility for the operation of the licensee's gaming business.

Distributor—any person that sells, leases, markets, offers, or otherwise distributes, directly or indirectly, any slot machine, gaming device or equipment for use or play in an eligible facility or sells, leases, or otherwise distributes any gaming device or equipment.

Division Surveillance Room—a room or rooms at each facility for the exclusive use of division agents.

Drop—the total amount of money and tokens removed from the drop box and the bill validator acceptor drop box, or for cashless slot machines, the amounts deducted from a player's slot account as a result of slot machine play.

Duplication Fees—a charge for duplicating documents for release to the requesting person.

Economic Interest or Interest—any interest in a licensee whereby a person receives or is entitled to receive, by agreement or otherwise, a profit, gain, thing of value, loss, credit, security interest, ownership interest, or other benefit. Economic interest in a licensee includes voting shares of stock or otherwise exercising control of the day to day operations of the licensee through a management agreement or similar contract. Economic interest does not include a debt unless upon review of the instrument, contract, or other evidence of indebtedness, the board determines a finding of suitability is required based upon the economic relationship with the licensee.

Electronic Coin-In Meter (Soft Meter)—the electronic meter housed within the gaming device that cumulatively counts the number of coins wagered by actual coins inserted or credits won, or both.

Electronic Coin-Out Meter (Soft Meter)—the electronic meter housed within the gaming device which cumulatively counts the number of coins paid by the hopper or credits won, or both.

Electronic Coins-Dropped Meter (Soft Meter)—the electronic meter housed within the gaming device which cumulatively counts the number of coins diverted into the drop bucket and credit value of all bills inserted into the bill validator for play.

Electronic Fund Transfer—any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

Electronic Games Played Meter (Soft Meter/Handle Pulls)—the electronic meter housed within the gaming device that cumulatively counts the number of games played.

Electronic Gaming Device—has the same meaning as "slot machine."

Electronic Jackpots-Paid Meter (Soft Meter/Hand Paid)—the electronic meter housed within the gaming device that reflects the cumulative amounts paid by an attendant for the progressive and nonprogressive jackpots.

Electro-Mechanical Meters (Hard/Mechanical)—the mechanical meters housed within the gaming device which register the coin in, coin out, coin dropped and games played. For the purposes of these regulations, the electro-mechanical meters shall not be used as required information by the division/board.

Emergency Evacuation Route—those areas within the designated gaming area of a licensed eligible facility which are clearly defined and identified by the licensee as necessary and approved by the State Fire Marshal or other federal, state, or local regulatory agency for the evacuation of patrons and employees from the facility, and from which and in which no gaming activity may be conducted.

Employee Permit or Gaming Employee Permit—the permit of a person employed in the operation or supervision of a gaming activity at a licensed eligible facility and includes slot machine technicians and mechanics, designated gaming area security employees, count room personnel, cage personnel, slot machine booth personnel, slot machine change personnel, credit and collection personnel, Casino Surveillance personnel, and supervisory employees empowered to make discretionary decisions that regulate gaming activities, including shift supervisors, credit executives, gaming cashier supervisors, gaming managers and assistant managers, and any individual, other than nongaming equipment maintenance personnel, cleaning

personnel, waiters, waitresses, and secretaries, whose employment duties require or authorize access to designated gaming areas.

Enforcement Action—any action instituted by the board or division, to consider sanctions authorized by the Act including the suspension, revocation or conditioning of a license or permit, or the assessment of a fine upon the conclusion of an investigation into a violation of the Act or of the rules adopted pursuant to the Act, a violation of a condition, restriction or limitation placed on a license or permit, a violation of the licensee's internal controls as approved by the division.

Excluded List—a list or lists which contain identities of persons who are excluded from any licensed eligible facility pursuant to these rules.

Excluded Person—any person who has been placed upon the list by preliminary or final order of the division, and who is required to be excluded or ejected from a gaming establishment pursuant to these rules.

FF&E (Furniture, Fixtures and Equipment)—any part of an eligible facility that may be installed or put into use as purchased from a manufacturer, supplier, or nongaming supplier, including but not limited to television cameras, television monitors, computer systems, computer programs, computers, computer printers, ready made furniture and fixtures, appliances, accessories, and all other similar kinds of equipment and furnishings.

Financial Statements—those statements and the information contained therein which relate to the assets, expenses, owner's equity, finances, earnings, or revenue of an applicant, licensee, registered company, or person who provides such records as part of an application or division investigation.

Fiscal Year—a period beginning July 1 and ending June 30 the following year.

Game Outcome—the final result of the wager.

Gaming Activities or Gaming Operations—the use, operation, offering, or conducting of slot machines at an eligible facility in accordance with the provisions of the Act.

Gaming Day—a 24-hour period of time which represents the beginning and ending times of gaming activities for the purpose of accounting and determination of net slot machine proceeds.

Gaming Device or Gaming Equipment—a slot machine used directly or indirectly in connection with gaming or any game, which affects the result of a wager by determining Wins or losses.

Gaming Operator or Licensee—any person holding or applying for a gaming license to participate in gaming activities at a licensed facility.

Inspection—periodic surveillance and observation by the division of operations conducted by a licensee which surveillance and observation may or may not be made known to the licensee.

Internal Control System—internal procedures and administration and accounting controls designed by the licensee and approved by the division and/or the board for the purpose of exercising control over the gaming operations and for complete and accurate calculation and reporting of financial data.

Key Gaming Employee—

a. any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate gaming activities including, but not limited to, the general manager and assistant general manager of the licensed eligible facility, director of slot operations, director of cage and or credit operations, director of surveillance, director of management information systems, director of security, accounting controller, and any employee who supervises the operations of these departments or to whom these individual department directors report, and such other positions which the board or division shall later determine, based on detailed analysis of job descriptions as provided in the internal controls of the licensee as approved by the division. All other gaming employees, unless determined otherwise by the board, shall be classified as non-key gaming employees;

b. in the case of vacation, leave of absence, illness, resignation, termination, or other planned or unplanned extended absence of a key employee, a non-key assistant director or manager of the above named individual departments may serve not more than 90 calendar days during one calendar year as head of that department, after written request to and written approval of the supervisor of the division or the chairman of the board.

Leakage Current—an electrical current that flows when a conductive path is provided between exposed portions of a gaming device and the environmental electrical ground when the gaming device is isolated from the normal AC power ground.

License Type A—the authorization applied for by or issued to the owner of an eligible facility by the board to conduct slot machine gaming at an eligible facility issued pursuant to the Act.

License Type B—the authorization issued by the board to a slot machine owner to participate in slot machine gaming operations at eligible facilities.

License Type C—the authorization issued by the board to a distributor to participate in slot machine gaming operations at eligible facilities.

License Type D—the authorization issued by the board to a manufacturer to participate in slot machine gaming operations at eligible facilities.

License Type E—the authorization issued to a service technician (other than an employee of the eligible facility) to participate in slot machine gaming operations at eligible facilities.

List or Exclusion List—a list of names of persons who are required to be excluded or ejected from designated gaming facilities.

Maintenance—the routine servicing of any slot machine, excluding the logic board, software, and electronic (soft) and mechanical (hard) meters, and other servicing which provides for the efficient operation of the machine.

Manufacturer's Operating and Field Manual—any written literature that provides procedures, instructions, guidelines and/or information written by, or on behalf of, the manufacturer of gaming devices, components, on-line slot systems, software, and/or associated equipment.

Modification—any movement or relocation of a gaming device wherein continuous communication between the slot machine and the on-line slot monitoring system is interrupted; or any change, conversion, or reconfiguration to a gaming device and/or component housed within, or attached to a device, wherein the program, access number (house number), payout percentage, or denomination has been altered; or, any change to the device which requires the removal of a sealed EPROM including temporary removal except for testing purposes by the division and/or board; or any conversion, software change, replacement, or any other alteration or modification to an on-line slot monitoring system that requires interruption of communication between a gaming device and the on-line slot monitoring system.

Nongaming Supplier—any person who sells, leases or otherwise distributes, directly or indirectly, goods and/or services other than gaming devices and gaming equipment to a Type A licensee.

Nongaming Supplier Permit—the required permit for a nongaming supplier who unless otherwise exempt, sells, leases or otherwise distributes, directly or indirectly, goods and/or services to a licensee.

Nonvolatile Memory—a type of memory in which data stored in the memory is not lost when the power is turned off.

Occupational Manner or Context—the systematic planning, administration, management, or execution of an activity for financial gain.

Operation—the operation of a licensed eligible facility or the operation of a manufacturer, distributor, or supplier pursuant to the issuance of a license.

Patron—an individual who is at least twenty-one years of age and who has lawfully placed a wager in a slot machine at a licensed eligible facility.

Payout—winnings earned on a wager.

Permit—an authorization therefor issued pursuant to the Act other than a license including but not limited to an employee permit.

Permittee—any person, or entity who is issued or applying for a permit.

Person—any individual, partnership, association, joint stock association, trust, corporation, or other business entity whether incorporated or not.

Premises—land, together with all buildings, improvements, and personal property located thereon.

RAM Clear Chip—an erasable programmable read only memory chip which contains a program specifically designed to clear volatile and nonvolatile memory sections of a logic board for a gaming device.

RAM or Random Access Memory—the electronic component used for computer work space and storage of volatile information in a gaming device.

Random Number Generator—hardware, software, or combination of hardware and software devices for generating number values that exhibit characteristics of randomness.

Randomness—the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

ROM or Read Only Memory—the electronic component used for storage of nonvolatile information in a gaming device, including programmable ROM and erasable programmable ROM.

Records—accounts, correspondence, memorandums, audio tapes, videotapes, computer tapes, computer disks, electronic media, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language.

Regulations—the gaming regulations promulgated pursuant to the Act.

Renewal Applicant—a person who has filed any part of an application for renewal of any license or permit.

Renewal Application—all of the information, documents, forms, and materials required by the Act and regulations to be filed with the board or division to renew any license or permit in accordance with the Act.

Runs Test—a mathematical statistic that determines the existence of recurring patterns within a set of data.

Sensitive Keys—all keys, including originals and duplicates, used in the process of accessing cash or tokens. Sensitive keys also include, but are not limited to drop box release and content keys, gaming device cabinet keys except slot machine access keys, and all keys used to access secure areas. Sensitive keys also include any keys so designated in the licensee's internal controls as approved by the division and/or the board.

Slot Machine Owner—any person who owns slot machines used in gaming in accordance with the provisions of the Act and these regulations.

Standard Chi-Squared Analysis—the sum of the squares of the difference between the expected result and the observed result.

Statements on Auditing Standards—the auditing standards and procedures published by the American Institute of Certified Public Accountants.

Supplier and/or Distributor of Gaming Devices and Equipment—any person that sells, leases, markets, offers, or otherwise distributes, directly or indirectly, any gaming devices or equipment for use or play in this state or sells, leases, or otherwise distributes any gaming devices or equipment.

Tilt Condition—a programmed error state for an electronic gaming device which occurs when the gaming device detects an internal error, malfunction, or attempted cheating. The gaming device ceases processing further input, output, or display information other than that indicating the tilt condition itself.

Token—a metal representative of value, redeemable for cash, and issued and sold by a licensee for use in electronic gaming devices and slot machines at the eligible facility.

Wager—a sum of money or thing of value risked on a game.

Win—the total of all cash and property (including checks received by a licensee, whether collected or not) received by the licensee from gaming operations, less the total of all cash paid out in winnings to patrons.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:728 (April 2000), amended LR 29:362 (March 2003).

§1703. Ownership of Licenses and Permits

A. Licenses and permits issued by the board as provided in the Act and rules and regulations promulgated pursuant to the Act are and shall remain the property of the board at all times.

B. All licenses and permits shall be surrendered to the board upon their expiration or revocation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:732 (April 2000).

§1705. Transfers of Licenses or Permits

A. Licenses and permits are not transferable or assignable. If the status of the licensee or permittee should change such that the person no longer needs or is entitled to the license or permit, then the license or permit shall be cancelled and any tangible item which evinces such a license or permit shall be surrendered to the board within five days of the change of status. Any license or permit surrendered pursuant to the Section shall be marked cancelled or destroyed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:732 (April 2000).

Chapter 19. Administrative Procedures and Authority

§1907. Issuance and Construction of Regulations and Administrative Matters

A. Board Rules and Regulations; Promulgation, Approval

1. Construction of Regulations; Severability. Nothing contained in these regulations shall be so construed as to conflict with any provision of the Act or any other applicable statute. If any regulation is held invalid by a final order of a court of competent jurisdiction at the state or federal level, such provision shall be deemed severed and the court's finding shall not be construed to invalidate any other regulation.

2. Definitions, Captions, Pronouns, and Gender. The terms defined in the Act have the same meaning in the regulations as they have in the Act, unless the context otherwise requires. Captions appearing at the beginning of regulations are descriptive only, are for convenient reference to the regulations and in no way define, limit or describe the scope, intent or effect of the regulation. Masculine or feminine pronouns or neuter gender may be used interchangeably and the plural shall be substituted for the singular form and vice versa, in any place or places in the regulations where the context requires such substitution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:732 (April 2000).

Chapter 21. Licenses and Permits

§2101. General Authority of the Board and Division

A. The board and/or the division shall have the authority to call forth any person who, in the board and/or division's opinion, has the ability to exercise influence over a licensee, permittee, applicant or the gaming industry, and such person shall be subject to all suitability requirements. In the event a person is found unsuitable, then no licensee, permittee or applicant shall have any association or connection with such person. No licensee, permittee or applicant shall have any association or connection with any person that has had an application for a license or permit denied or had a license or permit revoked.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:732 (April 2000), amended LR 29:362 (March 2003).

§2103. Applications in General

A. Any license or permit issued by the board or division is deemed to be a revocable privilege, and no person holding such a license or permit is deemed to have acquired any vested rights therein. An applicant for a license or permit authorized by the Act or these regulations, is seeking the

granting of a privilege, and the burden of proving qualification to receive the license or permit is at all times on the applicant. An applicant accepts the risk of adverse public notice, embarrassment, criticism, or other action or financial loss that may result from action with respect to an application and expressly waives any claim for damages as a result thereof, except relating to willful misconduct by the board or division. The filing of an application under the Act or these regulations constitutes a request for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in or be associated with pari-mutuel live racing or other gaming activity authorized by law and by filing an application, the applicant specifically consents to the making of such a decision by the board and the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:732 (April 2000).

§2105. Investigations

A. The board or division shall investigate all applications for licenses or permits or other matters requiring board approval. The board or division may investigate, without limitation, the background of the applicant, the suitability of the applicant, the suitability of the applicant's finances, the applicant's business probity, the suitability of the proposed premises for gaming, the suitability of a person with an economic interest in the applicant of 5 percent or more, the suitability of any person who in the opinion of the board or division has the ability to exercise influence over the activities of a licensee and the proposed establishment's compliance with all applicable federal, state, and local laws and regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:733 (April 2000).

§2107. Applicants in General; Restrictions

A. The securing of a license or permit required under the Act is a prerequisite for conducting, operating, or performing any activity regulated by the Act. Each applicant must file a complete application.

1. Except as provided herein, if the applicant is a general partnership or joint venture, each individual partner and joint venturer must file a complete application.

2. If the license applicant is a corporation, each officer and director of the corporation must file a Part B personal history and financial form. Any shareholder with 5 percent or more of the corporation must file a completed Part B form, and if such shareholder is other than a natural person, then each officer, director, or person with an economic interest equal to or greater than 5 percent in the license applicant must file a Part B form.

3. If the license applicant is a limited partnership, the general partner and each limited partner having 5 percent or more interest must file a complete application. If the partner or limited partner is other than a natural person, then each officer, director, or person with an economic interest equal to or greater than 5 percent in the license applicant must file a Part B form.

4. If the license applicant is a limited liability company, pursuant to R.S. 12:1301 et seq., each officer or manager of the company must file a "Part B" form. Any member of 5 percent or more of the company must file a Part B form, and if such member is other than a natural person, then each officer, director or person with an economic interest equal to or greater than 5 percent in the license applicant must file a Part B form.

5. If the license applicant is a registered limited liability partnership, pursuant to R.S. 9:3431 et seq., the managing partner and each partner having 5 percent or more interest must file a Part B form. If the partner is other than a natural person, then each officer, director or person with an economic interest equal to or greater than 5 percent in the license applicant must file a Part B form.

6. An application may be required to be filed by any person who is shown by a preponderance of evidence to:

- a. have influence over the operation of gaming at an eligible facility;
- b. receive any share or portion of the gaming money or property won by the operator or owner of an eligible facility; or
- c. receive compensation or remuneration in excess of \$50,000 per annum (as an employee of a licensee or in exchange for any service or thing) provided to the licensee; or
- d. be a lessor or provider of goods or services; or
- e. have any contractual agreement with a licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:733 (April 2000).

§2108. Nongaming Suppliers

A. Except as provided in Subsections E and F of this Section, any supplier shall obtain a nongaming supplier permit from the division, upon providing goods and/or services to a Type A licensee in an amount in excess of \$50,000 during the preceding fiscal year period.

B. Any nongaming supplier, regardless of whether having been permitted or not and regardless of the dollar amount of goods or services provided to a licensee may be requested to apply to the division for a finding of suitability.

C. Unless otherwise notified by the division in writing, a licensee shall conduct business with a nongaming supplier only if:

1. such supplier possesses a valid nongaming permit which has been placed in an approved status by the division; or

2. such supplier has been issued a waiver from the division regarding the necessity of obtaining a permit, pursuant to the provisions of Subsections E or F of this Section; or

3. during the immediate preceding fiscal year period, such supplier has received \$50,000 or less from the licensee as payment for providing nongaming services or goods to the licensee.

D. It shall be the responsibility of each Type A licensee to ensure that it has not paid more than \$50,000 to any nongaming supplier during the preceding fiscal year period as payment for providing nongaming services or goods, unless such nongaming supplier holds a valid nongaming suppliers permit which has been placed in an approved status by the division or has been issued a waiver regarding the necessity of obtaining such a permit from the division pursuant to Subsections E or F of this Section.

E. The following nongaming suppliers shall be deemed to have been waived by the board and division from the necessity of obtaining a nongaming suppliers permit pursuant to this Section:

1. nonprofit charitable organizations, and educational institutions which receive funds from the licensee, including educational institutions that receive tuition reimbursement on behalf of employees of a licensee:

a. nonprofit charitable organization shall mean a nonprofit board, association, corporation, or other organization domiciled in this state and qualified with the United States Internal Revenue Service for an exemption from federal income tax under Section 501(c)(3), (4), (5), (6), (7), (8), (10), or (19) of the Internal Revenue Code;

2. entities which provide one or more of the following services to a licensee and which are the sole source provider of such service:

- a. water;
- b. sewage;
- c. electricity;
- d. natural gas; and
- e. local telephone services;

3. regulated insurance companies providing insurance to a licensee and its employees including providers of medical, life, dental, and property insurance;

4. administrators of employee benefit and retirement plans including incorporated 401K plans and employee stock purchase programs;

5. national or local professional associations which receive funds from a licensee for the cost of enrollment, activities, and membership;

6. all state, federal and municipal operated agencies;

7. all liquor, beer and wine industries regulated by the Office of Alcohol and Tobacco Control;

8. state and federally regulated banks and savings and loan associations;

9. newspapers, television stations and radio stations which contract with licensees to provide advertising services; and

10. providers of professional services, including but not limited to accountants, architects, attorneys, consultants, engineers and lobbyists, when acting in their respective professional capacities.

F. Any nongaming supplier required to obtain a nongaming suppliers permit, other than those listed in Subsection E in this Section may request a waiver of the necessity of obtaining a nongaming suppliers permit. The division may grant such a request upon showing of good cause by the nongaming supplier. The division may rescind any such waiver which has been previously granted upon written notice to the nongaming supplier.

G. Junket representatives shall be subject to the provisions of this Section in the same manner as other nongaming suppliers.

H. Each Type A licensee shall submit to the division, on a quarterly basis, a report containing a list of all nongaming suppliers which have received \$5,000 or more from the licensee during the previous quarter, or \$50,000 or more during the preceding fiscal year period as payment for providing nongaming services or goods to the licensee. This report shall include the name and address of the nongaming supplier, a description of the type of goods or services provided, the nongaming supplier's nongaming permit number, if applicable, federal tax identification number, and the total amount of all payments made by the licensee, or any person acting on behalf of the licensee, to each nongaming supplier during the previous four quarters. For each of the nongaming suppliers listed in this quarterly report which is a provider of professional services as defined in Paragraph E.10 of this Section, each licensee shall also submit a brief statement describing the nature and scope of the professional service rendered by each such provider, the number of hours of work performed by each such provider, and the total amount paid to each such provider by the licensee or any person acting on behalf of the licensee during the previous quarter. This report shall be received by the board and the division not later than the last day of the month following the quarter being reported.

I. The division shall determine whether nongaming suppliers providing goods and/or services to licensees are legitimate ongoing businesses and are not utilized for the primary purpose of compliance with voluntary procurement goals. In making such determination the division shall consider any or all of the following nonexclusive factors:

1. years in business providing specific goods and/or services procured by licensees;

2. total customer base;

3. dollar volume of all sales compared to sales to licensees;

4. existence and nature of warehouse and storage facilities;

5. existence and number of commercial vehicles owned or leased; and/or

6. existence and nature of business offices, equipment and facilities.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:733 (April 2000).

§2109. Suitability Determination

A. A Type A gaming license shall be in the name of the owner of the eligible facility. The licensee, gaming operator, owner of facilities, officer or director, or any person having a 5 percent or more interest in such entity or any person who in the opinion of the board has the ability to exercise significant influence over the activities of a licensee shall be required to submit to an investigation to determine suitability. All costs associated with conducting an investigation for suitability of the licensee, operator of facilities, officer or director, or any person having any economic interest in such entity, shall be borne by the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:734 (April 2000).

§2110. Plans and Specifications

A. A Type A licensee shall submit all plans and specifications of the eligible facility to the board and the division at the time of application. The licensee shall have an ongoing duty to inform the division of changes in the facility plans, specifying layout and design as they become available. Such changes are subject to prior approval by the board as the case may be.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:734 (April 2000).

§2111. License or Permit Disqualification Criteria

A. The board shall not award a license or permit to any person who fails to prove by clear and convincing evidence that he is qualified in accordance with the provisions of the Act or these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:735 (April 2000).

§2113. License and Permits; Suitability

A. No person shall be eligible to receive a license or permit issued pursuant to the provisions of the Act or these regulations unless the board finds that:

1. the applicant is a person of good character, honesty, and integrity; and has never been convicted of a felony offense;

2. the applicant is a person whose prior activities, criminal record, if any, reputation, habits, and associations do not pose a threat to the public interest or to the effective regulation and control of slot machine gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of slot machine gaming or the conducting of business and financial arrangements incidental thereto;

3. the applicant is capable of conducting the activity for which a license is sought, which means that the applicant can demonstrate the capability, through either training, education, business experience, or a combination of them, to conduct such activities;

4. particularly as to the owner of the eligible facility, the applicant can demonstrate that the proposed financing of slot machine gaming at the eligible facility is adequate for the nature of the proposed operation and from a source suitable and acceptable to the board;

5. the applicant, if a natural person, is a Louisiana domiciliary and if not, is a Louisiana corporation, partnership, limited liability company, or a registered limited liability partnership licensed to conduct business in the state of Louisiana.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:735 (April 2000).

§2114. Tax Clearances Required of an Applicant for a License

A. The applicant, its officers, directors, any person with an economic interest of 5 percent or more in an applicant and any person who in the opinion of the board has the ability to exercise significant influence over the activities of a licensee shall receive tax clearances from the appropriate federal and state agencies prior to the granting of a license.

B. The applicant, its officers, directors and any person with an economic interest of 5 percent or more and any person who in the opinion of the board has the ability to exercise significant influence over the activities of a licensee shall remain current in filings of tax returns and the payments required pursuant to such returns.

C. The violation of this Section is grounds to condition, suspend, or revoke a permit or license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:735 (April 2000).

§2115. Tax Clearances

A. An applicant for a license or permit shall be current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding contested amounts pursuant to applicable statutes, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule of back taxes.

B. It shall be the sole responsibility of a licensee or permittee to remain current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding contested amounts pursuant to applicable statutes, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule of back taxes.

1. Any failure to timely file all applicable tax returns or any tax deficiency shall be corrected within 30 days of the notice to the division of such failure to file or tax deficiency.

2. At the expiration of the 30-day period, if the failure to file or the tax deficiency is not corrected to the appropriate taxing authority's satisfaction, administrative action shall be initiated by the division against the licensee or permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:735 (April 2000).

§2121. Form of Application for a License

A. An application for a license shall be filed by way of forms prescribed by and obtained from the board or division. Such forms may include, but are not limited to:

1. a history record regarding the background of the applicant;
2. a financial statement;
3. a statement disclosing the nature, source, and amount of any financing, the proposed uses of all available funds, the amount of funds available after opening for the actual operation of the eligible facility, and economic projections for the first three years of operation of the eligible facility;
4. an affidavit of full disclosure, signed by the applicant;
5. an authorization to release information to the board and division, signed by the applicant;
6. a standard bank confirmation form, signed by the applicant;
7. a release of all claims, signed by the applicant;

8. in addition, the board or division may require an applicant to provide such other information and details as it needs to discharge its duties properly. Failure to supply any information within the prescribed time periods, after receiving the board's or division's request, may constitute grounds for delaying consideration of the application and/or constitutes grounds for denial of the application; and

9. security statement explaining the type of security procedures, practices, and personnel to be utilized by the applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:735 (April 2000).

§2123. Additional Type A Application Information Required

A. Every application for a Type A license shall contain the following additional information including but not limited to:

1. two copies of detailed plans of design of the eligible facility, including a layout of the designated gaming area and areas wherein gaming operations will be conducted, stating the projected use of each area;

2. the total estimated cost of construction of the eligible facility proposed by this application, distinguishing between known costs and projections, and shall separately identify:

- a. facility design expense;
- b. land acquisition or site lease costs;
- c. site preparation costs;
- d. construction cost or renovation cost;
- e. equipment acquisition cost;
- f. cost of interim financing;
- g. organization, administrative and legal expenses;

and

- h. projected permanent financing cost;

3. the construction schedule proposed for completion of the eligible facility; including therein a projected date of completion, and indication of whether the construction contract includes a performance bond;

4. explanation and identification of the source or sources of funds for the construction of the eligible facility;

5. description of the casino size and approximate configuration of slot machines, to include the type of slot machine and the proposed distributors and manufacturers of this equipment;

6. a detailed plan of surveillance equipment to be installed;

7. days and periods of time that the gaming area will be in operation; and

8. the proposed management of the facility, management personnel by function and organizational chart by position.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:736 (April 2000).

§2125. Access to Applicants' Premises and Records

A. Each applicant shall upon request immediately make available for inspection by the division or agents of the division, all papers, books and records used, or to be used, in the licensed or permitted operation. The division, or any agent of the division, shall be given immediate access to any portion of the premises of any eligible facility or premises of a manufacturer or supplier for the purpose of inspecting or examining any records or documents required to be kept under the provisions of the Act and these regulations and any gaming device or equipment or the conduct of any gaming activity. Access to the areas and records that may be inspected or examined by the division, or division agents, shall be granted to any such individual who displays division credentials.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:736 (April 2000).

§2127. Information Constituting Grounds for Delay or Denial of Application; Amendments

A. It shall be grounds for denial of the application or enforcement action for any person to make any untrue statement of material fact in any application, or in any statement or report filed with the board or division, or willfully to omit in any such application, statement or report, any material fact which is required to be stated therein, or which is necessary to make the facts stated not misleading.

B. All information included in an application shall be true and complete to the best of the applicant's knowledge and in the opinion of the division as of the date submitted. An applicant shall immediately supply by amendment any new information based on facts occurring after the original application.

C. An application may be amended upon approval of the chairman or division supervisor. An amendment to an application may have the effect of establishing the date of such amendment as the filing date of the application with respect to the time requirements for action on the application. Request for amendment to an application shall be in writing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:736 (April 2000).

§2129. Other Considerations for Licensing

A. Sections 2129-2137 set forth criteria which the board may consider when deciding whether to issue a Type A license. The various criteria set forth may not have the same importance in each instance. Other factors may present themselves in the consideration of an application for a license. The following criteria are not listed in order of priority.

1. Proper Financing. The board may consider whether the proposed eligible facility is properly financed.

2. Adequate Security and Surveillance. The board may consider whether the proposed eligible facility is planned in a manner which provides adequate security and surveillance for all aspects of its operation and for the people working or patronizing the eligible facility.

3. Character and Reputation. The board may consider the character and reputation of all persons identified with the ownership and operation of the eligible facility, and their capability to comply with the regulations of the board and the provisions of the Act.

4. Miscellaneous. The board may consider such other factors as may arise in the circumstances presented by a particular application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:736 (April 2000).

§2131. TimeTable for Financing and Construction

A. In conjunction with an applicant's submission of its completed application, an applicant shall submit a timetable for financing arrangements, commencement and completion of construction activities and set forth the date upon which gaming activities will begin. This timetable will be subject to approval by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:737 (April 2000).

§2133. License Term and Filing of Application

A. Type A licenses shall expire five years from the date the license was granted and may be renewed for succeeding five year periods.

B. Each application, including renewal applications, shall be deemed filed with the board when the application form has been received by the division, as evidenced by a signed receipt.

C. Renewal applications for Type A licenses shall be submitted to the division no later than one hundred twenty days prior to the expiration of the license.

D. All renewal applications for permits shall be submitted to the division no later than 60 days prior to the expiration of the permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:737 (April 2000).

§2137. Fingerprinting

A. An initial application is not complete unless the applicant, any person who is an officer, director or holder who has a 5 percent or greater economic interest in the applicant has submitted to fingerprinting by or at the direction of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:737 (April 2000).

§2141. Renewal Applications

A. Applications for renewal of a license or permits shall be made by way of forms prescribed by the board and shall contain all information requested by the board. Prescribed forms shall contain a statement made, under oath, by the applicant, each officer or director of the applicant, and each person with a 5 percent or greater economic interest in the applicant that any and all changes in the history and financial information provided in the previous application have been disclosed.

B. Renewal applications shall further contain:

1. a list of all civil lawsuits to which the applicant is a party instituted since the previous application;
2. a current list of all stockholders of the applicant, if the applicant is a corporation, or list of all partners or persons with a 5 percent or greater economic interest in the applicant;
3. a list of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant or parent corporation of the applicant, if applicable;
4. prior year's corporate or company tax return of the applicant;
5. a list of all charitable and political contributions made by the applicant during the last three years, indicating the recipient and amount contributed.

C. The board or division may require an applicant to provide all other such documentation or information as is necessary to determine suitability of the applicant or to discharge their duties under the Act and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:737 (April 2000).

§2143. Conduct of Investigation; Time Requirements

A. All investigations conducted by the division in connection with an application shall be conducted in accordance with the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:737 (April 2000).

§2144. Reserved.

§2146. Subpoenas and Subpoenas Duces Tecum

A. The division or the board shall have the authority to compel the attendance of witnesses or production of documents under the authority of the division or jurisdiction of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:737 (April 2000).

§2151. Waiver of Privilege

A. An applicant may claim any privilege afforded by the Constitution of the United States or of the state of Louisiana in refusing to provide information to, answer questions of or cooperate in any investigation by the division or board; but a claim of privilege with respect to any testimony or evidence may constitute sufficient grounds for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:737 (April 2000).

§2155. Withdrawal of Application

A. A request for withdrawal of an application shall be made in writing to the chairman at any time prior to issuance by the board of its determination with respect to the application. The board may deny or grant the request with or without prejudice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:737 (April 2000).

§2157. Application after Denial

A. Any person whose application for license or permit has been denied by the board, and who has not successfully appealed the decision of denial, or whose application has been withdrawn with prejudice is not eligible to reapply for any approval authorized by the Act for a period of five years unless the board rules that the denial is without prejudice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:738 (April 2000).

§2158. Criteria for the Issuances of Permits

A. All applicants for a permit issued by the board or division as authorized by these regulations shall meet the qualification requirements contained in the Act and these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:738 (April 2000).

§2159. Gaming Employee Permits Required

A. No person may be employed as a gaming employee unless such person is the holder of a valid gaming employee permit issued by the board.

B. The licensee shall secure an application and fingerprint cards from the division for each prospective employee.

C. The division may investigate the applicant and may either recommend approval, denial, or conditional approval of the gaming employee permit to the board.

D. The board may issue a conditional permit subject to denial of the application for a gaming employee permit. Upon the denial of the application, the employee shall surrender his permit to the division or a person designated by the division and cease working as a gaming employee. Since temporary gaming employee permits are issued as a convenience to the licensee and to the gaming employee, a temporary permit is not valid unless the applicant for the gaming employee permit shall agree in writing to the rules regarding temporary permits.

E. A gaming employee permit is not transferable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:738 (April 2000).

§2161. Application for Gaming Employee Permit; Procedure

A. An applicant for a gaming employee permit shall submit to fingerprinting at the direction of the division and supply two passport size photographs. The photographs must be satisfactory to the division and must have been taken not earlier than three months before the date of filing the application. The applicant shall also provide any other information requested by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:738 (April 2000).

§2165. Display of Gaming Identification Badge

A. A permittee shall have on his person and shall clearly display his gaming employee identification badge issued by the Type A licensee at all times during work hours. The badge shall meet all requirements of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:738 (April 2000).

Chapter 23. Compliance, Inspections and Investigations

§2301. Applicability and Resources

A. The division shall conduct inspections and investigations relative to compliance with the Act and these rules and regulations. The board and division are empowered to employ such personnel as may be necessary for such inspections and investigations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:738 (April 2000).

§2303. Inspections and Observations

A. The division is empowered to make periodic inspections of all eligible facilities where gaming will be conducted, and the premises where gaming equipment or gaming devices are manufactured, sold or distributed, during construction and thereafter. The division shall further observe gaming activities and operations and inspect gaming equipment and supplies in and destined for eligible facilities to ensure compliance with the Act and regulations. Such inspections and observations may or may not be made known to the applicant, licensee or permittee. All requests for access to premises and production of records and documents in connection with any inspection shall be granted in accordance with the provisions of the Act and these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:738 (April 2000).

§2305. Inspections during Construction

A. The division or agents of the division may inspect the eligible facility during construction. Upon presentation of identification, any designated agent of the division may demand and shall be given immediate access to any place where construction of the designated facility or any of its component parts is underway. The division shall ensure that the eligible facility:

1. complies with the plans and specifications and any applicable change orders; or

2. does not comply with the plans and specifications or applicable change orders, in which event a description of such noncompliance would be forwarded to the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:738 (April 2000).

§2307. Investigations

A. All investigations of any alleged violations of the Act or of the rules and regulations by an applicant, licensee or permittee must be conducted by the division and may or may not be made known to the applicant, licensee or permittee before being completed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:739 (April 2000).

§2309. Investigative Powers of the Board and Division

A. In conducting an investigation, the board and division are empowered to:

1. inspect and examine the entire premises wherein gaming activities are conducted, proposed to be conducted or gaming devices are maintained or repaired and where all papers, books, records, documents and electronically stored media are maintained;

2. summarily seize and remove gaming equipment and devices from such premises and impound any equipment for the purpose of examination and inspection;

3. have access to inspect, examine, photocopy and if necessary seize, all papers, books, records, documents and information of an applicant, licensee, or permittee pertaining to the licensed or permitted operation or activity, on all premises where such information is maintained;

4. review all papers, books, records, and documents pertaining to the licensed or permitted operation;

5. issue subpoenas, as provided in this Chapter, in connection with any investigative hearing conducted by the division;

6. conduct investigative hearings; and

7. issue written interrogatories.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:739 (April 2000).

§2311. Seizure and Removal of Gaming Equipment and Devices

A. Gaming devices and equipment may be summarily seized by the division. Whenever the division seizes and removes gaming equipment or devices:

1. an inventory of the equipment or devices seized will be made by the division, identifying all such equipment or devices as to make, model, serial number, type, and such other information as may be necessary for authentication and identification;

2. all such equipment or devices will be sealed or by other means made secure from tampering or alteration;

3. the time and place of the seizure will be recorded; and

4. the licensee or permittee will be notified in writing by the division at the time of the seizure, of the fact of the seizure, and of the place where the seized equipment or device is to be impounded. A copy of the inventory of the seized equipment or device will be provided to the licensee or permittee upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:739 (April 2000).

§2315. Seized Equipment and Devices as Evidence

A. All gaming equipment and gaming devices seized by the division shall be considered evidence, and as such shall be subject to the laws of Louisiana governing chain of custody, preservation and return, except that:

1. any article of property that constitutes a cheating device shall not be returned. All cheating devices shall become the property of the division upon their seizure and may be disposed of by the division, which disposition shall be documented as to date and manner of disposal;

2. the division shall notify by certified mail each known claimant of a cheating device that the claimant has 10 days from the date of the notice within which to file a written claim with the division to contest the characterization of the property as a cheating device;

3. failure of a claimant to timely file a claim as provided in Paragraph 2 above will result in the division's pursuit of the destruction of property;

4. if the property is not characterized as a cheating device, such property shall be returned to the claimant within 15 days after final determination;

5. items seized for inspection or examination may be returned by the division without a court order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:739 (April 2000).

§2317. Subpoenas in Connection with Investigative Hearings

A. The board has full power and authority to issue subpoenas and compel the attendance of witnesses in accordance with the Act and these regulations and for investigative hearings at any place within the state, including

subpoenas compelling production of documents, and to administer oaths and require testimony under oath. Any such subpoena issued by the board will be served in a manner consistent with the service of process and notices in civil actions. The board may require reasonable fees to be submitted with subpoenas, in order to pay transportation and related expenses that may occur.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:739 (April 2000).

§2319. Contempt

A. For failure or refusal to comply with any subpoena or order issued by the board and duly served, the board may cite the subpoenaed party for contempt and may impose a fine as provided in the laws of the state of Louisiana. Such contempt citations and fines may be appealed to the Nineteenth Judicial District Court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:739 (April 2000).

§2321. Investigative Hearings

A. Investigative hearings shall be conducted by the division or by a hearing officer appointed by the board, at such times and places, as may be convenient to the division. Investigative hearings may be conducted in private at the discretion of the division or hearing officer. A transcript of the hearing shall be made by a licensed court reporter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:740 (April 2000).

§2323. Interrogatories

A. All interrogatories propounded by the board and/or the division shall be in writing and shall be served in the manner consistent with the service of process in civil actions. The respondent is entitled to 15 days within which to respond.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:740 (April 2000).

§2325. Imposition of Sanctions

A. The division may assess a civil penalty as provided for in the penalty schedule. The penalty schedule lists a base fine and proscriptive period for each violation committed by the licensee or permittee. The proscriptive period is the amount of time determined by the division in which a prior violation is still considered active for purposes of consideration in assessment of penalties. A prior violation is a past violation of the same type which falls within the

current violation's proscriptive period. The date of a prior violation shall be considered to be when the licensee, or permittee receives the significant action report or violation/inspection report. If one or more violations exist within the proscriptive period, the base fine shall be multiplied by a factor based on the total number of violations within the proscriptive period. The violation of any rule may result in the assessment of a civil penalty, suspension, revocation, or other administrative action. If the calculated penalty exceeds the statutory maximum of \$100,000, the matter shall be forwarded to the board for further administrative action. In such case, the board shall determine the appropriate penalty to be assessed. Assisting in the violation of rules, laws, or procedures as provided in §2931 may result in a civil penalty in the same amount as provided in the penalty schedule for the respective violation.

B. The division may impose any sanction authorized by the Act or these rules for violation of any condition, restriction, or limitation imposed on a license or permit by either the division or board.

C. The division may impose any sanction authorized by the Act or these rules for violation of the licensee's internal controls as are approved by the division. For purposes of this Section, the licensee's internal controls shall include:

1. accounting and financial controls including procedures to be utilized in counting, banking, storage and handling of cash;
2. procedures, forms and where appropriate, formulas covering the calculation of hold percentages, revenue drop, expenses and overhead schedules, complimentary services, cash equivalent transactions, salary structure, and personnel practices;
3. job descriptions and the systems of personnel and chain-of-command, establishing a diversity of responsibility among employees engaged in gaming operations and identifying primary and secondary supervisor positions for areas of responsibility, which areas shall not be so extensive as to be impractical for an individual to monitor;
4. procedures within the cashier's cage for the receipt, storage, and disbursal of cash, and other cash equivalents used in gaming, the payoff of jackpots, and the recording of transactions pertaining to gaming operations;
5. procedures for the counting and recordation of revenue;
6. procedures for the security, storage, and recordation of cash equivalents utilized in other gaming operations;
7. procedures for the transfers of monies or cash equivalents from and to the slot machines;
8. procedures and standards for the opening and security of slot machines;
9. procedures for the payment and recordation of slot machine jackpots;
10. procedures for the cashing and recordation of checks exchanged by patrons;

11. procedures governing the utilization of the private security force within the designated area;

12. procedures and security standards for the handling and storage of gaming devices, machines and all other gaming equipment;

13. procedures and rules governing the conduct of particular games and the responsibilities of the gaming personnel in respect thereto;

14. such other procedures, rules or standards that the division may impose on a licensee regarding its operations.

D. Sanction for purposes of this Section includes, but is not limited to suspension, revocation, or cancellation of a license or permit, the imposition of a civil penalty and such other costs as the division deems appropriate, or other conditioning, limiting, or restricting of a license or permit.

E. Penalty Schedule

Section Reference	Description	Base Fine	Proscriptive Period (Months)
Chapter 21. Licenses and Permits			
2101	General Authority of the Board and Division	\$10,000	18
2108	Nongaming Suppliers	\$2,000	12
2110	Plans and Specifications	\$10,000	18
2116.A	Cash Transaction Reporting	\$5,000	12
2116.B	Cash Transaction Reporting (Violations in other states)	\$20,000	24
2125	Access to Applicants' Premises and Records	\$25,000	60
2127.A	Information Constituting Grounds for Delay or Denial of an Application	\$10,000	24
2159.A	Gaming Employee Permits Required	\$10,000	18
2165	Display of Gaming Employee Identification Badge	\$500	12
Chapter 23. Compliance, Inspections and Investigations			
2325	Imposition of Sanctions	\$2,500	12
Chapter 25. Transfers of Interest in Licenses and Permittees; Loans and Restrictions			
2521	Loans and Lines of Credit	\$75,000	60
Chapter 27. Accounting Regulation			
2701	Procedures for Reporting and Paying Taxes and Fees		
2701	Late Reports	\$2,000	12
2701	Late Wire Transfers	\$5,000	12
2703.A	Accounting Records (per issue)	\$2,000	12
2705	Records of Ownership	\$500	12
2707	Records Retention	\$10,000	18
2709.B	Quarterly Financial Statements	\$1,000	12
2709.C	SEC Reports	\$500	12
2711.B	Required Signatures	\$500	12
2711.D	Change of CPA Requirements	\$10,000	60
2711.F	Audited Financial Statements (submission date)	\$10,000	60
2711.G	Change of Business Year	\$2,000	60
2711.H	Other CPA Reports	\$2,000	60
2711.I	Quarterly Net Win Reports	\$5,000	24
2711.J	Additional CPA Information	\$10,000	60
2713.D	Submission of Monthly Calculations	\$5,000	12

Section Reference	Description	Base Fine	Proscriptive Period (Months)
2713.E	Submission of Revised Calculated Amount	\$5,000	12
2715.A.1-7, 13	General Requirements	\$2,500	12
2715.A.8-12	Key Control & Entry Logs	\$10,000	24
2715.D	Internal Audit Department – Failure to Maintain Department or Develop Quarterly Report	\$10,000	18
2715.E	Late Submission	\$10,000	60
2715.F	Amendment of Computerized Controls and Amendment to Internal Controls	\$25,000	24
2715.H	Amendments to Internal Controls required by the Division	\$20,000	24
2715.J-M	General Credit Requirements	\$5,000	18
2715.O	Quarterly Credit Report	\$5,000	18
2715.P	Quarterly Vendor Report	\$5,000	18
2715.Q	Value of Tokens	\$5,000	12
2716	Clothing Requirements	\$5,000	12
2719.A	Handling of Cash	\$5,000	18
2721	Tips and Gratuities		
	Licensee Violation	\$2,000	12
2723	Internal Controls, Slots		
2723.B-C	Jackpot Request	\$2,000	12
2723.D	Jackpot Payout Slip	\$2,000	12
2723.E	Jackpot Payout Slips greater than \$1,200	\$1,000	12
2723.F	Jackpot Payout Slips greater than \$5,000	\$5,000	12
2723.G	Jackpot Payout Slips greater than \$10,000	\$10,000	18
2723.H	Jackpot Payout Slips greater than \$100,000	\$15,000	24
2723.I	Slot Fill Slips	\$2,000	12
2723.J	Slot Hard Drop	\$10,000	12
2723.K	Slot Count	\$10,000	12
2723.L	Hard Count Weigh Scale	\$10,000	12
2723.M	Accurate and Current Records for each slot machine	\$5,000	12
2723.N	Slot Machines removed from gaming floor	\$10,000	18
2723.O	Key Control & Entry Logs	\$10,000	24
2723.P	Sensitive Keys removed from Facility	\$10,000	24
2723.Q	Currency Acceptor Drop and Count Standards	\$10,000	24
2723.R	Computer Records	\$5,000	12
2723.S	Management Information Systems (MIS) Functions	\$5,000	18
2723.T	Accounting Department Audit Procedures	\$10,000	24
2723.U	Slot Department Requirements	\$2,000	12
2723.V	Progressive Slot Machines	\$5,000	12
2723.W	Training	\$5,000	24
2729	Cage and Credit		
2729.A-H	Cage Procedures	\$5,000	12
2729.I-HH	Credit Extension/Check Cashing	\$5,000	12
2729.II-NN	Other Credit Issues	\$5,000	12
2730	Exchange of Chips and Tokens	\$1,000	12

LOUISIANA GAMING

Section Reference	Description	Base Fine	Proscriptive Period (Months)
2731	Currency Transaction Reporting	\$5,000	12
2735	Net Slot Machine Proceeds Computation	\$5,000	12
Chapter 29. Operating Standards			
2901	Methods of Operation Generally	\$10,000	24
2911	Accessibility to Premises; Parking	\$1000	12
2913	Access to Premises and Production of Records	\$10,000	24
2915	Methods to Prevent Minors from Gaming Area	\$10,000	12
2919	Finder's Fees	\$10,000	12
2921.A	Agencies who may Collect	\$10,000	60
2921.B	Collection by Unsuitable Person	\$10,000	60
2921.C	Recordation of Collection Arrangements; Division Inspection	\$10,000	60
2933	Compulsive/Problem Gamblers Telephone Info and Referral Service Posting	\$1000	24
2935	Entertainment Activities	\$5,000	12
2943	Gaming Employees Prohibited from Gaming	\$2,500	12
2945	Restrictive Areas	\$10,000	24
2953	Promotions	\$5,000	12
2954	Tournaments	\$5,000	12
2955	Managerial Representative on Premises	\$25,000	18
Chapter 33. Surveillance and Security			
3301	Required Surveillance Equipment	\$10,000	24
3303	Surveillance and Security System Plans	\$25,000	24
3305.A	Division Room	\$10,000	24
3305.B	Access to Surveillance Equipment	\$10,000	24
3305.C	Surveillance Employees Prohibited from Other Gaming Duties	\$5,000	24
3305.D-E	Security of Division and Surveillance Rooms	\$10,000	24
3305.F	Division Agents Access to Surveillance Room	\$15,000	24
3305.H	Licensee Surveillance	\$5,000	24
3307	Segregated Telephone Communication	\$5,000	24
3309.A	Maintaining Logs	\$10,000	24
3309.B	Logging of Unusual Occurrences	\$10,000	24
3311	Storage and Retrieval	\$20,000	24
3315	Maintenance and Testing	\$20,000	24
3317	Surveillance System Compliance	\$25,000	24
Chapter 35. Patron Disputes			
3501	Division Notification	\$1,000	12
Chapter 37. List of Excluded Persons			
3705	Duty of Licensees and Permittees to Exclude	\$5,000	12
Chapter 41. Enforcement Actions			
4103	Chairman Action by Order	\$20,000	18
Chapter 42. Electronic Gaming Devices			
4202	Approval of Gaming Devices; Applications and Procedures; Manufacturers and Suppliers	\$10,000	12

Section Reference	Description	Base Fine	Proscriptive Period (Months)
4204	Progressive EGD's	\$5,000	12
4205	Computer Monitoring Requirements of Electronic Gaming Devices	\$10,000	12
4208	Certification by Manufacturer	\$1,000	12
4209	Approval of New Electronic Gaming Devices	\$5,000	12
4211	Duplication of Program Storage Media	\$20,000	24
4212	Marking, Registration, and Distribution of Gaming Devices	\$5,000	12
4213	Approval to Sell or Dispose of Gaming Devices	\$10,000	24
4214	Maintenance of Gaming Devices	\$20,000	24
4219	Approval of Associated Equipment; Application and Procedures	\$5,000	12
Chapter 43. Specification for Gaming Devices and Equipment			
4301	Approval of Chips and Tokens; Applications and Procedures	\$5,000	12
4309	Use of Chips and Tokens	\$1,000	12
4311	Receipt of Gaming Chips or Tokens from Manufacturer or Supplier	\$5,000	12
4313	Inventory of Chips	\$5,000	12
4315	Redemption and Disposal of Discontinued Chips and Tokens	\$5,000	12
4317	Destruction of Counterfeit Chips and Tokens	\$5,000	12

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:1321 (June 2000), amended LR 27:2255 (December 2001), LR 28:1028 (May 2002), repromulgated LR 28:2371 (November 2002), amended LR 29:362 (March 2003).

§2327. Proof of Compliance

A. Any notice issued by the division to a licensee or permittee regarding a violation of the Act or of the rules adopted pursuant to the Act may include a statement that the licensee or permittee may submit proof of compliance with the Act and of the rules adopted pursuant to the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:740 (April 2000).

§2329. Notification of Vendor Recommendations or Solicitations

A. All licensees shall report on the last day of each month, in writing, to the gaming control board the name, address, and telephone number of any person or legal entity who or which recommends to or solicits through any agent, employee or representative, who has authority to contract for the licensee, for the purpose of the licensee considering the purchase of goods and/or services from a particular vendor.

The licensee shall report the name, address, and telephone number of the recommended vendor to the board at the same time. This provision shall only apply to the solicitation or purchase of goods and/or services with a value in excess of \$5,000. This provision shall not apply to any recommendations made to the licensee for the hiring of employees working in the day-to-day operations of the eligible facility.

B. Vendor, for the purposes of this rule, shall include, but is not limited to, any manufacturer, distributor, gaming supplier, nongaming supplier, junket representative, professional, independent contractor, consultant, or other person in the business of providing goods and services regardless of whether required to be licensed, permitted, or registered.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:740 (April 2000).

§2331. Supplier Permit Criteria

A. The division shall determine whether suppliers providing goods and/or services to licensees are legitimate ongoing businesses. In making such determination the division shall consider any or all of the following nonexclusive factors:

1. years in business providing goods and/or services procured by licensees;
2. number of employees;
3. total customer base;
4. dollar volume of all sales compared to sales to licensees;
5. existence and nature of warehouse and storage facilities;
6. existence and number of commercial delivery vehicles owned or leased;
7. existence and nature of business offices, equipment and facilities;
8. whether the goods and/or services provided to the licensee are brokered, and if so, whether the actual supplier distributes through brokers as a common business practice;
9. registration with and reporting to appropriate local, state and federal authorities, as applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:740 (April 2000).

Chapter 25. Transfers of Interest in Licensees and Permittees; Loans and Restrictions

§2501. Transfers in General

A. The transfer of a license, permit, or of an application for a license or permit is prohibited. The transfer of an interest in a license, permit, or of an application for a license or permit is also prohibited.

B. The transfer of more than 50 percent ownership interest or economic interest in a licensee is prohibited. A transfer of ownership interest or economic interest in the licensee that has the effect of transferring control of the licensee is prohibited.

1. Ownership interest is defined to include owning shares or securities issued by a corporation, being a partner in any kind of partnership, being a member of a limited liability company, or owning or possessing any interest in any other kind of legal entity.

2. Economic interest means any interest in a license or licensee whereby a person receives or is entitled to receive, by agreement or otherwise, a profit, gain, thing of value, loss, credit, security interest, ownership interest, or other economic benefit.

C. No person shall sell, purchase, assign, lease, grant or foreclose a security interest, hypothecate or otherwise transfer, convey or acquire in any manner whatsoever, any of the following interests without prior written approval of the board by all persons involved in the transaction:

1. an economic interest of 5 percent or more in any licensee or permittee;
2. an ownership interest of 5 percent or more in any licensee or permittee other than a publicly traded corporation;
3. an economic interest of 5 percent or more in any person required to meet the qualification requirements or suitability requirements of the Act.

D. The acquisition of any interest in a licensee or permittee not listed in Paragraphs C.1-3 is conditional and ineffective if disapproved by the board. The persons involved in this type of acquisition may seek prior approval of the transaction from the board.

E. The requirements of Subsection C shall apply should an accumulation of transfers occur wherein 5 percent or more ownership interest or economic interest is transferred.

F. Any person seeking any approval required by this Section shall comply with the provisions of this Chapter unless the board waives any or all of the requirements after the receipt of a written request made by such person.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:740 (April 2000).

§2503. Requirements of Full Disclosure

A. No person shall transfer or convey in any manner whatsoever any interest of any sort, in or to any person required to meet the qualification requirements and or suitability requirements of the Act, by any person acting as an agent, trustee or other representative capacity for or on behalf of another person without first having fully disclosed all facts pertaining to such representation to the board and the division.

B. Any person filing an application for approval of a transfer of any interest required by §2501.C or D must provide the following to the division:

1. any application forms including personal history forms required by the board or division;
2. all documents which evince the transfer of the interest including any financing agreements;
3. all documents which evince any side agreements or related agreements regarding the transfer of any interest;
4. any other documents the division may deem necessary for a full and complete evaluation of the transferees' qualifications and suitability to hold an interest in a licensee or permittee.

C. All costs associated with the division's investigation of the application for a transfer will be born by the person seeking to acquire the interest.

D. All persons required to obtain approval under this Chapter must meet the same qualification requirements and suitability requirements as a licensee or permittee as the case may be.

E. The board shall give the applicant notice of the granting or denying of its application for a transfer. The granting of an application for a transfer may be subject to any condition, limitation or restriction in the same manner as the granting of a license or permit. The applicant shall indicate its acceptance of any condition, limitation or restriction in a manner approved by the board. The notice required by this Subsection shall be sent by certified mail. An applicant served with notice of a denial may make a written request for a hearing before the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:741 (April 2000).

§2505. Prior Approval of Transfers Required

A. No transfer of any interest for which prior approval is required pursuant to this Chapter may be completed unless the transfer and the transferee have been approved by the board in writing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:741 (April 2000).

§2507. Transfer of Economic Interest among Licensees and/or Permittees

A. If a licensee, permittee, or person who has met the qualification requirements and suitability requirements of the Act proposes to transfer an interest to another licensee, permittee, or person who has met the qualification requirements and suitability requirements of the Act, then the following shall apply.

1. Both parties shall give written notice to the board of the proposed transfer, including the names and addresses of the parties, the extent of the interest proposed to be transferred and the consideration thereof.

2. The proposed transferee shall furnish the following to the board:

- a. a sworn statement explaining and identifying the source of funds used in acquiring the interest;
- b. a sworn statement by each person with an economic interest of 5 percent or more in the proposed transferee indicating that each person continues to meet the qualification and suitability requirements of the Act;
- c. all documents which evince the transfer of the interest including any financing agreements;
- d. all documents which evince any side agreements or related agreements regarding the transfer of any interest;
- e. any other documents the board may deem necessary for a full and complete evaluation of the transferees' qualifications and suitability to hold an interest in a licensee.

3. The notice is deemed filed with the board when all the items required have been accepted by the board as evidenced by a signed receipt.

4. Within 10 days after the notice has been filed, the board shall notice the transferee that the notice is complete, or if incomplete, will request such additional information as is deemed necessary.

5. The division will conduct an investigation pertaining to the proposed transfer as is deemed appropriate.

6. The board shall grant or deny approval of the proposed transfer in the same manner as provided in §2503.E.

7. After receiving approval, the parties shall immediately notify the board when the approved transfer is actually effected.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:741 (April 2000).

§2509. Transfer of Economic Interest to Nonlicensee or Nonpermittee

A. No person who owns an economic interest of 5 percent or more in any licensee or shall in any manner whatsoever, transfer that economic interest to any person who is not then a licensee, or person who has met the qualification requirements of the Act. No person who owns an ownership interest of 5 percent or more in any licensee or other than a corporation shall in any manner whatsoever, transfer that economic interest to any person who is not then a licensee, or person who has met the qualification requirements of the Act. No person who owns an economic interest of 5 percent or more in any person required to meet the qualification requirements or suitability requirements of the Act shall in any manner whatsoever, transfer that economic interest to any person who is not then a licensee, or person who has met the qualification requirements of the Act. None of the transfers described in this Subsection shall be effective for any purpose until the proposed transferee has applied for and obtained all licenses and permits required by the Act and until the transferee has been approved by the board.

B. Should a cumulation of transfers occur wherein 5 percent or more of an interest is transferred, the entire transfer shall not be effective unless the transfer and the transferee have been approved by the board.

C. The application for approval of the transfer together with any license or permit applications must be filed at the same time with the board. All applicable fees must be paid at the time the applications are filed.

D. An investigation of any such application shall be conducted by the division. Prior to the commencement of the investigation, or while the investigation is ongoing, the division may request such additional information or documentation as it deems necessary for a complete investigation of the applicant.

E. The board shall grant or deny the approval for the transfer as provided for in §2503.E.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:741 (April 2000).

§2511. Statement of Restrictions Concerning Transfers

A. All securities issued by a corporation that holds a license must bear on both sides of the certificate the following statement of restrictions:

1. "The purported sale, assignment, transfer, pledge, or other disposition of any security or securities issued by a corporation that holds a license is conditional and ineffective until approved by the Louisiana Gaming Control Board. If the board finds that the owner of this security does not meet the qualification requirements of the Act, then the board may suspend or revoke the license or the board may condition the license requiring that the disqualified person or persons may not:

- a. receive dividends or interest on the securities of the corporation;
- b. exercise directly or through a trustee or nominee, a right conferred by the securities of the corporation;
- c. receive remuneration from the licensee;
- d. receive any economic benefit from the licensee;
- e. continue in an ownership or economic interest in the licensee."

B. A publicly traded corporation incorporated prior to applying for a license under the provisions of the Act, is only required to put the above statement of restrictions on securities issued after the corporation files its application for a license, permit or transfer approval with the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:742 (April 2000).

§2513. Emergency Situations

A. If the provisions of §2501.C apply to a transfer of an interest in a licensee, or person who is required to meet the qualification requirements and suitability requirements of the Act, is contemplated, and in the opinion of the board, the exigencies of the situation require that a proposed transferee be permitted to take part in the conduct of operations or to make available financing or credit for use in connection with such operation during the pendency of an application for a license, permit, or determination that the applicant meets the qualification requirements and suitability requirements of the Act, then the board may by emergency order implement the emergency procedures described in §2515.

B. An emergency as used in this Chapter may be deemed to include, but is not limited to any of the following:

- 1. the licensee, or person who was required to meet the qualification requirements and suitability requirements of the Act has died or has been declared legally incompetent;
- 2. the licensee, or person who was required to meet the qualification requirements and suitability requirements of the Act is a legal entity that has been dissolved by operation of law;
- 3. the licensee, or person who was required to meet the qualification requirements and suitability requirements of the Act has filed a petition of bankruptcy, or in the opinion of the board is or will likely become insolvent;
- 4. the license or permit has been suspended or revoked;
- 5. a person with an interest in a licensee or who was required to meet the qualification requirements and suitability requirements of the Act no longer meets the qualification requirements and suitability requirements of the Act;
- 6. a licensee, or person who was required to meet the qualification requirements and suitability requirements of the Act or an interest in a licensee or is subject to foreclosure or other forced sale permitted by law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:742 (April 2000).

§2515. Emergency Procedures

A. A proposed transferee who seeks to participate in an operation pursuant to an emergency order as provided in §2513 must submit a written request to the board which shall contain the following:

1. a complete description of the extent to which and the manner in which the proposed transferee will participate in the operations pending the completion of the proposed transfer of an interest;

2. a complete description of the plan for effecting the proposed transfer of the interest;

3. a complete financial statement, including the sources for all funds to be used in the transfer and that will be used in the participation prior to the completion of the transfer;

4. full, true and correct copies of all documents pertaining to the proposed transfer, including but not limited to all agreements between the parties, leases, notes, mortgages or deeds of trust, and pertinent agreements or other documents with or involving third parties;

5. a complete description of any and all proposed changes in the manner or method of operations, including but not limited to the identification of all proposed changes of and additions to supervisory personnel;

6. all such additional documentation and information as may be requested by the board or division; and

7. a certification that a copy of the request for emergency participation has been provided to the board.

B. The proposed transferee shall file a complete application with the board for approval of the transfer of the interest and for any necessary license or permit as provided in §2507 within five days after an order for emergency participation has been issued. The board may waive any or all of the requirements of this Subsection upon written request of the proposed transferee with a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:742 (April 2000).

§2517. Emergency Permission to Participate; Investigation

A. After the proposed transferee has complied with the requirements of §2515, the division shall determine if all the necessary documents and information have been provided by the applicant for approval for the transfer. If the division determines all of the necessary documents and information have been provided by the proposed transferee, then the division shall notify the proposed transferee of that fact in a manner deemed appropriate by the board.

B. After the notice described in §2517.A has been provided to the proposed transferee, the division shall commence the background investigation of the proposed transferee. The division may request such additional documents and information during the investigation as it deems necessary. Upon the conclusion of the background investigation, the board may grant or deny the request for emergency participation. No hearing will be granted to review the denial of a request for emergency participation. Any conditions imposed by the board on a proposed transferee must be accepted by the proposed transferee in a manner approved by the board prior to the board granting a request for emergency participation.

C. Emergency permission to participate shall be defined with respect to time, and must be limited as follows:

1. pending final action on the application of a proposed transferee, the existing licensee, or person who has met the qualification requirements and suitability requirements of the Act and the transferee approved for emergency participation shall both be responsible for the payment of all taxes, fees and fines, and for acts or omissions of each;

2. no proposed transferee who has been granted emergency permission in writing to participate shall receive any portion of the net gaming proceeds from the gaming operations or any profits from other operations of the licensee until final approval of the proposed transfer of the interest has been granted subject to the exception contained in §2517.C.3. If approval is granted, such approval shall be retroactive to the effective date of the emergency participation;

3. a proposed transferee who has been granted emergency permission to participate and who actually renders services to the licensed operation or the permitted operation may be compensated for any services actually rendered, but such compensation is subject to prior written approval by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:743 (April 2000).

§2519. Effect of Emergency Permission to Participate; Withdrawal

A. The granting of emergency permission to participate is a revocable privilege. The granting of emergency permission to participate is not a finding by the board that the applicant for emergency participation meets the qualification requirements or suitability requirements of the Act. Such emergency permission to participate is without prejudice to any action that the board or the division may take with respect to any application for final approval of the proposed transfer of interest. All emergency permissions to participate are subject to the condition that they may be revoked or suspended at any time without a right to a hearing to review the board's decision. The provisions contained in this Section are to be considered a part of any

emergency participation granted by the board, whether or not they are included in the order granting such emergency participation.

B. Upon notice that emergency permission to participate has been withdrawn, suspended, or revoked, the proposed transferee with such permission shall immediately terminate any participation whatsoever in the operations of the licensee, or person required to meet the qualification requirements and suitability requirements of the Act. Anything of value, including money, contributed to the operations of the licensee, or person required to meet the qualification requirements and suitability requirements of the Act shall be immediately returned to the proposed transferee. Noncompliance with this Section shall be considered a violation of the Act and of the rules of the board by all concerned parties.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:743 (April 2000).

§2521. Loans and Lines of Credit

A. No licensee, or person on behalf of a licensee shall borrow money, receive, accept, or make use of any cash, property, credit, line of credit, or guarantee, or grant any other form of security for any loan except in accordance with these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:743 (April 2000).

§2523. Board Actions Concerning Loans and Lines of Credit

A. Whenever any licensee or person acting on behalf of a licensee ("borrower" herein), applies for, receives, accepts, or modifies the terms of any loan, line of credit, third-party financing agreement, sale with buy-back or lease-back provisions or similar financing transaction, or makes use of any cash, property, credit, loan or line of credit, or guarantees, or grants other form of security for a loan, such borrower shall notify the board in writing no less than 60 days prior to such transaction, unless more stringent conditions are imposed by the board. Such notice shall include the following:

1. the names and addresses of all the parties to the transaction;
2. the amounts and sources of funds;
3. the property or credit received or applied;
4. the nature and the amount of security provided by or on behalf of the borrower or person required to meet the applicable qualification requirements and suitability requirements of the Act;
5. the specific nature and purpose of the transaction; and
6. such other information and documentation the board or division may require.

B. The report described in Subsection A of this Section shall be signed under oath by the borrower, an authorized representative of the borrower, or person required to meet the applicable qualification requirements and suitability requirements of the Act.

C. All transactions described in Subsection A of this Section require prior written approval by the board unless:

1. the amount of the transaction does not exceed \$2,500,000 and all of the lending institutions involved therein are federally regulated financial institutions;
2. the loan amount of the transaction does not exceed \$1,000,000 and all of the lending entities are qualified parties;
3. the transaction is exempted from the prior written approval requirement pursuant to the provisions of §2524 of this Chapter;
4. the loan amount does not exceed \$500,000 and the transaction is one other than those described in Paragraphs C.1, 2, or 3 of this Section;

5. the transaction modifies the terms of an existing loan or line of credit which has been previously approved pursuant to this Section, and after preliminary investigation pursuant to Subsection D of this Section, the board determines that the modification does not substantially alter such terms.

D. The board, after preliminary review, shall determine whether the transaction is exempt from the requirement of prior written approval, and shall notify the borrower of the determination.

E. In the event the transaction is not determined exempt pursuant to Subsection C, the board shall render a decision approving or disapproving the transaction.

F. If the transaction is disapproved, the decision of the board shall be in writing and shall set forth detailed reasons for such disapproval.

G. The board may require that the transaction be subject to conditions which must be accepted by all parties prior to approval. The acceptance of such conditions shall be in a manner approved by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:744 (April 2000).

§2524. Publicly Registered Debt and Securities

A. the transaction described in §2523.A of this Chapter involves publicly registered debt and securities registered with the Securities and Exchange Commission (SEC), and sold pursuant to a firm underwriting understanding agreement, no board approval is required; however, in addition to filing the notice required §2523.A and B, the borrower shall:

1. file with the board, within one business day after filing with the SEC, copies of all registration statements and all final prospectus with respect to such debt securities and will give notice to the division within one business day of the effectiveness of such registration statement; and

2. file a report with the board within 45 days after the completion of sales under such registration, setting forth the amount of securities sold and the identities of the purchasers thereof from the underwriters.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:744 (April 2000).

§2527. Escrow Accounts

A. No money or other thing of value shall be paid, remitted, or distributed, directly or indirectly, to a proposed transferee, including a transferee with emergency permission to participate, until the board has approved the transfer and the transferee.

B. All money or other things of value to be paid, remitted, or distributed, directly or indirectly, to a proposed transferee, including a transferee with emergency permission to participate, shall be placed in escrow in a manner acceptable to the board until final approval of the board has been issued regarding the transfer and the transferee.

C. Upon approval of the transfer and the transferee, the money or other things of value held in escrow may be distributed to the transferee.

D. If the transfer or the transferee is disapproved by the board, any money or other thing of value placed in escrow shall be returned to the person depositing the money or other thing of value in escrow.

E. A transferee with emergency permission to participate may be paid such compensation for services rendered as has been approved by the board in writing without such compensation being placed in escrow.

F. Any violation of this Section shall be grounds to disapprove the transfer or the transferee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:744 (April 2000).

Chapter 27. Accounting Regulations

§2701. Procedure for Reporting and Paying Taxes and Fees

A. All Daily Tax Remittance Summary reports, together with all necessary subsidiary schedules, shall be submitted to the division no later than 48 hours from the end of the licensed eligible facility's specified gaming day. For reporting purposes, licensed eligible facility's specified gaming day (beginning time to ending time) shall be

submitted in writing to the division prior to implementation. For licensed eligible facilities which offer 24 hour gaming, gaming day is the 24 hour period by which the entity keeps its books and records for business, accounting, and tax purposes. Each licensed eligible facility shall have only one gaming day, common to all its departments. Any change to the gaming day shall be submitted to the division 10 days prior to implementation of the change. All taxes related thereto must be electronically transferred to the state's or district's designated bank account as directed by the division. In addition to any other administrative action, civil penalties, or criminal penalties, licensed eligible facilities who are late in electronically transferring these taxes may retroactively be assessed late penalties of 15 percent of the amount due per annum after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Interest may be imposed on the late payment of taxes at the daily rate of .00041 multiplied by the amount of unpaid taxes for each day the payment is late.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:745 (April 2000).

§2703. Accounting Records

A. The following requirements shall apply throughout all of Chapter 27.

1. Each licensed eligible facility, in such manner as the division may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to revenue that is taxable or subject to taxes under the Act. Each licensed eligible facility shall keep records of all transactions impacting the financial statements of the licensed eligible facility, including, but not limited to, contracts or agreements with suppliers/vendors, contractors, consultants, attorneys, accounting firms; accounts/trade payable files; insurance policies; bank statements, reconciliations and canceled checks. Each licensed eligible facility that keeps permanent records in a computerized or microfiche fashion shall upon request immediately provide agents of the division with a detailed index to the microfiche or computer record that is indexed by entity department and date, as well as access to a microfiche reader. Only documents which do not contain original signatures may be kept in a microfiche or computerized fashion.

2. Each licensed eligible facility shall keep general accounting records on a double entry system of accounting, with transactions recorded on a basis consistent with generally accepted accounting principles, maintaining detailed, supporting, subsidiary records, including but not limited to:

a. detailed records identifying revenues by day, expenses, assets, liabilities, and equity for each establishment;

b. detailed records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;

c. individual and statistical game records to reflect drop, win, and the percentage of win to drop for each slot machine, and to reflect drop, win, and the percentage of win to drop for each type of slot machine, for each day or other accounting periods approved by the division;

d. slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

e. for each licensed eligible facility, the records required by the licensed eligible facility's system of internal control;

f. journal entries and all workpapers (electronic or manual) prepared by the licensed eligible facility and its independent accountant;

g. records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to patrons in the normal course of the licensed eligible facility shall be expended at an amount based upon the full cost of such services or items to the licensed eligible facility;

h. detailed token perpetual inventory records which identify the purchase, receipt, and destruction of tokens from all sources as well as any other necessary adjustments to the inventories. The recorded accountability shall be verified periodically via physical counts. The division shall have an agent, or its designee, present during destruction of any tokens;

i. workpapers supporting the daily reconciliation of cash and cash equivalent accountability;

j. financial statements and supporting documents; and

k. any other records that the division specifically requires be maintained.

3. Each licensed eligible facility shall create and maintain records sufficient to accurately reflect gross income and expenses relating to its gaming operations.

4. If a licensed eligible facility fails to keep the records used by it to calculate gross and net slot machine proceeds, or if the records kept by the licensed eligible facility to compute gross and net slot machine proceeds are not adequate to determine these amounts, the division may compute and determine the amount of taxable revenue based on an audit conducted by the division, any information within the division's possession, or upon statistical analysis.

5. The division may review or take possession of records at any time upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:745 (April 2000).

§2705. Records of Ownership

A. Each corporate licensed eligible facility shall keep on the premises of its gaming establishment the following documents pertaining to the corporation:

1. a certified copy of the articles of incorporation and any amendments;

2. a copy of the bylaws and any amendments;

3. a copy of the certificate issued by the Louisiana Secretary of State authorizing the corporation to transact business in Louisiana;

4. a list of all current and former officers and directors;

5. a certified copy of minutes of all meetings of the stockholders;

6. a certified copy of minutes of all meetings of the directors;

7. a list of all stockholders listing each stockholder's name, birth date, Social Security number, address, the number of shares held, and the date the shares were acquired;

8. the stock certificate ledger;

9. a record of all transfers of the corporation's stock;

10. a record of amounts paid to the corporation for issuance of stock and other capital contributions; and

11. a schedule of all salaries, wages, and other remuneration (including perquisites), direct or indirect, paid during the calendar or fiscal year, by the corporation, to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to 5 percent or more of the outstanding capital stock of any class of stock.

B. Each limited liability company licensed eligible facility shall keep on the premises of its gaming establishment the following documents pertaining to the company:

1. a certified copy of the articles of organization and any amendments;

2. a copy of the "initial report" setting forth location and address of registered office and agent(s);

3. a copy of required records to be maintained at the registered office of the LLC, including current list of names and addresses of members and managers;

4. a copy of the operating agreement and amendments; and

5. a copy of the certificate of organization issued by the Louisiana Secretary of State evidencing that the limited liability company has been organized.

C. Each partnership or joint venture shall keep on the premises of its gaming establishment the following documents pertaining to the partnership:

1. a copy of the partnership agreement and, if applicable, the certificate of limited partnership;

2. a list of the partners including their names, birth date, Social Security number, addresses, the percentage of interest held by each, the amount and date of each capital contribution of each partner, and the date the interest was acquired;

3. a record of all withdrawals of partnership funds or assets; and

4. a schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each partner during the calendar or fiscal year.

D. Each sole proprietorship licensed eligible facility shall keep on the premises of its gaming establishment:

1. a schedule showing the name, birth date, Social Security number and address of the proprietor and the amount and date of the proprietor's original investment and of any additions and withdrawals;

2. a schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:745 (April 2000).

§2707. Record Retention

A. Upon request, each licensed eligible facility shall provide the division, at a location approved by the division, with the records required to be maintained by this Chapter. Each licensed eligible facility shall retain all such records for a minimum of five years in a parish approved by the division. In the event of a change of ownership, records of prior owners shall be retained in a parish approved by the division for a period of five years unless otherwise approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:746 (April 2000).

§2709. Standard Financial Statements

A. The division shall prescribe a uniform chart of accounts including account classifications in order to insure consistency, comparability, and appropriate disclosure of financial information. The prescribed chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by the holder of an owner's license. All licensed eligible facilities shall prepare their financial statements in accordance with this chart or in a similar form that reflects the same information.

B. Each licensed eligible facility shall furnish to the division on a form, as prescribed by the division, a quarterly financial report. The quarterly financial report shall present

all data on a monthly basis as well. Monthly financial reports shall include reconciliation of general ledger amounts with amounts reported to the division. The quarterly financial report shall be submitted to the division no later than 60 days following the end of each quarter.

C. Each licensed eligible facility shall submit to the division one copy of any report, including but not limited to Forms S-1, 8-K, 10-Q, and 10-K, required to be filed by the licensed eligible facility with the securities and exchange commission or other domestic or foreign securities regulatory agency, within 10 days of the time of filing with such commission or agency or the due date prescribed by such commission or regulatory agency, whichever comes first.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:746 (April 2000).

§2711. Audited Financial Statements

A. Each licensed eligible facility shall submit to the division, postmarked by the United States Postal Service or deposited for delivery with a private or commercial interstate carrier, audited financial statements reflecting all financial activities of the licensed eligible facility's establishment prepared in accordance with generally accepted accounting principles and subjected to an examination conducted according to generally accepted auditing standards by an independent Certified Public Accountant (CPA). The CPA shall incorporate the guidelines established by the division into current procedures for preparing audited financial statements. The submitted audited financial statements required under this Part shall be based on the licensed eligible facility's business year as approved by the division. If the licensed eligible facility or a person controlling, controlled by, or under common control with the licensed eligible facility owns or operates food, beverage or retail facilities or any related facilities or buildings, the financial statement must further reflect these operational records.

B. The reports required to be filed pursuant to this Section shall be sworn to and signed by:

1. if from a corporation:

- a. chief executive officer; and either the
- b. financial vice president; or
- c. treasurer; or
- d. controller;

2. if from a partnership, by a general partner and financial director;

3. if from a sole proprietorship, by the proprietor; or

4. if from any other form of business association, by the chief executive officer.

C. All of the audits and reports required by this Section shall be prepared at the sole expense of the licensed eligible facility.

D. Each licensed eligible facility shall engage an independent Certified Public Accountant (CPA) licensed by the Louisiana State Board of Certified Public Accountants. The CPA shall examine the statements in accordance with generally accepted auditing standards. The licensed eligible facility may select the independent CPA with the division's approval. Should the independent CPA previously engaged as the principal accountant to audit the licensed eligible facility's financial statements resign or be dismissed as the principal accountant, or if another CPA is engaged as principal accountant, the licensed eligible facility shall file a report with the division within 10 days following the end of the month in which the event occurs, setting forth the following:

1. the date of the resignation, dismissal, or engagement;

2. any disagreements with a former accountant, in connection with the audits of the two most recent years, on any matter of accounting principles, or practice, financial statement disclosure, auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference in connection with his report to the subject matter of the disagreement; including a description of each such disagreement; whether resolved or unresolved;

3. whether the principal accountant's report on the financial statements for any of the past two years contained an adverse opinion or a disclaimer of opinion or was qualified. The nature of such adverse opinion or a disclaimer of opinion, or qualification shall be described; and

4. a letter from the former accountant furnished to the licensed eligible facility and addressed to the division stating whether he agrees with the statements made by the licensed eligible facility in response to this Section of the licensed eligible facility's submission of accounting and internal control.

E. Unless the division approves otherwise in writing, the statements required must be presented on a comparative basis. Consolidated financial statements may be filed by commonly owned or operated establishments, but the consolidated statements must include consolidating financial information or consolidated schedules presenting separate financial statements for each establishment licensed to conduct gaming by the division. The CPA shall express an opinion on the consolidated financial statements as a whole and shall subject the accompanying consolidating financial information to the auditing procedures applied in the examination of the consolidated financial statements.

F. Each licensed eligible facility shall submit to the division two originally signed copies of its audited financial statements and the applicable CPA's letter of engagement not later than 120 days after the last day of the licensed eligible

facility's business year. In the event of a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensed eligible facility or former licensed eligible facility shall, not later than 120 days after the event, submit to the division two originally signed copies of audited statements covering the period between the filing of the last financial statement and the date of the event. If a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of the business year for which a statement has not been submitted, the licensed eligible facility may submit statements covering both the business year and the final period of business.

G. If a licensed eligible facility changes its fiscal year, the licensed eligible facility shall prepare and submit to the division audited financial statements covering the period from the end of the previous business year to the beginning of the new business year not later than 120 days after the end of the period or incorporate the financial results of the period into the statements for the new business year.

H. Reports that directly relate to the independent CPA's examination of the licensed eligible facility's financial statements must be submitted within 120 days after the end of the licensed eligible facility's business year. The CPA shall incorporate the guidelines established by the division into current procedures for preparing the reports.

I. Each licensed eligible facility shall engage an independent CPA to conduct a quarterly audit of the net gaming proceeds. Two signed copies of the auditor's report shall be forwarded to the division not later than 60 days after the last day of the applicable quarter. For purposes of this Part, quarters are defined as follows: January through March, April through June, July through September and October through December. The CPA shall incorporate the guidelines established by the division into current procedures for preparing the quarterly audit.

J. The division may request additional information and documents from either the licensed eligible facility or the licensed eligible facility's independent CPA, through the licensed eligible facility, regarding the financial statements or the services performed by the accountant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:746 (April 2000).

§2713. Cash Reserve and Bonding Requirements; General

A. Each licensed eligible facility shall maintain in cash or cash equivalent amounts sufficient to protect patrons against defaults in gaming debts owed by the holder of an owner's license as defined below:

SLOTS: Nonprogressive:
 Number of Machines x \$50 = _____
 Progressive:
 Total of all in house progressive jackpots: _____

OTHER: Operating Accounts Payable: _____
 (amount equal to two weeks payables)
 Payroll for Two Weeks : _____
 Debt Service for One Month: _____

TOTAL REQUIREMENTS: _____

CASH RESERVE COMPRISED OF

Cash in Cage : _____
 Cash in Banks, TCD, Savings, Etc.: _____
 Entity's Cash on Hand (Do not include slot
 machine bucket cash): _____
 Less: Safekeeping Money (_____) _____

TOTAL CASH RESERVE AVAILABLE: _____

B. Each licensed eligible facility may submit its own procedure for calculating its cash reserve requirement which shall be approved by the division in writing prior to implementation. Such procedure shall be implemented after the licensed eligible facility receives the division's written approval.

C. Each licensed eligible facility shall submit monthly calculations of its cash reserve to the division no later than 30 days following the end of each month.

D. Cash equivalents are defined as all highly liquid investments with an original maturity of 12 months or less and available unused lines of credit issued by a federally regulated financial institution as permitted in Chapter 25 and approved pursuant to that Chapter. Approved lines of credit shall not exceed 50 percent of the total cash reserve requirement. Any changes to the initial computation submitted to the division shall require the licensed eligible facility to resubmit the computation with all changes delineated therein including a defined time period for adjustment of the cash reserve account balance (e.g., monthly, quarterly, etc.)

E. Each licensed eligible facility shall be required to secure and maintain a bond from a surety company licensed to do business within the state of Louisiana that ensures specific performance under the provisions of the Act for the payment of taxes, fines and other assessments. The amount of the bond shall be set at \$250,000 unless the division determines that a higher amount is appropriate. The licensed eligible facility shall submit the surety bond to the division prior to the commencement of gaming operations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:748 (April 2000).

§2715. Internal Control; General

A. Each licensed eligible facility shall establish and implement beginning the first day of operations administrative and accounting procedures for the purpose of determining the licensed eligible facility's liability for revenues and taxes under the Act and for the purpose of exercising effective control over the licensed eligible

facility's internal fiscal affairs. Each licensed eligible facility shall adhere to the procedures established and implemented under the requirements of this Section of the administrative rules and regulations. The procedures shall be implemented to reasonably ensure that:

1. all assets are safeguarded;
2. financial records are accurate and reliable;
3. transactions are performed only in accordance with the licensed eligible facility's internal controls as approved by the division;
4. transactions are recorded adequately to permit proper reporting of net slot machine proceeds, taxes, and all revenues deriving from the licensed eligible facility, terminal and related facilities and to maintain accountability for assets;
5. access to assets is permitted only in accordance with the licensed eligible facility's internal controls as approved by the division;
6. recorded accountability for assets is compared with actual assets at least annually and appropriate action is taken with respect to any discrepancies;
7. functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel;
8. sensitive keys are maintained in a secure area that is subject to surveillance as follows:
 - a. all restricted sensitive keys shall be stored in an immovable dual lock box;
 - b. one key shall open only one lock on the dual lock box;
 - c. a dual key system shall be implemented wherein both keys are required to open the dual lock box and shall not be issued to different employees in the same department;
 - d. an employee shall be issued only a single key to the dual lock box; and
 - e. there shall be a surveillance camera monitoring the dual lock box at all times;
9. restricted sensitive keys are properly secured. Restricted sensitive keys shall be defined as those keys which can only be reproduced by the manufacturer of the lock or its authorized agent. These keys shall be stored in a dual lock box, with the exception of the cages, change banks/booths and the dual lock box keys. All restricted sensitive keys shall be inventoried and accounted for on a quarterly basis. These keys include but are not limited to:
 - a. slot drop cabinet keys;
 - b. bill validator release keys;
 - c. bill validator contents keys;
 - d. count room keys;
 - e. vault entrance key;

- f. CCOM (processor) keys;
- g. slot office storage box keys;
- h. dual lock box keys;
- i. change bank/booth keys;
- j. weigh calibration key;

10. all other sensitive keys not listed in §2715.A.9 are listed in the licensed eligible facilities' internal controls and are controlled as prescribed therein;

11. all damaged sensitive keys are disposed of timely and adequately. The licensed eligible facility shall notify the division of the destruction. Notification shall include type of key(s), number of key(s), and the place and manner of disposal;

12. all access to the count rooms and the vault is documented on a log maintained by the count team and vault personnel respectively. Such logs shall be kept in the count rooms and vault room respectively, such logs shall be available at all times, and such logs shall contain entries with the following information:

- a. name of each person entering the room;
- b. reason each person entered the room;
- c. date and time each person enters and exits the room;
- d. date, time and type of any equipment malfunction in the room;
- e. a description of any unusual events occurring in the room; and
- f. such other information required in the licensed eligible facility's internal controls as approved by the division;

13. only transparent trash bags are utilized in restricted areas.

B. Each licensed eligible facility and each applicant for a license shall describe, in such manner as the division may approve or require, its administrative and accounting procedures in detail in a written system of internal control. Each licensed eligible facility and applicant for a license shall submit a copy of its written system of internal controls to the division for approval prior to commencement of the licensed eligible facility's operations. Each written system of internal control shall include:

- 1. an organizational chart depicting appropriate segregation of functions and responsibilities;
- 2. a description of the duties, responsibilities, and access to sensitive areas of each position shown on the organizational chart;
- 3. a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of §2715.A and §2325.C;

4. a flow chart illustrating the information required in Paragraphs 1, 2 and 3 above;

5. a written statement signed by an officer of the licensed eligible facility or a licensed owner attesting that the system satisfies the requirements of this Section;

6. other information as the division may require.

C. The licensed eligible facility may not implement its initial system of internal control procedures unless the division, in its sole discretion, determines that the licensed eligible facility's proposed system satisfies §2715.A, and approves the system in writing. In addition, the licensed eligible facility must engage an independent CPA to review the proposed system of internal control prior to implementation. The CPA shall forward two signed copies of the report reflecting the results of the evaluation of the proposed internal control system prior to implementation.

D. A separate internal audit department (whose primary function is performing internal audit work and who is independent with respect to the departments subject to audit) shall be maintained by either the licensed eligible facility, the parent company of the licensed eligible facility, or be contracted to an independent CPA firm. The internal audit department or independent CPA firm shall develop quarterly reports providing details of all exceptions found and subsequent action taken by management. All material exceptions resulting from internal audit work shall be investigated and resolved. The results of the investigation shall be documented and retained within the state of Louisiana for five years.

E. Each licensed eligible facility shall require the independent CPA engaged by the licensed eligible facility for purposes of examining the financial statements to submit to the licensed eligible facility two originally signed copies of a written report of the continuing effectiveness and adequacy of the licensed eligible facility's written system of internal control 150 days after the end of the licensed eligible facility's fiscal year. Using the guidelines and standard internal control questionnaires and procedures established by the division, the independent CPA shall report each event and procedure discovered by or brought to the CPA's attention which the CPA believes does not satisfy the internal control system approved by the division. Not later than 150 days after the end of the licensed eligible facility's fiscal year, the licensed eligible facility shall submit an originally signed copy of the CPA's report and any other correspondence directly relating to the licensed eligible facility's system of internal control to the division accompanied by the licensed eligible facility's statement addressing each item of noncompliance as noted by the CPA and describing the corrective measures taken.

F. Before adding or eliminating any game; adding any computerized system that affects the proper reporting of gross revenue; adding any computerized system for monitoring slot machines or other games, or any other computerized equipment, the licensed eligible facility shall:

1. amend its accounting and administrative procedures and its written system of internal control;

2. submit to the division a copy of the amendment of the internal controls, signed by the licensed eligible facility's chief financial officer or general manager, and a written description of the amendments;

3. comply with any written requirements imposed by the division regarding administrative approval of computerized equipment; and

4. after compliance with Paragraphs 1-3 and approval has been obtained from the division, implement the procedures and internal controls as amended.

G. Any change or amendment in procedure including any change or amendment in the licensed eligible facility's internal controls previously approved by the division shall be submitted to the division for prior written approval as prescribed by the division.

H. If the division determines that a licensed eligible facility's administrative or accounting procedures or its internal controls do not comply with the requirements of this Section, the division shall so notify the licensed eligible facility in writing. Within 30 days after receiving the notification, the licensed eligible facility shall amend its procedures and written system accordingly, and shall submit a copy of the internal controls as amended and a description of any other remedial measures taken.

I. The division can observe unannounced the transportation and count of each of the following: electronic gaming device drop, tip box and slot jackpots, slot fills, as well as any other internal control procedure(s) implemented. For purposes of these procedures, "unannounced" means that no officers, directors or employees of the holder of the owner's license are given advance information, regarding the dates or times of such observations.

J. Except as otherwise provided in this Section, no licensed eligible facility shall make any loan, or otherwise provide or allow to any person any credit or advance of anything of value or which represents value to enable any person to take part in gaming activity. The failure to deposit for collection a negotiable instrument by the second banking day following receipt shall be considered an extension of credit.

K. A licensed eligible facility may extend credit to a patron only in the manner(s) provided in its internal control system approved by the division.

L. The internal control system shall provide that:

1. each credit transaction is promptly and accurately recorded in appropriate credit records;

2. coupon redemption and other complimentary distribution program transactions are promptly and accurately recorded; and

3. credit may be extended only in a commercially reasonable manner considering the assets, liabilities, prior payment history and income of the patron.

M. No credit shall be extended beyond 30 days. In the event that a patron has not paid a debt created under this Section within 30 days, a holder of an owner's license shall not further extend credit to the patron while such debt is outstanding.

N. A licensed eligible facility shall be liable as an insurer for all collection activities on the debt of a patron whether such activities occur in the name of the owner or a third party.

O. The licensed eligible facility shall provide to the division a quarterly report detailing all credit outstanding from whatever source, including nonsufficient funds checks, collection activities taken and settlements, of all disputed markers, checks and disputed credit card charges pertaining to gaming. The report required under this Part shall be submitted to the division within fifteen days of the end of each quarter.

P. The value of tokens issued to a patron upon the extension of credit, the receipt of a check or other instrument or via a complimentary distribution program shall be included in the computation of net gaming proceeds.

Q. The licensed eligible facility shall have a continuing duty to review its internal controls to ensure the internal controls remain in compliance with the Act and the division's rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:748 (April 2000), amended LR 26:2305 (October 2000).

§2716. Clothing Requirements

A. All authorized persons accessing any count room when unaudited funds are present shall wear clothing without any pockets or other compartments with the exception of division agents, security, internal audit, and external audit.

B. Cage employees shall not bring purses, handbags, briefcases, bags or any other similar item into the cage unless it is transparent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:750 (April 2000), repromulgated LR 26:2305 (October 2000).

§2717. Reserved.

§2719. Internal Controls; Handling of Cash

A. Each gaming employee, owner, or licensed eligible facility who receives currency of the United States from a patron in the gaming area of a gaming establishment shall promptly place the currency in the appropriate place in the cashiers' cage cash register, or other repository approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Gaming Control Board, LR 26:750 (April 2000) amended LR:26:2305 (October 2000).

§2721. Internal Controls; Tips or Gratuities

A. No gaming employee other than slot gaming employees, change persons, cashiers and bartenders shall accept currency as a tip or gratuity from any patron, during or outside a shift unless immediately converted into value chips. Security personnel may accept currency as a tip or gratuity only outside the designated gaming areas of the licensed eligible facility.

B. No gaming employee who serves in a supervisory position shall solicit or accept, any tip or gratuity from any player or patron of the licensed eligible facility where he is employed. The licensed eligible facility shall not permit any practices prohibited by Subsection A of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:750 (April 2000).

§2723. Internal Controls; Slots

A. Any reference to slot machines or slots in this Section includes all electronic gaming devices.

B. Whenever a patron Wins a jackpot that is not totally and automatically paid directly from the electronic gaming device, a slot attendant shall prepare and process according to the licensed eligible facility's internal controls, a request for jackpot payout form. A request for jackpot payout form is not required if all of the following conditions are met:

1. a slot representative manually inputs the jackpot information into the computer;
2. a jackpot slip is generated through the computer system; and
3. the cashier uses this information to pay the jackpot.

C. The request for jackpot payout form (if required) shall contain, at a minimum, the following information:

1. date and time the jackpot was processed;
2. the electronic gaming device machine number and location number;
3. the denomination of the electronic gaming device;
4. number of coins/tokens played;
5. combination of reel characteristics;
6. on short pays, amount the machine paid; and
7. amount of hand-paid jackpot.

D. Each licensed eligible facility shall use multi-part jackpot payout slips as approved by the division to document any jackpot payouts or short pays. The jackpot slips shall be in a continuous numerical series, pre-numbered by the printer in a form utilizing the alphabet, and only in one series at a time. The alphabet need not be used if the

numerical series is not repeated during the business year. Manual jackpot slips may be utilized in numerical sequence by location.

1. A three-part jackpot payout slip which is clearly marked "jackpot" shall be utilized. The third copy may be the secured copy retained in the computer or whiz machine. Each jackpot slip shall include the following information:

- a. date and time the jackpot was processed;
- b. denomination;
- c. machine and location number of the electronic gaming device on which the jackpot was registered;
- d. number of coins/tokens played;
- e. dollar amount of payout in both alpha and numeric. Alpha is optional if another unalterable method is used for evidencing the amount of the jackpot or fill;
- f. game outcome including reel symbols, card values and suits, etc., for jackpot payouts;
- g. pre-printed or concurrently-printed sequential numbers;
- h. signature of the cashier;
- i. signature of two slot attendants verifying and witnessing the payout if the jackpot is less than \$1200; signature of one slot attendant and security officer verifying and witnessing the payout if the jackpot is \$1200 or greater.

2. Jackpot slips that are voided shall be clearly marked "void" across the face of all copies. On manual slips, the first and second copies shall have "void" written across the face. The cashier and slot or cage supervisor shall print their employee numbers and sign their names on the voided slip. The supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

3. Computerized jackpot/payout systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by an individual.

4. Jackpot payout forms shall be controlled and routed in a manner that precludes any one individual from producing a fraudulent payout by forging signatures, or by altering the amount paid subsequent to the payout, and misappropriating the funds. One copy of the jackpot payout slip shall be retained in a locked box located outside the change booth/cage where jackpot payout slips are executed or as otherwise approved by the division.

5. Jackpot overrides shall have the notation "override" printed on all copies. Jackpot override reports shall be run on a daily basis.

6. Jackpot payout slips shall be used in sequential order.

E. If a jackpot is \$1,200 or greater in value, the following information shall be obtained by the slot attendant prior to payout and for preparation of a Form W-2G:

1. valid ID;
2. name, address, and Social Security number (if applicable) of the patron;
3. amount of the jackpot; and
4. any other information required for completion of the Form W-2G.

F. If the jackpot is \$5,000 or more, a surveillance photograph shall be taken of the winner and the payout form shall be signed by a slot supervisor or casino shift manager in addition to Subsection D and E. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

G. If the jackpot is \$10,000 or more, the slot attendant shall notify a slot technician who shall remove the electronic board housing the EPROM's. A surveillance photograph of the division seal covering the EPROM shall be taken before the jackpot is paid. This photograph shall be attached to the jackpot payout form. This is in addition to requirements as stated in Subsection D, E and F. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

H. If the jackpot is \$100,000 or more, the casino operator or casino manager shall notify the division immediately. A division agent shall be present prior to the opening of the electronic gaming device. Surveillance shall constantly monitor the electronic gaming device until payment of the jackpot has been completed or until otherwise directed by a division agent. Once a division agent is present, the electronic board housing the EPROM's shall be removed by a slot technician, the EPROM's shall be inspected and tested in a manner prescribed by the division. There shall be conformance to procedures as mentioned in Subsection D, E, F, and G. The payout form shall also be signed by a casino shift manager. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

I. Each licensed eligible facility shall use multi-part slot fill slips as approved by the division to document any fill made to a slot machine hopper. The fill slips shall be in a continuous numerical series, pre-numbered by the printer in a form utilizing the alphabet, and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year. Manual fill slips may be utilized in numerical sequence by location.

1. A three-part slot fill slip which is clearly marked "fill" shall be utilized. The third copy may be the secured copy retained in the computer or whiz machine. Each fill slip shall include the following information:

- a. date and time;
- b. machine and location number;

c. dollar amount of slot fill in both alpha and numeric. Alpha is optional if another unalterable method is used for evidencing the amount of the slot fill;

d. signatures of at least two employees verifying and witnessing the slot fill; and

e. pre-printed or concurrently-printed sequential number.

2. Computerized slot fill slips shall be restricted so as to prevent unauthorized access and fraudulent slot fills by one individual.

3. Hopper fill slips shall be controlled and routed in a manner that precludes any one individual from producing a fraudulent fill by forging signatures, or by altering the amount paid subsequent to the fill, and misappropriating the funds. One copy of the hopper fill slip shall be retained in a locked box located outside the change booth/cage where hopper fill slips are executed or as otherwise approved by the division.

4. The initial slot fills shall be considered part of the coin inventory and shall be clearly designated as "slot loads" on the slot fill slip.

5. Slot fill slips that are voided shall be clearly marked "void" across the face of all copies. On manual slips, the first and second copies shall have "void" written across the face. The cashier and slot or cage supervisor shall print their employee numbers and sign their names on the voided slip. The supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

6. Slot fill slips shall be used in sequential order.

J. Each licensed eligible facility shall remove the slot drop from each machine according to a schedule, submitted to the division, setting forth the specific times for such drops. All slot drop buckets, including empty slot drop buckets, shall be removed according to the schedule. Each licensed eligible facility shall notify the division at least five days prior to implementing a change to this schedule, except in emergency situations. The division reserves the right to deny a licensed eligible facility's drop schedule with cause. Emergency drops, including those for maintenance and repairs which require removal of the slot drop bucket, require written notification to the division within 24 hours. Prior to opening any slot machine, emptying or removing any slot drop bucket, security and surveillance shall be notified that the drop is beginning.

1. The slot drop process shall be monitored in its entirety and video taped by surveillance including transportation to the count room or other secured area as approved by the division. At least one surveillance employee shall monitor the drop process at all times. This employee shall record on the surveillance log the time that the drop process begins and ends, as well as any exceptions or variations to established procedures observed during the drop.

2. Each licensed eligible facility shall submit its drop transportation route from the gaming area to the count room to the division prior to implementing or changing the route.

3. A minimum of three employees shall be involved in the removal of the slot drop, at least one of whom is independent of the slot department.

4. Drop team shall collect each drop bucket and ensure that the correct tag or number is added to each bucket.

5. Security shall be provided over the slot buckets removed from the slot drop cabinets prior to being transported to the count area. Slot drop buckets must be secured in a locked slot drop cabinet/cart during transportation to the count area.

6. If more than one trip is required to remove the slot drop from all of the machines, the filled carts or coins shall be either locked in the count room or secured in another equivalent manner as approved by the division.

7. At least once per year, in conjunction with the regularly scheduled drop, a complete *sweep* shall be made of hopper and drop bucket cabinets for loose tokens and coins. Such tokens/coins should be placed in respective hoppers and drop buckets and not commingled with other machines.

8. Once all drop buckets are collected, the drop team shall notify security and surveillance that the drop has ended.

9. On the last gaming day of each calendar month, the licensed eligible facility's drop shall include both drop buckets and currency acceptor drop boxes of all slot machines.

K. The contents of the slot drop shall be counted in a hard count room according to a schedule, submitted to the division, setting forth the specific times for such counts.

1. The issuance of the hard count room key, shall be witnessed by two gaming employees, who shall be from different departments. Neither of these two employees shall be members of the count team.

2. Access to the hard count room during the slot count shall be restricted unless three count team members are present. All persons exiting the count room, with the exception of division agents, shall be wanded by security with a properly functioning hand-held metal detector (wand). A log shall be maintained in the count room and shall contain the following information:

- a. name of each person entering the count room;
- b. reason each person entered the count room;
- c. date and time each person enters and exits the count room;
- d. date, time and type of any equipment malfunction in the count room; and
- e. a description of any unusual events occurring in the count room.

3. The slot count process shall be monitored in its entirety and videotaped by surveillance including transportation to the count room or other secured area as approved by the division. At least one surveillance or internal audit employee shall monitor the count process at least two randomly selected days per calendar month. This employee shall record on the surveillance log the times that the count process begins and ends, as well as any exceptions or variations to established procedures observed during the count, including each time the count room door is opened. If surveillance observes the visibility of the count team's hands or other activity is continuously obstructed at any time, surveillance shall immediately notify the count room employees.

4. Prior to each count, the count team shall perform a test of the weigh scale. The results shall be recorded and signed by at least two count team members. The initial weigh/count shall be performed by a minimum of three employees, who shall be rotated on a routine basis. The rotation shall be such that the count team shall not be the same three employees more than four days per week.

5. The slot count team shall be independent of the generation of slot revenue and the subsequent accountability of slot count proceeds. Slot department employees can be involved in the slot count and/or subsequent transfer of the wrap, if they perform in a capacity below the level of slot shift supervisor.

6. The following functions shall be performed in the counting of the slot drop.

a. The slot weigh and wrap process shall be controlled by a count team supervisor. The supervisor shall be precluded from performing the initial recording of the weigh/count unless a weigh scale with a printer is used.

b. Each drop bucket shall be emptied and counted individually. Drop buckets with zero drop shall be individually entered into the computerized slot monitoring system.

c. Contents of each drop bucket shall be recorded on the count sheet in ink or other permanent form prior to commingling the funds with funds from other buckets. If a weigh scale interface is used, the slot drop figures are transferred via direct line to computer storage media.

d. The recorder and at least one other count team members shall sign the slot count document or weigh tape attesting to the accuracy of the initial weigh/count.

e. At least three employees who participate in the weigh/count and/or wrap process shall sign the slot count document.

f. The coins shall be wrapped and reconciled in a manner which precludes the commingling of slot drop coin with coin for each denomination from the next slot drop.

g. Transfers out of the count room during the slot count and wrap process are either strictly prohibited; or if transfers are permitted during the count and wrap, each transfer is recorded on a separate multi-part prenumbered

form used solely for slot count transfers which is subsequently reconciled by the accounting department to ensure the accuracy of the reconciled wrapped slot drop. Transfers, as noted above, are counted and signed for by at least two members of the count team and by someone independent of the count team who is responsible for authorizing the transfer.

h. If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the next two requirements shall be complied with.

i. At the commencement of the slot count:

(a). the coin room inventory shall be counted by at least two employees, one of whom shall be a member of the count team and the other shall be independent of the weigh/count and wrap procedures;

(b). the above count shall be recorded on an appropriate inventory form.

ii. Upon completion of the wrap of the slot drop:

(a). at least two members of the count team independent from each other, shall count the ending coin room inventory;

(b). the above counts shall be recorded on a summary report(s) which evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;

(c). the same count team members who counted the ending coin room inventory shall compare the calculated wrap to the initial weigh/count, recording the comparison and noting any variances on the summary report;

(d). a member of the cage/vault department counts the ending coin room inventory by denomination. This count shall be reconciled to the beginning inventory, wrap, transfers and initial weigh/count on a timely basis by the cage/vault or other department independent of the slot department and the weigh/wrap procedures;

(e). at the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.

i. If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, upon completion of the wrap of the slot drop:

ii. at least two members of the count/wrap team shall count the final wrapped slot drop independently from each other;

iii. the above counts shall be recorded on a summary report;

iii. the same count team members as discussed above (or the accounting department) shall compare the final wrap to the weigh/count recording the comparison and noting any variances on the summary report;

iv. a member of the cage/vault department shall count the wrapped slot drop by denomination and reconcile it to the weigh/count;

v. at the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy;

vi. the wrapped coins (exclusive of proper transfers) are transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

j. The count team shall compare the weigh/count to the wrap count daily. Variances of 2 percent or greater per denomination between the weigh/count and wrap shall be investigated by the accounting department on a daily basis. The results of such investigation shall be documented and maintained for five years.

k. All slot count and wrap documentation, including any applicable computer storage media, is immediately delivered to the accounting department by other than the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

l. Corrections on slot count documentation shall be made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team employees. If a weigh scale interface is used, corrections to slot count data shall be made using either of the following:

i. crossing out the error on the slot document, entering the correct figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the slot department and count team enters the correct figure into the computer system prior to the generation of a related slot report(s);

ii. during the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report is generated by the computer system identifying the slot machine number, the error, the correction and the count team employees testifying to the corrections.

m. At least three employees are present throughout the wrapping of the slot drop. If the slot count is conducted with a continuous mechanical count meter which is not reset during the count and is verified in writing by at least three employees at the start and end of each denomination count, then this requirement is not applicable.

n. If the coins are not wrapped immediately after being weighed/counted, they are secured and not commingled with other coin. The term "wrapped slot drop" includes wrapped, bagged (with continuous metered verification), and racked coin/tokens.

o. If the coins are transported off the property, a second (alternative) count procedure must be performed before the coins leave the property, and any variances are documented.

L. Each hard count area shall be equipped with a weigh scale to weigh the contents of each slot drop bucket.

1. A weigh scale calibration module shall be secured so as to prevent unauthorized access and shall have the manufacturer's control to preserve the integrity of the device. Internal audit shall test the accuracy of the weigh scale at a minimum of once per quarter and document the results of the test. The manufacturer shall calibrate the weigh scale at a minimum of once per year. Someone independent of the cage, vault, slot and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained. The controller or his designee shall be the only persons with access to the weigh calibration keys.

2. If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access.

3. If the weigh scale has a zero adjustment mechanism, it shall be either physically limited to minor adjustments or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.

4. The weigh scale and weigh scale interface shall be tested by the internal auditors or someone else who is independent of the cage, vault and slot departments and count team at least on a quarterly basis with the test results being documented.

5. During the slot count at least two employees shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated.

6. The preceding weigh scale and weigh scale interface test results shall be documented and maintained.

7. If a mechanical coin counter is used (instead of a weigh scale), procedures equivalent to those described in §2723 L.4 and 5 shall be utilized.

M. Each licensed eligible facility shall maintain accurate and current records for each slot machine, including:

1. initial meter readings, both electronic and system, including coin in, coin out, drop, total jackpots paid, and games played for all machines. These readings shall be recorded prior to commencement of patron play for both new machines and machines changed in any manner other than changes in theoretical hold;

2. a report shall be produced at least monthly showing month-to-date and year-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage. If practicable, the report should include the actual hold percentage for the entire time the machine has been in operation. Actual hold equals dollar amount of win divided by dollar amount of coin in:

a. variances between theoretical hold and actual hold of greater than 2 percent shall be investigated, resolved and findings documented on an annual basis;

3. records for each machine which indicate the dates and type of changes made and the recalculation of theoretical hold as a result of the changes;

4. the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations;

5. system meter readings, recorded immediately prior to or subsequent to each slot drop. Electronic meter readings for coin-in, coin-out, drop and total jackpots paid shall be recorded at least once a month:

a. the employee who records the electronic meter reading shall be independent of the hard count team. Meter readings shall be randomly verified annually for all slot machines by someone other than the regular electronic meter reader;

b. upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters;

c. meter readings which do not appear reasonable shall be reviewed with slot department employees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected;

6. the statistical reports, which shall be reviewed by both slot department management and management employees independent of the slot department on a monthly basis;

7. theoretical hold worksheets, which shall be reviewed by both slot department management and management employees independent of the slot department semi-annually;

8. maintenance of the computerized slot monitoring system data files, which shall be performed by a department independent of the slot department. Alternatively, maintenance may be performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a daily basis;

9. updates to the computerized slot monitoring systems to reflect additions, deletions or movements of slot machines, which shall be made immediately preceding the addition or deletion in conjunction with electronic meter readings and the weigh process.

N. When slot machines are removed from the floor, slot loads, including hopper fills, shall be dropped in the slot drop bucket and routed to the coin room for inclusion in the next hard count.

O. Keys to a slot machine's drop bucket cabinet shall be maintained by a department independent of the slot department. The issuance of slot machine drop bucket cabinet keys shall be observed by security and a person independent of the slot drop team. Security shall accompany the key custodian and such keys and observe each time a slot

machine drop cabinet is accessed unless surveillance is notified each time the keys are checked out and surveillance observes the person throughout the period the keys are checked out. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 days.

P. Sensitive keys shall not be removed from the building in which the slot machines are housed. Access to the keys shall be documented on key access log forms.

1. The logs shall contain the date and time of issuance, the key or ring of keys issued, the printed name, signature and employee number of the person to whom the key is issued, the printed name, signature and employee number of the person issuing the key, the date and time of the key return and reason for access to the secure area. If key rings are used, there shall be a listing with the key log specifying each key on each ring. Accountability is required.

2. Keys shall be logged out and logged in per shift. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 days.

Q. Currency Acceptor Drop and Count Standards

1. Devices accepting U.S. currency for credit on, or change from, slot machines must provide a locked drop box whose contents are separately keyed from the drop bucket cabinet.

2. The currency acceptor drop box shall be removed by an employee independent of the slot department according to a schedule, submitted to the division, setting forth the specific times for such drops. Emergency drops, including those for maintenance and repairs which require removal of the currency acceptor drop box, require written notification to the division within 24 hours detailing date, time, machine number and reason. Prior to emptying or removing any currency acceptor drop box, the drop team shall notify security and surveillance that the drop is beginning.

3. The currency acceptor drop process shall be monitored in its entirety and videotaped by surveillance including transportation to the count room or other secured areas as approved by the division. At least one surveillance employee shall monitor the drop process at all times. This employee shall record on the surveillance log the time that the drop begins and ends, as well as any exceptions or variations to established procedures observed during the drop, including each time the count room door is opened.

4. Each licensed eligible facility shall submit its drop transportation route from the gaming area to the count room to the division prior to implementing or changing the route.

5. Drop team shall collect each currency acceptor drop box and ensure that the correct tag or number is added to each box.

6. Security shall be provided over the currency acceptor drop boxes removed from the electronic gaming devices prior to being transported to the count area.

7. Upon removal, the currency acceptor drop boxes shall be placed in a drop box storage rack and locked therein for transportation directly to the count area or other secure place approved by the division and locked in a secure manner until the count takes place.

8. The transporting of currency acceptor drop boxes shall be performed by a minimum of two employees, at least one of whom shall be a security officer.

9. Once all currency acceptor drop boxes are collected, the drop team or security shall notify surveillance and other appropriate personnel that the drop has ended.

10. The currency acceptor count shall be performed in the soft count room. At least one surveillance or internal audit employee shall monitor the currency acceptor count process at least two randomly selected days per calendar month and shall be videotaped by surveillance. This employee shall record any exceptions or variations to established procedures observed during the count. If at any time surveillance observes the visibility of count team's hands or other activity is consistently obstructed, surveillance shall immediately notify count room employees.

11. The currency acceptor count shall be performed by a minimum of three employees consisting of a recorder, counter and verifier.

12. Currency acceptor count team members shall be rotated on a routine basis. Rotation shall be such that the count team shall not be the same three employees more than four days per week.

13. The currency acceptor count team shall be independent of transactions being reviewed and counted, and the subsequent accountability of currency drop proceeds.

14. Daily, the count team shall verify the accuracy of the currency counter by performing a test count. The test count shall be recorded and signed by at least two count team members.

15. The currency acceptor drop boxes shall be individually emptied and counted on the count room table.

16. As the contents of each box are counted and verified by the counting employees, the count shall be recorded on the count sheet in ink or other permanent form of recordation prior to commingling the funds with funds from other boxes.

17. Drop boxes, when empty, shall be shown to another member of the count team or to surveillance.

18. The count team shall compare a listing of currency acceptor drop boxes scheduled to be dropped to a listing of those drop boxes actually counted, to ensure that all drop boxes are accounted for during each drop period.

19. Corrections to information originally recorded by the count team on currency acceptor count documentation shall be made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change.

20. After the count sheet has been reconciled to the currency, all members of the count team shall attest by signature to the accuracy of the currency acceptor drop count. Three verifying signatures on the count sheet shall be adequate if all additional count team employees sign a supplemental document evidencing their involvement in the count process.

21. All monies that were counted shall be turned over to the cage cashier (who shall be independent of the count team) or to an employee independent of the revenue generation and the count process for verification, who shall certify by signature as to the accuracy of the currency delivered and received.

22. Access to all drop boxes regardless of type, full or empty shall be restricted to authorized members of the drop and count teams.

23. Access to the soft count room and vault shall be restricted to members of the drop and count teams, agents of the division, authorized observers as approved by the division and supervisors for resolution of problems. Authorized maintenance personnel shall enter only when accompanied by security. A log shall be maintained in the soft count room and vault. The log shall contain the following information:

- a. name of each person entering the count room;
- b. reason each person entered the count room;
- c. date and time each person enters and exits the count room;
- d. date, time and type of any equipment malfunction in the count room; and
- e. a description of any unusual events occurring in the count room.

24. The count sheet, with all supporting documents, shall be promptly delivered to the accounting department by someone other than the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

25. The physical custody of the keys needed for accessing full currency acceptor drop box contents shall be videotaped by surveillance at all times.

26. Currency acceptor drop box release keys are maintained by a department independent of the slot department. Only the employee authorized to remove drop boxes from the currency acceptor is allowed access to the release keys. The count team members may have access to the release keys during the count in order to reset the drop boxes if necessary. Employees authorized to drop the currency acceptor drop boxes are precluded from having access to drop box contents keys.

27. An employee independent of the slot department shall be required to accompany the currency acceptor drop box storage rack keys and observe each time drop boxes are removed from or placed in storage racks. Employees authorized to obtain drop box storage rack keys shall be precluded from having access to drop box contents keys with the exception of the count team.

28. Only count team members shall be allowed access to drop box contents keys. This standard does not affect emergency situations which require currency acceptor drop box access at other than scheduled count times. At least three employees from separate departments, including management, shall participate in these situations. The reason for access shall be documented with the signatures of all participants and observers.

29. The issuance of soft count room and other count keys, including but not limited to acceptor drop box contents keys, shall be witnessed by two gaming employees, who shall be from different departments. Neither of these two employees shall be members of the count team. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The videotape of the log-in process shall be retained for 30 days.

30. Duplicate keys shall be maintained and issued in such a manner as to provide the same degree of control over drop boxes as is required for the original keys.

31. Sensitive keys shall not be removed from the facility unless to an extension of the facility as previously approved by the division and access to the keys shall be documented on key access log forms.

a. The logs shall contain the date and time of issuance, the key or ring of keys issued, the printed name, signature and employee number of the person to whom the key is issued, the printed name, signature and employee number of the person issuing the key, the date and time of the key return and reason for access to the secure area. If key rings are used, there shall be a listing with the key log specifying each key on each ring. Accountability is required.

b. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 days.

R. Computer Records. At a minimum, the licensed eligible facility shall generate, review, document review, and maintain slot reports on a daily basis for the respective system(s) utilized in their operation as prescribed by the division.

S. Management Information Systems (MIS) Functions

1. Backup and Recovery

a. MIS shall perform tape backup of system data daily. Backup and recovery procedures shall be written and distributed to all applicable personnel. These policies shall include information and procedures (e.g., a description of the system, systems manual, etc.) that ensure the timely restoration of data in order to resume operations after a hardware or software failure.

b. MIS shall maintain either hard or disk copies of system generated edit reports, exception reports and transaction logs.

2. Software/Hardware

a. MIS shall maintain a personnel access listing which includes, at a minimum the employee's name, position, identification number, and a list of functions the employee is authorized to perform including the date authorization is granted. These files shall be updated as employees or the functions they perform change.

b. MIS shall print and review the computer security access report at the end of each month. Discrepancies shall be investigated, documented and maintained for five years.

c. Only authorized personnel shall have physical access to the computer software/hardware.

d. All changes to the system and the name of the individual who made the change shall be documented.

e. Reports and other output generated by the system shall only be available and distributed to authorized personnel.

3. Application Controls

a. Application controls shall include procedures that prove assurance of the accuracy of the data input, the integrity of the processing performed, and the verification and distribution of the output generated by the system. Examples of these controls include:

i. proper authorization prior to data input (e.g., passwords);

ii. use of parameters or reasonableness checks; and

iii. use of control totals on reports and comparison of them to amounts input.

b. Documents created from the above procedures shall be maintained for five years.

T. The accounting department shall perform the following audit procedures relative to slot operations:

1. collect jackpot and hopper fill slips (computerized and manual) daily from the locked accounting box and the cashier cage or as otherwise approved by the division;

2. review jackpot/fill slips daily for continuous sequence. Ensure that proper procedures were used to void slips. Investigate all missing slips and errors within 10 days. Document the investigation and retain the results for a minimum of five years;

3. manually add, on a daily basis, all jackpot/fill slips and trace the totals from the slips to the system generated totals. Document all variances and retain documentation for five years;

4. collect the hard count and currency acceptor count results from the count teams and compare the actual count to the system-generated meter reports on a daily basis;

5. prepare reports of their daily comparisons by device, by denomination and in total of the actual count for hard and soft count to system-generated totals. Report variance(s) of \$100 or greater to the slot department for investigation. Maintain a copy of these reports five years;

6. compare a listing of slot machine numbers scheduled to be dropped to a listing of slot machine numbers actually counted to ensure that all drop buckets and currency acceptors are accounted for during each drop period;

7. investigate any variance of 2 percent or more per denomination between the weigh/count and wrap immediately. Document and maintain the results of such investigation for five years;

8. compare 10 percent of jackpot/hopper fill slips to signature cards for proper signatures one day each month;

9. compare the weigh tape to the system-generated weigh, as recorded in the slot statistical report, in total for at least one drop period per month. Resolve discrepancies prior to generation/distribution of slot reports to management;

10. review the weigh scale tape of one gaming day per quarter to ensure that:

a. all electronic gaming device numbers were properly included;

b. only valid identification numbers were accepted;

c. all errors were followed up and properly documented (if applicable);

d. the weigh scale correctly calculated the dollar value of coins; and

e. all discrepancies are documented and maintained for a minimum of five years;

11. verify the continuing accuracy of the coin-in meter readings as recorded in the slot statistical report at least monthly;

12. compare the "bill-in" meter reading to the currency acceptor drop amount at least monthly. Discrepancies shall be resolved prior to generation/distribution of slot statistical reports to management;

13. maintain a personnel access listing for all computerized slot systems which includes at a minimum:

a. employee name;

b. employee identification number (or equivalent); and

c. listing of functions employee can perform or equivalent means of identifying same;

14. review sensitive key logs. Investigate and document any omissions and any instances in which these keys are not signed out and signed in by the same individual, on a monthly basis;

15. review exceptions, jackpot overrides, and verification reports for all computerized slot systems, including tokens, coins and currency acceptors, on a daily basis for propriety of transactions and unusual occurrences. These exception reports shall include the following:

a. cash variance which compares actual cash to metered cash by machine, by denomination and in total;

b. drop comparison which compares the drop meter to weigh scale by machine, by denomination and in total.

U. Slot Department Requirements

1. The slot booths, change banks, and change banks incorporated in beverage bars (bar banks) shall be counted down and reconciled each shift utilizing appropriate accountability documentation.

2. The wrapping of loose slot booth and cashier cage coin shall be performed at a time or location that does not interfere with the hard count/wrap process or the accountability of that process.

3. A record shall be maintained evidencing the transfers of unwrapped coin.

4. Slot booth, change bank, and bar bank token and chip storage cabinets/drawers shall be constructed to provide maximum security of the chips and tokens.

5. Each station shall have a separate lock and shall be keyed differently.

6. Slot booth, change bank, and bar bank cabinet/drawer keys shall be maintained by the supervisor and issued to the change employee assigned to sell chips and tokens. Issuance of these keys shall be evidenced by a key log, which shall be signed by the change employee to whom the key is issued. All slot booth, change bank, and bar bank keys shall be returned to the supervisor at the end of each shift. The return of these keys shall be evidenced on the key log, which shall be signed by the change employee to whom the key was previously issued. The key log shall include:

a. the change employee's employee number and signature;

b. the date and time the key is signed out; and

c. the date and time the key is returned.

7. At the end of each shift, the outgoing and incoming change employee shall count the bank. The outgoing employee shall fill out a count sheet, which shall include opening and closing inventories listing all currency, coin, tokens, chips and other supporting documentation. The count sheet shall be signed by both employees once total closing inventory is agreed to the total opening inventory.

8. In the event there is no incoming change employee, the supervisor shall count and verify the closing inventory of the slot booth/change bank/bar bank.

9. Increases and decreases to the slot booths, change banks, and bar banks shall be supported by written documentation signed by the cage cashier and the slot booth/change bank/bar bank employee.

10. The slot department shall maintain documentation of system related problems (i.e., system failures, extreme values for no apparent reason, problem with data collection units, etc.) and note follow-up procedures performed. Documentation shall include at a minimum:

a. date the problem was identified;

b. description of the problem;

c. name and position of person who identified the problem;

d. name and position of person(s) performing the follow up;

e. date the problem was corrected; and

f. how the problem was corrected.

11. The slot department shall investigate all meter variances received from accounting. Copies of these results shall be retained by the accounting department.

V. Progressive Slot Machines

1. Individual Progressive Slot Machine Controls

a. Individual slot machines shall have seven meters, including a coin-in meter, drop meter, jackpot meter, win meter, manual jackpot meter, progressive manual jackpot meter and a progressive meter.

2. Link Progressive Slot Machine Controls

a. Each machine in the link group shall be the same denomination and have the same probability of hitting the combination that will award the progressive jackpot as every other machine in the group.

b. Each machine shall require the same number of tokens be inserted to entitle the player to a chance at winning the progressive jackpot and every token shall increment the meter by the same rate of progression as every other machine in the group.

c. When a progressive jackpot is hit on a machine in the group, all other machines shall be locked out, except if an individual progressive meter unit is visible from the front of the machine. In that case, the progressive control unit shall lock out only the machine in the progressive link that hit the jackpot. All other progressive meters shall show the current progressive jackpot amount.

3. Each licensed eligible facility shall submit to the division detailed internal control procedures relative to progressive slot machines that incorporate the following, at a minimum:

a. defined jackpots that are to be paid by the entity and those paid from contributions to the multi-link vendor;

b. a schedule for the remittance of location contributions to the multi-link vendor;

c. a defined time period for receipt of contribution reports from the multi-link vendor;

d. contribution reports shall specifically identify the total amount of the licensed eligible facility's contributions that can be deducted from the gross drop reported to the division for progressive jackpot(s) that are hit during the reporting period. The licensed eligible facility's contributions shall not be reported to the division upon payout. Licensed eligible facility's shall take their deductions, which are specified on the primary and secondary contribution reports from the manufacturer, on the fifteenth of every month for the previous month's jackpots;

e. detailed jackpot payout procedures for all types of jackpots;

f. service and maintenance parameters as set forth in contractual agreements between the licensed eligible facility and the multi-link vendor.

W. Training

1. All personnel responsible for slot machine operation and related computer functions shall be adequately trained in a manner approved by the division before they shall be allowed to perform maintenance or computerized functions.

2. The training shall be documented by requiring personnel to sign a roster during the training session(s).

3. Each licensed eligible facility shall have a designated instructor responsible for training additional personnel during the interim period between training by the manufacturer. The designated instructor shall meet the following requirements:

a. shall be a full-time employee of the licensed eligible facility; and

b. shall be certified as an instructor by the manufacturer and/or a licensed eligible facility's representative.

4. The licensed eligible facility shall have a continuing obligation to secure additional training whenever necessary to ensure that all new employees receive adequate training before they are allowed to conduct maintenance or computerized functions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:751 (April 2000) amended LR 26:2306 (October 2000).

§2725. Reserved.

§2727. Reserved.

§2729. Internal Controls; Cage, Vault and Credit

A. Each licensed eligible facility shall have a main bank which will serve as the financial consolidation of transactions relating to all gaming activity. Individuals accessing cages who are not employees assigned to cage areas shall sign a log maintained in each of these areas:

1. name of each person entering the cage;
2. reason each person entered the cage;
3. date and time each person enters and exits the cage;
4. date, time and type of any equipment malfunction in the cage; and
5. a description of any unusual events occurring in the cage.

B. All transactions that flow through the cage shall be summarized on a cage accountability form on a per shift basis and signed by the off-going and on-coming cashier. Variances, of \$50 or greater shall be investigated and the results maintained for five years.

C. Increases and decreases to the cage inventory shall be supported by written documentation.

D. Open cage windows and vault including the coin room inventories shall be counted by outgoing and incoming cashiers and recorded at the end of each shift during which any activity took place, or at least once per gaming day. This documentation shall be signed by each person who counted the inventory. In the event there is a variance which cannot be resolved, a supervisor shall verify/sign the documentation.

E. All net changes in outstanding receivables shall be summarized on a cage accountability form or similar document on a daily basis.

F. Such information shall be summarized and posted to the accounting records at least monthly.

G. All cage paperwork shall be transported to accounting by an employee independent of the cage.

H. All cashier tips shall be placed in a transparent locked box located inside the cage and shall not be commingled with cage inventory.

I. A licensed eligible facility shall be permitted to issue credit in its gaming operation.

J. Prior to the issuance of gaming credit to a player, the employee extending the credit shall determine if credit is available by entering the patron's name or account number into the computer. A password shall be used to access such information. Once availability is established, credit shall be extended only to the balance. If a manual system is used, the

employee extending the credit shall, prior to the issuance of gaming credit to a player, contact the cashier or other independent source to determine if the player's credit limit has been properly established and remaining credit available is sufficient for the advance.

K. Proper authorization of credit extension in excess of the previously established limit shall be documented.

L. Each licensed eligible facility shall document, prior to extending credit, that it:

1. received information from a bona fide credit-reporting agency that the patron has an established credit history that is not entirely derogatory; or
2. received information from a legal business that has extended credit to the patron that the patron has an established credit history that is not entirely derogatory; or
3. received information from a financial institution at which the patron maintains an account that the patron has an established credit history that is not entirely derogatory; or
4. examined records of its previous credit transactions with the patron showing that the patron has paid substantially all of his credit instruments and otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or
5. informed by another licensed eligible facility that extended gaming credit to the patron that the patron has previously paid substantially all of the debt to the other licensed eligible facility and the licensed eligible facility otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or
6. if no credit information is available from any of the sources listed in Paragraphs 1 through 5 for a patron who is not a resident of the United States, the licensed eligible facility shall receive in writing, information from an agent or employee of the licensed eligible facility who has personal knowledge of the patron's credit reputation or financial resources that there is a reasonable basis for extending credit in the amount or sum placed at the patron's disposal;
7. in the case of personal checks, examine and record the patron's valid driver's license or, if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks, and document one of the credit checks set forth in Paragraphs 1 through 6.

M. In the case of third party checks for which cash or tokens have been issued to the patron or which were accepted in payment of another credit instrument, the licensed eligible facility shall examine and record the patron's valid driver's license, or if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks and, for the check's maker or drawer, perform and document one of the credit procedures set forth in Subsection L.

N. The following information shall be recorded for patrons who will have credit limits or are issued credit in an amount greater than \$1,000 excluding, cashier's checks and traveler's checks:

1. patron's name, current address, and signature;
2. identification verifications, including Social Security number or passport number if patron is a nonresident alien;
3. authorized credit limit;
4. documentation of authorization by an individual designated by management to approve credit limits;
5. credit issuances and payments.

O. Prior to extending credit, the patron's credit application, and/or other documentation shall be examined to determine the following:

1. properly authorized credit limit;
2. whether remaining credit is sufficient to cover the advance;
3. identity of the patron;
4. credit extensions over a specified dollar amount shall be authorized by personnel designated by management;
5. proper authorization of credit extension over 10 percent of the previously established limit or \$1,000, whichever is greater shall be documented;
6. if cage credit is extended to a single patron in an amount exceeding \$2,500, applicable gaming personnel shall be notified on a timely basis of the patrons playing on cage credit, the applicable amount of credit issued, and the available balance.

P. The following information shall be maintained either manually or in the computer system for cage-issued markers:

1. the signature or initials of the individual(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);
2. the name of the individual receiving the credit;
3. the date and shift granting the credit;
4. the amount of credit issued;
5. the marker number;
6. the amount of credit remaining after each issuance or the total credit available for all issuances;
7. the amount of payment received and nature of settlement (e.g., credit slip number, cash, chips, etc.); and
8. the signature or initials of the individual receiving payment/settlement.

Q. The marker slip shall, at a minimum, be in triplicate form, pre-numbered by the printer, and utilized in numerical sequence whether marker forms are manual or computer-generated. Manual markers may be issued in numerical sequence by location. The three parts shall be utilized as follows:

1. original—maintained in the cage until settled;
2. payment slip—maintained until the marker is paid;
3. issue slip—maintained in the cage, until forwarded to accounting.

R. The original marker shall contain at least the following information:

1. patron's name and signature;
2. preprinted number;
3. date of issuance;
4. amount of credit issued; and

S. The issue slip or stub shall include the same preprinted number as the original, date and time of issuance, and amount of credit issued. The issue slip or stub also shall include the signature of the individual issuing the credit, unless this information is included on another document verifying the issued marker.

T. The payment slip shall include the same preprinted number as the original. When the marker is paid in full, it shall also include, date and time of payment, nature of settlement (cash, tokens, etc.) and amount of payment. The payment slip shall also include the signature of the cashier receiving the payment, unless this information is included on another document verifying the payment of the marker.

U. Marker log documentation shall be maintained by numerical sequence, indicating marker number, name of patron, date marker issued, date paid, method of payment (if combination, i.e., chips/cash, amount paid by each method), and amount of credit remaining. This marker log documentation shall also be maintained by patron name in alphabetic sequence in order to determine that credit was not extended beyond 30 days.

V. Markers (computer-generated and manual) that are voided shall be clearly marked "void" across the face of all copies. The cashier and supervisor shall print their employee numbers and sign their names on the voided marker. The supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies of the voided marker shall be forwarded to accounting for accountability and retention on a daily basis.

W. All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.

X. An investigation shall be performed, by the accounting department, immediately following its notice of missing forms or any part thereof, to determine the cause and responsibility for loss whenever marker credit slips, or any part thereof, are missing, and the result of the investigation shall be documented, by the accounting department. The division shall be notified in writing of the loss, disappearance or failure to account for marker forms within ten days of such occurrence.

Y. All payments received on outstanding credit instruments shall be permanently recorded on the licensed eligible facility's records.

Z. When partial payments are made on a marker, a new marker shall be completed reflecting the original date, remaining balance, and number of the originally issued marker.

AA. Personal checks or cashier's checks shall be cashed at the cage cashier and subjected to the following procedures.

1. Examine and record at least one item of patron identification such as a driver's license, etc.

BB. When travelers checks are presented:

1. the cashier must comply with examination and documentation procedures as required by the issuer;
2. checks in excess of \$100 shall not be cashed unless the requirements of §2729.AA are met.

CC. The routing procedures for payments by mail require that they shall be received by a department independent of credit instrument custody and collection.

DD. Receipts by mail shall be documented on a listing indicating the following:

1. customer's name;
2. amount of payment;
3. type of payment if other than a check;
4. date payment received; and
5. the total amount of the listing of mail receipts shall be reconciled with the total mail receipts recorded on the appropriate accountability by the accounting department on a random basis for at least three days per month.

EE. Access to the credit information shall be restricted to those positions which require access and are so authorized by management. This access shall be noted in the appropriate job descriptions pursuant to §2715.B.2.

FF. Access to outstanding credit instruments shall be restricted to persons authorized by management and shall be noted in the appropriate job descriptions pursuant to §2715.B.2.

GG. Access to written-off credit instruments shall further be restricted to individuals specified by management and shall be noted in the appropriate job descriptions pursuant to §2715.B.2.

HH. All extensions of pit credit transferred to the cage and subsequent payments shall be documented on a credit instrument control form.

II. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments shall be maintained.

JJ. Written-off credit instruments shall be authorized in writing. Such authorizations are made by at least two management officials which must be from a department independent of the credit transaction.

KK. If outstanding credit instruments are transferred to outside offices, collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative shall be obtained and maintained until such time as the credit instrument is returned or payment is received. A detailed listing shall be maintained to document all outstanding credit instruments

which have been transferred to other offices. The listing shall be prepared or reviewed by an individual independent of credit transactions and collections thereon.

LL. The receipt or disbursement of front money or a customer cash deposit shall be evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.

1. The multi-part form shall contain the following information:

- a. same preprinted number on all copies;
- b. customer's name and signature;
- c. date of receipt and disbursement;
- d. dollar amount of deposit;
- e. type of deposit (cash, check, chips).

2. Procedures shall be established to:

- a. maintain a detailed record by patron name and date of all funds on deposit;
- b. maintain a current balance of all customer cash deposits which are in the cage/vault inventory or accountability;
- c. reconcile this current balance with the deposits and withdrawals at least daily.

MM. The trial balance of accounts receivable shall be reconciled to the general ledger at least quarterly.

NN. An employee independent of the cage, credit, and collection functions shall perform all of the following at least three times per year.

1. Ascertain compliance with credit limits and other established credit issuance procedures.
2. Randomly reconcile outstanding balances of both active and inactive accounts on the listing to individual credit records and physical instruments.
3. Examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded.
4. For a minimum of five days per month partial payment receipts shall be subsequently reconciled to the total payments recorded by the cage for the day.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:759 (April 2000).

§2730. Exchange of Tokens

A. A licensed eligible facility may exchange a patron's tokens issued by another licensed eligible facility or riverboat licensee only for its own tokens. A licensed eligible facility shall not exchange tokens issued by another licensed eligible facility or riverboat licensee for cash. A licensed eligible facility shall document the exchange in a manner approved by the division.

B. The exchange shall occur at a single cage designated by the licensed eligible facility in its internal controls and approved by the division.

C. The total dollar value of the tokens submitted by a patron for exchange shall equal the total dollar value of the tokens issued by the licensed eligible facility to the patron. Tokens shall not be exchanged for a discount or a premium.

D. All tokens received by a licensed eligible facility as a result of an exchange authorized by this Section shall be returned to the issuing licensed eligible facility or riverboat licensee for redemption within 30 days of the date the tokens were received as part of an exchange unless the division approves otherwise in writing. Both licensed eligible facilities and riverboat licensees shall document the redemption in a manner approved by the division.

E. A licensed eligible facility shall not accept tokens issued by another licensed eligible facility or riverboat licensee in any manner other than authorized in this Section. A licensed eligible facility shall not knowingly accept as a wager any token issued by another licensed eligible facility or riverboat licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:761 (April 2000).

§2731. Currency Transaction Reporting

A. Each licensed eligible facility shall be responsible for proper reporting of certain monetary transactions to the federal government as required by the Bank Records and Foreign Transactions Act (Public Law 91-508), commonly referred to as the "Bank Secrecy Act" as codified in Title 31 §§5311-5323, and Title 12, §§1730(d), 1829, and 1951-1959. Specific requirements concerning record keeping and reports are delineated in Title 31 CFR 103 and shall be followed in the entirety. The "Bank Secrecy Act" and the rules and regulations promulgated by the federal government pursuant to the "Bank Secrecy Act" as they may be amended from time to time, are adopted by reference and are to be considered incorporated herein.

B. Civil and/or criminal penalties may be assessed by the federal government for willful violations of the reporting requirements of the Bank Secrecy Act. These penalties may be assessed against the licensed eligible facility, as well as any director, partner, official or employee that participated in the above referenced violations.

C. All employees of the licensed eligible facility shall be prohibited from providing any information or assistance to patrons in an effort to aid the patron in circumventing any, and all currency transaction reporting requirements.

D. Licensed eligible facility employees shall be responsible for preventing a patron from circumventing the currency transaction reporting requirements if the employee has knowledge, or through reasonable diligence in performing their duties, should have knowledge of the patron's efforts at circumvention.

E. For each required currency transaction report, a clear surveillance photograph of the patron shall be taken and attached to the licensed eligible facility's copy of the currency transaction report. The employee consummating the transaction shall be responsible for contacting the surveillance department employee. If a clear photograph cannot be taken at the time of the transaction, a file photograph of the patron if available may be used to supplement the required photograph taken. The licensed eligible facility shall maintain and make available for inspection all copies of currency transaction reports, with the attached photographs, for a period of five years.

F. One legible copy of all currency transaction reports for casinos filed with the Internal Revenue Service shall be forwarded to the division's audit section by the fifteenth day after the date of the transaction.

G. The licensed eligible facility shall be responsible for maintaining a single log which aggregates all transactions in excess of \$2,500 from the various multiple transaction logs as follows.

1. All cash transactions in excess of \$2,500 shall be recorded on a multiple transaction log for aggregation of the multiple transactions and signed by the employee handling the transaction. Records of the aforementioned transactions must be aggregated on the single log required by this Section.

2. Any multiple transaction log which reflects no activity shall be signed by the supervisor.

3. The employee handling the transaction shall be responsible for accurate and complete log entries. No log entry shall be omitted. Each log entry shall include the date and time, the amount of the transaction, the location of the transaction, the type of transaction, and the name and physical description of the patron.

4. Once any patron's cash activity has exceeded \$2,500, any and all additional cash activity shall be logged regardless of the amount or location.

5. Personnel of the cage shall ensure all cash transactions in excess of \$2,500 are properly logged and aggregated.

6. Personnel of the cage shall ensure any required currency transaction reports are properly completed.

7. As the \$10,000 amount is about to be exceeded, the employee consummating the transaction shall be responsible for obtaining and verifying the patron's identification prior to completing the transaction.

8. All multiple transaction logs shall be turned in to the cage for submittal to the accounting department daily.

H. The information required to be gathered by this Section shall be obtained from the individual on whose behalf the transaction is conducted, if other than the patron.

I. If a patron is unable or unwilling to provide any of the information required for currency transaction reporting, the transaction shall be terminated until such time that the required information is provided.

J. A transaction shall not be completed if it is known that the patron is seeking to avoid compliance with currency transaction requirements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:761 (April 2000).

§2735. Net Slot Machine Proceeds Computation

A. For each slot machine, net slot machine proceeds shall equal drops less fills to the machine and jackpot payouts, plus or minus the token float adjustment. The first step in the calculation of the token float adjustment shall be the daily token float calculation which shall be the total tokens received to date (i.e., the initial tokens received from vendors plus all subsequent shipments of tokens received) less the total day's token count (i.e., tokens in the hard count room plus tokens in the vault, cage drawers, change lockers, tokens in other locations and initial tokens in hoppers). The daily ending inventory token count shall at no time exceed the total amount of tokens in the total licensed eligible facility token accountability. Foreign tokens and slugs do not constitute a part of token inventory. If at any time the calculated daily token float is less than zero, the licensed eligible facility shall adjust to reflect a zero current day token float. The initial hopper load is not a fill and does not affect gross revenue. Since actual hopper token counts from all machines are not feasible, estimates of the token float adjustment shall be done daily based on the assumption that the hoppers will maintain the same balance as the initial hopper fill. Once a year, a statistical sample of the hoppers will be inventoried for the purpose of calculating the token float. This should be performed during the annual audit so that the external auditors can observe the test performance results. Therefore, once per year, the token float adjustment shall be based upon a physical count of tokens.

B. If in any day the amount of net slot machine proceeds is less than zero, the licensed eligible facility may deduct the excess in the succeeding days, until the loss is fully offset against net slot machine proceeds.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:762 (April 2000).

§2736. Reserved.

§2737. Reserved.

§2739. Extension of Time for Reporting

A. The division in its sole and absolute discretion, may extend the time for filing any report or document required by this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:762 (April 2000).

§2741. Petitions for Redetermination; Procedures

A. A licensed eligible facility filing a petition for redetermination with the board shall serve a copy of the petition on the division.

B. A licensed eligible facility shall, within 30 days after the petition is filed:

1. pay all taxes, penalties, or interest not disputed in the petition and submit a schedule to the division that contains its calculation of the interest due on nondisputed assessments;

2. file with the board a memorandum of points and authorities in support of a redetermination, and serve a copy of the memorandum on the division;

3. file with the board a certification that it has complied with the requirements of Paragraphs 1 and 2.

C. The division shall, within 30 days after service of the licensed eligible facility's memorandum, file a memorandum of points and authorities in opposition to the licensed eligible facility's petition and shall serve a copy on the licensed eligible facility. The licensed eligible facility may, within 15 days after service of the division's memorandum, file a reply memorandum.

D. The division and the licensed eligible facility may stipulate to extend the time periods specified in this Section if their stipulation to that effect is filed with the board before the expiration of the pertinent time period. The board chairman may extend the time periods specified in this Section upon motion and for good cause shown.

E. The board may, at its discretion, deny a petition for determination if the licensed eligible facility fails to comply with the requirements of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:762 (April 2000).

§2743. Claims for Refunds; Procedures

A. A licensed eligible facility filing a claim for refund with the board shall serve a copy of the claim on the division.

B. A licensed eligible facility shall, within 30 days after the claim is filed, file with the board a memorandum of points and authorities in support of the claim, setting forth the legal basis and the licensed eligible facility's calculations of the amount of the refund and any interest due thereon, and serve a copy of the memorandum on the division, and file with the board a certification that it has complied with the requirements of this Subsection.

C. The division shall, within 30 days after service of the licensed eligible facility's memorandum, file a memorandum of points and authorities in opposition to the licensed eligible facility's claim and shall serve a copy on the licensed eligible facility. The licensed eligible facility may, within 15 days after service of the division's memorandum, file a reply memorandum.

D. The division and the licensed eligible facility may stipulate to extend the time periods specified in this Section if their stipulation to that effect is filed with the board before the expiration of the pertinent time period. The board chairman may extend the time periods specified in this Section upon motion and for good cause shown.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:763 (April 2000).

§2744. Reserved.

§2745. Reserved.

Chapter 29. Operating Standards**§2901. Code of Conduct of Licensees and Permittees****A. General Provisions**

1. All licensees and permittees shall comply with all applicable federal, state, and local laws and regulations.

2. All licensees and permittees shall, at all times, conduct themselves in a professional manner when communicating with the public, the division and the board.

3. Any violation of the provisions of the Act, shall also constitute a violation of these rules.

B. Unsuitable Conduct

1. No licensee or permittee shall engage in unsuitable conduct or practices or shall employ or have a business association with any person, natural or juridical, which engages in unsuitable conduct or practices.

2. For purposes of this Section, unsuitable conduct or practices shall include, but not be limited to the following:

- a. employment of, in a managerial or other significant capacity as determined by the division or board, business association with, or participation in any enterprise or business with, except for race horse care personnel, a person convicted of a felony or declared unsuitable by the division or board;

- b. employment of, association with, or participation in any enterprise or business with a documented or identifiable organized crime group or recognized organized crime figure;

- c. misrepresentation of any material fact or information to the division or board;

- d. engaging in, furtherance of, or profit from any illegal activity or practice, or any violation of these rules or the Act;

- e. obstructing or impeding the lawful activities of the board, division or its agents;

- f. persistent or repeated failure to pay amounts due or to be remitted to the state; and

3. A licensee or permittee shall not engage in, participate in, or facilitate by any means, any criminal activity.

4. Any person required to be found suitable or approved in connection with the granting of any license or permit shall have a continuing duty to notify the division of his/her/its arrest, summons, citation or charge for any criminal offense or violation including D.W.I.; however, minor traffic violations need not be included. All licensees and permittees shall have a continuing duty to notify the division of any fact, event, occurrence, matter or action that may affect the conduct of gaming or the business and financial arrangements incidental thereto or the ability to conduct the activities for which the licensee or permittee is licensed or permitted. Such notification shall be made within fifteen calendar days of the arrest, summons, citation, charge, fact, event, occurrence, matter or action.

5. A licensee or permittee shall not intentionally make, cause to be made, or aid, assist, or procure another to make any false statement in any report disclosure, application, permit form, or any other document, including improperly notarized documents, required by these rules or the Act.

C. Additional Causes for Disciplinary Action

1. Further instances of conduct by a licensee or permittee where the division or board may sanction a licensee or permittee shall include but not be limited to when:

a. the licensee or permittee has been involved in the diversion of gaming equipment for unlawful means;

b. the licensee or permittee or a designated representative of the licensee or permittee has been involved in activities otherwise prohibited by law or the willful purpose of which was to circumvent or contravene the provisions set forth in the division's rules;

c. the licensee or permittee has demonstrated a reluctance or inability to comply with the requirements set forth in these rules and the Act, particularly after repeated warnings;

d. the licensee or permittee violates written conditions;

e. the division discovers incomplete or erroneous information as to a material or a substantial matter provided on an application or any item affecting the decision whether to license the applicant;

f. the division discovers substantial, incomplete, or erroneous information provided in a report or other required communication; and

g. the licensee or permittee has failed to timely pay a fine imposed by the division or board;

h. tardy, inaccurate, or incomplete reports;

i. failure to respond in a timely manner to communications from the division or board; and

j. unavailability of the licensees or permittees, their designated representatives, or their agents.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:763 (April 2000), amended LR 27:58 (January 2001), LR 29:2505 (November 2003).

§2903. Compliance with Laws

A. Acceptance of a license or permit or renewal thereof constitutes an agreement on the part of the licensee or permittee to be bound by all of the applicable provisions of the Act and the regulations. It is the responsibility of the licensee or permittee to keep informed of the content of all such laws, and ignorance thereof will not excuse violations. Violation of any applicable provision of the Act, the regulations of the commission or regulations of the board or division by a licensee or permittee or by the agent, employee or representative of a licensee or permittee is contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the state of Louisiana and constitutes grounds for enforcement action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:763 (April 2000).

§2905. Weapons in the Designated Gaming Area

A. Weapons as defined in the Louisiana Criminal Code are not permitted in the designated gaming area other than those in the possession of full-time commissioned law enforcement officers who are on duty and within their respective jurisdiction and licensed gaming security personnel who are on duty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:763 (April 2000).

§2907. Reserved.

§2909. Reserved.

§2911. Accessibility to Premises; Parking

A. Each licensee shall provide adequate parking to accommodate three full size vehicles for exclusive use by division agents. Parking shall be in close proximity to the division office or the designated gaming area. The location of the parking spaces shall meet division specifications and approval.

B. Each licensee shall ensure that division agents are provided an expedient means for entry and departure in regard to access to premises. For the purpose of this Section, premises includes but is not limited to private roads, parking lots, buildings, vessels, structures, and land which the licensee owns, leases or uses in relationship to the eligible facility.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:763 (April 2000).

§2913. Access to Premises and Production of Records

A. A licensee shall upon request immediately make available for inspection by the board and division or the agents thereof, all papers, books and records used in the licensed or permitted operation. The division, or any agent of the division shall be given immediate access to any portion of the premises of any eligible facility or premises of a manufacturer, distributor or supplier for the purpose of inspecting or examining any records or documents required to be kept under the provisions of the Act and the regulations and any gaming device or equipment or the conduct of any gaming activity. Immediate access to the areas and records that may be inspected or examined by the division or division agents must be granted to any such individual who displays division credentials.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:764 (April 2000).

§2915. Age Restrictions for the Casino; Methods to Prevent Minors from Gaming Area

A. No persons under the age of 21 shall:

1. play or be allowed to play any game or gaming device in the designated gaming area;
2. loiter or be permitted to loiter in or about any room, premises, or designated area where any game or gaming device is located;
3. be employed as a gaming employee.

B. The Type A licensee must implement methods to prevent minors from entering the designated gaming area of the eligible facility. Such methods shall be part of the licensee's system of internal controls and shall include, but shall not be limited to the following:

1. posting signs at all entrances to the gaming area notifying patrons that persons under 21 years of age are not permitted to loiter in or about the gaming area. The signs shall be displayed in English, Spanish, and Vietnamese;
2. posting signs or other approved means displaying the date of birth of a person who is 21 years old that date.

C. Type A licensees shall each quarter report and remit to the division all winnings withheld from customers who are determined to be under the age of 21.

D. The Type A license of any person issued pursuant to the provisions of the Act, who is found by the board to have intentionally allowed a person under the age of 21 to play or operate a slot machine, shall be revoked.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:764 (April 2000), amended LR 29:2506 (November 2003).

§2917. Reserved.

§2919. Finder's Fees

A. Except as limited by Subsection B, the term "finder's fee" means any compensation in money in excess of the sum of \$5,000 annually, or real or personal property valued in excess of the sum of \$5,000 annually, which is paid or transferred or agreed to be paid or transferred to any person in consideration for the arranging or negotiation of an extension of credit to a licensee, a registered company, or applicant for licensing or registration if the proceeds of such extension of credit are intended to be used for any of the following purposes:

1. the acquisition of an interest in an eligible facility or registered company;
2. to finance the gaming operations of an eligible facility, license or registered company.

B. The term "finder's fees" shall not include:

1. compensation to the person who extends the credit;
2. normal and customary payments to employees of the person to whom the credit is extended if the arranging or negotiation of credit is part of their normal duties;
3. underwriting discounts paid to a member of the National Association of Securities Dealers, Inc.

C. It is an unsuitable method of operation or practice for any licensee, registered company or applicant for licensing or registration to pay a finder's fee without the prior approval of the division. An application for approval of payment of a finder's fee shall make a full disclosure of all material facts. The division may disapprove any such application if the person to whom the finder's fee is proposed to be paid does not demonstrate that he is suitable to hold a license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:764 (April 2000).

§2921. Collection of Gaming Credit

A. Only bonded, duly licensed collection agencies, or a licensee's employees, independent agent, attorneys, or affiliated or wholly-owned corporation and their employees may collect, on the licensee's behalf and for any consideration, gaming credit extended by the licensee.

B. Notwithstanding the provisions of Subsection A, no licensee shall permit any person who has been found unsuitable, or who has been denied a gaming license or permit, or who has had a permit revoked, to collect, on the licensee's behalf and for any consideration, gaming credit extended by the licensee.

C. Each licensee shall maintain for the division's inspection, records that describe credit collection arrangements and shall include any written contract entered

into with persons described in Subsection A, unless such persons are the licensee's key employees or junket representatives duly registered and approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:764 (April 2000).

§2923. Identification Card Issuance Equipment

A. The Type A licensee shall be required to furnish and maintain all necessary equipment for the production and issuance of gaming employee identification badges. The equipment and design of the gaming employee badge(s) shall be approved by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:764 (April 2000).

§2925. Junkets and Related Activities

A. The board may require registration and provide a procedure and forms for the regulation of junkets and for the licensing of junket representatives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:765 (April 2000).

§2927. Advertising

A. The board may establish procedures for the regulation of advertising of licensed gaming activities. More specifically the board may require a licensee to advertise or publish specified information, slogans and telephone numbers relating to avoidance and treatment of compulsive or problem gambling or gaming.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:765 (April 2000).

§2929. Conservatorship

A. Definitions. The following words and terms, when used in this Subchapter, shall have the following meanings unless the context clearly indicates otherwise.

Conservator—a fiduciary appointed by the board concerning conservatorship.

Conservatorship Action—an action brought pursuant to the board's appointing of a conservator.

Creditor—the holder of any claim, of whatever character, against a person, whether secured or unsecured, matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent.

Debt—any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent.

Encumbrance—a mortgage, security interest, lien or charge of any nature in or upon property.

License—any license issued pursuant to this Act which authorizes the holder thereof to own or operate an eligible facility.

Property—real property, tangible and intangible personal property, and rights, claims and franchises of every nature.

Transfer—the sale and every other method, direct or indirect, of disposing of or parting with property or with an interest therein, or with the possession thereof, or of fixing a lien upon property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien, encumbrance, gift, security or otherwise; the retention of a security interest in property delivered to a corporation shall be deemed a transfer suffered by such corporation.

B. Institution of Conservatorship and Appointment of Conservators. Upon the suspension or revocation of a gaming license the board may appoint and constitute a conservator to, among other things, take over and into his possession and control all the property and business of the licensee relating to slot machine gaming at the licensed eligible facility.

1. Notwithstanding the foregoing, no conservator shall be constituted and appointed in any instance in which the license has been issued has not been, in fact, in operation and open to the public.

2. The board may proceed in a conservatorship action in a summary manner or otherwise and shall have the power to appoint and remove one or more conservators.

C. Qualification of Conservator. No person shall be appointed as a conservator unless the board is satisfied that he is individually qualified according to the standard applicable to key employees, except that casino experience shall not be necessary for qualification.

1. The board shall investigate and report to the commission with regard to the qualifications of each person who is proposed as a candidate to serve as a conservator.

D. Bonding of Conservators. Every conservator shall, before assuming his duties, execute and file a bond for the faithful performance of his duties payable to the "Louisiana Gaming Control Board" in the Office of the Attorney General, with such surety or sureties and in such form as the board shall approve and in such amount as the board shall prescribe.

E. Powers of Multiple Conservators. When more than one conservator is appointed, the provisions of this Subchapter applicable to one conservator shall be applicable

to all and the debts and property of the former or suspended licensee may be collected and received by any of them and the powers and rights conferred upon them shall be exercised by a majority of them.

F. Powers and Jurisdiction of the Board. At the time of the commencement of a conservatorship action, or at any time thereafter, the board shall have the power to enjoin the former or suspended licensee from exercising any of its privileges and franchises, from collecting or receiving any debts and from paying out, selling, assigning or transferring any of its property to other than a conservator, except as the board may otherwise order.

1. A conservator shall at all times be subject to the Act and such regulations, limitations, restrictions, terms and conditions as the board may from time to time prescribe.

2. The board shall have such further powers as shall be appropriate for the fulfillment of the purposes of the Act.

G. Effect of the Conservatorship on Licensees. Except as may be otherwise provided, during the period of conservatorship the operation in the form of the conservatorship shall be deemed a licensed operation and any reference in the Act or regulations to any obligations or responsibilities incumbent upon a licensee or those persons dealing with, affiliated with, having an interest in, employed by a licensee shall be deemed to apply to said operation.

H. Powers, Authorities and Duties of Conservators

1. Upon his appointment, the conservator shall become vested with the title of all the property of the former or suspended licensee or permittee relating to the licensed eligible facility, subject to any and all valid liens, claims, and encumbrances.

2. The conservator shall have the duty to conserve and preserve the assets so acquired to the end that such assets shall continue to be operated on a sound and businesslike basis.

3. Subject to the general supervision of the board and pursuant to any specific order it may deem appropriate, a conservator shall have power to:

a. take into his possession all the property of the former or suspended licensee relating to the licensee, including its books, records and papers;

b. institute and defend actions by or on behalf of the former or suspended licensee;

c. settle or compromise with any debtor or creditor of the former or suspended licensee, including any taxing authority;

d. continue the business of the former or suspended licensee or permittee and to that end enter into contracts, borrow money and pledge, mortgage or otherwise encumber the property of the former or suspended licensee as security for the repayment of the conservator's loans; provided, however, that such power shall be subject to any provisions and restrictions in any existing credit documents;

e. hire, fire and discipline employees;

f. review all outstanding agreements to which the former or suspended licensee is a party and advise the board as to which, if any, of such agreements should be the subject of scrutiny, examination or investigation by the board; and

g. do all further acts as shall best fulfill the purposes of the Act.

4. Except during the pendency of a suspension or during the pendency of an appeal from any action or event which precipitated the conservatorship or in instances in which the board finds that the interests of justice so require, the conservator, subject to the prior approval of and in accordance with such terms and conditions as may be prescribed by the board, and after appropriate prior consultation with the former licensee or permittee as to the reasonableness of such terms and conditions, shall endeavor to and be authorized to sell, assign, convey or otherwise dispose of in bulk, subject to any and all valid liens, claims, and encumbrances, all the property of a former licensee relating to the only upon written notice of all creditors and other parties in interest and only to such persons who shall be eligible to apply for and shall qualify as a licensee in accordance with the provisions of the Act.

a. Prior to any such sale, the former licensee shall be granted, upon request, a summary review by the board of such proposed sale.

b. As an incident of its prior approval pursuant to this Subsection of the sale, assignment, conveyance or other disposition in bulk of all property of the former licensee relating to the eligible facility, the board may, in its discretion, require that the purchaser thereof assume in a form and substance acceptable to the board all of the outstanding debts of the former licensee that arose from or were based upon the operation of the eligible facility.

5. The board may require that the conservator, for an indefinite period of time, retain the property and continue the business of the former or suspended licensee relating to the eligible facility. During such period of time or any period of operation by the conservator, he shall pay when due, without in any way being personally liable, all secured obligations and shall not be immune from foreclosure or other legal proceedings to collect the secured debt, nor with respect thereto shall such conservator have any legal rights, claims, or defenses other than those which would have been available to the former or suspended licensee.

I. Compensation of Conservators and Others. In any conservatorship action, the board shall allow a reasonable compensation for the services, costs and expenses of the conservator, the attorney for the conservator, the appraiser, the auctioneer, the accountant and such other persons as the board may appoint in connection with the conservatorship action.

J. Required Reports of the Conservator. A conservator shall file with the board such reports with regard to the administration of the conservatorship in such form and at such intervals as the board may prescribe.

1. The reports of the conservator to the board pursuant to this Subsection shall be available for examination and inspection by any creditor or party in interest.

2. The board may direct that copies of any such reports of a conservator to the board pursuant to this Subsection be mailed to such creditors or other parties in interest as it may designate and that summaries of any such reports be published in such newspapers of general circulation as it may designate.

K. Review of Action of Conservator. Any creditor or party in interest aggrieved by any alleged breach of a fiduciary obligation of a conservator in the discharge of his duties shall be entitled to a review thereof upon petitioning the board in writing. Such petition shall set forth in detail the pertinent facts and the reasons why such facts constitute the alleged breach. The board shall summarily review any petition filed pursuant to this Subsection and take whatever action, if any, that it deems appropriate.

L. Payment of Net Earnings during the Period of Conservatorship. No payment of net earnings during the period of conservatorship may be made by the conservator without the prior approval of the board.

1. The board may, in its discretion, direct that all or any part of net earnings during the period of conservatorship be paid either to the suspended or former licensee or to the enforcement fund.

2. Subject to Subsection D of this Section the board shall direct the payment of net earnings, or any portion thereof, to the enforcement fund unless the board determines that the policies of the Act and public confidence in the integrity of legalized gaming operations would not be eroded by the payment of such net earnings to the former or suspended licensee.

3. Notwithstanding any other provisions of this Section, the former or suspended licensee shall be entitled to a fair rate of return out of net earnings, if any, during the period of conservatorship on the property retained by the conservator, taking into consideration that which amounts to a fair rate of return in the industry.

M. Payments Following a Bulk Sale. Following any sale, assignment, conveyance or other disposition in bulk of all the property subject to the conservatorship, the net proceeds therefrom, if any, after payment of all obligations owing to the state of Louisiana and political subdivisions thereof and of those allowances set forth in the Act, shall be paid by the conservator to the former or suspended licensee.

N. Discontinuation of Conservatorship. The board shall direct the discontinuation of any conservatorship action when the conservator has, pursuant to the Act and with the prior approval of the board, consummated the sale, assignment, conveyance or other disposition in bulk of all the property of the former licensee relating to the licensed eligible facility.

1. The board may direct the discontinuance of a conservatorship action when it determines that for any reason the cause for which the action was instituted no longer exists.

2. Upon the discontinuation of the conservatorship action and with the approval of the board, the conservator shall take such steps as may be necessary in order to effect an orderly transfer of the property of the former or suspended licensee.

3. The sale, assignment, transfer, pledge or other disposition of the securities issued by a former or suspended licensee during the pendency of a conservatorship action shall neither divest, have the effect of divesting, nor otherwise affect the powers conferred upon a conservator by the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:765 (April 2000).

§2931. Assisting in Violations

A. No employee, agent, or representative of a licensee or permittee shall intentionally assist another person in violating any provisions of the Act, rules adopted pursuant to the Act, any orders of the board or division, or the licensee's internal controls. Such assistance shall constitute a violation of these rules. It is incumbent upon an employee, agent, or representative of a licensee or permittee to promptly notify the division of any possible violation of any federal, state or municipal law, the Act, rules adopted pursuant to the Act, any orders of the board or division, or the licensee's internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:767 (April 2000), amended LR 26:2824 (December 2000)

§2935. Entertainment Activities

A. No motion picture shall be exhibited within the designated gaming area either by direct projection or by closed circuit television which would be classified as obscene material.

B. No live entertainment shall be permitted within the designated gaming area which includes:

1. the performance of acts, or simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law;

2. the actual or simulated touching, caressing or fondling of breasts, buttocks, anus or genitals; or

3. the actual or simulated display of the pubic hair, vulva, genitals, anus, female nipple or female areola.

C. No entertainment shall be offered within the designated gaming area unless the licensee receives approval from the board to provide such entertainment. The licensee shall file a written submission with the board at least five days prior to the commencement of such entertainment, which submission shall include, at a minimum, the following information:

1. the date and time of the scheduled entertainment;
2. a detailed description of the type of entertainment to be offered;
3. the number of persons involved in the entertainment;
4. the exact location of the entertainment in the designated gaming area;
5. a description of any additional security measures that will be implemented as a result of the entertainment; and
6. a certification from the licensee that the proposed entertainment will not adversely affect the security and integrity of gaming operations.

D. The submission in the above Section shall be deemed approved by the board unless the licensee is notified in writing to the contrary within five days of filing.

E. The board may at any time after the granting of approval require the licensee to immediately cease any entertainment offered within the designated gaming area if the entertainment provided is in any material manner different from the description contained in the submission filed pursuant to the above Section, or in any way compromises the integrity of gaming operations.

F. In reviewing the suitability of an entertainment proposal, the board shall consider the extent to which the entertainment proposal:

1. may unduly interfere with efficient gaming operations;
2. may unduly interfere with the security of the casino or any of the games therein or any restricted area; or
3. may unduly interfere with surveillance operations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:767 (April 2000).

§2937. Distributions

A. The board shall receive written notice within five days of the completion of the following transactions:

1. withdrawal of capital in excess of 5 percent of the licensee's net gaming proceeds for the preceding 12-month period;
2. the granting of a loan or any other extension of credit in excess of 5 percent of the licensee's net gaming proceeds for the preceding 12-month period;
3. any advance or other distribution of any type of asset in excess of 5 percent of the licensee's net gaming proceeds for the preceding 12-month period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:767 (April 2000).

§2939. Action Based upon Order of Another Jurisdiction

A. The board may take enforcement action against a licensee or other person who has been disciplined in another jurisdiction for gaming related activity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:768 (April 2000).

§2941. Access by Board to Licensee Computer Systems

A. The board may require a licensee to place a computer terminal in the board room whereby the board has contemporaneous access to records and data relating to the gaming operations. Such data shall include but not be limited to credit transactions, amounts wagered and paid to winners, player tracking information and expenses relating to payment of compensation to employees. Board agents shall have unrestricted access to all records of a licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:768 (April 2000).

§2943. Gaming Employees Prohibited from Gaming

A. A licensee or the holder of a permit is prohibited from participating as a patron or a player in any slot gaming activity where the person is employed or performs a gaming function.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:768 (April 2000).

§2944. Waivers and Authorizations

A. All waivers of the board policies, special requests, and additional approvals by the board, except matters concerning emergency situations, must be submitted, in writing, to the board no less than 90 days prior to the licensee's planned implementation date of such. No waiver or board approval is valid until such time as the licensee receives an authorization number and written approval from the board, except approvals to ship gaming devices into the state in which case the board shall give an approval number for the shipment. The board declares the right to determine what constitutes an emergency situation on a case-by-case basis.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:768 (April 2000).

§2945. Restrictive Areas

A. Only authorized persons as provided in Chapter 27 of these rules, or in the licensee's internal controls as approved by the board, may enter restrictive areas within the eligible facility. For the purpose of this Subsection, restrictive areas shall include, but are not limited to the following:

1. cage and cashier areas;
2. casino vault;
3. soft count and hard count;
4. surveillance room;
5. any other area designated by the licensee and/or the board.

B. The licensee shall implement procedures to insure compliance with this Section. The board may require the licensee to erect barriers, stanchions, signage, and other such equipment as necessary to prohibit unauthorized persons from entering these areas.

C. The licensee may submit for approval to the board internal control procedures which allow housekeeping and maintenance personnel access to sensitive areas for maintenance purposes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:768 (April 2000).

§2947. Comfort Letters

A. The chairman may authorize the issuance of "comfort letters" by the board or division. A "comfort letter" may be issued on any matter over which the board has regulatory power or enforcement power as authorized by the Act or by the board's rules. A "comfort letter" may be a prior approval for a matter for which such prior approval is not required by the Act or by these rules, a statement of no objection by the board or division for a matter for which an approval is not required by the Act or these rules, or such other matters as the chairman may deem appropriate.

B. A request for a "comfort letter" must be in writing and must be received by the board or division at least 60 days prior to the event, transaction, occurrence or other matter for which the "comfort letter" is sought. The 60 day requirement may be waived by the supervisor upon a showing of good cause.

C. A "comfort letter" shall only be a statement of the board's or division's position on a matter as is outlined or described in the written request authorized by this Section. Any matter over which a "comfort letter" has been issued is still subject to board approval after an appropriate investigation as is authorized by the Act or these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:768 (April 2000).

§2951. Approvals

A. All approvals issued by the board or division are conditional and ineffective unless they are in writing and signed by the chairman or supervisor or by an agent authorized to sign on behalf of the supervisor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:768 (April 2000).

§2953. Promotions

A. All promotional programs, including contests and tournaments, conducted by or on behalf of a licensee shall comply with the Act and these regulations as well as all federal and state laws and regulations and municipal ordinances including R.S. 4:701 et seq., the Louisiana Charitable Raffles, Bingo and Keno Licensing Law.

B. The licensee and its general manager conducting the promotional program is responsible for ensuring that all promotional programs of the licensee are in compliance with Subsection A of this regulation.

C. No promotional programs, including contests or tournaments may be conducted which impair the integrity of the games, the security, surveillance and well-being of persons on the licensee's property or the calculation of gaming revenue. Issuance of coupons, scrip, and other cash equivalents used in conjunction with a promotion that do not impact the calculation of gaming revenues, shall be considered a promotional expense of the licensee. Licensees who intend to offer coupons, scrip, and cash equivalents as part of a promotion shall adopt internal controls, prior to the implementation of any such programs, governing the use and accountability of the coupon, scrip, or cash equivalent, as prescribed by the division.

D. A slot jackpot may be increased as part of a promotional program. The increased portion of the jackpot which results from the promotion shall not be paid out by the machine itself. The increased portion of the jackpot shall be paid manually and shall be considered a promotional expense of the licensee, and may not be considered a payout for purposes of calculating net gaming proceeds.

E. Any promotional program involving a giveaway of prizes or drawing for cash or prizes shall incorporate the following elements.

1. Only persons 21 years of age and older shall be eligible to participate.

2. Entry forms required in drawings open to the general public shall be displayed in a prominent manner inside the casino.

3. No payment or purchase of anything of value, including chips or tokens from the casino or any other business, shall be required for participation in any giveaway or drawing, nor shall there be a requirement to pay an entry fee.

F. After notice and reasonable opportunity for the licensee to respond and correct deficiencies or violations appropriate under the circumstances, the division may terminate a promotional program at anytime by issuance of an order. This order need not be in writing to be effective but shall be followed by written notice of the action within three business days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:768 (April 2000), amended LR 27:1555 (September 2001), LR 30:90 (January 2004).

§2954. Tournaments

A. All gaming tournaments conducted by or on behalf of the licensee are subject to prior written approval by the division.

1. A gaming tournament is a contest or event wherein persons play a game or games previously authorized by the division in competition with each other to determine the winner of a prize or prizes.

2. A gaming tournament shall include, but is not limited to any contest or event wherein an entry fee is paid to play a game previously approved by the division. An entry fee shall include any fee paid directly or indirectly, by or on behalf of the person playing in the tournament.

3. A request for approval of gaming tournament shall be made in writing and received by the division at least 30 days prior to the commencement date of the tournament. The request for approval shall contain a complete description of the tournament, the manner of entry, a description of those persons eligible to enter the tournament, the entry fee assessed if any, the prizes to be awarded, the manner in which the prizes are to be awarded and the dates of the tournament. The division may request additional information prior to rendering a decision. Any incomplete request for approval shall be denied.

4. All entry fees shall be included in gross gaming proceeds. No cost incurred by the licensee associated with holding the tournament shall be deducted from the entry fees before calculating net gaming proceeds. All cash prizes awarded in the tournament may be deducted as payouts for purposes of calculating net gaming proceeds. No other deductions shall be made for purposes of calculating net gaming proceeds. The licensee shall not deduct the cost of any noncash prizes awarded as a result of the tournament for purposes of calculating net gaming proceeds.

5. All entry fees and cash prizes shall be reported on the daily tax remittance summaries in a manner approved by the division. Copies of source documents such as transfer slips of the participant's entry fees to either the vault or cage and transfer slips of participant's winnings paid out from either the cage or the vault must accompany the daily tax remittance summary on which the entry fee or payout is reported.

6. All tournament slot meters shall be read both electronically and manually before the machine's EPROM is changed for tournament play and again once the tournament EPROM has been installed. The meters for these machines shall be read both electronically and manually once tournament play has ended. All meter readings shall be recorded and such recordation retained in accordance with the division's rules concerning record retention in Chapter 27.

B. The division may waive the requirements of this rule upon a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:1556 (September 2001).

§2955. Managerial Representative on Premises

A. Each licensee shall establish a position designated as managerial representative on premises. A managerial representative on premises shall be on the licensee's premises at all times and shall have authority to immediately act on behalf of the general manager in any matter or concern of the board or division. A description of the duties and responsibilities of the managerial representative on premises shall be included in the licensee's internal controls as approved by the division.

B. Each licensee shall provide, in writing, a current list of all managerial representatives on premises. Each managerial representative on premises must have a valid current gaming employee permit and must be approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:770 (April 2000), amended LR 28:1028 (May 2002).

Chapter 33. Surveillance and Security

§3301. Required Surveillance Equipment

A. The holder of a Type A license shall install in the eligible facility a closed circuit television system, in accordance with the specifications herein, and shall provide for access at all times to the system or its signal by agents of the division. The closed circuit television system must meet or exceed specifications established by the division to include:

1. solid state, black and white cameras, as approved by the division, installed in fixed positions with matrix control and/or with pan, tilt, and zoom capabilities, secreted from public and nonsurveillance personnel view to effectively and clandestinely monitor in detail, from various vantage points, the following:

a. the gaming conducted at the electronic gaming devices; including, but not limited to the coin and currency acceptor area, the payout tray, and the designated house number assigned to the device or its location;

b. the count processes conducted in the count rooms;

c. the movement of cash, drop boxes, token storage boxes, and drop buckets within the eligible facility and any area of transit of uncounted tokens, cash and cash equivalents;

d. any area where tokens or other cash equivalents can be purchased or redeemed;

e. the entrance and exits to the eligible facility, designated gaming area and the count rooms;

f. such other areas as the division designates;

2. individual solid state, color television cameras, as approved by the division, with matrix control and/or pan, tilt, and zoom capabilities, secreted from public and nonsurveillance personnel view, augmented with appropriate color corrected lighting to effectively and clandestinely monitor in detail, from various vantage points, the operations conducted at the fills and credit area of the cashier's cage(s);

3. video monitors that meet or exceed the resolution requirement for video cameras with solid state circuitry, and time and date insertion capabilities for taping what is being viewed by any camera in the system. Each video monitor screen must measure diagonally at least 12 inches and all controls must be front mounted;

4. video printers capable of adjustment and possessing the capability to generate instantaneously, upon command, a clear, color and/or black and white, copy of the image depicted on the videotape recording;

5. Date and time generators based on a synchronized, central or master clock, recorded on tape and visible on any monitor when recorded.

6. wiring to prevent tampering. The system must be supplemented with a back-up gas/diesel generator power source which is automatically engaged in case of a power outage and capable of returning to full power within seven to ten seconds;

7. an additional uninterrupted power supply system so that time and date generators remain active and accurate, and switching gear memory and video surveillance of all eligible facility and designated gaming area entrances/exits and cage areas is continuous;

8. video switchers capable of both manual and automatic sequential switching for the appropriate cameras;

9. video tape recorders, as approved by the division, capable of producing high quality first generation pictures and recording on a standard 1/2-inch VHS tape with high speed scanning and flickerless playback capabilities in real time, or other medium approved by the division. Such videotape recorders must possess time and date insertion capabilities for taping what is being viewed by any camera in the system;

10. audio capability in the soft count room;

11. adequate lighting in all areas where camera coverage is required. The lighting shall be of sufficient intensity to produce clear videotape and still picture production, and correct color correction where color camera recording is required. The video must demonstrate a clear picture, in existing light under normal operating conditions;

12. at all times during the conduct of gaming, the licensee shall have as a reserve, at a minimum, one back-up camera and one video recording device in the event of failure;

13. the division may allow alternative surveillance equipment at the supervisors discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:770 (April 2000).

§3303. Surveillance and Security Plans

A. Every applicant for a Type A license shall submit to the division a surveillance system plan no later than 120 days prior to the start of gaming operations. The surveillance system plan must include a floor plan that shows the placement of all surveillance equipment in relation to the locations required to be covered by this regulation and a detailed description of the Casino Surveillance system and its equipment. The plan must also include a detailed description of the layout of the surveillance room and the configuration of the monitoring equipment. In addition, the plan may include other information that evidences compliance with this Subsection by the applicant including, but not limited to, a casino configuration detailing the location of all gaming devices and equipment.

B. Any changes to the surveillance room or the surveillance system shall be submitted to the division for prior approval as provided in these rules.

C. Every applicant for a Type A license shall submit to the division a security plan as part of the licensee's system of internal controls no later than 120 days prior to the start of gaming operations. The security plan must include, at a minimum, the following:

1. a detailed description by position of each security officer/employee, to include their duties, assignments and responsibilities;

2. the number of security employees assigned by shift;

3. general procedures for handling incidents requiring the assignment of a security officer;

4. radio protocol and a description of authorized radio codes to be used;

5. training requirements and procedures; and

6. other information required by the division that evidences compliance with this Chapter by the applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:770 (April 2000).

§3304. Surveillance Personnel Employment Provisions

A. Surveillance department employees shall be independent of all other departments. Employees of the licensee assigned to monitoring duties in the surveillance room are prohibited from being concurrently employed in any other capacity by that licensee or any other licensee or casino owned in whole or in part by the same holding, intermediary or parent company or affiliate. This does not prohibit an employee with monitoring duties in the surveillance room from working in the same capacity at another licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:1556 (September 2001).

§3305. Surveillance and Division Room Requirements

A. There shall be, for the exclusive use of division agents and for the use by employees of the licensee, rooms at each eligible facility for monitoring and recording purposes. The room for the exclusive use of the division shall be designated the division room. The room for the use of the licensee shall be designated the surveillance room.

B. All equipment that is utilized to monitor or record must remain solely accessible to the surveillance room personnel and be exclusively for licensee gaming operations surveillance, except when such equipment is being repaired or replaced, unless otherwise approved by the division.

C. Employees of the licensee assigned to monitoring duties in the surveillance room shall have no other gaming related duties for the licensee.

D. The interior of the division room and the surveillance room shall not be visible to the public.

E. Each eligible facility shall have a minimum of five monitors in the surveillance room, and two monitors in the division room. Each room shall have appropriate switching capabilities to insure that all surveillance cameras are accessible to monitors in both rooms. The equipment in the division room must be able to monitor and record, without being over ridden, anything visible by monitor to employees of the licensee.

F. Agents of the division, upon presentation of proper division credentials, shall be provided immediate access to the surveillance room and other surveillance areas upon request. In addition, agents are to be provided, upon request, copies of recorded videotapes of activities as well as copies of any images produced on a video printer. The division shall have absolute, unfettered access to the surveillance room at all times and the division shall have the right to take control of said room.

G. The division room shall be furnished with all necessary furniture and fixtures as specified by the division and shall be equipped with a security radio, house telephone and shall house a dedicated computer which provides computer accessibility for division agents to review, monitor and record data with the same functionality and specifications as provided in §4205.

H. Except in the event of circumstances beyond the reasonable control of the licensee or unless authorized by the division, the surveillance room shall be manned at all times by a sufficient number of approved surveillance operators as determined by the division. The division may require additional surveillance personnel should it be determined that an inadequacy of surveillance monitoring exists.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:771 (April 2000), amended LR 27:1556 (September 2001).

§3307. Segregated Telephone Communication

A. A segregated telephone communication system shall be provided for use by division agents in the division room.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:771 (April 2000).

§3309. Security and Surveillance Logs

A. The Type A licensee shall be required to maintain a surveillance log approved by the division. The log shall be maintained by surveillance room personnel in the surveillance room. The division shall have access at all times to the log. A log entry shall be made in the surveillance log of each surveillance activity. Each log entry shall include the following:

1. all persons entering and exiting the surveillance room;
2. summary, including date, time and duration, of each surveillance activity;
3. record of any equipment or camera malfunctions;
4. description of any unusual events occurring; and
5. any additional information as required by the division.

B. The Type A licensee shall be required to maintain a security log of any and all unusual occurrences for which the assignment of a security department employee is made. Each incident, without regard to materiality, shall be assigned a sequential number and an entry made in the log containing, at a minimum, the following information:

1. the assignment number;
2. the date;
3. the time;
4. the nature of the incident;
5. the person involved in the incident; and
6. the security department employee assigned.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:771 (April 2000).

§3311. Storage and Retrieval

A. All videotape recordings shall be retained for at least seven days, unless these rules provide otherwise, and shall be listed on a log by surveillance personnel with the date, times, and identification of the person monitoring or changing the tape in the recorder. Original videotape recordings will be released to the division upon demand.

B. Any videotape recording of illegal or suspected illegal activity shall, upon completion of the tape, be removed from the recorder and etched with date, time and identity of surveillance personnel. The videotape shall be placed in a separate, secure area and notification given to the division.

C. All videotape recordings relating to the following shall be retained in a secure area approved by the division for at least fifteen days and shall be listed on a log maintained by surveillance personnel:

1. all count room areas;
2. the vault area; and
3. all credit and fill slip confirmation recordings.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:772 (April 2000).

§3313. Reserved.

§3315. Maintenance and Testing

A. At various times, all surveillance equipment shall be subject to impromptu division testing of minimum standards of resolution and operation. Any malfunction of surveillance equipment shall necessitate the immediate replacement of the faulty equipment. If immediate replacement is not possible, alternative live monitoring must be provided by security personnel. The licensee shall promptly notify the division of the malfunction. The division shall determine if gaming should continue with live monitoring and shall have authority to cease gaming operations not monitored by the CCTV surveillance system. At no time shall gaming be allowed to continue using live monitoring for longer than a reasonable period of time to make repairs to the system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:772 (April 2000).

Chapter 35. Patron Disputes

§3501. Licensee Duty to Notify Division of Patron Dispute

A. Whenever a licensee refuses to pay winnings claimed by a patron and the patron and the licensee are unable to resolve the dispute, the licensee shall notify the division in

writing of the dispute within seven days of the licensee being notified of the dispute. Such notice shall identify the parties involved in the dispute, and shall state all known relevant facts regarding the dispute.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:772 (April 2000).

Chapter 41. Enforcement Actions

§4101. Emergency Orders

A. An emergency order may only be issued by or on behalf of the chairman.

B. An emergency order is effective immediately upon issuance and notice to the licensee.

C. An emergency order is subject to appeal in the same manner as other board orders.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:773 (April 2000).

§4103. Chairman Action by Order

A. If the board, after investigation, is satisfied that a license or other authorization should be limited, conditioned, suspended or revoked, on an emergency basis, or that other action is necessary or appropriate to carry out the provisions of the Act or regulations, the chairman shall issue an order:

1. limiting or restricting a license or authorization; or
2. suspending or revoking a license or authorization; or
3. directing actions deemed necessary to carry out the intent of the Act or regulations, including, but not limited to, requiring a licensee to keep an individual from the licensed premises, prohibiting payment for services rendered, prohibiting payment of profits, income, or accruals, or investment in the licensee or its operations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:773 (April 2000).

§4105. Criteria for Sanctions

A. In determining his decision, the chairman shall consider the factors identified in the Act and these regulations as factors to be considered in determining sanctions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:773 (April 2000).

Chapter 42. Racetracks: Electronic Gaming Devices

§4201. Division's Central Computer System (DCCS)

A. An electronic gaming device offered for play in the designated gaming area of an eligible facility shall be linked by telecommunications to a central computer system for purposes of monitoring and reading device activities.

B. The central computer system shall be located within and administrated by the division.

C. The central computer system shall be capable of monitoring and reading financial aspects of each electronic gaming device such as:

1. coin in, coin out, coins to the drop, games played, hand paid jackpots, bills/paper currency accepted, and bills/paper currency by denomination accepted shall all be reported to the central computer system;

2. any device malfunction that causes any meter information to be altered, cleared, or otherwise inaccurate shall require immediate disablement of the electronic gaming device from patron play by the division;

3. no electronic gaming device shall be enabled for patron play after a meter malfunction until authorized by a division agent;

4. meter information required in Paragraph C.1 of this Section will have been reported and documented by the central computer system on a previous event and will be used to provide all meter information prior to the device malfunction. Subsequent adjustments after the meter malfunction shall document a "meter reasonableness" as determined by the following procedures:

a. the meter information recorded prior to the device malfunction shall be verified as accurate by an operator of the DCCS;

b. a coin and bill validator test shall be performed on the electronic gaming device in the presence of a division agent;

c. upon successful completion of the coin and bill validator test, all final meter information shall be documented on forms prescribed by the division; and

d. the final meter information shall be reported to the DCCS operator and all final meter information shall be entered into the central computer system prior to the enablement of the electronic gaming device for patron play.

D. The central computer system shall provide for the monitoring and reading of exception code reporting to insure direct scrutiny of conditions detected and reported by the electronic gaming device, including any tampering, device malfunction, and any door opening to the drop areas.

1. Exception or event codes that signal illegal door opening(s) shall necessitate an investigation by a division agent, which may result in an administrative action against the licensee.

2. All events that can be reported by an electronic gaming device shall be transmitted to the DCCS. The events reported are, but not limited to, as follows:

- a. machine power loss;
- b. main door open/closed;
- c. BVA or stacker accessed;
- d. hard drop door open/closed;
- e. logic board accessed;
- f. reel tilt;
- g. hopper empty;
- h. excess coin dispensed by the hopper;
- i. hopper jam;
- j. coin diverter error;
- k. battery low;
- l. jackpot win;
- m. jackpot reset; or
- n. logic board failure.

3. In the event of any exception or event code, or combination thereof, that is reported to the DCCS, the division may require the disablement of the electronic gaming device.

E. No new electronic gaming device or EGD monitoring system shall be authorized for operation unless the electronic gaming device or EGD monitoring system meets the minimum requirements of §4201.

F. The DCCS shall not provide for the monitoring or reading of personal or financial information concerning any patron's gaming activities conducted at an eligible facility.

G. Any reference to slot machine or slots in this Chapter includes all electronic gaming devices, herein referred to as EGD's.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:773 (April 2000).

§4202. Approval of Electronic Gaming Devices; Applications and Procedures; Manufacturers and Suppliers

A. A manufacturer or supplier shall not sell, lease or distribute EGD's or equipment in this state and a licensee shall not offer EGD's for play without first obtaining the requisite permit or license and obtaining prior approval by the division or board for such action. This Section shall not apply to those manufacturers or suppliers licensed or permitted to sell, lease or distribute EGD's or equipment in the state to an entity licensed under a provision of state law other than these rules when those manufacturers or suppliers are selling or distributing to such licensed entity.

B. Applications for approval of a new EGD shall be made and processed in such manner and using such forms as the division may prescribe. Licensees may apply for approval of a new EGD. Each application shall include, in addition to such other items or information as the division may require:

1. a complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device operates, signed under penalty of perjury; and

2. a statement, under penalty of perjury, that to the best of the applicant's knowledge, the EGD meets the standards set forth in this Chapter.

C. No game or EGD other than those specifically authorized in this Chapter may be offered for play or played at an eligible facility except that the division may authorize the operation of progressive electronic EGD's as part of a network of separate gaming operations licensed by the division with an aggregate prize or prizes.

D. Approval shall be obtained from the division prior to changing, adding, or altering the casino configuration once such configuration has received final divisional approval. For the purpose of this Section, altering the casino configuration does not include the routine movement of EGD's for cleaning and/or maintenance purposes.

E. All components, tools, and test equipment used for installation, repair or modification of EGD's shall be stored in the slot technician repair office. Such office shall be kept secure, and only authorized personnel shall have access. Any compartment or room that contains communications equipment used by the EGD's and the EGD monitoring system shall be kept secure.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:774 (April 2000).

§4203. Minimum Standards for Electronic Gaming Devices

A. All EGD's submitted for approval:

1. shall be electronic in design and operation and shall be controlled by a microprocessor or micro-controller or the equivalent;

2. shall theoretically pay out a mathematically demonstrable percentage of all amounts wagered, which shall not be less than 80 percent and not more than 99.9 percent for each wager available for play on the device;

3. shall use a random selection process to determine the game outcome of each play of a game. The random selection process shall meet 99 percent confidence limits using a standard chi-squared test for goodness of fit and in addition:

- a. each possible permutation or combination of game elements which produce winning or losing game outcomes shall be available for random selection at the initiation of each play; and

- b. the selection process shall not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered, or upon the style or method of play;

4. shall display an accurate representation of the game outcome. After selection of the game outcome, the EGD shall not make a variable secondary decision which affects the result shown to the player;

5. shall display the rules of play and payoff schedule;

6. shall not automatically alter pay-tables or any function of the device based on internal computation of the hold percentage;

7. shall be compatible to on-line data monitoring;

8. shall have a separate locked internal enclosure within the device for the control circuit board and the program storage media;

9. shall be able to continue a game with no data loss after a power failure;

10. shall have current game and the previous two games data recall;

11. shall have a complete set of nonvolatile meters including coins-in, coins-out, coins dropped and total jackpots paid;

12. shall contain a surge protector on the line that feeds power to the device. The battery backup or an equivalent for the electronic meter information shall be capable of maintaining accuracy of all information required for one hundred eighty days after power is discontinued from the device. The backup shall be kept within the locked logic board compartment;

13. shall have an on/off switch that controls the electrical current used in the operation of the device which shall be located in an accessible place within its interior;

14. shall be designed so that it shall not be adversely affected by static discharge or other electromagnetic interference;

15. shall have at least one electronic coin acceptor and may be equipped with an approved currency acceptor. Coin and currency acceptors shall be designed to accept designated coins and currency and reject others. The coin acceptor on a device shall be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All types of coin and currency acceptors are subject to the approval by the division. The control program shall be capable of handling rapidly fed coins so that occurrences of inappropriate "coin-ins" are prevented;

16. shall not contain any hardware switches that alter the pay-tables or payout percentages in its operation. Hardware switches may be installed to control graphic routines, speed of play, and sound;

17. shall contain a nonremovable identification plate containing the following information, appearing on the exterior of the device:

- a. manufacturer;
- b. serial number; and
- c. model number;

18. shall have a communications data format from the EGD to the EGD monitoring system approved by the division;

19. shall be capable of continuing the current game with all current game features after a malfunction is cleared. This rule does not apply if a device is rendered totally inoperable. The current wager and all credits appearing on the screen prior to the malfunction shall be returned to the patron;

20. shall have attached a locked compartment separate from any other compartment of the device for housing a drop bucket. The compartment shall be equipped with a switch or sensor that provides detection of the drop door opening and closing by signaling to the EGD monitoring system;

21. shall have a locked compartment for housing currency, if so equipped with a currency acceptor;

22. shall, at a minimum, be capable of detecting and displaying the following error conditions which an attendant may clear:

- a. coin-in jam;
- b. coin-out jam;
- c. currency acceptor malfunction or jam;
- d. hopper empty or time-out;
- e. program error;
- f. hopper runaway or extra coin paid out;
- g. reverse coin-in;
- h. reel error; and
- i. door open;

23. shall use a communication protocol which ensures that erroneous data or signal will not adversely affect the operation of the device;

24. shall have a mechanical, electrical, or electronic device that automatically precludes a player from operating the device after a jackpot requiring a manual payout and requires an attendant to reactivate the device; and

25. shall be outfitted with any other equipment required by this Chapter or the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:775 (April 2000).

§4204. Progressive Electronic Gaming Devices

A. This Section authorizes the use of progressive EGD's among gaming operations licensed pursuant to the provisions of R.S. 27:51 et seq., R.S. 27:201 et seq., and R.S. 27:351 et seq., in the state of Louisiana within one

eligible facility provided that the EGD's meet the requirements stated in this Chapter and any additional requirements imposed by these rules.

B. Wide area progressive games that link EGD's located on more than one eligible facility shall be approved by the board and division on a case-by-case basis.

C. Progressive EGD's Defined

1. A progressive EGD is an electronic gaming device with a payoff that increases uniformly as the EGD or another device on the same link is played.

2. *Base amount*—the amount of the progressive jackpot offered before it increases.

3. *Incremental amount*—the difference between the amount of a progressive jackpot and its Base Amount.

4. A progressive jackpot may be won where certain pre-established criteria, which do not have to be a winning combination, are satisfied.

5. A bonus game where certain circumstances are required to be satisfied prior to awarding a fixed bonus prize is not a progressive EGD and is not subject to this Chapter.

D. Transferring of Progressive Jackpot Which Is In Play

1. A progressive jackpot which is currently in play may be transferred to another progressive EGD on the eligible facility in the event of:

- a. EGD malfunction;
- b. EGD replacement; or
- c. other good reason deemed appropriate by the division or board to ensure compliance with this Chapter.

2. If the events set forth above do not occur, the progressive award shall be permitted to remain until it is won by a player or transfer is approved by the division.

E. Recording, Keeping and Reconciliation of Jackpot Amount

1. The licensee shall maintain a record of the amount shown on a progressive jackpot meter on the eligible facility and/or dockside premises. The progressive jackpot meter information shall be read and documented, at a minimum, every 24 hours. Electronic meter information shall be recorded when a primary jackpot occurs on an EGD.

2. Supporting documents shall be maintained to explain any reduction in the payoff amount from a previous entry.

3. The records and documents shall be retained for a period of five years.

4. The licensee shall confirm and document, on a quarterly basis, that proper communication was maintained on each EGD linked to the progressive controller during that time.

5. The licensee shall record the progressive liability on a daily basis.

6. The licensee shall review, on a quarterly basis, the incremented rate and reasonableness of the progressive liability by either a physical coin-in test or by meter readings to calculate incremental coin-in multiplied by the rate incremented to arrive at the increase in, and reasonableness of, the progressive jackpot amount.

7. Each licensee shall formally adopt the manufacturer's specified internal controls, as approved by the division, as part of the licensee's system of internal controls.

F. The Progressive Meter

1. The EGD shall be linked to a progressive meter or meters showing the current payoff to all players who are playing an EGD which may potentially win the progressive amount. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

G. Consistent Odds on Linked EGD's

1. When more than one progressive EGD is linked together, each EGD in the link shall be the same denomination and have the same probability of hitting the combination that will award the progressive jackpot or jackpots as every other machine in the link.

H. Operation of Progressive Controller-Normal Mode

1. During the normal operating mode of the progressive controller, the controller shall do the following.

- a. Continuously monitor each EGD attached to the controller to detect inserted coins or credits wagered.
- b. Multiply the accepted coins by the denomination and the programmed rate progression in order to determine the correct amounts to apply to the progressive jackpot.

2. The progressive display shall be constantly updated as play on the link is continued. It will be acceptable to have a slight delay in the update so long as when a jackpot is triggered the jackpot amount is shown immediately.

I. Operation of Progressive Controller-Jackpot Mode

1. When a progressive jackpot is recorded on an EGD which is attached to the progressive controller or another attached approved component or system, hereinafter "progressive controller," the progressive controller shall allow for the following:

- a. display of the winning amount;
- b. display of the EGD identification that caused the progressive meter to activate if more than one EGD is attached to the controller.

2. The progressive controller is required to send to the EGD the amount that was won. The EGD is required to update its electronic meters to reflect the winning jackpot amount consistent with this Chapter.

3. When more than one progressive EGD is linked to the progressive controller, the progressive controller shall automatically reset to the reset amount and continue normal

play. During this time, the progressive meter or another attached approved component or system shall display the following information:

- a. the identity of the EGD that caused the progressive meter to activate;
- b. the winning progressive amount;
- c. the new normal mode amount that is current on the link.

4. A wide area progressive EGD and/or a progressive device where a jackpot of \$100,000 or more is won shall automatically enter into a nonplay mode which prohibits additional play on the device after a primary jackpot has been won on the device. Upon conclusion of necessary inspections and tests by the division, the device may be offered for play.

J. Alternating Displays

1. When this procedure prescribes multiple items of information to be displayed on a progressive meter, it is sufficient to have the information displayed in an alternating fashion.

K. Security of Progressive Controller

1. Each progressive controller linking two or more progressive EGD's shall be housed in a double keyed compartment in a location approved by the division. All keys shall be maintained in accordance with Chapter 27.

2. The division may require possession of one of the keys.

3. Persons having access to the progressive controller shall be approved by the division.

4. A list of persons having access to a progressive controller shall be submitted to the division.

L. Progressive Controller

1. A progressive controller entry authorization log shall be maintained within each controller. The log shall be on a form prescribed by the division and completed by each individual who gains entrance to the controller.

2. Security restrictions shall be submitted in writing to the division for approval at least 60 days before their enforcement. All restrictions approved by the division shall be made on a case by case basis in the case of a stand-alone progressive where the controller is housed in the logic area.

3. The progressive controller shall keep the following information in nonvolatile memory which shall be displayed upon demand.

- a. The number of progressive jackpots won on each progressive level if the progressive display has more than one winning amount.
- b. The cumulative amounts paid on each progressive level if the progressive display has more than one winning amount.
- c. The maximum amount of the progressive payout for each level displayed.

d. The minimum amount or reset amount of the progressive payout for each level displayed.

e. The rate of progression for each level displayed.

M. Limits on Jackpot of Progressive EGD's

1. A licensee may impose a limit on the jackpot of a progressive EGD if the limit imposed is greater than the possible maximum jackpot payout on the EGD at the time the limit is imposed. The eligible facility licensee shall inform the public with a prominently posted notice of progressive EGD's and their limits.

N. Licensee shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless:

1. a player Wins the jackpot;
2. the licensee adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to §4204.M and the licensee documents the adjustment and the reasons for it;
3. the licensee's gaming operations at the establishment cease for any reason other than a temporary closure where the same licensee resumes gaming operations at the same establishment within a month;
4. the licensee distributes the incremental amount to another progressive jackpot at the licensee's establishment and:
 - a. the licensee documents the distribution;
 - b. any machine offering the jackpot to which the licensee distributes the incremental amount does not require that more money be played on a single play to win the jackpot, than the machine from which the incremental amount is distributed;
 - c. any machine offering the jackpot to which the incremental amount is distributed complies with the minimum theoretical payout requirement of §4203.A.2; and
 - d. the distribution is completed within 30 days after the progressive jackpot is removed from play or within such longer period as the division may for good cause approve; or
 - e. the division approves a reduction, elimination, distribution, or procedure not otherwise described in this Subsection, which approval is confirmed in writing.
5. Licensees shall preserve the records required by this Section for at least five years.

O. Individual Progressive EGD Controls

1. Individual EGD's shall have seven meters, including a coin-in meter, drop meter, jackpot meter, win meter, manual jackpot meter, progressive manual jackpot meter and a progressive meter.

P. Link Progressive EGD Controls

1. Each machine shall require the same number of tokens be inserted to entitle the player to a chance at winning the progressive jackpot and every token shall increment the meter by the same rate of progression as every other machine in the group.

2. When a progressive jackpot is hit on a machine in the group, all other machines shall be locked out, except if an individual progressive meter unit is visible from the front of the machine. In that case, the progressive control unit shall lock out only the machine in the progressive link that hit the jackpot. All other progressive meters shall show the current "Current Progressive Jackpot Amount."

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:775 (April 2000).

§4205. Computer Monitoring Requirements of Electronic Gaming Devices

A. The Licensee shall have a computer connected to all EGD's on the eligible facility to record and monitor the activities of such devices. No EGD's shall be operated unless it is on-line and communicating to a computer monitoring system approved by a designated gaming laboratory specified by the division or board. Such computer monitoring system shall provide on-line, real-time monitoring and data acquisition capability in the format and media approved by the division.

1. Any occurrence of malfunction or interruption of communication between the EGD's and the EGD monitoring system shall immediately be reported to the division. These malfunctions include, but are not limited to, zeroed meters, invalid meters and any variance between EGD drop meters and the actual count of the EGD drop.

2. Prior written approval from the division is required before implementing any changes to the computerized EGD monitoring system.

3. Each and every modification of the software shall be approved by a designated gaming laboratory specified by the division or board.

B. The computer permitted by Subsection A of this Section shall be designed and operated to automatically perform and report functions relating to EGD meters, and other exceptional functions and reports in the eligible facility as follows:

1. record the number and total value of tokens placed in the EGD for the purpose of activating play;
2. record the total value of credits received from the currency acceptor for the purpose of activating play;
3. record the number and total value of tokens deposited in the drop bucket of the EGD;
4. record the number and total value of tokens automatically paid by the EGD as the result of a jackpot;
5. record the number and total value of tokens to be paid manually as the result of a jackpot. The system shall be capable of logging in this data if such data is not directly provided by EGD;
6. have an on-line computer alert, alarm monitoring capability to insure direct scrutiny of conditions detected and reported by the EGD, including any device malfunction, any

type of tampering, and any open door to the drop area. In addition, any person opening the EGD or the drop area shall complete the machine entry authorization log including time, date, machine identity and reason for entry;

7. be capable of logging in and reporting any revenue transactions not directly monitored by token meter, such as tokens placed in the EGD as a result of a fill, and any tokens removed from the EGD in the form of a credit;

8. identify any EGD taken off-line or placed on-line of the computer monitor system, including date, time, and EGD identification number; and

9. report the time, date and location of open doors or error conditions, as specified in §4201.D.2, by each EGD.

C. The licensee shall store, in machine-readable format, all information required by Subsection B for the period of five years. The licensee shall store all information in a secure area and certify that this information is complete and unaltered. This information shall be available upon request by a division agent in the format and media approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:777 (April 2000).

§4206. Employment of Individual to Respond to Inquires from the Division

A. Each manufacturer shall employ or retain an individual who understands the design and function of each of its EGD's who shall respond within the time specified by the division to any inquires from him concerning the EGD or any modifications to the device. Each manufacturer shall on or before December 31 of each year report in writing the name of the individual designated pursuant to this Section and shall report in writing any change in the designation within 15 days of the change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:778 (April 2000).

§4207. Evaluation of New Electronic Gaming Devices

A. The division may require transportation of not more than two working models of a new EGD to a designated gaming laboratory for review and inspection. The manufacturer seeking approval of the device shall pay the cost of the inspection and investigation. The designated gaming laboratory may dismantle the models and may destroy electronic components in order to fully evaluate the device. The division may require that the manufacturer provide specialized equipment or the services of an independent technical expert to evaluate the device.

B. The division may require the manufacturer or supplier seeking approval to provide specialized equipment or the services of an independent technical expert to evaluate the equipment, and may employ an outside designated gaming laboratory to conduct the evaluation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:778 (April 2000).

§4208. Certification by Manufacturer

A. After completing its evaluation of a new EGD, the lab shall send a report of its evaluation to the division and the manufacturer seeking approval of the device. The report shall include an explanation of the manner in which the device operates. The manufacturer shall return the report within 15 days and shall either:

1. certify under penalty of perjury that to the best of its knowledge the explanation is correct; or

2. make appropriate corrections, clarifications, or additions to the report and certify under penalty of perjury that to the best of its knowledge the explanation of the EGD is correct amended.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:778 (April 2000).

§4209. Approval of New Electronic Gaming Devices

A. After completing its evaluation of the new EGD, the division shall determine whether the application for approval of the new EGD should be granted. In considering whether a new EGD will be given final approval, the division shall consider whether approval of the new EGD is consistent with this Chapter. Division approval of an EGD does not constitute certification of the device's safety.

1. Equipment Registration and Approval

a. All electronic or mechanical EGD's shall be approved by the division and/or its approved designated gaming laboratory and registered by the division prior to use.

b. The following shall not be used for gaming by any licensee without prior written approval of the division:

i. bill acceptors or bill validators;

ii. coin acceptors;

iii. progressive controllers;

iv. signs depicting payout percentages, odds, and/or rules of the game;

v. associated gaming equipment as provided for in Chapter 42 of the administrative rules.

c. The licensee and/or manufacturer's request for approval shall describe with particularity the equipment or device for which the division's approval is requested.

d. The division may request additional information or documentation prior to issuing written approval.

2. Testing

a. The following shall be tested prior to registration or approval for use:

- i. all EGD's;
- ii. EGD monitoring systems;
- iii. any other device or equipment as the division may deem necessary to ensure compliance with this.

b. The division may employ the services of a designated gaming laboratory to conduct testing.

i. Any new EGD not presently approved by the division shall first meet the approval and testing criteria of the division/board's recognized designated gaming laboratory, who shall evaluate and test the product and issue a written opinion to the division of all test results. The licensee, manufacturer or supplier shall incur all costs associated with the testing of the product. This may include costs for field test, travel, laboratory test, and/or other associated costs. Failure on the part of the requesting party to timely pay these costs may be grounds for the denial of the request and cause for enforcement action by the division. Recommendations of approval by the designated gaming laboratory with regard to program approval(s) shall constitute division approval and do not require separate written approval by the division. Other test determinations shall be reviewed by the division and a written decision shall be issued by the division. In situations wherein the need for specific guidelines and internal controls are required, the division will work in concert with the designated gaming laboratory to develop guidelines for each licensee. Licensees shall be required to comply with these guidelines and they shall become part of the licensee's system of internal controls. At no time shall an unauthorized program, gaming device, associated equipment and/or component be installed, stored, possessed, or offered for play by a licensee, permittee, its agent, representative, employee or other person in the Louisiana pari-mutuel gaming industry.

c. Registration and/or approval shall not be issued unless payment for all costs of testing is current.

d. Registration, approval, or the denial of EGD's, or any other device or equipment shall be issued in accordance with these rules.

e. EGD's shall meet all specifications as required in §4203 and shall meet the following security and audit specifications:

- i. be controlled by a microprocessor;
- ii. be connected and communicating to an approved on-line EGD monitoring system;
- iii. have an internal enclosure for the circuit board which is locked or sealed, or both, prior to and during game play;
- iv. be able to continue a game with no loss of data after a power failure;
- v. have game data recall for the current game and the previous two games;

vi. have a random selection process that satisfies the 99 percent confidence level using the following tests which shall not be predictable by players:

- (a). standard chi-squared;
- (b). runs; and
- (c). serial correlation;

vii. clearly display applicable rules of play and the payout schedule;

viii. display an accurate representative of each game outcome utilizing:

- (a). rotating wheels;
- (b). video monitoring; or

(c). any other type of display mechanism that accurately depicts the outcome of the game.

f. All EGD's shall be registered with the division and shall have a registration sticker affixed to the device on or near the right inside portion of the device. It is incumbent on each licensee to ensure that the registration sticker is properly affixed and is valid. In the event the registration sticker becomes damaged or voided, the licensee shall immediately notify the division in writing. The division shall issue a replacement sticker and re-register the device as soon as practical.

g. All EGD's shall be located within the designated gaming area. This is inclusive of all "Free Pull" machines or similar devices. A device which is not in use may be stored in a secured area if approved in writing by the division.

h. Each licensee shall maintain a current inventory report of all EGD's and equipment. The inventory report shall include, but is not limited to, the following:

- i. the serial number assigned to the EGD by the manufacturer;
- ii. the registration number issued by the division;
- iii. the type of game the EGD is designed and used for;
- iv. the denomination of tokens or coins accepted by each EGD;
- v. the location of EGD's equipped with bill validators and any bill validators that stand alone;
- vi. the manufacturer of the EGD;
- vii. the location or house number of the EGD.

i. This inventory report shall be submitted to the division's operational Section on a diskette, in a data text format, upon request by the division.

j. All EGD's offered for play shall be given a house number by the licensee. This house number shall not be altered or changed without prior written approval from the division. The licensee shall issue the house numbers in a

systematic manner which provides for easy recognition and location of the device's location. This number shall be a part of the licensee's "On-Line Computer EGD Monitoring System," and shall be displayed, in part, on all on-line system reports. Each EGD shall have its respective house number attached to the device in a manner which allows for easy recognition by division personnel and surveillance cameras.

k. Control Program Requirements

i. EGD control programs shall test themselves for possible corruption caused by failure of the program storage media.

ii. The test methodology shall detect 99 and 99.99 percent of all possible failures.

iii. The control program shall allow for the EGD to be continually tested during game play.

iv. The control program shall reside in the EGD which is contained in a storage medium not alterable through any use of the circuitry or programming of the EGD itself.

v. The control program shall check the following:

(a). corruption of RAM locations used for crucial EGD functions;

(b). information relating to the current play and final outcome of the two prior games;

(c). random number generator outcome; and

(d). error states.

vi. The control RAM areas shall be checked for corruption following game initiation, but prior to display of the game outcome to the player.

vii. Detection of corruption is a game malfunction that shall result in a tilt condition which identifies the error and causes the EGD to cease further function.

viii. The control program shall have the capacity to display a complete play history for the current game and the previous two games.

ix. The control program shall display an indication of the following:

(a). the game outcome or a representative equivalent;

(b). bets placed;

(c). credits or coins paid;

(d). credits or coins cashed out; and

(e). any error conditions.

x. The control program shall provide the means for on-demand display of the electronic meters via a key switch or other mechanism on the exterior of the EGD.

l. Accounting Meters

i. EGD's shall be equipped with electronic meters.

ii. EGD's electronic meters shall have at least eight digits.

iii. EGD's shall tally totals to eight digits and be capable of rolling over when the maximum value is reached.

iv. The required electronic meters are as follows.

(a). The coin-in meter shall cumulatively count the number of coins wagered by actual coins inserted or credits bet, or both.

(b). The coin-out meter shall cumulatively count the number of coins or credits that are paid as a result of a win, or credits that are won, or both.

(c). The coins-dropped meter shall maintain a cumulative count of the number of coins that have been diverted into a drop bucket and credit value of all bills inserted into the bill validator for play.

(d). The jackpots-paid meter shall reflect the cumulative amounts paid by an attendant for progressive and nonprogressive jackpots.

(e). The games-played meter shall display the cumulative number of games played (handle pulls).

(f). The drop door meter shall display the number of times the drop door was opened.

(g). If the EGD is equipped with a bill validator, the device shall be equipped with a bill validator meter that records:

(i). the total number of bills that were accepted;

(ii). a breakdown of the number of each denomination of bill accepted; and

(iii). the total dollar amount of bills accepted.

v. EGD's shall be designed so that replacement of parts, modules, or components required for normal maintenance does not affect the electronic meters.

vi. EGD's shall have meters which continuously display the following information relating to the current play or monetary transaction:

(a). the number of coins or credits wagered in the current game;

(b). the number of coins or credits won in the current game, if applicable;

(c). the number of coins or credits paid for a credit cash out or a direct pay from a winning outcome;

(d). the number of credits available for wagering, if applicable.

vii. Electronically stored meter information required by this Section shall be preserved after power loss to the EGD by battery backup and be capable of maintaining accuracy of electronically stored meter information for a period of at 180 days.

m. No EGD may have a mechanism that causes the electronic accounting meters to clear automatically when an error occurs.

n. Clearing of the electronic accounting meters may be done only if approved in writing by the division. Meter readings, as prescribed by the division, shall be recorded before and after any electronic accounting meter is cleared or a modification is made to the device.

o. Hopper

i. If a hopper is utilized on an EGD it shall be designed to detect the following and force the EGD into a tilt condition if one of the following occurs:

- (a). jammed coins;
- (b). extra coins paid out;
- (c). hopper runaways;
- (d). hopper empty conditions.

ii. The EGD control program shall monitor the hopper mechanism, if utilized, for these error conditions in all game states in accordance with this LAC 42:VII.Chapter 42.

iii. All coins paid from the hopper mechanism, if utilized, shall be accounted for by the EGD including those paid as extra coins during hopper malfunction.

iv. Hopper pay limits shall be designed to permit compliance by licensees with all applicable taxation laws, rules, and regulations.

p. Communication Protocol. An EGD which is capable of a bi-directional communication with internal or external associated equipment shall use a communication protocol which ensures that erroneous data or signals will not adversely affect the operation of the EGD.

q. EGD's installed and/or modified shall be inspected and/or tested by division agents prior to offering these devices for live play. Accordingly, no device shall be operated unless and until each regulated program storage media has been tested and sealed into place by division agent(s). The division's security tape shall at all times remain intact and unbroken. It is incumbent on the licensee to routinely inspect every device to ensure compliance with this procedure. In the event a licensee discovers that the security tape has been broken or tampered with, the power to the EGD shall be immediately turned off, surveillance shall be immediately notified and shall take a photograph of the logic board. The board shall be maintained in the surveillance office until a division agent has the opportunity to inspect the board. A copy of the device's "MEAL" card shall be made and shall accompany the board.

r. No Licensee or other person shall modify an EGD without prior written approval from the division. A request shall be made by completing form(s) prescribed by the division/board and filing it with the respective field office. The licensee shall ensure that the information listed on the EGD form(s) is true and accurate. Any misstatement or omission of information shall be grounds for denial of the request and may be cause for enforcement action.

s. EGD's shall meet the following minimum and maximum theoretical percentage payout during the expected lifetime of the EGD.

i. The EGD shall pay out at least 80 percent and not more than 99.9 percent of the amount wagered.

ii. The theoretical payout percentage shall be determined using standard methods of the probability theory. The percentage shall be calculated using the highest level of skill where player skill impacts the payback percentage.

iii. An EGD shall have a probability of obtaining the maximum payout greater than 1 in 50,000,000.

iv. An EGD shall be capable of continuing the current play with all the current play features after an EGD malfunction is cleared.

t. Modifications to an EGD's program shall be considered only if the new program has been approved by the designated gaming laboratory, and if the existing program has met the minimum requirements as set forth herein. The minimum program change requirements are unique to each program or program storage media. Therefore, it is not practical to list each one. In general, a program shall meet the 99 percent confidence interval range of 80 percent to 99.9 percent prior to being removed or replaced. As stated, this confidence interval varies by program and manufacturer. The confidence interval is determined by the designated gaming laboratory who tests each program and determines the interval. For the purpose of these procedures, an interval shall be determined by the games played on the existing program. An EGD's program shall not be approved for change unless the existing program has met or exceeded the minimum required games played. Exceptions to this procedure are those situations in which it can be reasonably determined that a program chip is defective or malfunctioning, or during a 90-day trial period of a newly approved program.

u. A licensee shall be allowed to test, on a limited basis, newly approved programs. The licensee shall file an EGD 96-01 Form and indicate in Field 21 that the request is for a 90-day trial period. Failure to do so may be grounds for denial of the request to remove the program prior to reaching the 99.9 percent confidence interval. The licensee, upon approval, shall be allowed to test the program and will be allowed to replace it during this 90-day period with cause. If a request to replace the test program is not filed with the division prior to the expiration of the 90-day approval, the program shall not be replaced and the program replacement criteria as stated in these procedures shall be applicable.

v. When an approved denomination change is made to an EGD which used or uses tokens, the licensee shall make necessary adjustments to the initial hopper fill listed on the daily fee remittance summary. Additionally, an adjustment shall be made to the daily fee remittance summary to reflect the change in the initial hopper fill each time an EGD is taken off the floor or out of play. A final drop shall be made for that machine, including the hopper. The initial hopper load should be deducted to determine the final net drop for the device.

w. Randomness Events/Randomness Testing

i. Events in EGD's are occurrences of elements or particular combinations of elements which are available on the particular EGD.

ii. A random event has a given set of possible outcomes which has a given probability of occurrence called the distribution.

iii. Two events are called independent if the following conditions exist.

(a). The outcome of one event has no influence on the outcome of the other event.

(b). The outcome of one event does not affect the distribution of another event.

iv. An EGD shall be equipped with a random number generator to make the selection process. A selection process is considered random if the following specifications are met.

(a). The random number generator satisfies at least 99 percent confidence level using chi-squared analysis.

(b). The random number generator does not produce a measurable statistic with regard to producing patterns of occurrences. Each reel position is considered random if it meets at least the 99 percent confidence level with regard to the runs test or any similar pattern testing statistic.

(c). The random number generator produces numbers which are independently chosen.

x. Safety Requirements

i. Electrical and mechanical parts and design principles shall not subject a player to physical hazards.

ii. Spilling a conductive liquid on the EGD shall not create a safety hazard or alter the integrity of the EGD's performance.

iii. The power supply used in an EGD shall be designed to make minimum leakage of current in the event of an intentional or inadvertent disconnection of the alternate current power ground.

iv. A surge protector shall be installed on each EGD. Surge protection can be internal or external to the power supply.

v. A battery backup device shall be installed and capable of maintaining accuracy of required electronic meter information after power is disconnected from the EGD. The device shall be kept within the locked or sealed logic board compartment and be capable of sustaining the stored information for 180 days.

vi. Electronic Discharges. The following shall not subject the player to physical hazards:

(a). electrical parts;

(b). mechanical parts; and

(c). design principles of the EGD and its component parts.

y. On and Off Switch. An on and off switch that controls the electrical current used to operate the EGD shall be located in an accessible place and within the interior of the EGD.

z. Power Supply Filter. EGD power supply filtering shall be sufficient to prevent disruption of the EGD by a repeated fluctuation of alternating current.

aa. Error Conditions and Automatic Clearing

i. EGD's shall be capable of detecting and displaying the following conditions:

(a). power reset;

(b). door open; and

(c). inappropriate coin-in if the coin is not automatically returned to the player.

ii. The conditions listed above shall be automatically cleared by the EGD upon initiation of a new play sequence.

bb. Error Conditions; Clearing by Attendant

i. EGD's shall be capable of detecting and displaying the following error conditions which an attendant may clear:

(a). coin-in jam;

(b). coin-out jam;

(c). hopper empty or timed-out;

(d). RAM error;

(e). hopper runaway or extra coin paid out;

(f). program error;

(g). reverse token-in;

(h). reel spin error of any type, including a mis-index condition for rotating reels. The specific reel number shall be identified in the error indicator;

(i). low RAM battery, for batteries external to the RAM itself, or low power source.

ii. A description of EGD error codes and their meanings shall be affixed inside the EGD.

cc. Coin Acceptors

i. At least one electronic coin acceptor shall be installed in each EGD.

ii. All acceptors shall be approved by the division or the designated gaming laboratory.

iii. Coin acceptors shall be designed to accept designated coins and to reject others.

iv. The coin receiver on an EGD shall be designed to prevent the use of cheating methods, including, but not limited to:

- (a). slugging;
- (b). stringing; and
- (c). spooling.

v. Coins which are accepted but not credited to the current game shall be returned to the player by activation of the hopper or credited toward the next play of the EGD control program and shall be capable of handling rapidly fed coins so that frequent occurrences of this type are prevented.

vi. EGD's shall have suitable detectors for determining the direction and speed of the coin(s) travel in the receiver. If a coin traveling at improper speed or direction is detected, the EGD shall enter an error condition and display the error condition which shall require attendant intervention to clear.

dd. Bill Validators

i. EGD's may contain a bill validator that will accept the following:

- (a). \$1 bills;
- (b). \$5 bills;
- (c). \$10 bills;
- (d). \$20 bills;
- (e). \$50 bills; and
- (f). \$100 bills.

ii. The bill acceptors may be for single denomination or combination of denominations.

ee. Automatic Light Alarm

i. A light shall be installed on the top of the EGD that automatically illuminates when the door to the EGD is opened or associated equipment that may affect the operation of the EGD is exposed.

ff. Access to the Interior

i. The internal space of an EGD shall not be readily accessible when the door is closed.

ii. The following shall be in a separate locked or sealed area within the EGD's:

- (a). logic boards;
- (b). ROM;
- (c). RAM; and
- (d). program storage media.

iii. No access to the area described above is allowed without prior notification to the licensee's surveillance room.

iv. The division shall be allowed immediate access to the locked or sealed area. An eligible facility licensee shall maintain its copies of the keys to EGD's in accordance with the administrative rules and the licensee's system of internal controls. A licensee shall provide the division a master key to the door of an approved EGD, if so requested. Unauthorized tampering or entrance into the logic area without prior notification in accordance with this Subsection is grounds for enforcement action.

gg. Tape Sealed Areas. An EGD's logic boards and/or any program storage media in a locked area within the EGD shall be sealed with the division's security tape. The security tape shall be affixed by a division agent. The security tape may only be removed by, or with approval from, a division agent.

hh. Hardware Switches

i. No hardware switches may be installed which alter the pay tables or payout percentages in the operation of an EGD.

ii. Hardware switches may be installed to control the following:

- (a). graphic routines;
- (b). speed of play;
- (c). sound; and
- (d). other approved cosmetic play features.

ii. Display of Rules of Play

i. The rules of play for EGD's shall be displayed on the face or screen of all EGD's. Rules of play shall be approved by the division or board prior to play.

ii. The division or board may reject the rules if they are:

- (a). incomplete;
- (b). confusing;
- (c). misleading; or
- (d). for any other reason stated by the division/board.

iii. Rules of play shall be kept under glass or another transparent substance and shall not be altered without prior approval from the division.

iv. Stickers or other removable devices shall not be placed on the EGD face unless their placement is approved by the division.

jj. Manual Jackpot Payout

i. Whenever a patron Wins a jackpot that is not totally and automatically paid directly from the EGD, a slot attendant shall prepare and process according to the

licensee's internal controls, a request for jackpot payout form which shall contain, at a minimum, the following information:

- (a). the EGD house number;
- (b). the denomination of the EGD;
- (c). number of coins played;
- (d). line of the payout;
- (e). combination of reel characteristics;
- (f). amount the machine paid; and
- (g). amount of the hand paid jackpot.

ii. If a jackpot is \$1,200 or greater in value, the following information shall be obtained by the slot attendant for preparation of a Form W-2G:

- (a). name, physical address, and Social Security number of the patron;
- (b). amount of the jackpot; and
- (c). any other information required for completion of the Form W-2G.

iii. On a three-part jackpot slip, the coin cashier preparing the payout shall record the following information:

- (a). the date and time during which the jackpot occurred;
- (b). the denomination;
- (c). the machine and asset number of the EGD on which the jackpot was registered;
- (d). the number of coins played;
- (e). the line of the combination;
- (f). the winning combination of reel characters constituting the jackpot;
- (g). the amount to be paid by the coin cashier in both numeric and alpha form; and
- (h). the signature of the coin cashier, slot attendant and security officer.

iv. If the jackpot is over \$5,000 a surveillance photograph shall be taken of the winner and the payout form shall be signed by the slot manager or casino shift manager in addition to Subparagraphs b and c.

v. In addition to the other provisions of this Subsection, if the jackpot is over \$10,000 the slot attendant shall notify a slot technician who shall remove the electronic control board, or program storage media, and position the board or program storage media in a manner to allow a surveillance photograph to be taken showing the division security tape covering said program storage media.

vi. If the jackpot is \$100,000 or more, the licensee shall notify the division immediately. A division agent shall be present prior to the opening of the EGD. Surveillance shall constantly monitor the EGD until payment of the jackpot has been completed or until otherwise directed by a division agent. Once a division agent is present, the electronic control board, or the program storage media shall be removed by a slot technician, and the program storage

media shall be inspected and tested in a manner prescribed by the division. Upon completion of the jackpot payout transaction, the division agent shall reseal the electronic control board or program storage media and ensure the replacement of the electronic board or program storage media.

kk. Manufacturer's Operating and Field Manuals and Procedures. A licensee shall comply with written guidelines and procedures concerning installations, modifications, and/or upgrades of components and associated equipment established by the manufacturer of an EGD, component, on-line system, software, and/or associated equipment unless otherwise approved in writing by the division/board, or if the guideline(s) and/or procedure(s) conflict with any portion of this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:778 (April 2000), amended LR 29:2506 (November 2003).

§4210. Electronic Gaming Device Tournaments

A. EGD tournaments may be conducted by licensees, upon written approval by the division.

B. All tournament play shall be on machines which have been tested and approved by the division, and for which the tournament feature has been enabled.

C. All EGD's used in a single tournament shall utilize the same electronics and machine settings. Licensees shall utilize, and each device shall be equipped with an approved program which allows for tournament mode play to be enabled by a switch key (reset feature) and/or total replacement of the logic board, with an approved tournament board. Replacement of program storage media is not permissible for tournament play only. Form(s) as prescribed by the division are required to be submitted for each device used in tournament play when the nontournament logic board is removed. The licensee shall submit, in writing, procedures regarding the storage and security of the both tournament and nontournament boards when not in use.

D. EGD's enabled for tournament play shall not accept or pay out coins. The EGD's shall utilize credit points only.

E. Tournament credits shall have no cash value.

F. Tournament play shall not be credited to accounting or electronic (soft) meters of the EGD.

G. At the licensee's discretion, and in accordance with applicable laws and rules, the licensee may establish qualification or selection criteria to limit the eligibility of players in a tournament.

H. Rules of Tournament Play

1. The eligible facility licensee shall submit rules of tournament play to the division in accordance with §2954 or within such time period as the division may designate. The rules of play shall include, but are not limited to, the following:

- a. the amount of points, credits, and playing time players will begin with;
- b. the manner in which players will receive EGD assignments and how reassignments are to be handled;
- c. how players are eliminated from the tournament and how the winner or winners are to be determined;
- d. the number of EGD's each player will be allowed to play;
- e. the amount of entry fee for participating in the tournament;
- f. the number of prizes to be awarded;
- g. an exact description of each prize to be awarded;
- h. any additional house rules governing play of the tournament;
- i. any rules deemed necessary by the division or board to ensure compliance with this Chapter.

2. A licensee shall not permit any tournament to be played unless the rules of the tournament play have been approved, in writing, by the division or board.

3. The rules of tournament play shall be provided to all tournament players and each member of the public who requests a copy of the rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:783 (April 2000).

§4211. Duplication of Program Storage Media

A. Personnel and Certification

1. Only the licensee's director of slot operations, assistant director of slot operations, or the slot technical manager shall be allowed to duplicate program storage media.

2. The licensee shall provide to the division certified documentation, from the manufacturer or copyright holder of the program storage media which is being duplicated, stating that the duplication of the program storage media is authorized.

3. The licensee shall assume the responsibility of complying with all rules and regulations regarding copyright infringement. Program storage media protected by the manufacturer's federal copyright laws will not be duplicated for any reason or circumstance, unless approved otherwise by the manufacturer and/or the division.

4. Each duplicated program storage media shall be certified by the designated gaming laboratory's signature for that program storage media.

B. Required Documentation

1. Each Licensee shall maintain an program storage media duplication log which shall contain:

- a. the name of the program storage media manufacturer and the program storage media identification number of each program storage media to be erased;
- b. serial number of program storage media eraser and duplicator;
- c. printed name and signature of individual performing the erasing and duplication of the program storage media;
- d. identification number of the new program storage media;
- e. the number of program storage media duplicated;
- f. the date of the duplication;
- g. machine number (source and destination);
- h. reason for duplication; and
- i. disposition of permanently removed program storage media.

2. The log shall be maintained on record for a period of five years.

3. Corporate internal auditors shall verify compliance with program storage media duplication procedures at least twice annually.

C. Program Storage Media Labeling

1. Each duplicated program storage media shall have an attached white adhesive label containing the following:

- a. manufacturer name and serial number of the new program storage media;
- b. designated gaming laboratory signature verification number;
- c. date of duplication;
- d. initials of personnel performing duplication.

D. Storage of Program Storage Media and Duplicator/Eraser

1. Program storage media duplication equipment shall be stored with the security department or other department approved by the division.

2. Equipment shall be release only to the director or assistant director of slot operations.

3. At no time shall the director or assistant director of slot operations leave unattended the program storage media duplication equipment.

4. Program storage media duplication equipment shall only be released from the security department, or other department approved by the division, for a period not to exceed four hours within a 24-hour period.

5. An equipment control log shall be maintained by the licensee and shall include the following:

a. date, time, name of employee taking possession of, or returning equipment, and name of security officer taking possession of, or releasing equipment.

6. All program storage media shall be kept in a secure area and the licensee shall maintain an inventory log of all program storage media.

E. Internal Controls

1. The licensee shall adopt, and have approved by the division, internal controls which are in compliance with this Section prior to duplicating program storage media.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:784 (April 2000).

§4212. Marking, Registration, and Distribution of Gaming Devices

A. No one, including a licensee, permittee, manufacturer or supplier may ship or otherwise transfer a gaming device into this state, out of this state, or within this state unless:

1. a serial number (which shall be the same number as given the device pursuant to the provisions of §15 U.S.C. 1173 of the Gaming Device Act of 1962) permanently stamped or engraved in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the EGD and on a removable metal plate attached to the cabinet of the EGD; and

2. a manufacturer, supplier, or licensee shall file forms as prescribed by the division/board before receiving authorization to ship a device for use in the Louisiana pari-mutuel gaming industry;

3. each manufacturer or supplier shall keep a written list of the date of each distribution, the serial numbers of the devices, the division approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the gaming devices have been distributed and shall provide such list to the division immediately upon request;

4. a registration fee of \$100 per device shall be paid by company check, money order, or certified check made payable to State of Louisiana, Department of Public Safety. This fee is not required on devices which are currently registered with the division and display a valid registration certificate. Upon receipt of the appropriate shipping forms and fees, the division shall issue a written authorization to ship for approved devices. This fee is applicable only to gaming devices destined for use in Louisiana by licensed eligible facility entities or suppliers;

5. prior to actual receipt of the shipment, the licensee shall notify the division of the arrival. The division shall require that the shipper's manifest or other shipping documents are verified against the letter of authorization for that shipment. The shipment shall also have been sealed at the point of origin, or the last point of shipment. The seal number shall be recorded on the shipping documents and attached to the licensee's copy of the letter of authorization;

6. the storage of the shipment, once properly received, shall be in a containment area that is secure from any other equipment. There shall be a dual key locking system for the containment area. The containment area shall have been inspected and approved in writing by the division prior to any EGD storage. All electronic control boards and/or program storage media shall be securely stored in a separate containment area from the EGD's. The containment area shall have been inspected and approved in writing by the division prior to any electronic control board and/or program storage media storage.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:784 (April 2000).

§4213. Approval to Sell or Disposal of Gaming Devices

A. No gaming device registered by the division shall be destroyed, scrapped, or otherwise disassembled without prior written approval of the division. A licensee shall not sell or deliver a gaming device to a person other than its affiliated companies or a permitted manufacturer or supplier without prior written approval of the division/board. Applications for approval to sell or dispose of a registered gaming device shall be made, processed, and determined in such manner and using such forms as the division/board may prescribe.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:785 (April 2000).

§4214. Maintenance of Electronic Gaming Devices

A. A licensee shall not alter the operation of an approved EGD except as provide otherwise in the board's rules and shall maintain the EGD's as required by this Chapter. Each licensee shall keep a written list of repairs made to the EGD offered for play to the public that require a replacement of parts that affect the game outcome, and any other maintenance activity on the EGD, and shall make the list available for inspection by the division upon request. The written list of repairs for all EGD's shall be kept in a "maintenance log book" in the slot tech office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:785 (April 2000).

§4215. Analysis of Questioned Electronic Gaming Devices

A. If the operation of any EGD is questioned by any licensee, patron or an agent of the division and the question cannot be resolved, the questioned device will be examined in the presence of an agent of the division and a representative of the licensee. If the malfunction can not be cleared by other means to the satisfaction of the division, the patron and the licensee, the EGD will be subjected to a program storage media memory test to verify "signature" comparison by the division.

B. In the event that the malfunction can not be determined and corrected by this testing, the EGD may be removed from service and secured in a remote, locked compartment. The EGD may then be transported to the designated gaming laboratory selected by the division or board where the device shall be fully analyzed to determine the status and cause of the malfunction. All costs for transportation and analysis shall be borne by the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:785 (April 2000).

§4216. Summary Suspension of Approval of Electronic Gaming Devices

A. The division or board may issue an order suspending approval of an EGD if it is determined that the EGD does not operate in the manner certified by the designated gaming laboratory pursuant to this Chapter. The division/board after issuing an order may thereafter seal or seize all models of that EGD not in compliance with this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:785 (April 2000).

§4217. Seizure and Removal of Electronic Gaming Equipment and Devices

A. EGD's and associated equipment may be summarily seized by the division. Whenever the division seizes and removes EGD's and/or associated equipment:

1. an inventory of the equipment or EGD's seized will be made by the division/board, identifying all such equipment or EGD's as to make, model, serial number, type, and such other information as may be necessary for authentication and identification;

2. all such equipment or EGD's will be sealed or by other means made secure from tampering or alteration;

3. the time and place of the seizure will be recorded; and

4. the licensee or permittee will be notified in writing by the division at the time of the seizure, of the fact of the seizure, and of the place where the seized equipment or EGD is to be impounded. A copy of the inventory of the seized equipment or EGD will be provided to the licensee or permittee upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:785 (April 2000).

§4218. Seized Equipment and EGD's as Evidence

A. All gaming equipment and EGD's seized by the division shall be considered evidence, and as such shall be subject to the laws of Louisiana governing chain of custody, preservation and return, except that:

1. any article of property that constitutes a cheating device shall not be returned. All cheating devices shall become the property of the division upon their seizure and may be disposed of by the division, which disposition shall be documented as to date and manner of disposal;

2. the division shall notify by certified mail each known claimant of a cheating device that the claimant has ten days from the date of the notice within which to file a written claim with the division to contest the characterization of the property as a cheating device;

3. failure of a claimant to timely file a claim as provided in Paragraph 2 above will result in the division's pursuit of the destruction of property;

4. if the property is not characterized as a cheating device, such property shall be returned to the claimant within 15 days after final determination;

5. items seized for inspection or examination may be returned by the division/board without a court order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:786 (April 2000).

§4219. Approval of Associated Equipment; Applications and Procedures

A. A manufacturer or supplier of associated equipment and/or nongaming products shall not distribute associated equipment and/or nongaming products unless such manufacturer and/or supplier has been approved by the division or board. Applications for approval of associated equipment and/or nongaming products shall be made and processed in such manner and using such forms as the division or board may prescribe. Each application shall include, in addition to such other items or information as the division or board may require:

1. the name, permanent address, Social Security number or federal tax identification number of the manufacturer or supplier of associated equipment and nongaming products unless the manufacturer or supplier is currently permitted by the division or board. If the manufacturer or supplier of associated equipment and nongaming products is a corporation, the names, permanent addresses, Social Security numbers, and driver's license numbers of the directors and officers shall be included. If the manufacturer or supplier of associated equipment and nongaming products is a partnership, the names, permanent addresses, Social Security numbers, driver's license numbers, and partnership interest of the partners shall be included. If Social Security numbers or driver's license numbers are not available, the birth date of the partners may be substituted;

2. a complete, comprehensive and technically accurate description and explanation in both technical and nontechnical language of the equipment and its intended usage, signed under penalty of perjury;

3. detailed operating procedures; and

4. details of all tests performed and the standards under which such tests were performed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:786 (April 2000).

Chapter 43. Specifications for Gaming Tokens and Associated Equipment

§4301. Approval of Tokens; Applications and Procedures

A. A licensee shall not issue any tokens for use at the eligible facility, or sell or redeem any such tokens, unless the tokens have been approved in writing by the division. A licensee shall not issue any tokens for use at the eligible facility, or sell or redeem any such tokens, that are modifications of tokens previously approved by the division, unless the modifications have been approved in writing by the division.

B. Applications for approval of tokens, and modifications to previously approved tokens must be made, processed, and determined in such manner as the division may prescribe. Only licensees may apply for such approval. Each application must include, in addition to such other items or information as the division may require:

1. an exact drawing, in color or in black and white, of each side and the edge of the proposed token, drawn to actual size or drawn to larger than actual size and in scale, and showing the measurements of the proposed token in each dimension;

2. written specifications for the proposed tokens;

3. the name and address of the manufacturer; and

4. the licensee's intended use for the proposed tokens.

C. If, after receiving and reviewing the items and information described in Subsection B, the division is satisfied that the proposed tokens conform with the requirements of this Chapter, the division shall notify the licensee in writing and shall request, and the licensee shall thereupon submit, a sample of the proposed tokens in final, manufactured form. If the division is satisfied that the sample conforms with the requirements of this regulation and with the information submitted with the licensee's application, the division shall approve the proposed tokens and notify the licensee in writing. As a condition of approval of tokens issued for use at the eligible facility the division may prohibit the licensee from using the tokens other than at specified games. The division may retain the sample tokens submitted pursuant to this Subsection.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:786 (April 2000).

§4303. Identification Specifications for Tokens

A. Tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, Louisiana, and other states, and so as to prevent counterfeiting of the tokens to the extent reasonably possible. Tokens must not resemble any current or past coinage of the United States or any other nation.

B. In addition to such other specifications as the division may approve:

1. the name of the issuing gaming establishment must be inscribed on each side of each token, and the city or other locality and the state where the establishment is located must be inscribed on at least one side of each token;

2. the value of the token must be inscribed on each side of each token;

3. the manufacturer's name or a distinctive logo or other mark identifying the manufacturer must be inscribed on at least one side of each token; and

C. The names of the city or other locality and the state where the establishment is located must be inscribed on at least one side of each token unless the division finds, after application by a licensee, that such an inscription is not necessary because:

1. the name of the issuing establishment is unique to one readily identifiable establishment in all gaming jurisdictions; or

2. the inclusion of the city or other locality and the state is not necessary or beneficial for any regulatory purpose relating to the applicant.

D. Any request submitted pursuant to Subsection C must be signed by the chief executive officer of the licensee.

E. Any approval by the division for the deletion of such an inscription shall be in writing and be limited to that period of time in which the name of the licensee is limited to one establishment and conditioned so that it may be withdrawn in the future if the division determines that the deletion results in confusion with the tokens of another establishment or if such inclusion is deemed necessary or beneficial for any regulatory purpose.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:786 (April 2000).

§4305. Size and Manufacturing Specifications for Tokens

A. Unless the division approves otherwise, tokens must be disk-shaped and must measure as follows:

1. \$0.25 tokens must be from 0.983 through 0.989 inches in diameter, from 0.064 through 0.070 inches thick, and if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 100;

2. \$1 denomination tokens must be from 1.459 through 1.474 inches in diameter, from 0.095 through 0.115 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 150;

3. \$5 denomination tokens must be 1.75 inches in diameter, from 0.115 through 0.135 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 175;

4. \$25 denomination tokens must be larger than 1.75 inches but no larger than 1.95 inches in diameter, except that such tokens may be 1.654 inches (42 millimeters) in diameter if made of 99.9 percent pure silver, must be 0.10 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 200; and

5. tokens of other denominations must have such measurements and edge reeds or serrations as the division may approve or require.

B. Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of an electronic gaming device.

C. Tokens must not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:787 (April 2000).

§4307. Use of Tokens

A. A licensee that uses tokens at its gaming establishment shall:

1. comply with all applicable statutes, regulations, and policies of Louisiana and of the United States pertaining to tokens;

2. sell tokens only to patrons of its gaming establishment and only at their request;

3. promptly redeem its own tokens from its patrons;

4. post conspicuous signs at its establishment notifying patrons that federal law prohibits the use of the licensee's tokens outside the establishment for any monetary purpose whatever; and

5. take reasonable steps, including examining tokens and segregating those issued by other licensees or gaming operators to prevent sales to its patrons of tokens issued by another gaming operator.

B. A licensee shall not accept tokens as payment for any goods or services offered at the licensee's gaming establishment with the exception of the specific use for which the tokens were issued, and shall not give tokens as change in any other nongaming transaction.

C. A licensee shall not redeem its tokens if presented by a person who the licensee knows or reasonably should know is not a patron of its gaming establishment, except that a licensee shall promptly redeem its tokens if presented by:

1. another licensee, or licensed gaming operator who represents that it redeemed the tokens from its patrons or received them unknowingly, inadvertently, or unavoidably;

2. an employee of the licensee who presents the tokens in the normal course of employment; or

3. an employee of the licensee who received the token as gratuity or tip.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:787 (April 2000).

§4309. Receipt of Gaming Tokens from Manufacturer or Supplier

A. When tokens are received from the manufacturer or supplier thereof, they shall be opened and checked by at least two employees of the licensee from different departments. Any deviation between the invoice accompanying the tokens and the actual tokens received or any defects found in such tokens shall be reported promptly to the division. An agent of the division will be notified of the time of delivery of any tokens to the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:787 (April 2000).

§4311. Redemption and Disposal of Discontinued Tokens

A. A licensee that permanently removes from use or replaces approved tokens at its gaming establishment, or that ceases gaming operations, whether because of closure or sale of the eligible facility or any other reason, shall prepare a plan for redeeming discontinued tokens that remain outstanding at the time of discontinuance. The licensee shall submit the plan in writing to the division not later than 30 days before the proposed removal, replacement, sale, or closure, unless the closure or other cause for discontinuance of the tokens cannot reasonably be anticipated, in which event the licensee must submit the plan as soon as reasonably practicable. The division may approve the plan or require reasonable modifications as a condition of approval. Upon approval of the plan, the licensee shall implement the plan as approved.

B. In addition to such other reasonable provision's as the division may approve or require, the plan shall provide for:

1. redemption of outstanding or discontinued tokens, in accordance with this Subsection, for at least 120 days after the removal or replacement of the tokens or for at least 120 days after operations cease, as the case may be, or for such longer or shorter period as the division may for good cause approve or require;

2. redemption of the tokens at the premises of the eligible facility or at such other location as the division may approve;

3. publication of notice of the discontinuance of the tokens and of the redemption and the pertinent times and locations in at least two newspapers of general circulation in Louisiana at least twice during each week of the redemption period, subject to the division's approval of the form of the notice, the newspapers selected for publication, and the specific days of publication;

4. conspicuous posting of the notice described in Paragraph B.3 at the eligible facility or other redemption location;

5. destruction or such other disposition of the discontinued tokens as the division may approve or require; and

6. such destruction must be to the satisfaction of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:788 (April 2000).

§4313. Destruction of Counterfeit Tokens

A. As used in this Section, "counterfeit tokens" means any token-like objects that have not been approved pursuant to this Chapter, including objects commonly referred to as "slugs," but not including coins of the United States or any other nation.

B. Unless a court of competent jurisdiction orders otherwise in a particular case, licensees shall destroy or otherwise dispose of tokens discovered at their establishments in such manner as the division may approve or require.

C. Unless a court of competent jurisdiction orders otherwise in a particular case, licensees may dispose of coins of the United States or any other nation discovered to have been unlawfully used at their establishments by including them in their coin inventories or, in the case of foreign coins, by exchanging them for United States currency or coins and including same in their currency or coin inventories, or by disposing of them in any other lawful manner.

D. Each licensee shall record, in addition to such other information as the division may require:

1. the number and denominations, actual and purported, of the coins and tokens destroyed or otherwise disposed of pursuant to this Section;

2. the month during which they were discovered;

3. the date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange company, or other business or person at which or with whom the coins are exchanged; and

4. the names of persons carrying out the destruction of other disposition on behalf of the licensee.

E. Each licensee shall maintain each record required by this Section for five years unless the division approves a lesser time period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:788 (April 2000).

Chapter 45. Labor Organizations

§4501. Labor Organization Registration Required

A. Each labor organization, union or affiliate representing or seeking to represent employees regulated by the board and employed by a licensee, shall register with the division annually.

B.1. The division may exempt any labor organization, union or affiliate from registration requirements where it is found that such labor organization, union or affiliate:

a. is not the certified bargaining representative of any employee regulated by the board or employed by a licensee; and

b. is neither involved nor seeking to be involved actively, directly, or substantially in the control or direction of the representation of any such employee.

2. Such exemption shall be subject to revocation upon disclosure of information which indicates that the affiliate does not or no longer meets the standards for exemption.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:788 (April 2000).

§4503. Registration Statement

A. In order to register, a labor organization, union or affiliate shall file with the division a "Labor Organization Registration Statement." These requirements shall be completed and approved by the division prior to the labor organization becoming the certified bargaining representative for employees occupationally licensed to work for a licensed operator.

B. Said statement shall be in the form prescribed by the board and shall include, without limitation, the following:

1. the names of all labor organizations affiliated with the registrant;

2. information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee regulated by the board and employed by a licensee;

3. information as to whether the registrant holds, directly or indirectly, any financial interest whatsoever in the eligible facility whose employees it represents;

4. the names of any pension and welfare systems maintained by the registrant and all officers and agents of such systems;

5. the names of all officers, agents and principal employees of the registrant; and

6. all written assurances, consents, waivers and other documentation required of a registrant by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:788 (April 2000).

§4505. Registration Renewal

A. A labor organization registration shall be effective for one year. Any such registration may be renewed upon filing of an updated "Labor Organization Registration Statement" no later than 120 days prior to the expiration of the current registration. The division shall act upon such application for renewal no later than 30 days prior to the date of expiration of the current registration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:789 (April 2000).

§4507. Continuing Duty to Disclose

A. Every registered labor organization shall be under a continuing duty to promptly disclose any change in the information contained in the "Labor Organization Registration Statement" or otherwise requested by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:789 (April 2000).

§4509. Federal Reports Exception

A. Notwithstanding the reporting requirements imposed by the regulations of the board, no labor organization, union, affiliate or person shall be required to furnish any information which is included in a report filed by any labor organization, union, affiliate or person with the secretary of labor, pursuant to 29 U.S.C., Section 431, et seq. (Labor-Management Reporting and Disclosure Act) if a copy of such report, or if the portion thereof containing such information, is furnished to the division pursuant to the aforesaid federal provisions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:789 (April 2000).

§4511. Qualification of Officers, Agent, and Principal Employees

A. Every officer, agent and principal employee of a labor organization, union or affiliate required to register with the division shall be qualified in accordance with criteria contained in these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:789 (April 2000).

§4513. Qualification Procedure

A. In order to be qualified, every officer, agent and principal employee of a labor organization, union or affiliate required to register with the division shall file with the division a "Labor Organization Individual Disclosure Form," which shall be completed, signed and filed in accordance with the requirements of this Chapter, provided, however, that such a form need not be filed by an officer of a national or international labor organization where that officer exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matter relating to employees licensed under the Act and employed by a licensee; and provided further, that any such officer of a national or international labor organization may be directed by the division to file a "Labor Organization Individual Disclosure Form" or to provide any other information in the same manner and the same extent as may be required of any other officer of a labor organization which is required to register under this Chapter.

B. Each officer, agent or principal employee required to file, a "labor organization individual disclosure form" shall do so initially at the time the pertinent labor organization, union or affiliate applies or should apply for registration or at the time the individual is elected, appointed or hired, whichever is later.

C. Following an initial finding of qualification, each qualified individual who has filed an initial "Labor Organization Individual Disclosure Form" shall annually file with the division a properly completed, updated "Labor Organization Individual Disclosure Form."

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:789 (April 2000).

§4515. Waiver of Disqualification Criteria

A. Notwithstanding the qualification requirements as to any such officer, agent or principal employee, the division may waive any disqualification criteria upon a finding that the interests of justice so require.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:789 (April 2000).

§4517. Interest in Operator's License Prohibited

A. Neither a labor organization, union, or affiliate nor its officers, and agents not otherwise individually licensed under the Act and employed by a licensed operator may hold any financial interest whatsoever in the licensee whose employees they represent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:789 (April 2000).

§4519. Failure to Comply; Consequences

A. No labor organization, union or affiliate required to register with the division shall receive any dues from or on behalf of or administer any pension, welfare funds from or on behalf of any licensed employee and employed by a licensee or its agent:

1. if the said labor organization, union, or affiliate shall fail to properly register with the division or provide all information requested by the division in accordance with the provisions of these regulations;

2. if any officer, agent or principal employee of such labor organization, union, or affiliate shall fail to qualify in accordance with the provisions of these regulations; or

3. if the said labor organization, union, affiliate or any officer or agent thereof shall hold a prohibited interest in a licensee.

B. Nothing herein shall be construed to limit the right of the division to impose any sanctions or take any action authorized by these regulations and the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:790 (April 2000).

Title 42
LOUISIANA GAMING
Part IX. Landbased Casino Gaming
Subpart 1. Economic Development and Gaming Corporation

Chapters 1-8. Reserved

Chapter 9. Articles of Incorporation

§901. Statement of Authority

A. The Louisiana Legislature has expressed its desire to establish a Casino in the state of Louisiana, and, to do so the Louisiana Legislature has adopted the Louisiana Economic Development and Gaming Corporation Act, Louisiana Revised Statutes 4:601 et seq. (sometimes hereafter referred to as the Act). In adopting the Louisiana Economic Development and Gaming Corporation Act, the Louisiana Legislature acknowledged that the operation of a Casino is unique to state government and legislatively determined that the regulation of the Casino should be undertaken by a separate, independent corporate entity and not an agency or political subdivision of the state of Louisiana. Consequently, pursuant to the Louisiana Economic Development and Gaming Corporation Act, the Louisiana Legislature created the Louisiana Economic Development and Gaming Corporation (the "corporation"), which is vested with broad powers to regulate the Official Gaming Establishment Casino and to oversee any and all Games connected therewith. The Louisiana Economic Development and Gaming Corporation Act further detailed the governance and operation of the corporation by a Board of Directors (the "Board") and a president (the "president") of the corporation. In accordance with the Louisiana Economic Development and Gaming Corporation Act, the Board hereby adopts the following corporate articles setting forth certain matters appropriate to the operation of a corporation of the nature of the Louisiana Economic Development and Gaming Corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1011 (August 1993).

§903. Formation and Continuation

Editor's Note: The address cited in §903.B.1 has changed to:
Louisiana Economic Development
and Gaming Corporation
Attorney General's Gaming Division
One Canal Place
365 Canal Street
Suite 2700
New Orleans, LA 70130

The address cited in §903.C.1 has changed to:
Attorney General Charles C. Foti, Jr.
Attn: Louisiana Economic Development
and Gaming Division
Livingston Building
1885 N. Third Street
Baton Rouge, LA 70802

A. Commencement of Existence. Pursuant to Section 611 of the Act, the existence of the corporation commenced on the date that a majority of the members of the Board of Directors of the corporation were confirmed by the Senate, which occurred on or about December 16, 1992.

B. Principal Business Office

1. Unless otherwise designated as provided in §903.C.1 the principal business office of the corporation (the "principal business office") shall be located at:

Louisiana Economic Development and Gaming Corporation
One Canal Place
365 Canal Street
Suite 2700
New Orleans, LA 70130

2. The corporation may have such other offices within the state of Louisiana as the Board deems necessary or appropriate. Notice of the location of the principal business office shall be provided to the Louisiana secretary of state and the recorder of mortgages in East Baton Rouge and Orleans Parishes via the recordation of these corporate articles.

C. Change in Location of Principal Business Office

1. A change in the location of the principal business office may be authorized at any time by the Board provided that the new principal business office shall be located in Orleans Parish, New Orleans, Louisiana. Within 30 Days after a change of location is completed, Notice of the change, and the post office address of the new principal business office, shall be filed with the Louisiana secretary of state and with the recorder of mortgages in East Baton Rouge and Orleans Parishes. If the principal business office is vacated by the corporation, a new principal business office shall be designated by the Board, and Notice of the change and of the post office address of the new office shall be filed with the secretary of state and with the recorder of mortgages of East Baton Rouge and Orleans Parish within 30 Days of such designation. If the Notice of change provided hereunder is not filed within that period, the New Orleans office of the attorney general shall thereafter be

deemed to be the principal business office until the appropriate filing of a Notice of a new principal business office with the Secretary of State and with the recorder of mortgages of East Baton Rouge and Orleans Parish.

Attorney General Richard Ieyoub's Office
Attn: Louisiana Economic Development and Gaming Corporation
234 Loyola, Seventh Floor
New Orleans, LA 70130

2. The principal business office shall be considered the domicile of the corporation for all purposes except for venue purposes as described in R.S. 4:606.

D. Duration. The corporation shall have perpetual existence, unless earlier dissolved in accordance with §909.A hereof.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1011 (August 1993).

§905. Powers of the Corporation

A. Description of Powers. Subject to the limitations stated in the Louisiana Constitution, the Act and general provisions of Louisiana Law, the corporation shall have the power and authority to regulate the Official Gaming Establishment and do all things related and in furtherance thereof. Without limiting the generality of the foregoing, the corporation shall have the following specific powers and authority:

1. in any legal manner to acquire, hold, use and alienate or encumber property of any kind;

2. in any legal manner to acquire, hold, vote and use, alienate and encumber, and to deal in and with shares, memberships or other interests in, or obligations of, other Business, nonprofit or foreign corporations, associations, partnerships, joint ventures, individuals or government entities (collectively an "entity");

3. to make contracts and guarantees, including guarantees of the obligations of other entities;

4. to incur liabilities, borrow money, and secure any of its past, present or future obligations by the pledge, pawn, mortgage, collateral mortgage, hypothecation or granting of a security Interest of any kind of property, which security may be created by security documents which may include a confession of judgment and all other usual and customary Louisiana security document provisions;

5. enter into other obligations or evidences of indebtedness;

6. to lend money for its corporate purposes and invest and reinvest Funds, and to take and hold, sell or exchange property or rights of any kind as Security for loans or investments;

7. to elect or appoint officers and Agents, to define their duties and fix their compensation;

8. to pay pensions and establish pension plans, pension trusts, profit sharing plans and other incentive and benefit plans for any or all of its Directors, officers and employees;

9. enter into Procurement including issuance of requests for proposals for contracts authorized by the Act;

10. sue and be sued in its corporate name, and as a corporate entity;

11. adopt a corporate seal and a symbol;

12. hold copyrights, trademarks, and service marks and enforce its rights with respect thereto;

13. appoint Agents upon which process may be served;

14. acquire immovable property and make improvements thereon, subject to the prior approval of the Joint Legislative Committee on the Budget;

15. make, solicit, and bid requests for proposals and offers for Major Procurement, in accordance with law or rules and regulations of the corporation including:

a. contracts for Major Procurement after competitive negotiation, bidding, or other procedure authorized pursuant to the Louisiana Procurement Code, or the corporation may adopt special rules and regulations pursuant to the provisions of this Part providing for special procedures whereby the corporation may make any class of Procurement including the authority to negotiate a reduced price. Such procedures shall be designed to allow the selection of proposals that provide the greatest long-term benefit to the state, the greatest integrity for the corporation, and the best service and products for the public. In its bidding and negotiation processes, the corporation may do its own bidding and Procurement may utilize the services of the division of administration central purchasing agency or other set agency or division. The president of the corporation may with approval of the Board declare an emergency for purchasing purposes; and

b. contracts to incur debt in its own name and enter into financing agreements with the state, its own agencies, or with a commercial bank, excluding the authority to issue bonds.

B. Powers of the Board. All of the corporate powers of the corporation shall, to the extent not specifically delegated to other Persons, agencies or entities pursuant to the Louisiana Economic Development and Gaming Corporation Law, be vested in, and the business and affairs of the corporation shall be administered by, the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1012 (August 1993).

§907. Indemnification and Limitation of Liability

A. Right to Indemnification. Each Person who was or is a party, or is threatened to be made a party to, or is otherwise involved in, any threatened, pending or completed action,

suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that such Person is or was a Director, officer, employee or Agent of the corporation, whether the basis of such proceeding is alleged to be as a result of such Person's action or failure to act, may be indemnified and held harmless by the corporation against any and all expenses, attorneys' fees, liabilities, losses, judgments, fines and amounts paid or to be paid in settlement, which amounts are, in any case, actually and reasonably incurred; provided (all the following are met) that such Person:

1. must have acted in compliance with the corporation's rules of conduct, as amended from time to time, and any other rules and regulations now or hereafter adopted by the corporation;
2. must have acted in good faith;
3. must have acted in a manner that he or she reasonably believed to be in, or not opposed to, the best interests of the corporation; and
4. in the case of an action or failure to act that may constitute criminal conduct, such Person must not have been convicted or entered a plea of guilty, nolo contendere or similar plea with respect to such conduct.

B. **Payment of Expenses in Advance.** The corporation may pay, in advance of final disposition of a proceeding, a Director's, officer's, employee's or Agent's reasonable expenses, including attorney's fees, incurred by such Person in defending any such proceeding; provided, however, that the payment of such expenses in advance of the final disposition of such proceeding shall be made only upon delivery to the corporation of an undertaking, by or on behalf of such Person, in which such Person agrees to repay all amounts so advanced if it should be ultimately determined that such Person is not entitled to be indemnified under this §907.

C. **Applicability of Rights.** The ability of the Board to indemnify or to grant the reimbursement or advancement of expenses pursuant hereto is intended to be retroactive and shall be available with respect to events occurring prior to the adoption hereof. The rights granted hereunder shall continue to exist after the rescission or restrictive modification hereof with respect to events occurring prior thereto, and may be applied to acts or failures to act of officers, Directors, employees and Agents of the corporation committed or omitted during such Person's tenure with the corporation despite the fact that such Person no longer serves in such capacity.

D. **Insurance.** The corporation may maintain insurance at its expense to protect itself and any Director, officer, employee or Agent of the corporation against any expense, liability or loss incurred by such Person in connection with his or her service to the corporation.

E. **Authority of the Board.** The Board shall make all determinations under this §907 relating to the payment or advance of any moneys and the standard of conduct necessary therefor. However, a Director shall not vote on any

decision or determination relating to his or her actions, failure to act or other matter under this §907 in which the Director has an interest (all Directors not so disqualified are hereinafter "disinterested Directors"). If any Person or Persons are disqualified from voting hereunder, the quorum and voting requirements hereunder shall be based on the number of Persons not disqualified from voting on such issues. The Board may make the payment or advancement of any amounts hereunder subject to such terms and conditions as they deem appropriate.

F. **Limitation of Liability.** No Director, officer, employee or Agent of the corporation shall be personally liable to the corporation or otherwise for monetary damages for breach of fiduciary duty as a Director, officer or employee, except for liability resulting from any of the following:

1. for breach of the Director's, officer's, employee's or Agent's duty of loyalty to the corporation;
2. for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
3. for any transaction from which the Director, officer, employee or Agent derived an improper personal benefit; or
4. for any action or failure to act that violates the rules of conduct of the corporation, as amended from time to time, and any other rules and regulations now or hereafter adopted by the corporation. The determination of whether a Person has met the applicable standards of conduct under this §907.F shall be made by a vote of disinterested Directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1012 (August 1993).

§909. Miscellaneous

A. **Dissolution.** The corporation may be dissolved and the operations thereof wound up only upon vote of the Louisiana Legislature to so dissolve and wind up the corporation or to repeal the enabling legislation adopted by the Legislature relating to the corporation and regulation of a Casino. Within 90 Days of the date of the final adoption of any such legislation, the Board shall appoint one or more liquidators, which liquidator or liquidators shall have all of the rights, powers, duties and authority of the officers of the corporation and the Board, and the rights, powers, duties and authority of the officers and Directors of the corporation shall cease, except the power and authority of the Board to remove or replace any of the liquidators, and such other rights, powers, duties and authority as may be retained by the Board or granted by law. In all other respects and except as otherwise provided by the legislature, the corporation shall be liquidated in the same manner and according to the same rules that govern the liquidation of Louisiana corporations (R.S. 12:141 et seq.). In the event of dissolution or final liquidation of the corporation, the Board shall, after paying or making provision for the payment of all the lawful debts and liabilities of the corporation, distribute all the

assets of the corporation to the state of Louisiana or any successor corporation, commission, Board or entity designated by the legislature.

B. No Instrumentality of the State; No Private Inurement. While, as stated in the statement of authority, the corporation is not an agency or political subdivision of the state of Louisiana, the corporation has been formed for a public purpose and shall not be deemed an instrumentality of the state of Louisiana except as otherwise specifically provided in the Act or these articles. No part of the net earnings, gains or assets of the corporation shall inure to the benefit of or be distributable to its Directors, officers, other private individuals or organizations organized and operated for a profit (except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes hereinabove stated).

C. Amendment. An amendment, modification, deletion or alteration (an "amendment") of these corporate articles, or any provision hereof, may be adopted by vote of at least six members of the Board at a duly called regular or special meeting of the Board; provided that, the text of the proposed amendment shall be submitted to the Board at the regular meeting most recently preceding the regular meeting at which such amendment is to be considered. Any amendment so adopted by the Board shall not become effective until adopted in accordance with LAC 42:IX.1109 of the corporation's bylaws and rules of procedure.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1013 (August 1993).

Chapter 11. Bylaws and Rules of Procedure

§1101. Statement of Purpose

A. The Louisiana Economic Development and Gaming Corporation (the "corporation") was formed pursuant to R.S. 4:601 et seq., which is entitled The Louisiana Economic Development and Gaming Corporation Act (hereafter referred to as the "Act"). The Act directed the corporation to adopt various rules and procedures governing various aspects of the operation of the corporation. To comply with this mandate, the Board of Directors of the corporation (hereafter referred to as the "Board") has adopted these bylaws and rules of procedure (sometimes referred to as "rules of procedure" or "rules").

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1014 (August 1993).

§1103. Directors

A. Number and Classes of Directors. All of the corporate powers of the corporation shall be vested in, and the business and affairs of the corporation shall be administered

by the Board which consists of nine members, as more specifically set forth in the Act. The governor shall appoint the Chairman of the Board and the Board shall annually elect a vice-chairman and a secretary from among its members. The Chairman shall conduct all meetings of the Board, and, unless appointed to a committee of the Board as a regular member, shall be an ex-officio, nonvoting member of each committee of the Board. The vice-chairman shall act in the absence of the Chairman. The secretary shall give, or cause to be given, Notice of all meetings of Directors and committees thereof, immediately upon being directed by the Persons responsible for providing Notice, and all other Notices required by law or by these bylaws, and in case of his or her absence or refusal or neglect to do so, any such Notice may be given by the Director, Directors or officer upon whose request the meeting is called as provided in these bylaws. The secretary shall record or cause to be recorded all the proceedings of the meetings of the Directors and committees thereof in a book or books to be kept for such purpose. The foregoing officers of the Board shall also have such powers, duties, responsibilities and authority as is granted to them by resolution of the Board.

B. Place of Meetings. Regular meetings of the Directors may be held at any place within the state of Louisiana as the Board may determine by vote of at least five members thereof. If the Board does not vote upon, or at least five Directors cannot agree upon, a place for any meeting, or if the Notice of a meeting does not designate a location for such meeting, such meeting shall be at the corporation's principal business office located as stated in the corporation's corporate articles, as may be changed from time to time in accordance with the corporate articles.

C. Regular Meetings of the Board. Regular meetings of the Board shall be held upon the call of Chairman if the Board by resolution adopts a specific Day or Days of each week or month, as applicable, for the regular meetings of the Board. No Notice of any such regularly scheduled meeting other than that required by R.S. 42:7 shall be required to be delivered to any member. Notice as required by R.S. 42:7 shall be given of all meetings of the Board or any committee thereof by posting of a copy of the Notice at the principal business office of the corporation and by mailing or telecopying a copy of the Notice to any member of the news media who has requested Notice of meetings. Attendance at any meeting without objection to the Notice thereof prior to the conduct of the Business of such meeting shall constitute a waiver of Notice.

D. Special Meetings of the Board. Special meetings of the Board may be called at any time by call of five or more of the members of the Board or by the Chairman subject to providing the Notice required by R.S. 42:7.A.(2). Special meetings shall be held at the principal business office of the corporation unless otherwise agreed to by at least six members of the Board. The effective date of any Notice provided with respect to a special meeting of Directors shall not be affected by the subsequent determination to hold a special meeting other than at the principal business office.

E. Reserved.

F. Notice of Meetings. Notice of meetings of the Board and committees thereof shall be given in accordance with R.S. 42:7.

G. Quorum, Proxies and Rules. At all meetings of the Board, the presence of five of the Directors in office and qualified to act shall constitute a quorum for the transaction of business, and the action of a majority of the voting power present at any meeting at which a quorum is present shall be the action of the Board, unless the concurrence of a greater proportion is required for such action by law, the corporate articles or these bylaws and rules of procedure. If a quorum is not present at any meeting of Directors, the Directors present may adjourn the meeting from time to time, without Notice other than announcement at the meeting, until a quorum is present. A Director may not attend a meeting of the Board or any committee thereof by proxy. The Board may adopt internal parliamentary procedures for the conduct of its meetings in accordance with the provisions of R.S. 49:951(6) which shall not constitute administrative rules of the corporation.

H. Resignation. The resignation of a Director shall take effect upon the effective date of the delivery of a written resignation to the Chairman or on any later date specified therein, but in no event more than 30 Days after such receipt.

I. Vacancies. The office of a Director shall become vacant if he or she dies, resigns or is removed in accordance with the Act.

J. Reserved.

K. Committees of the Board. The Chairman may designate one or more committees, each committee to consist of the Directors of the corporation as determined by the Chairman (and one or more Directors may be named alternate members to replace any absent or disqualified regular member of such committee) pursuant to the following provisions:

1. such committee or committees shall have such name or names as may be determined, from time to time, by the Chairman. The president and Chairman shall each be an ex-officio member of each committee of the Chairman. Any vacancy occurring in any such committee shall be filled by the Chairman;

2. the presence of a majority of the members of a committee at any meeting thereof shall constitute a quorum, and the business of a committee shall be transacted, and Notice provided, in the same manner as set forth herein for the Board.

L. Reliance on Reports and Records. A Director shall, in the performance of his or her duties as a Director or a member of a committee, be fully protected, and, if such conduct meets the requirements of the corporate articles, shall be entitled to indemnification under such corporate articles, if such Director relies, in good faith, upon the Records of the corporation or upon such information, opinions, reports or statements presented to the corporation, the Board or any member or members of a committee thereof by the attorney general, by any of the corporation's

officers, employees or Agents, appraiser, engineer, or independent or certified public accountant selected by the Board or any committee thereof with reasonable care, or by any other Person as to matters the Director reasonably believes are within such other Person's professional or expert competence and which Person is selected by the Board or any committee thereof with reasonable care.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1014 (August 1993).

§1105. Officers

A. Corporation President. The president of the corporation shall be appointed by the Board subject to the approval of the governor. Should the governor refuse to approve the appointment of the president by the Board, then the Board shall submit another name. The Person whose appointment was refused shall not be renamed for approval for a period of two years. The governor shall, within 30 Days after the nomination of the president by the Board, either approve or reject the nomination.

B. Powers and Duties of the President. The president of the corporation shall manage the affairs of the corporation and shall have such powers and duties as specified by the Board of Directors. The president shall not be a member of the Board. The president of the corporation shall serve at the pleasure of the Board which shall set the compensation of the president. The president of the corporation (the "president") shall manage the daily affairs of the corporation and shall serve as chief executive officer of the corporation, with general management of the corporation's Business and power to make contracts in the ordinary course of business; shall appoint such officers as he or she deems appropriate, including, without limitation, a vice-president and a secretary-treasurer; shall see that all orders and resolutions of the Board are carried into effect and direct the other officers and Agents of the corporation in the performance of their duties; shall have the power to execute all authorized instruments; and shall generally perform all acts incident to the office of president, or which are authorized or specified by law or the Board, or which are incumbent upon him or her under the provisions of the corporate articles or these bylaws and rules of procedure. The president shall serve at the pleasure and will of the Board.

C. Vice President. The president shall employ a vice president and a secretary-treasurer with such duties as are assigned by the president. Such officers shall serve at the pleasure of the president. In the absence or disability of the president, the vice-president shall perform the president's duties and exercise his or her powers. The vice-president shall serve at the pleasure and will of the president.

D. Secretary-Treasurer. A secretary-treasurer of the corporation (the "secretary-treasurer") shall be appointed by the president and shall have custody of all Funds, Securities, evidences of indebtedness and other valuable documents of the corporation; shall receive and give, or cause to be received and given, all moneys paid to or by the corporation

and receipts and acquittance for moneys paid into or for the account of the corporation; shall enter, or cause to be entered, in the books of the corporation to be kept for that purpose, full and accurate accounts of all moneys received and paid out on account of the corporation, and, whenever required by the president or the Board, he or she shall render a statement of his or her accounts; shall keep or cause to be kept such books as will show a true record of the expenses, gains, losses, assets and liabilities of the corporation; shall, in the absence of the secretary of the Board, perform the duties and exercise the powers of the secretary; and shall perform all of the other duties incident to the office of secretary-treasurer as determined or directed by the president or the Board. If required by the Board or the president, the secretary-treasurer shall give the corporation a bond for the faithful discharge of his or her duties and for restoration to the corporation, upon termination of his or her tenure, of all property of the corporation under his or her Control. The secretary-treasurer shall serve at the pleasure and will of the president.

E. Assistants. Assistants to the president, vice-president or secretary-treasurer may be appointed by the president or, with the approval of the president, by the officer under whom such assistant serves, and shall have such duties as may be delegated to them by the president or the officer under whom such assistant serves. Each assistant shall serve at the pleasure and will of the president.

F. Compensation. The compensation of the president shall be fixed by the Board, and the compensation of all other officers shall be determined by the president, subject to the prior approval of the Board.

G. Term of Office. Each officer of the corporation or assistant thereto shall, unless he or she resigns or is earlier terminated by the corporation, hold office until his or her successor is chosen and qualified in his or her stead. Any officer elected or appointed by the Board or president may be removed at any time by the affirmative vote of the Board or by action of the president, unless such power is specifically limited to action by the Board (e.g., appointment of the president). If the office of any officer or assistant becomes vacant for any reason, the vacancy shall be promptly filled by the president. No vacancy need be filled if the Board or the president determines that the office in which such vacancy occurs need not be filled; provided that the corporation shall maintain the offices of president, vice-president and secretary-treasurer.

H. Absence. In the case of the absence of any officer of the corporation or an assistant thereto, or for any other reason that the Board or president may deem sufficient, the Board or president may delegate any of the powers or duties of any officer or assistant to any other officer or employee of the corporation or designee of the Board. For purposes of these bylaws, an officer not yet hired or retained shall be deemed absent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1015 (August 1993).

§1107. Miscellaneous Provisions

A. Fiscal Year. The Fiscal Year of the corporation shall begin on July 1 and end on June 30 of each year.

B. Checks, Drafts, Notes, etc. All checks, drafts or other orders for the payment of money, and notes or other evidences of indebtedness, issued in the name of the corporation shall be signed by such officer or officers of the corporation and in such manner as shall be determined by the Board, from time to time, or pursuant to any written forms or instructions filed at any financial institution that issues such checks, drafts or other orders for payment.

C. Registered Agent. The register Agents of the corporation for service of process shall be the Chairman and the attorney general or his designated assistant.

D. Notice

1. Whenever any Notice is required by these bylaws and rules of procedure to be given, such Notice is sufficient if given by:

- a. personal service (which Notice shall be effective upon delivery); or
- b. telephone, telecopy, telefax or similar electronic communication; or
- c. delivery of such Notice by registered or certified mail, return receipt required; or
- d. air freight, overnight delivery of which is recorded.

2. Any such Notice shall be addressed to the Person or entity receiving such Notice at his, her or its last known address as it appears in the Records of the corporation.

E. Waiver or Modification of Receipt of Notice. Whenever any Notice of the time, place or purpose of any meeting of Directors or a committee thereof is required by law, the corporate articles or these bylaws and rules of procedure, a waiver or modification thereof in writing, signed by the Person or Persons entitled to such Notice and filed with the Board secretary's Records of such meeting, before or after the holding thereof, or actual attendance at the meeting of Directors or committee thereof, is equivalent to the giving of such Notice, except with respect to the Notice required by R.S. 42:7.

F. Amendment. An amendment, modification, deletion or alteration (an "amendment") of these bylaws and rules of procedure, or any provision hereof, may be adopted by vote of at least six members of the Board at a duly called regular or special meeting of the Board. Any amendment so adopted by the Board shall not become effective until adopted in accordance with §1109.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1016 (August 1993).

§1109. Special Procedures for Promulgation of Rules, Bylaws and Articles of Incorporation

A. Generally. In accordance with R.S. 4:620 and 659, the Board has adopted and shall adhere to the following special procedures relating to the adoption and promulgation of rules, bylaws and articles of incorporation.

1. No less than five and no more than 30 Days after the Board intends to consider a rule, bylaw or article of incorporation change or promulgation, the Board shall cause to be published in the official journal of the state or the corporation, a notice of intent stating the general subject matters to be covered by its proposed rules, bylaws or articles of incorporation, and the date, time and place of the public meeting at which the proposed change or promulgation will be considered. The notice of intent shall also state that interested Persons may appear at the meeting and make comments regarding the proposed rule, bylaw or article.

2. Within 40 Days of the public hearing and adoption of any such rule or regulation, as described in Paragraph A.1 above, the Board shall cause to be published in at least one of the publications listed in Paragraph A.1 above, a notice of the adoption of such rules or bylaw or article. The Board may also publish the full text of the rules or regulation in the official journal of the state or the corporation.

3. Within seven Days after publication of notice of adoption in the official journal of the state or the corporation, the president shall transmit a copy of any such rule or regulation, the published notice of intent, the notice of adoption and any comments received to the speaker of the House of Representatives, the president of the Senate, and the Chairman of the House Committee on the Administration of Criminal Justice and the Senate Committee on Judiciary B.

4. Absent a legislative hearing and decision to reject such a rule or regulation as described in R.S. 4:659, the adopted rule, bylaw or article of incorporation shall be effective 21 Days after receipt of the proposed rules by the presiding officers in accordance with R.S. 4:659.B.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1016 (August 1993).

§1111. Special Procedures for Hearings on Alleged Violations of the Rules of Conduct

A. Hearings

1. The Board or the ethics committee established by the Board shall not impose any penalty for violation of the corporation rules of conduct without a hearing and after reasonable Notice informing such Person or entity of:

- a. the date, time and place of such hearing;

b. a reference to the specific rules of conduct such Person or entity is alleged to have violated; and

c. a short and plain statement of the matters asserted.

2. At such hearing, the Person or entity subject to such hearing shall have the right:

a. to be represented by counsel;

b. to call and examine witnesses to the production of evidence;

c. to introduce evidence and exhibits; and

d. to cross-examine opposing witnesses.

3. However, no Person against whom such a proceeding is instituted may require production of security or Confidential Records of the corporate corporation unless relevant to the alleged misconduct of the Person for whom the hearing is held.

B. Determinations. After conclusion of a hearing held pursuant hereto, the Board or the ethics committee, as the case may be shall begin deliberations on the evidence and then proceed to determine by majority vote whether there has been a violation of the rules of conduct, and, if so, what is an appropriate penalty for such violation. The findings of the Board or the ethics committee may, but need not, be made public.

C. Record of Hearings. The Board or the ethics committee, as the case may be, shall cause a record to be made of all hearings held pursuant hereto. Such record may, but need not, be made public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1017 (August 1993).

§1113. Other Special Procedures for Hearings

A. Application. The procedures stated in this Section shall apply to an appeal by a Casino gaming operator, gaming operator, Distributor, Licensee, Permittee, under Contractor, or Applicant or other Person or party of a corporation adjudication, decision or determination rendered in the Act. For purposes of this Section, the term "appellant" shall mean a Person adversely affected by a decision of the corporation or the Board.

B. Appellant Request. Prior to initiating an appeal of the president's or other officer's decision, order or adjudication an appellant must send the president a request letter stating the action of which the appellant seeks reconsideration or modification and all reasons the appellant advances for reconsideration or modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are correct to the best knowledge of the appellant. The president shall respond to the request letter in writing within 10 Days of the corporation's receipt of it, stating all reasons for the response.

C. Notice of Appeal. An appellant may appeal the president's denial of all or any part of the appellant's request stated in the appellant's request letter by sending the president a Notice of appeal. The Notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the corporation within 10 Days of the appellant's receipt of the president's letter advising the appellant of the president's determination or decision. The Notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable under §1113.E. Upon receipt of a Notice of appeal, the president shall deliver the Notice, the appellant's request letter and the president's denial letter to the Board. In the event a corporation president has not been selected, the appellant shall make his or her appeal directly to the Board in the same manner as prescribed in §1113.B, including the filing of a request letter with the Board.

D. Hearing. The Board shall consider the appeal within 30 Days of receipt of the Notice of appeal. The Chairman may call a special meeting of the Board to hear an appeal if the appellant has requested an expedited hearing and the Chairman in his sole discretion believes that the appeal warrants an expedited hearing. The president shall give the appellant reasonable Notice of the time and location of the Board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the Board, committee or hearing officer. The presentation may not include points or subjects which were not included in the appellant's request letter. The corporation shall keep a complete record of the hearing and shall make it available to the appellant. A committee or a Board appointed independent hearing officer may make recommendations in writing with supporting reasons to the Board for its final action. The Board shall render its decision on the appeal by majority vote at the hearing of the appeal.

E. Costs. If the appellant requested an expedited hearing, and the Board conducts the expected hearing at a special meeting called for that purpose and the Board denies the appeal, the Board may then charge the appellant the corporation's reasonable costs incurred in connection with the special meeting and hearing, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1017 (August 1993).

Chapter 13. Procurement Policies and Rules

§1301. Policy Statement

A. In accordance with the Act and particularly with R.S. 4:620, 621 and 623 the Board of Directors of the Louisiana Economic Development and Gaming Corporation adopts these policies and rules in order to assure public confidence in the procedures followed by the corporation in procuring the items, products and services necessary to conduct its

business and operations as authorized by the Act. Public confidence depends on the corporation developing and maintaining Procurement procedures that: are subject to the highest ethical standards; promote the acquisition of high quality goods and services at competitive prices; promote administrative efficiency; recognize that the regulation of a Casino is a unique activity; and afford fair treatment of all Persons offering their products and services to the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1017 (August 1993).

§1303. General

A. Definitions. The following terms shall have the following meanings when used in these policies and rules unless the context clearly indicates otherwise:

Act or The Act The "Louisiana Economic Development and Gaming Corporation Act" or the provisions of R.S. 4:601 et seq.

Authorized Officers The president, the vice president, the secretary-treasurer, the procurement officer and all Persons designated as division heads in the corporation's organizational structure from time to time.

Board The Board of Directors of the corporation as established and existing pursuant to the Act.

Business Any corporation, partnership, individual, joint stock association, sole proprietorship, joint venture, Business association, cooperative association, professional corporation or any other legal entity through which Business is conducted.

Contractor Any vendor, entity or Business with which the corporation has entered into a Procurement contract.

Director A member of the Board.

Louisiana Laws All provisions of the statutes in the Constitution of the State of Louisiana and all statutes, codes, rules and regulations.

Major Procurement Shall have the same meaning ascribed to such term in §605(23) of the Act.

Minor Procurement Shall have the same meaning ascribed to such term in §605(24) of the Act.

Person Any Business, individual, union, committee, club, firm, corporation or other organization or group of individuals.

Procurement The acquisition by the corporation of any goods or services in return for a cash payment or the promise thereof. The term shall not include:

- a. acquisitions from an agency or political subdivision of the state of Louisiana;
- b. employment contracts with individuals;
- c. financing; or
- d. contracts for goods or services provided as part of, or related to, a lease of immovable property.

Procurement Agent—the officer of the corporation appointed by the president, or the Board in the absence of the president, to manage and supervise Procurement from time to time.

Procurement Authorization Form—the document prepared by the corporation pursuant these Procurement rules by which a Procurement is authorized.

Request for Proposals or *RFP*—the document prepared and issued by the corporation pursuant to §1305.B of these policies and rules.

Special Circumstances—the circumstances meeting the requirement of or described in §1305.J of these Procurement rules.

Special Procurement—an emergency or Special Procurement authorized in §1305.J of these policies and rules.

B. Authority of the Corporation. These Procurement rules are adopted pursuant to the power granted the corporation under the Act. These Procurement rules are supplemental to and may be utilized in substitution of all Louisiana Laws relating to Procurement. These policies and rules when utilized shall, pursuant to the Louisiana Economic Development and Gaming Corporation Act, render Louisiana Laws on Procurement inapplicable to the corporation. Additionally, these policies and rules shall be deemed to incorporate any adopted or promulgated corporation rules of conduct, the Louisiana Code of Governmental Ethics and the Act and no Procurement rule, policy or practice of the corporation under these special procedures shall be construed to allow any Procurement by the corporation which would otherwise be prohibited by the Act, the corporation rules of conduct, or the Louisiana Code of Governmental Ethics.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1018 (August 1993).

§1305. Major Procurement Procedures

A. Applicability of Section. The provisions of this Section shall apply to all Major Procurement.

B. Initiation of Procurement. The corporation shall initiate a Major Procurement by preparation of a "Procurement Authorization Form" which authorized the Procurement. The Procurement Authorization Form shall to the extent possible clearly state the goods or services to be procured, the corporation's need for the goods or services, an estimate of the anticipated range of cost of the Procurement and a listing of potential Contractors. The listing of potential Contractors shall include all Businesses on the list of interested Contractors as provided in these rules and who are known to the corporation as being in the business of supplying the desire goods or services and any Business from whom a response to the corporation's Request for Proposals would, in the opinion of the Procurement Agent, enhance the competition among Businesses for the

Procurement contract. The Board may by resolution authorize and designate a Person or Persons to sign Procurement authorizations.

C. Preparation of Request for Proposals. Upon execution of a Procurement authorization, the corporation shall prepare a Request for Proposals which shall include, at a minimum, the following information:

1. Specifications of the goods or services required by the corporation, prepared in such a manner as to promote comparability of responses by potential Contractors;
2. a requirement that all responding proposals be in writing and the time by and place at which all responding potential Contractors should submit proposals; and
3. a listing of the criteria the corporation will use in evaluating proposals by responding potential Contractors and the relative weight the corporation will give the respective criteria.

D. Dissemination of RFP. The corporation shall give public notice of the RFP by advertising its issuance in the official journal of the state or the corporation. The advertisement shall appear at least 20 Days before the last Day that the corporation will accept proposals by potential Contractors unless a shorter period is authorized by the Board. The advertisement shall generally specify the goods or services required by the corporation, the last date that the corporation will accept proposals and an address at which a copy of the RFP can be obtained. The corporation may advertise the issuance of a RFP in trade journals which serve the interests of Businesses likely to respond to the RFP. Additionally, the corporation shall mail or make available a copy of the RFP to potential Contractors who have requested in writing to be notified of Major Procurement for acquisition of specific products or services in accordance with these Procurement rules.

E. Cancellation or Amendment of RFP. The corporation may cancel or amend any outstanding RFP by written Notice to all Businesses to which the RFP was sent or given. The reasons for cancellation or amendment of an RFP shall be stated in the Notice sent by the corporation. The corporation shall deliver a copy of the Notice and reasons to the Directors.

F. Acceptance and Evaluation of Proposals

1. The corporation shall consider and evaluate all proposals responding to the RFP which are submitted in compliance with the deadline and other requirements stated in the RFP. The corporation may waive any deficiency or nonconformity of a proposal or provide the responding Business a reasonable period of time to cure the deficiency or nonconformity, provided that the Board determines such action does not prejudice the status of other proposals. At any time prior to completion of the evaluation process, the corporation may request any responding potential Contractors to clarify or expand upon provisions of their proposals. The corporation shall evaluate proposals in a manner consistent with the RFP. The Procurement contract shall be awarded in the corporation's sole and uncontrolled discretion.

2. The RFP may allow potential Contractors or bidders to submit written requests for clarification and the Procurement Agent or the Board may conduct one or more bidder conferences which shall be open to all potential bidders or Contractors. All potential bidders who have requested clarification or Notice thereof shall be transmitted all clarification information.

G. Acceptance of RFP Terms and Criteria; Objections to RFP. The submission of a proposal for a major, emergency or Minor Procurement, without prior written objection to the form, criteria or content of the RFP shall constitute a waiver of any objection thereto. Such a submission shall also constitute and be an express agreement to be bound by the form, Specification, evaluation criteria and content of the RFP as well as the decision of the corporation in awarding the Procurement.

H. Preparation of Contract. Upon completion of the evaluation and mutual acceptance of all terms of the proposal by the corporation and the Contractor, the corporation shall prepare the contract. The contract shall unless specifically otherwise authorized by the Board contain, at a minimum, the following:

1. the name and address of the Contractor;
2. the goods to be delivered or the services to be performed under the contract;
3. the term of the contract and a statement giving the corporation the right to terminate the contract unilaterally upon 90 Days written Notice;
4. a provision giving the corporation the right to audit those Financial Records of the Contractor which relate to the contract;
5. a provision that the Contractor shall not transfer any interest in the contract without the prior written consent of the corporation (except that claims for money due or to become due to the Contractor from the corporation under the contract may be assigned to a bank, trust company or other financial institution but that the corporation shall not be bound by the assignment unless furnished timely and sufficient notice of it);
6. a provision that the Contractor shall bear responsibility for paying any taxes which become due as a result of payments to the Contractor under the contract;
7. a provision that upon termination of the contract all Records, reports, worksheets or any other materials related to the contract may at the discretion of the corporation become the property of the corporation;
8. a provision obligating the Contractor to provide the corporation with Notice of any material adverse change in its condition, financial or otherwise;
9. a provision requiring the payment of liquidated damages to the corporation upon a material breach of the contract by the Contractor; and
10. a provision that Louisiana Laws will govern the contract.

I. Authorization and Execution of Contract. The corporation shall not execute a contract for a Major Procurement unless the Board reviews and approves the contract. The Board may authorize execution of the contract in a form substantially similar to the form presented to the Board for review or approval.

J. Preservation of Integrity of Procurement. In order to preserve the honesty, fairness and competitiveness of the Procurement process, the following restrictions on dissemination of information shall apply, and noncompliance with any of them shall constitute a violation of the rules of conduct of the corporation:

1. prior to Board consideration of final proposal, Directors, officers and employees of the corporation shall not disclose or discuss with any Person not employed by the corporation or its consultants, the contents of a proposal or a communication, regarding a proposal, to or with, a potential Contractor unless otherwise authorized by the Board;

2. Directors, officers and employees of the corporation shall not disclose to any potential Contractor any information proprietary to the corporation and pertinent to the Procurement for which the potential Contractor may submit a proposal.

K. Emergency or Special Procurement

1. Notwithstanding any other provision of these policies and rules to the contrary, the corporation may make any class of Procurement, including Major Procurement, without complying strictly with the procedures stated in this Section if, to the best of the Board's knowledge, any of the following special or emergency circumstances then exist and these circumstances do not reasonably allow compliance with the Procurement procedures otherwise required by this Chapter:

- a. a threat to public health, welfare or safety or the integrity or operation of the corporation;
- b. a unique, non-recurring opportunity to obtain goods or services at a substantial cost savings;
- c. a sponsorship arrangement permitting the corporation to acquire goods or services at a reduced cost or cost-free;
- d. the structure of the applicable market does not permit the corporation to procure the goods or services via a competitive bidding process;
- e. the goods or services which meet the corporation's reasonable requirements can be provided only by a single Business;
- f. due to time constraints not caused by the corporation, compliance with each of the policies and rules stated in this Section would materially impair the financial performance of the corporation; or
- g. the corporation can not commence initial operation without the required goods or services specifically including, but not limited to, initial and temporary office space, office equipment, telecommunications and

duplication services, insurance coverage including liability insurance and health insurance, office supplies, banking and financial services, office assistance, consulting services, Security services, clerical services, and data processing.

2. An emergency or Special Procurement shall be made only after the Board, president, or Procurement Agent determines the existence of any of the emergency Special Circumstances and states the reasons for the determination in a report delivered to the Board. It must be made in compliance with as many of the requirements of this Section as practicable under the circumstances as determined by the Board or the president. The Board may, by affirmative action prior to the completion of the emergency and Special Procurement, reverse the president's determination and direct the corporation not to make the emergency or Special Procurement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1018 (August 1993).

§1307. Minor Procurement Procedures

A. Applicability of Section. The provisions of this Section shall apply to all Minor Procurement.

B. Supervision by Procurement Officer. The president, Procurement Agent or other Person designated by the Board shall supervise, manage and bear responsibility for all Minor Procurement. The Procurement Agent or designated Person shall establish written procedures for making competitive Minor Procurement to the maximum degree possible and will assure the corporations' compliance with these procedures. At the Board's request, the procurement officer or designated Person shall offer these procedures to the Board for review, and the Board may modify these procedures in its discretion.

C. Minimum Requirements of Procedures. Procedures established by the procurement officer or Person designated by the Board pursuant to this Section shall, at a minimum, require:

1. that no Minor Procurement shall be structured as such in order to avoid the policies and rules applicable to Procurement stated in §1305;

2. that, in instances where a sole source Contractor is used, it shall be fully justified in writing prior to the Procurement and retained as part of the file. This requirement will not apply to Procurement made under this Section against a standing order contract that was entered into on a competitive basis;

3. that all disbursements by the corporation for Minor Procurement be by check signed by two authorized or designated Persons;

4. that the corporation reasonably justify no changes the need for the Minor Procurement; and

5. the corporation undertake reasonable steps, considering the size of the Minor Procurement, to obtain high quality goods or services at competitive costs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1020 (August 1993).

§1309. Miscellaneous Provisions

A. Appeals. Appeals of any action of the corporation or its officers, employees, Agents or Board under these policies and rules shall be made in accordance with the bylaws of the corporation.

B. Amendment. These policies and rules may be amended according to the bylaws and rules of procedure of the corporation.

C. List of Potential Contractors or Vendors. The corporation shall provide a procedure whereby potential Contractors or vendors may, in writing, request that they be placed on a list of possible vendors or Contractors for particular of specified goods or services which may be the subject of corporation procurement. The Board may, by resolution, set a reasonable fee for inclusion on a list of potential Contractors or vendors and may charge a fee for delivery of copies of major, emergency or special RFP's. The Board may provide for a procedure for removal of a Business or Person from the list of potential Contractors or vendors.

D. Term of Procurement. A Minor Procurement contract shall not obligate the corporation for an initial term in excess of one year without the approval of the Board. A contract may contain optional periods for extensions of the contract by the corporation, provided that any individual option period or extension shall not exceed one year in duration, and any individual option period or extension may become effective only upon the specific, affirmative exercise of the option or the specific, affirmative agreement to the extension, by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:601 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Economic Development and Gaming Corporation, LR 19:1020 (August 1993).

Chapter 19. General Provisions

§1901. Policy

A. It is the declared policy of the Louisiana Gaming Control Board that Casino gaming in Louisiana be strictly regulated and controlled through administrative rules and the Casino Operating Contract to protect the public morals, good order and welfare of the inhabitants of the state of Louisiana and to develop the economy.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1900 (October 1999).

§1903. Regulations

A. Nothing contained in these Regulations shall be so construed as to conflict with any provision of the Act or other applicable state or federal law.

B. If any provision of these Regulations shall be held invalid, it shall not be construed to invalidate any other provisions of these Regulations or the provisions of the Act.

C. These Regulations in their entirety are intended to be a detailed explanation or implementation of the Casino Operating Contract between the Louisiana Gaming Control Board and the Casino Operator. The Regulations are intended to be read in pari materia with the Casino Operating Contract.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1900 (October 1999).

§1905. General Authority of the Board

A. The Board shall have the authority to call forth any Person who, in the Board's opinion, exercises influence over the Casino, Casino Operator, Casino Manager or a Permittee, and such Person shall be subject to all suitability requirements. In the event a Person is required by the Board to obtain a License or Permit, and such License or Permit is denied, then the Casino Operator and/or Permittee shall cease connection with such Person(s).

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1901 (October 1999).

§1907. Definitions, Words and Terms, Captions, Gender References

A. The provisions of the Act relating to definitions, words and terms are hereby incorporated by reference and made a part hereof and will therefore apply and govern the interpretation of these regulations, except as otherwise specifically declared or clearly apparent from the context of these regulations. Any word or term not defined in these regulations shall have the meaning ascribed to it in the Act. Should any word or term not be defined in these regulations or in the Act, those words and terms shall be construed in accordance with their plain and ordinary meaning. The captions appearing at the beginning of each regulatory section are for convenience and organization and in no way define, limit or describe the scope, intent or effect of the regulation. Masculine or feminine pronouns or use of neuter gender may be used interchangeably and the plural shall be substituted for the singular form and vice versa, in any place or places in these Regulations where the context requires such substitution. The following terms shall have the meaning ascribed to each:

Act—The Louisiana Economic Development and Gaming Corporation Act (R.S. 27:201 et seq.) and all other relevant provisions of R.S. 27:1 et seq., as it may be amended from time to time.

Administrative Approval—The authority conferred upon the Division by any regulation or by a condition imposed on a License or Permit to grant or deny, in its sole discretion, a request for approval of a proposed action or transaction.

Administrative Decision—the final action, decision, order or disposition by the Division directed toward a request for *Administrative Approval*.

Affiliate

a. a Person who directly, or indirectly, Controls or is Controlled by, or is under common Control with the Person specified. Whenever the term *Affiliate* is used with respect to the Casino Operator, the term also means and includes any Person holding a direct or indirect shareholder Interest that gives such Person the ability to Control the Casino Operator or any Person owning a 5 percent or more direct Interest in the Casino Operator.

i. For purposes of calculating the percentage of ownership Interest, the following shall be attributed to such Person, the ownership, income, or profit Interest held by a trustee of a trust of which a Person is a beneficiary.

ii. The Interest held by a member of such Person's immediate family. Immediate family means a Person's spouse, children, parents, brothers, sisters, nieces, nephews and cousins to the first degree.

b. notwithstanding the foregoing, a shareholder owning, directly or indirectly, 5 percent or more ownership, income or profit Interest in a corporation, the shares of which are widely held and publicly traded, shall not be an *Affiliate* of a Person, unless the gaming Board determines the shareholder Controls that Person or an intermediary, effectively, Controls, or is Controlled by, or is under common Control with, a specified Person.

Agent—Any commissioned Louisiana State Police Trooper or designated employee of the Louisiana State Police, Gaming Enforcement Section.

Annual Audit—The audit performed each Fiscal Year by the Independent CPA of the Fiscal Year Financial Statements of the Casino Operator. The Annual Audit shall be performed in accordance with the requirements of Section 12.5 of the Casino Operating Contract—review and audit.

Applicant—Any Person who has submitted an Application or bid to the Board or Division for a License, Permit, registration, contract or other finding of suitability, or renewal thereof.

Applicant Records—Those Records which contain information and data pertaining to an applicant's criminal record, antecedents and background, and the applicant's Financial Records, furnished to, or obtained by, the Division from any source incidental to an investigation for licensing, findings of suitability, registration, the continuing obligation to maintain suitability or other affirmative approval.

Application—The forms and schedules prescribed by the Division upon which an Applicant seeks a License, Permit, registration, contract or other finding of suitability, or the

renewal thereof. *Application* also includes information, disclosure statements, Financial Statements and all documents incorporated in, attached to, or submitted with the Application form specifically including Personal history questionnaires submitted by an *applicant*.

Approve, Approves, Approved, Approval When used with respect to the *Board* that the *Board* or its Agents shall have the right, prior to an action, to *approve*, confirm, uphold or grant permission with respect to the subject matter thereof. When the term *approve, approves, approved* or *approval* is used without an initial capital *A*, it shall mean the *gaming Board* has contractual approval rights only. When the term *Approve, Approves, Approved* or *Approval* is used with an initial capital *A* it shall mean the *gaming Board* has regulatory approval rights.

Architectural Plans and Specifications or *Architectural Plans* or *Plans* or *Specifications* Call the *Plans*, drawings, and *Specifications* for the construction, furnishing, and equipping of the *Casino*, including, but not limited to, detailed *Specifications* and illustrative drawings or models depicting the proposed size, layout and configuration of the *Casino*, including electrical and plumbing systems, engineering, structure, and aesthetic interior and exterior design as are prepared by one or more licensed professional architects and engineers. *Architectural Plans and Specifications* does not include *furniture, fixture and equipment*, as defined in this Chapter.

Associated Equipment Any *Gaming Equipment* which does not affect the outcome of the *Game*, except as otherwise provided in these *Regulations*.

Background Investigation Call efforts, whether prior to, or subsequent to, the filing of an *Application*, designed to discover information about an *applicant, Casino Operator, Affiliate, Casino Manager, Licensee, Permittee*, registrant, or other *Person* required to be found suitable and includes without time limitations, any additional or deferred efforts to fully develop the understanding of information which was provided or should have been provided or obtained during the Application process. Examples of *Background Investigation* include, but are not limited to; measures taken in connection with exploring information on *applicants*, procedures undertaken with respect to investigatory hearings, except for matters specifically disclosed in any hearing open to the public and orders, responses and other documents relating thereto.

Board The Louisiana Gaming Control Board.

Books and Records Call *Financial Statements*, revenue, expense and other accounting or financial documents or *Records*, including general ledgers, accounts receivable, accounts payable, invoices, payroll *Records*, ownership *Records*, expense *Records*, income *Records* and other documents or *Records* required by the *Internal Control System* (including detailed *Records* by *Game, Drop* and shift) and all other documents or *Records* maintained by the *Casino Operator* or the *Casino Manager* whether in print, electronic, magnetic, optical, digital or other media form relating to or concerning the *Casino*.

Candidate Any *Person* whom the *Division* seeks to place on the *Exclusion List* pursuant to these *Regulations*.

Casino The entirety of the building and improvements including the *furniture, fixture, and equipment*, the operating equipment and operating supplies and all other improvements located at the Rivergate site in the Parish of Orleans.

Casino Act See *Act*.

Casino Gaming Day The 24-hour period commencing at 6 a.m. Central Standard Time or Central Daylight Savings Time when in effect in Louisiana, or such other time periods selected by the *Casino Operator* and *approved* by the *Board* and *Division*.

Casino Gaming Operations Any *Gaming Operations* offered or conducted at or in the *Official Gaming Establishment*.

Casino Manager A *Person* with whom the *Casino Operator* contracts to provide all or substantially all of the services necessary for the day-to-day management and operation of the *Official Gaming Establishment* or *Casino*, pursuant to the *Casino Operating Contract* and these *Regulations*, who or which has been found suitable by the *Board*.

Casino Operating Contract A contract let or bid by the *Board*, in accordance with the provisions of the *Act*, authorizing a *Casino Operator* to conduct *Casino Gaming Operations* at the *Official Gaming Establishment* for the benefit of the state and *Casino gaming operator*.

Casino Operator Any *Person* who enters into a contract with the *Board* requiring that *Person* to conduct *Casino Gaming Operations* according to the provisions of the *Act* and these *Regulations*.

Casino Surveillance The observation of *gaming* and *gaming-related activities* in the *Casino*.

Certification Fees The fees charged by the *Division* incidental to the certification of documents.

Certified Electronic Technician Qualified service personnel or a *Gaming Employee* trained by a *Manufacturer, supplier*, or other qualified entity, or through training programs *approved* by the *Division*, who are capable of performing any repairs, parts replacement, maintenance, and other matters relating to servicing of *Gaming Devices* and *Gaming Equipment* or the *Surveillance System*.

Chairman The Chairman of the Louisiana Gaming Control Board.

Cheating Device Any tangible object, item, contrivance, part or device, including a computerized, electronic or mechanical device used, or attempted to be used, to alter the *Randomness* of any *Game* or any *Gaming Device* in the *Casino*; or to play any *Game* or *Gaming Device* without placing the required *Wager* in order for himself or another to *Win*, or attempt to *Win*, money or property or combination thereof, or reduce or attempt to reduce, or increase or attempt to increase, either a losing or *winning Wager*; and shall include any device used by a *Person* to gain an unfair advantage.

Chip—A non-metal or partly metal representative of value, redeemable for cash, and issued or sold by the *Casino Operator* for use at the *Casino*.

Confidential Record—Any paper, document or other record or data reduced to a record which is not open to public inspection.

Confidential Source—A provider of information which is not a matter of general public knowledge or of *Public Record* as well as an information provider, revelation of whose identity would tend to compromise the flow of information from that particular provider or his class of providers. Examples of Confidential Sources include, but are not limited to; governmental agencies which provide tax Records or related information; law enforcement, or criminal justice agencies, including cooperative governmental funded data bases, which provide criminal history and related data under information sharing or providing agreements or arrangements; private *Persons* or entities which provide information subject to the condition that the information or their identities be kept confidential; informants, whether volunteering information or responding to investigatory measures; and any other provider or originator of information which might be deemed to be subject to a recognized privacy or confidentiality interests or a privilege against disclosure (unless the privilege has been waived), or the public disclosure of which might tend to endanger or compromise the provider of information, or impede the future furnishing of similar information.

Control—With respect to a *Person*, the ability, in the sole opinion and discretion of the *gaming Board*, to exercise a significant influence over the activities of such *Person*. Nothing in this Section shall restrict the rights of the *gaming Board* under R.S. 27:236.E.

Day—When not preceded by the words *Business* or *Casino gaming* as used in these *Regulations* shall mean a calendar day.

Dedicated Camera—A video camera which is required by these *Regulations* to continuously record a specific activity.

Default Interest Rate—A floating rate of Interest at all times equal to the greater of:

- a. the prime rate of Citibank, N.A. or its successor plus 5 percent; or
- b. 15 percent per annum, whichever is greater, provided, however, that the *Default Interest Rate* shall not exceed the maximum Interest rate allowed by applicable law.

Designated Gaming Area—Those portions of the *Casino* in which *Gaming Activities* may be conducted. Such Designated Gaming Area shall not be less than 100,000 square feet of usable space.

Designated Representative—A *Person* designated by the *Casino* to oversee and assume responsibility for the operation of the *Casino's gaming Business*.

Disciplinary Action—Any action undertaken by the *Chairman* which includes the suspension, revocation or refusal to renew any contract, other than the *Casino Operating Contract*, entered into or any *License*, *Permit*, finding of suitability or registration issued in accordance with the provisions of the Act and these *Regulations*.

Distributor—Any *Person* who buys, sells, leases, services, reconditions or repairs *Slot Machines*.

Division—The Landbased Casino Division of the Gaming Enforcement Section of the Office of State Police, Department of Public Safety and Corrections.

Drop

- a. for table *Games*, the total amount of money, *Chips*, and *Tokens* contained in the *Drop* boxes.
- b. for *Slot Machines*, the total amount of money and *Tokens* removed from the *Drop* box bill validator acceptor, or for cashless *Slot Machines*, the amounts deducted from a player's slot account as a result of *Slot Machine* play.

Duplication Fees—A charge for duplicating documents for release to the requesting *Person*.

Economic Interest or Interest—Any *Interest* in a *Person*, entity, contract or *Permit* whereby a *Person* receives or is entitled to receive, by agreement or otherwise, a profit, gain, thing of value, loss, credit, security Interest, ownership Interest, or other benefit. *Economic Interest* in the *Casino Operator* includes voting shares of stock or otherwise exercising control of the day to day operations of the *Casino* through a management agreement or similar contract. *Economic Interest* does not include a debt unless upon review of the instrument, contract or other evidence of indebtedness, the *Board* determines a finding of suitability is required based upon the economic relationship with the *Casino Operator*.

Electronic Fund Transfer—Any transfer of Funds, other than a transaction originated by check, draft, or similar paper instrument that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

Electronic Gaming Device—Any mechanical or electrical device or machine which upon payment of consideration is available to play or operate, operation of which, whether by reason of the skill of the operator, or Application of the element of chance, or both, may deliver or entitle the *Person* playing or operating the machine to receive premiums, merchandise, *Tokens*, redeemable *Game* credits or anything of value other than unredeemable free *Games* whether the payoff is made automatically from the machines or in any other manner.

Employee Permit or Gaming Employee Permit—The *Permit* of a *Person* employed in the operation or supervision of a *gaming activity* of the *Casino* and includes pit bosses (pit managers), floormen, boxmen, dealers or croupiers, device technicians, *Designated Gaming Area* Security employees, count room personnel, cage personnel, *Slot Machine* and slot booth personnel, credit and collection

personnel, *Casino Surveillance* personnel, bartenders that are allowed to make change for *gaming* and Supervisory employees empowered to make discretionary decisions that regulate *Gaming Activities*, including shift bosses, credit executives, *Casino* cashier Supervisors, *gaming* managers and assistant managers, and any other individual, other than non-gaming equipment maintenance personnel, cleaning personnel, waiters, waitresses, and secretaries, or other as determined by the Board, whose employment duties require or authorize access to *Designated Gaming Areas*.

Enforcement Action—Any action instituted by the *Division* upon the conclusion of an investigation into a violation of the Act or of the *regulations* adopted pursuant to the Act, a violation of a condition, restriction or limitation placed on a *License* or *Permit*, a violation of the *Casino's rules of play*, or a violation of the *Casino Operator's internal controls* as approved by the *Division*, to consider sanctions authorized by and adjudicated in accordance with the Act, including the suspension, revocation or conditioning of a *License* or *Permit*, or the assessment of a fine.

Excluded Person—Any *Person* who has been placed on the *Exclusion List* by the *Division* and who has failed to timely request a hearing or who remains on the list after a final determination.

Exclusion List—A list or lists which contain identities of *Persons* who are excluded from any *Licensed Gaming Operation* pursuant to the Act.

FF&E (Furniture, Fixtures and Equipment)—Any part of the *Casino* that may be installed or put into use as purchased from a *Manufacturer*, *supplier*, or Non-Gaming Supplier, including but not limited to *Gaming Devices*, television cameras, television monitors, computer systems, computer programs, computers, computer printers, ready made furniture and fixtures, appliances, accessories, and all other similar kinds of equipment and furnishings for the conducting of *Gaming Operations* at the *Casino*.

Financial Records—Those Records which in the opinion of the Board, or Chairman, relate to the finances, earnings or revenue of an *applicant*, *Licensee*, *Permittee*, registrant or other *Person* or transaction for which or for whom *approval* or a finding of suitability has been requested or granted.

Financial Statements—Those statements and the information contained therein which relate to the assets, expenses, owner's equity, finances, earnings, or revenue of an *applicant*, *Licensee*, *Permittee*, registered company, or *Person* who provides such Records as part of an *Application* or *Division* investigation.

Finder's Fee

a. any compensation in money in excess of the sum of \$5,000 annually, or real or personal property valued in excess of the sum of \$5,000 annually, which is paid or transferred or agreed to be paid or transferred to any *Person* in consideration for the arranging or negotiation of an extension of credit to the *Casino*, a registered company, or *Applicant* for *licensing*, *permitting* or registration if the proceeds of such extension of credit are intended to be used for any of the following purposes:

- i. the acquisition of an *Interest* in the *Casino*, *License*, *Licensed Gaming Operation* or registered company;
 - ii. to finance the *Gaming Operations* of the *Casino*, *License*, *Licensed Gaming Operation* or registered company.
- b. the term *Finder's Fees* shall not include:
- i. compensation to the *Person* who extends the credit;
 - ii. normal and customary payments to employees of the *Person* to whom the credit was extended if the arranging or negotiation of credit is part of their normal duties;
 - iii. normal and customary payments for bona fide professional services rendered by lawyers, accountants, engineers and appraisers;
 - iv. underwriting discounts paid to a member of the National Association of Securities Dealers, Inc.;
 - v. normal and customary payments to a *Person* qualifying as a suitable lender, as defined by the *Casino Operating Contract*.

c. it is an unsuitable method of operation or practice for the *Casino Operator*, registered company or *Applicant* for *licensing*, *permitting* or registration to pay a *Finder's Fee* without the prior *approval* of the *Board*. An *Application* for *approval* of payment of a *Finder's Fee* shall make a full disclosure of all material facts. The *Board* may Disapprove any such *Application* if the *Person* to whom the *Finder's Fee* is proposed to be paid does not demonstrate that he is suitable.

Fiscal Year

a. (*Casino Operator*)—The period beginning April 1 and ending March 31 the following year. The *first Fiscal Year* shall be the period commencing on the *Casino opening date* and ending on the first March 31 to occur after the *Casino opening date*. The term *full Fiscal Year* means any *Fiscal Year* containing not fewer than 365 Days. A *Fiscal Year* containing 366 Days is a *fiscal leap year*. Any partial *Fiscal Year* ending with the expiration of the *term* but not ending due to a termination as a result of an *Event of Default* shall constitute the *Last Fiscal Year*.

b. (*State*)—The period beginning July 1 and ending June 30 the following year.

Funds—Money or anything of value.

Game—any banking or percentage Game located exclusively within an *Official Gaming Establishment* which is played with cards, dice, or any electronic, electrical, or mechanical device or machine for money, property, or any thing of value. *Game* does not include lottery, bingo, charitable games, pull tabs, raffles, electronic video bingo, cable television bingo, dog race Wagering, horse Wagering, or any Wagering on any type of sports event, inclusive but not limited to, football, basketball, baseball, hockey, boxing, tennis, wrestling, jai alai, or other sports contest or event.

Gaming Activities or Gaming Operations The offering or conducting of any *Game* or *Gaming Device* in the *Casino*.

Gaming Board's Controlled Space The space in the *Casino* reserved exclusively for and accessible only by the *gaming Board*, the State Police and their representatives for the purposes of performing on-site regulatory, monitoring and surveillance functions of the *Casino*.

Gaming Device or Gaming Equipment Any equipment or mechanical, electro-mechanical, or electronic contrivance, component, or machine, including an *Electronic Gaming Device*, or *Slot Machine* used directly or indirectly in connection with *gaming* or any *Game*, which affects the result of a *Wager* by determining *Win* or loss. The term includes a system for processing information which can alter the normal criteria of random selection, which effects the operation of any *Game*, or which determines the outcome of a *Game*. The term does not include a system or device which affects a *Game* solely by stopping its operation so that the outcome remains undetermined.

Gaming Employee Any *Person* employed or working in any capacity at the *Casino* in the operation or supervision of a *Game* including: pit bosses (pit managers), floormen, boxmen, dealers or croupiers, device technicians, *Designated Gaming Area* Security employees, count room personnel, cage personnel, *Slot Machine* and slot booth personnel, credit and collection personnel, *Casino Surveillance* personnel, bartenders that are allowed to make change for *gaming* and Supervisory personnel empowered to make discretionary decisions that regulate *Gaming Activities*, including shift bosses, credit executives, *Casino* cashier Supervisors, gaming managers and assistant managers, and any other individual, other than non-gaming equipment maintenance personnel, cleaning personnel, waiters, waitresses, and secretaries or other as determined by the *Board*, whose employment duties do not require or authorize access to *Designated Gaming Areas*.

Gaming Jurisdiction Any other jurisdiction wherein *gaming activity* is allowed pursuant to state or federal legislation and a tribal state compact and any foreign jurisdiction allowing *Gaming Activities*.

Gaming Supplies All materials and supplies other than *Gaming Devices* which the *Board* approves to be used or expended in *Gaming Operations* or activities through the *Regulations*.

Gross Gaming Revenue The total receipts of the *Casino Operator* from *Gaming Operations*, including all cash, checks, property and credit extended to a *Patron* for purposes of *gaming* less the total value of all:

- a. amounts paid out as *winnings* to *Patrons*; and
- b. credit instruments or checks which are uncollected subject to an annual cap of uncollected credit instruments and checks of 4 percent of the total receipts of the *Casino Operator* from *Gaming Operations*, including all cash, checks, property and credit extended to a *Patron* for purposes of *gaming* in a *Fiscal Year*. *Winnings* for purposes of the definition of *Gross Gaming Revenue* means the total

amount delivered by a *Gaming Device* as *Win* to a *Patron* or the amount determined by the *approved* table *Game* odds as *Win* to a *Patron*, exclusive of any double jackpots, increased *Payouts* in addition to table *Game* odds or other increased *Payouts* that result from promotional activities, unless *approved* in advance by the *Board*.

Holding Company or Intermediary Company A company that has the power or right to *control* a company which holds or applies for a *License* or a *Permit*.

Inspection Periodic surveillance and observation by the Division of operations conducted by the *Casino Operator* or *Permittee*, which surveillance and observation may or may not be made known to the *Casino Operator* or *Permittee*.

Internal Control System Internal procedures and administration and accounting controls designed by the *Casino Operator* and *approved* by the *Board* and/or Division, for the purpose of exercising *control* over the *Gaming Operations* and for complete and accurate calculation and reporting of financial data including the Louisiana Gross Gaming Revenue Share Payments.

Junket Representative

a. any *Person* who contracts with the *Casino Operator* or their *Affiliates* to provide services consisting of arranging transportation to the *Casino* where the *Person* is to receive compensation based upon either:

- i. a percentage of *Win/Drop* of the *Casino Patrons*;
- ii. a percentage of the theoretical *Win/Drop* of the *Casino Patrons*; or
- iii. any other method of compensation that is contingent on or related to the *gaming activity* of *Casino Patrons* including, but not limited to, any *lump sum* or *flat rate* compensation.

b. the term *Junket Representative* shall not include:

- i. the *Casino Operator* and *Casino Manager* and their employees or any *Licensed* or *approved Affiliate*;
- ii. a supplier of transportation or a travel agency, whose compensation is based solely upon the price of transportation arranged for by the agency; or
- iii. a *Person* that is paid a *diminimus* fixed fee for each *Casino Patron* that the *Person* brings to the *Casino*, provided that:

(a). the fixed fee does not exceed \$20 for each *Casino Patron*;

(b). no portion of the compensation paid is based upon the *gaming activity* of the *Patron* at the *Casino*; and

(c). the *Patron* complies with all of the vendor registration requirements for non-gaming vendors set forth in §2165 of these *Regulations*.

Key Gaming Employee Any individual who is employed in a managerial or Supervisory capacity and who is empowered to make discretionary decisions that regulate

Gaming Activities including, but not limited to, the general manager and assistant general manager of the *Casino*, Director/manager of finance, accounting controller, Director/manager of cage and/or credit operations, Director/manager of Casino operations, Director/manager of table Games, Director/manager of slots, slot performance Director/manager, Casino shift Directors/managers, Director/manager of Security, Director/manager of surveillance, Director/manager of management information systems, and such other positions which the Division or the *Board* shall later determine, based on detailed analysis of job descriptions as provided in the internal controls of the *Casino Operator approved* by the Division. Only the individual head of each department/section shall be considered a Key Gaming Employee, and no Person shall commence work or perform any duties in any of the above positions without *approval* of the *Board*. Additionally, no single Key Gaming Employee other than the general manager or assistant general manager shall oversee more than one department except in an emergency situation as *approved* by the *Board*. All other Gaming Employees, unless determined otherwise by the *Board*, shall be classified as non-key *Gaming Employees*.

License or Gaming License—Authorization by the *Board* to conduct *Gaming Activities* in the *Casino* or on a riverboat pursuant to Title 27 of the Louisiana Revised Statutes, the *Regulations* and/or the *Casino Operating Contract*.

Licensee—A Person authorized by the *Board* to conduct *Gaming Activities* in the *Casino* or on a riverboat pursuant to Title 27 of the Louisiana Revised Statutes, the *Regulations* and/or the *Casino Operating Contract*.

Manufacturer—Any Person that manufactures, assembles, produces, or programs any *Gaming Device* or *Gaming Supplies* for sale, use or play in this state.

Manufacturer Permit—A Permit issued to any Person who manufactures, assembles, produces or programs any for sale, use or play in *Gaming Devices* or *Gaming Supplies* in this state.

Motion Activated Dedicated Camera—A video camera which, upon its detection of activity or motion in a specific area, begins to record the activity or area.

Non-Gaming Employee—An employee of the *Casino Operator* or *Casino Manager* who is not employed in the supervision or operation or assisting in the operation of a *gaming activity* or performing in a *Key Gaming Employee* capacity.

Non-Gaming Supplier or Supplier of Goods or Services Other than Gaming Devices or Gaming Equipment—Any Person who sells, leases or otherwise distributes, directly or indirectly, goods and/or services other than *Gaming Devices* and *Gaming Equipment* to the *Casino*.

Non-Gaming Supplier Permit—The required Permit for a *Non-Gaming Supplier* who, unless otherwise exempted, sells, leases or otherwise distributes, directly or indirectly, goods and/or services to the *Casino* in excess of \$50,000 for any 12-month period.

Notice—A writing delivered by hand or mailed postage prepaid, by certified or registered mail, return receipt requested to a Person at his address.

Official Gaming Establishment—See *Casino*.

Own—(hold or have) having an Interest in a corporation, partnership, *Holding Company*, Affiliate, or other form of Business entity, or a security of a publicly traded corporation if such Person or any associate of such Person has a record of beneficial ownership therein.

Patron—An individual who is at least 21 years of age and who has lawfully placed a *Wager* in an authorized *Game* in the *Casino*.

Payout—Winning earned on a *Wager*.

Permit—Any Permit or authorization or *Application* therefor issued pursuant to the Act other than a *Gaming License*.

Permittee—Any employee, Agent, Person, or entity who is required to be issued or applying for a *Permit* pursuant to the Sections or Subsections where an *Applicant* is treated differently than a *Permittee*.

Person—Any individual, partnership, corporation, association, unincorporated association or organization, limited liability company, limited liability partnership, trust or other juridical entity or any governmental agency, body or subdivision.

Premises—Land, together with all buildings, improvements, and personal property located thereon.

PTZ Camera—A video camera which possesses, at a minimum, pan, tilt and zoom capabilities or features comparable thereto.

Public Offering—A sale of *Securities* (other than Employee Stock Option Plans—*ESOP*) that is subject to the registration requirements of Section 5 of the Federal Securities Act, or that is exempt from such requirements solely by reason of an exemption contained in Section 3(a)(11) or 3(c) of said *Act* or *regulation A* adopted pursuant to Section 3(b) of said *Act*.

Public Record—Any paper, document, or other *record* required to be kept or necessary to be kept, in the discharge of a duty imposed by law, not declared confidential by statute or regulation.

Randomness—The observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

Records—Accounts, correspondence, memorandums, audio tapes, video tapes, computer tapes, computer disks, electronic media, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language.

Regulations—Regulations adopted by the *Board* pursuant to and authorized by R.S. 27:24.

Renewal Applicant—A Person who has filed any part of an *Application* for renewal of any *License* or *Permit* authorized by the Act.

Renewal Application—All of the information, documents, forms, and materials required by the Act and *regulations* to be filed with the *Division* to renew any *License* or *Permit* authorized by the Act.

Restricted Sensitive Keys—Those keys which can only be reproduced by the Manufacturer of the lock. These keys include but are not limited to:

- a. slot drop cabinet keys;
- b. slot release keys;
- c. bill validator contents keys;
- d. table drop release keys;
- e. table drop contents keys;
- f. cage entrance keys;
- g. count room keys;
- h. high level Caribbean stud key;
- i. vault entrance key;
- j. CCOM (processor) keys;
- k. card and dice storage keys;
- l. slot office storage box keys;
- m. dual lock box keys;
- n. change bank/booth keys;
- o. secondary Chip access keys;
- p. weight calibration key.

Secondary Representative—Any Person other than the clerical personnel and ticket takers not otherwise exempted by the definition of *Junket Representative* who receive any form of compensation from a Licensed *Junket Representative* for assisting a Licensed *Junket Representative*, in connection with junkets to the *Casino*.

Securities—Any stock; membership in an incorporated association; bond; debenture; or other evidence of indebtedness, investment contract, voting trust certificate, certificate of deposit for a security; or, in general, any Interest or instrument commonly known as a security; or any certificate of Interest or participation in, temporary or interim certificate for, receipt for, or warrant or right to subscribe to or purchase, any of the forgoing regardless of whether evidenced in writing.

Security—The protection of information that would or could provide an unfair advantage to any individual involved in the operation of the *Casino*; protection and preservation of the integrity of the *Games* and operations; as well as measures taken to maintain order and prevent crimes against the *Casino Operator*, Persons in the *Official Gaming Establishment* or the *state*.

Slot Machine—Any mechanical, electrical, or other device, contrivance, or machine which, upon insertion of a coin, currency, Token, or similar object therein or upon payment of any consideration whatsoever, is available to play or, operate the play or operation of which, whether by reason of the skill of the operator or Application of the element of chance, or both, may deliver or entitle the Person playing or operating the machine to receive cash, premiums, merchandise, Tokens, or anything of value, whether the payoff is made automatically from the machine or in any other manner.

Subsidiary—Includes, without limitation, any Person, other than an individual, which is a *controlled Affiliate* of another Person, other than an individual.

Supervisor—The individual in charge of the *Division* or such other Person who may be lawfully delegated authority to act on behalf of the *Supervisor*.

Supplier of Gaming Devices and Gaming Equipment—Any Person that sells, leases, markets, offers, or otherwise distributes, directly or indirectly, any *Gaming Devices* or *Gaming Equipment* for use or play in this state or sells, leases, or otherwise distributes any *Gaming Devices* or *Gaming Equipment*.

Surveillance Room—A secure location in the *Official Gaming Establishment* that is used primarily for *Casino Surveillance*. The *Official Gaming Establishment* may have more than one *Surveillance Room*.

Surveillance System—A system of video cameras, monitors and recorders that is used for *Casino Surveillance*.

Token—A metal representative of value, redeemable for cash, and issued and sold by the *Casino Operator* for use in *Electronic Gaming Devices*, table Games or counter Games at the *Casino*.

Trade Secrets—Includes any matter the disclosure of which might tend to weaken a competitive advantage, whether concerning a unique, rare or common practice, discovery, or anything whatsoever. Examples of *Trade Secrets* include but are not limited to:

- a. operational methods marketing information;
- b. Patron information;
- c. Patron lists;
- d. design of equipment;
- e. routing memoranda;
- f. payroll schedules;
- g. bookkeeping and accounting procedures;
- h. internal monetary control systems;
- i. equipment and component sources;
- j. *Patron* lists;
- k. proprietary information; and
- l. bid formulas.

Wager—A sum of money or thing of value risked on a Game.

Win—The total of all cash and property (including checks received by the *Casino*, whether collected or not) received by the *Casino* from *Gaming Operations*, less the total of all cash and property paid out as *winnings* to *Patrons*.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1901 (October 1999).

§1909. Casino Operator Is Licensee

A. These Regulations, subject to any rights in the Casino Operating Contract, intend for the terms *Casino Operator* and *Licensee*, to have the same meaning.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1907(October 1999).

§1911. Obligations, Duties, Responsibilities of a Casino Manager

A. In the event the Casino Operator subcontracts all, or substantially all of the services for the day-to-day management and operation of the Casino, pursuant to the Casino Operating Contract, to a Casino Manager, the Casino Manager's acts or omissions shall be considered the Acts or omissions of the Casino Operator. All obligations, duties, and responsibilities imposed on the Casino Operator by these Regulations, that the Casino Operator has subcontracted with a Casino Manager to perform or that the Casino Manager has undertaken to perform, shall be the obligations, duties and responsibilities of the Casino Manager and the Casino Operator.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1907 (October 1999).

Chapter 21. Applications; Suitability, Permitting and Licensing

§2101. General Provisions

A. The Board and/or Division shall have the authority to call forth any Person who, in the Board and/or Division's opinion, exercises influence over the Casino Operator, Casino Manager, a Permittee, an Applicant or the gaming industry, and such Person shall be subject to all suitability requirements. In the event a Person is found unsuitable, then no Casino Operator, Casino Manager, Permittee or Applicant shall have any association or connection with such Person. No Casino Operator, Casino Manager, Permittee or Applicant shall have any association or connection with any Person that has had an Application for a License or Permit denied or had a License or Permit revoked.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1907 (October 1999), amended LR 29:362 (March 2003).

§2103. Applications in General

A. Any License or Permit issued by the Board or Division is deemed to be a revocable privilege, and no Person holding such a License or Permit is deemed to have acquired any vested rights therein, subject to any rights in the Casino Operating Contract. An Applicant for a License or Permit authorized by the Act and/or these Regulations, is seeking the granting of a privilege, and the burden of proving his qualification to receive the License or Permit is at all times on the applicant. An Applicant accepts the risk of adverse public notice, embarrassment, criticism, or other action or financial loss that may result from action with respect to an Application and expressly waives any claim for damages as a result thereof, except relating to willful misconduct by the Division. The filing of an Application under the Act and the Regulations constitutes a request for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in or be associated with the Casino, and by filing an Application, the Applicant specifically consents to the making of such a decision by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1907 (October 1999).

§2105. Applicants in General; Requirements

A. The securing of a License or Permit required under the Act is a prerequisite for conducting, operating, or performing any activity regulated by the Act. Each Applicant must file a complete Application as prescribed by the Board and Division, which may include without limitation, the following:

1. if the Applicant is a general partnership or joint venture, each individual partner and joint venturer may be required to complete an application;
2. if the Applicant is a corporation, each officer and Director of the corporation may be required to file a personal history form. Any shareholder with 5 percent or more of the corporation may be required to file a completed personal history form, and if such shareholder is other than a natural Person, then each officer, Director, or Person with an Economic Interest equal to or greater than 5 percent in the Applicant may be required to file a personal history form;
3. if the Applicant is a limited partnership, the general partner and each limited partner having 5 percent or more Interest may be required to file a complete Application. If the partner or limited partner is other than a natural Person, then each officer, Director, or Person with an Economic Interest equal to or greater than 5 percent in the Applicant may be required to file a personal history form;

4. if the Applicant is a limited liability company, pursuant to R.S. 12:1301 et seq., each officer or manager of the company may be required to file a personal history form. Any member of 5 percent or more of the company may be required to file a personal history form, and if such member is other than a natural Person, then each officer, Director or Person with an Economic Interest equal to or greater than 5 percent in the Applicant may be required to file a personal history form;

5. if the Applicant is a registered limited liability partnership, pursuant to R.S. 9:3431 et seq., the managing partner and each partner having 5 percent or more Interest may be required to file a personal history form. if the partner is other than a natural Person, then each officer, Director or Person with an Economic Interest equal to or greater than 5 percent in the Applicant may be required to file a personal history form.

B. A personal history form may be required to be filed by any Person who in the sole discretion of the Board is determined to:

1. have influence over the operation of gaming at the landbased Casino;

2. receive any share or portion of the gaming money or property won by the Casino Operator at the landbased Casino; or

3. receive compensation or remuneration in excess of \$50,000 per annum as an employee of a Permittee or in exchange for any service or thing provided to a Permittee that transacts business with the Casino Operator or Casino Manager; or

4. be a lessor or provider of goods or services; or

5. have any contractual agreement with a Permittee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1907 (October 1999).

§2107. Form of Application

A. An Application for a finding of suitability or Permit must be filed by way of forms prescribed by and obtained from the Division. Such forms may include, but not be limited to:

1. historic record regarding the background for the ten-year period preceding submission of the Application, unless otherwise extended by the Chairman;

2. a Financial Statement;

3. statement disclosing the nature, source, and amount of any financing, the proposed uses of all available Funds, the amount of Funds available after opening for the actual operation of the Casino, and economic projections for the first three years of operation of the Casino;

4. an affidavit of full disclosure, signed by the Applicant;

5. an authorization to release information to the Division and Board, signed by the Applicant;

6. a standard bank confirmation form, signed by the Applicant;

7. a release of all claims, signed by the Applicant;

8. security statement explaining the type of security procedures, practices, and personnel to be utilized by the Applicant; and

9. in addition, the Division may require an Applicant to provide such other information and details as it needs to discharge its duties properly. failure to supply any information within the prescribed time periods, after receiving the Division's or the Board's request, may constitute grounds for delaying consideration of the Application and/or constitutes grounds for denial of the Application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1908 (October 1999).

§2109. Additional Information Required from a Casino Operator Applicant

A. Every Casino Operator Application shall contain the following additional information including but not limited to:

1. two copies of detailed Plans of design of the Casino, including a layout of each floor stating the projected use of each area;

2. the total estimated cost of construction of the Casino, proposed by this Application, distinguishing between known costs and projections, and shall separately identify:

- a. facility design expense;
- b. land acquisition or site lease costs;
- c. site preparation costs;
- d. construction cost or renovation cost;
- e. equipment acquisition cost;
- f. cost of interim financing;
- g. organization, administrative and legal expenses;
- h. projected permanent financing costs;

3. the construction schedule proposed for completion of the Casino, including therein a projected date of completion; indicate whether the construction contract includes a performance bond;

4. explanation and identification of the source or sources of Funds for the construction of the Casino;

5. description of the Casino size and approximate configuration of Slot Machines, video Games of chance and table Games;

6. the adequacy of Security enforcement in the Casino;

7. the type of Slot Machines and video Games of chance to be used; also, indicate the proposed suppliers and Manufacturers of this equipment;

8. the proposed management of the facility, management personnel by function and organizational chart by position.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1908 (October 1999).

§2111. Application Filing Fees

A. All monies deposited by an Applicant to defray the costs associated with the Applicant investigation conducted by the Division must be deposited into a designated state treasury fund.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1908 (October 1999).

§2113. Fees for Issuance of Permits

A. The Non-Refundable Fees for Permits and Renewals

1. Key Gaming Employees

a. \$500 initial Application fee plus actual costs of performing investigation according to the rates set forth in Subsection B.

b. \$200 renewal fee plus any necessary investigation cost according to the rates set forth in Subsection B.

2. Non-Key Gaming Employees

a. \$100 initial Application fee plus actual costs of performing investigation according to the rates set forth in Subsection B.

b. \$35 renewal fee.

3. Non-Gaming Employees

a. \$25 initial Application fee.

b. \$15 renewal fee.

4. Manufacturer of Slot Machines

a. \$2500 initial Application fee and \$10 per machine Application fee plus costs of performing investigation according to the rates set forth in Subsection B.

b. \$2500 renewal fee.

5. Manufacturer of Other Gaming Devices and Gaming Equipment

a. \$2500 initial Application fee plus actual costs of performing investigation according to the rates set forth in Subsection B.

b. \$2500 renewal fee.

6. Distributor of Gaming Devices and Gaming Equipment

a. \$1500 initial Application fee plus actual costs of performing investigation according to the rates set forth in Subsection B.

b. \$1500 renewal fee.

7. Non-Gaming Vendor

a. \$250 initial Application fee for vendors conducting business with the Casino in annual, aggregate amount of \$50,000 or more.

b. \$100 renewal fee.

c. Vendors covered by Subparagraph 7.a shall pay actual costs of investigations according to the rates set forth in Subsection B if required to submit to suitability.

B. Costs of suitability investigation shall be billed at the following rates:

1. \$40 per hour of investigation;

2. \$30 per hour of travel pursuant to investigation.

C. Any Person failing to pay any Permit fee due at the time provided shall pay in addition to such Permit fee a penalty of not less than \$25 or 25 percent of the amount due, whichever is greater.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1908 (October 1999).

§2115. Application Investigations

A. The Division shall investigate all Applications for Licenses or Permits or other matters requiring Division approval. The Division may investigate, without limitation, the background of the Applicant, the suitability of the Applicant, the suitability of the Applicant's finances, the Applicant's business probity, the suitability of the proposed Premises for gaming, the suitability of a Person with an Economic Interest in the Applicant of 5 percent or more, and the proposed establishment's compliance with all applicable federal, state, and municipal laws and regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1909 (October 1999).

§2117. Conduct of Applicant Investigation; Time Requirements

A. All investigations conducted by the Division in connection with an Application must be conducted in accordance with the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1909 (October 1999).

§2119. Access to Applicants' Premises and Records

A. Each Applicant shall upon request immediately make available for Inspection by the Division or Agents of the Division, all papers, Books and Records used, or to be used, in the Licensed or permitted operation. The Division, or any Agent of the Division, shall be given immediate access to any portion of the Premises of the Casino or Premises of a Manufacturer or supplier for the purpose of inspecting or examining any Records or documents required to be kept under the provisions of the Act and the Regulations and any Gaming Device or equipment or the conduct of any gaming activity. Access to the areas and Records that may be inspected or examined by the Division, or Division Agents, must be granted to any such individual who displays Division credentials.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1909 (October 1999).

§2121. Applications; Timetable for Financing and Construction

A. In conjunction with a Casino Operator's or Casino Manager's submission of its completed Application, an Applicant shall submit an estimated timetable for financing arrangements, commencement and completion of construction activities and set forth the projected date upon which Gaming Activities will begin. This timetable will be subject to approval by the Board, and monitored for compliance by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1909 (October 1999).

§2123. Fingerprinting

A. An initial Application is not complete unless all Persons required by the Division have submitted to fingerprinting by or at the direction of the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1909 (October 1999).

§2125. Application; Refusal to Answer

A. An Applicant may claim any privilege afforded by the Constitution of the United States or of the State of Louisiana in refusing to answer questions on the Application, but a claim of privilege with respect to any testimony or evidence pertaining to an Application may constitute sufficient grounds for denial of the Application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1909 (October 1999).

§2127. Information Constituting Grounds for Delay or Denial of Application; Amendments

A. It is grounds for denial of the Application or Enforcement Action for any Person to make any untrue statement of material fact in any Application, or in any statement or report filed with the Division or Board, or any statement or report required by the Act of these Regulations to be filed with the Board, or to willfully omit in any such Application, statement or report, any material fact which is required to be stated therein, or which is necessary to make the facts stated not misleading.

B. All information included in an Application must be true and complete to the best of the Applicant's knowledge, and in the opinion of the Division as of the date submitted. An Applicant shall immediately supply by amendment any new information based on facts occurring after the original Application.

C. An Application may be amended upon approval of the Supervisor. An amendment to an Application may have the effect of establishing the date of such amendment as the filing date of the Application with respect to the time requirements for action on the Application. request for amendment to an Application must be in writing and submitted to the Division.

D. Upon request of the Board or Division for additional information, the Applicant shall provide the requested information with 10 Days of notice of the request or within such additional time as set forth by the Board or Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1909 (October 1999).

§2129. Tax Clearances Required of an Applicant

A. The Applicant, officers, Directors and any Person with an equity Interest of 5 percent or more in an Applicant must receive tax clearances from the appropriate federal and state agencies prior to the granting of a finding of suitability, except for those granted a presumption of suitability in accordance with §2143 of these Regulations.

B. The Applicant, its officers, Directors and any Person with an equity Interest of 5 percent or more shall remain current in filings of tax returns and the payments required pursuant to such returns.

C. The violation of this Section is grounds to condition, suspend, or revoke a Permit or License.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1910 (October 1999).

§2131. Tax Clearances Required of a Gaming Employee

A. An Applicant for a Gaming Employee Permit shall be current in filing all applicable tax returns and in the payment of all taxes, Interest and penalties owed to the state of

Louisiana and the Internal Revenue Service, excluding contested amounts pursuant to applicable statutes, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule of back taxes.

B. It shall be the sole responsibility of a Gaming Employee Permittee to remain current in filing all applicable tax returns and in the payment of all taxes, Interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding contested amounts pursuant to applicable statutes, and items for which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule of back taxes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1910 (October 1999).

§2133. Withdrawal of Application

A. A request for withdrawal of an Application must be made in writing to the Board at any time prior to issuance by the Board of its determination with respect to the Application. The Board may deny or grant the request with or without prejudice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1910 (October 1999).

§2135. Application after Denial

A. Any Person whose Application for License or Permit has been denied by the hearing officer, and who has not successfully appealed the decision of denial to the Board, or whose Application has been withdrawn with prejudice is not eligible to reapply for any approval authorized by the Act for a period of five years unless the Board rules that the denial is without prejudice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1910 (October 1999).

§2137. Suitability Determination of a Casino Operator Applicant

A. The Casino Operator Applicant, its officers or Directors, or any Person, having a 5 percent or more Interest in the Casino Operator Applicant shall be required to submit to an investigation to determine suitability. Except as otherwise provided, all costs associated with conducting an investigation for suitability of the Casino Operator Applicant, an officer or Director, or any Person having a direct or indirect Economic Interest in the Casino Operator Applicant shall be borne by the Casino Operator Applicant and/or the Person who is the subject of the investigation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1910 (October 1999).

§2139. Other Considerations for Finding of Suitability

A. Sections 2137 through 2151 of these Regulations set forth criteria which the Board may consider when deciding whether to issue a finding of suitability to conduct Casino gaming. The various criteria set forth may not have the same importance in each instance. Other factors may present themselves in the consideration of an Application for a finding of suitability. the following criteria are not listed in order of priority.

1. Proper Financing. The Board may consider whether the proposed Casino is properly financed.

2. Adequate Security. The Board may consider whether the proposed Casino is planned in a manner which provides adequate Security for all aspects of its operation and for the people working or visiting the Casino.

3. Character and Reputation. The Board may consider the character and reputation of all Persons identified with the ownership and operation of the Casino, and their capability to comply with the Regulations, and the provisions of the Act.

4. Miscellaneous. The Board may consider such other factors as may arise in the circumstances presented by a particular Application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1910 (October 1999).

§2141. Suitability; License and Permits

A. No Person shall be eligible to conduct Gaming Operations at the Casino or obtain any License or Permit issued pursuant to the provisions of the Act or these Regulations unless the Board is satisfied that the Applicant is suitable. to be found suitable, the Applicant must prove by clear and convincing evidence that he is:

1. a Person of good character, honesty, and integrity;

2. a Person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state or to the effective regulation and Control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto;

3. is capable of and likely to conduct the activities for which the Applicant or Casino gaming operator is Licensed or approved in accordance with the provisions of the Act and these Regulations.

B. For purposes of entering into a Casino Operating Contract, the Casino Operator Applicant shall also demonstrate by clear and convincing evidence that:

1. he has or guarantees acquisition of adequate business competence and experience in the operation of Casino Gaming Operations;

2. the proposed financing of the conducting of Casino Gaming Operations is:

a. adequate for the nature of the proposed operation;

b. from a suitable source;

c. he has or is capable of and guarantees the obtaining of a bond or satisfactory financial guarantee of sufficient amount, as determined by the Board, to guarantee successful completion of and compliance with the Casino Operating Contract or such other projects which are regulated by the Board.

C. All Casino Operators, Licensees, Permittees, registrants, and Persons required to be found suitable under this Chapter have a continuing duty to inform the Board of any action which they believe would constitute a violation of this Chapter. No Person who so informs the Board shall be discriminated against by an Applicant, the Casino Operator, Permittee, or registrant because of supplying such information.

D. The Applicant, if a natural Person, is a Louisiana domiciliary and if not, is a Louisiana corporation, partnership, limited liability company, or a registered limited liability partnership Licensed to conduct business in the state of Louisiana.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1910 (October 1999).

§2142. Criteria for the Issuances of Permits

A. All Applicants for any type of Permit issued by the Division as authorized by the Act shall meet the qualification requirements contained in R.S. 27:234 and 27:235, as well as the qualification requirements contained in the Regulations promulgated pursuant to the Act.

B. All Applicants for any type of Permit issued by the Division as authorized by the Act shall pay all fees required by the Act or the rules promulgated pursuant to the Act prior to the issuance of Permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1911 (October 1999).

§2143. Suitability of Casino Operator

A. The following Persons shall demonstrate their suitability and qualification to the Board by clear and convincing evidence:

1. a Casino Operator;

2. a Casino Manager;

3. an Affiliate of the Casino Operator;

4. certain holders of debt and/or equity Interest in one or more of the Casino Operator and its Affiliates;

5. all other Persons, who either alone or in combination with others, have the ability to significantly and directly affect or influence the affairs of a Casino Operator or a Casino Manager;

6. a Person with respect to whom a finding of suitability is necessary in order to insure that the policies of the Act and the integrity of Gaming Operations are protected; and

7. any other Person that the Board, in its sole discretion, directs to demonstrate its suitability and qualifications.

B. For the purposes of this Section, any Persons holding, owning or controlling a direct or beneficial Interest (this shall include any rights created in any counter-letter, option, convertible security or similar instrument) in the following Persons shall be presumed to have the ability to significantly and directly influence or affect affairs of a Casino Operator or a Casino Manager unless the presumption is rebutted by clear and convincing evidence:

1. any Persons holding, owning or controlling a 5 percent or more equity Interest or outstanding voting Securities (including holdings in trust and whether as settlor, trustee or beneficiary) in a non-publicly traded Casino Operator, Casino Manager, Holding Company or Intermediary Company of the Casino Operator or the Casino Manager;

2. any Persons holding, owning or controlling a 5 percent or more equity Interest or outstanding voting Securities or rights in a publicly traded Casino Operator, Casino Manager or any publicly traded Holding Company or Intermediary Company of the Casino Operator or the Casino Manager.

C. Notwithstanding the terms of Subsection B above, the following Persons shall not be automatically deemed to have the ability to significantly and directly influence the affairs of the Persons or entities identified above requiring a finding of suitability:

1. a holder or owner of a security or other Interest that is convertible or exercisable into an equity or ownership Interest in a publicly traded intermediary or Holding Company of the Casino Operator or Casino Manager, prior to the time that the security or other Interest is converted or exercised. A holder or owner of a convertible Interest shall seek the approval of the Board before exercising the conversion rights unless, after conversion such Person will hold, Own or control less than 5 percent of the total outstanding equity or ownership Interests in the intermediary or Holding Company of the Casino Operator or Casino Manager.

D. Notwithstanding the terms of Subsection B above, a Person who is a passive institutional investor who does not, directly or indirectly influence or affect the affairs of the Casino Operator or the Casino Manager may be presumed suitable if:

1. the Person is:

- a. a plan or trust established and maintained by the United States government, a state, a political subdivision of a state for the benefit of their respective employee;
- b. an investment company that is registered under the Investment Company Act of 1940;
- c. a collective investment trust organized by a bank under Part Nine of the Rules of the Comptroller of the Currency;
- d. a closed-end investment trust registered with the United States Securities and Exchange Commission;
- e. a mutual fund;
- f. a life insurance company a property and casualty insurance company with assets in excess of \$1 billion;
- g. a federal or state bank;
- h. an investment advisor registered under the Investment Advisors Act of 1940; and

2. within 60 Days of acquiring a 5 percent or greater equity Interest in the Casino Operator, a Holding Company or Intermediary Company thereof or a Casino Manager, files with the Board a petition that requests a granting by the Board of a presumption of suitability and contains a statement that such Person does not and has no intention of directly or indirectly influencing the affairs of the Casino Operator or Casino Manager;

3. the provisions of this Subsection shall not prevent the institutional investor from voting on matters put to vote by the outstanding shareholders.

E. The Board may in its sole discretion rescind the presumptions of suitability set for in §2143.D and require any Person, including the Persons described in §2143.D above, to demonstrate such Person's suitability in accordance with the Act and these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1911 (October 1999).

§2145. Presumption of Suitability of Certain Lenders

A. Any Person with a security Interest in immovable or movable property used in Gaming Operations shall be required to demonstrate his suitability to the Board.

B. In connection with Subsection A above, the following may be presumed suitable in connection with any transaction which is otherwise in compliance with these Regulations:

- 1. an insurance company regulated by any state of the United States;
- 2. any investment company registered under the Investment Company Act of 1940;
- 3. any plan established and maintained by a state, its political subdivision, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees;

4. any trust fund the trustee of which is a bank or trust company and the participants of which are exclusively plans of the type identified in Paragraph B.3 above;

5. any investment adviser registered with the United States Securities and Exchange Commission;

6. any real estate investment trust registered with the United States Securities and Exchange Commission;

7. any dealer registered pursuant to Section 15 of the Securities and Exchange Act of 1934;

8. any qualified institutional buyer (as defined in Rule 144A under the Securities Act of 1933), and any entity, all of the equity owners of which are qualified institutional buyers (as defined Rule 144 A under the Securities Act of 1933), acting for its own account or the accounts of other qualified institutional buyers;

9. any bank as defined in Section 3(a)(2) of the Securities Act of 1933, any savings and loan association or other institution as referenced in Section 3(a)(5)(A) of the Securities Act of 1933, or any foreign bank or savings and loan association or equivalent institution or any investment fund that participates in a bank syndication (and any purchaser that takes an assignment or other participation Interest in the bank syndication);

10. any investor or group of investors purchasing debt Securities of the Casino Operator (or a Subsidiary of the Casino Operator) in any Public Offering registered pursuant of the Securities Act of 1933 or through any private placement, and any investor purchasing such Securities in a subsequent sale, provided, however, that such Securities are widely held and freely traded (and the investor holds no more than 20 percent of the Casino Operator's total debt or 50 percent of a material debt issue unless otherwise approved by the Board), so as not to give such investor the ability to control the Casino Operator or the Casino Manager;

11. any Business development company as defined in Section 2(a)(48) of the Investment Company Act of 1940;

12. any Business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;

13. any Person found suitable and approved by the Board.

C. The Board, in its sole discretion, may rescind the presumption of suitability set forth in Subsection B and require any lender or investor to demonstrate its suitability in accordance with the terms of the Act and these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1912 (October 1999).

§2147. Safe Harbor

A. If at any time the Board finds that (a) an Affiliate or (b) a holder of a debt or equity Interest in (i) the Casino Operator, (ii) the Casino Manager or (iii) any of their

respective Affiliates, that is required to be and remain suitable has failed to demonstrate suitability, the Board may, consistent with the Act and the Casino Operating Contract, take any action that the Board deems necessary to protect the public interest. provided however, if, (a) an Affiliate or (b) a holder of a debt or equity Interest in (i) the Casino Operator, (ii) the Casino Manager or (iii) any of their respective Affiliates associated with the Casino Operator, the Casino Manager or Affiliates has failed demonstrate suitability, the Board shall take no action to declare the Casino Operator, Casino Manager, or Affiliates, as the case may be, not suitable based upon such finding, if the affected Casino Operator, Casino Manager or Affiliates takes immediate good-faith action (including the prosecution of all legal remedies) and complies with any order of the Board to cause such Person failing to demonstrate suitability to dispose of such Person's Interest in the affected Casino Operator, Casino Manager or Affiliates, and that pending such disposition such affected Casino Operator, Casino Manager or Affiliates, from the date of notice from the Board of a finding of failure to demonstrate suitability, ensures that the Person failing to demonstrate suitability:

1. does not receive dividends or Interest on the Securities of the Casino Operator, Casino Manager or Affiliates;
2. does not exercise, directly or indirectly, including through a trustee or nominee, any right conferred by the Securities of the Casino Operator, Casino Manager or Affiliates;
3. does not receive any remuneration from the Casino Operator, Casino Manager or Affiliates;
4. does not receive any economic benefit from Casino Operator, Casino Manager or Affiliates;
5. subject to the disposition requirements of this Section, does not continue in an ownership or Economic Interest in the Casino Operator, Casino Manager or Affiliates or remain in a manager, officer, Director, partner, employee, consultant or Agent of the Casino Operator, Casino Manager or Affiliates.

B. Nothing contained in this Section shall prevent the Board from taking any action against the Casino Operator if the Casino Manager fails to be or remain suitable. Moreover, nothing contained in this Section shall prevent the Board from taking regulatory action against the Casino Manager, Casino Operator, or Affiliates as the case may be, if the Casino Operator, Casino Manager or Affiliates, as the case may be:

1. had actual or constructive knowledge of the facts that are the basis of the Board's regulatory action, and failed to take appropriate action; or
2. is so tainted by such Person failing to demonstrate suitability of the Casino Operator, the Casino Manager, or Affiliates under the standards of the Act or these Regulations; or

3. cannot meet the suitability standards contained in the Act and these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1912 (October 1999).

§2149. License or Permit Disqualification Criteria

A. The Board shall not grant a finding of suitability or a Permit to any Person who is disqualified on the basis of any of the following criteria:

1. failure of the Applicant to prove by clear and convincing evidence that he is suitable in accordance with the provisions of either the Act or the Regulations;
2. failure of the Applicant to provide information and documentation;
 - a. to reveal any fact material to a suitability determination;
 - b. material and relevant to the Application; or
 - c. requested by the Board or Division;
3. supplying information to the Board or Division that is untrue or misleading as to a material fact pertaining to the qualification criteria;
4. the conviction of or a plea of guilty or nolo contendere by the Applicant or of any Person required to be found suitable by the Act or Regulations for an offense punishable by imprisonment of one year or more;
5. the current prosecution of, or pending charges in any jurisdiction of the Applicant or any Person required to be found suitable under the Act or the Regulations for an offense punishable by imprisonment of one year or more;
6. if the Applicant is a corporation which is owned by a parent or other corporation or Person as defined in R.S. 27:205, then the Applicant shall be disqualified if any Person owning more than 5 percent of the common stock of the parent corporation has been convicted of, or pled guilty or nolo contendere to, a felony offense;
7. if the Applicant is a corporation, partnership, association, joint venture, or other entity of which any individual holding 5 percent or more Interest in the profits or loss has been convicted of, or pled guilty or nolo contendere to, an offense which at the time of conviction is punishable as a felony;
8. has been found unsuitable or has been denied a License or Permit, or has had a License or Permit suspended or revoked in another Gaming Jurisdiction, unless circumstances indicate in the sole discretion of the Board that such finding is not contrary to the best interest of the state of Louisiana;
9. if the Applicant is a Person holding public office in, or being employed by, any governmental agency within the state of Louisiana.

B. A Permit, finding of suitability or approval may be denied if the Applicant or any Person who has any ownership, income or profit Interest in an Applicant or who, in the opinion of the Board, exercises a significant influence over the activities of the Applicant:

1. knowingly failed to comply with any gaming law or regulation in Louisiana or any other Gaming Jurisdiction;
2. committed or attempted to commit any crime of moral turpitude, embezzlement or theft, or any violation of law that is contrary to the declared policy of the state of Louisiana regarding gaming;
3. has been identified in published reports of any federal or state legislative or executive body as being a member or associate of organized crime or being of notorious or unsavory reputation;
4. has been in place and remains in constructive custody of any, federal, state or municipal authority;
5. is not current in filing all applicable tax returns and in the payment of all taxes, Interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding contested amounts pursuant to applicable procedures, and items of which the Department of Revenue and Taxation or the Internal Revenue Service has accepted a payment schedule of back taxes.

C. These bases and grounds for denial are not exclusive.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1913 (October 1999).

§2151. Continuing Suitability, Duty to Report

A. Suitability is an ongoing process. The Casino Operator, Casino Manager and all Permittees, registrants, and Persons required to submit to suitability by the Act or these Regulations have a continuing duty to inform the Board of any action which could reasonably be believed to constitute a violation of the Act or Regulations. This obligation to report is to be construed in the broadest possible manner; any question that exists regarding whether a particular action or circumstance constitutes a violation shall be decided in favor of reporting. The Board shall be notified no later than 10 Days from the date the Licensee, Permittee, registrant or Person knew or should have known of the possible violation. No Person who so informs the Board shall be discriminated against by an Applicant, Licensee, Permittee or registrant because of supplying such information.

B. The Casino Operator, Casino Manager and all Permittees, registrants and Persons required to submit to suitability shall also have a continuing duty to inform the Board of material changes in their affiliations, Businesses, financial standing, operations, ownership relationships or corporate management personnel, provided however, in the case of a publicly traded company, this obligation shall be satisfied if such company files copies of all form 10Ks, 10Qs, and 8Ks filed with the securities and exchange

commission, within 10 Days of filing with the securities and exchange commission.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1913 (October 1999).

§2153. Cash Transaction Reporting

A. The Casino Operator shall report any administrative or criminal proceedings alleging a violation pertaining to a cash transaction report, as defined by the Internal Revenue Service, to the Division within 10 Days of knowledge by the Casino of the violation.

B. Any administrative or criminal proceedings alleging a violation pertaining to cash transaction report requirements in any jurisdiction by the Casino Operator, Casino Manager or any of their respective holding or intermediary companies or Affiliates of the holding or intermediary companies, shall be reported to the Division within 30 Days of the notice of violation in the other jurisdiction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1914 (October 1999).

§2155. License and Permit Terms and Filing of Application

A. As required by R.S. 27:241.A and the Casino Operating Contract, the Casino Operator shall conduct Casino Gaming Operations at the Official Gaming Establishment for a primary term of 20 years with a ten-year renewal option.

B. Employee Permits, as required by the Act, shall have a term of one year.

C. Vendor Permits shall have a term of two years.

D. Each Application, including renewal Applications, shall be deemed filed with the Division when the Application form has been received by the Division, as evidenced by a signed receipt.

E. All renewal Applications for Permits shall be submitted to the Division no later than 90 Days prior to the expiration of the Permit and all fees as required by law shall be paid on or before the date of expiration of the Permit.

F. If any employee of a Casino Operator, Licensee, or Permittee who is required to have a License or Permit fails to renew his License or Permit as provided herein, the employer, upon notice by the Division, shall terminate the employee or suspend the employee without pay until such time as the employer is notified by the Division that the employee has renewed his License or Permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1914 (October 1999).

§2159. Gaming Employee Permits Required

A. No Person may be employed as a Gaming Employee unless such Person is the holder of a valid Gaming Employee Permit issued by the Division.

B. The Casino shall secure an Application and fingerprint cards from the Division for each prospective Gaming Employee.

C. Every Gaming Employee shall keep his Gaming Employee Permit on his Person and displayed in accordance with §2163 of these Regulations at all times when actively engaged in Gaming Operations, or on the licensed Premises.

D. A Gaming Employee Permit is not transferable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1914 (October 1999).

§2161. Application for Gaming Employee Permit; Procedure

A. An Applicant for a Gaming Employee Permit shall submit to fingerprinting at the direction of the Division and supply two passport size photographs. The photographs must be satisfactory to the Division and must have been taken not earlier than three months before the date of filing the Application. The Applicant shall also provide any other information requested by the Division.

B. An Applicant for a Gaming Employee Permit shall pay the Application fee established by the Act prior to the issuance of the Permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1914 (October 1999).

§2163. Display of Gaming Employee Permit

A. A Gaming Employee Permit as required by these Regulations shall be worn by all employees during work hours. The Gaming Employee Permit shall be clearly displayed and worn in a manner as prescribed by the Division.

B. With prior Approval of the Supervisor or his designee, individual employees may be authorized to remove their Gaming Employee Permit. An employee authorized to remove his Gaming Employee Permit is responsible for producing his Permit without delay if requested by the Division.

C. A fee of \$15 shall be paid to the Division for any necessary replacement(s) or modifications of a Permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1914 (October 1999).

§2165. Permit Requirements for Persons Furnishing Services or Property or Doing Business with the Casino Operator or Casino Manager

A. All Manufacturers of Slot Machines, Gaming Devices or other Gaming Equipment, the companies or Persons supplying or repairing Slot Machines, Gaming Devices or other Gaming Equipment, companies providing or repairing Casino Security services, limousine services and junket operators must be permitted, in accordance with these Regulations, prior to conducting any business with the Casino Operator, Casino Manager or their employees or Agents.

B. Subject to §2166 of these Regulations, all Casino service industries not included in Subsection A of this Section shall be required to be permitted if the Person or company proposes to conduct business with the Casino in an annual, aggregate amount of \$50,000 or more in a consecutive 12 month period. Such Casino service industries, whether or not directly related to Gaming Operations include: suppliers of food and non-alcoholic beverages; Gaming Employee or dealer training schools; garbage handlers; vending machine providers; linen suppliers; and maintenance companies. This list is illustrative and not meant to be exclusive.

C. All Casino service industries covered by Subsection B of this Section that propose to conduct business with the Casino in an aggregate amount of less than \$50,000, in a consecutive 12-month period may be required to be permitted. The decision to require a Permit rests in the sole discretion of the Board.

D. The method of applying for a Permit is as set forth in this Chapter of the rules and Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1914 (October 1999).

§2166. Exemptions/Waivers from Non-Gaming Vendor Permit Requirements

A. Pursuant to R.S. 27:238.C(1-2), the following Persons are exempt from the permitting requirements of §2165 and these Regulations:

1. non-profit charitable organizations, donations, sponsorships, and educational institutions that receive Funds from the Casino, including educational institutions that receive tuition reimbursement on behalf of employees of the Casino Operator or Casino Manager:

a. non-profit charitable organization shall mean a non-profit Board, association, corporation, or other organization domiciled in this state and qualified with the United States Internal Revenue Service for an exemption from federal income tax under Section 501(c)(3), (4), (5), (6), (7), (8), (10), or (19) of the Internal Revenue Code;

2. entities which provide only one or more of the following services to the Casino and which are the sole source provider of such services:

- a. water;
- b. sewerage;
- c. electricity;
- d. natural gas; and
- e. local telephone services;

3. regulated insurance companies providing insurance to the Casino Operator or Casino Manager and its employees (medical, life, dental, and property);

4. employee benefit and retirement plans and related administrator including incorporated 401K plans and employee stock purchase programs;

5. national or local professional associates that receive Funds from the Casino Operator or Casino Manager for the cost of enrollment, activities, and membership;

6. all state, federal, and municipal operated agencies;

7. all liquor, beer and wine industries regulated by the Louisiana Alcohol Beverage Control Commission/Board;

8. state and federally regulated banks and savings and loan associations (unless such institutions are operating under any type of cease and desist or similar type order) not withstanding those sources or transactions provided to a Licensee which require Board Approval;

9. providers of professional services including accountants, architects, attorneys, engineers and lobbyists;

10. hotels and restaurants;

11. electronic and print media, newspapers and book publishers;

12. nationwide shipping services, including Federal Express, United Parcel Service, Airborne Express and Emory Freight.

B. Nothing herein shall be construed to bar any other Business entities from seeking a waiver of non-gaming vendor permitting requirements upon a written showing of good cause.

C. The Board may, in its sole discretion, revoke any exemption granted under Subsection A above and require any Person to submit to the permitting requirements of §2165 and these Regulations.

D. This Section does not relieve the Casino Operator or Casino Manager of any reporting obligations required by §2907 or §2715.P of these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1915 (October 1999).

§2167. Junket Representative Permit

A. Junket representatives shall apply for and receive either a conditional Junket Representative Permit in accordance with §2169 of these Regulations or a Junket Representative Permit in accordance with this Section prior to receiving compensation from the Casino Operator for any junket activities with or on behalf of the Casino Operator. nothing herein shall prevent a Junket Representative from bringing Patrons to the Casino, prior to obtaining a conditional Junket Representative Permit or a Junket Representative Permit, provided however, no compensation shall be paid to the Junket Representative for such activity unless and until a conditional Junket Representative Permit or a Junket Representative Permit shall be issued.

B. A Junket Representative shall not transact business with or on behalf of the Casino Operator other than is customary in the industry.

C. An Application for a Junket Representative Permit shall be made on the forms as prescribed by the Division and may include but not be limited to:

1. name, address and type of organization of the Junket Representative;

2. a copy of any proposed agreement between the Casino Operator and the Junket Representative which shall set forth the nature of compensation to be paid to the Casino Operator;

3. a personal history form for the Junket Representative;

4. the designation of Persons whom the Junket Representative may use as a Secondary Representative;

5. a statement on a form furnished or approved by the Division that the Junket Representative:

a. submits to the jurisdiction of the state of Louisiana and the Board;

b. designates the Secretary of State as its representative upon whom service of process may be made; and

c. agrees to be bound by the laws of the state of Louisiana and the Regulations of the Board;

6. if the Junket Representative is not an individual, the Division may designate the officers and principals of the Junket Representative that shall also provide personal history forms to the Division.

D. Any agreement between a Junket Representative and the Casino Operator shall:

1. be in writing;

2. set forth the nature of compensation to be paid to the Junket Representative and contain an acknowledgment that no compensation shall be paid by the Casino Operator unless and until a Junket Representative Permit or conditional junket Permit has been issued;

3. contain an acknowledgment that the Junket Representative shall be bound by the laws of the state of Louisiana and the Regulations of the Board; and

4. shall contain an acknowledgment by the Junket Representative that the agreement shall terminate without liability on the part of the Casino Operator, the Board or any Affiliated entity for services performed or to be performed by the Junket Representative if the Board denies either a conditional Junket Representative Permit or Junket Representative Permit, issues a finding of unsuitability regarding the Junket Representative or otherwise orders the suspension or termination of the agreement between the Junket Representative and the Casino Operator (regardless of whether the Junket Representative is pursuing any administrative or appellate remedies) to challenge any action or inaction of the Board and regardless of the outcome of any administrative or appellate remedies).

E. The Board shall not issue a Junket Representative Permit until the Applicant has demonstrated to the Board by clear and convincing evidence that the Applicant is a Person of good character, honesty and integrity, is a Person whose prior activities, criminal record, if any, reputation, habits and associations do not pose a threat to the public interest or the effective regulation and Control of gaming, is a Person that does not create or enhance the dangers of unsuitable, unfair or illegal practices, methods or activities in the gaming industry, and that such Person otherwise meets the suitability criteria in Chapter 21 of these Regulations.

F. The issuance of a Junket Representative Permit shall authorize the Casino Operator to pay compensation to the Junket Representative as per the agreement, subject to any conditions imposed by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1915 (October 1999).

§2169. Conditional Junket Representative Permit

A. The Board may issue a conditional Junket Representative Permit when, in the Board's sole judgment, the issuance of such Permit would further the purposes of the Act.

B. In order to obtain a conditional Junket Representative Permit, it must be demonstrated to the satisfaction of the Board that:

1. the Applicant has filed a properly completed Junket Representative Permit Application, with all necessary attachments;

2. the Applicant has paid the Application fee for a Junket Representative Permit;

3. the Applicant has provided a copy of all agreements with the Casino Operator;

4. the Applicant has provided a statement that the Junket Representative:

a. submits to the jurisdiction of the state of Louisiana and the Board;

b. designates the Secretary of State as its representative upon whom service of process may be made;

c. agrees to be bound by the laws of the state of Louisiana and the Regulations of the Board;

5. the Applicant has provided a list of all Secondary Representatives;

6. if the Applicant is Licensed, authorized or permitted to engage in junket activities in another jurisdiction, that such License(s), authorization(s) or Permit(s) in each prior licensing jurisdiction(s) have not been suspended or revoked.

C. A conditional Junket Representative Permit shall not be issued until all of the requirements of Paragraphs B.1-6 if applicable listed above have been satisfied and the Division has been able to conduct an preliminary investigation on the Applicant.

D. The issuance of a conditional Junket Representative Permit, unless stated therein otherwise, shall constitute authorization for the Casino Operator to pay compensation to the Junket Representative in an amount not to exceed \$50,000. Although compensation in excess of \$50,000 may not be paid to the Junket Representative who holds a conditional Junket Representative Permit, the Junket Representative may continue to perform services to the Casino Operator pending the Division's completion of its investigation regarding suitability.

E. A conditional Junket Representative Permit shall expire on the earlier of:

1. one year from the date of issuance;

2. a finding of unsuitability or denial of the Junket Representative Permit;

3. such Permit being otherwise revoked or suspended by the Board; or

4. the issuance of a Junket Representative Permit.

F. In calculating the \$50,000 threshold, the Casino Operator shall account for all compensation paid to the Junket Representative, on an annual basis, and include any compensation paid to any Person or entity that is Affiliated with the Junket Representative or is otherwise known by the Casino Operator or Casino Manager to jointly-conduct business with the Junket Representative. If at any time the Board, in its sole discretion, determines that the Business of two or more Junket Representatives is reported as an independent Business for the purpose of circumventing or evading Permit requirements, the Board may, in addition to any other regulatory action deemed appropriate, aggregate the compensation payments made to such Junket Representatives for the purpose of calculating the \$50,000 threshold.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1916 (October 1999).

§2171. Determination of Unsuitability of Junket Representatives

A. The Casino Operator, upon written notification of a finding of unsuitability or other order of the Board or Division, shall immediately terminate all relationships, direct or indirect with the specified Junket Representative.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1917 (October 1999).

§2173. Reporting Requirements of Junket Representatives

A. Annually, on or before July 15, each Junket Representative shall file a list of all Secondary Representatives on a form furnished or Approved by the Division. The Casino Operator shall send a Notice annually, on or before June 1, to each Junket Representative under contract, advising the registered Junket Representative of the requirements of this Section.

B. The Junket Representative shall report additions, deletions, and changes to the following items to the Division within 30 Days thereof:

1. the Junket Representative's address or telephone number;
2. the officers, Directors, or shareholders or partners of the Junket Representative;
3. the list of Secondary Representatives.

C. The Casino Operator or Casino Manager shall submit a quarterly Junket Representative report to the Division which shall provide:

1. the name of the Junket Representative;
2. a schedule of all compensation paid to each Junket Representative and the date thereof, including the amount of compensation earned during the preceding 12-month period;
3. the names of any known Secondary Representatives utilized by the Junket Representative;
4. a statement as to whether future junkets are anticipated; and
5. any other information required by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1917 (October 1999).

§2174. Supplier Permit Criteria

A. The Division shall determine whether suppliers providing goods and/or services to the Casino Operator or Casino Manager are legitimate ongoing Businesses. In making such determination the Division shall consider any or all of the following nonexclusive factors:

1. years in business providing specific goods and/or services procured by the Casino Operator or Casino Manager;
2. number of employees;
3. total customer base;
4. dollar volume of all sales compared to sales to the Casino Operator;
5. existence and nature of warehouse and storage facilities;
6. existence and number of commercial delivery vehicles owned or leased;
7. existence and nature of Business offices, equipment and facilities;
8. whether the goods and/or services provided to the Casino Operator are brokered, and, if so, whether the actual supplier distributes through brokers as a common business practice;
9. registration with and reporting to appropriate local, state and federal authorities, as applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1029 (May 2002).

§2175. Denial, Revocation, Restrictions

A. The Board, consistent with R.S. 27:250.B, may deny, revoke, suspend, limit, condition or restrict any Permit, finding of suitability or Approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1917 (October 1999).

§2177. Surrender of a Permit

A. A Permit may not be surrendered without the prior written Approval of the Board.

B. If a request to surrender a Permit without prejudice is Approved, the Applicant is immediately eligible to apply again for permitting, unless the Board has placed a condition on the time in which the Applicant shall wait in order to reapply.

C. If a request to surrender a Permit is Approved with prejudice, the Applicant shall not be eligible to apply for a Permit for a period of five years after the date of the Approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1917 (October 1999).

Chapter 23. Compliance, Inspections and Investigations

§2301. Applicability and Resources

A. These rules and Regulations are applicable to Inspections and investigations relative to compliance with the Act and the rules and Regulations promulgated pursuant to the Act. The Division is empowered to employ such personnel as may be necessary for such Inspections and investigations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1917 (October 1999).

§2303. Inspections and Observations

A. Upon presentation of Identification, the Board, the Division and their representatives shall have the complete, immediate and unrestricted right at all times and without notice or demand to the Casino Operator, the Casino Manager, Permittee or any other Person, to enter and:

1. inspect the entire Casino and its ancillary facilities, including all so-called restricted areas;
2. inspect the Premises where Gaming Devices and Gaming Equipment are stored, manufactured, sold or distributed;
3. inspect any Gaming Device or Gaming Equipment; or
4. observe the conduct of any gaming activity.

B. These entries and Inspections may or may not be known to the Casino Operator, Casino Manager or Permittee.

C. The Casino Operator, Casino Manager or any Permittee shall upon request immediately make available for Inspection, by the Board, the Division and their representatives all papers, documents, Books and Records used in the Casino or permitted operation.

D. As more fully detailed in Section 9.26 of the Casino Operating Contract, the Board, the Division and their representatives shall also be afforded contemporaneous, complete and unrestricted access to information stored on-line in the SDS and CMS systems or any other computer system relating to Casino operations.

E. Immediate access to the areas and Records that may be inspected or examined by the Division, Division Agents, the Board or their representatives shall be granted to any such individual who displays Division or Board credentials.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1917 (October 1999).

§2305. Inspections during Construction

A. The Supervisor may designate one or more Agents of the Division to inspect the construction of the landbased gaming facility. The Casino Operator shall deliver to the gaming Board accurate scale drawings of the floor Plans of the Casino showing and designating the use for each room or enclosed area, the secured areas, and particularly areas where gross gaming receipts and other Casino revenues are handled.

B. Upon presentation of identification, any designated Agent of the Division may demand and shall be given immediate access to any place where construction of the Casino or any of its component parts is underway.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1918 (October 1999).

§2306. Inspections of Persons Furnishing Services or Property or Doing Business with the Casino Operator or Casino Manager

A. The Board, the Division and their representatives shall have the right to inspect any Person transacting business or providing services or property to the Casino Operator or Casino Manager. This right of Inspection includes the physical property and buildings, all Books and Records as well as all computer programs, files and disks. This right of Inspection covers all Persons regardless of the amount of business conducted with the Casino Operator or Casino Manager.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1918 (October 1999).

§2307. Investigations

A. All investigations of any alleged violations of the Act or of the rules and Regulations by an Applicant, Licensee or Permittee must be conducted by the Board and/or Division and may or may not be made known to the Applicant, Licensee or Permittee before being completed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1918 (October 1999).

§2309. Investigative Powers of the Board and Division

A. In conducting an investigation, the Board and/or Division is empowered to:

1. inspect and examine the entire Casino wherein Gaming Activities are conducted, proposed to be conducted or Gaming Devices are maintained or repaired, its ancillary facilities, and where all papers, books, Records, documents and electronically stored media are maintained;

2. summarily seize and remove Gaming Devices and Gaming Equipment from such Premises and impound any equipment for the purpose of examination and Inspection;

3. have access to inspect, examine, and photocopy all papers, books, Records, documents and information of an Applicant, Licensee, or Permittee pertaining to the Licensed or permitted operation or activity, on all Premises where such information is maintained;

4. review all papers, books, Records, and documents pertaining to the Licensed or permitted operation;

5. conduct audits to assist the Board in determining compliance with all gaming laws, rules and Regulations on Gaming Activities and operations under the Board's jurisdiction;

6. issue subpoenas, as provided in this Chapter, in connection with any investigation conducted by the Board or Division;

7. conduct depositions and/or obtain formal statements;

8. issue written interrogatories.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1918 (October 1999).

§2311. Seizure and Removal of Gaming Equipment and Devices

A. Gaming equipment or devices may be summarily seized by the Division. Whenever the Division seizes and removes Gaming Equipment or devices:

1. an inventory of the Gaming Equipment or devices seized will be made by the Division, identifying all such equipment or devices as to make, model, serial number, type, and such other information as may be necessary for authentication and identification;

2. all such Gaming Equipment or devices will be sealed or by other means made secure from tampering or alteration;

3. the time and place of the seizure will be recorded; and

4. the Casino Operator or Permittee will be notified in writing by the Division at the time of the seizure, of the fact of the seizure, and of the place where the seized equipment or device is to be impounded. A copy of the inventory of the seized equipment or device will be provided to the Casino Operator, Licensee or Permittee upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1918 (October 1999).

§2315. Seized Equipment and Devices as Evidence

A. All Gaming Equipment and Gaming Devices seized by the Division shall be considered evidence, and as such shall be subject to the laws of Louisiana governing chain of custody, preservation and return, except that:

1. any article of property that constitutes a cheating device shall not be returned. All cheating devices shall become the property of the Division upon their seizure and may be disposed of by the Division, which disposition shall be documented as to date and manner of disposal;

2. the Division shall notify by certified mail each known claimant of a cheating device that the claimant has 10 Days from the date of the notice within which to file a written claim with the Division to contest the characterization of the property as a cheating device;

3. failure of a claimant to timely file a claim as provided in Paragraph 2 above will result in the Division's pursuit of the destruction of property;

4. if the property is not characterized as a cheating device, such property shall be returned to the claimant within fifteen Days after final determination;

5. items seized for Inspection or examination may be returned by the Division without a court order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1918 (October 1999).

§2325. Sanctions

A. The Board may impose any sanction authorized by the Act for any violation of the Act or of the Regulations adopted pursuant to the Act after notice of the proposed sanction and after opportunity to request a hearing before the Board.

B. The Board may impose any sanction authorized by the Act for any violation of any condition, restriction, or limitation imposed by the Board on a License or Permit.

C. The Board may impose any sanction authorized by the Act for violation of the Casino Operator's or Casino Manager's internal controls as are Approved by the Division.

D. A sanction for purposes of this Section, subject to the rights in the Casino Operating Contract, includes, but is not limited to suspension, revocation, or cancellation of a License or Permit, the imposition of a fine and such other costs as the Board deems appropriate, or the conditioning, limiting, or restricting of a License or Permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1919 (October 1999).

§2327. Proof of Compliance

A. If the Casino Operator, Casino Manager or any Permittee is served with a Notice, issued by the Division, regarding a violation of the Act or the Regulations, the Casino Operator, Casino Manager or Permittee may submit proof of compliance with the Act and Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1919 (October 1999).

Chapter 25. Transfers of Interest in the Casino Operator and Permittees; Loans and Restrictions

§2501. Transfer of Interest, General

A. No Person shall sell, assign, lease, grant, hypothecate, transfer, convey, purchase or acquire any Interest of any sort whatsoever, or foreclose on a security Interest in the Casino Operator or Casino Manager or any portion thereof, or enter into or create a voting trust agreement or any agreement of any sort in connection with any Licensed Gaming Operation or any portion thereof, except in accordance with the Act and these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1919 (October 1999).

§2503. Disclosure of Representative Capacity

A. No Person shall transfer, assign, pledge or otherwise dispose of, or convey in any manner whatsoever, any ownership Interest in the Casino Operator, Casino Manager to any Person acting as an Agent, trustee or in any other representative capacity for or on behalf of another Person without having first fully disclosed all facts pertaining to such transfer and representation to the Board and Division. No Person acting in such representative capacity shall hold or acquire any such Interest or so invest or participate without having first fully disclosed all facts pertaining to such representation to the Board and Division and having obtained Approval from the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1919 (October 1999).

§2505. Transfer of Interest Prior to Approval

A. The sale, assignment, transfer, pledge, alienation, disposition, Public Offering, acquisition or other transfer of any equity Interest in the Casino Operator or Casino Manager must receive prior Approval from the Board. Any sale, assignment, transfer, pledge, alienation, disposition, Public Offering, acquisition or other transfer of equity Interest in the Casino Operator or Casino Manager that occurs without the prior Approval of the Board shall be void.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1919 (October 1999).

§2506. Notice of Alleged Significant Regulatory Violation—Application of Sanction to Transferee

A. In the event the Division institutes an action against the Casino Operator, Casino Manager or any Permittee which involves an alleged significant violation of the Gaming Act or any Regulations promulgated thereunder, the Division may, at the time of filing the action or any time thereafter, file a notice of significant violation in accordance with the terms of this Section. The filing of a notice of significant violation shall serve as actual and constructive notice to any Person of the pending proceeding and bind them in accordance with Subsection C below.

B. The Division may apply to the hearing officer for the issuance of a Notice of significant violation. A notice of significant violation shall issue upon the written Application of the Division specifying facts establishing that there are reasonable grounds to believe that the Casino Operator, Casino Manager or Permittee has violated the Gaming Act or Regulations promulgated thereunder and that such alleged violation could lead to a fine or the suspension or revocation of any License or Permit or the termination of any contract. If accepted by the hearing officer as complying with the terms of this Section, the notice of significant violation shall be filed with the Board which shall maintain a separate notice of significant violation index as a Public Record.

C. Any sale, assignment, transfer, pledge or disposition of an equity Interest in the Casino Operator, Casino Manager or Permittee that takes place after the filing of the notice of significant violation shall render the Person to whom the sale, assignment, transfer, pledge or disposition is made responsible and subject to any sanction subsequently imposed upon the Casino Operator, Casino Manager or Permittee based upon any conduct described in the notice of significant violation.

D. If, after hearing, there is a determination that the grounds for the Notice of the Significant Violation do not exist, the notice of significant violation shall be canceled and be of no further effect.

E. Nothing herein shall be construed to limit the Division or Board with respect to any other right or remedy provided by these Regulations or otherwise by law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1919 (October 1999).

§2507. Notification of Ownership Interest in Holding Company or Intermediary Company or Affiliate

A. The Casino Operator, Casino Manager or Affiliate, as the case may be, shall provide Notice to the Board and Division within five Days after obtaining knowledge of the accumulation of an ownership Interest of 5 percent or more

in their respective Holding Company or Intermediary Company, or Affiliate.

B. Nothing herein, shall prevent the Board, in its sole discretion, from requiring any Person acquiring an ownership Interest in the Casino Operator or Casino Manager, through a Holding Company or Intermediary Company, or Affiliate, to submit to a suitability examination consistent with the Act and these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1920 (October 1999).

§2509. Procedure for Proposed Transfer

A. Any Person filing an Application for Approval of a transfer of any Interest required by this Chapter must provide the following to the Board and Division:

1. all Application forms, including personal history forms, required by the Division;
2. all documents which evince the transfer of the Interest including any financing agreements;
3. all documents which evince any side agreements or related agreements regarding the transfer any Interest;
4. all other documents the Division may deem necessary for a full and complete evaluation of the transferees' suitability to hold an Interest in the Casino Operator or Casino Manager.

B. All costs associated with the Division's investigation of the Application for a transfer will be borne by the Person seeking to acquire the Interest.

C. All Persons required to obtain Approval under this Chapter must meet the same suitability requirements as set forth in these Regulations. The Board shall give the Applicant and the Division notice of the granting of its Application for a transfer. The granting of an Application for a transfer by the Board may be subject to any condition, limitation, or restriction in the same manner as the granting of the License or Permit. The Applicant shall indicate its acceptance of any condition, limitation, or restriction by documentation Approved by the Board.

D. An Applicant served with Notice of recommendation of denial may make a written request for a hearing in the same manner as is provided in LAC 42:III.103. The hearing shall be conducted in the same manner as provided in LAC 42:III.103. The Applicant shall prove by clear and convincing evidence that he is qualified in accordance with the Act and the Regulations. Appeals of any action, order or decision of the hearing officer resulting from such a hearing shall be made to the Board as provided in the Act and these Regulations.

E. The Notice required by this Section shall be sent by certified mail.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1920 (October 1999).

§2511. Transfer of Interest to Non-Licensee or Non-Permittee

A. No Person who owns an ownership Interest of 5 percent or more in the Casino Operator, the Casino Manager, a Holding Company or Intermediary Company of the Casino Operator shall contract to transfer a 5 percent or greater Interest or such other Interest that otherwise leads to a change of control without prior Approval of the Board. This Subsection shall not apply to transfers of publicly-traded Securities purchased on the various stock markets.

B. Prior to the consummation of any accumulation of transfers, wherein 5 percent or greater Interest or such other Interest that otherwise leads to a change of control is proposed to be transferred in the Casino Operator, Casino Manager, a Holding Company or Intermediary Company of the Casino Operator, the transfer(s) and transferee must be Approved by the Board. This Subsection shall not apply to transfers of publicly-traded Securities purchased on the various stock markets.

C. None of the transfers described in this Section shall be effective for any purpose until the proposed transferee has applied for and obtained all Licenses, Permits or findings of suitability required by the Act and Regulations and until the transferee has been Approved by the Board.

D. An investigation of any such Application shall be conducted by the Board. Prior to the commencement of the investigation, or while the investigation is ongoing, the Board or Division may request such additional information or documentation as it deems necessary for a complete investigation of the Applicant. The Board may assess a fee to cover the costs of the investigation.

E. The proposed transfer shall be granted or denied in the same manner as provided in §2509 of these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1920 (October 1999).

§2512. Stock Restrictions

A. Unless otherwise expressly Approved by the Board, all ownership Securities issued by the Casino Operator shall bear on both sides of the certificate a statement of the restrictions containing the following inscription.

The purported sale, assignment, transfer, pledge or other disposition of this security must receive the prior Approval of the Louisiana Gaming Control Board. The purported sale, assignment, transfer, pledge or other disposition, of any security or shares issued by the entity issuing this security is void unless Approved in advance by the Louisiana Gaming Control Board. If at any time an individual owner of any such security is determined to be unsuitable under the Act and Regulations to continue as a Permittee or suitable Person, the issuing entity shall ensure that such Person or Persons may not receive any dividend or Interest upon any such security; exercise, directly or indirectly through any trustee or nominee,

any voting right conferred by such security; receive remuneration in any form from the Casino Operator, Casino Manager, or Affiliates for services rendered or otherwise; receive any economic benefit from the Casino Operator, Casino Manager or Affiliates; or continue in an ownership or Economic Interest in the Casino Operator or function as a manager, officer, Director or partner of the Casino Operator.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1920 (October 1999).

§2513. Emergency Situations

A. If the provisions of this Chapter applying to a Transfer of an Interest in the Casino Operator, Casino Manager, Permittee, or Person who is required to meet the suitability requirements of the Act and Regulations is contemplated, and in the opinion of the Board, the exigencies of the situation require that a proposed transferee be permitted to take part in the conduct of operations or to make available financing or credit for use in connection with such operation during the pendency of an Application for a License, Permit, or determination that the Applicant meets the suitability requirements of the Act and Regulations, then the Board may by emergency order implement the emergency procedures described in §2515 of these Regulations.

B. An emergency as used in this Chapter may be deemed to include, but is not limited to any of the following:

1. the Casino Operator, Casino Manager, Permittee or Person who was required to meet suitability requirements of the Act and Regulations has died or has been declared legally incompetent;
2. the Casino Operator, Casino Manager, Permittee or Person who was required to meet the suitability requirements of the Act and Regulations is a legal entity that has been dissolved by operation of law;
3. the Casino Operator, Casino Manager, Permittee or Person who was required to meet the suitability requirements of the Act and Regulations has filed a petition of bankruptcy, or in the opinion of the Board is or will likely become insolvent;
4. the License or Permit has been suspended or revoked;
5. a Person with an Interest in the Casino Operator, Casino Manager or a Permittee who was required to meet the suitability requirements of the Act and Regulations no longer meets the suitability requirements of the Act and Regulations;
6. the Casino Operator, Casino Manager, a Permittee, or Person who was required to meet the suitability requirements of the Act and Regulations or an Interest in the Casino Operator or a Permittee is subject to foreclosure or other forced sale permitted by law;
7. any other emergency circumstance that is Approved by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1921 (October 1999).

§2515. Emergency Procedures

A. A proposed transferee who seeks to participate in an operation pursuant to an emergency order as provided in §2513 must submit a written request to the Board which shall contain the following:

1. a complete description of the extent to which and the manner in which the proposed transferee will participate in the operations pending the completion of the proposed transfer of an Interest;
2. a complete description of the plan for effecting the proposed transfer of the Interest;
3. a complete Financial Statement, including the sources for all Funds to be used in the transfer and that will be used in the participation prior to the completion of the transfer;
4. full, true and correct copies of all documents pertaining to the proposed transfer, including but not limited to all agreements between the parties, leases, notes, mortgages or deeds of trust, and pertinent agreements or other documents with or involving third parties;
5. a complete description of any and all proposed changes in the manner or method of operations, including but not limited to the identification of all proposed changes of and additions to Supervisory personnel;
6. all such additional documentation and information as may be requested by the Board; and
7. a certification that a copy of the request for emergency participation has been provided to the Board.

B. The proposed transferee must file a complete Application with the Board for Approval of the transfer of the Interest and for any necessary License or Permit as provided in these Regulations within five Days after an order for emergency participation has been issued. The Board may waive any or all of the requirements of this Paragraph upon written request of the proposed transferee with a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1921 (October 1999).

§2517. Emergency Permission to Participate; Investigation

A. After the proposed transferee has complied with the requirements of §2515, the Division shall determine if all the necessary documents and information have been provided by the Applicant for Approval for the transfer. If the Division determines all of the necessary documents and information have been provided by the proposed transferee, then the Division shall notify the proposed transferee of that fact in a manner deemed appropriate by the Board.

B. After the Notice described in §2517.A has been provided to the proposed transferee, the Division shall commence the Background Investigation of the proposed transferee. The Division may request such additional documents and information during the investigation as it deems necessary. Upon the conclusion of the Background Investigation, the Board may grant or deny the request for emergency participation. No hearing will be granted to review the denial of a request for emergency participation. Any conditions imposed by the Board on a proposed transferee must be accepted by the proposed transferee in a manner approved by the Board prior to the Board granting a request for emergency participation.

C. Emergency permission to participate shall be defined with respect to time, and must be limited as follows.

1. Pending final action on the Application of a proposed transferee, the existing Casino Operator, Casino Manager, Permittee or Person who has met the suitability requirements of the Act and Regulations and the transferee Approved for emergency participation shall both be responsible for the payment of all taxes, fees and fines, and for acts or omissions of each.

2. No proposed transferee who has been granted emergency permission in writing to participate shall receive any portion of the Gross Gaming Revenue from the Gaming Operations or any profits from other operations of the Casino, or Permittee until final Approval of the proposed transfer of the Interest has been granted subject to the exception contained in §2517.C.3. If Approval is granted, such Approval shall be retroactive to the effective date of the emergency participation.

3. A proposed transferee who has been granted emergency permission to participate and who actually renders services to the Casino operation or the permitted operation may be compensated for any services actually rendered, but such compensation is subject to prior written Approval by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1921 (October 1999).

§2519. Effect of Emergency Permission to Participate; Withdrawal

A. The granting of emergency permission to participate is a revocable privilege. The granting of emergency permission to participate is not a finding by the Board that the Applicant for emergency participation meets the suitability requirements of the Act and Regulations. Such emergency permission to participate is without prejudice to any action that the Division or the Board may take with respect to any Application for final Approval of the proposed transfer of the Interest. All emergency permissions to participate are subject to the condition that they may be revoked or suspended at any time without a right to a hearing to review the Board's decision. The provisions contained in this Section are to be considered a part of any emergency participation granted by the Board, whether or

not they are included in the order granting such emergency participation.

B. Upon Notice that emergency permission to participate has been withdrawn, suspended, or revoked, the proposed transferee with such permission shall immediately terminate any participation whatsoever in the operations of the Casino Operator, Casino Manager, Permittee or Person required to meet the suitability requirements of the Act and Regulations. Anything of value, including money, contributed to the operations of the Casino Operator, Casino Manager, Permittee or Person required to meet the qualification requirements and suitability requirements of the Act and Regulations shall be immediately returned to the proposed transferee. Non-compliance with this Section shall be considered a violation of the Act and of the Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1922 (October 1999).

§2521. Loans and Lines of Credit

A. No Casino Operator, Casino Manager, Permittee or Person on behalf of the Casino Operator, Casino Manager or Permittee shall borrow money, receive, accept, or make use of any cash, property, credit, line of credit, guarantee, or grant other form of security for any loan except in accordance with these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1922 (October 1999).

§2522. Limitation on Financing; Incurring Debt

A. In accordance with Section 13.6 of the Casino Operating Contract, except as provided in §2523 and §2524 of these Regulations, the Casino Operator or its financing Affiliate may obtain debt only from a lender found suitable by the Board and only after obtaining Approval of the financing by the Board. Board Approval shall not be required for financing obtained from a lender previously found suitable by the Board or from a lender who is a suitable lender as defined in the Casino Operating Contract if:

1. the principal amount of debt incurred in the financing does not exceed the sum of:

- a. debt retired with proceeds of financing;
- b. the projected cost of capital improvements to be funded with proceeds of the financing; and
- c. customary transaction costs relating to the financing; or

2. the pre-tax cash flow of the Casino Operator for the twelve month period ending on the last Day of the calendar quarter preceding the calendar month in which the financing occurs is not less than 1.25 times the amount of annual Interest payable with respect to secured debt incurred in the financing.

B. The Casino Operator, any Holding Company or Intermediary Company thereof or the Casino Manager shall apply for prior Approval of any proposed Public Offering of any ownership Interest therein, and shall comply with all conditions imposed by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1922 (October 1999).

§2523. Board Actions Concerning Loans and Lines of Credit

A. Except as provided in §2522 of these Regulations, whenever the Casino Operator, Casino Manager, or Person acting on behalf of a Casino Operator, Casino Manager, (borrower herein), applies for, receives, accepts, or modifies the terms of any loan, line of credit, third-party financing agreement, sale with buy-back or lease-back provisions or similar financing transaction, or makes use of any cash, property, credit, loan or line of credit, or guarantees, or grants other form of security for a loan, such borrower shall notify the Board in writing no less than 60 Days prior to such transaction, unless a different time period is Approved by the Board. Such Notice shall include the following:

1. the names and addresses of all the parties to the transaction;
2. the amounts and sources of Funds;
3. the property or credit applied for or received;
4. the nature and the amount of security provided by; or on behalf of the borrower or Person required to meet the applicable suitability requirements of the Act and these Regulations;
5. the specific nature and purpose of the transaction;
6. such other information and documentation as the Board or Division may require.

B. The report described in Subsection A of this Section shall be signed under oath by the borrower, an authorized representative of the borrower, or Person required to meet the applicable suitability requirements of the Act and Regulations.

C. All transactions described in Subsection A of this Section require prior written Approval by the Board unless:

1. the amount of transaction does not exceed \$2,500,000 and all of the lending institutions involved therein are federally regulated financial institutions, or suitable lenders;
2. the loan amount of the transaction does not exceed \$1,000,000 and all of the lending entities are suitable lenders;
3. the transaction is exempted from the prior written Approval requirement pursuant to the provisions of §2524 of this Chapter;

4. the loan amount does not exceed \$500,000 and the transaction is one other than those described in Paragraphs C.1, 2, or 3 of this Section;

5. the transaction modifies the terms of an existing loan or line of credit which has been previously Approved pursuant to this Section, and after preliminary investigation pursuant to Subsection D of this Section, the Board determines that the modification does not substantially alter such terms.

D. The Board, after preliminary review, shall determine whether the transaction is exempt from the requirement of prior written Approval, and shall notify the borrower of the determination.

E. In the event the transaction is not determined exempt pursuant to Subsection C, the Board shall render a decision Approving or Disapproving the transaction.

F. If the transaction is Disapproved, the decision of the Board shall be in writing and shall set forth detailed reasons for such Disapproval.

G. The Board may require that the transaction be subject to conditions which must be accepted by all parties prior to Approval. The acceptance of such conditions shall be in manner Approved by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1922 (October 1999).

§2524. Publicly Registered Debt and Securities

A. If the transaction described in §2523.A of this Chapter involves publicly registered debt and Securities registered with the Securities and Exchange Commission (SEC), and sold pursuant to a firm underwriting understanding agreement, no Board Approval is required; however, in addition to filing the Notice required in §2523.A and B, the borrower shall:

1. file with the Board, within one business day after filing with the SEC, copies of all registration statements and final prospectus with respect to such debt Securities and will give Notice to the Division within one business day of the effectiveness of such registration statement; and

2. file a report with the Board within 45 Days after the completion of sales under such registration, setting forth the amount of Securities sold and the identities of the purchasers thereof from the underwriters.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1923 (October 1999).

§2527. Escrow Accounts

A. No money or other thing of value shall be paid to, remitted to, or distributed to, directly or indirectly to a proposed transferee, including a transferee with emergency permission to participate, until the Board has Approved the transfer and the transferee.

B. All money or other things of value to be paid to, remitted to, or distributed to, directly or indirectly to a proposed transferee, including a transferee with emergency permission to participate, shall be placed in escrow in a manner acceptable to the Board until the Board has Approved the transfer and the transferee.

C. Upon Approval of the transfer and the transferee, the money or other things of value held in escrow may be distributed to the transferee.

D. If the transfer or the transferee is Disapproved by the Board, any money or other thing of value placed in escrow shall be returned to the Person depositing the money or other thing of value in escrow.

E. A transferee with emergency permission to participate may be paid such compensation for services rendered as has been Approved by the Board in writing without such compensation being placed in escrow.

F. Any violation of this Section shall be grounds to Disapprove the transfer or the transferee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1923 (October 1999).

§2529. Casino Operator Transfers **Casino Operating Contract**

A. The Casino Operator shall not transfer the Casino Operating Contract, or any Interest therein or subcontract the performance of any of the Casino Operator's duties or obligations thereunder to any Person without first obtaining the Approval of the gaming Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1923 (October 1999).

§2531. Casino Operator Transfers

A. Except a transfer to a leasehold mortgagee in compliance with the Casino lease or in connection with the initial plan financing or other Approved financing or a transfer pursuant to Section 23.6(g) of the Casino Operating Contract, the Casino Operator shall not voluntarily or involuntarily transfer the Casino lease, or any Interest therein to any Person without first obtaining the Approval of the gaming Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1924 (October 1999).

Chapter 27. Accounting Regulations

§2701. Procedure for Reporting and Paying Gaming Revenues and Fees

A. All daily gaming revenue reports, together with all necessary Subsidiary schedules, required under the Act shall be submitted to the Division no later than 48 hours from the end of the Casino Operator or Casino Manager's specified gaming day. For reporting purposes, Casino Operator or Casino Manager's specified gaming day (beginning time to ending time) shall be submitted in writing to the Division prior to implementation. The gaming day is the 24-hour period by which the Casino keeps its Books and Records for business, accounting, and tax purposes. The Casino Operator or Casino Manager shall have only one gaming day, common to all its departments. Any change to the gaming day shall be submitted and approved by the Division 10 Days prior to implementation of the change. Consistent with Section 6.5 of the Casino Operating Contract, all Louisiana Gross Gaming Revenue share payments must be electronically transferred to the state's designated bank account by 5 p.m. of the next business day following the close of that Casino Gaming Day. Interest shall be imposed on the late payment of fees at the Default Interest Rate as defined by the Casino Operating Contract. In addition to any other administrative action, civil penalties, or criminal penalties allowed by law, Casino Operators or Casino Managers who are late in electronically transferring these payments may retroactively be assessed late penalties after Notice and opportunity for a hearing held in accordance with the Administrative Procedure Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1924 (October 1999).

§2703. Accounting Records

A. The following requirements shall apply throughout all of Chapter 27.

1. The Casino Operator or Casino Manager, in such manner as the Division may approve or require, shall keep accurate, complete, legible, and permanent Records of all transactions pertaining to revenue that is taxable or subject to fees under the Act. Casino Operator or Casino Manager shall keep Records of all transactions impacting the Financial Statements of the Casino Operator or Casino Manager, including, but not limited to, contracts or agreements with suppliers/vendors, Contractors, consultants, attorneys, accounting firms; accounts/trade payable files; insurance policies; bank statements, reconciliations and canceled checks or legible copies thereof. The Casino Operator or Casino Manager that keeps permanent Records in a computerized or microfiche fashion shall upon request

immediately provide Agents of the Division with a detailed index to the microfiche or computer record that is indexed by Casino department and date, as well as access to a microfiche reader. Only documents which do not contain original signatures may be kept in a microfiche or computerized fashion.

B. Casino Operator or Casino Manager shall keep general accounting Records on a double entry system of accounting, with transactions recorded on a basis consistent with generally accepted accounting principles, maintaining detailed, supporting, Subsidiary Records, including but not limited to:

1. detailed Records identifying:
 - a. revenues by day;
 - b. expenses;
 - c. assets;
 - d. liabilities;
 - e. equity for the establishment;
 - f. number of gaming Patrons, or reasonable estimates thereof, as approved by the Division;
2. detailed Records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;
3. individual and statistical game Records to reflect Drop, Win, and the percentage of Win to drop by table for each table Game, and to reflect Drop, Win, and the percentage of Win to Drop for each type of table Game, for each Day or other accounting periods approved by the Division and individual and game Records reflecting similar information for all other Games, including slots;
4. slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;
5. for the Casino Operator or Casino Manager, the Records required by the Casino Operator or Casino Manager's system of internal control;
6. journal entries and all workpapers (electronic or manual) prepared by the Casino Operator or Casino Manager and its independent accountant;
7. Records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to Patrons in the normal course of an owner's Business shall be expended at an amount based upon the full cost of such services or items to the Casino Operator or Casino Manager;
8. detailed gaming Chip and Token perpetual inventory Records which identify the purchase, receipt, and destruction of gaming Chips and Tokens from all sources as well as any other necessary adjustments to the inventories. The recorded accountability shall be verified periodically via physical counts. The Division shall have an Agent, or its designee, present during destruction of any gaming Chips or Tokens;

9. workpapers supporting the daily reconciliation of cash and cash equivalent accountability;

10. Financial Statements and supporting documents; and

11. any other Records that the Division specifically requires be maintained.

C. The Casino Operator or Casino Manager shall create and maintain Records sufficient to accurately reflect gross income and expenses relating to its Gaming Operations.

D. If the Casino Operator or Casino Manager fails to keep the Records used by it to calculate gross and net gaming revenue, or if the Records kept by the Casino Operator or Casino Manager to compute gross and net gaming revenue are not adequate to determine these amounts, the Division may compute and determine the amount of taxable revenue based on an audit conducted by the Division, any information within the Division's possession, or upon statistical analysis.

E. The Division may review or take possession of Records at any time upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1924 (October 1999).

§2705. Records of Ownership

A. The Casino Operator or Casino Manager shall keep on the Premises of its gaming establishment, or other Premises as approved by the Division, the following documents pertaining to the corporation:

1. a certified copy of the articles of incorporation and any amendments;
2. a copy of the bylaws and any amendments;
3. a copy of the certificate issued by the Louisiana Secretary of State authorizing the corporation to transact business in Louisiana;
4. a list of all current and former officers and Directors;
5. a certified copy of minutes of all meetings of the stockholders;
6. a certified copy of minutes of all meetings of the Directors;
7. a list of all stockholders listing each stockholder's name, birth date, Social Security number, address, the number of shares held, and the date the shares were acquired;
8. the stock certificate ledger;
9. a record of all transfers of the corporation's stock;
10. a record of amounts paid to the corporation for issuance of stock and other capital contributions; and

11. a schedule of all salaries, wages, and other remuneration (including perquisites), direct or indirect, paid during the calendar or Fiscal Year, by the corporation, to all officers, Directors, and stockholders with an ownership Interest at any time during the calendar or Fiscal Year, equal to 5 percent or more of the outstanding capital stock of any class of stock.

B. Each limited liability company Casino Operator or Casino Manager shall keep on the Premises of its gaming establishment the following documents pertaining to the company:

1. a certified copy of the articles of organization and any amendments;
2. a copy of the initial report, setting forth location and address of registered office and Agent(s);
3. a copy of required Records to be maintained at the registered office of the LLC, including current list of names and addresses of members and managers;
4. a copy of the operating agreement and amendments; and
5. a copy of the certificate of organization issued by the Louisiana Secretary of State evidencing that the limited liability company has been organized.

C. Each partnership Casino Operator or Casino Manager shall keep on the Premises of its gaming establishment the following documents pertaining to the partnership:

1. a copy of the partnership agreement and, if applicable, the certificate of limited partnership;
2. a list of the partners including their names, birth date, Social Security number, addresses, the percentage of Interest held by each, the amount and date of each capital contribution of each partner, and the date the Interest was acquired;
3. a record of all withdrawals of partnership Funds or assets; and
4. a schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each partner during the calendar or Fiscal Year.

D. Each sole proprietorship Casino Operator or Casino Manager shall keep on the Premises of its gaming establishment:

1. a schedule showing the name, birth date, Social Security number and address of the proprietor and the amount and date of the proprietor's original investment and of any additions and withdrawals;
2. a schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or Fiscal Year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1925 (October 1999).

§2707. Record Retention

A. Upon request, the Casino Operator or Casino Manager shall provide the Division, at a location approved by the Division, with the Records required to be maintained by Chapter 27. The Casino Operator or Casino Manager shall retain all such Records for a minimum of five years in a parish approved by the Division. In the event of a change of ownership, Records of prior owners shall be retained in a parish approved by the Division for a period of five years unless otherwise approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1925 (October 1999).

§2709. Standard Financial Statements

A. The Division shall prescribe a uniform chart of accounts including account classifications in order to insure consistency, comparability, and appropriate disclosure of financial information. The prescribed chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by the Casino Operator or Casino Manager. The Casino Operator or Casino Manager shall prepare their Financial Statements in accordance with this chart or in a similar form that reflects the same information.

B. The Casino Operator or Casino Manager shall furnish to the Division on a form, as prescribed by the Division, a quarterly financial report. The quarterly financial report shall present all data on a monthly basis as well. Monthly financial reports shall include reconciliation of general ledger amounts with amounts reported to the Division. The quarterly financial report shall be submitted to the Division no later than 60 Days following the end of each quarter.

C. The Casino Operator or its Holding Company or Intermediary Company shall submit to the Division one copy of any report, including but not limited to Forms S-1, 8-K, 10-Q, and 10-K, required to be filed by the Casino Operator or its Holding Company or Intermediary Company with the Securities and Exchange Commission or other domestic or foreign Securities regulatory agency, within 10 Days of the time of filing with such commission or agency or the due date prescribed by such commission or regulatory agency, whichever comes first.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1925 (October 1999).

§2711. Audited Financial Statements

A. The Casino Operator or Casino Manager shall submit to the Division, postmarked by the United States Postal Service or deposited for delivery with a private or commercial interstate carrier, audited Financial Statements reflecting all financial activities of the Casino Operator or Casino Manager's establishment prepared in accordance with generally accepted accounting principles and subjected to an examination conducted according to generally accepted

auditing standards by an independent Certified Public Accountant (CPA). The CPA shall incorporate the guidelines established by the Division into current procedures for preparing audited Financial Statements. The submitted audited Financial Statements required under this Part shall be based on the Casino Operator or Casino Manager's business year as approved by the Division. If the Casino Operator or Casino Manager or a Person controlling, controlled by, or under common control with the Casino Operator or Casino Manager owns or operates food, beverage or retail facilities or facilities or buildings, the Financial Statement must further reflect these operational Records.

B. The reports required to be filed pursuant to this Section shall be sworn to and signed by:

1. if from a corporation:
 - a. chief executive officer; and either the
 - b. financial vice president; or
 - c. treasurer; or
 - d. controller;
2. if from a partnership, by a general partner and financial Director;
3. if from a sole proprietorship, by the proprietor; or
4. if from any other form of Business association, by the chief executive officer, or other Person as approved by the Division.

C. All of the audits and reports required by this Section shall be prepared at the sole expense of the Casino Operator or Casino Manager.

D. Casino Operator or Casino Manager shall engage an independent Certified Public Accountant (CPA) either one of the six largest accounting firms having a national practice in the United States of America or another accounting firm that is selected by the Casino Operator and approved by the Board. The independent CPA shall be Licensed by the Louisiana State Board of Certified Public Accountants. The CPA shall examine the statements in accordance with generally accepted auditing standards. The Casino Operator or Casino Manager may select the independent CPA with the Division's Approval. Should the independent CPA, previously engaged as the principal accountant to audit the Casino Operator or Casino Manager's Financial Statements, resign or be dismissed as the principal accountant or if another CPA is engaged as principal accountant, the Casino Operator or Casino Manager shall file a report with the Division within 10 Days following the end of the month in which the event occurs, setting forth the following:

1. the date of the resignation, dismissal, or engagement;
2. any disagreements with a former accountant, in connection with the audits of the two most recent years, on any matter of accounting principles, or practices, Financial Statement disclosure, auditing scope or procedure, which

disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference in connection with his report to the subject matter of the disagreement; including a description of each such disagreement; whether resolved or unresolved;

3. whether the principal accountant's report on the Financial Statements for any of the past two years contained an adverse opinion or a disclaimer of opinion or was qualified. The nature of such adverse opinion or a disclaimer of opinion, or qualification shall be described; and

4. a letter from the former accountant furnished to the Casino Operator or Casino Manager and addressed to the Division stating whether he agrees with the statements made by the Casino Operator or Casino Manager in response to this Section of the Casino Operator or Casino Manager's submission of accounting and internal control.

E. Unless the Division approves otherwise in writing, the statements required must be presented on a comparative basis. Consolidated Financial Statements may be filed by commonly owned or operated establishments, but the consolidated statements must include consolidating financial information or consolidated schedules presenting separate Financial Statements for each establishment Licensed to conduct gaming by the Division. The CPA shall express an opinion on the consolidated Financial Statements as a whole and shall subject the accompanying consolidating financial information to the auditing procedures applied in the examination of the consolidated Financial Statements.

F. The Casino Operator or Casino Manager shall submit to the Division two originally signed copies of its audited Financial Statements and the applicable CPA's letter of engagement not later than 120 Days, unless a shorter time period is mandated by the Casino Operating Contract, after the last day of the Casino Operator or Casino Manager's business year. In the event of a License termination, change in Business entity, or a change in the percentage of ownership of more than 20 percent, the Casino Operator or Casino Manager or former Casino Operator or Casino Manager shall, not later than 120 Days after the event, submit to the Division two originally signed copies of audited statements covering the period between the filing of the last Financial Statement and the date of the event. If a License termination, change in Business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 Days after the end of the business year for which a statement has not been submitted, the Casino Operator or Casino Manager may submit statements covering both the business year and the final period of business.

G. If a Casino Operator or Casino Manager changes its Fiscal Year, the Casino Operator or Casino Manager shall prepare and submit to the Division audited Financial Statements covering the period from the end of the previous business year to the beginning of the new business year not later than 120 Days after the end of the period or incorporate the financial results of the period into the statements for the new business year.

H. Reports that directly relate to the independent CPA's examination of the Casino Operator or Casino Manager's Financial Statements must be submitted within 120 Days after the end of the Casino Operator or Casino Manager's business year. The CPA shall incorporate the guidelines established by the Division into current procedures for preparing the reports.

I. The Casino Operator or Casino Manager shall engage an independent CPA to conduct a quarterly audit of the Gross Gaming Revenue. Two signed copies of the auditor's report shall be forwarded to the Division not later than 60 Days after the last Day of the applicable quarter. For purposes of this Part, quarters are defined as follows: January through March, April through June, July through September and October through December. The CPA shall incorporate the guidelines established by the Division into current procedures for preparing the quarterly audit.

J. The Division may request additional information and documents from either the Casino Operator or Casino Manager or the Casino Operator or Casino Manager's independent CPA, through the Casino Operator or Casino Manager, regarding the Financial Statements or the services performed by the accountant.

K. The Casino Operator or Casino Manager shall submit to the Division, postmarked by the United States Postal Service or deposited for delivery with a private or commercial interstate carrier, any audit report prepared by the Internal Revenue Service.

L. The reports required to be filed pursuant to this Section shall be sworn to and signed by:

1. if from a corporation:
 - a. chief executive officer; and either the
 - b. financial vice president; or
 - c. treasurer; or
 - d. controller;
2. if from a partnership:
 - a. general partner; and
 - b. financial Director;
3. if from a sole proprietorship:
 - a. proprietor;
4. if from any other form of Business association;
 - a. chief executive officer; or
 - b. other Person as approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1926 (October 1999).

§2713. Cash Reserve Requirements; General

A. The Casino Operator or Casino Manager shall maintain in cash or cash equivalent amounts sufficient to protect Patrons against defaults in gaming debts owed by the Casino Operator or Casino Manager.

B. Casino Operator or Casino Manager shall submit its own procedure for calculating its cash reserve requirement which shall be approved by the Division in writing prior to implementation. Such procedure shall be implemented after the Casino Operator or Casino Manager receives the Division's written Approval.

C. The Casino Operator or Casino Manager shall submit monthly calculations of its cash reserve to the Division no later than 30 Days following the end of each month.

D. Cash equivalents are defined as all highly liquid investments with an original maturity of 12 months or less and available unused lines of credit issued by a federally regulated financial institution as permitted in Chapter 25 and approved pursuant to that Chapter. Approved lines of credit shall not exceed 50 percent of the total cash reserve requirement. Any changes to the initial computation submitted to the Division shall require the Casino Operator or Casino Manager to resubmit the computation with all changes delineated therein including a defined time period for adjustment of the cash reserve account balance (e.g., monthly, quarterly, etc.).

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1927 (October 1999).

§2715. Internal Control; General

A. Casino Operator or Casino Manager shall establish and implement beginning the first Day of operations, administrative and accounting procedures for the purpose of determining the Casino Operator or Casino Manager's liability for revenues and fees under the Act and for the purpose of exercising effective control over the Casino Operator or Casino Manager's internal fiscal affairs. Each Casino Operator or Casino Manager shall adhere to the procedures established and implemented under the requirements of this Section of the administrative rules and Regulations. The procedures shall be implemented to reasonably ensure that:

1. all assets are safeguarded;
2. Financial Records are accurate and reliable;
3. transactions are performed only in accordance with the Casino Operator or Casino Manager's internal controls as approved by the Division;
4. transactions are recorded adequately to permit proper reporting of gaming revenue, fees and taxes, and all revenues deriving from the Casino and related facilities and to maintain accountability for assets;

5. access to assets is permitted only in accordance with the Casino Operator or Casino Manager's internal controls as approved by the Division;

6. recorded accountability for assets is compared with actual assets at least annually and appropriate action is taken with respect to any discrepancies;

7. functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel;

8. sensitive keys are maintained in a secure area that is subject to surveillance as follows:

a. all Restricted Sensitive Keys shall be stored in an immovable dual lock box;

b. one key shall open only one lock on the dual lock box;

c. a dual key system shall be implemented wherein both keys are required to open the dual lock box and shall not be issued to different employees in the same department;

d. an employee shall be issued only a single key to the dual lock box; and

e. there shall be a surveillance camera monitoring the dual lock box at all times;

9. Restricted Sensitive Keys are properly secured. Restricted sensitive keys shall be defined as those keys which can only be reproduced by the Manufacturer of the lock or its authorized Agent. These keys shall be stored in the dual lock box, with the exception of the cages, change banks/booths and the dual lock box keys. All Restricted Sensitive Keys shall be inventoried and accounted for on a quarterly basis. These keys include but are not limited to:

- a. slot drop cabinet keys;
- b. bill validator release keys;
- c. bill validator contents keys;
- d. table drop release keys;
- e. table drop contents keys;
- f. count room keys;
- g. high level Caribbean stud key;
- h. vault entrance key;
- i. CCOM (processor) keys;
- j. card and dice room storage keys;
- k. slot office storage box keys;
- l. dual lock box keys;
- m. change bank/booth keys;
- n. secondary Chip access keys;
- o. weight calibration key;

10. the keys included in Paragraph 9 above, shall be stored in the dual lock box, with the exception of the cages, change banks/booths and the dual lock box keys. All Restricted Sensitive Keys shall be inventoried and accounted for on a quarterly basis;

11. all other sensitive keys not listed in §2715.A.9 are listed in the Casino Operator or Casino Managers' internal controls and are controlled as prescribed therein;

12. all damaged sensitive keys are disposed of timely and adequately. The Casino Operator or Casino Manager shall notify the Division. Notification shall include type of key(s), number of key(s), and the place and manner of disposal;

13. all access to the count rooms and the vault is documented on a log maintained by the count team and vault personnel respectively. Such logs shall be kept in the count rooms and vault room respectively, such logs shall be available at all times, and such logs shall contain entries with the following information:

- a. name of each Person entering the room;
- b. reason each Person entered the room;
- c. date and time each Person enters and exits the room;
- d. date, time and type of any equipment malfunction in the room;
- e. a description of any unusual events occurring in the room; and
- f. such other information required in the Casino Operator or Casino Manager's internal controls as approved by the Division;

14. only transparent trash bags are utilized in the restricted areas set forth in §2945 of these Regulations.

B. The Casino Operator or Casino Manager and each Applicant for a License shall describe, in such manner as the Division may approve or require, its administrative and accounting procedures in detail in a written system of internal control. The Casino Operator or Casino Manager and Applicant for a License shall submit a copy of its written system of internal controls to the Division for Approval prior to commencement of the Casino Operator or Casino Manager's operations. Each written system of internal control shall include:

1. an organizational chart depicting appropriate segregation of functions and responsibilities;
2. a description of the duties, responsibilities, and access to sensitive areas of each position shown on the organizational chart;
3. a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of §2715.A. of these Regulations;
4. a flow chart illustrating the information required in Paragraphs 1, 2 and 3 above;

5. a written statement signed by an officer of the Casino Operator or Casino Manager or a Licensed owner attesting that the system satisfies the requirements of this Section;

6. other information as the Division may require.

C. The Casino Operator or Casino Manager may not implement its initial system of internal control procedures unless the Division, in its sole discretion, determines that the Casino Operator or Casino Manager's proposed system satisfies §2715.A of these Regulations, and approves the system in writing. In addition, the Casino Operator or Casino Manager must engage an independent CPA to review the proposed system of internal control prior to implementation. The CPA shall forward two signed copies of the report reflecting the results of the evaluation of the proposed Internal Control System prior to implementation.

D. A separate internal audit department (whose primary function is performing internal audit work and who is independent with respect to the departments subject to audit) shall be maintained by either the Casino Operator or Casino Manager, the parent company of the Casino Operator or Casino Manager, or be contracted to an independent CPA firm. The internal audit department or independent CPA firm shall develop quarterly reports providing details of all exceptions found and subsequent action taken by management. All material exceptions resulting from internal audit work shall be investigated and resolved. The results of the investigation shall be documented and retained within the state of Louisiana for five years.

E. The Casino Operator or Casino Manager shall require the independent CPA engaged by the Casino Operator or Casino Manager for purposes of examining the Financial Statements to submit to the Casino Operator or Casino Manager two originally signed copies of a written report of the continuing effectiveness and adequacy of the Casino Operator or Casino Manager's written system of internal control 150 Days after the end of the Casino Operator or Casino Manager's Fiscal Year. Using the guidelines and standard internal control questionnaires and procedures established by the Division, the independent CPA shall report each event and procedure discovered by or brought to the CPA's attention which the CPA believes does not satisfy the Internal Control System approved by the Division. Not later than 150 Days after the end of the Casino Operator or Casino Manager's Fiscal Year, the Casino Operator or Casino Manager shall submit an originally signed copy of the CPA's report and any other correspondence directly relating to the Casino Operator or Casino Manager's system of internal control to the Division accompanied by the Casino Operator or Casino Manager's statement addressing each item of noncompliance as noted by the CPA and describing the corrective measures taken.

F. Before adding or eliminating any Game; adding any computerized system that affects the proper reporting of gross revenue; adding any computerized system of betting at a race book; or adding any computerized system for

monitoring Slot Machines or other Games, or any other computerized equipment, the Casino Operator or Casino Manager shall:

1. amend its accounting and administrative procedures and its written system of internal control;

2. submit to the Division a copy of the amendment of the internal controls, signed by the Casino Operator or Casino Manager's chief financial officer or general manager, and a written description of the amendments;

3. comply with any written requirements imposed by the Division regarding Administrative approval of computerized equipment; and

4. after compliance with Paragraphs 1-3 and Approval has been obtained from the Division, implement the procedures and internal controls as amended.

G. Any change or amendment in procedure including any change or amendment in the Casino Operator or Casino Manager's internal controls previously approved by the Division shall be submitted to the Division for prior written Approval as provided in Chapter 29 of these rules.

H. If the Division determines that a Casino Operator or Casino Manager's administrative or accounting procedures or its internal controls do not comply with the requirements of this Section, the Division shall so notify the Casino Operator or Casino Manager in writing. Within 30 Days after receiving the notification, the Casino Operator or Casino Manager shall submit a copy of the internal controls as amended and a description of any other remedial measures taken.

I. The Division can observe unannounced the transportation and count of each of the following: Electronic Gaming Device Drop, all table Game Drops, tip box and slot Drops, slot fills, fills and credits for table Games, as well as any other internal control procedure(s) implemented. For purposes of these procedures, unannounced means that no officers, Directors or employees of the Casinos are given advance information, regarding the dates or times of such observations.

J. Except as otherwise provided in this Section, no Casino Operator or Casino Manager shall make any loan, or otherwise provide or allow to any Person any credit or advance of anything of value or which represents value to enable any Person to take part in gaming activity. The failure to deposit for collection a negotiable instrument by the second banking Day following receipt shall be considered an extension of credit.

K. The Casino Operator or Casino Manager extend credit to a Patron only in the manner(s) provided in its Internal Control System approved by the Division.

L. The Internal Control System shall provide that:

1. each credit transaction is promptly and accurately recorded in appropriate credit Records;

2. coupon redemption and other complimentary distribution program transactions are promptly and accurately recorded; and

3. credit may be extended only in a commercially reasonable manner considering the assets, liabilities, prior payment history and income of the Patron.

M. No credit shall be extended beyond 30 Days. In the event that a Patron has not paid a debt created under this Section with 30 Days, the Casino Operator or Casino Manager shall not further extend credit to the Patron while such debt is outstanding.

N. The Casino Operator or Casino Manager shall be responsible for pursuing all collection activities on the debt of a Patron whether such activities occur in the name of the owner or a third party.

O. The Casino Operator or Casino Manager shall provide to the Division a quarterly report detailing all credit outstanding from whatever source, including nonsufficient Funds checks, collection activities taken and settlements, of all disputed markers, checks and disputed credit card charges pertaining to gaming. The report required under this Part shall be submitted to the Division within 15 Days of the end of each quarter.

P. The Casino Operator or Casino Manager shall submit to the Division, on a quarterly basis, a listing of all vendors who have received \$5,000 or more from the Casino Operator or Casino Manager during the previous quarter, or \$50,000 or more during the immediate past 12 month period as payment for providing goods and/or services to the Casino Operator or Casino Manager. This list shall include vendor name, address, type of goods/services provided, Permit number (if applicable), federal tax identification number, and the total amount of payments made by the Casino Operator or Casino Manager, or Person(s) acting on their behalf. This report shall be received by the Division no later than the last Day of the month following the quarter being reported. For each provider of professional services listed, the Casino Operator or the Casino Manager shall also submit a brief statement describing the nature and scope of the professional service rendered by each such provider, the number of hours of work performed by each such provider and the total amounts paid to each such provider by the Casino Operator or the Casino Manager, or any Person(s) acting on behalf of the Casino Operator or the Casino Manager. For purposes of this Section, providers of professional services include, but are not limited to, accountants, architects, attorneys, consultants, engineers and lobbyists, when acting in their respective professional capacities.

Q. The Casino Operator or Casino Manager shall have a continuing duty to review its internal controls to ensure the internal controls remain in compliance with the Act and the Division's rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1925 (October 1999).

§2716. Clothing Requirements

A. All authorized Persons accessing any count room when unaudited Funds are present shall wear clothing without any pockets or other compartments with the exception of Division Agents, security, internal audit, and external audit.

B. Cage employees shall not bring purses, handbags, briefcases, bags or any other similar item into the cage unless it is transparent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1930 (October 1999).

§2717. Internal Controls; Table Games

A. Table Games Fill and Credit Slip Requirements (Computerized and Manual). The Casino Operator or Casino Manager shall utilize fill/credit slips to document the transfer of Chips and Tokens to and from table Games. All table Game fill/credit slips shall be safeguarded in their distribution, use, and control as follows.

1. Fill/credit slips shall, at a minimum, be in triplicate form, in a continuous numerical series, numbered by the computer in a form utilizing the alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.

a. Each slip shall be clearly and correctly marked "Fill" or "Credit", whichever applies, and shall contain the following:

- i. correct date and time;
- ii. shift;
- iii. table number;
- iv. Game type;
- v. amount of fill/credit by denomination and in total;
- vi. sequential slip number (manual slips may be issued in sequential order by location); and
- vii. identification code of the requestor, in stored data only.

b. All fill slips shall be distributed as follows.

i. One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in table Drop box by the dealer/boxperson. The part that is placed in the Drop box shall be of a different color for fills than that used for credits.

ii. One part shall be retained in the cage for reconciliation of the cashier bank.

iii. One part shall be forwarded to accounting or retained internally within the computer. This computer copy shall be known as the *restricted copy* and shall not be accessible to cage or pit employees. The stored data shall not

be susceptible to change or removal by cage or pit personnel after preparation of a fill, with the exception of voids. Accounting shall be given access to the restricted copies of the fill slips.

c. All credit slips shall be distributed as follows.

i. One part shall be retained in the cage for reconciliation of the cashier bank upon completion of the credit transaction.

ii. One part shall be transported to the pit by the Security officer who brought the Chips, Tokens, markers or monetary equivalents from the pit to the cage, and after the appropriate signatures are obtained, deposited in the table Drop box by the dealer/boxperson. The part that is placed in the Drop box shall be of different color for credits than that used for fills.

iii. One part shall be forwarded to accounting or retained internally within the computer. This computer copy shall be known as the restricted copy and shall not be accessible to cage or pit employees. The stored data shall not be susceptible to change or removal by cage or pit personnel after preparation of a credit, with the exception of voids. Accounting shall be given access to the restricted copies of the credit slips.

2. Processed slips shall be signed by at least the following individuals to indicate that each has counted the amount of the fill/credit and the amount agrees with the slip:

a. cashier who prepared the slip and issued the fill or received the items transferred from the pit;

b. runner, who shall be a Gaming Employee independent of the transaction, who carried the Chips, Tokens, or monetary equivalents to or from the table;

c. dealer/boxperson who received the fill or had custody of the credit prior to the transfer; and

d. pit Supervisor who supervised the fill/credit.

3. Fill/credit slips that are voided shall be clearly marked "Void" across the face of all copies. On manual slips, the first and second copies shall have "Void" written across the face. The cashier shall print his employee number and sign his name on the voided slip. A brief statement of why the void was necessary shall be written on the face of all copies. The pit or cage Supervisor who approves the void shall print his employee number and sign his name and shall print or stamp the date and time the void is approved. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

4. Access to manual slips and slip processing areas shall be restricted to authorized personnel.

a. All manual unissued fill/credit slips shall be securely stored under the control of the accounting or Security department.

b. All manual unissued fill/credit slips shall be controlled by a log which the accounting department shall agree to fill or credit slips purchase documents monthly.

5. The accounting department shall account for all slips daily and investigate all missing slips within 10 Days. The investigation shall be documented and the documentation retained for a minimum of five years.

B. Computerized Table Game Fill Procedures. Computerized table fill transactions shall be:

1. initiated by a pit Supervisor and the order acknowledged by a cage cashier prior to the issuance of a fill slip and transportation of the Chips, Tokens, and monetary equivalents. The pit Supervisor or pit clerk shall process the order for fill by entering the following information into the computer:

a. correct date and time (computer may automatically generate);

b. shift;

c. table number;

d. Game type;

e. amount of fill by denomination and in total; and

f. identification code of preparer, in stored data only;

2. transported and deposited on the table only when accompanied by a legitimately executed fill slip;

3. physically transported from the cage by a runner who shall be a Gaming Employee independent of the transaction;

4. broken down or verified by the dealer/boxperson in public view before the dealer/boxperson places the fill in the tray;

5. acknowledged by the pit clerk or cage personnel via computer upon completion of the fill;

6. finalized by the cage cashier who shall complete the transaction via computer entry.

C. Cross-Fills. Cross-fills between tables shall not be permitted.

D. Computerized Table Game Credit Procedures. Computerized table credit transactions shall be:

1. initiated by a pit Supervisor and the order acknowledged by a cage cashier prior to the issuance of a credit slip and transportation of the Chips, Tokens, and monetary equivalents. The pit Supervisor or pit clerk shall process the order for credit by entering the following information into the computer:

a. correct date and time (computer may automatically generate);

b. shift;

c. table number;

d. Game type;

e. amount of credit by denomination and in total; and

f. identification code of preparer, in stored data only;

2. broken down or verified by the dealer/boxperson in public view before the dealer/boxperson places the credit in racks for transfer to the cage;

3. transacted and transferred from the table to the cage only when accompanied by a legitimately executed credit slip;

4. physically transported from the table by a runner who shall be a Gaming Employee independent of the transaction;

5. acknowledged by the pit clerk or cage personnel via computer upon completion of the credit;

6. finalized by the pit clerk or cage cashier who shall complete the transaction via computer entry.

E. Alternate Internal Control Procedures for Non-Computerized Table Games Transactions. For any non-computerized table Games systems, alternate documentation and/or procedures which provide at least the level of control required by the above standards for fills and credits will be acceptable. Such procedures must be enumerated in the Casino Operator or Casino Manager's internal controls and approved by the Division.

F. Table Games Inventory Procedures. All table Games shall be counted each gaming day simultaneously by a dealer/boxperson and a pit Supervisor, or two pit Supervisors. The count shall be conducted at the end of the gaming day except for tables which are counted and closed before the end of the gaming day. These tables do not have to be recounted at the end of the gaming day if they remained closed. At the beginning and end of each gaming day, each table's Chip, Token, and coin inventory shall be counted and recorded on a table inventory form. Additionally, tables which have remained closed after crediting the entire inventory back to the cage, will be exempt from conducting a daily count; however, the zero balance shall be documented in the table Games paperwork for each Day that they maintain a zero balance.

1. Table inventory forms shall be prepared, verified and signed by the dealer/boxperson and a pit Supervisor, or two pit Supervisors.

2. If the table banks are maintained on an imprest basis, a final fill or credit shall be made to bring the bank back to par.

3. If final fills are not made, beginning and ending inventories shall be recorded on the master Game sheet for Win calculation purposes.

4. Table inventory forms shall be placed in the Drop box by someone other than a pit Supervisor.

G. Credit Procedures in the Pit

1. Prior to the issuance of gaming credit to a player, the employee extending the credit shall determine if credit is available by entering the Patron's name or account number into the computer. A password shall be used to access such information. Once availability is established, credit shall be extended only on the remaining balance authorized.

2. Proper authorization of credit extension in excess of the previously established limit shall be documented.

3. Amount of credit extended in the pit shall be communicated to the cage or another independent source with the amount documented to update the manual and/or computerized system within a reasonable time subsequent to each issuance.

4. The following information shall be maintained either manually or in the computer system:

a. the signature or initials of the individual(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);

b. the name of the individual receiving the credit;

c. the date and shift granting the credit;

d. the table on which the credit was extended;

e. the amount of credit issued;

f. the marker number;

g. the amount of credit remaining after each issuance or the total credit available for all issuances;

h. the amount of payment received and nature of settlement (e.g., credit slip number, cash, Chips, etc.); and

i. the signature or initials of the individual receiving payment/settlement.

5. Marker preparation shall be initiated and other Records updated within approximately one hand of play following the initial issuance of credit to the player.

6. All credit extensions shall be initially evidenced by marker buttons which shall be displayed on the table in public view and placed there by Supervisory personnel.

7. Marker buttons shall be removed only by the dealer or boxperson employed at the table upon completion of a marker transaction.

8. The marker slip shall, at a minimum, be in triplicate form, pre-numbered by the printer, and utilized in numerical sequence whether marker forms are manual or computer-generated. Manual markers may be issued in numerical sequence by location. The three parts shall be utilized as follows:

a. original—maintained in the pit until settled or transferred to the cage;

b. payment slip—sent immediately to the cage; accompanied by the original and a transfer slip; or maintained in the pit until:

i. the marker is paid, including partial payments; at which time it shall be placed in the Drop box;

ii. the end of the gaming day; at which time it shall be sent immediately to the cage; accompanied by the original and a transfer slip;

c. issue slip—inserted into the appropriate table Drop box when credit is extended or when the player has signed the original.

9. The original marker shall contain at least the following information:

- a. preprinted number;
- b. player's name and signature, date; and
- c. amount of credit issued.

10. The issue slip or stub shall include the same preprinted number as the original, the table number, date and time of issuance, and amount of credit issued. The issue slip or stub also shall include the clear carbon copy signature of the individual extending the credit, and the clear carbon copy signature or initials of the dealer at the applicable table, unless this information is included on another document verifying the issued marker.

11. The payment slip shall include the same preprinted number as the original. When the marker is paid in full in the pit, it shall also include the table number where paid, date and time of payment, nature of settlement (cash, Chips, etc.) and amount of payment. The payment slip shall also include the signature of a pit Supervisor acknowledging payment, and the signature or initials of dealer/boxperson receiving payment, unless this information is included on another document verifying the payment of the marker.

12. The pit shall notify the cage via computer when the transaction is completed.

13. Markers (computer-generated and manual) that are voided shall be clearly marked "Void" across the face of all copies. The Supervisor who approves the void shall print his employee number and sign his name, print or stamp the date and time the void is approved, and print the reason for the void. All copies of the voided marker shall then be forwarded to accounting for accountability and retention for a minimum of five years.

14. Marker documentation shall be inserted in the Drop box by the dealer/boxperson at the table.

15. When partial payments are made in the pit, a new marker shall be completed reflecting the remaining balance and the marker number of the marker originally issued.

16. When partial payments are made in the pit, the payment slip of the marker which was originally issued shall be properly cross-referenced to the new marker number and inserted into the Drop box.

17. The cashier's cage or another independent source shall be notified when payments (full or partial) are made in the pit so that cage Records can be updated for such transactions. Notification shall be made no later than when the Patron's play is completed or at shift end, whichever is earlier.

18. All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.

19. An investigation shall be performed, by the accounting department, immediately following its notice of missing forms or any part thereof, to determine the cause

and responsibility for loss whenever marker credit slips, or any part thereof, are missing, and the result of the investigation shall be documented, by the accounting department. The Division shall be notified in writing of the loss, disappearance or failure to account for marker forms within 10 Days of such occurrence.

20. When markers are transferred to the cage, marker transfer slips shall be utilized and such documents shall include, at a minimum, the date, time, shift, marker number(s), table number(s), amount of each marker, the total amount transferred, signature of pit Supervisor releasing instruments from pit, and instruments at the cage.

21. Markers shall be transported to the cashier's cage by an individual who is independent of the marker issuance and payment functions (pit clerks may perform this function).

22. Marker log documentation shall be maintained by numerical sequence, indicating marker number, name of Patron, date marker issued, date paid, method of payment (if combination, i.e., Chips/cash, amount paid by each method), and amount of credit remaining. This marker log documentation shall also be maintained by Patron name in order to determine that credit was not extended beyond 30 Days.

H. Nonmarker Credit Play

1. Nonmarker credit play shall be prohibited except as provided in this Section.

2. Prior to the transacting of credit instruments (except traveler's checks) with a player, the employee extending the credit shall contact the cashier or another independent source to determine if the player's credit limit has been properly established and the remaining credit available is sufficient for the advance.

3. All credit instruments shall be transferred to the cashier's cage immediately following the acceptance of the instrument and issuance of Chips.

4. An order for credit shall be completed which includes the Patron's name and amount of the credit instrument in addition to the information required for a standard table credit.

5. The standards used for table credits shall be strictly adhered to for name credits, where applicable, including Patron's name and amount of credit instrument.

6. The acceptance of payments in the pit for nonmarker credit instruments shall be strictly prohibited.

7. All nonmarker credit play shall be evidenced by the placement of a lammer or other identifiable designation in an amount equal to the Wager.

8. The dealer shall place the lammer in the Wagering area of the table only after the Supervisor's specific authorization.

9. Nonmarker credit extensions shall be settled at the end of each hand of play by the preparation of a marker or payoff of the Wager.

10. There shall be no other extension of credit without a marker.

I. Call Bets. Call bets shall be prohibited. A call bet is a Wager made without Chips, Tokens, or cash.

J. Table Games Drop Procedures. The Drop process shall be conducted at least once each gaming day according to a schedule submitted to the Division setting forth the specific times for such Drops. Each Casino Operator or Casino Manager shall notify the Division of any changes to such schedules prior to the implementation of the change. Emergency Drops which require removal of the table Drop box require written notification to the Division within 24 hours following the emergency. The Drop process shall be conducted as follows.

1. All locked Drop boxes shall be removed from the tables by an individual independent of the pit shift being Dropped. Surveillance shall be notified when the Drop process begins. The entire Drop process shall be videotaped by surveillance. At least one surveillance employee shall monitor the Drop process at all times. This employee shall record on the surveillance log the times that the Drop process begins and ends, as well as any exceptions or variations to established procedures observed during the Drop including each time the count room door is opened.

2. Upon removal from the tables, the Drop boxes are to be placed in a Drop box storage rack and locked therein for transportation directly to the count area or other secure place approved by the Division and locked in a secure manner until the count takes place.

3. The transporting of Drop boxes shall be performed by a minimum of two individuals, at least one of whom is a Security officer.

4. Access to all Drop boxes regardless of type, full or empty, shall be restricted to authorized members of the Drop and count teams.

K. Table Games Count Procedures. The counting of table Game Drop boxes shall be performed by a soft count team with a minimum of three persons. Count tables shall be transparent to enhance monitoring. Surveillance shall be notified when the count process begins and the count process shall be monitored in its entirety and video taped by surveillance. At least one surveillance or internal audit employee shall monitor the table count process at least one randomly selected Day per calendar week. This employee shall record any exceptions or variations to established procedures observed during the count. Surveillance shall notify count team members immediately if surveillance observes the visibility of hands or other activity is consistently obstructed in any manner. Testing and verification of the accuracy of the currency counter shall be conducted and documented quarterly. This test shall be witnessed by someone independent of the count team members.

1. Count team members shall be:

a. rotated on a routine basis. Rotation is such that the count team is not the same three individuals more than four Days per week;

b. independent of transactions being reviewed and counted and the subsequent accountability of soft Drop proceeds.

2. Soft count shall include:

a. a test count of the currency counter prior to the start of each count;

b. the emptying and counting of each Drop box individually, daily;

c. the recordation of the contents of each Drop box on the count sheet in ink or other permanent form prior to commingling the Funds with Funds from other boxes;

d. the display of empty Drop boxes to another member of the count team or to surveillance;

e. the comparison of table numbers scheduled to be Dropped to a listing of table numbers actually counted, as reflected on the count sheet, to ensure that all table Game Drop boxes are accounted for during each Drop period;

f. the correction of information originally recorded by the count team on soft count documentation by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change;

g. after the count sheet has been reconciled to the currency, all members of the count team shall attest, by signature, to the accuracy of the table Games Drop count. Three verifying signatures on the count sheet shall be adequate if all additional count team employees sign a supplemental document evidencing their involvement in the count process;

h. the transfer of all monies and monetary equivalents that were counted to the cage cashier who is independent of the count team or to an individual independent of the revenue generation and the count process for verification. This individual certifies by signature as to the accuracy of the monies delivered and received from the soft count team; if a pass-through window between the count room and the vault is not utilized, transfer of monies shall be accomplished in a locked transport cart;

i. the delivery of the count sheet, with all supporting documents, promptly to the accounting department by a count team member. Alternatively, it may be adequately secured (e.g., locked in a container to which only accounting personnel can gain access) until retrieved by the accounting department;

j. access to Drop boxes, full or empty, shall be restricted to authorized members of the Drop and count teams;

k. access to the count room during the count shall be restricted to members of the Drop and count teams, Agents of the Division, authorized observers as approved by the Division and Supervisors for resolution of problems. Authorized maintenance personnel shall enter only when accompanied by Security. A log shall be maintained in the count room and shall contain the following information:

- i. name of each person entering the count room;
- ii. reason each person entered the count room;
- iii. date and time each person enters and exits the count room;
- iv. date, time and type of any equipment malfunction in the count room; and
- v. a description of any unusual events occurring in the count room.

3. Accounting/Auditing shall perform the following functions:

- a. match the original and first copy of the fill/credit slips;
- b. match orders for fills/credits to the fill/credit slips;
- c. examine fill and credit slips for correctness and recordation on the master gaming report;
- d. trace or record pit marker issue and payment slips to the master gaming report by the count team, unless other procedures are in effect which assure that issue and payment slips were placed into the Drop box in the pit;
- e. examine and trace or record the opening/closing table and marker inventory forms to the master gaming report;
- f. review accounting exception reports for the computerized table Games on a daily basis for propriety of transactions and unusual occurrences. Documentation of the review and its results shall be retained for five years.

L. Table Games Key Control Procedures. The keys used for table Game Drop boxes and soft count keys shall be controlled as follows.

1. Drop box release keys shall be maintained by a department independent of the pit department. Only the person authorized to remove Drop boxes from the tables shall be allowed access to the release keys. Count team members may have access to the release keys during the soft count in order to reset the Drop boxes. Persons authorized to remove the table Game Drop boxes are precluded from having access to Drop box contents keys. The physical custody of the keys needed for accessing full Drop box contents requires involvement of persons from three separate departments. The involvement of at least two individuals independent of the cage department is required to access empty Drop boxes.

2. Drop box storage rack keys shall be maintained by department independent of the pit department. Someone independent of the pit department shall be required to accompany such keys and observe each time Drop boxes are

removed from or placed in storage racks. Persons authorized to obtain Drop box storage rack keys shall be precluded from having access to Drop box contents keys with the exception of the count team.

3. Drop box contents keys shall be maintained by a department independent of the pit department. Only count team members are allowed access to the Drop box contents keys. This control is not applicable to emergency situations which require Drop box access at other than scheduled count times. At least three persons from separate departments, including management, must participate in these situations. The reason for access must be documented with the signatures of all participants and observers.

4. The issuance of soft count room keys and other count keys shall be witnessed by two Gaming Employees, who shall be from different departments. Neither of these two employees shall be members of the soft count team.

5. All duplicate keys shall be maintained and issued in a manner which provides the same degree of control over Drop boxes as is required for the original keys.

6. Sensitive keys shall not be removed from the Casino. Access to the keys addressed in this Section shall be documented on key access log forms.

a. The logs shall contain the date and time of issuance, the key or ring of keys issued, the printed name, signature and employee number of the person to whom the key is issued, the printed name, signature and employee number of the person issuing the key the date and time of the key return, and reason for access to the secure area. If key rings are used, there shall be a listing with the key log specifying each key on each ring. Accountability is required.

b. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If, due to unforeseeable circumstances, a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The videotape of the log-in process shall be retained for 30 Days.

M. Security of Cards and Dice. Playing cards and dice, not yet issued to the pit, shall be maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering. Perpetual inventory Records of the card and dice inventory are to be maintained according to parameters established by §4321 and §4325 of these Regulations.

N. Supervisory Controls. Pit Supervisory personnel with authority equal to or greater than those being supervised shall provide supervision of all table Games.

O. Table Games Records. The Casino Operator or Casino Manager shall maintain Records and reports reflecting Drop, Win and Drop hold percentage by table and type of Game by Day, cumulative month-to-date, and cumulative year-to-date. The reports shall be presented to and reviewed by management independent of the pit department on at least a

monthly basis. The independent management shall investigate any unusual statistical fluctuations with pit Supervisory personnel. At a minimum, investigations are performed for all statistical percentage fluctuations from the base level for a month in excess of plus or minus three percentage points. The results of such investigations are documented in writing and maintained for at least five years by the Casino Operator or Casino Manager. The *base level* is defined as the Casino Operator or Casino Manager's statistical Win to statistical Drop percentage for the previous business year. For the initial year only, the *base level* shall be defined in the Casino Operator or Casino Manager's internal controls, subject to the approval of the Division.

P. Accounting and MIS Training. Accounting and MIS personnel who perform table Game computer functions shall be trained as approved by the Division. The Casino Operator or Casino Manager shall submit to the Division for approval, written and comprehensive internal controls regarding training procedures which shall include, but are not limited to the following.

1. Backup and Recovery

a. MIS shall perform tape backup of system data daily. Backup and recovery procedures shall be written and distributed to all applicable personnel. These policies shall include information and procedures (e.g., a description of the system, systems manual, etc.) that ensure the timely restoration of data in order to resume operations after a hardware or software failure.

b. MIS shall maintain either hard or disk copies of system-generated edit reports, exception reports, or transaction logs.

2. Access to Software/Hardware

a. MIS shall establish Security groups based on each employee's job requirements. These groups will determine the access level of the employee. This information shall be maintained by MIS which includes the employee's name, position, identification number, and the date authorization is granted. These files shall be updated as employees or the functions they perform change.

b. MIS shall print and review the computer Security access report monthly. Discrepancies shall be investigated, documented, and maintained for five years.

c. Only authorized personnel shall have physical access to the computer software/hardware.

d. All changes to the system and the name of the individual who made the change shall be documented.

e. Reports and other output generated by the system shall only be available and distributed to authorized personnel.

3. Computer Control

a. The pit credit system shall be secured, such that only authorized users can access it.

b. The delete option within an individual program shall be secured, such that only authorized users can execute it, i.e., delete a record.

c. The Casino Operator or Casino Manager shall change passwords periodically, as specified in the Casino Operator or Casino Manager's internal controls, to ensure Security against false entry by unauthorized personnel.

d. The secured copies and the necessary documents shall be retained for five years.

e. The Division shall have access to all information pertaining to table Games. (e.g., restricted copies of slips so accuracy can be verified.)

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1930 (October 1999).

§2719. Internal Controls; Handling of Cash

A. Each Gaming Employee, owner, or Casino Operator or Casino Manager who receives currency of the United States from a Patron in the gaming area of a gaming establishment shall promptly place the currency in the lock box in the table or, in the case of a cashier, in the appropriate place in the cashiers' cage, or on those Games which do not have a lock box or on poker tables, in an appropriate place on the table, in the cash register, or other repository approved by the Division.

B. No cash Wagers shall be allowed to be placed at any gaming table. Such cash shall be converted to Chips or Tokens prior to acceptance of a Wager. All Wagers other than those made with the Casino Operator or Casino Manager's approved Chips and Tokens are expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1935 (October 1999).

§2721. Internal Controls; Tips or Gratuities

A. No Gaming Employee other than slot Gaming Employees, change persons, cashiers, and bar tenders shall accept currency as a tip or gratuity from any Patron, during or outside a shift unless immediately converted into value Chips. Security personnel may accept currency as a tip or gratuity only outside the Designated Gaming Areas in the Casino.

B. No Gaming Operation key employee or boxperson, floorperson or any other Gaming Operation employee who serves in a Supervisory position shall solicit or accept, any tip or gratuity from any player or Patron of the Gaming Operation where he is employed. The Casino Operator or Casino Manager shall not permit any practices prohibited by Subsection A of this Section.

C. All tips and gratuities given to Gaming Employees other than slot Gaming Employees shall be:

1. immediately deposited in a transparent locked box reserved for that purpose. If non-value Chips are received at a roulette table, the marker button indicating their specific value shall not be removed from the slot or receptacle attached to the outer rim of the roulette wheel until after a dealer, in the presence of a Supervisor, has converted them into value Chips which are immediately deposited in a transparent locked box reserved for that purpose;

2. accounted for by a recorded count conducted by both of the following:

a. a randomly selected dealer and a randomly selected employee who is independent of the tips being counted, excluding the employees referenced in §2721.A of these Regulations;

3. placed in a pool for pro rata distribution among the dealers on a basis that coincides with the normal pay period, with a distribution approved by the Division. Tips or gratuities from this pool shall be deposited into the Casino Operator or Casino Manager's payroll account. Distributions to dealers from this pool shall be made following the Casino Operator or Casino Manager's payroll accounting practices and shall be subject to all applicable state and federal withholding taxes; and

4. the Casino Operator or Casino Manager may elect to handle tips generated in its poker room separately from the pro rata distribution pool. Tips or gratuities may be assigned to the dealer generating said tip or gratuity, and the following procedures shall be used:

a. each dealer shall have a locked transparent box that has been marked with their name or otherwise coded for identification. Keys to these boxes shall be maintained by the cage department. When not in use, these boxes shall be stored in a locked storage cabinet or other approved lockable storage medium in the poker room itself. Keys to the storage cabinet shall be maintained by a poker room Supervisor, hereinafter referred to as the keyholder;

b. when a poker dealer arrives at their assigned poker table, the dealer and the keyholder shall obtain the dealer's marked transparent locked box from the locked storage cabinet. The box shall be placed at the poker table in the same manner as any other dealer token box. If the dealer leaves the poker table for any reason, the dealer's marked box shall be removed from the table by the dealer and the keyholder and returned to the storage cabinet;

c. at the end of the dealer's shift, the dealer along with an independent verifier (an employee independent of the table Games and cage departments), shall take that dealer's marked transparent locked box to the cage for counting. The cage employee shall unlock, empty, and relock the box. The cage employee shall count the contents of the box in the presence of the dealer and the independent verifier. The amount shall be recorded on a three part voucher, and signed by the cage employee, the dealer, and the independent verifier. The three parts of the voucher shall be distributed as follows:

i. one part shall be given to the dealer for his personnel Records;

ii. one part shall be maintained by the cage;

iii. one part shall be forwarded to the payroll department;

d. tips or gratuities counted above shall be deposited into the Casino Operator or Casino Manager's payroll account. Distribution to the dealer for the tips or gratuities earned by the dealer at poker tables shall be made in accordance with the Casino Operator or Casino Manager's payroll accounting practices and shall be subject to all applicable state and federal withholding taxes and regulations. No distributions shall be made to the dealer in any other manner;

e. at a poker room dealer's option, a poker room dealer may tip any cashier working as the poker room cashier during the poker room dealer's shift. Any such tip shall be handled when the poker room dealer's tips are counted as defined above. A section of the dealer's tip voucher shall be marked to allow the dealer to indicate which cashier(s) the dealer wishes to tip and the amount of said tip. The tip shall be deducted from the dealer's total tips at the time of the count. Tips given to a cashier in this manner shall be distributed to the cashier in accordance with the Casino Operator or Casino Manager's payroll accounting practices and shall be subject to all applicable state and federal withholding taxes and regulations. No tips from a poker room dealer shall be made to a cashier in any other manner;

f. surveillance shall have the capability to monitor and shall continuously record open poker tables.

D. Upon receipt from a Patron of a tip or gratuity, a dealer assigned to the gaming table shall extend his arm in an overt motion, and deposit such tip or gratuity in the transparent locked box reserved for such purpose.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1935 (October 1999).

§2723. Internal Controls; Slots

A. Any reference to Slot Machines or slots in this Section includes all Electronic Gaming Devices.

B. Whenever a Patron Wins a jackpot that is not totally and automatically paid directly from the Electronic Gaming Device, a slot attendant shall prepare and process according to the Casino Operator or Casino Manager's internal controls, a request for jackpot Payout form. A request for jackpot Payout form is not required if all of the following conditions are met:

1. a slot representative manually inputs the jackpot information into the computer;

2. a jackpot slip is generated through the computer system; and

3. the cashier uses this information to pay the jackpot.

C. The request for jackpot Payout form (if required) shall contain, at a minimum, the following information:

1. date and time the jackpot was processed;
2. the Electronic Gaming Device machine number and location number;
3. the denomination of the Electronic Gaming Device;
4. number of coins/Tokens played;
5. combination of reel characteristics;
6. on short pays, amount the machine paid; and
7. amount of hand-paid jackpot.

D. The Casino Operator or Casino Manager shall use multi-part jackpot Payout slips as approved by the Division to document any jackpot Payouts or short pays. The jackpot slips shall be in a continuous numerical series, numbered by the printer in a form utilizing the alphabet, and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year. Manual jackpot slips may be utilized in numerical sequence by location.

1. A three-part jackpot Payout slip which is clearly marked "jackpot" shall be utilized. The third copy may be the secured copy retained in the computer or whiz machine. Each jackpot slip shall include the following information:

- a. date and time during which the jackpot was processed;
- b. denomination;
- c. machine and location number of the Electronic Gaming Device on which the jackpot was registered;
- d. number of coins/Tokens played;
- e. dollar amount of Payout in both alpha and numeric. Alpha is optional if another unalterable method is used for evidencing the amount of the jackpot or fill;
- f. Game outcome including reel symbols, card values and suits, etc., for jackpot Payouts;
- g. pre-printed or concurrently-printed sequential numbers;
- h. signature of the cashier;
- i. signature of two slot attendants verifying and witnessing the Payout if the jackpot is less than \$1200; signature of one slot attendant and Security officer verifying and witnessing the Payout if the jackpot is \$1200 or greater.

2. Jackpot slips that are voided shall be clearly marked "Void" across the face of all copies. On manual slips, only the first and second copies shall have "Void" written across the face. The cashier and slot or cage Supervisor shall print their employee numbers and sign their names on the voided slip. The Supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

3. Computerized jackpot/Payout systems shall be restricted so as to prevent unauthorized access and fraudulent Payouts by an individual.

4. Jackpot Payout forms shall be controlled and routed in a manner that precludes any one individual from producing a fraudulent Payout by forging signatures, or by altering the amount paid subsequent to the Payout, and misappropriating the Funds. One copy of the jackpot Payout slip shall be retained in a locked box located outside the change booth/cage where jackpot Payout slips are executed or as otherwise approved by the Division.

5. Jackpot overrides shall have the notation "override" printed on all copies. Jackpot override reports shall be run on a daily basis.

6. Jackpot Payout slips shall be used in sequential order.

E. If a jackpot is \$1,200 or greater in value, the following information shall be obtained by the slot attendant prior to Payout and for preparation of a Form W-2G:

1. valid ID;
2. name, address, and Social Security number (if applicable) of the Patron;
3. amount of the jackpot; and
4. any other information required for completion of the Form W-2G.

F. If the jackpot is \$5,000 or more, a surveillance photograph shall be taken of the winner and the Payout form shall be signed by a slot Supervisor or Casino shift manager in addition to Subsection D and E. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

G. If the jackpot is \$10,000 or more, the slot attendant shall notify a slot technician who shall remove the electronic board housing the EPROM's. A surveillance photograph of the Division seal covering the EPROM shall be taken before the jackpot is paid. This photograph shall be attached to the jackpot Payout form. This is in addition to requirements as stated in Subsection D, E and F. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

H. If the jackpot is \$100,000 or more, the Casino Operator or Casino Manager shall notify the Division immediately. A Division Agent shall be present prior to the opening of the Electronic Gaming Device. Surveillance shall constantly monitor the Electronic Gaming Device until payment of the jackpot has been completed or until otherwise directed by a Division Agent. Once a Division Agent is present, the electronic board housing the EPROM's shall be removed by a slot technician, the EPROM's shall be inspected and tested in a manner prescribed by the Division. There shall be conformance to procedures as mentioned in Subsection D, E, F, and G. The Payout form shall also be signed by a Casino shift manager. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

I. The Casino Operator or Casino Manager shall use multi-part slot fill slips as approved by the Division to document any fill made to a Slot Machine hopper. The fill slips shall be in a continuous numerical series, numbered by the printer in a form utilizing the alphabet, and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year. Manual fill slips may be utilized in numerical sequence by location.

1. A three-part slot fill slip which is clearly marked "fill" shall be utilized. The third copy may be the secured copy retained in the computer or whiz machine. Each fill slip shall include the following information:

- a. date and time;
- b. machine and location number;
- c. dollar amount of slot fill in both alpha and numeric. Alpha is optional if another unalterable method is used for evidencing the amount of the slot fill;
- d. signatures of at least two employees verifying and witnessing the auxiliary or emergency slot fill; and
- e. pre-printed or concurrently-printed sequential number.

2. Computerized slot fill slips shall be restricted so as to prevent unauthorized access and fraudulent slot fills by one individual.

3. Hopper fill slips shall be controlled and routed in a manner that precludes any one individual from producing a fraudulent fill by forging signatures, or by altering the amount paid subsequent to the fill, and misappropriating the Funds. One copy of the hopper fill slip shall be retained in a locked box located outside the change booth/cage where hopper fill slips are executed, or as otherwise approved by the Division.

4. The initial slot fills shall be considered part of the coin inventory and shall be clearly designated as "slot loads" on the slot fill slip.

5. Slot fill slips that are voided shall be clearly marked "Void" across the face of all copies. On manual slips, the first and second copies shall have "Void" written across the face. The cashier and slot or cage Supervisor shall print their employee numbers and sign their names on the voided slip. The Supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

6. Slot fill slips shall be used in sequential order.

J. The Casino Operator or Casino Manager shall remove the slot Drop from each machine according to a schedule, submitted to the Division, setting forth the specific times for such Drops. All slot Drop buckets, including empty slot Drop buckets, shall be removed according to the schedule. Each Casino Operator or Casino Manager shall notify the

Division at least five Days prior to implementing a change to this schedule, except in emergency situations. The Division reserves the right to deny a Casino Operator or Casino Manager's Drop schedule with cause. Emergency Drops, including those for maintenance and repairs which require removal of the slot Drop bucket, require written notification to the Division within 24 hours following the emergency Drop. Prior to opening any Slot Machine, emptying or removing any slot Drop bucket, Security and surveillance shall be notified that the Drop is beginning.

1. The slot Drop process shall be monitored in its entirety and video taped by surveillance including transportation to the count room or other secured area as approved by the Division. At least one surveillance employee shall monitor the Drop process at all times. This employee shall record on the surveillance log the time that the Drop process begins and ends, as well as any exceptions or variations to established procedures observed during the Drop.

2. The Casino Operator or Casino Manager shall submit its Drop transportation route from the gaming area to the count room to the Division prior to implementing or changing the route.

3. A minimum of three employees shall be involved in the removal of the slot Drop, at least one of whom is independent of the slot department.

4. Drop team shall collect each Drop bucket and ensure that the correct tag or number is added to each bucket.

5. Security shall be provided over the slot buckets removed from the slot Drop cabinets prior to being transported to the count area. Slot Drop buckets must be secured in a locked slot Drop cabinet/cart during transportation to the count area.

6. If more than one trip is required to remove the slot Drop from all of the machines, the filled carts or coins shall be either locked in the count room or secured in another equivalent manner as approved by the Division.

7. At least once per year, in conjunction with the regularly scheduled Drop, a complete sweep shall be made of hopper and Drop bucket cabinets for loose Tokens and coins. Such Tokens/coins should be placed in respective hoppers and Drop buckets and not commingled with other machines.

8. Once all Drop buckets are collected, the Drop team shall notify Security and surveillance that the Drop has ended.

9. On the last gaming day of each calendar month, the Casino Operator or Casino Manager's Drop shall include both Drop buckets and currency acceptor Drop boxes of all Slot Machines.

K. The contents of the slot Drop shall be counted in a hard count room according to a schedule, submitted to the Division, setting forth the specific times for such counts.

1. The issuance of the hard count room key, shall be witnessed by two Gaming Employees, who shall be from different departments. Neither of these two employees shall be members of the count team.

2. Access to the hard count room during the slot count shall be restricted unless three count team members are present. All persons exiting the count room, with the exception of Division Agents, shall be wanded by Security with a properly functioning hand-held metal detector (wand). A log shall be maintained in the count room and shall contain the following information:

- a. name of each person entering the count room;
- b. reason each person entered the count room;
- c. date and time each person enters and exits the count room;
- d. date, time and type of any equipment malfunction in the count room; and
- e. a description of any unusual events occurring in the count room.

3. The slot count process shall be monitored in its entirety and videotaped by surveillance including transportation to the count room or other secured area as approved by the Division. At least one surveillance or internal audit employee shall monitor the count process at least two randomly selected Days per calendar month. This employee shall record on the surveillance log the times that the count process begins and ends, as well as any exceptions or variations to established procedures observed during the count, including each time the count room door is opened. Surveillance shall notify the count team members immediately if surveillance observes the visibility of hands or other activity is consistently obstructed in any manner.

4. Prior to each count, the count team shall perform a test of the weigh scale. The results shall be recorded and signed by at least two count team members. The initial weigh/count shall be performed by a minimum of three employees, who shall be rotated on a routine basis. The rotation shall be such that the count team shall not be the same three employees more than four Days per week.

5. The slot count team shall be independent of the generation of slot revenue and the subsequent accountability of slot count proceeds. Slot department employees can be involved in the slot count and/or subsequent transfer of the wrap, if they perform in a capacity below the level of slot shift Supervisor.

6. The following functions shall be performed in the counting of the slot Drop.

- a. The slot weigh and wrap process shall be controlled by a count team Supervisor. The Supervisor shall be precluded from performing the initial recording of the weigh/count unless a weigh scale with a printer is used.

- b. Each Drop bucket shall be emptied and counted individually. Drop buckets with zero Drop shall be individually entered into the computerized slot monitoring system.

- c. Contents of each Drop bucket shall be recorded on the count sheet in ink or other permanent form prior to commingling the Funds with Funds from other buckets. If a weigh scale interface is used, the slot Drop figures are transferred via direct line to computer storage media.

- d. The recorder and at least one other count team members shall sign the slot count document or weigh tape attesting to the accuracy of the initial weigh/count.

- e. At least three employees who participate in the weigh/count and/or wrap process shall sign the slot count document.

- f. The coins shall be wrapped and reconciled in a manner which precludes the commingling of slot Drop coin with coin for each denomination from the next slot Drop.

- g. Transfers out of the count room during the slot count and wrap process are either strictly prohibited; or if transfers are permitted during the count and wrap, each transfer is recorded on a separate multi-part prenumbered form (used solely for slot count transfers) which is subsequently reconciled by the accounting department to ensure the accuracy of the reconciled wrapped slot Drop. Transfers, as noted above, are counted and signed for by at least two members of the count team and by someone independent of the count team who is responsible for authorizing the transfer.

- h. If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the next two requirements shall be complied with.

- i. At the commencement of the slot count:

- (a). the coin room inventory shall be counted by at least two employees, one of whom shall be a member of the count team and the other shall be independent of the weigh/count and wrap procedures;

- (b). the above count shall be recorded on an appropriate inventory form.

- ii. Upon completion of the wrap of the slot Drop:

- (a). at least two members of the count team independent from each other, shall count the ending coin room inventory;

- (b). the above counts shall be recorded on a summary report(s) which evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;

- (c). the same count team members who counted the ending coin room inventory shall compare the calculated wrap to the initial weigh/count, recording the comparison and noting any variances on the summary report;

- (d). a member of the cage/vault department counts the ending coin room inventory by denomination. This count shall be reconciled to the beginning inventory, wrap, transfers and initial weigh/count on a timely basis by the cage/vault or other department independent of the slot department and the weigh/wrap procedures;

(e). at the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.

i. If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, upon completion of the wrap of the slot Drop:

i. at least two members of the count/wrap team shall count the final wrapped slot Drop independently from each other;

ii. the above counts shall be recorded on a summary report;

iii. the same count team members as discussed above (or the accounting department) shall compare the final wrap to the weigh/count recording the comparison and noting any variances on the summary report;

iv. a member of the cage/vault department shall count the wrapped slot Drop by denomination and reconcile it to the weigh/count;

v. at the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy;

vi. the wrapped coins (exclusive of proper transfers) are transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

j. The count team shall compare the weigh/count to the wrap count daily. Variances of 2 percent or greater per denomination between the weigh/count and wrap shall be investigated by the accounting department on a daily basis. The results of such investigation shall be documented and maintained for five years.

k. All slot count and wrap documentation, including any applicable computer storage media, is immediately delivered to the accounting department by other than the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

l. Corrections on slot count documentation shall be made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team employees. If a weigh scale interface is used, corrections to slot count data shall be made using either of the following:

i. crossing out the error on the slot document, entering the correct figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the slot department and count team enters the correct figure into the computer system prior to the generation of a related slot report(s);

ii. during the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report is generated by the computer system

identifying the Slot Machine number, the error, the correction and the count team employees testifying to the corrections.

m. At least three employees are present throughout the wrapping of the slot Drop. If the slot count is conducted with a continuous mechanical count meter which is not reset during the count and is verified in writing by at least three employees at the start and end of each denomination count, then this requirement is not applicable.

n. If the coins are not wrapped immediately after being weighed/counted, they are secured and not commingled with other coin. The term "wrapped slot Drop" includes wrapped, bagged (with continuous metered verification), and racked coin/Tokens.

o. If the coins are transported off the property, a second (alternative) count procedure must be performed before the coins leave the property, and any variances are documented.

L. Each hard count area shall be equipped with a weigh scale to weigh the contents of each slot Drop bucket.

1. A weigh scale calibration module shall be secured so as to prevent unauthorized access and shall have the Manufacturer's control to preserve the integrity of the device. internal audit shall test the accuracy of the weigh table at a minimum of once per quarter. The Manufacturer shall calibrate the weigh scale at a minimum of once per year. Someone independent of the cage, vault, slot and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained. The controller or his designee shall be the only persons with access to the weigh calibration keys.

2. If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access.

3. If the weigh scale has a "zero adjustment mechanism," it shall be either physically limited to minor adjustments or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.

4. The weigh scale and weigh scale interface shall be tested by the internal auditors or someone else who is independent of the cage, vault and slot departments and count team at least on a quarterly basis with the test results being documented.

5. During the slot count at least two employees shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated.

6. The preceding weigh scale and weigh scale interface test results shall be documented and maintained.

7. If a mechanical coin counter is used (instead of a weigh scale), procedures equivalent to those described in §2723.L.4 and §2723.L.5 of these Regulations shall be utilized.

M. The Casino Operator or Casino Manager shall maintain accurate and current Records for each Slot Machine, including:

1. initial meter readings, both electronic and system, including coin in, coin out, Drop, total jackpots paid, and Games played for all machines. These readings shall be recorded prior to commencement of Patron play for both new machines and machines changed in any manner other than changes in theoretical hold;

2. a report shall be produced at least monthly showing month-to-date and year-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage. If practicable, the report should include the actual hold percentage for the entire time the machine has been in operation. Actual hold equals dollar amount of Win divided by dollar amount of coin in:

- a. variances between theoretical hold and actual hold of greater than 2 percent shall be investigated, resolved and findings documented;

3. Records for each machine which indicate the dates and type of changes made and the recalculation of theoretical hold as a result of the changes;

4. the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations;

5. system meter readings, recorded immediately prior to or subsequent to each slot Drop. Electronic meter readings for coin-in, coin-out, Drop and total jackpots paid shall be recorded at least once a month:

- a. the employee who records the electronic meter reading shall be independent of the hard count team. Meter readings shall be randomly verified annually for all Slot Machines by someone other than the regular electronic meter reader;

- b. upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters;

- c. meter readings which do not appear reasonable shall be reviewed with slot department employees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected;

6. the statistical reports, which shall be reviewed by both slot department management and management employees independent of the slot department on a monthly basis;

7. theoretical hold worksheets, which shall be reviewed by both slot department management and management employees independent of the slot department semi-annually;

8. maintenance of the computerized slot monitoring system data files, which shall be performed by a department independent of the slot department. Alternatively, maintenance may be performed by slot Supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a daily basis;

9. updates to the computerized slot monitoring systems to reflect additions, deletions or movements of Slot Machines, which shall be made immediately preceding the addition or deletion in conjunction with electronic meter readings and the weigh process.

N. When Slot Machines are removed from the floor, slot loads, including hopper fills, shall be dropped in the slot Drop bucket and routed to the coin room for inclusion in the next hard count.

O. Keys to a Slot Machine's Drop bucket cabinet shall be maintained by a department independent of the slot department. The issuance of Slot Machine Drop bucket cabinet keys shall be observed by Security and a person independent of the slot Drop team. Security shall accompany the key custodian and such keys and observe each time a Slot Machine Drop cabinet is accessed unless surveillance is notified each time the keys are checked out and surveillance observes the person throughout the period the keys are checked out. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If, due to unforeseen circumstances, a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 Days.

P. Sensitive keys shall not be removed from the Casino. Access to the keys shall be documented on key access log forms.

1. The logs shall contain the date and time of issuance, the key or ring of keys issued, the printed name, signature and employee number of the person to whom the key is issued, the printed name, signature and employee number of the person issuing the key, the date and time of the key return and reason for access to the secure area. If key rings are used, there shall be a listing with the key log specifying each key on each ring. Accountability is required.

2. Keys shall be logged out and logged in per shift. The employee who logs out the key shall be the employee who logs in the key. If, due to unforeseen circumstances, a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 Days.

Q. Currency Acceptor Drop and Count Standards

1. Devices accepting U.S. currency for credit on, or change from, Slot Machines must provide a locked Drop box whose contents are separately keyed from the Drop bucket cabinet.

2. The currency acceptor Drop box shall be removed by an employee independent of the slot department according to a schedule, submitted to the Division, setting forth the specific times for such Drops. Emergency Drops, including those for maintenance and repairs which require removal of the currency acceptor Drop box, require written notification to the Division within 24 hours detailing date, time, machine number and reason. Prior to emptying or removing any currency acceptor Drop box, the Drop team shall notify Security and surveillance that the Drop is beginning.

3. The currency acceptor Drop process shall be monitored in its entirety and videotaped by surveillance including transportation to the count room or other secured areas as approved by the Division. At least one surveillance employee shall monitor the Drop process at all times. This employee shall record on the surveillance log the time that the Drop begins and ends, as well as any exceptions or variations to established procedures observed during the Drop, including each time the count room door is opened.

4. The Casino Operator or Casino Manager shall submit its Drop transportation route from the gaming area to the count room to the Division prior to implementing or changing the route.

5. Drop team shall collect each currency acceptor Drop box and ensure that the correct tag or number is added to each box.

6. Security shall be provided over the currency acceptor Drop boxes removed from the Electronic Gaming Devices prior to being transported to the count area.

7. Upon removal, the currency acceptor Drop boxes shall be placed in a Drop box storage rack and locked therein for transportation directly to the count area or other secure place approved by the Division and locked in a secure manner until the count takes place.

8. The transporting of currency acceptor Drop boxes shall be performed by a minimum of two employees, at least one of whom shall be a Security officer.

9. Once all currency acceptor Drop boxes are collected, the Drop team or Security shall notify surveillance and other appropriate personnel that the Drop has ended.

10. Surveillance shall notify the count team members immediately if surveillance observes the visibility of hands or other activity is consistently obstructed in any manner.

11. The currency acceptor count shall be performed by a minimum of three employees consisting of a recorder, counter and verifier.

12. Currency acceptor count team members shall be rotated on a routine basis. Rotation shall be such that the count team shall not be the same three employees more than four Days per week.

13. The currency acceptor count team shall be independent of transactions being reviewed and counted, and the subsequent accountability of currency Drop proceeds.

14. Daily, the count team shall verify the accuracy of the currency counter by performing a test count. The test count shall be recorded and signed by at least two count team members.

15. The currency acceptor Drop boxes shall be individually emptied and counted on the count room table.

16. As the contents of each box are counted and verified by the counting employees, the count shall be recorded on the count sheet in ink or other permanent form of recordation prior to commingling the Funds with Funds from other boxes.

17. Drop boxes, when empty, shall be shown to another member of the count team or to surveillance.

18. The count team shall compare a listing of currency acceptor Drop boxes scheduled to be dropped to a listing of those Drop boxes actually counted, to ensure that all Drop boxes are accounted for during each Drop period.

19. Corrections to information originally recorded by the count team on currency acceptor count documentation shall be made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change.

20. After the count sheet has been reconciled to the currency, all members of the count team shall attest by signature to the accuracy of the currency acceptor Drop count. Three verifying signatures on the count sheet shall be adequate if all additional count team employees sign a supplemental document evidencing their involvement in the count process.

21. All monies that were counted shall be turned over to the cage cashier (who shall be independent of the count team) or to an employee independent of the revenue generation and the count process for verification, who shall certify by signature as to the accuracy of the currency delivered and received.

22. Access to all Drop boxes regardless of type, full or empty shall be restricted to authorized members of the Drop and count teams.

23. Access to the soft count room and vault shall be restricted to members of the Drop and count teams, Agents of the Division, authorized observers as approved by the Division and Supervisors for resolution of problems. Authorized maintenance personnel shall enter only when accompanied by Security. A log shall be maintained in the soft count room and vault. The log shall contain the following information:

- a. name of each person entering the count room;
- b. reason each person entered the count room;
- c. date and time each person enters and exits the count room;
- d. date, time and type of any equipment malfunction in the count room; and
- e. a description of any unusual events occurring in the count room.

24. The count sheet, with all supporting documents, shall be promptly delivered to the accounting department by someone other than the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

25. The physical custody of the keys needed for accessing full currency acceptor Drop box contents shall be videotaped by surveillance at all times.

26. Currency acceptor Drop box release keys are maintained by a department independent of the slot department. Only the employee authorized to remove Drop boxes from the currency acceptor is allowed access to the release keys. (The count team members may have access to the release keys during the count in order to reset the Drop boxes if necessary.) Employees authorized to Drop the currency acceptor Drop boxes are precluded from having access to Drop box contents keys.

27. An employee independent of the slot department shall be required to accompany the currency acceptor Drop box storage rack keys and observe each time Drop boxes are removed from or placed in storage racks. Employees authorized to obtain Drop box storage rack keys shall be precluded from having access to Drop box contents keys (with the exception of the count team).

28. Only count team members shall be allowed access to Drop box contents keys. This standard does not affect emergency situations which require currency acceptor Drop box access at other than scheduled count times. At least three employees from separate departments, including management, shall participate in these situations. The reason for access shall be documented with the signatures of all participants and observers.

29. The issuance of soft count room and other count keys, including but not limited to acceptor Drop box contents keys, shall be witnessed by two Gaming Employees, who shall be from different departments. Neither of these two employees shall be members of the count team. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The videotape of the log-in process shall be retained for 30 Days.

30. Duplicate keys shall be maintained and issued in such a manner as to provide the same degree of control over Drop boxes as is required for the original keys.

31. Sensitive keys shall not be removed from the Casino and access to the keys shall be documented on key access log forms.

a. The logs shall contain the date and time of issuance, the key or ring of keys issued, the printed name, signature and employee number of the person to whom the key is issued, the printed name, signature and employee number of the person issuing the key, the date and time of

the key return and reason for access to the secure area. If key rings are used, there shall be a listing with the key log specifying each key on each ring. Accountability is required.

b. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 Days.

R. Computer Records. At a minimum, the Casino Operator or Casino Manager shall generate, review, document review, and maintain slot reports on a daily basis for the respective system(s) utilized in their operation as prescribed by the Division.

S. Management Information Systems (MIS) Functions

1. Backup and Recovery

a. MIS shall perform tape backup of system data daily. Backup and recovery procedures shall be written and distributed to all applicable personnel. These policies shall include information and procedures (e.g., a description of the system, systems manual, etc.) that ensure the timely restoration of data in order to resume operations after a hardware or software failure.

b. MIS shall maintain either hard or disk copies of system generated edit reports, exception reports and transaction logs.

2. Software/Hardware

a. MIS shall maintain a personnel access listing which includes, at a minimum the employee's name, position, identification number, and a list of functions the employee is authorized to perform including the date authorization is granted. These files shall be updated as employees or the functions they perform change.

b. MIS shall print and review the computer Security access report at the end of each shift. Discrepancies shall be investigated, documented and maintained for five years.

c. Only authorized personnel shall have physical access to the computer software/hardware.

d. All changes to the system and the name of the individual who made the change shall be documented.

e. Reports and other output generated by the system shall only be available and distributed to authorized personnel.

3. Application Controls

a. Application controls shall include procedures that prove assurance of the accuracy of the data input, the integrity of the processing performed, and the verification and distribution of the output generated by the system. Examples of these controls include:

i. proper authorization prior to data input (e.g., passwords);

ii. use of parameters or reasonableness checks; and

iii. use of control totals on reports and comparison of them to amounts input.

b. Documents created from the above procedures shall be maintained for five years.

T. The accounting department shall perform the following audit procedures relative to slot operations:

1. collect jackpot and hopper fill slips (computerized and manual) daily from the locked accounting box and the cashier cage or as otherwise approved by the Division;

2. review jackpot/fill slips daily for continuous sequence. Ensure that proper procedures were used to void slips. Investigate all missing slips and errors within ten Days. Document the investigation and retain the results for a minimum of five years;

3. manually add, on a daily basis, all jackpot/fill slips and trace the totals from the slips to the system generated totals. Document all variances and retain documentation for five years;

4. collect the hard count and currency acceptor count results from the count teams and compare the actual count to the system-generated meter reports on a daily basis;

5. prepare reports of their daily comparisons by device, by denomination and in total of the actual count for hard and soft count to system-generated totals. Report variance(s) of \$100 or greater to the slot department for investigation. Maintain a copy of these reports five years;

6. compare a listing of Slot Machine numbers scheduled to be dropped to a listing of Slot Machine numbers actually counted to ensure that all Drop buckets and currency acceptors are accounted for during each Drop period;

7. investigate any variance of 2 percent or more per denomination between the weigh/count and wrap immediately. Document and maintain the results of such investigation for five years;

8. compare 10 percent of jackpot/hopper fill slips to signature cards for proper signatures one Day each month;

9. compare the weigh tape to the system-generated weigh, as recorded in the slot statistical report, in total for at least one Drop period per month. Resolve discrepancies prior to generation/distribution of slot reports to management;

10. review the weigh scale tape of one gaming day per quarter to ensure that:

a. all Electronic Gaming Device numbers were properly included;

b. only valid identification numbers were accepted;

c. all errors were followed up and properly documented (if applicable);

d. the weigh scale correctly calculated the dollar value of coins; and

e. all discrepancies are documented and maintained for a minimum of five years;

11. verify the continuing accuracy of the coin-in meter readings as recorded in the slot statistical report at least monthly;

12. compare the "bill-in" meter reading to the currency acceptor Drop amount at least monthly. Discrepancies shall be resolved prior to generation/distribution of slot statistical reports to management;

13. maintain a personnel access listing for all computerized slot systems which includes at a minimum:

a. employee name;

b. employee identification number (or equivalent); and

c. listing of functions employee can perform or equivalent means of identifying same;

14. review sensitive key logs. Investigate and document any omissions and any instances in which these keys are not signed out and signed in by the same individual, on a monthly basis;

15. review exceptions, jackpot overrides, and verification reports for all computerized slot systems, including Tokens, coins and currency acceptors, on a daily basis for propriety of transactions and unusual occurrences. These exception reports shall include the following:

a. cash variance which compares actual cash to metered cash by machine, by denomination and in total;

b. Drop comparison which compares the Drop meter to weigh scale by machine, by denomination and in total.

U. Slot Department Requirements

1. The slot booths, change banks, and change banks incorporated in beverage bars (bar banks) shall be counted down and reconciled each shift utilizing appropriate accountability documentation.

2. The wrapping of loose slot booth and cashier cage coin shall be performed at a time or location that does not interfere with the hard count/wrap process or the accountability of that process.

3. A record shall be maintained evidencing the transfers of unwrapped coin.

4. Slot booth, change bank, and bar bank Token and Chip storage cabinets/drawers shall be constructed to provide maximum Security of the Chips and Tokens.

5. Each station shall have a separate lock and shall be keyed differently.

6. Slot booth, change bank, and bar bank cabinet/drawer keys shall be maintained by the Supervisor and issued to the change employee assigned to sell Chips

and Tokens. issuance of these keys shall be evidenced by a key log, which shall be signed by the change employee to whom the key is issued. All slot booth, change bank, and bar bank keys shall be returned to the Supervisor at the end of each shift. The return of these keys shall be evidenced on the key log, which shall be signed by the change employee to whom the key was previously issued. The key log shall include:

- a. the change employee's employee number and signature;
- b. the date and time the key is signed out; and
- c. the date and time the key is returned.

7. At the end of each shift, the outgoing and incoming change employee shall count the bank. The outgoing employee shall fill out a count sheet, which shall include opening and closing inventories listing all currency, coin, Tokens, Chips and other supporting documentation. The count sheet shall be signed by both employees once total closing inventory is agreed to the total opening inventory.

8. In the event there is no incoming change employee, the Supervisor shall count and verify the closing inventory of the slot booth/change bank/bar bank.

9. Increases and decreases to the slot booths, change banks, and bar banks shall be supported by written documentation signed by the cage cashier and the slot booth/change bank/bar bank employee.

10. The slot department shall maintain documentation of system related problems (i.e., system failures, extreme values for no apparent reason, problem with data collection units, etc.) and note follow-up procedures performed. Documentation shall include at a minimum:

- a. date the problem was identified;
- b. description of the problem;
- c. name and position of person who identified the problem;
- d. name and position of person(s) performing the follow up;
- e. date the problem was corrected; and
- f. how the problem was corrected.

11. The slot department shall investigate all meter variances received from accounting. Copies of these results shall be retained by the accounting department.

V. Progressive Slot Machines

1. Individual Progressive Slot Machine Controls

a. Individual Slot Machines shall have seven meters, including a coin-in meter, Drop meter, jackpot meter, Win meter, manual jackpot meter, progressive manual jackpot meter and a progressive meter.

2. Link Progressive Slot Machine Controls

a. Each machine in the link group shall be the same denomination and have the same probability of hitting the combination that will award the Progressive Jackpot as every other machine in the group.

b. Each machine shall require the same number of Tokens be inserted to entitle the player to a chance at winning the Progressive Jackpot and every Token shall increment the meter by the same rate of progression as every other machine in the group.

c. When a Progressive Jackpot is hit on a machine in the group, all other machines shall be locked out, except if an individual progressive meter unit is visible from the front of the machine. In that case, the progressive control unit shall lock out only the machine in the progressive link that hit the jackpot. All other progressive meters shall show the current Progressive Jackpot amount.

3. The Casino Operator or Casino Manager shall submit to the Division detailed internal control procedures relative to progressive Slot Machines that incorporate the following, at a minimum:

a. defined jackpots that are to be paid by the Casino and those paid from contributions to the multi-link vendor;

b. a schedule for the remittance of location contributions to the multi-link vendor;

c. a defined time period for receipt of contribution reports from the multi-link vendor;

d. contribution reports shall specifically identify the total amount of the Casino Operator or Casino Manager's contributions that can be deducted from the gross Drop reported to the Division for Progressive Jackpot(s) that are hit during the reporting period. The Casino Operator or Casino Manager's contributions shall not be reported to the Division upon Payout. Casino Operators or Casino Managers shall take their deductions, which are specified on the primary and secondary contribution reports from the Manufacturer, on the fifteenth of every month for the previous month's jackpots;

e. detailed jackpot Payout procedures for all types of jackpots;

f. service and maintenance parameters as set forth in contractual agreements between the Casino Operator or Casino Manager and the multi-link vendor.

W. Training

1. All personnel responsible for Slot Machine operation and related computer functions shall be adequately trained in a manner approved by the Division, before they shall be allowed to perform maintenance or computerized functions.

2. The training shall be documented by requiring personnel to sign a roster during the training session(s).

3. The Casino Operator or Casino Manager shall have a designated instructor responsible for training additional personnel. The designated instructor shall meet the following requirements:

a. shall be a full-time employee of the Casino Operator or Casino Manager; and

b. shall be certified as an instructor by the Manufacturer and/or its representative.

4. The Casino Operator or Casino Manager shall have a continuing obligation to secure additional training whenever necessary to ensure that all new employees receive adequate training before they are allowed to conduct maintenance or computerized functions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1936 (October 1999), amended LR 26:2306 (October 2000).

§2725. Internal Controls; Poker

A. Supervision shall be provided during all poker Games by personnel with authority equal to or greater than those employees conducting the Games.

B. Poker area transfers between table banks and the poker bank or Casino cage must be authorized by a gaming Supervisor and evidenced by the use of a lammer button or other means approved by the Division. Such transfers shall be verified by the poker area dealer and the runner. A lammer is not required if the exchange of Chips, Tokens, and/or currency takes place at the table.

C. The amount of the main poker area bank shall be counted, recorded and reconciled on a shift basis by two gaming Supervisors or two cashiers who shall attest to the amount counted by signing the check-out form.

D. At least once per gaming day the table banks shall be counted by a dealer and a gaming Supervisor or two gaming Supervisors and shall be attested to by signatures of those two employees on the check-out form. The count shall be recorded and reconciled at least once per Day.

E. The procedure for the collection of poker Drop boxes and the count of the contents thereof shall comply with the internal control standards applicable to the table Game Drop boxes.

F. Playing cards, both used and unused, shall be maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering.

G. Any computer Application(s) that provide internal controls comparable to that contained in this Section may be acceptable upon Division Approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1944 (October 1999).

§2729. Internal Controls; Cage, Vault and Credit

A. The Casino Operator or Casino Manager shall have a main bank which will serve as the financial consolidation of transactions relating to all gaming activity. Individuals accessing Casino cages who are not employees assigned to cage areas shall sign a log maintained in each of these areas. The log shall include the following:

1. name of each person entering the cage;
2. reason each person entered the cage;
3. date and time each person enters and exits the cage;
4. date, time and type of any equipment malfunction in the cage; and
5. a description of any unusual events occurring in the cage.

B. All transactions that flow through the Casino cage shall be summarized on a cage accountability form on a per shift basis and signed by the off-going and on-coming cashier. Variances of \$50 or greater shall be investigated and the results maintained for five years.

C. Increases and decreases to the cage inventory shall be supported by written documentation.

D. Open cage windows and vault including the coin room inventories shall be counted by outgoing and incoming cashiers and recorded at the end of each shift during which any activity took place, or at least once per gaming day. This documentation shall be signed by each person who counted the inventory. In the event there is a variance which cannot be resolved, a Supervisor shall verify/sign the documentation.

E. All net changes in outstanding Casino receivables shall be summarized on a cage accountability form or similar document on a daily basis.

F. Such information shall be summarized and posted to the accounting Records at least monthly.

G. All cage paperwork shall be transported to accounting by an employee independent of the cage.

H. All cashier tips shall be placed in a transparent locked box located inside the cage and shall not be commingled with cage inventory.

I. A Casino Operator or Casino Manager shall be permitted to issue credit in its Gaming Operation.

J. Prior to the issuance of gaming credit to a player, the employee extending the credit shall determine if credit is available by entering the Patron's name or account number into the computer. A password shall be used to access such information. Once availability is established, credit shall be extended only to the balance. If a manual system is used, the employee extending the credit shall, prior to the issuance of gaming credit to a player, contact the cashier or other independent source to determine if the player's credit limit has been properly established and remaining credit available is sufficient for the advance.

K. Proper authorization of credit extension in excess of the previously established limit shall be documented.

L. The Casino Operator or Casino Manager shall document, prior to extending credit, that it:

1. received information from a bona fide credit-reporting agency that the Patron has an established credit history that is not entirely derogatory; or

2. received information from a legal Business that has extended credit to the Patron that the Patron has an established credit history that is not entirely derogatory; or

3. received information from a financial institution at which the Patron maintains an account that the Patron has an established credit history that is not entirely derogatory; or

4. examined Records of its previous credit transactions with the Patron showing that the Patron has paid substantially all of his credit instruments and otherwise documents that it has a reasonable basis for placing the amount or sum placed at the Patron's disposal; or

5. informed by another Casino Operator or Casino Manager that extended gaming credit to the Patron that the Patron has previously paid substantially all of the debt to the other Casino Operator or Casino Manager and the Casino Operator or Casino Manager otherwise documents that it has a reasonable basis for placing the amount or sum placed at the Patron's disposal; or

6. if no credit information is available from any of the sources listed in Paragraphs 1-5 for a Patron who is not a resident of the United States, the Casino Operator or Casino Manager shall receive in writing, information from an Agent or employee of the Casino Operator or Casino Manager who has personal knowledge of the Patron's credit reputation or financial resources that there is a reasonable basis for extending credit in the amount or sum placed at the Patron's disposal;

7. in the case of personal checks, examine and record the Patron's valid driver's license or, if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks, and document one of the credit checks set forth in Paragraphs 1-6.

M. In the case of third party checks for which cash, Chips, or Tokens have been issued to the Patron or which were accepted in payment of another credit instrument, the Casino Operator or Casino Manager shall examine and record the Patron's valid driver's license, or if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks and, for the check's maker or drawer, perform and document one of the credit procedures set forth in Subsection L.

N. The following information shall be recorded for Patrons who will have credit limits or are issued credit in an amount greater than \$1,000 excluding, cashier's checks and traveler's checks:

1. Patron's name, current address, and signature;
2. identification verifications, including Social Security number or passport number if Patron is a nonresident alien;
3. authorized credit limit;
4. documentation of authorization by an individual designated by management to approve credit limits;
5. credit issuances and payments.

O. Prior to extending credit, the Patron's credit Application, and/or other documentation shall be examined to determine the following:

1. properly authorized credit limit;
2. whether remaining credit is sufficient to cover the advance;
3. identity of the Patron;
4. credit extensions over a specified dollar amount shall be authorized by personnel designated by management;
5. proper authorization of credit extension over 10 percent of the previously established limit or \$1,000, whichever is greater shall be documented;
6. if cage credit is extended to a single Patron in an amount exceeding \$2,500, applicable gaming personnel shall be notified on a timely basis of the Patrons playing on cage credit, the applicable amount of credit issued, and the available balance.

P. The following information shall be maintained either manually or in the computer system for cage-issued markers:

1. the signature or initials of the individual(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);
2. the name of the individual receiving the credit;
3. the date and shift granting the credit;
4. the amount of credit issued;
5. the marker number;
6. the amount of credit remaining after each issuance or the total credit available for all issuances;
7. the amount of payment received and nature of settlement (e.g., credit slip number, cash, Chips, etc.); and
8. the signature or initials of the individual receiving payment/settlement.

Q. The marker slip shall, at a minimum, be in triplicate form, pre-numbered by the printer, and utilized in numerical sequence whether marker forms are manual or computer-generated. Manual markers may be issued in numerical sequence by location. The three parts shall be utilized as follows:

1. original—maintained in the cage until settled;
2. payment slip—maintained until the marker is paid;
3. issue slip—maintained in the cage, until forwarded to accounting.

R. The original marker shall contain at least the following information:

1. Patron's name and signature;
2. preprinted number;
3. date of issuance; and
4. amount of credit issued.

S. The issue slip or stub shall include the same preprinted number as the original, date and time of issuance, and amount of credit issued. The issue slip or stub also shall include the signature of the individual issuing the credit, unless this information is included on another document verifying the issued marker.

T. The payment slip shall include the same preprinted number as the original. When the marker is paid in full, it shall also include, date and time of payment, nature of settlement (cash, Chips, etc.) and amount of payment. The payment slip shall also include the signature of the cashier receiving the payment, unless this information is included on another document verifying the payment of the marker.

U. Marker log documentation shall be maintained by numerical sequence, indicating marker number, name of Patron, date marker issued, date paid, method of payment (if combination, i.e., Chips/cash, amount paid by each method), and amount of credit remaining. This marker log documentation shall also be maintained by Patron name in alphabetic sequence in order to determine that credit was not extended beyond 30 Days.

V. Markers (computer-generated and manual) that are voided shall be clearly marked "Void" across the face of all copies. The cashier and Supervisor shall print their employee numbers and sign their names on the voided marker. The Supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies of the voided marker shall be forwarded to accounting for accountability and retention on a daily basis.

W. All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.

X. An investigation shall be performed, by the accounting department, immediately following its notice of missing forms or any part thereof, to determine the cause and responsibility for loss whenever marker credit slips, or any part thereof, are missing, and the result of the investigation shall be documented, by the accounting department. The Division shall be notified in writing of the loss, disappearance or failure to account for marker forms within 10 Days of such occurrence.

Y. All payments received on outstanding credit instruments shall be permanently recorded on the Casino Operator or Casino Manager's Records.

Z. When partial payments are made on a marker, a new marker shall be completed reflecting the original date, remaining balance, and number of the originally issued marker.

AA. Personal checks or cashier's checks shall be cashed at the cage cashier and subjected to the following procedures:

1. examine and record at least one item of Patron identification such as a driver's license, etc;

BB. When travelers checks are presented:

1. the cashier must comply with examination and documentation procedures as required by the issuer;
2. checks in excess of \$100 shall not be cashed unless the requirements of §2729.BB of these Regulations are met.

CC. The routing procedures for payments by mail require that they shall be received by a department independent of credit instrument custody and collection.

DD. Receipts by mail shall be documented on a listing indicating the following:

1. customer's name;
2. amount of payment;
3. type of payment if other than a check;
4. date payment received; and
5. the total amount of the listing of mail receipts shall be reconciled with the total mail receipts recorded on the appropriate accountability by the accounting department on a random basis for at least three Days per month.

EE. Access to the credit information shall be restricted to those positions which require access and are so authorized by management. This access shall be noted in the appropriate job descriptions pursuant to §2715.B.2 of these Regulations.

FF. Access to outstanding credit instruments shall be restricted to persons authorized by management and shall be noted in the appropriate job descriptions pursuant to §2715.B.2 of these Regulations.

GG. Access to written-off credit instruments shall further be restricted to individuals specified by management and shall be noted in the appropriate job descriptions pursuant to §2715.B.2 of these Regulations.

HH. All extensions of pit credit transferred to the cage and subsequent payments shall be documented on a credit instrument control form.

II. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments shall be maintained.

JJ. Written-off credit instruments shall be authorized in writing. Such authorizations are made by at least two management officials which must be from a department independent of the credit transaction.

KK. If outstanding credit instruments are transferred to outside offices, collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative shall be obtained and maintained until such time as the credit instrument is

returned or payment is received. A detailed listing shall be maintained to document all outstanding credit instruments which have been transferred to other offices. The listing shall be prepared or reviewed by an individual independent of credit transactions and collections thereon.

LL. The receipt or disbursement of front money or a customer cash deposit shall be evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.

1. The multi-part form shall contain the following information:

- a. same preprinted number on all copies;
- b. customer's name and signature;
- c. date of receipt and disbursement;
- d. dollar amount of deposit;
- e. type of deposit (cash, check, Chips).

2. Procedures shall be established to:

- a. maintain a detailed record by Patron name and date of all Funds on deposit;
- b. maintain a current balance of all customer cash deposits which are in the cage/vault inventory or accountability;
- c. reconcile this current balance with the deposits and withdrawals at least daily.

MM. The trial balance of Casino accounts receivable shall be reconciled to the general ledger at least quarterly.

NN. An employee independent of the cage, credit, and collection functions shall perform all of the following at least three times per year:

1. ascertain compliance with credit limits and other established credit issuance procedures;
2. randomly reconcile outstanding balances of both active and inactive accounts on the listing to individual credit Records and physical instruments;
3. examine credit Records to determine that appropriate collection efforts are being made and payments are being properly recorded;
4. for a minimum of five Days per month partial payment receipts shall be subsequently reconciled to the total payments recorded by the cage for the Day.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1944 (October 1999).

§2730. Exchange of Tokens and Chips

A. The Casino Operator or Casino Manager may exchange a Patron's Tokens and Chips issued by another Casino Operator or Casino Manager only for its own Tokens and Chips. A Casino Operator or Casino Manager shall not

exchange Tokens and Chips issued by another Casino Operator or Casino Manager for cash. A Casino Operator or Casino Manager shall document the exchange in a manner approved by the Division.

B. The exchange shall occur at a Casino cage designated by the Casino Operator or Casino Manager in its internal controls and approved by the Division.

C. The total dollar value of the Chips or Tokens submitted by a Patron for exchange shall equal the total dollar value of the Tokens or Chips issued by the Casino Operator or Casino Manager to the Patron. Tokens and Chips shall not be exchanged for a discount or a premium.

D. All Tokens and Chips received by a Casino Operator or Casino Manager as a result of an exchange authorized by this Section shall be returned to the issuing Casino Operator or Casino Manager for redemption within 30 Days of the date the Tokens or Chips were received as part of an exchange unless the Division approves otherwise in writing. Both the issuing and receiving Casino Operator or Casino Manager shall document the redemption in a manner approved by the Division.

E. A Casino Operator or Casino Manager shall not accept Tokens or Chips issued by another Casino Operator or Casino Manager in any manner other than authorized in this Section. A Casino Operator or Casino Manager shall not knowingly accept as a Wager any Token or Chip issued by another Casino Operator or Casino Manager.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1947 (October 1999).

§2731. Currency Transaction Reporting

A. Casino Operator or Casino Manager shall be responsible for proper reporting of certain monetary transaction to the federal government as required by the Bank Records and Foreign Transactions Act (Public Law 91-508), commonly referred to as the *Bank Secrecy Act* as codified in Title 31, Sections 5311 through 5323, and Title 12, Sections 1730.d, 1829, and 1951 through 1959. Specific requirements concerning record keeping and reports are delineated in Title 31 CFR 103 and shall be followed in their entirety. The *Bank Secrecy Act* and the rules and regulations promulgated by the federal government pursuant to the *Bank Secrecy Act* as they may be amended from time to time, are adopted by reference and are to be considered incorporated herein.

B. Civil and/or criminal penalties may be assessed by the federal government for willful violations of the reporting requirements of the Bank Secrecy Act. These penalties may be assessed against the Casino Operator or Casino Manager, as well as any Director, partner, official or employee that participated in the above referenced violations.

C. All employees of the Casino Operator or Casino Manager shall be prohibited from providing any information or assistance to Patrons in an effort to aid the Patron in circumventing any, and all currency transaction reporting requirements.

D. Casino Operator or Casino Manager employees shall be responsible for preventing a Patron from circumventing the currency transaction reporting requirements if the employee has knowledge or through reasonable diligence in performing their duties should have knowledge of the Patron's efforts at circumvention.

E. For each required currency transaction report, a clear surveillance photograph of the Patron shall be taken and attached to the Casino Operator or Casino Manager's copy of the currency transaction report. The employee consummating the transaction shall be responsible for contacting the surveillance department employee. If a clear photograph cannot be taken at the time of the transaction, a file photograph, if available, of the Patron may be used to supplement the required photograph taken. The Casino Operator or Casino Manager shall maintain and make available for Inspection all copies of currency transaction reports, with the attached photographs, for a period of five years.

F. One legible copy of all currency transaction reports for Casinos filed with the Internal Revenue Service shall be forwarded to the Division's audit section by the fifteenth Day after the date of the transaction.

G. The Casino Operator or Casino Manager shall be responsible for maintaining a single log which aggregates all transactions in excess of \$2,500 from the various multiple transaction log as follows.

1. All cash transactions in excess of \$2,500 shall be recorded on a multiple transaction log for aggregation of the multiple transactions and signed by the employee handling the transaction. Records of the aforementioned transactions must be aggregated on the single log required by this Section.

2. Any multiple transaction log which reflects no activity shall be signed by the Supervisor.

3. The employee handling the transaction shall be responsible for accurate and complete log entries. No log entry shall be omitted. Each log entry shall include the date and time, the amount of the transaction, the location of the transaction, the type of transaction, and the name and physical description of the Patron.

4. Once any Patron's cash activity has exceeded \$2,500, any and all additional cash activity shall be logged regardless of the amount or location.

5. Personnel of the pit and cage shall coordinate their efforts to reasonably ensure all cash transactions in excess of \$2,500 are properly logged and aggregated.

6. Personnel of the pit and cage shall coordinate their efforts to reasonably ensure any required currency transaction reports are properly completed.

7. As the \$10,000 amount is about to be exceeded, the employee consummating the transaction shall be responsible for obtaining and verifying the Patron's identification prior to completing the transaction.

8. All multiple transaction logs shall be turned in to the cage for submittal to the accounting department daily.

H. The information required to be gathered by this Section shall be obtained from the individual on whose behalf the transaction is conducted, if other than the Patron.

I. If a Patron is unable or unwilling to provide any of the information required for currency transaction reporting, the transaction shall be terminated until such time that the required information is provided.

J. A transaction shall not be completed if it is known that the Patron is seeking to avoid compliance with currency transaction requirements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1947 (October 1999).

§2735. Gross Gaming Revenue Computations

A. For each table Game, Gross Gaming Revenue shall equal the soft count Drop (cash and credit), plus or minus the change in table inventory, plus or minus the Chip float adjustment. The change in table inventory shall be equal to the beginning table inventory, plus Chip fills to the table, less credits from the table, less ending table inventory. The first step in the calculation of the Chip float adjustment shall be the daily Chip float calculation which shall be the total Chips received to date (i.e., the initial Chips received from vendors plus all subsequent shipments of Chips received) less the total Day's Chip count (i.e., the sum of Chips in the vault, cage drawers, tables, change lockers and all other locations). The daily ending inventory Chip count shall at no time exceed the total amount of Chips in the total Casino Chip accountability. If at any time the calculated daily Chip float is less than zero, the Casino Operator or Casino Manager shall adjust to reflect a zero current Day Chip float. Afterwards, the Chip float adjustment shall be calculated daily by subtracting the previous Day's Chip from the current Day's Chip float.

B. For each Slot Machine, Gross Gaming Revenue shall equal Drops less fills to the machine and jackpot Payouts, plus or minus the Token float adjustment. The first step in the calculation of the Token float adjustment shall be the daily Token float calculation which shall be the total Tokens received to date (i.e., the initial Tokens received from vendors plus all subsequent shipments of Tokens received) less the total Day's Token count (i.e., Tokens in the hard count room plus Tokens in the vault, cage drawers, change lockers, Tokens in other locations and initial Tokens in hoppers). The daily ending inventory Token count shall at no time exceed the total amount of Tokens in the total Casino Token accountability. Foreign Tokens and slugs do not constitute a part of Token inventory. If at any time the calculated daily Token float is less than zero, the Casino Operator or Casino Manager shall adjust to reflect a zero current Day Token float. The initial hopper load is not a fill and does not affect gross revenue. Since actual hopper Token counts from all machines are not feasible, estimates of the

Token float adjustment shall be done daily based on the assumption that the hoppers will maintain the same balance as the initial hopper fill. Once a year, a statistical sample of the hoppers will be inventoried for the purpose of calculating the Token float. This should be performed during the Annual Audit so that the external auditors can observe the test performance results. Therefore, once per year, the Token float adjustment shall be based upon a physical count of Tokens.

C. For each card Game and any other Game in which the Gross Gaming Revenue is not a party to a Wager, Gross Gaming Revenue shall equal all money received by the Casino Operator or Casino Manager as compensation for conducting the Game, including time buy-ins. A time buy-in is a fixed amount of money charged for the right to participate in certain Games for a period of time.

D. If in any Day the amount of net gaming proceeds is less than zero, the Casino Operator or Casino Manager may deduct the excess in the succeeding Days, until the loss is fully offset against net gaming proceeds.

E. Slot machine meter readings from the Drop process shall not be utilized to calculate Gross Gaming Revenue, unless otherwise approved by the Division.

F. The value of Chips or Tokens issued to a Patron upon extension of credit, the receipt of a check or other instrument or via a complimentary distribution program shall be included in the computation of Gross Gaming Revenue, subject to §2736.a of these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1948 (October 1999).

§2736. Treatment of Credit for Computing Gross Gaming Revenue

A. Gross gaming revenue shall not include credit extended or collected by the Casino Operator or Casino Manager for purposes other than gaming. Gross gaming revenue shall include the amount of gaming credit extended to a Patron when Wagered, subject to a deduction for credit instruments and checks which are uncollectable subject to an annual cap of uncollected credit instruments and checks of 4 percent of the total receipts of the Casino Operator from Gaming Operations, including all cash, checks, property and credit extended to a Patron for purposes of gaming in a Fiscal Year.

B. The Casino Operator or Casino Manager shall include in Gross Gaming Revenue all or any portion of an unpaid balance on any credit instrument if the original credit instrument or a substituted credit instrument is not available to support the outstanding balance.

C. The Casino Operator or Casino Manager shall include in Gross Gaming Revenue the unpaid balance of a credit instrument even if the Casino Operator or Casino Manager eventually settles the debt for less than its full amount. The settlement shall be authorized by a person designated to do

so in the Casino Operator or Casino Manager's system of internal control, and a settlement agreement shall be prepared within 10 Days of the settlement and the agreement shall include:

1. the Patron's name;
2. the original amount of the credit instrument;
3. the amount of the settlement stated in words;
4. the date of the agreement;
5. the reason for the settlement;
6. the signatures of the Casino Operator or Casino Manager's employees who authorized the settlement; and
7. the Patron's signature or in cases which the Patron's signature is not on the settlement agreement, documentation which supports the Casino Operator or Casino Manager's attempt to obtain the Patron's signature.

D. The Casino Operator or Casino Manager shall include in Gross Gaming Revenue all money, and the net fair market value of property or services received by the Casino Operator or Casino Manager in payment of credit instruments unless the full dollar amount of the credit instrument was previously included in the calculation of Gross Gaming Revenue.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1949 (October 1999).

§2739. Extension of Time for Reporting

A. The Division in its sole and absolute discretion, may extend the time for filing any report or document required by this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1949 (October 1999).

§2741. Petitions for Redetermination; Procedures

A. The Casino Operator or Casino Manager filing a petition for redetermination with the Board shall serve a copy of the petition on the Division.

B. The Casino Operator or Casino Manager shall, within 30 Days after the petition is filed:

1. pay all fees, penalties, or Interest not disputed in the petition and submit a schedule to the Division that contains its calculation of the Interest due on non-disputed assessments;
2. file with the Board a memorandum of points and authorities in support of a redetermination, and serve a copy of the memorandum on the Division;
3. file with the Board a certification that it has complied with the requirements of Paragraphs 1 and 2.

C. The Division shall, within 30 Days after service of the Casino Operator or Casino Manager's memorandum, file a memorandum of points and authorities in opposition to the Casino Operator or Casino Manager's petition and shall serve a copy on the Casino Operator or Casino Manager. The Casino Operator or Casino Manager may, within 15 Days after service of the Division's memorandum, file a reply memorandum.

D. The Division and the Casino Operator or Casino Manager may stipulate to extend the time periods specified in this Section if their stipulation to that effect is filed with the Board before the expiration of the pertinent time period. The Board Chairman may extend the time periods specified in this Section upon motion and for good cause shown.

E. The Board may, at its discretion, deny a petition for determination if the Casino Operator or Casino Manager fails to comply with the requirements of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1949 (October 1999).

§2743. Claims for Refunds; Procedures

A. The Casino Operator or Casino Manager filing a claim for refund with the Board shall serve a copy of the claim on the Division.

B. The Casino Operator or Casino Manager shall, within 30 Days after the claim is filed, file with the Board a memorandum of points and authorities in support of the claim, setting forth the legal basis and the Casino Operator or Casino Manager's calculations of the amount of the refund and any Interest due thereon, and serve a copy of the memorandum on the Division, and file with the Board a certification that it has complied with the requirements of this Subsection.

C. The Division shall, within 30 Days after service of the Casino Operator or Casino Manager's memorandum, file a memorandum of points and authorities in opposition to the Casino Operator or Casino Manager's claim and shall serve a copy on the Casino Operator or Casino Manager. The Casino Operator or Casino Manager may, within 15 Days after service of the Division's memorandum, file a reply memorandum.

D. The Division and the Casino Operator or Casino Manager may stipulate to extend the time periods specified in this Section if their stipulation to that effect is filed with the Board before the expiration of the pertinent time period. The Board Chairman may extend the time periods specified in this Section upon motion and for good cause shown.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1949 (October 1999).

Chapter 29. Operating Standards Generally

§2901. Code of Conduct of the Casino Operator, Casino Manager, Licensees and Permittees

A. General Provisions

1. The Casino Operator, Casino Manager, and all Licensees and Permittees shall comply with all applicable federal, state, and local laws and regulations.

2. The Casino Operator, Casino Manager, and all Licensees and Permittees shall, at all times, conduct themselves in a professional manner when communicating with the public, the Division and the Board.

3. Any violation of the provisions of the Act, shall also constitute a violation of these rules.

B. Unsuitable Conduct

1. No Casino Operator, Casino Manager, Licensee or Permittee shall engage in unsuitable conduct or practices or shall employ or have a Business association with any Person, natural or juridical, which engages in unsuitable conduct or practices.

2. For purposes of this Section, unsuitable conduct or practices shall include, but not be limited to the following:

a. employment of, in a managerial or other significant capacity as determined by the Division or Board, Business association with, or participation in any enterprise or Business with, a Person convicted of a felony or declared unsuitable by the Division or Board;

b. employment of, association with, or participation in any enterprise or Business with a documented or identifiable organized crime group or recognized organized crime figure;

c. misrepresentation of any material fact or information to the Division or Board;

d. engaging in, furtherance of, or profit from any illegal activity or practice, or any violation of these rules or the Act;

e. obstructing or impeding the lawful activities of the Board, Division or its Agents;

f. persistent or repeated failure to pay amounts due or to be remitted to the state.

3. The Casino Operator, Casino Manager, a Licensee or Permittee shall not engage in, participate in, or facilitate by any means, any criminal activity.

4. Any Person required to be found suitable or approved in connection with the granting of the Casino Operating Contract or any Permit shall have a continuing duty to notify the Division of his/her/its arrest, summons, citation or charge for any criminal offense or violation including D.W.I.; however, minor traffic violations need not be included. The Casino Operator, Casino manager and any

Permittee shall have a continuing duty to notify the Division of any fact, event, occurrence, matter or action that may affect the conduct of gaming or the business and financial arrangements incidental thereto or the ability to conduct the activities for which the Casino Operator, Casino Manager or Permittee is approved or permitted. Such notification shall be made within 15 calendar Days of the arrest, summons, citation, charge, fact, event, occurrence, matter or action.

5. The Casino Operator, Casino Manager, any Licensee or Permittee shall not intentionally make, cause to be made, or aid, assist, or procure another to make any false statement in any report disclosure, Application, Permit form, or any other document, including improperly notarized documents, required by these rules or the Act.

C. Additional Causes for Disciplinary Action

1. Further instances of conduct by the Casino Operator, Casino Manager, any Licensee or Permittee where the Division or Board may sanction a Licensee or Permittee shall include but not be limited to when:

a. the Casino Operator, Casino Manager, any Licensee or Permittee has been involved in the diversion of Gaming Equipment for unlawful means;

b. the Casino Operator, Casino Manager, Licensee or Permittee or a Designated Representative of the Licensee or Permittee has been involved in activities otherwise prohibited by law or the willful purpose of which was to circumvent or contravene the provisions set forth in the Division's rules;

c. the Casino Operator, Casino Manager, Licensee or Permittee has demonstrated a reluctance or inability to comply with the requirements set forth in these rules and the Act, particularly after repeated warnings;

d. the Casino Operator, Casino Manager, Licensee or Permittee violates written conditions;

e. the Division discovers incomplete or erroneous information as to a material or a substantial matter provided on an Application or any item affecting the decision whether to License the Applicant;

f. the Division discovers substantial, incomplete, or erroneous information provided in a report or other required communication; and

g. the Casino Operator, Casino Manager, Licensee or Permittee has failed to timely pay a fine imposed by the Division or Board;

h. tardy, inaccurate, or incomplete reports;

i. failure to respond in a timely manner to communications from the Division or Board; and

j. unavailability of the Casino Operator, Casino Manager, Licensees or Permittees, their Designated Representatives, or their Agents.

D. Specific Provisions

1. Responsibility for the employment and maintenance of suitable methods of operation rests with the Casino Operator, Casino Manager or Permittee, as the case may be, and willful or persistent use or toleration of methods of operation deemed unsuitable is grounds for Disciplinary Action.

2. The Board may deem any activity on the part of the Casino Operator, Casino Manager, Licensee or Permittee, their Agents or employees that is inimical to the public health, safety, morals, good order and general welfare of the people of the state of Louisiana or that would reflect or tend to reflect discredit upon the state of Louisiana or the tourism industry to be an unsuitable method of operation and grounds for Disciplinary Action.

3. The Casino Operator shall be responsible, in addition to the Casino Manager, for all reporting and Approval obligations imposed upon the Casino Manager by these Regulations or assumed by the Casino Manager in connection with the Casino management agreement.

4. Consistent with Section 17.1 of the Casino Operating Contract, the Casino Operator shall deliver updated copies of the scale drawings to the Board as changes are made in the use of any room or enclosed area.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1950 (October 1999), amended LR 27:59 (January 2001), LR 29:2506 (November 2003).

§2903. Compliance with Laws

A. Acceptance of a License or Permit or renewal thereof constitutes an agreement on the part of the Licensee or Permittee to be bound by all of the applicable provisions of the Act and the Regulations. It is the responsibility of the Licensee or Permittee to keep informed of the content of all such laws, and ignorance thereof will not excuse violations. Violation of any applicable provision of the Act, the Regulations of the Board or regulations of the Division by a Licensee or Permittee or by the Agent, employee or representative of a Licensee or Permittee is contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the state of Louisiana and constitutes grounds for Enforcement Action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1950 (October 1999).

§2905. Distributions

A. The Casino Operator shall submit to the Division a report for each fiscal quarter reflecting intercompany financial transactions between any intermediary and holding companies, and any subsidiaries thereof. The quarterly report shall set forth any intercompany flow of Funds and any intercompany loan(s).

B. Other than repayment of debt that has been Approved by the Board (or that is otherwise deemed Approved by these Regulations) or transactions that are included in the quarterly report required by Subsection A above, the Casino Operator or, if such company is owned by a Holding Company, any Holding Company thereof, shall provide written Notice to the Division within five Days of the following transactions:

1. any dividend or other distribution of capital in excess of 5 percent of the Casino Operator's Gross Gaming Revenue for the preceding 12 month period;

2. the granting of any loan or any other extension of credit in excess of 5 percent of the Casino Operator's Gross Gaming Revenue for the preceding 12 month period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1950 (October 1999).

§2907. Reporting

A. The Casino Operator and Casino Manager shall provide the Division with a quarterly listing of all gaming vendors and all non-gaming vendors they conduct business with, subject to the monetary thresholds in §2715.P of these Regulations on a form prescribed or Approved by the Division.

B. The Casino Operator or Casino Manager shall file a monthly report in writing within 10 Days following the end of each month regarding certain recommendations or solicitations to purchase goods or services. The Casino Operator or Casino Manager must include any recommendation or solicitation in the report when:

1. the recommendation or solicitation is to purchase goods or services, either directly or indirectly, from a particular vendor which:

- a. exceeds \$5,000; or

- b. exceeds \$10,000, when cumulated with other recommendation or solicitations made during a calendar year, to purchase from the same vendor; and

2. the recommendation or solicitation is made by or is received from, either directly or indirectly, a Person or entity not employed by the vendor for the principal purpose of soliciting or recommending such purchase from the vendor in the ordinary course of business.

C. Any indirect solicitation or recommendation occurs when the Casino Operator or Casino Manager has reasonable grounds to believe that the goods or services to be provided by a particular vendor will actually be provided to that vendor by another vendor, or when a particular Person solicits or recommends on behalf of a disclosed or undisclosed third Person. The written report shall provide:

1. the name of the Persons or entity making such recommendation or solicitation, and if known, the address and telephone number;

2. the vendor on whose behalf the recommendation or solicitation is made, and if known, the address and telephone number;

3. the name of the Person soliciting or recommending on behalf of a third Person, the name of the third Person and if known, the address and telephone number of both.

D. The Casino Operator or Casino Manager shall also report any recommendation or solicitation received by the Casino Operator or Casino Manager under circumstances in which a reasonable Person would perceive there to be pressure or intimidation of any kind, or other conduct not customary in an ordinary business transaction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1950 (October 1999).

§2909. Prohibited Transactions

A. The Casino Operator and Casino Manager shall not conduct business with any vendors required to be permitted, by the Act or these Regulations, that does not possess a valid Permit. The Casino Operator or Casino Manager shall not conduct business with any non-gaming vendor who has been placed on a restricted vendor list or otherwise failed to timely comply with all applicable provisions of these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1951 (October 1999).

§2911. Finder's Fees

A. It is an unsuitable method of operation or practice for any Licensee, Permittee, registered company or Applicant for licensing or registration to pay a Finder's Fee without the prior Approval of the Chairman. An Application for Approval of payment of a Finder's Fee shall make a full disclosure of all material facts. The Division may Disapprove any such Application if the person to whom the Finder's Fee is proposed to be paid does not demonstrate that he is suitable to hold a state Gaming License.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1951 (October 1999).

§2913. Hotel Contract Approval

A. Hotel Restrictions. To the extent prohibited by state law, the Casino Operator or Casino Manager shall not:

1. offer lodging at the Casino;

2. engage in any practice or enter into any Business relationship to give any hotel or lodging facility, whether or not Affiliated with the Casino Operator or Casino Manager, any advantage or preference not available to all similarly situated hotels or lodging facility; or

3. enter into any contract or agreement with any hotel or lodging facility that has not been Approved by the gaming Board.

B. *Similarly Situated Definition* On considering what a *similarly situated hotel or lodging facilities* shall mean, the Casino Operator or Casino Manager may consider one or more of the following factors, as it deems appropriate, in making a business decision. The Board shall consider the following factors in connection with its Approval of any contract by the Casino Operator or Casino Manager with any hotel or lodging facility:

1. the pricing of the hotel or lodging facility offered to Casino persons;
2. the proximity of the hotel or lodging facility to the Casino;
3. the services and level of service offered by such facility to Casino persons;
4. any suites and/or other amenities that may be offered to the Casino persons in connection with the lodging activities;
5. the availability of rooms over a period of time; and
6. any package deals that may be offered by the hotel or lodging facility to the Casino Operator or Casino Manager.

C. *Gaming Board Approval*. Upon the submission by the Casino Operator or Casino Manager of any proposed contracts, the Board or its designee shall review any proposed contract and issue its Approval or Disapproval within 10 business days of receipt from the Casino Operator or Casino Manager. The failure to Disapprove a contract within 10 business days shall be deemed to be an Approval to the Casino Operator or Casino Manager that the proposed contract may be executed, unless the Board or its designee notifies the Casino Operator or Casino Manager in writing within the 10 business day period that an additional 10 business day period is necessary to review the contract. Any Disapproval shall be in writing and state the reasons for Disapproval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1951 (October 1999).

§2914. Permissible Food Service

A. The Casino Operator may offer the following food services at the Casino.

1. *Employee Cafeteria*. The Casino Operator may provide cafeteria style food services for the employees of the Casino with seating, provided that the cafeteria is not accessible to the general public and is limited to the employees of the Casino Operator and Casino Manager.

2. *Buffet Cafeteria*. The Casino Operator may offer a cafeteria-buffet style food service for Patrons at the Casino provided that no food shall be given away or subsidized at this facility.

3. *Local Food Concessions*. The Casino Operator may enter into one or more contracts with local restaurant owners or food preparers that provide for such food preparers to offer for sale at the Official Gaming Establishment food prepared and offered at their restaurants, at kiosk concession areas, cart locations, food court areas or such other food service areas as Approved by the Board. For purposes of this Section, *local restaurant owners and food preparers* shall mean any restaurant or food preparer that is located in New Orleans or within the state of Louisiana. The term *food prepared and offered at their restaurant* shall mean food cuisine that is normally associated with the restaurant owner or food preparers respective restaurant or commissary. In connection with any such concession, the food preparer:

- a. shall clearly identify the restaurant or food preparer providing the food;
- b. may only offer food in areas designated for such use;

4. *Seating Limitation*. The food services area for the buffet cafeteria or local food concession, pursuant to Paragraphs 2 and 3 above, shall not provide seating for more than 250 persons.

5. *Premium Player Food Services*. The Casino Operator may enter into one or more contracts with local restaurants or food preparers that provide for such food preparers to prepare hors d'oeuvres to be paid for by the Casino Operator and to be served by the Casino Operator solely to premium players at \$100 minimum bet tables or in any designated VIP food service area.

6. *Special Events and Targeted Convention Markets*. The Casino Operator may enter into one or more contracts with local restaurants or food preparers or prepare food for special events marketing and targeted conventions that would have a gaming profile that matches the Casino Operator's target market, with such food paid for by the Casino Operator. For the purposes of this Section, *special events* means events at which a targeted group of customers are invited to the Casino including, without limitation, gaming tournaments, golf tournaments, boxing events, entertainment extravaganzas, fishing trips, holiday functions, and theme parties (to be held at various restaurants, hotels, theaters, plantations, antique ships, art galleries, steamboat and Casino ballroom).

B. Nothing herein shall prevent Casino Operator from leasing convention or ballroom space to third parties provided that the Casino Operator does not prepare food for such events. The lessee, however, may purchase food for such events from local restaurants or food preparers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1951 (October 1999).

§2915. Capital Replacement Fund Requirements

A. The Casino Operator shall establish a capital replacement account to be funded in the manner mandated by Section 9.5(d) of the Casino Operating Contract. In the

event the contract upon which the funding requirements are established expires or terminates, the Casino Operator shall fund the capital replacement account as ordered by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1952 (October 1999).

§2917. Nondiscrimination and Minority Participation

A. The Casino Operator and the Casino Manager shall adopt written policies, procedures and regulations to allow the participation of Businesses owned by minorities in all such design, engineering, construction, banking and maintenance contracts and any other projects initiated by the Casino Operator or Casino Manager. The written policies, procedures and regulations shall provide for the inclusion of Businesses owned by minorities to the maximum extent practicable, consistent with applicable law.

B. All Businesses or vendors selected by the Casino Operator or the Casino Manager for any purpose shall strictly adhere to the nondiscrimination policies and practices embodied in applicable federal, state, and local law.

C. The Casino Operator and the Casino Manager shall, as nearly as practicable, employ minorities at least consistent with the population of the state and consistent with applicable law.

D. No employee shall be denied the equal protection of the law. No regulation or policy shall discriminate against an employee because of race, religious ideas, beliefs or affiliations. No regulation or policy shall arbitrarily, capriciously or unreasonably discriminate against an employee because of age, sex, culture, physical condition, political ideas or affiliations.

E. In furtherance of the mandate set forth in the preceding four Subsections, the Board shall monitor the Casino Operator and Casino Manager's hiring and contracting practices and exercise enforcement authority, as described below.

1. The Casino Manager and Casino Operator shall file with the Board copies of all reports that it files with the city of New Orleans pursuant to any program or plan undertaken within five Days of submission to the city of New Orleans. Should the Casino Operator no longer be required to submit the above reports to the city, the information contained in those reports will still be required by the Board in a format determined by the Board.

2. Any additional information or record the Board requires to assist in determining compliance.

3. Notice of Concern. In the event that the Board believes that the reports described above provide information that the Casino Operator's or Casino Manager's employment practices are not in compliance with the Act, the Chairman shall issue a Notice of concern to the Casino Operator and Casino Manager prior to taking formal action against the Casino Operator or Casino Manager.

a. The Notice of concern shall describe the alleged area of non-compliance and shall schedule a meeting with the Casino Operator and Casino Manager within 10 Days of the Notice, unless the Chairman agrees to a longer period of time, for the purpose of discussing the matter.

b. At the meeting the Casino Operator and Casino Manager shall present any information that it believes is relevant to the issue(s) raised in the Notice of concern.

c. If the Chairman does not receive information to his satisfaction concerning the alleged areas of non-compliance he may either:

i. take the matter directly to the Board;

ii. inform the Casino Operator and Casino Manager of the steps deemed necessary to bring the Casino Operator and Casino Manager into compliance with the Act and any timetables for pursuing such action; or

iii. take other action he deems appropriate including but not limited to civil penalties and the imposition of a plan that in the discretion of the Board meets the objectives of the Act and these Regulations and is otherwise consistent with the law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1952 (October 1999).

§2919. Advertising; Mandatory Signage

A. The Board may regulate and establish procedures for the regulation of advertising and marketing Casino events and activities. Additionally, the Board may require the Casino Operator or Casino Manager to advertise or publish specified information, slogans and telephone numbers relating to avoidance and treatment of compulsive or problem gambling or gaming. The Casino Operator and Casino Manager shall immediately comply with any order of the Board issued pursuant to this regulation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1953 (October 1999), amended LR 26:335 (February 2000).

§2921. Entertainment Activities

A. No entertainment shall be offered within the Designated Gaming Area unless the Casino Operator or Casino Manager receives approval from the Division to provide such entertainment.

B. The Casino Operator or Casino Manager shall file a written submission with the Division at least five Days prior to the commencement of such entertainment, which shall include, at a minimum, the following information:

1. the date and time of the scheduled entertainment;

2. a detailed description of the type of entertainment to be offered;

3. the number of persons to be involved in the entertainment;

4. the exact location of the entertainment in the Designated Gaming Area;

5. a description of any additional Security measures that will be implemented as a result of the entertainment; and

6. a certification from the Casino that the proposed entertainment will not adversely affect Security, surveillance, the integrity of the Gaming Operations and the safety and Security of persons in the Casino.

C. The submission in Subsection B shall be deemed approved by the Division unless the Casino is notified in writing to the contrary within five Days of filing.

D. In reviewing the suitability of an entertainment proposal, the Division shall consider the extent to which the entertainment proposal:

1. may unduly interfere with efficient Casino operations;

2. may unduly interfere with the Security of the Casino or any of the Games therein or any restricted Casino area, or may unduly interfere with surveillance operations; and

3. may unduly interfere with the safety and Security of persons in the Casino.

E. The Division, in its sole discretion, may grant ongoing approval for scheduled entertainment events that follow a set pattern. The duration of the approval shall be at the discretion of the Division.

F. The Division may at any time require the Casino Operator or Casino Manager to immediately cease any entertainment offered within the Casino if the entertainment provided is materially different from the description contained in the submission filed pursuant to Subsection B above, or in any way compromises Security, surveillance, the integrity of the Gaming Operations or the safety and Security of persons in the Casino.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:335 (February 2000).

§2922. Promotions

A. All promotional programs, including contests and tournaments, conducted by or on behalf of the Casino Operator or the Casino Manager shall comply with the Act and these Regulations as well as all federal and state laws and regulations and municipal ordinances including R.S. 4:701 et seq., the Louisiana Charitable Raffles, Bingo and Keno Licensing Law.

B. The Casino Operator or the Casino Manager conducting the promotional program is responsible for ensuring that all promotional programs of the Casino Operator and Casino Manager are in compliance with Subsection A of this regulation.

C. No promotional programs, including contests or tournaments may be conducted which impair the integrity of the Games, the Security, surveillance and well-being of persons in the Official Gaming Establishment or the calculation of gaming revenue. Issuance of coupons, scrip, and other cash equivalents used in conjunction with a promotion that do not impact the calculation of gaming revenues, shall be considered a promotional expense of the Casino Operator or Casino Manager. If the Casino Operator or the Casino Manager intends to offer coupons, scrip, and cash equivalents as part of a promotion it shall adopt internal controls, prior to the implementation of any such programs, governing the use and accountability of the coupon, scrip, or cash equivalent, as prescribed by the Division.

D. A slot jackpot may be increased as part of a promotional program. The increased portion of the jackpot which results from the promotion shall not be paid out by the machine itself. The increased portion of the jackpot shall be paid manually and shall be considered a promotional expense of the Casino Operator or the Casino Manager, and may not be considered a Payout for purposes of calculating Gross Gaming Revenue.

E. Any promotional program involving a giveaway of prizes or drawing for cash or prizes shall incorporate the following elements.

1. Only persons 21 years of age and older shall be eligible to participate.

2. Entry forms required in drawings open to the general public shall be displayed in a prominent manner inside the Casino.

3. No payment or purchase of anything of value, including Chips or Tokens from the Casino or any other Business, shall be required for participation in any giveaway or drawing, nor shall there be a requirement to pay an entry fee.

F. After Notice and reasonable opportunity for the Casino Operator or Casino Manager to respond and correct deficiencies or violations appropriate under the circumstances, the Division may terminate a promotional program at anytime by issuance of an order. This order need not be in writing to be effective but shall be followed by written Notice of the action within three business days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:335 (February 2000), amended LR 27:1557 (September 2001), LR 30:90 (January 2004).

§2923. Tournaments

A. All gaming tournaments conducted by or on behalf of the Casino Operator or the Casino Manager are subject to prior written approval by the Division.

1. A gaming tournament is a contest or event wherein persons play a Game or Games previously authorized by the Division in competition with each other to determine the winner of a prize or prizes.

2. A gaming tournament shall include, but is not limited to any contest or event wherein an entry fee is paid to play a Game previously authorized by the Division. An entry fee shall include any fee paid directly or indirectly, by or on behalf of the person playing in the tournament.

3. A request for approval of a gaming tournament shall be made in writing and received by the Division at least 30 Days prior to the commencement date of the tournament. The request for approval shall contain a complete description of the tournament, the manner of entry, a description of those persons eligible to enter the tournament, the entry fee assessed if any, the prizes to be awarded, the manner in which the prizes are to be awarded and the dates of the tournament. The Division may request additional information prior to rendering a decision. Any incomplete request for approval shall be denied.

4. All entry fees shall be included for purposes of determining Gross Gaming Revenue. No cost incurred by the Casino Operator or Casino Manager associated with holding the tournament shall be deducted from the entry fees before calculating Gross Gaming Revenue. All cash prizes awarded in the tournament may be deducted as Payouts for purposes of calculating Gross Gaming Revenue. No other deductions shall be made for purposes of calculating Gross Gaming Revenue. The Casino Operator or Casino Manager shall not deduct the cost of any noncash prizes awarded as a result of the tournament for purposes of calculating Gross Gaming Revenue.

5. All entry fees and cash prizes shall be reported on the daily fee remittance summaries in a manner Approved by the Division. Copies of source documents such as transfer slips of the participant's entry fees to either the vault or cage and transfer slips of participant's winnings paid out from either the cage or the vault must accompany the daily fee remittance summary on which the entry fee or Payout is reported.

6. All tournament slot meters shall be read both electronically and manually before the machine's EPROM is changed for tournament play and again once the tournament EPROM has been installed. The meters for these machines shall be read both electronically and manually once tournament play has ended. All meter readings shall be recorded and such recordation retained in accordance with the Division's rules concerning record retention in Chapter 27.

B. The Division may waive the requirements of this rule upon a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:336 (February 2000), amended LR 27:1557 (September 2001).

§2925. Gaming Employees Prohibited from Gaming

A. The holder of a Gaming Employee Permit is prohibited from participating as a player in any Game or gaming activity where the Permittee is employed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1953 (October 1999).

§2927. Assisting in Violations

A. No employee, Agent or representative of the Casino Operator or a Permittee shall intentionally assist another Person in violating any provision of the Act, rules adopted pursuant to the Act, the Casino Operating Contract, any orders of the Board or Division, or the Casino Operator's internal controls. Such assistance shall constitute a violation of these rules. It is incumbent upon an employee, Agent or representative of the Casino Operator or Permittee to promptly notify the Board and the Division of any possible violation of any federal, state or municipal law, the Act, the rules adopted pursuant to the Act, the Casino Operator's internal controls or any order of the Division or the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1953 (October 1999), amended LR 26:2824 (December 2000).

§2929. Action Based upon Order of Another Jurisdiction

A. The Division may take Enforcement Action against a Licensee, Permittee or other Person who has been disciplined in another jurisdiction for gaming related activity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1953 (October 1999).

§2931. Managerial Representative on Premises

A. The Casino Operator shall establish a position designated as managerial representative on Premises. A managerial representative on Premises shall be on the Casino Operator's Premises at all times and shall have authority to immediately act on behalf of the general manager in any matter or concern of the Board or Division. A description of the duties and responsibilities of the managerial representative on Premises shall be included in the Casino Operator's internal controls as approved by the Division.

B. The Casino Operator shall provide, in writing, a current list of all managerial representatives on Premises. The managerial representative on Premises must have a valid current Gaming Employee Permit and must be approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1029 (May 2002).

§2933. Weapons in the Casino

A. Weapons as defined in the Louisiana Criminal Code are not permitted in the Casino other than those in the possession of full time commissioned law enforcement officers who are on duty and within their respective jurisdiction and Licensed gaming Security personnel which are on duty, or otherwise as Approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1953 (October 1999).

§2934. Detention and Ejection

A. In order to effectuate the policies in the Act related to maintaining the integrity of Gaming Operations and protecting the safety of persons within the Casino, the Casino Operator and Casino Manager and their employees and Agents shall at all times cooperate and assist representatives of the Board and the Division in connection with maintaining order and preventing suspected activity threatening the safety or welfare of Patrons or others within the Casino. In addition, the Casino Operator and Casino Manager and their employees and Agents shall comply with the following.

1. In the event that there is reasonable cause to believe that a person at the Casino:

a. has violated any provisions of the Act, the Regulations or other criminal laws of the state;

b. is subject to exclusion pursuant to Chapter 37 of these Regulations;

c. is subject to removal pursuant to Paragraph 3 below; or

d. is threatening the safety or welfare of any Patron or employee within the Casino, the Casino Operator and its employees and Agents may escort such person to Security personnel employed by the Casino Operator for questioning and, if necessary, notification and turnover to regulatory or law enforcement authorities including, without limitation, the New Orleans Police Department, representatives of the gaming Board or the Division.

2. In connection with any questioning of a person as provided for in Paragraph 1 above, the Casino Operator may take such person into custody, make a search (reasonable under the circumstances) of such person for weapons or suspected contraband of suspected criminal activity, and/or detain such person within the Casino in a reasonable manner and for a reasonable amount of time, provided however, the Casino Operator shall ensure that there is adequate surveillance coverage of any detention area. A Notice shall be provided to a detained person that the area is under surveillance. The Casino Operator may take a photo of any person detained for questioning under the standards set forth in Paragraph 1 above.

3. In the event that there is reasonable cause to believe that a person attempting to enter the Casino or within the Casino is:

a. under the age of 21;

b. visibly intoxicated;

c. a threat to the safety or welfare of other persons;

d. a prostitute or panhandler;

e. a person who has been detained or ejected from the Casino in the past 24 month period; or

f. otherwise does not meet any house rules established for entry into the Casino; the Casino Operator and its employees and Agents may exclude or remove such person from the Casino.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1953 (October 1999).

§2935. Age Restrictions for the Casino; Methods to Prevent Minors from Gaming Area

A. No persons under the age of 21 shall:

1. play or be allowed to play any Game or Gaming Device at the Casino;

2. loiter or be permitted to loiter in or about any room, Premises, or designated area where any Game or Gaming Device is located, operated or conducted at the Casino;

3. be employed as a Gaming Employee or any operator of any Game or Gaming Device at the Casino; or

4. serve or be served, consume or be allowed to consume any alcoholic beverage at the Casino.

B. The Casino Operator shall draft and implement policies and procedures designed to satisfy the requirements of this Section, including policies and procedures pertaining to documentation relating to proof of age and the examination of such document by a responsible Casino employee or employees of Security service providers and to provide suitable Security to enforce the policies and procedures. These methods shall be in writing and include, but shall not be limited to:

1. posting signs at all entrances to the gaming area notifying Patrons that persons under 21 years of age are not permitted to loiter in or about the gaming area. The signs shall be displayed in English, Spanish, and Vietnamese;

2. posting signs or other approved means displaying the date of birth of a person who is 21 years old that date.

C. The Casino Operator shall provide copies of all methods implemented in accordance with this rule to the Division and the Board. The methods implemented by the Casino Operator are subject to the Approval by the Board.

D. The Casino Operator shall each quarter report and remit to the Division all winnings withheld from customers who are determined to be under the age of 21.

AUTHORITY NOTE: Promulgated in accordance with R.S.27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1954 (October 1999), amended LR 29:2506 (November 2003).

§2937. Check Cashing; Purchase of Tokens, Chips, and Electronic Cards; Prohibitions

A. No person holding a gaming Permit and no servant, Agent, or employee of the Casino Operator shall cash or accept, in exchange for the purchase of Tokens, Chips, or electronic cards:

1. an identifiable employee payroll check;
2. any document evidencing or stating title to or ownership of, whether unencumbered or encumbered by a privilege, mortgage, or security Interest, any classification of motor vehicle, manufactured home, or immovable property, including any building or dwelling situated therein;
3. a check that represents a Family Independence Temporary Assistance Program (FITAP), Temporary Assistance for Needy Families (TANF), or supplemental security income payment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1954 (October 1999).

§2941. Political Contributions

A. Political Contributions by the Casino Operator, Casino Manager, their employees and their Affiliated entities are prohibited in accordance with the Act and the Campaign Finance Disclosure Act (R.S. 18:1481 et seq.) and in particular R.S.18:1505.2.L.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1954 (October 1999).

§2943. Prohibited Business Relationships with Public Officers

A. The Casino Operator or Casino Manager shall not engage in any business activity with any person whom the Casino Operator or Casino Manager knows or should know is a public officer as defined by R.S. 42:1.

1. Business activity shall specifically include but not be limited to contracts:
 - a. for the sale or purchase of goods, merchandise and services;
 - b. to provide or receive legal services, advertising, public relations, or any other Business or personal service;
 - c. for the listing, purchasing, or selling of immovable property or options or real rights relating thereto;

d. modifying ownership or possessing Interests in stocks, bonds, securities or any financial instrument.

2. Business activity shall not include treating a public officer for gaming purposes, in the same manner as all other Patrons, provided such treatment is consistent with conduct permitted by the Act, the Code of Governmental Ethics and all other applicable law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1954 (October 1999).

§2945. Restricted Areas

A. Only authorized Persons as provided in Chapter 29 of these Regulations, or in the Casino Operator's internal controls as Approved by the Division, may enter restricted areas on or within the Casino. For the purpose of this Subsection, restricted areas shall include, but are not limited to, the following:

1. cage and cashier areas;
2. pit areas;
3. Casino vault;
4. soft count and hard count rooms;
5. Surveillance Room;
6. card and dice room;
7. computer room;
8. any other area designated by the Casino Operator, Casino Manager or the Division.

B. The Casino Operator shall implement procedures to insure compliance with this Subsection. The Division may require the Casino Operator to erect barriers, stanchions, signage, and other such equipment as necessary to prohibit unauthorized persons from entering these areas.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1954 (October 1999).

§2947. Identification Card Issuance Equipment

A. The Casino Operator shall be required to furnish and maintain all necessary equipment for the production and issuance of Gaming Employee identification/Permit badges. The badges shall meet all standards set forth by the Division and must be Approved by the Supervisor. The equipment shall be housed in or near the Casino and shall be capable of printing the Gaming Employee identification number issued by the Division on the identification badge.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1954 (October 1999).

§2949. Accessibility to Premises; Parking

A. The Casino shall provide adequate parking for exclusive use by the Board, Division or their representatives. Parking shall be within the Casino and in close proximity to the Division office and the number of parking spaces and location shall meet Division Specifications.

B. The Casino shall ensure that the Board, Division or their representatives are provided an expedient means for entry and departure in regard to access to Premises. For the purpose of this Section, Premises includes, but is not limited to, private roads, parking lots, buildings, structures, and land which the Licensee owns, leases or uses in relationship to the Casino operation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1955 (October 1999).

§2951. Waivers and Authorizations

A. All waivers of the Board or Division policies, special requests, and additional Approvals by the Board or Division, except matters concerning emergency situations, must be submitted, in writing, to the Board and Division no less than 90 Days prior to the Casino Operator's planned implementation date, unless a shorter time is approved by the Board or Division. No waiver or Board or Division Approval is valid until such time as the Casino Operator receives an authorization number and written Approval from the Board or Division, except Approvals to ship Gaming Devices into the state in which case the Board or Division shall give an Approval number for the shipment. The Board or Division declares the right to determine what constitutes an emergency situation on a case by case basis.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1955 (October 1999).

§2953. Comfort Letters

A. The Supervisor may authorize the issuance of "comfort letters" by the Division. A "comfort letter" may be issued on any matter over which the Division has regulatory power or enforcement power as authorized by the Act or by these Regulations. A "comfort letter" may be a prior Approval for a matter for which such prior Approval is not required by the Act or by these Regulations, a statement of no objection by the Division for a matter for which an Approval is not required by the Act or by these Regulations, or such other matters as the Supervisor may deem appropriate.

B. A request for a "comfort letter" must be in writing and must be received by the Division at least 60 Days prior to the event, transaction, occurrence or other matter for which the "comfort letter" is sought. The 60-Day requirement may be waived by the Supervisor upon a showing of good cause.

C. A "comfort letter" shall only be a statement of the Division's position on a matter as is outlined or described in the written request authorized by this Section. Any matter over which a "comfort letter" has been issued is still subject to Division Approval after an appropriate investigation as is authorized by the Act or these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1955 (October 1999).

§2955. Approvals

A. All Approvals issued by the Division are conditional and ineffective unless they are in writing and signed by the Supervisor or by an Agent authorized to sign on behalf of the Supervisor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1955 (October 1999).

§2957. Extension of Credit

A. Regulations 2957 et seq. shall apply to the extension of credit by the Casino Operator to a Patron in the form of markers or the extension of other lines of credit. These Regulations shall not apply to check cashing provided such check cashing is performed consistent with the Casino Operator's Approved internal controls and as otherwise provided in these Regulations.

B. A credit file for each person shall be prepared by the Casino Operator's or Casino Manager's cage cashier or credit department representative with no incompatible functions either manually or by computer prior to the Casino Operator's or Casino Manager's approval of a person's credit limit. All credit limits and changes thereto shall be supported by the information obtained in the credit file. All information recorded in the credit file shall be in accordance with the Casino Operator's or Casino Manager's system of internal controls Approved by the Division.

C. Prior to the Casino Operator's or Casino Manager's approval of a person's credit limit, a credit department representative with no incompatible functions shall document that the Casino Operator or Casino Manager:

1. has received information from a bona fide credit reporting agency that the person has an established credit history that is not derogatory; or

2. has received information from a legal Business that has extended credit to the person that the person has an established credit history that is not derogatory; or

3. has received information from a financial institution at which the person maintains an account that the person has an established credit history that is not derogatory; or

4. has examined Records of its previous credit transactions with the person showing that the person has paid substantially all of his credit instruments and otherwise

documents that it has a reasonable basis for placing the amount or sum at the person's disposal;

5. if no credit information was available from any of the sources listed in Paragraph C.1-4 above for a person who is not a resident of the United States, the Casino Operator or Casino Manager has received, in writing, information from an Agent or employee of the Casino Operator or Casino Manager, limited to those listed in §2959, who has personal knowledge of the person's credit reputation or financial resources that there is a reasonable basis for extending credit in the amount or sum placed at the person's disposal (such information shall be furnished to the Division upon request);

6. has, in the case of third party checks for which cash, Chips, or Tokens have been issued to the person or which were accepted in payment of another credit instrument, either examined and photocopied the person's valid driver's license, or if a driver's license cannot be obtained, examined and photocopied some other document normally acceptable as a means of identification when cashing checks to be kept in the person's credit file and has, for the check's maker or drawer, performed and documented one of the credit checks set forth in this Subsection;

7. has ensured that the person to whom the credit is extended, signs the credit instrument when credit is extended;

8. has obtained, recorded and verified the person's address before extending the credit.

D. Credit limit extensions, not to exceed \$1,000, may be Approved without performing the requirements of Subsections B and C above if such credit extensions are temporary and are noted as being for this trip only (TTO) in the credit file. Temporary credit extensions shall be limited to the strict guideline of the Approved Internal Control System.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1955 (October 1999).

§2959. Credit Approval Authorization

A. Any credit limit, and any changes thereto, must be Approved by any one or more of the individuals identified in the Approved internal controls, or holding the job positions of the vice president of Casino operation, credit manager, assistant credit manager, credit shift manager, credit executive or a credit committee composed of Casino key employees with no incompatible functions which may approve credit as a group but whose members may not approve credit individually unless such person is included in the job position referenced above, or in the Approved internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1956 (October 1999).

§2961. Credit Limit Increases

A. Prior to approving a credit limit increase, a representative of the credit department shall:

1. obtain a written request from the person;
2. verify the person's current Casino limits and outstanding balances;
3. verify the person's outstanding indebtedness and personal checking account information;
4. consider the person's player rating based on a continuing evaluation of the amount and frequency of play subsequent to the person's initial receipt of credit. The person's player rating shall be readily available to the credit department prior to their approving a person's request for a credit limit increase;

5. for table Game play, the information for the person's player rating shall be recorded on a player rating form by Casino department Supervisors or put directly into the Casino Operator's or Casino Manager's computer system pursuant to an Approved submission;

6. for slot play, the information for the person's player rating shall be recorded on a player rating form by slot department Supervisors, or put directly into the Casino Operator's or Casino Manager's system pursuant to an Approved submission, or generated by insertion of a card, by a person, into a card reader attached to a Slot Machine;

7. include the information and documentation required by Paragraphs A.1-6 above and the person's player rating indicated at the time the credit increase is approved in the person's credit file.

B. The Casino Operator or Casino Manager shall establish procedures for safeguarding used player rating forms. Such procedures shall be incorporated in the system of internal controls Approved by the Division.

C. Credit limit increases may be Approved without performing the requirements of Paragraphs A.2 and A.3 above if the increases are temporary and are noted as being for this trip only (TTO) in the credit file. Temporary increases shall be limited to the strict guideline of the Approved Internal Control System.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1956 (October 1999).

§2963. Additional Requirements

A. The Casino Operator's or Casino Manager's credit department shall either verify the person's address, current Casino credit limits and any outstanding indebtedness, or suspend the person's credit privileges, whenever:

1. a person's credit file has been inactive for a 12-month period; or
2. a person has failed to completely pay off his credit balance at least once within a 12-month period; or

3. a credit instrument is returned to the Casino Operator or Casino Manager by a person's bank; or

4. information is received by the Casino Operator's or Casino Manager's credit department which reflects negatively in the person's continued credit worthiness; or

5. the information in the person's credit file has not been updated or verified for a 12-month period;

6. the Casino Operator or Casino Manager shall verify the person's name and banking information whenever the Casino Operator or Casino Manager has reason to believe that this information has changed.

B. If a person's credit privileges have been suspended, the procedures required by Subsection A above shall be performed before that person's credit privileges are reinstated provided, however, if the suspension is the result of a return check by the person's bank, the Casino Operator or Casino Manager may alternatively reinstate the person's credit privileges by complying with the requirements of §2965 of these Regulations.

C. The Casino Operator or Casino Manager shall verify the person's name and banking information whenever the Casino Operator or Casino Manager has reason to believe that this information has changed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1956 (October 1999).

§2965. Suspension of Credit Privileges

A. Any person having a check returned to the Casino Operator or Casino Manager unpaid by the person's bank shall have his credit privileges suspended until such time as the returned check has been paid in full or the reason for the derogatory information has been satisfactorily explained. If the Casino Operator or Casino Manager desires to continue the person's credit privileges on the basis of a satisfactory explanation having been obtained for the returned check, it may do so if the Casino Operator or Casino Manager Records the explanation for its decision in the credit file before accepting any further checks from the person along with the signature of the credit department representative accepting the explanation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1957 (October 1999).

§2967. Record Keeping

A. All transactions affecting a person's outstanding indebtedness including all issuances of credit and payments thereof, to the Casino Operator or Casino Manager shall be recorded in chronological order in the person's credit file and credit transactions shall be segregated from the safekeeping deposit transactions.

B. Player rating cards, evidence of credit worthiness and related documents shall be retained for a minimum of five years, or as long as the debt remains unpaid, whichever is longer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1957 (October 1999).

§2969. Collection and Deduction from Gross Revenue

A. The Casino Operator or Casino Manager, after extending credit and prior to taking a deduction for uncollected credit instruments shall:

1. document that it has attempted to collect the full amount of the debt at least once every 30 Days while the debt is treated as collectible, by requesting payment in a letter sent to the person's known address, or in personal or telephone conversations with the person, or by presenting the credit instrument to the person's bank for collection, or otherwise demonstrated to the satisfaction of the Division that it has made good faith attempts to collect the full amount of the debt;

2. furnish the credit instrument to the Division within 30 Days after Division's request, unless the Casino Operator or Casino Manager:

a. has independent, written and reliable verification that the credit instrument is in the possession of a court, governmental agency, or financial institution;

b. has been returned to the person upon the Casino Operator' or Casino Manager's good faith belief that it had entered into a valid settlement created contemporaneously with the settlement that contains the information required by Subsection F of this Section;

c. has been stolen and the Casino Operator or Casino Manager has made a written report of the theft to an appropriate law enforcement agency, other than the Division, having jurisdiction to investigate the theft; or

d. the Supervisor waives the requirements of this Subsection because the credit instrument cannot be produced because of any other circumstances beyond the Casino Operator's or Casino Manager's control.

B. If the Casino Operator, or Casino Manager has returned a credit instrument upon partial payment, consolidation, or redemption of the debt, it shall issue a new "substituted" credit instrument in place of the original and shall furnish the substituted credit instrument to the Division within 30 Days of its request, unless the Casino Operator or Casino Manager has independent, written, and reliable verification that the substituted credit instrument cannot be produced because it is in the possession of court, governmental agency, or financial institution, has been stolen and the Casino Operator or Casino Manager has made a written report of the theft, to an appropriate law enforcement agency having jurisdiction to investigate the theft; or the Supervisor waives the requirements of this

Subsection, because the substituted credit instrument cannot be produced because of any other circumstances beyond the Casino Operator's or Casino Manager's control.

C. The reports made pursuant to Subsection A and B above shall be made within 30 Days of the Casino Operator's or Casino Manager's discovery of the theft and shall include general information about the alleged crime, the amount of financial loss sustained, the date of the alleged crime, and the names of employees or Agent of the Casino Operator or Casino Manager who may be contacted for further information. The Casino Operator or Casino Manager shall furnish to the Division, a copy of the theft report within 30 Days of its creation.

D. If the Casino Operator or Casino Manager believes that a credit, or substituted credit instrument has been subject to a forgery, than the Casino Operator or Casino Manager shall:

1. submit a written report of the forgery, if any, of the person's signature on the instrument to an appropriate law enforcement agency having jurisdiction to investigate the crime, the amount of financial loss sustained, the date of the alleged forgery, and identification of employees or Agents of the Casino Operator or Casino Manager who may be contacted for further information. The Casino Operator or Casino Manager shall furnish a copy of forgery reports made pursuant to this Paragraph to the Division within 30 Days of its request;

2. retain all documents showing, and otherwise make detailed Records of, compliance with this Subsection, and furnish them to the Division within 30 Days of its request.

E. Unless ordered by a bankruptcy court or otherwise approved by the Division, the Casino Operator or Casino Manager shall not settle the debt for less than its full amount unless such settlement is designed to:

1. induce the person to make a partial payment;
2. compromise a genuine dispute between the person and the Casino Operator or Casino Manager regarding the existence or amount of the debt;
3. obtain a person's business and to induce timely payment of the credit instrument.

F. This Subsection is only satisfied if the percentage of the discount off the face value of the credit instrument is reasonable as compared to the prevailing practice in the gaming industry at the time the credit instrument was issued and the Casino Operator or Casino Manager documents or otherwise keeps detailed Records of the settlement.

G. The Casino Operator or Casino Manager shall ensure:

1. that a debt settled is settled either with the person to whom the credit was initially extended or his personal representative. For purpose of this Section, a personal representative is an individual who has been authorized by the person to make a settlement on his behalf. The Casino Operator or Casino Manager shall document its reasonable basis for its belief that the person has authorized the individual to settle the person's debt.

2. the settlement agreement is reflected in a single document prepared within 30 Days of the agreement and the document includes:

- a. the person's name;
- b. the original amount of the credit instrument;
- c. the amount of the settlement stated in words;
- d. the date of the agreement;
- e. the reason for the settlement;
- f. the signatures of the Casino Operator's or Casino Manager's employees who authorized the settlement;
- g. the person's signature or in the cases in which the person's signature is not on the settlement document, confirmation from the person acknowledging the debt, the settlement and its terms and circumstances in a signed, written statement received by the Division within 30 Days of its request. If confirmation from the person is not available because of circumstances beyond the Casino Operator's or Casino Manager's control, the Casino Operator or Casino Manager shall provide such other information regarding the settlement as the Division determines is necessary to confirm the debt and settlement.

H. If the Division determines that it is necessary to independently verify the existence or the amount of a settlement, the Casino Operator or Casino Manager shall allow the Division to confirm the settlement and its terms and circumstances with the person to whom the credit was initially extended. The Division may disallow the settlement.

I. The settlement and/or write-off of uncollectible accounts shall be determined by the credit committee composed of key employees with no incompatible functions which may Approve settlement and/or write-off of uncollectibles as a group but whose members may not approve such individually.

J. The Casino Operator or Casino Manager shall provide to the Division all appropriate Records including but not limited to the person's credit and collection file, upon request.

K. The Division may Approve or Disapprove such settlement and/or write-off of uncollectibles consistent with these Regulations and the Division shall notify the Casino Operator or Casino Manager in writing after receiving such request.

L. In the case of a dispute, the Casino Operator or Casino Manager may appeal the Division's decision as set forth in the Act and these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1957 (October 1999).

§2970. Collection of Gaming Credit

A. Only bonded, duly licensed collection agencies, or a Casino Operator's or Casino Manager's employees, independent Agents, attorneys, or Affiliated or wholly-

owned corporations and their employees or permitted Junket Representatives may collect, on the Casino Operator's or Casino Manager's behalf and for any consideration, gaming credit extended by the Casino Operator or Casino Manager.

B. Notwithstanding the provisions of Subsection A above, the Casino Operator or Casino Manager shall not permit any person who has been found unsuitable, or who has been denied a gaming Permit, or had a Permit revoked, to collect, on the Casino Operator's or Casino Manager's behalf and for any consideration, gaming credit extended by the Casino Operator or Casino Manager.

C. The Casino Operator shall maintain for the Division's Inspection, Records that describe credit collection arrangements and shall include any written contract entered into with persons described in Subsection A above, unless such persons are the Casino Operator's key employees or Junket Representatives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1958 (October 1999).

§2971. Disallowed Deductions

A. The Casino Operator or Casino Manager shall not be entitled to a deduction if the minimum payment required under the Casino Operating Contract has not been satisfied.

B. The Casino Operator or Casino Manager may not be entitled to a deduction if the particular credit was, in the sole opinion of the Division, issued in a manner that is inconsistent with the Approved internal controls system.

C. The Casino Operator or Casino Manager shall not knowingly compromise any credit collection amount with any person that has an outstanding debt with any Affiliate, or any Subsidiary thereof, of the Casino Operator or Casino Manager, without the Approval of the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1958 (October 1999).

Chapter 31. Rules of Play

§3101. Authority and Applicability

A. The Casino may only conduct those Games and Gaming Activities expressly authorized by the Act, by these Regulations or by the Casino's rules of play contained in the internal controls as are Approved by the Division in writing.

B. The Games and Gaming Activities authorized by this Chapter shall be conducted pursuant to these Regulations and the Casino's rules of play contained in the internal controls as are Approved by the Division in writing. In the event of a conflict or inconsistency between the Regulations and the Casino's rules of play, the Regulations shall prevail unless the Division issues a written order indicating otherwise in that particular case.

C. The Division may conditionally Approve a new Game for a period of up to 90 Days to allow testing and evaluation to insure that Approval of such is in the best interest of the public and Patrons. A new Game authorized pursuant to this Paragraph shall not be conducted after the expiration of the ninety Day testing and evaluation period unless the Casino's rules of play are amended to include the new Game and the Division has Approved the amendment in writing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1959 (October 1999).

§3103. Rules of Play

A. As Approved by the Division in writing, the Casino Operator shall adopt and make available to all Patrons at the Casino written and comprehensive rules of play governing Wagering transactions with Patrons.

B. Without limiting the generality of the foregoing, the Casino Operator's rules of play must specify the amounts to be paid on winning Wagers.

C. The Casino may offer side Wagers for a bonus or Progressive Jackpot by receiving various combinations in any authorized Game, as long as the rules relating to such Wagers are clearly specified in the rules of play pursuant to this Chapter and Approved by the Division in writing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1959 (October 1999), amended LR 30:2490 (November 2004).

§3105. Submission of Rules

A. The Casino Operator shall submit in writing to the Division for review and Approval the proposed rules of play prior to the commencement of Gaming Operations. The Casino Operator's rules of play shall be attached as an exhibit in the Casino Operator's internal controls. The Casino Operator's rules of play shall contain detailed procedures for each Game including but not limited to:

1. object of the Game and method of play, including what constitutes Win, loss or tie bets;
2. physical characteristics of the Game, Gaming Equipment and gaming table;
3. opening and closing of the gaming table;
4. Wagers:
 - a. permissible Wagers and Payout odds;
 - b. manner in which Wagers may be made;
 - c. minimum and maximum Wagers;
 - d. maximum table Payouts as applicable;
5. for each Game that uses the following, inspection procedures for:
 - a. cards;
 - b. dice;

- c. wheels and balls;
- d. manual and electronic devices used to operate and display progressive Games;
- 6. for each Game that uses cards:
 - a. shuffling procedures;
 - b. card cutting procedures;
 - c. procedures for dealing, taking, removing used, damaged and burning cards;
 - d. cards, number of decks, number of cards in deck and the valuation of the cards;
- 7. procedures for the collection of bets and Payouts including all requirements for Internal Revenue Service purposes;
- 8. describe procedures for handling disputes including documenting and reports needed. Include copies of such reports being provided to the Casino gaming section;
- 9. describe procedures for handling suspected cheating or irregularities including the immediate notification to the Casino gaming section;
- 10. describe procedures for dealers/box persons etc. conducting each Game including procedures for being relieved;
- 11. procedures describing irregularities of each Game.

B. All table Games utilizing cards, for which procedures are described above, shall be dealt from a shoe or shuffling device, except card Games which have been approved by the Casino gaming section.

C. Any change in the Casino's rules of play including permissible rules, Wagers and Payout odds must be submitted in writing and gain prior written Approval by the Division before implementation.

D. The Casino shall not permit any Game to be played other than those specifically named in the Act, these Regulations, or the Casino Operator's rules of play in the internal controls as Approved by the Division. For each Game, the Casino shall provide a written set of procedures to the Division 120 Days in advance of commencing the Game's operation or within such time period as the Division, in its sole discretion, may authorize in writing.

E. Rules of play shall not be considered confidential and copies shall be made available to the public upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1959 (October 1999), amended LR 30:2490 (November 2004).

§3107. Wagers

A. All Wagers at gaming tables shall be made by placing gaming Chips or Tokens on the appropriate area of the gaming table layout. In addition, each player shall be

responsible for the correct positioning of their Wager or Wagers on the gaming layout regardless of whether or not they are assisted by the dealer. Each player must ensure that any instructions they give to the dealer regarding the placement of their Wager are correctly carried out.

B. Minimum and maximum Wagers and maximum table Payouts shall be posted on a sign at each table.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1959 (October 1999), amended LR 30:2490 (November 2004).

§3109. Game Limits

A. The Casino shall establish for each Approved Game and Slot Machine a minimum and maximum amount that can be Wagered on each opportunity to Wager, and shall at all times conspicuously display these limits.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1959 (October 1999).

§3111. Publication of Payoffs

A. Payoff schedules or award cards, as Approved by the Division, in writing, shall be displayed at all times either in a conspicuous place on or immediately adjacent to every Approved Game or Gaming Device. Payoff schedules or award cards must accurately state actual payoffs or awards applicable to the particular Game or Gaming Device and must not be worded in such manner as to mislead or deceive the public. Maintenance of any misleading or deceptive matter on any payoff schedule or award card or failure on the part of the Casino to make payment in strict accordance with posted payoff schedules or award cards may be deemed a violation of the Act, a violation of these Regulations, or a violation of the Casino's rules of play.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1959 (October 1999).

§3113. Periodic Payments

A. The Casino shall remit the total winnings and non-cash prizes awarded to a Patron as the result of any Approved Game upon validation of the Win by the Casino Operator. The payment of winnings over a specified period of time is prohibited unless otherwise Approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1959 (October 1999).

Chapter 33. Surveillance

§3301. Required Surveillance Equipment

A. The Casino Operator shall install in the Casino a closed circuit television system in accordance with the Specifications herein and shall provide for access at all times to the system or its signal by Agents of the Division. The closed circuit television must meet or exceed the following Specifications established by the Division to include:

1. solid state, black and white cameras, as Approved by the Division installed in fixed positions with matrix control and/or with pan, tilt and zoom capabilities, secreted from public and non-surveillance personnel view to effectively and clandestinely monitor in detail, from various vantage points, the following:

- a. the gaming conducted at the Electronic Gaming Devices; including, but not limited to the coin and currency acceptor area, the Payout tray, and the designated house number assigned to the device or its location;

- b. the count processes conducted in the count rooms;

- c. the movement of cash, Chips, Drop boxes, Token storage boxes, and Drop buckets within the Casino and any area of transit of uncounted Tokens, Chips, cash and cash equivalents;

- d. any area where Tokens or Chips can be purchased or redeemed;

- e. the entrance and exits to the Casino and the count rooms;

- f. for all live Games regardless of Patron or employee position:

- i. hands of all gaming Patrons and dealers;

- ii. tray; and

- iii. overall layout of the table area capable of capturing clear individual images of gaming Patrons and dealers, inclusive of, without limitation, facial views and the playing surface so that the outcome of each Game may be clearly observed;

- g. such other areas as the Supervisor designates;

2. individual solid state, color, cameras as Approved by the Division installed with matrix and/or pan, tilt and zoom capabilities secreted from public and non-surveillance personnel view augmented with appropriate color corrected lighting to effectively and clandestinely monitor in detail, from various vantage points, the following:

- a. for Roulette tables, in a manner to clearly observe the Wagers, Patrons, and the outcome of each Game;

- b. the operations conducted at the fills and credit area of the cashier's cage(s);

3. all closed circuit cameras equipped with lenses of sufficient magnification to allow the operator to clearly distinguish the value of the Chips, Tokens and playing cards;

4. video monitors that meet or exceed the resolution requirement for video cameras with solid state circuitry, and time and date insertion capabilities for taping what is being viewed by any camera in the system. Each video monitor screen must measure diagonally at least 12 inches and all controls must be front mounted;

5. video printers capable of adjustment and possessing the capability to generate instantaneously, upon command, a clear, color and/or black and white, copy of the image depicted on the videotape recording;

6. date and time generators based on a synchronized, central or master clock, recorded on tape and visible on any monitor when recorded;

7. wiring to prevent tampering. The system must be supplemented with a back-up gas/diesel generator power source which is automatically engaged in case of a power outage and capable of returning to full power within 7 to 10 seconds. A monitoring device which alerts personnel that the backup system is in operation must also be installed in the Surveillance Room;

8. an additional uninterrupted power supply system so that time and date generators remain active and accurate, and switching gear memory and video surveillance of all Casino entrances/exits and cage areas is continuous;

9. video switchers capable of both manual and automatic sequential switching for the appropriate cameras;

10. videotape recorders as Approved by the Division capable of producing high quality first generation pictures and recording on a standard 2-inch, V.H.S. tape with high-speed scanning and flickerless playback capabilities in real-time or other medium Approved by the Division. Such videotape recorders must possess time and date insertion capabilities for taping what is being viewed by any camera in the system;

11. audio recording capability in the soft count room;

12. adequate lighting in all areas where camera coverage is required. The lighting shall be of sufficient intensity to produce clear videotape and still picture production, and correct color correction where color camera recording is required. The video must demonstrate a clear picture, in existing light under normal operating conditions;

13. at all times during the conduct of gaming, the Casino Operator shall have as a reserve, six back-up cameras and six video recording devices in the event of failure;

14. the Division may allow alternative surveillance equipment at the Supervisors discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1968 (October 1999).

§3303. Surveillance System Plans

A. The Casino Operator shall submit to the Division a Surveillance System plan no later than 90 Days prior to the start of Gaming Operations. The Surveillance System plan

must include a floor plan that shows the placement of all surveillance equipment in relation to the locations required to be covered by this regulation and a detailed description of the Casino Surveillance system and its equipment. The plan must also include a detailed description of the layout of the Surveillance Room and the configuration of the monitoring equipment. In addition, the plan may include other information that evidences compliance with this Subsection by the Casino Operator including, but not limited to, a Casino configuration detailing the location of all Gaming Devices and equipment.

B. Any changes to the Surveillance Room or the Surveillance System must be submitted to the Division for prior Approval as provided in §2955 of these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1969 (October 1999).

§3304. Surveillance Personnel Employment Provisions

A. Surveillance department employees shall be independent of all other departments. Employees of the Casino Operator or Casino Manager assigned to monitoring duties in the Surveillance Room are prohibited from being concurrently employed in any other capacity by that Casino Operator or Casino Manager or any other Licensee or Casino owned in whole or in part by the same holding, intermediary or parent company or Affiliate. This does not prohibit an employee with monitoring duties in the Surveillance Room from working in the same capacity at another Licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:1558 (September 2001).

§3305. Surveillance Room and Gaming Board's Controlled Space Requirements

A. There shall be for the exclusive use of Division Agents and for the use by employees of the Casino Gaming Operation, rooms at the Casino for monitoring and recording purposes. The room for the exclusive use of the Board, Division, and their representatives shall be designated the Gaming Board's Controlled Space. The room for the use of the employees of the Casino Gaming Operation shall be designated the Surveillance Room.

B. All equipment that is utilized to monitor or record must remain solely accessible to the Surveillance Room personnel and the Division and be exclusively for Casino Surveillance, except when such equipment is being repaired or replaced, unless otherwise Approved by the Division.

C. Employees of the Casino Operator or Casino Manager assigned to monitoring duties in the Surveillance Room shall have no other gaming related duties for the Casino Operator or Casino Manager.

D. The interior of the Gaming Board's Controlled Space and the Surveillance Room shall not be visible to the public.

E. The Surveillance System must be specifically Approved by the Division, in its sole discretion, prior to Casino operations becoming active and shall be reviewed on an ongoing basis. Each room shall have appropriate switching capabilities to insure that all surveillance cameras are accessible to monitors in both rooms. The equipment in the Gaming Board's Controlled Space must be able to monitor and record, without being over ridden, anything visible by monitor to employees of the Casino. The Gaming Board's Controlled Space will be equipped with two stations with switching capabilities and a video printer with capabilities outlined in §3301.A.5 of these Regulations.

F. Agents of the Division, upon presentation of proper Division credentials, shall be provided immediate access to the Surveillance Room and other surveillance areas upon request. In addition, Agents are to be provided, upon request, copies of recorded videotapes of activities as well as copies of any images produced on a video printer. The Division shall have absolute, unfettered access to the Surveillance Room at all times and the Division shall have the right to take control of said room.

G. Consistent with Sections 7.2 and 9.26 of the Casino Operating Contract, the Gaming Board's Controlled Space shall be furnished with all necessary furniture and fixtures as specified by the Division and be equipped with a security radio, house telephone and shall house a dedicated computer which provides computer accessibility for Division Agents to review, monitor and record data with the same functionality and Specifications as provided in §4205 of these Regulations.

H. Except in the event of circumstances beyond the reasonable control of the Casino Operator or Casino Manager or unless authorized by the Division, the Surveillance Room shall be manned at all times by a sufficient number of approved surveillance operators as determined by the Division. The Division may require additional surveillance personnel should it be determined that an inadequacy of surveillance monitoring exists.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1969 (October 1999), amended LR 27:1558 (September 2001), LR 27:1926 (November 2001).

§3307. Segregated Telephone Communication

A. A segregated telephone communication system shall be provided for use by Division Agents in the Gaming Board's Controlled Space.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1969 (October 1999).

§3309. Surveillance Logs

A. The Casino Operator shall be required to maintain surveillance logs Approved by the Division. The logs shall be maintained by Surveillance Room personnel in the

Surveillance Room. The Division shall have access at all times to the logs. A log entry shall be made in the surveillance logs of each surveillance activity. Each log entry shall include the following:

1. all persons entering and exiting the Surveillance Room shall be entered in an entrance log. Casino personnel that access the Surveillance Room through the use of a magnetic stripe access card, or other similar device, are not required to make an entry in the entrance log provided they enter and exit using the access card;
2. summary information, including date, time and duration, of each the surveillance activity in an activity log;
3. record of any equipment or camera malfunctions in an equipment malfunction log;
4. description of any unusual events occurring shall be recorded in an activity log;
5. any additional information as required by the Division.

B. The surveillance logs required by this Section shall be retained for a period of five years and stored by month and year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1970 (October 1999).

§3311. Storage and Retrieval

A. All videotape recordings shall be retained for at least seven Days, unless these Regulations provide otherwise, and shall be listed on a log by surveillance personnel with the date, times, and identification of the person monitoring or changing the tape in the recorder. Original videotape recordings will be released to the Division upon demand. The tape shall be preserved until the Division notifies the Casino Operator that it is no longer needed.

B. Any videotape recording of illegal or suspected illegal activity shall, upon completion of the tape, be removed from the recorder and etched with date, time and identity of surveillance personnel. The videotape shall be placed in a separate, secure area and notification given to the Division. The tape shall be preserved until the Division notifies the Casino Operator that it is no longer needed.

C. All videotape recordings relating to the following shall be retained in a secure area Approved by the Division for at least 30 Days unless otherwise Approved by the Division and shall be listed on a log maintained by surveillance personnel:

1. all count room areas;
2. the vault area; and
3. all credit and fill slip confirmation recordings.

D. All videotape recordings relating to the following shall be retained in a secure area Approved by the Division for at least 45 Days and shall be listed on a log maintained by surveillance personnel:

1. com-check transactions;
2. check cashing transactions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1970 (October 1999).

§3315. Maintenance and Testing

A. All surveillance equipment shall be subject to impromptu testing of minimum standards of resolution and operation by the Division.

B. The Division shall be notified without delay upon the malfunction of surveillance equipment.

C. Any malfunction of surveillance equipment shall require the immediate replacement or repair of the faulty unit. Immediate replacement or repair shall mean 72 hours, unless otherwise Approved by the Division.

D. Pending immediate replacement or repair, live monitoring must be provided by Casino Security personnel, unless the Division is satisfied that alternative surveillance is adequate. If immediate replacement or repair of surveillance equipment monitoring a Game or Games is not possible, and there is no adequate alternative surveillance coverage written Division Approval must be obtained prior to the Game or Games continuing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1970 (October 1999).

§3317. Surveillance System Compliance

A. The Casino Operator shall have a continuing duty to review its Surveillance System plan to ensure the Surveillance System plan remains in compliance with the Act and the Division's regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1970 (October 1999).

Chapter 35. Patron Disputes

§3501. Casino Operator or Casino Manager Duty to Notify Division of Patron Dispute

A. Whenever the Casino Operator refuses to pay winnings claimed by a Patron and the Patron and the Casino Operator are unable to resolve the dispute, the Casino Operator shall notify the Division in writing of the dispute within seven Days of the Casino Operator being notified, in writing, that the dispute remains outstanding. Such Notice shall identify the parties involved in the dispute, and shall state all known relevant facts regarding the dispute.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1970 (October 1999).

§3502. Patron Dispute Form

A. Whenever the Casino Operator and Patron are unable to resolve a dispute regarding the payment of winnings, the Casino Operator shall provide the Patron a Patron Dispute Form supplied by or Approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1970 (October 1999).

Chapter 39. Public and Confidential Records

§3901. Public Records

A. Public Records shall be open to public inspection and shall include, but not be limited to, the following:

1. all public hearings conducted by the Board and/or the Division, or its Agents, including exhibits entered in the Public Record as public documents at those meetings or hearings;

2. a list of all Applications made under the Act and the record of all formal actions taken with respect to such Applications by the Board and/or the Division with the limitations mandated by R.S. 27:21.A(2)(a)-(h);

3. the Board and/or the Division files on the enactment, amendment, or repeal of Regulations;

4. the Act and the Regulations promulgated thereunder;

5. Licenses and Permits;

6. reports, correspondence and other documents of the Board and/or the Division specifically prepared for public distribution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1972 (October 1999).

§3903. Confidential Records

A. General. The Casino Act, specifically R.S. 27:21-22, and 237, provide that Records of the Board and Division which relate to certain matters or which consist of certain documents are exempted from public inspection. It is the intent of this Subsection to further define and amplify those matters and categories of documents which are considered confidential. This Subsection is to be interpreted to favor the following:

1. the preservation of the integrity of Gaming Activities and the control thereof;

2. the Security of gaming;

3. the safety of the public;

4. the privacy interests of individuals; and

5. the maintenance of legal privileges, particularly those which are designed to encourage the flow of accurate information to and among regulatory bodies, and to protect the safety of confidential informants.

B. Definitions. With regard to their Application under R.S. 27:21, 22, and 237 and related purposes, the following terms shall have the meanings set forth herein below, unless the context clearly expands their meanings.

Division Security—Any matter which relates to or has an impact on: the physical safety of personnel; the effective investigatory and regulatory functions of the Division; the operational plans, policies, and techniques of the Division; the types and uses of any equipment utilized by the Division; the design, components, layout, structure, and similar features, of facilities used, occupied, or overseen by the Division; or any other aspect of the functions of the Division, the public disclosure of which might tend to compromise safety or the effective enforcement of law by the Division.

- a. Examples of Division Security include: the types and locations of Records maintained by the Division; buildings, and offices; staffing schedules and arrangements; and lists or descriptions of equipment.

Security Techniques, Procedures, or Practices-of an Applicant, Licensee, or Permittee—Any matter which relates to or has an impact on: the physical safety of officers, an Applicant, Licensee, or Permittee; the integrity of its operational methods and Internal Control Systems; the design and description of all equipment, including its accounting, gaming, and criminal detection and alarm equipment; the design, components, layout, structure, and similar features, of facilities used, occupied, or overseen by it; or any other aspect of its operations, the public disclosure of which might tend to compromise personal safety or the integrity of gaming.

- a. Examples of Security techniques, procedures, or practices include: lists of employees or employment positions or functions; Security plans for vessels, buildings, and offices; staffing schedules and arrangements; and lists or descriptions of equipment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1972 (October 1999).

§3905. Sealing of Documents

A. The hearing officer may allow any person interested in a contested case brought before, by, or against the Board, to file a document or portions of a document with the Board under seal if:

1. the document or portions of the document contain information that is confidential pursuant to the Act or these Regulations;

2. the person makes a request in writing or on the record of a public hearing to allow the filing of the document or portions of the document under seal, setting forth the reasons that such filing under seal should be permitted;

3. the person requesting the filing of the document or portions of the document under seal has, to the extent practicable, segregated the portions of the document containing confidential information from the remainder of the document so that no more of the document than is necessary is filed under seal; and

4. the hearing officer finds that the public interest in maintaining the confidentiality of the information outweighs the public interest in making the information public.

B. The hearing officer may not allow the filing of the following documents under seal:

1. complaints for Enforcement Action;
2. answers to complaints for Enforcement Action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1973 (October 1999).

§3907. Access to Public Records

A. A request for access to Public Records must be made to a custodian of Records of the Board. The custodian of Records shall require payment of any duplication or Certification Fees prior to release of copies of the Records. As soon as practicable after payment of the required fees, the custodian of Records shall provide copies of all Public Records requested.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1973 (October 1999).

§3909. Access to Confidential Records

A. The Board may only release Confidential Records if ordered to do so by a court of competent jurisdiction or if the agency requesting the Confidential Records is a gaming regulatory agency or a law enforcement agency and if such agency has executed an information sharing agreement with the Board.

B. All requests for access to Confidential Records must be made in writing to the Board.

C. Pursuant to a written request, as described in Subsection B, from any duly authorized Agent of any agency of the United States Government, any state, or any political subdivision of this state which has executed the requisite information sharing agreement with the Board, the Board may release Confidential Records to the agency requesting them, except as otherwise provided in Subsection D, upon a finding by the Board that the release is consistent with the policy of this state as reflected in the Act.

D. Pursuant to a written request, as described in Subsection B, the Board may release Confidential Records to a representative of the agency requesting them.

E. The Board may require any party receiving confidential information to agree in writing or on the record of any hearing to any limitations that the Board deems

necessary prior to giving that party the confidential information.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1973 (October 1999).

§3911. Unauthorized Procurement of Records Prohibited

A. An Applicant, Permittee, or other person shall not, directly or indirectly, procure or attempt to procure from the Division or Board information or Records that are not made available by proper authority. Any violation of this regulation constitutes reasonable cause for Enforcement Action or to deny any Application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1973 (October 1999).

Chapter 41. Enforcement Actions

§4101. General Provisions

A. Enforcement actions are those actions deemed necessary to carry out the intent of the Act or Regulations, including but not limited to sanctioning, conditioning, limiting, suspending or revoking a Permit and the issuance of emergency orders.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1974 (October 1999).

§4103. Enforcement Actions of the Board

A. Pursuant to R.S. 27:15(B)(3)(b)(iii) and (B)(8), 27:24(A)(4), and 27:233(B), if the Board, after investigation by the Division, is satisfied that a License or Permit should be limited, conditioned, suspended or revoked, or that other action is necessary or appropriate to carry out the provisions of the Act or Regulations, the Board may:

1. limit or restrict the operations of the Casino or a Permit; or
2. suspend or revoke the operations of the Casino or a Permit; or
3. direct actions deemed necessary to carry out the intent of the Act or Regulations, including, but not limited to, requiring the Casino Operator to keep an individual from the Official Gaming Establishment, prohibiting payment for services rendered, prohibiting payment of profits, income, or accruals, or investment in the Casino or its operations. Such order may be an emergency order;
4. impose a civil penalty on each Person, or entity or both, who is permitted, Approved, registered or otherwise found suitable pursuant to the Act or these Regulations, of not more than \$1,000,000 per violation of the Act or these Regulations.

B. The Division may assess a civil penalty as provided in the penalty schedule. The penalty schedule lists a base fine and proscriptive period for each violation committed by the Casino Operator or Casino Manager. The proscriptive period is the amount of time, determined by the Division, in which a prior violation is still considered active for purposes of consideration in assessment of penalties. A prior violation is a past violation of the same type which falls within the current violation's proscriptive period. The date of a prior violation shall be considered to be when the Licensee, Permittee or Casino Operator receives the significant action report or violation/inspection report. If one or more violations exist within the proscriptive period, the base fine shall be multiplied by a factor based on the total number of violations within the proscriptive period. The violation of any rule may result in the assessment of a civil penalty, suspension, revocation, or other administrative action. If the calculated penalty exceeds the statutory maximum of \$1,000,000, the matter shall be forwarded to the Board for further administrative action. In such case, the Board shall determine the appropriate penalty to be assessed. Assisting in the violation of rules, laws, or procedures as provided in §2927 of these Regulations may result in a civil penalty in the same amount as provided in the penalty schedule for the respective violation.

C. Penalty Schedule

Penalty Schedule			
Section Reference	Description	Base Fine	Proscriptive Period (Months)
Chapter 19. Policy			
1905	General Authority of the Board	\$10,000	18
Chapter 21. Licenses and Permits			
2119	Access to Applicant's Premises and Records	\$25,000	60
2127.A	Information Constituting Grounds for Delay or Denial of an Application	\$10,000	24
2153.A	Cash Transaction Reporting	\$5,000	12
2153.B	Cash Transaction Reporting (Violations in other states)	\$20,000	24
2159.A	Gaming Employee Permits Required	\$10,000	18
2163	Display of Gaming Employees Permit	\$500	12
2165.A	Gaming Equipment Must Be From Permitted Suppliers	\$25,000	60
2165.B and C	Permit Requirements for Persons Furnishing Services or Property or Doing Business with the Casino Operator or Casino Manager	\$2,000	12
Chapter 23. Compliance, Inspections, and Investigations			
2325	Sanctions	\$2,500	12
Chapter 25. Transfers of Interest in the Casino Operator and Permittee; Loans and Restrictions			
2521	Loans and Lines of Credit	\$75,000	60
Chapter 27. Accounting Regulation			
2701	Procedures for Reporting and Paying Gaming Revenues and Fees:		
	Late Reports	\$2,000	12
	Late Wire Transfers	\$5,000	12

Penalty Schedule			
Section Reference	Description	Base Fine	Proscriptive Period (Months)
2703.A	Accounting Records (per issue)	\$2,000	12
2705	Records of Ownership	\$500	12
2707	Record Retention	\$10,000	18
2709.B	Quarterly Financial Statements	\$1,000	12
2709.C	SEC Reports	\$500	12
2711.B	Required Signatures	\$500	12
2711.D	Change of CPA Requirements	\$10,000	60
2711.F	Audited Financial Statements (Submission Date)	\$10,000	60
2711.G	Change of Business Year	\$2,000	60
2711.H	Other CPA Reports	\$2,000	60
2711.I	Quarterly Net Win Reports	\$5,000	24
2711.J	Additional CPA Information	\$10,000	60
2713.C	Submit Monthly Calculation to Division	\$5,000	12
2713.D	Submission of Revised Calculated Amount	\$5,000	12
2715.A.1-7,14	General Requirements	\$2,500	12
2715.A.8-13	Key Control & Entry Logs	\$10,000	24
2715.D	Internal Audit Department Failure to Investigate and Resolve Material Exceptions & to Document Results	\$10,000	18
2715.E	Late Submission	\$10,000	60
2715.F-G	Amendment of Computerized Controls and Amendments to Internal Controls	\$25,000	24
2715.H	Amendments to Internal Controls required by the Division	\$20,000	24
2715.J-M	General Credit Requirements	\$5,000	18
2715.O	Quarterly Credit Report	\$5,000	18
2716	Clothing Requirements	\$5,000	12
2717	Internal Controls, Table Games:		
2717.A-E	Fills and Credits	\$2,000	12
2717.F	Table Inventory	\$5,000	12
2717.G	Credit Procedures in Pit	\$2,000	12
2717.H	Non-Marker Credit Play	\$5,000	12
2717.I	Call Bets	\$10,000	18
2717.J	Table Games Drop Procedures	\$10,000	24
2717.K	Table Games Count Procedures	\$10,000	24
2717.L	Table Games Key Control Procedures	\$10,000	24
2717.M	Security of Cards and Dice	\$5,000	12
2717.N	Supervisory Controls of Table Games	\$2,500	12
2717.O	Table Games Records	\$2,500	12
2717.P	Accounting and MIS Functions	\$2,500	12
2719 A and B	Handling of Cash at Gaming Tables	\$5,000	18
2721	Tips and Gratuities:		
	Licensee Violation	\$2,000	12
	Permittee Violation	\$500	12
2723	Internal Controls, Slots:		
2723.B and C	Jackpot Request	\$2,000	12
2723.D	Jackpot Payout Slip	\$2,000	12
2723.E	Jackpot Payout Slips greater than \$1,200	\$1,000	12
2723.F	Jackpot Payout Slips greater than \$5,000	\$5,000	12
2723.G	Jackpot Payout Slips greater than \$10,000	\$10,000	18

LOUISIANA GAMING

Penalty Schedule			
Section Reference	Description	Base Fine	Proscriptive Period (Months)
2723.H	Jackpot Payout Slips greater than \$100,000	\$15,000	24
2723.I	Slot Fill Slips	\$2,000	12
2723.J	Slot Hard Drop	\$10,000	12
2723.K	Slot Count	\$10,000	12
2723.L	Hard Count Weight Scale	\$10,000	12
2723.M	Accurate and Current Records for Each Slot Machine	\$5,000	12
2723.N	Slot Machines Removed from Gaming Floor	\$10,000	18
2723.O	Key Control & Entry Logs	\$10,000	24
2723.P	Sensitive Keys Removed from Vessel	\$10,000	24
2723.Q	Currency Acceptor Drop and Count Standards	\$10,000	24
2723.R	Computer Records	\$5,000	12
2723.S	Management Information Systems (MIS) Functions	\$5,000	18
2723.T	Accounting Department Audit Procedures Relative to Slot Operations	\$10,000	24
2723.U	Slot Department Requirements	\$2,000	12
2723.V	Progressive Slot Machines	\$5,000	12
2723.W	Training	\$5,000	24
2725.A-F	Poker	\$2,500	12
2729	Cage and Credit:		
2729.A-H	Cage Procedures	\$5,000	12
2729.I-HH	Credit Extension/Check Cashing	\$5,000	12
2729.II-NN	Other Credit Issues	\$5,000	12
2730	Exchange of Chips and Tokens	\$1,000	12
2731	Currency Transaction Reporting	\$5,000	12
2735.F	Inclusion of Chips, Tokens, Extensions of Credit or Comps in Gross Gaming Revenue	\$5,000	12
2735	Gross Gaming Revenue Computation	\$5,000	12
2736	Treatment of Credit for Computing Gross Gaming Revenue	\$5,000	12
Chapter 29. Operating Standards			
2901	Methods of Operation Generally	\$10,000	24
2903	Compliance with Laws	\$10,000	18
2909	Prohibited Transactions	\$25,000	60
2911	Finder's Fees	\$10,000	12
2921	Entertainment Activities	\$5,000	12
2922-2924	Promotions; Increased Slot Jackpots; Coupon and Scrip, Tournaments, Giveaways and Drawings	\$5,000	12
2925	Gaming Employees Prohibited from Gaming	\$2,500	12
2931	Managerial Representative on Premises	\$25,000	18
2935	Age Restrictions for the Casino	\$10,000	12
2939	Compulsive/Problem Gamblers; Telephone Info and Referral Service Posting (see Title 27:58.10)	\$1,000	24
2945	Restricted Areas	\$10,000	24
2949	Accessibility to Premises; Parking	\$1,000	12

Penalty Schedule			
Section Reference	Description	Base Fine	Proscriptive Period (Months)
2970	Agencies Who May Collect; Collection by Unsuitable Person; Recordation of Collection Arrangements; Division Inspection	\$10,000	60
Chapter 31. Rules of Play			
	All Rule Violations Other Than 3101, 3105, 3107	\$5,000	12
3101	Authority and Applicability, Unauthorized Game	\$25,000	24
3105	Submission of Rules	\$25,000	24
3107	Wagers	\$10,000	18
Chapter 33. Surveillance and Security			
3301	Required Surveillance Equipment	\$10,000	24
3303	Surveillance System Plans	\$25,000	24
3305.A	Division Room	\$10,000	24
3305.B	Access to Surveillance Equipment	\$10,000	24
3305.C	Surveillance Employees Prohibited from Other Gaming Duties	\$5,000	24
3305.D and E	Security of Division and Surveillance Rooms	\$10,000	24
3305.F	Division Agents Access to Surveillance Room	\$15,000	24
3305.H	Licensee Surveillance	\$5,000	24
3307	Segregated Telephone Communication	\$5,000	24
3309.A	Maintaining Logs; Logging of Unusual Occurrences	\$10,000	24
3311	Storage and Retrieval	\$20,000	24
3315	Maintenance and Testing	\$20,000	24
3317	Surveillance System Compliance	\$25,000	24
Chapter 35. Patron Disputes			
3501	Division Notification	\$1,000	12
Chapter 37. List of Excluded Persons			
3705	Duty of Casino Operator, Casino Manager and Permittees to Exclude	\$5,000	12
Chapter 41. Enforcement Actions			
4103	Enforcement Actions of the Board	\$20,000	18
Chapter 42. Electronic Gaming Devices			
4202	Approval of Gaming Devices; Applications and Procedures; Manufacturers and Suppliers	\$10,000	12
4204	Progressive EGDs	\$5,000	12
4205	Computer Monitoring Requirements of Electronic Gaming Devices	\$10,000	12
4208	Certification by Manufacturer	\$1,000	12
4209	Approval of New Electronic Gaming Devices	\$5,000	12
4211	Duplication of Program Storage Media	\$20,000	24
4212	Marking, Registration, and Distribution of Gaming Devices	\$5,000	12
4213	Approval to Sell or Dispose of Gaming Devices	\$10,000	24
4214	Maintenance of Gaming Devices	\$20,000	24
4219	Approval of Associated Equipment; Application and Procedures	\$5,000	12

Penalty Schedule			
Section Reference	Description	Base Fine	Proscriptive Period (Months)
Chapter 43. Specifications for Gaming Devices And Equipment			
4301	Approval of Chips and Tokens; Applications and Procedures	\$5,000	12
4309	Use of Chips and Tokens	\$1,000	12
4311	Receipt of Gaming Chips or Tokens from Manufacturer or Supplier	\$5,000	12
4313	Inventory of Chips	\$5,000	12
4315	Redemption and Disposal of Discontinued Chips and Tokens	\$5,000	12
4317	Destruction of Counterfeit Chips and Tokens	\$5,000	12
4319	Approval and Specifications for Dice	\$5,000	12
4321	Dice; Receipt, Storage, Inspections and Removal from Use	\$5,000	12
4323	Approval and Specifications for Cards	\$5,000	12
4325	Cards; Receipt, Storage, Inspections and Removal from Use	\$5,000	12
4327	Approval of Gaming Devices; Applications and Procedures; Manufacturers and Suppliers	\$10,000	12
4331.B and C	Display	\$2,000	12
4331.D	Amount Reduction	\$5,000	12
4333	Computer Monitoring Requirements of Electronic Gaming Devices	\$10,000	12
4339	Certification by Manufacturer	\$1,000	12
4343	Duplication of Program Storage Media	\$20,000	24
4345	Marking, Registration, and Distribution of Gaming Devices	\$5,000	12
4347	Approval to Sell or Dispose of Gaming Devices	\$10,000	24
4349	Maintenance of Gaming Devices	\$20,000	24
4355	Approval of Associated Equipment; Application and Procedures	\$5,000	12
Title 27 Louisiana Gaming Control Law			
Chapter 4. The Louisiana Riverboat Economic Development and Gaming Control Act			
Part I. General Provisions			
27: 250A and 27:230E	License or Permit Required	\$10,000	60
Part V. Conducting of Gaming Operations			
27:260 A(1)(2)	No One under 21 Allowed	\$10,000	12
27:244A(7)	Adequate Insurance	\$25,000	60
Part VIII. Issuance of Permits to Manufacturers, Suppliers, and Others			
27:238(B)	Distribution of Unapproved Devices/Supplies	\$25,000	60
27:250(G)	Unpermitted Employee	\$10,000	18
27:260(A) (1)(2)(3)	Underage Patron/Employees	\$10,000	12

AUTHORITY NOTE: Promulgated in accordance with R.S.27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1974 (October 1999), amended LR 26:2307 (October 2000), LR 27:2255

(December 2001), repromulgated LR 28:344 (February 2002), amended LR 28:1029 (May 2002), LR 29:362 (March 2003), LR 29:2507 (November 2003).

§4105. Emergency Orders Created

A. In order to protect the public welfare, the Patrons of the Casino and safeguard the interests of the state of Louisiana, these Regulations hereby establish orders to enforce and/or supplement the Act and these Regulations. The orders established shall be emergency orders.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1974 (October 1999).

§4107. Emergency Orders

A. An emergency order, pursuant to R.S. 27:15.B.(8), may only be issued by the Chairman when circumstances necessitate instantaneous action to protect the public welfare, the interests of the state of Louisiana or the Patrons of the Casino. The Chairman is also empowered to issue emergency orders when extraordinary situations require immediate action.

B. An emergency order must be in writing and signed by the Chairman, setting forth the grounds upon which it is issued, including a statement of facts constituting the alleged emergency necessitating such action.

C. An emergency order is effective immediately upon issuance and service upon the Permittee or Casino. Service of the order may be made by hand delivery, facsimile or certified mail to the Casino Operator, Permittee or Permittee's Agent.

D. An emergency order is subject to appeal in the manner set forth in this Chapter.

E. An emergency order will expire in 10 Days unless a shorter period is specified.

F. A violator of an emergency order is subject to sanctions as set forth in these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1974 (October 1999).

§4111. Appeal

A. All appeals shall be conducted pursuant to LAC 42:III.103.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1974 (October 1999).

§4113. Grounds for Disciplinary Action against the Casino Operator, Casino Manager or Affiliates

A. The Board and/or Division deems any activity on the part of the Casino Operator, Casino Manager or Affiliates, and their Agents or employees, as well as all Permittees, that

is inimicable to the public health, safety, morals, good order and general welfare of the people of the state of Louisiana, or that would reflect or tend to reflect negatively upon the state of Louisiana or the gaming industry, to be an unsuitable method of operation and shall constitute grounds for Disciplinary Action by the Board in accordance with the Act and these Regulations. Without limiting the generality of the foregoing, the following Acts or omissions may be determined to be unsuitable methods of operation:

1. failing to disclose, misstating or otherwise misleading the Board and/or Division with respect to any material fact contained in an Application;
2. committing, attempting to commit or conspiring to commit any Acts or omissions prohibited by the Act or any provision of these Regulations;
3. failing to maintain suitability as provided in the Act and these Regulations;
4. failure to exercise discretion and sound judgement to prevent incidents which might reflect on the repute of the state of Louisiana and the Act as a detriment to the development of the gaming industry;
5. knowingly permitting persons who are visibly intoxicated to participate in gaming activity;
6. complimentary service of intoxicating beverages in the Casino area to persons visibly intoxicated;
7. failure to conduct advertising and public relations activities in accordance with decency, dignity, good taste, honesty and inoffensiveness;
8. knowingly catering to, assisting, employing or associating with, either socially, or in business affairs, persons of notorious or unsavory reputation or persons who have extensive police Records, or persons who have defied congressional investigative committees or other officially constituted bodies acting on behalf of the United States, or any state, or Persons who are associated with or supportive of subversive movements;
9. the employing either directly or through a contract, or any other means, of any firm or individual in any capacity where the repute of the state of Louisiana or the gaming industry is liable to be damaged because of the unsuitability of the firm or individual or because of the unethical methods of operation of the firm or individual;
10. employing in a position for which the individual could be required to be a permitted employee or key management or Key Gaming Employee pursuant to these Regulations, any person who has been denied a Permit or approval on the grounds of unsuitability or has failed or refused to apply for a Permit as an employee, key management or Key Gaming Employee as requested by the Board;
11. employing any person who has been found guilty of cheating or using a Cheating Device in connection with any Game, whether as a Permittee or player;
12. employing any person whose conduct resulted in the revocation or suspension of his Permit unless such Permit was reinstated or otherwise reissued;
13. failure to comply with, or make provision for compliance with, all applicable federal, state and local laws and regulations including, without limiting the generality of the foregoing, payment of all fees and taxes and compliance with all procedures and forms prescribed by the secretary of the Department of Revenue and Taxation. The Board, in the exercise of its sound discretion, can make its own determination of whether or not the person has failed to comply with the aforementioned, but such determination shall make use of the established precedents in interpreting language of the applicable statutes;
14. possessing or permitting to remain in or upon the Premises of the Official Gaming Establishment any cards, dice, or mechanical device of which not in compliance with, or was obtained in a manner that was not in compliance with the Act or the Regulations;
15. conducting, carrying on, operating or dealing with any Cheating Device on the Premises;
16. failure to conduct Gaming Operations in accordance with the proper standards of custom, decorum and decency, or permit any type of conduct in the Official Gaming Establishment which reflects or tends to reflect negatively on the repute of the state of Louisiana;
17. failure to have an employee of the Casino Operator or Casino Manager on the Premises to supervise any Game;
18. issuing credit to a Patron to enable the Patron to satisfy a debt owed to another person;
19. denying any Board member or representative or Division Agent, upon proper and lawful demand, access to, any portion or aspect of the Official Gaming Establishment;
20. failing to comply with any provision of these Regulations or the Casino Operator's Approved internal controls systems, Approved rules of Games, or any other order or Approval;
21. failing to take all reasonable steps necessary to prevent persons under the age of 21, unless otherwise permitted under applicable law, to:
 - a. play or be allowed to play any Game or Gaming Device at the Casino;
 - b. loiter or be permitted to loiter in or about any room, Premises, or designated area where any Game or Gaming Device is located, operated or conducted at the Casino;
 - c. serve or be served, consume or be allowed to consume any alcoholic beverage at the Casino;
22. failing to draft and implement policies and procedures designed to satisfy the requirements of Paragraph 21 above.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1974 (October 1999).

§4115. Disciplinary Action against Employees and Agents

A. The Board may take Disciplinary Action against any employee or Agent of the Casino Operator or Casino Manager who:

1. failed to disclose, misstated or otherwise misled the Board with respect to any material fact contained in his Application for a Permit or finding of suitability;
2. committed, attempted to commit, or conspired to commit any Acts or omissions prohibited by the Casino Act or any provision of these Regulations;
3. knowingly permitted to remain in play, at the Official Gaming Establishment, any Cheating Device;
4. concealed or refused to disclose any material fact in any investigation by the Board or Division;
5. committed, attempted to commit, or conspired to commit theft or embezzlement against the Casino Operator;
6. been convicted of any gaming related offense in any Gaming Jurisdiction;
7. accepted employment without prior Board of Division Approval in a position for which he is required to be permitted under the Act or these Regulations, after having been denied a Permit for a reason involving suitability or after failing to apply for a Permit upon being requested to do so by the Board or Division;
8. been refused the issuance or renewal or had suspended or revoked any Gaming License or Permit, or manufacturing and distribution Permit, or any pari-mutual Permit in any other Gaming Jurisdiction;
9. been prohibited, by governmental action, from being on the Premises of any gaming establishment in Louisiana or any other Gaming Jurisdiction; or
10. been determined in the sole discretion of the Board, to be a person whose prior activities, criminal record, reputation, habits, and associations pose a threat to the public interest to this state or, create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of Gaming Operation at the Official Gaming Establishment;
11. failed to maintain suitability as provided in the Act and these Regulations;
12. failed to comply with any provision of these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1975 (October 1999).

§4117. Gaming by Owners, Directors, Officers and Key Employees

A. Except as provided in Subsection B, no officer, Director, owner or key management or Key Gaming Employee of the Casino Operator, shall play or place a Wager at any Game or Slot Machine which is exposed to the public for play or Wagering by the Casino Operator or at any establishment, such as a riverboat Gaming Operation, which is owned or operated in whole or in part by the Casino Operator in the state of Louisiana.

B. This prohibition shall not apply to the playing of or the Wagering on poker or panguingui.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1976 (October 1999).

§4119. Disciplinary Action against Manufacturers, Distributors and Other Vendors

A. The Board may take Disciplinary Action against any Manufacturer, Distributor or other vendor of Gaming Devices or Gaming Supplies and any non gaming vendor if the vendor has:

1. failed to disclose, misstated or otherwise misled the Board with respect to any material fact contained in his Application for a Permit, registration or Finding of suitability;
2. committed, attempted to commit or conspired to commit any acts or omissions prohibited by the Act or any provision of these Regulations;
3. concealed or refused to disclose any material fact in any investigation by the Board or Division;
4. committed, attempted to commit, or conspired to commit theft or embezzlement against the Casino Operator;
5. been convicted of any gaming related offense in any Gaming Jurisdiction;
6. conducted business with the Casino Operator prior to being permitted under the Casino Act or these Regulations. This prohibition shall not apply to vendors not required to be permitted under the Act or these Regulations;
7. been refused the issuance or renewal or had suspended or revoked any Gaming License or Permit, or manufacturing and distribution Permit, or any pari-mutual Permit in any other Gaming Jurisdiction;
8. been determined in the sole discretion of the Board, to be a person whose prior activities, criminal record, reputation, habits and associations pose a threat to the public interest to this state or, create or enhance the dangers of unsuitable, unfair or illegal practices, methods and activities in the conduct of Gaming Operations at the Official Gaming Establishment;
9. failed to maintain suitability as provided in the Act and these Regulations;
10. failed to comply with any provision of these Regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1976 (October 1999).

§4121. Criminal Conviction as Grounds for Disciplinary Action

A. The Board may discipline any person found suitable, including revoking or suspending his Permit, registration, Approval or finding of suitability, if the person, or if the person is a corporation or partnership, any person owning 5 percent or more Interest in the profits or losses of such entity, is convicted of a crime, even though the convicted person's post-conviction rights and remedies have not been exhausted, if the crime or conviction discredits or tends to discredit the state of Louisiana of the gaming industry.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1976 (October 1999).

§4123. Commission of Gaming Crimes

A. If the holder of a Permit is charged with, or convicted of any prohibited act or gaming offense as identified in the Act, the Permit shall be suspended and/or revoked. The Permit of a person convicted of a prohibited act or gaming offense shall not be renewed unless the conviction is overturned by an appellate court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1976 (October 1999).

Chapter 42. Electronic Gaming Devices

§4201. Reserved.

§4202. Approval of Electronic Gaming Devices; Applications and Procedures; Manufacturers and Suppliers

A. A Manufacturer or supplier shall not sell, lease or distribute EGD's or equipment in this state and the Casino Operator or Casino Manager shall not offer EGD's for play without first obtaining the requisite Permit or License and obtaining prior Approval by the Division for such action. This Section shall not apply to those Manufacturers or suppliers Licensed or permitted to sell, lease or distribute EGD's or equipment in the state to an entity Licensed under a provision of state law other than the administrative rules when those Manufacturers or suppliers are selling or distributing to such Licensed entity.

B. Applications for Approval of a new EGD shall be made and processed in such manner and using such forms as the Division may prescribe. Casino Operator or Casino Managers may apply for Approval of a new EGD. Each Application shall include, in addition to such other items or information as the Division may require:

1. a complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device operates, signed under penalty of perjury; and

2. a statement, under penalty of perjury, that to the best of the Applicant's knowledge, the EGD meets the standards set forth in this Chapter.

C. No Game or EGD other than those specifically authorized in this Chapter may be offered for play or played in the Casino except that the Division may authorize the operation of progressive electronic EGD's as part of a network of separate Gaming Operations Licensed by the Division with an aggregate prize or prizes.

D. Approval shall be obtained from the Division prior to changing, adding, or altering the Casino configuration once such configuration has received final Divisional Approval. For the purpose of this Section, altering the Casino configuration does not include the routine movement of EGD's for cleaning and/or maintenance purposes.

E. All components, tools, and test equipment used for installation, repair or modification of EGD's shall be stored in the slot technician repair office, or in a Division Approved locked storage area. Such office/storage shall be kept secure and only authorized personnel shall have access.

F. Any compartment or room that contains communications equipment used by the EGD's and the EGD monitoring system shall be kept secure.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2310 (October 2000).

§4203. Minimum Standards for Electronic Gaming Devices

A. All EGD's submitted for approval:

1. shall be electronic in design and operation and shall be controlled by a microprocessor or micro-controller or the equivalent;

2. shall theoretically pay out a mathematically demonstrable percentage of all amounts Wagered, which shall not be less than 80 percent and not more than 99.9 percent for each Wager available for play on the device;

3. shall use a random selection process to determine the Game outcome of each play of a Game. The random selection process shall meet 99 percent confidence limits using a standard chi-squared test for goodness of fit and in addition:

a. each possible permutation or combination of Game elements which produce winning or losing Game outcomes shall be available for random selection at the initiation of each play; and

b. the selection process shall not produce detectable patterns of Game elements or detectable dependency upon any previous Game outcome, the amount Wagered, or upon the style or method of play;

4. shall display an accurate representation of the Game outcome. After selection of the Game outcome, the EGD shall not make a variable secondary decision which affects the result shown to the player;

5. shall display the rules of play and payoff schedule;

6. shall not automatically alter pay-tables or any function of the device based on internal computation of the hold percentage;

7. shall be compatible to on-line data monitoring;

8. shall have a separate locked internal enclosure within the device for the control circuit board and the program storage media;

9. shall be able to continue a Game with no data loss after a power failure;

10. shall have current Game and the previous two Games data recall;

11. shall have a complete set of nonvolatile meters including coins-in, coins-out, coins dropped and total jackpots paid;

12. shall contain a surge protector on the line that feeds power to the device. The battery backup or an equivalent for the electronic meter information shall be capable of maintaining accuracy of all information required for 180 Days after power is discontinued from the device. The backup shall be kept within the locked logic board compartment;

13. shall have an on/off switch that controls the electrical current used in the operation of the device which shall be located in an accessible place within its interior;

14. shall be designed so that it shall not be adversely affected by static discharge or other electromagnetic interference;

15. shall have at least one electronic coin acceptor and may be equipped with an approved currency acceptor. Coin and currency acceptors shall be designed to accept designated coins and currency and reject others. The coin acceptor on a device shall be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All types of coin and currency acceptors are subject to approval by the Division. The control program shall be capable of handling rapidly fed coins so that occurrences of inappropriate "coin-ins" are prevented;

16. shall not contain any unsecured hardware switches that alter the pay-tables or Payout percentages in its operation. Hardware switches may be installed to control graphic routines, speed of play, and sound;

17. shall contain a non-removable identification plate containing the following information, appearing on the exterior of the device:

- a. Manufacturer;
- b. serial number; and
- c. model number;

18. shall have a communications data format from the EGD to the EGD monitoring system approved by the Division;

19. shall be capable of continuing the current Game with all current Game features after a malfunction is cleared. This rule does not apply if a device is rendered totally inoperable. The current Wager and all credits appearing on the screen prior to the malfunction shall be returned to the Patron;

20. shall have attached a locked compartment separate from any other compartment of the device for housing a Drop bucket. The compartment shall be equipped with a switch or sensor that provides detection of the Drop door opening and closing by signaling to the EGD monitoring system;

21. shall have a locked compartment for housing currency, if equipped with a currency acceptor;

22. shall, at a minimum, be capable of detecting and displaying the following error conditions which an attendant may clear:

- a. coin-in jam;
- b. coin-out jam;
- c. currency acceptor malfunction or jam;
- d. hopper empty or time-out;
- e. program error;
- f. hopper runaway or extra coin paid out;
- g. reverse coin-in;
- h. reel error; and
- i. door open;

23. shall use a communication protocol which ensures that erroneous data or signal will not adversely affect the operation of the device;

24. shall have a mechanical, electrical, or electronic device that automatically precludes a player from operating the device after a jackpot requiring a manual Payout and requires an attendant to reactivate the device; and

25. shall be outfitted with any other equipment required by this Chapter or the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2310 (October 2000).

§4204. Progressive Electronic Gaming Devices

A. This Section authorizes the use of progressive EGD's among Gaming Operations Licensed pursuant to the provisions of R.S. 27:51 et seq., R.S. 27:201 et seq. and R.S. 27:351 et seq. in the state of Louisiana, within one eligible facility, provided that the EGD's meet the requirements stated in this Chapter and any additional requirements imposed by the administrative rules, the Board, or the Division.

B. Wide area progressive Games that link EGD's located in more than one location shall be approved by the Board or Division on a case-by-case basis.

C. Progressive EGD's Defined

1. A progressive EGD is an Electronic Gaming Device with a payoff that increases uniformly as the EGD or another device on the same link is played.

2. *Base Amount*—The amount of the Progressive Jackpot offered before it increases.

3. *Incremental Amount*—The difference between the amount of a Progressive Jackpot and its Base Amount.

4. A Progressive Jackpot may be won where certain pre-established criteria, which does not have to be a winning combination, are satisfied.

5. A bonus Game where certain circumstances are required to be satisfied prior to awarding a fixed bonus prize is not a progressive EGD and is not subject to this Chapter.

D. Transferring of Progressive Jackpot which is in Play

1. A Progressive Jackpot which is currently in play may be transferred to another progressive EGD in the Casino in the event of :

a. EGD malfunction;

b. EGD replacement; or

c. other good reason deemed appropriate by the Division or Board to ensure compliance with this Chapter.

2. If the events set forth above do not occur, the progressive award shall be permitted to remain until it is won by a player or transfer is approved by the Division.

E. Recording, Keeping and Reconciliation of Jackpot Amount

1. The Casino Operator or Casino Manager shall maintain a record of the amount shown on a Progressive Jackpot meter on the Premises. The Progressive Jackpot meter information shall be read and documented, at a minimum, every 24 hours. Electronic meter information shall be recorded when a primary jackpot occurs on an EGD.

2. Supporting documents shall be maintained to explain any reduction in the payoff amount from a previous entry.

3. The Records and documents shall be retained for a period of five years.

4. The Casino Operator or Casino Manager shall confirm and document, on a quarterly basis, that proper communication was maintained on each EGD linked to the progressive controller during that time.

5. The Casino Operator or Casino Manager shall record the progressive liability on a daily basis.

6. The Casino Operator or Casino Manager shall review, on a quarterly basis, the incremented rate and reasonableness of the progressive liability by either a

physical coin-in test or by meter readings to calculate incremental coin-in multiplied by the rate incremented to arrive at the increase in, and reasonableness of, the Progressive Jackpot amount.

7. The Casino Operator or Casino Manager shall formally adopt the Manufacturer's specified internal controls for wide area progressive EGD's, as approved by the Division, as part of the Casino Operator or Casino Manager's system of internal controls.

F. The Progressive Meter

1. The EGD shall be linked to a progressive meter or meters showing the current payoff to all players who are playing an EGD which may potentially Win the progressive amount. A meter that shows the amount of the Progressive Jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

G. Consistent Odds on Linked EGD's

1. When more than one progressive EGD is linked together, each EGD in the link shall be of the same denomination and have the same coin in multiplier, and have the same probability of hitting the combination that will award the Progressive Jackpot or jackpots as every other machine in the link.

H. Operation of Progressive Controller-Normal Mode

1. During the normal operating mode of the progressive controller, the controller shall do the following:

a. continuously monitor each EGD attached to the controller to detect inserted coins or credits Wagered;

b. multiply the accepted coins by the denomination and the programmed rate progression in order to determine the correct amounts to apply to the Progressive Jackpot.

2. The progressive display shall be constantly updated as play on the link is continued. It will be acceptable to have a slight delay in the update so long as when a jackpot is triggered, the jackpot amount is shown immediately.

I. Operation of Progressive Controller-Jackpot Mode

1. When a Progressive Jackpot is recorded on an EGD, which is attached to the progressive controller or another attached approved component or system (hereinafter progressive controller), the progressive controller shall allow for the following:

a. display of the winning amount;

b. display of the EGD identification that caused the progressive meter to activate if more than one EGD is attached to the controller.

2. The progressive controller is required to send to the EGD the amount that was won. The EGD is required to update its electronic meters to reflect the winning jackpot amount consistent with this Chapter.

3. When more than one progressive EGD is linked to the progressive controller, the progressive controller shall automatically reset to the reset amount and continue normal

play. During this time, the progressive meter or another attached Approved component or system shall display the following information:

- a. the identity of the EGD that caused the progressive meter to activate;
- b. the winning progressive amount;
- c. the new normal mode amount that is current on the link.

4. A wide area progressive EGD and/or a progressive device, where a jackpot of \$100,000 or more is won, shall automatically enter into a non-play mode which prohibits additional play on the device after a primary jackpot has been won on the device. Upon conclusion of necessary inspections and tests by the Division, the device may be offered for play.

J. Alternating Displays

1. When this procedure prescribes multiple items of information to be displayed on a progressive meter, it is sufficient to have the information displayed in an alternating fashion.

K. Security of Progressive Controller

1. Each progressive controller linking two or more progressive EGD's shall be housed in a double keyed compartment in a location Approved by the Division. All keys shall be maintained in accordance with LAC 42:IX:Chapter 27 of the administrative rules.

2. The Division may require possession of one of the keys.

3. Persons having access to the progressive controller shall be Approved by the Division.

4. A list of persons having access to a progressive controller shall be submitted to the Division.

L. Progressive Controller

1. A progressive controller entry authorization log shall be maintained within each controller. The log shall be on a form prescribed by the Division and completed by each individual who gains entrance to the controller.

2. Security restrictions shall be submitted in writing to the Division for approval at least 60 Days before their enforcement. All restrictions approved by the Division shall be made on a case by case basis in the case of a stand-alone progressive where the controller is housed in the logic area.

3. The progressive controller shall keep the following information in nonvolatile memory which shall be displayed upon demand:

- a. the number of Progressive Jackpots won on each progressive level if the progressive display has more than one winning amount;
- b. the cumulative amounts paid on each progressive level if the progressive display has more than one winning amount;

c. the maximum amount of the progressive Payout for each level displayed;

d. the minimum amount or reset amount of the progressive Payout for each level displayed;

e. the rate of progression for each level displayed.

M. Limits on Jackpots of Progressive EGD's

1. The Casino Operator or Casino Manager may impose a limit on the jackpot of a progressive EGD if the limit imposed is greater than the possible maximum jackpot Payout on the EGD at the time the limit is imposed. The Casino Operator or Casino Manager shall inform the public with a prominently posted notice of progressive EGD's and their limits.

N. The Casino Operator or Casino Manager shall not reduce the amount displayed on a Progressive Jackpot meter or otherwise reduce or eliminate a Progressive Jackpot unless:

1. a player Wins the jackpot;

2. the Casino Operator or Casino Manager adjusts the Progressive Jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to §4204.M of these Regulations and the Casino Operator or Casino Manager documents the adjustment and the reasons for it;

3. the Casino Operator or Casino Manager's Gaming Operations at the establishment cease for any reason other than a temporary closure where the same Casino Operator or Casino Manager resumes Gaming Operations at the same establishment within a month;

4. the Casino Operator or Casino Manager distributes the Incremental Amount to another Progressive Jackpot at the Casino Operator or Casino Manager's establishment and:

a. the Casino Operator or Casino Manager documents the distribution;

b. any machine offering the jackpot to which the Casino Operator or Casino Manager distributes the Incremental Amount does not require that more money be played on a single play to Win the jackpot, than the machine from which the Incremental Amount is distributed;

c. any machine offering the jackpot to which the Incremental Amount is distributed complies with the minimum theoretical Payout requirement of §4203.A.2 of the Regulations; and

d. the distribution is completed within 30 Days after the Progressive Jackpot is removed from play or within such longer period as the Division may for good cause approve; or

e. the Division approves a reduction, elimination, distribution, or procedure not otherwise described in this Subsection, which approval is confirmed in writing;

5. Casino Operator or Casino Managers shall preserve the Records required by this Section for at least five years.

O. Individual Progressive EGD Controls

1. Individual EGD's shall have a minimum of seven electronic meters, including a coin-in meter, Drop meter, jackpot meter, Win meter, manual jackpot meter, progressive manual jackpot meter and a progressive meter.

P. Link Progressive EGD Controls

1. Each machine shall require the same number of Tokens be inserted to entitle the player to a chance at winning the Progressive Jackpot and every Token shall increment the meter by the same rate of progression as every other machine in the group.

2. When a Progressive Jackpot is hit on a machine in the group, all other machines shall be locked out, except if an individual progressive meter unit is visible from the front of the machine. In that case, the progressive control unit shall lock out only the machine in the progressive link that hit the jackpot. All other progressive meters shall show the current Progressive Jackpot amount.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2311 (October 2000).

§4205. Computer Monitoring Requirements of Electronic Gaming Devices

A. The Casino Operator or Casino Manager shall have a computer connected to all EGD's in the Casino to record and monitor the activities of such devices. No EGD shall be operated unless it is on-line and communicating to a computer monitoring system approved by a designated gaming laboratory specified by the Division. Such computer monitoring system shall provide on-line, real-time monitoring and data acquisition capability in the format and media approved by the Division.

1. Any occurrence of malfunction or interruption of communication between the EGD's and the EGD monitoring system shall immediately be reported to the Division for determination of further action to be taken. These malfunctions include, but are not limited to, system down for maintenance or malfunctions, zeroed meters, invalid meters and any variance between EGD Drop meters and the actual count of the EGD Drop.

2. Prior written approval from the Division is required before implementing any changes to the computerized EGD monitoring system or adopting manual procedures for when the computerized EGD monitoring system is down.

3. Each and every modification of the software shall be approved by a designated gaming laboratory specified by the Division.

B. The computer permitted by Subsection A of this Section shall be designed and operated to automatically perform and report functions relating to EGD meters, and other exceptional functions and reports in the Casino as follows:

1. record the number and total value of Tokens placed in the EGD for the purpose of activating play;

2. record the total value of credits received from the currency acceptor for the purpose of activating play;

3. record the number and total value of Tokens deposited in the Drop bucket of the EGD;

4. record the number and total value of Tokens automatically paid by the EGD as the result of a jackpot;

5. record the number and total value of Tokens to be paid manually as the result of a jackpot. The system shall be capable of logging in this data if such data is not directly provided by EGD;

6. have an on-line computer alert, alarm monitoring capability to insure direct scrutiny of conditions detected and reported by the EGD, including any device malfunction, any type of tampering, and any open door to the Drop area. In addition, any person opening the EGD or the Drop area shall complete the machine entry authorization log including time, date, machine identity and reason for entry; with exclusion of the Drop team;

7. be capable of logging in and reporting any revenue transactions not directly monitored by Token meter, such as Tokens placed in the EGD as a result of a fill, and any Tokens removed from the EGD in the form of a credit; and

8. identify any EGD taken off-line or placed on-line of the computer monitor system, including date, time, and EGD identification number;

9. report the time, date and location of open doors or error conditions by each EGD.

C. The Casino Operator or Casino Manager shall store, in machine-readable format, all information required by Subsection B above for the period of five years. The Casino Operator or Casino Manager shall store all information in a secure area and certify that this information is complete and unaltered. This information shall be available upon request by a Division Agent in the format and media approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2313 (October 2000).

§4206. Employment of Individual to Respond to Inquiries from the Division

A. Each Manufacturer shall employ or retain an individual who understands the design and function of each of its EGD's who shall respond within the time specified by the Division to any inquiries from him concerning the EGD or any modifications to the device. Each Manufacturer shall writing any change in the designation within 15 Days of the change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2314 (October 2000).

§4207. Evaluation of New Electronic Gaming Devices

A. The Division may require transportation of not more than two working models of a new EGD to a designated gaming laboratory for review and inspection. The Manufacturer seeking approval of the device shall pay the cost of the inspection and investigation. The designated gaming laboratory may dismantle the models and may destroy electronic components in order to fully evaluate the device. The Division may require the Manufacturer or supplier seeking approval to provide specialized equipment or the services of an independent technical expert to evaluate the equipment, and may employ an outside designated gaming laboratory to conduct the evaluation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2314 (October 2000).

§4208. Certification by Manufacturer

A. After completing its evaluation of a new EGD, the lab shall send a report of its evaluation to the Division and the Manufacturer seeking approval of the device. The report shall include an explanation of the manner in which the device operates. The Manufacturer shall return the report within 15 Days and shall either:

1. certify, under penalty of perjury, that to the best of its knowledge the explanation is correct; or
2. make appropriate corrections, clarifications, or additions to the report and certify, under penalty of perjury, that to the best of its knowledge the explanation of the EGD is correct as amended.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2314 (October 2000).

§4209. Approval of New Electronic Gaming Devices

A. After completing its evaluation of the new EGD, the Division shall determine whether the Application for Approval of the new EGD should be granted. In considering whether a new EGD will be given final approval, the Division shall consider whether approval of the new EGD is consistent with this Chapter. Division approval of an EGD does not constitute certification of the device's safety.

1. Equipment Registration and Approval

- a. All electronic or mechanical EGD's shall be approved by the Division and/or its approved designated gaming laboratory and registered by the Division prior to use.
- b. The following shall not be used for gaming by any Casino Operator or Casino Manager without prior written approval of the Division:
 - i. bill acceptors or bill validators;
 - ii. coin acceptors;
 - iii. progressive controllers;
 - iv. signs depicting Payout percentages, odds, and/or rules of the Game;
 - v. associated Gaming Equipment as provided for in Chapter 42 of the administrative rules.

c. The Casino Operator or Casino Manager and/or Manufacturer's request for approval shall describe with particularity the equipment or device for which the Division's approval is requested.

d. The Division may request additional information or documentation prior to issuing written approval.

2. Testing

a. The following shall be tested prior to registration or approval for use:

- i. all EGD's;
- ii. EGD monitoring systems;
- iii. any other device or equipment as the Division may deem necessary to ensure compliance with this.
- b. The Division may employ the services of a designated gaming laboratory to conduct testing.

i. Any new EGD not presently approved by the Division shall first meet the approval and testing criteria of the Division's recognized designated gaming laboratory, who shall evaluate and test the product and issue a written opinion to the Division of all test results. The Casino Operator or Casino Manager, Manufacturer or supplier shall incur all costs associated with the testing of the product. This may include costs for field tests, travel, laboratory tests, and/or other associated costs. Failure on the part of the requesting party to timely pay these costs may be grounds for the denial of the request and cause for Enforcement Action by the Division. Recommendations of approval by the designated gaming laboratory with regard to program approval(s) shall constitute Division approval and do not require separate written approval by the Division. Other test determinations shall be reviewed by the Division and a written decision shall be issued by the Division. In situations wherein the need for specific guidelines and internal controls are required, the Division will work in concert with the designated gaming laboratory to develop guidelines for the Casino Operator or Casino Manager. The Casino Operator and Casino Managers shall be required to comply with these guidelines and they shall become part of the Casino Operator or Casino Manager's system of internal controls. At no time shall an unauthorized program, Gaming Device, Associated Equipment and/or component be installed, stored, possessed, or offered for play by a Casino Operator or Casino Manager, Permittee, or their Agent, representative, employee or other Person in the Louisiana gaming industry.

c. Registration and/or approval shall not be issued unless payment for all costs of testing is current.

d. Registration, approval, or the denial of EGD's, or any other device or equipment shall be issued in accordance with the administrative rules, and this Chapter.

e. EGD's shall meet all Specifications as required in §4203 of these Regulations and shall meet the following Security and audit Specifications:

- i. be controlled by a microprocessor;
- ii. be connected and communicating to an Approved on-line EGD monitoring system;
- iii. have an internal enclosure for the circuit board which is locked or sealed, or both, prior to and during Game play;
- iv. be able to continue a Game with no loss of data after a power failure;
- v. have Game data recall for the current Game and the previous two Games;
- vi. have a random selection process that satisfies the 99 percent confidence level using the following tests:
 - (a). standard chi-squared;
 - (b). runs; and
 - (c). serial correlation;

NOTE: These tests shall not be predictable by players.

vii. clearly display applicable rules of play and the Payout schedule;

viii. display an accurate representative of each Game outcome utilizing:

- (a). rotating wheels;
- (b). video monitoring; or
- (c). any other type of display mechanism that accurately depicts the outcome of the Game.

f. All EGD's shall be registered with the Division and shall have a registration sticker to the device on a viewable, accessible location on the interior of the frame of the EGD. It is incumbent on each Casino Operator or Casino Manager to ensure that the registration sticker is properly affixed and is valid. In the event that the registration sticker becomes damaged or voided, the Casino Operator or Casino Manager shall immediately notify the Division in writing. The Division shall issue a replacement sticker and re-register the device as soon as practical.

g. All EGD's shall be located within the Designated Gaming Area. This is inclusive of all "free pull" machines or similar devices. A device which is not in use may be stored in a secured area if approved in writing by the Division.

h. The Casino Operator or Casino Manager shall maintain a current inventory report of all EGD's and equipment. The inventory report shall include, but is not limited to, the following:

i. the serial number assigned to the EGD by the Manufacturer;

- ii. the registration number issued by the Division;
- iii. the type of Game for which the EGD is designed and used;
- iv. the denomination of Tokens or coins accepted by each EGD;
- v. the location of EGD's equipped with bill validators and any bill validators that stand alone;
- vi. the Manufacturer of the EGD;
- vii. the location or house number of the EGD.

i. This inventory report shall be submitted to the Division's operational section on a diskette, in a data text format, upon request by the Division.

j. All EGD's offered for play shall be given a "house number" by the Casino Operator or Casino Manager. This house number shall not be altered or changed without prior written approval from the Division. The Casino Operator or Casino Manager shall issue the "house numbers" in a systematic manner which provides for easy recognition and location of the device's location. This number shall be a part of the Casino Operator or Casino Manager's "on-line computer EGD monitoring system," and shall be displayed, in part, on all on-line system reports. Each EGD shall have its respective house number attached to the device in a manner which allows for easy recognition by Division personnel and surveillance cameras.

k. Control Program Requirements

i. EGD control programs shall test themselves for possible corruption caused by failure of the program storage media.

ii. The test methodology shall detect 99.99 percent of all possible failures.

iii. The control program shall allow for the EGD to be continually tested during Game play.

iv. The control program shall reside in the EGD which is contained in a storage medium not alterable through any use of its circuitry or programming of the EGD itself.

v. The control program shall check the following:

(a). corruption of RAM locations used for crucial EGD functions;

(b). information relating to the current play and final outcome of the two prior Games;

(c). random number generator outcome;

(d). error states.

vi. The control RAM areas shall be checked for corruption following Game initiation, but prior to display of the Game outcome to the player.

vii. Detection of corruption is a Game malfunction that shall result in a tilt condition which identifies the error and causes the EGD to cease further function.

viii. The control program shall have the capacity to display a complete play history for the current Game and the previous two Games.

ix. The control program shall display an indication of the following:

- (a). the Game outcome or a representative equivalent;
- (b). bets placed;
- (c). credits or coins paid;
- (d). credits or coins cashed out; and
- (e). any error conditions.

x. The control program shall provide the means for on-demand display of the electronic meters via a key switch or other mechanism on the exterior of the EGD.

l. Accounting Meters

i. All EGD's shall be equipped with electronic meters.

ii. All EGD's electronic meters shall have at least eight digits.

iii. All EGD's shall tally totals to eight digits and be capable of rolling over when the maximum value is reached.

iv. The required electronic meters are as follows.

(a). The coin-in meter shall cumulatively count the number of coins Wagered by actual coins inserted or credits bet, or both.

(b). The coin-out meter shall cumulatively count the number of coins or credits that are paid as a result of a Win, or credits that are won, or both.

(c). The coins-dropped meter shall maintain a cumulative count of the number of coins that have been diverted into a Drop bucket and credit value of all bills inserted into the bill validator for play.

(d). The jackpots-paid meter shall reflect the cumulative amounts paid by an attendant for all jackpots.

(e). The games-played meter shall display the cumulative number of Games played (handle pulls).

(f). The Drop door meter shall display the number of times the Drop door was opened.

(g). If the EGD is equipped with a bill validator, the device shall be equipped with a bill validator meter that records:

- (i). the total number of bills that were accepted;
- (ii). a breakdown of the number of each denomination of bill accepted; and
- (iii). the total dollar amount of bills accepted.

(h). EGD's shall be designed so that replacement of parts, modules, or components required for normal maintenance does not affect the electronic meters.

(i). EGDs shall have meters which continuously display the following information relating to the current play or monetary transaction:

(i). the number of coins or credits Wagered in the current Game;

(ii). the number of coins or credits won in the current Game, if applicable;

(iii). the number of coins or credits paid for a credit cash out or a direct pay from a winning outcome;

(iv). the number of credits available for Wagering, if applicable.

(j). Electronically stored meter information required by this Section shall be preserved after power loss to the EGD by battery backup and be capable of maintaining accuracy of electronically stored meter information for a period of at least 180 Days.

m. No EGD may have a mechanism that causes the electronic accounting meters to clear automatically when an error occurs.

n. Clearing of the electronic accounting meters, other than due to a malfunction, may be done only if Approved in writing by the Division. Meter readings, as prescribed by the Division, shall be recorded before and after any electronic accounting meter is cleared or a modification is made to the device.

o. Hopper

i. If a hopper is utilized on an EGD it shall be designed to detect the following and force the EGD into a tilt condition if one of the following occurs:

(a). jammed coins;

(b). extra coins paid out;

(c). hopper runaways;

(d). hopper empty conditions.

ii. The EGD control program shall monitor the hopper mechanism, if utilized, for these error conditions in all game states in accordance with this LAC 42:IX.Chapter 42.

iii. All coins paid from the hopper mechanism, if utilized, shall be accounted for by the EGD including those paid as extra coins during hopper malfunction.

iv. Hopper pay limits shall be designed to permit compliance by Casino Operator or Casino Managers with all applicable taxation laws, rules, and regulations.

p. Communication Protocol

i. An EGD which is capable of a bi-directional communication with internal or external Associated Equipment shall use a communication protocol which ensures that erroneous data or signals will not adversely affect the operation of the EGD.

q. EGD's installed and/or modified shall be inspected and/or tested by Division Agents prior to offering these devices for live play. Accordingly, no device shall be operated unless and until each regulated program storage media has been tested and sealed into place by Division Agent(s). The Division's Security tape shall at all times remain intact and unbroken. It is incumbent on the Casino Operator or Casino Manager to routinely inspect every device to ensure compliance with this procedure. In the event a Casino Operator or Casino Manager discovers that the Security tape has been broken or tampered with, the power to the EGD shall be immediately turned off, surveillance shall be immediately notified and shall take a photograph of the logic board. The board shall be maintained in the surveillance office until a Division Agent has the opportunity to inspect the board. A copy of the device's meal card shall be made and shall accompany the board.

r. No Casino Operator or Casino Manager or other Person shall modify an EGD without prior written approval from the Division. A request shall be made by completing form(s) prescribed by the Division and filing it with the respective field office. The Casino Operator or Casino Manager shall ensure that the information listed on the EGD form(s) is true and accurate. Any misstatement or omission of information shall be grounds for denial of the request and may be cause for Enforcement Action.

s. EGD's shall meet the following minimum and maximum theoretical percentage Payout during the expected lifetime of the EGD.

i. The EGD shall pay out at least 80 percent and not more than 99.9 percent of the amount Wagered.

ii. The theoretical Payout percentage shall be determined using standard methods of the probability theory. The percentage shall be calculated using the highest level of skill where player skill impacts the payback percentage.

iii. An EGD shall have a probability of obtaining the maximum Payout greater than 1 in 50,000,000.

iv. An EGD shall be capable of continuing the current play with all the current play features after an EGD malfunction is cleared.

t. Modifications to an EGD's program shall be considered only if the new program has been approved by the designated gaming laboratory, and if the existing program has met the minimum requirements as set forth herein. The minimum program change requirements are unique to each program or program storage media. Therefore, it is not practical to list each one. In general, a program shall meet the 99 percent confidence interval range of 80 percent to 99.9 percent prior to being removed or replaced. As stated, this confidence interval varies by program and Manufacturer. The confidence interval is determined by the designated gaming laboratory who tests each program and determines the interval. For the purpose of these procedures, an interval shall be determined by the Games played on the existing program. An EGD's program shall not be approved for change unless the existing program

has met or exceeded the minimum of one hundred thousand required Games played. Exceptions to this procedure are those situations in which it can be reasonably determined that a program Chip is defective or malfunctioning, or during a 90 Day trial period of a newly approved program.

u. A Casino Operator or Casino Manager shall be allowed to test, on a limited basis, newly approved programs. The Casino Operator or Casino Manager shall file an EGD 96-01 form and indicate in field 21 that the request is for a 90 Day trial period. Failure to do so may be grounds for denial of the request to remove the program prior to reaching the 99.9 percent confidence interval. The Casino Operator or Casino Manager, upon approval, shall be allowed to test the program and will be allowed to replace it during this 90-Day period with cause. If a request to replace the test program is not filed with the Division prior to the expiration of the 90-Day approval, the program shall not be replaced and the program replacement criteria as stated in these procedures shall be applicable.

v. When an approved denomination change is made to an EGD which used or uses Tokens, the Casino Operator or Casino Manager shall make necessary adjustments to the initial hopper fill listed on the daily Gross Gaming Revenue report. Additionally, an adjustment shall be made to the daily Gross Gaming Revenue report to reflect the change in the initial hopper fill each time an EGD is taken off the floor or out of play. A final Drop shall be made for that machine, including the hopper. The initial hopper load should be deducted to determine the final net Drop for the device.

w. Randomness Events/Randomness Testing

i. Events in EGD's are occurrences of elements or particular combinations of elements which are available on the particular EGD.

ii. A random event has a given set of possible outcomes which has a given probability of occurrence called the distribution.

iii. Two events are called independent if the following conditions exist:

(a). the outcome of one event has no influence on the outcome of the other event;

(b). the outcome of one event does not affect the distribution of another event.

iv. An EGD shall be equipped with a random number generator to make the selection process. A selection process is considered random if the following Specifications are met:

(a). the random number generator satisfies at least 99 percent confidence level using chi-squared analysis;

(b). the random number generator does not produce a measurable statistic with regard to producing patterns of occurrences. Each reel position is considered random if it meets at least the 99 percent confidence level with regard to the runs test or any similar pattern testing statistic;

(c). the random number generator produces numbers which are independently chosen.

x. Safety Requirements

i. Electrical and mechanical parts and design principles shall not subject a player to physical hazards.

ii. Spilling a conductive liquid on the EGD shall not create a safety hazard or alter the integrity of the EGD's performance.

iii. The power supply used in an EGD shall be designed to make minimum leakage of current in the event of an intentional or inadvertent disconnection of the alternate current power ground.

iv. A surge protector shall be installed on each EGD. Surge protection can be internal or external to the power supply.

v. A battery backup device shall be installed and capable of maintaining accuracy of required electronic meter information after power is disconnected from the EGD. The device shall be kept within the locked or sealed logic board compartment and be capable of sustaining the stored information for 180 Days.

vi. Electronic Discharges. The following shall not subject the player to physical hazards:

(a). electrical parts;

(b). mechanical parts;

(c). design principles of the EGD and its component parts.

y. On and Off Switch. An on and off switch that controls the electrical current used to operate the EGD shall be located in an accessible place and within the interior of the EGD.

z. Power Supply Filter. EGD power supply filtering shall be sufficient to prevent disruption of the EGD by a repeated fluctuation of alternating current.

aa. Error Conditions and Automatic Clearing

i. EGD's shall be capable of detecting and displaying the following conditions:

(a). power reset;

(b). door open;

(c) inappropriate coin-in if the coin is not automatically returned to the player.

ii. The conditions listed above shall be automatically cleared by the EGD upon initiation of a new play sequence, if possible.

bb. Error Conditions; Clearing by Attendant

i. EGD's shall be capable of detecting and displaying the following error conditions which an attendant may clear:

(a). coin-in jam;

(b). coin-out jam;

(c). hopper empty or timed-out;

(d). RAM error;

(e). hopper runaway or extra coin paid out;

(f). program error;

(g). reverse Token-in;

(h). reel spin error of any type, including a mis-index condition for rotating reels. The specific reel number shall be identified in the error indicator;

(i). low RAM battery, for batteries external to the RAM itself, or low power source.

ii. A description of EGD error codes and their meanings shall be affixed inside the EGD.

cc. Coin Acceptors

i. At least one electronic coin acceptor shall be installed in each EGD.

ii. All acceptors shall be approved by the Division or the designated gaming laboratory.

iii. Coin acceptors shall be designed to accept designated coins and to reject others.

iv. The coin receiver on an EGD shall be designed to prevent the use of cheating methods, including, but not limited to:

(a). slugging;

(b). stringing; and

(c). spooling.

v. Coins which are accepted but not credited to the current Game shall be returned to the player by activation of the hopper or credited toward the next play of the EGD control program and shall be capable of handling rapidly fed coins so that frequent occurrences of this type are prevented.

vi. EGD's shall have suitable detectors for determining the direction and speed of the coin(s) travel in the receiver. If a coin traveling at improper speed or direction is detected, the EGD shall enter an error condition and display the error condition which shall require attendant intervention to clear.

dd. Bill Validators

i. EGD's may contain a bill validator that will accept the following:

(a). \$1 bills;

(b). \$5 bills;

(c). \$10 bills;

(d). \$20 bills;

(e). \$50 bills;

(f). \$100 bills.

ii. The bill acceptors may be for single denomination or combination of denominations.

ee. Automatic Light Alarm

i. A light shall be installed on the top of the EGD that automatically illuminates when the door to the EGD is opened or Associated Equipment that may affect the operation of the EGD is exposed, excluding all bartop EGD's.

ff. Access to the Interior

i. The internal space of an EGD shall not be readily accessible when the door is closed.

ii. The following shall be in a separate locked or sealed area within the EGD's:

- (a). logic boards;
- (b). ROM;
- (c). RAM;
- (d). program storage media.

iii. No access to the area described above is allowed without prior notification to the Casino Operator's Surveillance Room.

iv. The Division shall be allowed immediate access to the locked or sealed area. The Casino Operator or Casino Manager shall maintain its copies of the keys to EGD's in accordance with the administrative rules and the Casino Operator or Casino Manager's system of internal controls. A Casino Operator or Casino Manager shall provide the Division a master key to the door of an Approved EGD, if so requested. Unauthorized tampering or entrance into the logic area without prior notification in accordance with Subparagraph c is grounds for Enforcement Action.

gg. Tape Sealed Areas

i. An EGD's logic boards and/or any program storage media in a locked area within the EGD shall be sealed with the Division's Security tape. The Security tape shall be affixed by a Division Agent. The Security tape may only be removed by, or with Approval from, a Division Agent.

hh. Hardware Switches

i. No hardware switches may be installed which alter the pay tables or Payout percentages in the operation of an EGD.

ii. Hardware switches may be installed to control the following:

- (a). graphic routines;
- (b). speed of play;
- (c). sound; and
- (d). other approved cosmetic play features.

ii. Display of Rules of Play

i. The rules of play for EGD's shall be displayed on the face or screen of all EGD's. Rules of play shall be Approved by the Division prior to play.

ii. The Division may reject the rules if they are:

- (a). incomplete;
- (b). confusing;
- (c). misleading; or
- (d). for any other reason stated by the Division.

iii. Rules of play shall be kept under glass or another transparent substance and shall not be altered without prior Approval from the Division.

iv. Stickers or other removable devices shall not be placed on the EGD face unless their placement is Approved by the Division.

jj. Manufacturer's Operating and Field Manuals and Procedures

i. A Casino Operator or Casino Manager shall comply with written guidelines and procedures concerning installations, modifications, and/or upgrades of components and Associated Equipment established by the Manufacturer of an EGD, component, on-line system, software, and/or Associated Equipment unless otherwise Approved in writing by the Division, or if the guideline(s) and/or procedure(s) conflict with any portion of this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2314 (October 2000), amended LR 29:2507 (November 2003).

§4210. Electronic Gaming Device Tournaments

A. EGD tournaments may be conducted by Casino Operator or Casino Managers, upon written approval by the Division.

B. All tournament play shall be on machines which have been tested and approved by the Division, and for which the tournament feature has been enabled.

C. All EGD's used in a single tournament shall utilize the same electronics and machine settings. Casino Operator or Casino Managers shall utilize, and each device shall be equipped with an approved program which allows for tournament mode play to be enabled by a switch key (reset feature) and/or total replacement of the logic board, with an Approved tournament board. Replacement of program storage media is not permissible for tournament play only. Form(s) as prescribed by the Division are required to be submitted for each device used in tournament play when the non-tournament logic board is removed. The Casino Operator or Casino Manager shall submit, in writing, procedures regarding the storage and Security of the both tournament and non- tournament boards when not in use.

D. EGD's enabled for tournament play shall not accept or pay out coins. The EGD's shall utilize credit points only.

E. Tournament credits shall have no cash value.

F. Tournament play shall not be credited to accounting or electronic (soft) meters of the EGD.

G. At the Casino Operator or Casino Manager's discretion, and in accordance with applicable laws and rules, the Casino Operator or Casino Manager may establish qualification or selection criteria to limit the eligibility of players in a tournament.

H. Rules of Tournament Play

1. The Casino Operator or Casino Manager shall submit rules of tournament play to the Division in accordance with LAC 42:IX:2923 or within such time period as the Division may designate. The rules of play shall include, but are not limited to, the following:

- a. the amount of points, credits, and playing time players will begin with;
- b. the manner in which players will receive EGD assignments and how reassignments are to be handled;
- c. how players are eliminated from the tournament and how the winner or winners are to be determined;
- d. the number of EGD's each player will be allowed to play;
- e. the amount of entry fee for participating in the tournament;
- f. the number of prizes to be awarded;
- g. an exact description of each prize to be awarded;
- h. any additional house rules governing play of the tournament;
- i. any rules deemed necessary by the Division to ensure compliance with this Chapter.

2. A Casino Operator or Casino Manager shall not permit any tournament to be played unless the rules of the tournament play have been approved, in writing, by the Division.

3. The rules of tournament play shall be provided to all tournament players and each member of the public who requests a copy of the rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2318 (October 2000).

§4211. Duplication of Program Storage Media

A. Personnel and Certification

1. Only the Casino Operator or Casino Manager's Director of slot operations, assistant Director of slot operations or slot technical manager shall be allowed to duplicate program storage media.

2. The Casino Operator or Casino Manager shall provide to the Division certified documentation, from the Manufacturer or copyright holder of the program storage media which is being duplicated, stating that the duplication of the program storage media is authorized.

3. The Casino Operator or Casino Manager shall assume the responsibility of complying with all rules and Regulations regarding copyright infringement. Program storage media protected by the Manufacturer's federal copyright laws will not be duplicated for any reason or circumstance, unless approved otherwise by the Manufacturer and/or the Division.

4. Each duplicated program storage media shall be certified by the designated gaming laboratory's signature for that program storage media.

B. Required Documentation

1. Each Casino Operator or Casino Manager shall maintain a program storage media duplication log which shall contain:

- a. the name of the program storage media Manufacturer and the program storage media identification number of each program storage media to be erased;
- b. serial number of program storage media eraser and duplicator;
- c. printed name and signature of individual performing the erasing and duplication of the program storage media;
- d. identification number of the new program storage media;
- e. the number of program storage media duplicated;
- f. the date of the duplication;
- g. machine number (source and destination);
- h. reason for duplication; and
- i. disposition of permanently removed program storage media.

2. The log shall be maintained on record for a period of five years.

3. Corporate internal auditors shall verify compliance with program storage media duplication procedures at least twice annually.

C. Program Storage Media Labeling

1. Each duplicated program storage media shall have an attached white adhesive label containing the following:

- a. Manufacturer name and serial number of the new program storage media;
- b. designated gaming laboratory signature verification number;
- c. date of duplication;
- d. initials of personnel performing duplication.

D. Storage of Program Storage Media and Duplicator/Eraser

1. Program storage media duplication equipment shall be stored with the Security department or other department approved by the Division.

2. Equipment shall be released only to Casino Operator or Casino Manager's Director of slot operations, assistant Director of slot operations or slot technical manager.

3. At no time shall the Casino Operator or Casino Manager's Director of slot operations, assistant Director of slot operations or slot technical manager leave unattended the program storage media duplication equipment.

4. Program storage media duplication equipment shall only be released from the Security department, or other department approved by the Division, for a period not to exceed four hours within a 24-hour period.

5. An equipment control log shall be maintained by the Casino Operator or Casino Manager and shall include the following:

a. date, time, name of employee taking possession of, or returning equipment, and name of the Security officer taking possession of or releasing equipment.

6. All program storage media shall be kept in a secure area and the Casino Operator or Casino Manager shall maintain an inventory log of all program storage media.

E. Internal Controls

1. The Casino Operator or Casino Manager shall adopt, and have approved by the Division, internal controls which are in compliance with this Section prior to duplicating program storage media.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2319 (October 2000).

§4212. Marking, Registration, and Distribution of Gaming Devices

A. No one, including a Casino Operator or Casino Manager, Permittee, Manufacturer or supplier may ship or otherwise transfer a Gaming Device into this state, out of this state, or within this state unless:

1. a serial number (which shall be the same number as given the device pursuant to the provisions of §15 U.S.C. 1173 of the Gaming Device Act of 1962) permanently stamped or engraved in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the EGD and on a removable metal plate attached to the cabinet of the EGD; and

2. a Manufacturer, supplier, or Casino Operator or Casino Manager shall file forms as prescribed by the Division before receiving authorization to ship a device for use in the Louisiana land based gaming industry;

3. each Manufacturer or supplier shall keep a written list of the date of each distribution, the serial numbers of the devices, the Division approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the Gaming Devices have been distributed and shall provide such list to the Division immediately upon request;

4. a registration fee of \$100 per device shall be paid by company check, money order, or certified check made payable to State of Louisiana, Department of Public Safety. This fee is not required on devices which are currently registered with the Division and display a valid registration certificate. Upon receipt of the appropriate shipping forms and fees, the Division shall issue a written authorization to ship for approved devices. This fee is applicable only to Gaming Devices destined for use in Louisiana by the Casino or suppliers;

5. prior to actual receipt of the shipment, the Casino Operator or Casino Manager shall notify the Division of the arrival. The Division shall require that the shipper's manifest or other shipping documents are verified against the letter of authorization for that shipment. The shipment shall also have been sealed at the point of origin, or the last point of shipment. The seal number shall be recorded on the shipping documents and attached to the Casino Operator or Casino Manager's copy of the letter of authorization;

6. the storage of the shipment, once properly received, shall be in a containment area that is secure from any other equipment. There shall be a dual key locking system for the containment area. The containment area shall have been inspected and approved in writing by the Division prior to any EGD storage. All electronic control boards and/or program storage media shall be securely stored in a separate containment area from the EGD's. The containment area shall have been inspected and approved in writing by the Division prior to any electronic control board and/or program storage media storage.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2320 (October 2000).

§4213. Approval to Sell or Disposal of Gaming Devices

A. No Gaming Device registered by the Division shall be destroyed, scrapped, or otherwise disassembled without prior written Approval of the Division. A Casino Operator or Casino Manager shall not sell or deliver a Gaming Device to a Person other than its Affiliated companies or a permitted Manufacturer or supplier without prior written approval of the Division. Applications for approval to sell or dispose of a registered Gaming Device shall be made, processed, and determined in such manner and using such forms as the Division may prescribe.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2320 (October 2000).

§4214. Maintenance of Electronic Gaming Devices

A. The Casino Operator or Casino Manager shall not alter the operation of an approved EGD except as provided otherwise in the Board's rules and Regulations and shall maintain the EGD's as required in this Chapter. The Casino Operator or Casino Manager shall keep a written list of repairs made to the EGD offered for play to the public that require a replacement of parts that affect the Game outcome, and any other maintenance activity on the EGD, and shall make the list available for inspection by the Division upon request. The written list of repairs for all EGD's shall be kept in a maintenance log book in the slot tech office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2320 (October 2000).

§4215. Analysis of Questioned Electronic Gaming Devices

A. If the operation of any EGD is questioned by any Casino Operator or Casino Manager, Patron or an Agent of the Division and the question cannot be resolved, the questioned device shall be examined in the presence of an Agent of the Division and a representative of the Casino Operator or Casino Manager. If the malfunction can not be cleared by other means to the satisfaction of the Division, the Patron or the Casino Operator or Casino Manager, the EGD shall be disabled and be subjected to a program storage media memory test to verify signature comparison by the Division. Upon successful verification of the signature of the program storage media, and all malfunctions resolved, the EGD in question may be enabled for Patron play.

B. In the event that the malfunction can not be determined and corrected by this testing, the EGD may be removed from service and secured in a remote, locked compartment. The EGD may then be transported to the designated gaming laboratory selected by the Division where the device shall be fully analyzed to determine the status and cause of the malfunction. All costs for transportation and analysis shall be borne by the Casino Operator or Casino Manager.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2320 (October 2000).

§4216. Summary Suspension of Approval of Electronic Gaming Devices

A. The Board or Division may issue an order suspending approval of an EGD if it is determined that the EGD does not operate in the manner certified by the designated gaming laboratory pursuant to this Chapter. The Board or Division after issuing an order may thereafter seal or seize all models of that EGD not in compliance with this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2321 (October 2000).

§4217. Seizure and Removal of Electronic Gaming Equipment and Devices

A. EGD's and Associated Equipment may be summarily seized by the Division. Whenever the Division seizes and removes EGD's and/or Associated Equipment:

1. an inventory of the equipment or EGD's seized will be made by the Division, identifying all such equipment or EGD's as to make, model, serial number, type, and such other information as may be necessary for authentication and identification;
2. all such equipment or EGD's will be sealed or by other means made secure from tampering or alteration;
3. the time and place of the seizure will be recorded; and
4. the Casino Operator or Casino Manager or Permittee will be notified in writing by the Division at the time of the seizure, of the fact of the seizure, and of the place where the seized equipment or EGD is to be impounded. A copy of the inventory of the seized equipment or EGD will be provided to the Casino Operator or Casino Manager or Permittee upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2321 (October 2000).

§4218. Seized Equipment and EGD's as Evidence

A. All Gaming Equipment and EGD's seized by the Division shall be considered evidence, and as such shall be subject to the laws of Louisiana governing chain of custody, preservation and return, except that:

1. any article of property that constitutes a Cheating Device shall not be returned. All Cheating Devices shall become the property of the Division upon their seizure and may be disposed of by the Division, which disposition shall be documented as to date and manner of disposal;
2. the Division shall notify by certified mail each known claimant of a Cheating Device that the claimant has 10 Days from the date of the Notice within which to file a written claim with the Division to contest the characterization of the property as a Cheating Device;
3. failure of a claimant to timely file a claim as provided in Paragraph 2 above will result in the Division's pursuit of the destruction of property;
4. if the property is not characterized as a Cheating Device, such property shall be returned to the claimant within 15 Days after final determination;
5. items seized for Inspection or examination may be returned by the Division without a court order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2321 (October 2000).

§4219. Approval of Associated Equipment; Applications and Procedures

A. A Manufacturer or supplier of Associated Equipment and/or non-gaming products shall not distribute Associated Equipment and/or non-gaming products unless such Manufacturer and/or supplier has been approved by the Division or Board. Applications for approval of Associated Equipment and/or non-gaming products shall be made and processed in such manner and using such forms as the Division may prescribe. Each Application shall include, in addition to such other items or information as the Division or Board may require:

1. the name, permanent address, Social Security number or federal tax identification number of the Manufacturer or supplier of Associated Equipment and non-gaming products unless the Manufacturer or supplier is currently permitted by the Division or Board. If the Manufacturer or supplier of Associated Equipment and non-gaming products is a corporation, the names, permanent addresses, Social Security numbers, and driver's license numbers of the Directors and officers shall be included. If the Manufacturer or supplier of Associated Equipment and non-gaming products is a partnership, the names, permanent addresses, Social Security numbers, driver's license numbers, and partnership Interest of the partners shall be included. If Social Security numbers or driver's license numbers are not available, the birth date of the partners may be substituted;

2. a complete, comprehensive and technically accurate description and explanation in both technical and non-technical language of the equipment and its intended usage, signed under penalty of perjury;

3. detailed operating procedures; and

4. details of all tests performed and the standards under which such tests were performed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2321 (October 2000).

Chapter 43. Specifications for Gaming Equipment and Electronic Devices

§4301. Approval of Chips and Tokens; Applications and Procedures

A. The Casino Operator shall not issue any Chips or Tokens for use in its gaming establishment, or sell or redeem any such Chips or Tokens, unless the Chips or Tokens have been Approved in writing by the Division. The Casino Operator shall not issue any Chips or Tokens for use in its gaming establishment, or sell or redeem any such Chips or

Tokens, that are modifications of Chips or Tokens previously Approved by the Division, unless the modifications have been Approved in writing by the Division.

B. Applications for Approval of Chips, Tokens, and modifications to previously Approved Chips or Tokens must be made, processed, and determined in such manner and using such forms as the Division may prescribe. Only the Casino Operator and suppliers may apply for such Approval. Each Application must include, in addition to such other items or information as the Division may require:

1. an exact drawing, in color or in black and white, of each side and the edge of the proposed Chip or Token, drawn to actual size or drawn to larger than actual size and in scale, and showing the measurements of the proposed Chip or Token in each dimension;

2. written Specifications for the proposed Chips or Tokens;

3. the name and address of the Manufacturer; and

4. the Casino Operator's intended use for the proposed Chips or Tokens.

C. If, after receiving and reviewing the items and information described in Subsection B, the Division is satisfied that the proposed Chips or Tokens conform with the requirements of this Section, the Division shall notify the Casino Operator in writing and shall request, and the Casino Operator shall thereupon submit, a sample of the proposed Chips or Tokens in final, manufactured form. If the Division is satisfied that the sample conforms with the requirements of this regulation and with the information submitted with the Casino Operator's Application, the Division shall Approve the proposed Chips or Tokens and notify the Casino Operator in writing. As a condition of Approval of Chips or Tokens issued for use at the Casino Operator's race book, or specific table or counter Game, the Division may prohibit the Casino Operator from using the Chips or Tokens other than at the book or specified Game. The Division may retain the sample Chips and Tokens submitted pursuant to this Subsection.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1976 (October 1999).

§4303. Specifications for Chips and Tokens

A. Chips and Tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, Louisiana, and other states, and so as to prevent counterfeiting of the Chips and Tokens to the extent reasonably possible. Chips and Tokens must not resemble any current or past coinage of the United States or any other nation.

B. In addition to such other Specifications as the Division may approve:

1. the name of the Casino must be inscribed on each side of each Chip and Token, and the city or other locality and the state where the establishment is located must be inscribed on at least one side of each Chip and Token;

2. the value of the Chip or Token must be inscribed on each side of each Chip and Token, other than Chips used exclusively at roulette;

3. the Manufacturer's name or a distinctive logo or other mark identifying the Manufacturer must be inscribed on at least one side of each Chip and Token; and

4. each Chip must be designed so that when stacked with Chips and Tokens of other denominations and viewed on closed circuit, black and white televisions, the denominations of the Chip can be distinguished from that of the other Chips and Tokens in the stack.

C. The names of the city or other locality and the state where the establishment is located must be inscribed on at least one side of each Chip and Token unless the Division finds, after Application by the Casino Operator, that such an inscription is not necessary because:

1. the name of the issuing establishment is unique to one readily identifiable establishment in all Gaming Jurisdictions; or

2. the inclusion of the city or other locality and the state is not necessary or beneficial for any regulatory purpose relating to the Applicant.

D. Any Application submitted pursuant to Subsection C above must be signed by an officer of the Applicant and be on a form prescribed by the Division.

E. Any Approval by the Division for the deletion of such an inscription shall be in writing and be limited to that period of time in which the name of the Casino Operator is limited to one establishment and conditioned so that it may be withdrawn in the future if the Division determines that the deletion results in confusion with the Chips or Tokens of another establishment or if such inclusion is deemed necessary or beneficial for any regulatory purpose.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1977 (October 1999).

§4305. Specifications for Chips

A. Unless the Division Approves otherwise, Chips must be disk-shaped, must be 0.130 inch thick, and must have a diameter of:

1. 1.55 inches for Chips used at Games other than Baccarat;

2. 1.55 inches or 1.6875 inches for Chips used at Baccarat; and

3. 1.6875 inches for Chips used exclusively for other counter Games.

B. Unless the Division Approves otherwise, each denomination of value Chip(s) shall have a different primary color from every other denomination of value Chip(s). Unless the Division Approves otherwise, the primary color to be utilized by the Casino Operator for each denomination of value Chip(s) shall be:

1. \$1 white;
2. \$2 pink;
3. \$5 red;
4. \$25 green;
5. \$100 black;
6. \$500 purple; or
7. \$1000 fire orange.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1977 (October 1999).

§4307. Specifications for Tokens

A. Unless the Division approves otherwise, Tokens must be disk-shaped and must measure as follows:

1. \$0.25 Tokens must be from 0.983 through 0.989 inches in diameter, from 0.064 through 0.070 inches thick, and if the Token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 100;

2. \$1 denomination Tokens must be from 1.459 through 1.474 inches in diameter, from 0.095 through 0.115 inch thick, and, if the Token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 150;

3. \$5 denomination Tokens must be 1.75 inches in diameter, from 0.115 through 0.135 inch thick, and, if the Token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 175;

4. \$25 denomination Tokens must be larger than 1.75 inches but no larger than 1.95 inches in diameter, except that such Tokens may be 1.654 inches (42 millimeters) in diameter if made of 99.9 percent pure silver, must be 0.105 inch thick, and, if the Token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 200; and

5. Tokens of other denominations must have such measurements and edge reeds or serrations as the Division may Approve or require.

B. Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of an Electronic Gaming Device.

C. Tokens must not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the Token's weight.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1978 (October 1999).

§4309. Use of Chips and Tokens

A. The Casino Operator that uses Chips or Tokens at its gaming establishment shall:

1. comply with all applicable statutes, regulations, and policies of the state of Louisiana and of the United States pertaining to Chips or Tokens;
2. sell Chips and Tokens only to Patrons of its gaming establishment and only at their request;
3. promptly redeem its own Chips and Tokens from its Patrons;
4. post conspicuous signs at its establishment notifying Patrons that federal law prohibits the use of the Casino Operator's Tokens, and that state law prohibits the use of the Casino Operator's Chips, outside the establishment for any monetary purpose whatever; and take reasonable steps, including examining Chips and Tokens and segregating those issued by other Licensees to prevent sales to its Patrons of Chips and Tokens issued by another Licensee.

B. The Casino Operator shall not accept Chips or Tokens as payment for any goods or services offered at the Casino Operator's gaming establishment with the exception of the specific use for which the Chips or Tokens were issued, and shall not give Chips or Tokens as change in any other non-gaming transaction.

C. The Casino Operator shall not redeem its Chips or Tokens if presented by a person who the Casino Operator knows or reasonably should know is not a Patron of its gaming establishment, except that the Casino Operator shall promptly redeem its Chips and Tokens if presented by:

1. another Licensee who represents that it redeemed the Chips and Tokens from its Patrons or received them unknowingly, inadvertently, or unavoidably;
2. an employee of the Casino Operator who presents the Chips and Tokens in the normal course of employment; or
3. an employee of the Casino Operator who received the Chip and or Token as gratuity or tip.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1978 (October 1999).

§4311. Receipt of Gaming Chips or Tokens from Manufacturer or Supplier

A. When Chips or Tokens are received from the Manufacturer or supplier thereof, they shall be opened and checked by at least two employees of the Casino Operator from different departments. Any deviation between the invoice accompanying the Chips or Tokens and the actual

Chips or Tokens received or any defects found in such Chips or Tokens shall be reported promptly to the Division. An Agent of the Division will be notified of the time of delivery of any Chips or Tokens to Casino Operator.

B. After checking the Chips received, the Casino Operator shall cause to be reported in a Chip inventory ledger the denomination of the Chips received, the number of each denomination of Chips received, the number and description of all non-value Chips received, the date of such receipt and the signature of the individuals who checked such Chips.

C. If any of the Chips received are to be held in reserve and not utilized either at the gaming tables or at a cashier's cage, they shall be stored in a separate locked compartment either in the vault or in a cashier's cage and shall be recorded in the Chip inventory ledger as reserve Chips.

D. Any Chips received that are part of the secondary set of Chips of the Casino Operator shall be recorded in the Chip inventory ledger as such and shall be stored in a locked compartment in the Casino vault separate from the reserve Chips.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1978 (October 1999).

§4313. Inventory of Chips

A. Chips shall be taken from or returned to either the reserve Chip inventory or the secondary set of Chips in the presence of at least two individuals. The denominations, number and amount of Chips so taken or returned shall be recorded in the Chip inventory ledger together with the date and signatures of the individuals carrying out this process.

B. The Casino Operator shall, on a daily basis, compute and record the unredeemed liability for each denomination of Chips in circulation and cause the result of such inventory to be recorded in the Chip inventory ledger. On a monthly basis, the Casino Operator shall cause an inventory of Chips in reserve to be made and cause the result of such inventory to be recorded in the Chip inventory ledger. The procedures to be utilized to compute the unredeemed liability and to inventory Chips in circulation and reserve shall be submitted to the Division for Approval. A physical inventory of Chips in reserve shall be required annually if the inventory procedures incorporate the sealing of the locked compartment.

C. During non-gaming hours all Chips in the possession of the Casino Operator shall be stored in the Chip bank, in the vault, or in a locked compartment in a cashier's cage except that Chips may be locked in a transparent compartment on gaming tables provided that there is adequate Security as Approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1978 (October 1999).

§4315. Redemption and Disposal of Discontinued Chips and Tokens

A. When the Casino Operator permanently removes from use or replaces Approved Chips or Tokens at its gaming establishment, or that ceases operating its gaming establishment, whether because of closure or sale of the establishment or any other reason, a plan must be prepared for redeeming discontinued Chips and Tokens that remain outstanding at the time of discontinuance. The Casino Operator must submit the plan in writing to the Division not later than 30 Days before the proposed removal, replacement, sale, or closure, unless the closure or other cause for discontinuance of the Chips or Tokens cannot reasonably be anticipated, in which event the Casino Operator must submit the plan as soon as reasonably practicable. The Division may Approve the plan or require reasonable modifications as a condition of Approval. Upon Approval of the plan, the Casino Operator shall implement the plan as Approved.

B. In addition to such other reasonable provision as the Division may Approve or require, the plan must provide for:

1. redemption of outstanding or discontinued Chips and Tokens, in accordance with this Subsection, for at least 120 Days after the removal or replacement of the Chips or Tokens or for at least 120 Days after operations cease, as the case may be, or for such longer or shorter period as the Division may for good cause Approve or require;
2. redemption of the Chips and Tokens at the Premises of the gaming establishment or at such other location as the Division may Approve;
3. publication of notice of the discontinuance of the Chips and Tokens and of the redemption and the pertinent times and locations in at least two newspapers of general circulation in Louisiana at least twice during each week of the redemption period, subject to the Division's Approval of the form of the notice, the newspapers selected for publication, and the specific days of publication;
4. conspicuous posting of the notice described in Paragraph B.3 at the gaming establishment or other redemption location;
5. destruction or such other disposition of the discontinued Chips and Tokens as Approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1979 (October 1999).

§4317. Destruction of Counterfeit Chips and Tokens

A. As used in this Subsection, *Counterfeit Chips or Tokens* means any Chip or Token-like objects that have not been Approved pursuant to this Chapter, including objects commonly referred to as "slugs," but not including coins of the United States or any other nation.

B. Unless a court of competent jurisdiction orders otherwise in a particular case, the Casino shall destroy or otherwise dispose of counterfeit Chips and Tokens discovered at its establishment in such manner as the Division may Approve or require.

C. Unless a court of competent jurisdiction orders otherwise in a particular case, the Casino Operator may dispose of coins of the United States or any other nation discovered to have been unlawfully used at its establishment by including them in their coin inventories or, in the case of foreign coins, by exchanging them for United States currency or coins and including same in their currency or coin inventories, or by disposing of them in any other lawful manner.

D. The Casino Operator shall record, in addition to such other information as the Division may require:

1. the number and denominations, actual and purported, of the coins and counterfeit Chips and Tokens destroyed or otherwise disposed of pursuant to this Section;
2. the month during which they were discovered;
3. the date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges, the exchange rate and the identity of the bank, exchange company, or other business or Person at which or with whom the coins are exchanged; and
4. the names of the Persons carrying out the destruction or other disposition on behalf of the Casino Operator.

E. The Casino Operator shall maintain each record required by this Subsection for at least five years, unless the Division Approves or requires otherwise.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1979 (October 1999).

§4318. Promotional and Tournament Chips and Tokens

A. As used in this Section, *Promotional Chip* means a Chip or Token-like object issued by the Casino Operator for use in promotions or tournaments at the Official Gaming Establishment.

B. Promotional Chips shall be designed, manufactured, Approved, and used in accordance with the provisions of these Regulations applicable to Chips and Tokens, except as follows:

1. promotional Chips shall be of such shape and size and have such other Specifications as the Division may Approve or require;
2. each side of each promotional Chip shall conspicuously bear the inscription "no cash value"; and
3. promotional Chips shall not be used, and the Casino Operator shall not permit their use in transactions other than the promotions or tournaments for which they are issued.

C. The provisions of these Regulations applicable to redemption and destruction do not apply to promotional Chips.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1979 (October 1999).

§4319. Approval and Specifications for Dice

A. Unless the Division Approves otherwise, each dice used by the Casino Operator in its gaming establishment must meet the following Specifications:

1. be formed in the shape of a perfect cube and of a size no smaller than 0.750 of an inch on each side nor any larger than 0.775 of an inch on each side, or 0.625 of an inch on each side for Pow Gai Poker;

2. be manufactured to an accuracy tolerance of no greater than 0.0002 of an inch;

3. be transparent and made exclusively of cellulose except for the spots, name of the Casino and serial numbers or letters contained thereon;

4. have the surface of each of its sides perfectly flat and the spots contained in each side perfectly flush with the area surrounding them;

5. have all edges and corners perfectly square, that is forming perfect 90 degree angles;

6. have the texture and finish of each side exactly identical to the texture and finish of all other sides;

7. have its weight equally distributed throughout the cube and no side of the cube heavier or lighter than any other side of the cube;

8. have its six sides bearing white circular spots from one to six respectively with the diameter of each spot equal to the diameter of every other spot on the die;

9. have spots arranged so that the side containing one spot is directly opposite the side containing six spots, the side containing two spots is directly opposite the side containing five spots and the side containing three spots is directly opposite the side containing four spots;

10. have the name of the Casino in which the die is being used imprinted or impressed thereon;

11. each spot shall be placed on the die by drilling into the surface of the cube and filling the drilled out portion with a compound equal in weight to the weight of the cellulose drilled out and which will form a permanent bond with the cellulose cube; and

12. each spot shall extend into the cube exactly the same distance as every other spot extends into the cube to an accuracy tolerance of 0.004 of an inch.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1980 (October 1999).

§4321. Dice; Receipt, Storage, Inspections and Removal from Use

A. When dice for use at the Casino are received from the Manufacturer or supplier thereof, they shall, immediately following their receipt, be inspected by a member of the Security department and a gaming Supervisor to assure that the seals on each box are intact, unbroken and free from tampering. Boxes that do not satisfy these criteria shall be inspected at this time to assure that the dice conform to Division standards and are completely in a condition to assure fair play. Boxes satisfying these criteria, together with boxes having unbroken, intact and untampered seals shall then be placed for storage in a locked cabinet or storage area. The cabinet or primary storage area shall be located in a secure, controlled area, the location and physical characteristics of which shall be Approved by the Division or its authorized designee prior to implementation. The secondary storage areas shall be located in secure, controlled areas, the location and physical characteristics of which shall be Approved by the Division or its authorized designee prior to implementation. The primary and secondary storage areas will be used exclusively for the cards and dice.

B. The Casino Operator shall submit to the Division for Approval, procedures for:

1. a dice inventory system which shall include, at a minimum, the recordation of the following:

- a. the balance of dice on hand;
- b. the dice removed from storage;
- c. the dice returned to storage or received from the Manufacturer;
- d. the date of the transaction; and
- e. the signatures of the individuals involved;

2. a physical inventory of the dice at least once every three months;

a. this inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of dice on hand; and

b. any discrepancies shall immediately be reported to the Division;

c. the Casino Operator shall retain the work papers developed and utilized for a physical inventory of the dice for a period of three years commencing on the Day of completion of the inventory;

3. cancellation and marking techniques for dice removed from play.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1980 (October 1999).

§4323. Approval and Specifications for Cards

A. Unless the Division approves otherwise, cards used by the Casino Operator in its gaming establishment must meet the following Specifications.

1. Physical Characteristics of the Cards

a. Cards used for play shall be in decks of 52 cards each with each card identical in size and shape to every other card in such deck.

b. Each deck shall be composed of four suits—diamonds, spades, clubs and hearts.

c. Each suit shall be composed of 13 cards—ace, king, queen, jack, 10, 9, 8, 7, 6, 5, 4, 3, 2.

d. The backs of each card in the deck shall be identical and no card shall contain any marking, symbol or design that will enable a person to know the identity of any element printed on the face of the card or that will in any way differentiate the back of that card from any other card in the deck.

e. The backs of all cards in the deck shall be designed so as to diminish as far as possible the ability of any person to place concealed markings thereon.

f. The design to be placed on the backs of cards used by the Casino Operator shall be submitted to the Division for Approval prior to use of such cards in gaming activity.

g. Each deck of cards shall be packaged separately and shall contain a seal affixed to the opening of such package.

h. Nothing in this Section shall prohibit a Manufacturer from manufacturing decks of cards with jokers contained therein provided such jokers are not used by the Casino Operator in the play of the Games.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1980 (October 1999).

§4325. Cards; Receipt, Storage, Inspections and Removal from Use

A. When decks of cards are received for use in the Casino from the Manufacturer or supplier thereof, they shall be placed for storage in a locked cabinet area by at least two individuals, one of whom shall be the gaming Supervisor and the other from the Security department. The cabinet or primary storage area shall be located in a secure, controlled area, the location and physical characteristics of which shall be Approved by the Division or its authorized designee prior to implementation. Any secondary storage areas shall be located in secure, controlled areas, the location and physical characteristics of which shall be Approved by the Division or its authorized designee prior to implementation.

B. The Casino Operator shall submit to the Division for Approval, procedures for:

1. a card inventory system which shall include, at a minimum, the recordation of the following:

- a. the balance of cards on hand;
- b. the cards removed from storage;
- c. the cards returned to storage or received from the Manufacturer;
- d. the date of the transaction; and
- e. the signatures of the individuals involved;

2. a physical inventory of the cards at least once every three months;

a. this inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of cards on hand required in Subparagraph B.1.a. above;

b. any discrepancies shall immediately be reported to the Division;

c. the Casino Operator shall retain the work papers developed and utilized for a physical inventory of the cards for a period of three years commencing on the Day of completion of the inventory;

3. cancellation and marking techniques for cards removed from play.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1981 (October 1999).

§4327. Approval of Gaming Devices; Applications and Procedures; Manufacturers and Suppliers

A. A Manufacturer or supplier shall not sell, lease or distribute Gaming Devices or equipment in this state and the Casino Operator shall not offer Gaming Devices for play without first obtaining the requisite Permit or License and obtaining prior Approval by the Board for such action. This Section shall not apply to those Manufacturers or suppliers Licensed or permitted to sell, lease or distribute Gaming Devices or equipment in the state to an entity Licensed under a provision of state law other than the Act when those Manufacturers or suppliers are selling or distributing to such Licensed entity. In the case of the distribution of Slot Machines there shall be a facility for the inspection of the Gaming Devices or another location for inspection, including the Casino, that is Approved by the Board.

B. Applications for Approval of a new Gaming Device must be made and processed in such manner and using such forms as the Division may prescribe. The Casino Operator may apply for Approval of a new Gaming Device. Each Application must include, in addition to such other items or information as the Division may require:

1. a complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device operates, signed under penalty of perjury; and

2. a statement, under penalty of perjury, that to the best of the Applicant's knowledge, the Gaming Device meets the standards set forth in this Section.

C. No Game or Gaming Device other than those specifically authorized in the Act may be offered for play or played at the Casino, except that the Division may authorize the operation of progressive Electronic Gaming Devices as part of a network of separate Gaming Operations permitted by the Board with an aggregate prize or prizes allowed, subject to conditions imposed by the Division. Approval must be obtained from the Board prior to changing, adding, or altering the Casino configuration once such configuration has received final Board Approval. For the purpose of this Section, altering the Casino configuration does not include the routine movement of Gaming Equipment for cleaning and/or maintenance purposes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1981 (October 1999).

§4329. Minimum Standards for Electronic Gaming Devices

A. All Gaming Devices submitted for Approval:

1. shall be electronic in design and operation and must be controlled by a microprocessor or microcontroller or the equivalent;

2. shall theoretically pay out a mathematically demonstrable percentage of all amounts Wagered, which must not be less than 80 percent and not more than 99.9 percent for each Wager available for play on the device;

3. shall use a random selection process to determine the Game outcome of each play of a Game. The random selection process must meet 99 percent confidence limits using a standard chi-squared test for goodness of fit and in addition:

a. each possible permutation or combination of Game elements which produce winning or losing Game outcomes must be available for random selection at the initiation of each play; and

b. the selection process must not produce detectable patterns of Game elements or detectable dependency upon any previous Game outcome, the amount Wagered, or upon the style or method of play;

4. shall display an accurate representation of the Game outcome. After selection of the Game outcome, the Gaming Device must not make a variable secondary decision which affects the result shown to the player;

5. shall display the rules of play and payoff schedule;

6. shall not automatically alter pay tables or any function of the device based on internal computation of the hold percentage;

7. shall be compatible to on-line data monitoring as required by the Division;

8. shall have a separate locked internal enclosure within the device for the circuit board containing the EPROM (Erasable Programmable Read Only Memory Chip);

9. shall be able to continue a Game with no data loss after a power failure;

10. shall have previous and current Game data recall;

11. shall have a complete set of nonvolatile meters including coins-in, coins-out, coins dropped and total jackpots paid;

12. shall contain a surge protector on the line that feeds power to the device. The battery backup or an equivalent for the electronic meters must be capable of maintaining accuracy of all information required for 180 Days after power is discontinued from the device. The backup shall be kept within the locked logic board compartment;

13. shall have an on/off switch that controls the electrical current used in the operation of the device which shall be located in an accessible place within its interior;

14. shall be designed so that it shall not be adversely affected by static discharge or other electromagnetic interference;

15. shall have at least one electronic coin acceptor and may be equipped with an Approved currency acceptor. Coin and currency acceptors must be designed to accept designated coins and currency and reject others. The coin acceptor on a device must be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All types of coin and currency acceptors are subject to the Approval by the Division. The control program must be capable of handling rapidly fed coins so that occurrences of inappropriate "coin-ins" are prevented;

16. shall not contain any hardware switches that alter the pay tables or Payout percentages in its operation. Hardware switches may be installed to control graphic routines, speed of play, and sound;

17. shall contain a non-removable identification plate containing the following information, appearing on the exterior of the device:

- a. Manufacturer;
- b. serial number; and
- c. model number;

18. shall have a data format Approved by the Division;

19. shall be capable of continuing the current Game with all current Game features after a malfunction is cleared. This rule does not apply if a device is rendered totally inoperable. The current Wager and all credits appearing on the screen prior to the malfunction shall be returned to the Patron;

20. shall have attached a locked compartment separate from any other compartment of the device for housing a Drop bucket;

21. shall have a locked compartment for housing currency, if so equipped with a currency acceptor;

22. shall, at a minimum, be capable of detecting and displaying the following error conditions which an attendant may clear:

- a. coin-in jam;
- b. coin-out jam;
- c. currency acceptor malfunction or jam;
- d. hopper empty or time-out;
- e. program error;
- f. hopper runaway or extra coin paid out;
- g. reverse coin-in;
- h. reel error; and
- i. door open;

23. shall use a communication protocol which ensures that erroneous data or signal will not adversely affect the operation of the device;

24. shall have a mechanical, electrical, or electronic device that automatically precludes a player from operating the device after a jackpot requiring a manual Payout and requires an attendant to reactivate the device; and

25. shall be outfitted with any other equipment required by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1981 (October 1999).

§4331. Progressive Slot Machines

A. As used in this Subsection:

Base Amount—The amount of the Progressive Jackpot offered before it increases.

Incremental Amount—The difference between the amount of a Progressive Jackpot and its Base Amount.

Progressive Jackpot—A Slot Machine payoff that increases automatically over time or as the machine or another is played.

B. A meter that shows the amount of the Progressive Jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

C. The Casino Operator may limit a Progressive Jackpot to an amount that is equal to or greater than the amount of the jackpot when the limit is imposed. The Casino Operator shall post a conspicuous notice of the limit at or near the machine or machines to which the limit applies.

D. The Casino Operator shall not reduce the amount displayed on a Progressive Jackpot meter or otherwise reduce or eliminate a Progressive Jackpot unless:

- 1. a player Wins the jackpot;

2. the Casino Operator adjusts the Progressive Jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to Paragraph 3 and the Casino documents the adjustment and the reasons for it;

3. the Casino's Gaming Operations at the establishment cease for any reason other than a temporary closure where the same Licensee resumes Gaming Operations at the same establishment within a month;

4. the Casino Operator distributes the Incremental Amount to another Progressive Jackpot at the Licensee's establishment and:

a. the Casino documents the distribution;

b. any machine offering the jackpot to which the Casino distributes the Incremental Amount does not require that more money be played on a single play to Win the jackpot, than the machine from which the Incremental Amount is distributed;

c. any machine offering the jackpot to which the Incremental Amount is distributed complies with the minimum theoretical Payout requirement of Chapter 29; and

d. the distribution is completed within 30 Days after the Progressive Jackpot is removed from play or within such longer period as the Division may for good cause Approve; or

e. the Division for good cause Approves a reduction, elimination, distribution, or procedure not otherwise described in this Subsection, which Approval is confirmed in writing;

5. the Casino Operator shall preserve the Records required by this Section for at least five years after they are made unless the Supervisor Approves otherwise in writing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1982 (October 1999).

§4333. Computer Monitoring Requirements of Electronic Gaming Devices

A. The Casino Operator must have a computer connected to all Electronic Gaming Devices in the Casino to record and monitor the activities of such devices. No Electronic Gaming Devices shall be operated unless it is on-line and communicating to a computer monitoring system Approved by the Division. Such computer monitoring system shall provide on-line, real-time monitoring and data acquisition capability in the format and media Approved by the Division.

B. The computer permitted by Subsection A of this Section shall be designed and operated to automatically perform and report functions relating to Electronic Gaming Device meters, and other exceptional functions and reports at the Casino as follows:

- 1. record the number and total value of Tokens placed in the Electronic Gaming Device for the purpose of activating play;

2. record the total value of credits received from the currency acceptor for the purpose of activating play;

3. record the number and total value of Tokens deposited in the Drop bucket of the Electronic Gaming Device;

4. record the number and total value of Tokens automatically paid by the Electronic Gaming Device as the result of a jackpot;

5. record the number and total value of Tokens to be paid manually as the result of a jackpot. The system must be capable of logging in this data if such data is not directly provided by the Electronic Gaming Device;

6. have an on-line computer alert, alarm monitoring capability to insure direct scrutiny of conditions detected and reported by the Electronic Gaming Device, including any device malfunction, any type of tampering, and any open door to the Drop area. In addition, any person opening the Electronic Gaming Device or the Drop area shall complete the machine entry authorization log including time, date, machine identity and reason for entry;

7. be capable of logging in and reporting any revenue transactions not directly monitored by Token meter, such as Tokens placed in the Electronic Gaming Device as a result of a fill, and any Tokens removed from the Electronic Gaming Device in the form of a credit; and

8. identify any Electronic Gaming Device taken off-line or placed on-line of the computer monitor system, including date, time, and Electronic Gaming Device identification number;

9. be capable of logging in and reporting the time, date and location of open doors or malfunctions by each Electronic Gaming Device.

C. The Casino shall store, in machine-readable format, all information required by Subsection B for the period of one year. The Casino Operator shall store all information in a secure area and certify that this information is complete and unaltered. This information shall be available in the format and media Approved by the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1983 (October 1999).

§4335. Employment of Individual to Respond to Inquiries from the Division

A. Each Manufacturer shall employ or retain an individual who understands the design and function of each of its Gaming Devices who shall respond within the time specified by the Division to any inquiries from him concerning the Gaming Device or any modifications to the device. Each Manufacturer shall on or before December 31 of each year report, in writing, the name of the individual designated pursuant to this Section and shall report, in writing, any change in the designation within 15 Days of the change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1983 (October 1999).

§4337. Evaluation of New Gaming Devices

A. The Division may require transportation of not more than two working models of a new Gaming Device to a designated electronics laboratory for review and inspection. The Division may employ the services of an outside electronics laboratory to evaluate the device or may rely on reports or tests required by other regulatory bodies in the United States. The Manufacturer seeking Approval of the device must pay the cost of the inspection and investigation. The laboratory may dismantle the models and may destroy electronic components in order to fully evaluate the device. The Division may require that the Manufacturer provide specialized equipment or the services of an independent technical expert to evaluate the device.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1983 (October 1999).

§4339. Certification by Manufacturer

A. After completing its evaluation of a new Gaming Device, the lab shall send a report of its evaluation to the Division and the Manufacturer seeking Approval of the device. The report must include an explanation of the manner in which the device operates. The Manufacturer shall return the report within 15 Days and shall either:

1. certify under penalty of perjury that to the best of its knowledge the explanation is correct; or

2. make appropriate corrections, clarifications, or additions to the report and certify under penalty of perjury that to the best of its knowledge the explanation of the Gaming Device is correct as amended.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1984 (October 1999).

§4341. Approval of New Gaming Devices

A. After completing its evaluation of the new Gaming Device, the Division shall determine whether the Application for Approval of the new Gaming Device should be granted. In considering whether a new Gaming Device will be given final Approval, the Division shall consider whether Approval of the new Gaming Device is consistent with the public policy of the state. Division Approval of a Gaming Device does not constitute certification of the device's safety.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1984 (October 1999).

§4343. Duplication of Program Storage Media

A. The Casino, other than a Manufacturer, shall not duplicate the contents of Gaming Device program storage media unless its duplication process has received prior written Approval from the Division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1984 (October 1999).

§4345. Marking, Registration, and Distribution of Gaming Devices

A. No one, including a Licensee, permittee, Manufacturer or supplier may ship or otherwise transfer a Gaming Device into this state, out of this state, or within this state unless:

1. a serial number (which must be the same number as given the device pursuant to the provisions of §15 U.S.C. 1173 of the Gaming Device Act of 1962) permanently stamped or engraved in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the device and on a removable metal plate attached to the cabinet of the device; and

2. prior written Approval has been obtained from the Division;

3. immediately upon request in a format Approved by the Division each Manufacturer or supplier shall keep a written list of the date of each distribution, the serial numbers of the devices, the Division approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the Gaming Devices have been distributed and shall provide such list to the Division immediately upon request.

B. A registration fee of \$10 per Gaming Device shall be paid to the Division by the Manufacturer prior to shipment of said device to the Casino Operator or supplier within the state. This fee is applicable only to Gaming Devices destined for use in Louisiana by the Casino or suppliers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1984 (October 1999).

§4347. Approval to Sell or Dispose of Gaming Devices

A. No Gaming Device registered by the Division shall be disposed of without prior written Approval of the Division. The Casino Operator shall not sell to or deliver a Gaming Device to a person other than its Affiliated companies or a permitted Manufacturer or supplier without prior written Approval of the Division. Applications for Approval to sell or dispose of a registered Gaming Device must be made, processed, and determined in such manner and using such forms as the Division may prescribe.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1984 (October 1999).

§4349. Maintenance of Gaming Devices

A. The Casino Operator shall not alter the operation of an Approved Gaming Device except as provide otherwise in the Regulations and shall maintain the Gaming Devices in a suitable condition. Each Licensee shall keep a written list of repairs made to the Gaming Device offered for play to the public that require a replacement of parts that affect the Game outcome and shall make the list available for inspection by the Division upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1984 (October 1999).

§4351. Analysis of Questioned Electronic Gaming Devices

A. If the operation of any Electronic Gaming Device is questioned by the Casino, Patron or an Agent of the Division and the question cannot be resolved, the questioned device will be examined in the presence of an Agent of the Division and a representative of the Casino. If the malfunction can not be cleared by other means to the satisfaction of the Division, the Patron and the Casino, the Electronic Gaming Device will be subjected to an EPROM memory test to verify "signature" comparison by the Division.

B. In the event that the malfunction can not be determined and corrected by this testing, the Electronic Gaming Device may be removed from service and secured in a remote, locked compartment. The Electronic Gaming Device may then be transported to an industry-recognized laboratory selected by the Division where the device shall be fully analyzed to determine the status and cause of the malfunction. All costs for transportation and analysis must be borne by the Casino.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1984 (October 1999).

§4353. Summary Suspension of Approval of Gaming Devices

A. The Division may issue an order suspending Approval of a Gaming Device if it is determined that the device does not operate in the manner certified by the testing laboratory pursuant to this Chapter. The Division after issuing an order may thereafter seal or seize all models of that Gaming Device not in compliance with the Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1985 (October 1999).

§4355. Approval of Associated Equipment; Applications and Procedures

A. A Manufacturer or supplier of Associated Equipment and/or non-gaming products shall not distribute Associated Equipment and/or non-gaming products unless such Manufacturer and/or supplier has been Approved by the Division. Applications for Approval of Associated Equipment and/or non-gaming products shall be made and processed in such manner and using such forms as the Division may prescribe. Each Application must include, in addition to such other items or information as the Division may require:

1. the name, permanent address, Social Security number or federal tax identification number of the Manufacturer or supplier of Associated Equipment and non-gaming products unless the Manufacturer or supplier is currently permitted by the Division. If the Manufacturer or supplier of Associated Equipment and non-gaming products is a corporation, the names, permanent addresses, Social Security numbers, and driver's license numbers of the Directors and officers must be included. If the Manufacturer or supplier of Associated Equipment and non-gaming products is a partnership, the names, permanent addresses, Social Security numbers, driver's license numbers, and partnership Interest of the partners must be included. If Social Security numbers or driver's license numbers are not available, the birth date of the partners may be substituted;

2. a complete, comprehensive and technically accurate description and explanation in both technical and non-technical language of the equipment and its intended usage, signed under penalty of perjury;

3. detailed operating procedures; and

4. details of all tests performed and the standards under which such tests were performed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1985 (October 1999).

§4357. Evaluation of Associated Equipment

A. The Division, if necessary, may require transportation of not more than two working models of Associated Equipment to a designated lab for review and inspection. The lab may dismantle the Associated Equipment and may destroy electronic components in order to fully evaluate the equipment. The Division may require the Manufacturer or supplier seeking Approval to provide specialized equipment or the services of an independent technical expert to evaluate the equipment, and may employ an outside laboratory to conduct the evaluation. The Manufacturer seeking Approval of the Associated Equipment must pay the cost of the evaluation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1985 (October 1999).

Chapter 45. Labor Organizations**§4501. Labor Organization Registration Required**

A. Each labor organization, union or Affiliate representing or seeking to represent employees permitted by the Board and employed by the Casino Operator, shall register with the Board annually.

B. The Board may exempt any labor organization, union or Affiliate from registration requirements where it is found that such labor organization, union or Affiliate:

1. is not the certified bargaining representative of any employee permitted under this Chapter or employed by the Casino Operator; and

2. is neither involved nor seeking to be involved actively, directly, or substantially in the control or direction of the representation of any such employee.

C. Such exemption shall be subject to revocation upon disclosure of information which indicates that the Affiliate does not or no longer meets the standards for exemption.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1985 (October 1999).

§4503. Registration Statement

A. In order to register, a labor organization, union or Affiliate shall file with the Board a "Labor Organization Registration Statement." These requirements shall be completed and Approved by the Board prior to the labor organization becoming the certified bargaining representative for employees occupationally permitted to work for the Casino Operator.

B. Said statement shall be in the form prescribed by the Board and shall include, without limitation, the following:

1. the names of all labor organizations Affiliated with the registrant;

2. information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee permitted by the Board and employed by the Casino Operator;

3. information as to whether the registrant holds, directly or indirectly, any financial Interest whatsoever in the Casino Operator whose employees it represents;

4. the names of any pension and welfare systems maintained by the registrant and all officers and Agents of such systems;

5. the names of all officers, Agents and principal employees of the registrant; and

6. all written assurances, consents, waivers and other documentation required of a registrant by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1985 (October 1999).

§4505. Registration Renewal

A. A labor organization registration shall be effective for one year. Any such registration may be renewed upon filing of an updated "Labor Organization Registration Statement" no later than 120 Days prior to the expiration of the current registration. The Board shall act upon such Application for renewal no later than 30 Days prior to the date of expiration of the current registration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1986 (October 1999).

§4507. Continuing Duty to Disclose

A. Every registered labor organization shall be under a continuing duty to promptly disclose any change in the information contained in the "Labor Organization Registration Statement" or otherwise requested by the Board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1986 (October 1999).

§4509. Federal Reports Exception

A. Notwithstanding the reporting requirements imposed by the Regulations of the Board, no labor organization, union, Affiliate or Person shall be required to furnish any information which is included in a report filed by any labor organization, union, Affiliate or Person with the secretary of Labor, pursuant to 29 U.S.C., Section 431, et seq. (Labor-Management Reporting and Disclosure Act) if a copy of such report, or if the portion thereof containing such information, is furnished to the Board pursuant to the aforesaid federal provisions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1986 (October 1999).

§4511. Qualification of Officers, Agent, and Principal Employees

A. Every officer, Agent and principal employee of a labor organization, union or Affiliate required to register with the Board pursuant to this Chapter and the Regulations of the Board shall be qualified in accordance with criteria contained in land-based gaming Division regulation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1986 (October 1999).

§4513. Qualification Procedure

A. In order to be qualified, every officer, Agent and principal employee of a labor organization, union or Affiliate required to register with the Board pursuant to the regulations of the Board shall file with the Board a "Labor Organization Individual Disclosure Form," which shall be completed, signed and filed in accordance with the requirements of this Chapter, provided, however, that such a form need not be filed by an officer of a national or international labor organization where that officer exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matter relating to employees permitted under the Act and employed by the Casino Operator; and provided further, that any such officer of a national or international labor organization may be directed by the Board to file a "Labor Organization Individual Disclosure Form" or to provide any other information in the same manner and the same extent as may be required of any other officer of a labor organization which is required to register under this Chapter.

B. Each officer, Agent or principal employee required to file, a Labor Organization Individual Disclosure Form shall do so initially at the time the pertinent labor organization, union or Affiliate applies or should apply for registration or at the time the individual is elected, appointed or hired, whichever is later.

1. Following an initial finding of qualification, each qualified individual who has filed an initial Labor Organization Individual Disclosure Form shall annually file with the Board a properly completed, updated Labor Organization Individual Disclosure Form.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1986 (October 1999).

§4515. Waiver of Disqualification Criteria

A. Notwithstanding the qualification requirements as to any such officer, Agent or principal employee, the Board may waive any disqualification criteria upon a finding that the interests of justice so require.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1986 (October 1999).

§4517. Interest in Operator's License Prohibited

A. Neither a labor organization, union, or Affiliate nor its officers, and Agents not otherwise individually permitted under the Act and employed by the Casino Operator may hold any financial interest whatsoever in the Casino Operator whose employees they represent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1986 (October 1999).

§4519. Failure to Comply; Consequences

A. No labor organization, union or Affiliate required to register with the Board shall receive any dues from or on behalf of or administer any pension, welfare Funds from or on behalf of any permitted employee and employed by the Casino Operator or its Agent:

1. if the said labor organization, union, or Affiliate shall fail to properly register with the Board or provide all information requested by the Board in accordance with the provisions of this Chapter or the regulations of the Board;

2. if any officer, Agent or principal employee of such labor organization, union, or Affiliate shall fail to qualify in accordance with the provisions of this Chapter or the regulations of the Board; or

3. if the said labor organization, union, Affiliate or any officer or Agent thereof shall hold a prohibited interest in the Casino Operator.

B. Nothing herein shall be construed to limit the right of the Board to impose any sanctions or take any action authorized by these regulations and the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and R.S. 27:24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1987 (October 1999).

Title 42

LOUISIANA GAMING

Part XI. Video Poker

Chapters 1-23. Reserved

Chapter 24. Video Draw Poker

§2401. Statement of Department Policy

A. The rules contained herein are promulgated by the Video Gaming Division of the Office of State Police in order to facilitate implementation of the Video Draw Poker Devices Control Law, R.S. 27:301 et seq., to achieve the effective regulation of the video gaming industry, and to maintain the health, welfare, and safety of the public. These considerations shall control the application and interpretation of the rules. Any subsequent restatement, repeal, or amendment of these rules shall be in accordance with the aforementioned considerations.

B. The Video Gaming Division of the Office of State Police shall apply these rules to protect the video gaming industry from infiltration by organized crime and other harmful and unscrupulous elements, thereby ensuring the fair play of all video gaming devices, and the prosperity and longevity of the industry.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq., the Act.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995).

§2403. Definitions

A. The provisions of the Louisiana Video Draw Poker Devices Control Law relating to the definitions of words, terms, and phrases are hereby incorporated by reference and made a part hereof, and shall apply and govern the interpretation of these regulations, except as otherwise specifically declared or as is clearly apparent from the context of the regulations herein. The following words, terms, and phrases shall have the ascribed meaning indicated below.

Act—the provisions of Chapter 6 of Title 27, R.S. 27:301-324 and its amendments hereafter.

Agent—any commissioned Louisiana state police trooper or designated employee of the State of Louisiana, Department of Public Safety and Corrections, Office of State Police, Video Gaming Division.

Applicant—the person who has completed an application to the division for a license or permit to participate in the video gaming industry in Louisiana.

Application—the process by which a person requests a license or permit, or the renewal of a license or permit, for participation in the video gaming industry in Louisiana.

Audit Tape—an exact copy of each printed ticket voucher retained within the device pursuant to the Act.

Designated Representative—an employee designated by the licensee to oversee and assume responsibility for the operation of the licensed establishment.

Device—a video draw poker device which complies with the rules of the division and the Act.

Electronic Funds Transfer, hereinafter referred to as a **Sweep**—any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

Enrolling Procedure—the process by which a device is linked to and monitored by the central computer system of the division.

Facility—the premises of a business which is licensed to house or offer for play video gaming devices within this state.

Inspection—the observation or examination by any agent of the division of any premises or motor vehicles of the licensee or applicant where video gaming devices and related equipment may be manufactured, distributed, stored, possessed, or offered for play, or any inquiry procedures necessary to discover facts or things related/connected to video gaming in any way.

Interstate Highway—a fully controlled access highway which is part of the National System of Interstate and Defense Highways.

Licensee—any applicant or person who is granted a license by the division permitting video gaming activities that are authorized by the Act. The authorized activity of all licensees shall be limited to the type of license issued to each.

Maintenance—the routine servicing of any video gaming device, excluding the logic board, software, and electronic (soft) and mechanical (hard) meters, and other servicing which provides for the efficient operation of the device.

Major State Highway—a through highway as defined in R.S. 32:1 and which has been designated as a state highway by the Louisiana Department of Transportation and Development.

Minors—every natural person under the age of 18 years.

Mixed Patronage—a clientele which includes both minors and adults.

Nonvolatile Memory—a type of memory in which data stored in the memory is not lost when the power is turned off.

Offense—any violation of the Act or these rules or any other criminal conduct.

Permittee—for purposes of these rules, shall have the same meaning as "video draw poker employee" as provided in R.S. 27:301.

Premises—land, together with all buildings, improvements, equipment, and personal property located thereon which is controlled by an applicant or a licensee, and associated with video gaming activities authorized by the Act.

RAM Clear Chip—an erasable programmable read only memory (hereinafter referred to as EPROM) which contains a program specifically designed to clear volatile and nonvolatile memory sections of a logic board for a video gaming device.

Resident—any natural person who is domiciled in the state or who demonstrates that he maintains a permanent place of abode within the state, and who has resided and/or been domiciled in the state of Louisiana for a period of two years prior to the date of his application for a license.

Security Interest Holder—any person who loans money for the purpose of financing devices, and uses the devices as collateral. This shall also include a lessor of devices.

Shipment—any physical movement of a video gaming device from a manufacturer to a distributor, from a distributor to a device owner, or vice versa either into the state, from the state, or within the state.

Ticket Voucher—a ticket which is printed by a video gaming device by use of a player-activated switch providing the player with a printed record of credits owed.

Transfer—the physical movement of a video gaming device by a device owner to or from a licensed establishment where a change of ownership does not occur.

Validation Decal—the decal furnished by the division and placed on a device indicating that the device meets the criteria established by the division, and that the particular device has been enrolled by the division.

Video Gaming Device—for purposes of these rules, shall have the same meaning as video draw poker device.

Volatile Memory—a type of memory in which data stored in the memory is lost when the power is turned off.

Warehouse—a secure and limited access structure or room, approved by the division, utilized for the storage of video gaming devices and/or their components.

Written Reprimand—a written notification from the division to a licensee which outlines any violation of these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:266 (February 2004), repromulgated LR 30:439 (March 2004).

§2405. Application and License

A. Initial and Renewal Applications

1. All applications for a license shall be submitted on forms provided by the division and mailed to an address provided by the division.

2. An application is not complete nor is it considered filed with the division unless it is submitted with the appropriate fee, is signed by the applicant, and contains all information required by the division.

3. All new applications or renewals shall be submitted to the division via delivery by the United States Postal Service certified or registered mail, return receipt requested or a private or commercial interstate carrier.

4. All applicants for a license shall comply with the disclosure provisions of R.S. 27:306.B. In addition, all applicants shall be required to disclose any violation of an administrative regulation from any jurisdiction.

5. All licensed establishment applications submitted to the division shall be for an existing and operating business.

6. All applications, except for a manufacturer's application, shall include an accurate sketch of the interior of the facility, and the proposed location of all video gaming devices to be located therein. In addition, the sketch shall include all grounds and parking areas.

7. All applications shall include the name of the owner(s) of the premises on which the establishment is located.

8. All renewal applications, shall be submitted in completed form, including a Louisiana State Tax Clearance Certificate. Out-of-state manufacturers shall not be required to submit a Louisiana State Tax Clearance Certificate.

9. All applicants shall provide all additional information requested by the division. If applicants fail to provide all additional information requested by the division, the application shall be considered incomplete.

10. All applications are to contain a properly notarized oath wherein the applicant states that:

a. the information contained therein is true and correct;

b. the applicant has read the Act and these rules, and any other informational materials supplied by the division that pertain to video gaming; and

c. the applicant agrees to comply with these rules and the Act.

11. All applications shall contain a telephone number and permanent mailing address for receipt of correspondence and service of documents by the division.

12. Incomplete applications, including failure to pay fees may result in a delay or denial of a license.

13. The applicant shall notify the division in writing of all changes of address, phone numbers, personnel, and other required information in the application within 10 business days of the effective date of the change.

14. An application shall be denied if an applicant has been convicted in any jurisdiction for any of the following offenses within the 10 years prior to the date of the application, and at least 10 years has not elapsed between the date of application and the successful completion of any service of a sentence, deferred adjudication, or period of probation or parole for any of the following:

- a. any offense punishable by imprisonment for more than one year;
- b. theft or any crime involving false statements or declaration; or
- c. gambling as defined by the laws or ordinances of any municipality, parish (county), or state, the United States, or any similar offense in any other jurisdiction.

15. Any false statement, including improperly notarized documents, contained in any report, disclosure, application, permit form, or any other document required by this Section shall be a violation of these rules and the Act.

B. Requirements for Licensing

1.a. No person shall be granted a license, and no license shall be renewed unless the applicant demonstrates to the division that he is suitable for licensing, and thereafter continues to maintain suitability, as provided in the Act.

b. All applicants for a license and licensees shall be current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to all appropriate local taxing authorities, the state of Louisiana and the Internal Revenue Service, excluding contested amounts pursuant to applicable statutes, and excluding items for which the Department of Revenue and Taxation and the Internal Revenue Service have accepted a payment schedule of back taxes.

2. Once a gaming license has been issued by the division, the license shall be conspicuously displayed by the licensee in his place of business so that it can be easily seen and read by the public.

3.a. Beginning with licenses renewed or issued after August 15, 1999, licenses to operate video draw poker devices shall expire as follows.

- i. Licenses with a last digit of 1 or 2 in the license number shall expire on June 30, 2005.
- ii. Licenses with a last digit of 3 or 4 in the license number shall expire on June 30, 2001.
- iii. Licenses with a last digit of 5 or 6 in the license number shall expire on June 30, 2002.

iv. Licenses with a last digit of 7 or 8 in the license number shall expire on June 30, 2003.

v. Licenses with a last digit of 9 or 0 in the license number shall expire on June 30, 2004.

b. Beginning on July 1, 2004, all licenses shall have a term of five years from the date of issuance.

c. If a licensee fails to file a complete renewal application on or before forty five days prior to the license expiration date, the division may assess a civil penalty of \$250 for the first violation, \$500 for the second violation and \$1000 for the third violation.

4.a. The appropriate annual fee shall be paid by all licensees regardless of the expiration date of the license on or before July 1 of each year.

b. Proof of current tax filings and payments, including tax clearance certificates from the state and all appropriate local taxing authorities shall be submitted to the division along with the annual fee as provided in Subparagraph B.4.a. no later than July 1 of each year.

5. All nonrefundable fees required for application/renewal and any administrative fines or penalties shall be made payable to the Department of Public Safety and Corrections and remitted to an address provided by the division.

6. Upon discovery, hidden ownership, whether by counter letter or other device or agreement, whether oral or written, shall constitute grounds for immediate suspension, revocation or denial of a license or application. Therefore, if there is more than one owner, applicants and licensees shall disclose full ownership of a company so that the aggregate of percentages of individual ownership total 100 percent, regardless of the percentage of individual ownership.

7. All licensees shall attend all hearings, meetings, seminars and training sessions required by the division. The division shall not be responsible for any costs incurred by the licensees.

8. All licensees shall maintain compliance with all applicable federal gambling law requirements, including any registration required by the provisions of Chapter 24 of Title 15 of the United States Code (§1171 et seq.), which govern the transportation of gambling devices.

9.a. All licensees shall continue to operate the business described in the application during the term of the license. In the event either the business or the video draw poker devices at the location are not in operation for a period of 30 consecutive calendar days during which the business would normally operate, the licensee and device owner shall immediately notify the division of such fact and the licensee shall immediately surrender its license to the board or division.

b. If surrendered in accordance with §2405.B.9.a, no gaming activities may be conducted at the premises unless and until the license is returned to the licensee.

c. The license may be returned to the licensee when business operations are resumed for the unexpired term of the license provided that the license has not been revoked and is not under suspension and further provided that no more than 180 days has elapsed from the date the license was surrendered.

d. Licenses surrendered in accordance with §2405.B.9.a shall not be subject to renewal unless the license has been returned to the licensee.

e. Failure to surrender the license as provided in §2405.B.9.a shall constitute grounds for revocation or suspension of the license.

C. Parish or Municipal Licenses

1. Prior to obtaining a video gaming license, all applicable parish and/or municipal occupational and alcohol beverage control licenses required for a facility to operate within said parish or municipality shall be current and valid.

2. All fees required to secure the aforementioned licenses shall be paid prior to the division issuing a license for video gaming.

D. Change of Ownership of Licensed Establishment

1. If a change in ownership of a licensed establishment occurs, the division shall be notified, in writing within five days, of the Act of sale or transfer.

2. When a licensed establishment which requires an alcoholic beverage license as a condition of the receipt of a video gaming license is sold or transferred, the devices shall be allowed to continue to operate under the old license if:

a. the new owner applies for a state Class "A" general retail or restaurant alcohol permit within 15 days of the Act of sale or transfer; and

b. upon issuance of a state Class "A" general retail or restaurant alcohol permit, the new owner applies for a video gaming license within 15 days of said issuance.

3. The devices shall only be allowed to continue in operation under the old license until:

a. the issuance of a video draw poker license in the name of the new owner;

b. a determination by the division that the new applicant is unsuitable;

c. denial of the new license application; or

d. the passage of 180 days from submission of the application to the division.

4. The new owner shall provide, at the time of application to the division, a certified copy of the act of sale or transfer, a copy of all appropriate documentation which indicates the date the licensed establishment began the Alcohol and Tobacco Control Commission application process, and a copy of the permit issued by the Alcohol and Tobacco Control Commission.

5. If any of the documents required by this Section are not submitted with the new owner's application, the division may immediately disable the devices.

6. If the 180-day period has elapsed prior to the issuance of a new video gaming license, the devices shall be disabled and the device owner shall immediately make arrangements to remove and transfer the devices from the formerly licensed establishment.

7. Upon the issuance of a license to a new owner or the passage of 180 days, whichever occurs first, the license issued to the prior owner shall expire and be surrendered to the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997), LR 24:955 (May 1998), LR 26:346 (February 2000), LR 26:2322 (October 2000), LR 27:61 (January 2001), LR 29:362 (March 2003), LR 30:267 (February 2004), repromulgated LR 30:439 (March 2004).

§2407. Operation of Video Draw Poker Devices

A. Responsibilities of Licensees

1. The licensee or a designated representative of the licensed establishment shall be required to be physically present and available within the licensed establishment at all times during all hours of operation; shall ensure that the devices are not tampered with, abused, or altered in any way; and shall prevent the play of video draw poker devices by persons under the age of 21 and prevent access to the gaming area by persons under the age of 18. The penalty for violation of this Subsection shall be \$250 for the first offense, \$500 for the second offense, and \$1,000 for the third offense. The penalty for fourth and subsequent offenses shall be administrative action, including, but not limited to, suspension or revocation.

2. Licensees and employees of a licensee shall not loan money, extend credit, or provide any financial assistance to Patrons for use in video gaming activities.

3. Licensees and employees of a licensee shall not permit any person who appears to be intoxicated to participate in the play of the video devices.

4. All licensees shall supervise all employees to ensure compliance with the laws and regulations relating to the operation of video gaming devices.

5. All licensees or an employee of a licensee shall, upon demand of the player, pay all monies owed as shown on a valid ticket voucher.

6. All licensees shall be responsible for the proper placement and installment of devices within a licensed establishment as prescribed by these rules.

7. Licensees shall advise the division of any device malfunction that has not been rectified by the device owner, within 24 hours after the device owner or service entity has been notified, or before the end of the next business day.

8. Licensees shall not advertise or participate in any promotion or scheme which is contingent upon the play of a video gaming device and which results in an enhanced payoff other than that set by the internal mechanism of the video gaming device as established by the Act.

9. All keys to all devices shall be secured and available upon request by the division.

10. All licensees shall provide a separate voice grade telephone line which shall provide exclusive, continuous capabilities, for the division, to access licensed devices. Any device that loses telephone line service for any reason within the control of the licensee, shall constitute a violation of these rules. Such violations shall include, but not be limited to:

- a. the loss of service due to delinquent or nonpayment of telephone service;
- b. the internal disruption of service resulting from tampering with the communications link;
- c. the internal disruption of service generated by a request to the phone company to disconnect service; or
- d. any other method of interference with normal telephone service.

11. Licensees shall not allow a device to be played unless connected to the required telephone line service and the division's central computer system.

12. All licensees shall post signs on the premises of a licensed establishment which admits mixed patronage that restricts the play of video draw poker devices by persons under the age of 21 and restricts the access to areas where gaming is conducted by persons under the age of 18.

a. The signs shall be placed at the entrances to device areas with lettering at least 3 inches in height stating that there are gaming devices inside, no one under 18 allowed in gaming area, and no one under the age of 21 allowed to play gaming devices.

13. All licensees shall maintain a readily accessible and current copy of the rules and regulations contained in this Chapter at their licensed establishments.

14. All licensees shall post one or more signs at points of entry to the gaming area to inform customers of the toll-free telephone number available to provide information and referral services regarding compulsive or problem gambling. The toll-free numbers shall be provided by the division. The penalty for violation of this Subsection shall be \$250 per day for the first offense, \$500 per day for the second offense and \$1000 per day for the third offense. The penalty for fourth and subsequent offenses shall be \$1000 per day or administrative action including but not limited to suspension or revocation.

B. Video Draw Poker Employees and Permits

1. The division shall issue a video draw poker employee permit to persons determined to be suitable pursuant to the provisions of the Act and rules adopted by

the Louisiana Gaming Control Board pursuant to the Administrative Procedure Act.

2. All video draw poker employees shall possess a valid video draw poker employee permit in addition to a valid state issued driver's license, identification card or United States military identification card. The penalty for violation of this Subsection shall be \$25 for the first offense, \$50 for the second offense, and \$75 for the third offense. The penalty for fourth and subsequent offenses shall be administrative action, including, but not limited to, suspension or revocation of the permit.

3. All video draw poker employee applications must be submitted on forms prescribed by the Louisiana Gaming Control Board.

a. All applications shall be submitted to the division via delivery by the United States Postal Service certified or registered mail, return receipt requested, or a commercial interstate carrier.

b. All applications shall contain a telephone number and permanent address for receipt of correspondence and service of documents by the division.

c. All video draw poker employees shall submit a renewal application to the division at least sixty days prior to expiration of their permit to avoid a lapse in their ability to work as video draw poker employees.

4. All applicants shall provide all additional information requested by the division. If applicants fail to provide all additional information requested by the division, the application shall be denied.

5. All video draw poker employees or applicants shall notify the division in writing of all changes of address, phone numbers, and other required information in the application within 10 calendar days of the effective date of the change.

6. No person shall be granted a permit and no permit will be renewed unless the applicant demonstrates to the division that he is suitable for permitting and thereafter continues to maintain suitability, as provided in the Act.

7. All applicants and video draw poker employees shall attend all hearings, meetings, seminars, and training sessions required by the division. The division shall not be responsible for any cost incurred by the applicants and/or video draw poker employees.

8. Permittees employed as a designated representative shall have the ability to locate all records and documents of the licensed establishment and possess the knowledge of all day to day operations of the licensed establishment.

9. All video draw poker employees shall have knowledge of these rules and the provisions of the Act.

C. Payment of Prizes

1. An employee shall be available during all hours of operation to redeem valid ticket vouchers. All valid ticket vouchers shall be paid when presented. In addition:

- a. ticket vouchers shall be redeemed for cash only;
- b. ticket vouchers shall be redeemed only at licensed establishments where the ticket voucher was printed;
- c. ticket vouchers shall be redeemed during the normal operating hours of the licensed establishment unless otherwise authorized by the division;
- d. neither the division nor the state of Louisiana is responsible for any device malfunction that causes prizes to be wrongfully awarded or denied to any player;
- e. the phrase "ANY MALFUNCTION VOIDS ALL PLAYS AND PAYS" shall be conspicuously displayed on the face of all licensed devices; and
- f. failure to make timely payments as required shall be grounds for the suspension or revocation of the license, or assessment of a civil penalty.

2. The payment for prizes awarded by a video gaming device may be withheld if the ticket voucher printed by that device is:

- a. mutilated, altered, unreadable, or tampered with in any manner;
- b. falsified or counterfeited in any way;
- c. created by a device malfunction;
- d. not fully legible; or
- e. presented for payment at the licensed establishment by a person not authorized to operate the devices.

D. Advertising

1. Except for a uniform logo which has been adopted by the division, no other advertising of video gaming activities shall be displayed anywhere on the exterior of any licensed establishment. In addition:

- a. duplication of the uniform logo shall be identical to the design and colors of the approved uniform logo;
- b. the size of the uniform logo shall not exceed 6 feet in height and 6 feet in width; and
- c. the uniform logo may be displayed alone or in conjunction with advertisement by the licensed establishment of other activities that do not pertain to video gaming.

2. For purposes of advertising prohibitions, a licensed establishment which is a qualified truck stop facility shall include the entire area which comprises the qualified truck stop facility.

3. The logo format may be obtained for duplication by all licensed establishments from their respective device owners.

4. The division shall enforce the prohibition of all other video gaming advertising on a licensed premises that is not permitted by these rules or the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:85 (January 1999), LR 27:205 (February 2001), LR 30:267 (February 2004), repromulgated LR 30:441 (March 2004).

§2409. Revenues

A. License Fees

1. Upon application, a nonrefundable annual fee as listed below shall be paid by each applicant:

- a. manufacturer, as provided in R.S. 27:311.A(1);
- b. distributor, as provided in R.S. 27:311.A(2);
- c. service entity, as provided in R.S. 27:311.A(3);
- d. device owner, as provided in R.S. 27:311.A(4);

and

- e. licensed establishment, as provided in R.S. 27:311.A(6).

2. All appropriate license fees shall accompany the initial/renewal application.

3. All licensees shall pay their license fee(s) for the year in a single payment.

4. All license fees shall be paid by personal, company, certified, or cashier's check, money order, or electronic funds transfer. If a personal or company check is returned, the applicant's license shall not be issued.

B. Device Operation Fees

1. A nonrefundable annual device operation fee shall be paid by the device owner for each video gaming device placed at a licensed establishment.

2. The division shall prorate the device operation fee that is required for each enabled video gaming device on a quarterly basis in accordance with the following schedule of dates of enrollment. For devices enrolled:

- a. July 1 through September 30, the whole operation fee is due;
- b. October 1 through December 31, three quarters of the operation fee is due;
- c. January 1 through March 31, one half of the operation fee is due;
- d. April 1 through June 30, one quarter of the operation fee is due.

3. The annual device operation fee may be paid in quarterly installments as prescribed by the Act.

4. If the device operation fee is to be paid in quarterly installments, after payment of the initial enrollment fee, subsequent payments are to be made by electronic funds transfer and are due on the first sweep of each quarter.

5. Any payments received after the tenth day of the beginning of each quarter shall constitute a violation of this Section and be subject to an interest penalty of 0.000575 per day (21 percent per annum).

6. The annual device operation fees are as follows:

a. a restaurant, bar, tavern, cocktail lounge, club, motel, or hotel, as provided in R.S. 27:311.A(5)(a);

b. a Louisiana State Racing Commission licensed pari-mutuel wagering facility, as provided in R.S. 27:311.A(5)(b)(i);

c. a Louisiana State Racing Commission licensed off-track wagering facility, as provided in R.S. 27:311.A(5)(b)(ii);

d. a qualified truck stop facility, as provided in R.S. 27:311.A(5)(c).

C. Franchise Payments

1. All device owners shall remit to the division a franchise payment as provided for by the Act. Franchise payments shall be calculated based upon the net device revenue, as verified by the electronic (soft) meters of the device. Revenues received from franchise payments shall be electronically transferred to the designated bank of the state treasurer.

2. All device owners shall establish and maintain a single bank account exclusively for the electronic funds transfer (sweep) of franchise payments to the designated bank of the state treasurer.

a. The payments shall be transferred electronically into the designated bank of the state treasurer semi-monthly or as otherwise prescribed by the division. Licensees shall authorize the division to initiate these transfers.

b. The funds shall be electronically transferred (swept) no later than the tenth day after the fifteenth and last day of every month. Any account found with insufficient funds shall constitute a violation of this Section.

c. Electronic funds transfers shall be calculated based upon device polling from the first through the fifteenth, and the sixteenth through the last day of every month.

d. Any delinquent monies not forwarded to the bank designated by the state treasurer by electronic funds transfers at the time of the transfer shall be subject to an interest penalty of 0.000575 per day (21 percent per annum). The interest penalty shall be in addition to any other penalties imposed by the division.

3. A device owner who has a nonsufficient fund return within the past three years shall be required to maintain a minimum balance at all times in the video gaming sweep account, or the account shall at all times be secured by a line of credit or bond issued by a bank or security company acceptable to the state treasurer. For purposes of this rule the term "bond" shall include cash, cash equivalent instruments or such other instruments as the division determines provide immediate liquidity.

a. The minimum balance and the security shall be equivalent to at least 15 percent of the previous month's net device revenues of all video gaming devices of the device owner.

b. No withdrawals at any time from the device owner's video gaming account, including electronic funds transfers, shall cause the account balance to be less than the minimum balance requirement prescribed above.

4. All licensed device owners shall be liable for that portion of net device revenues from such times as the funds are received into the device until said funds are deposited into the designated bank of the state treasurer.

D. Supplemental Purses for Horsemen

1. Forms provided by the division shall be used to record amounts earned for purse supplements and shall be filed with the division, the Horsemen's Benevolent and Protective Association, and the Louisiana State Racing Commission by the twentieth day of every month.

2. The division may at all times oversee any and all operations pertaining to video gaming and may review and/or audit any account or fund used for receipt and/or disbursement of any of the aforementioned income.

E. Authority to Audit Records

1. If there is a discrepancy between the electronic (soft) and mechanical (hard) meter accounting devices, an audit may be performed.

2. In the event of an audit, all records requested by the division shall be made readily available. These records shall include, but not be limited to:

- a. audit tapes;
- b. collection reports;
- c. bank statements;
- d. canceled checks;
- e. deposit slips;
- f. lease agreements;
- g. access log books; and

h. any other records of gaming activity that are necessary for the completion of the audit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:268 (February 2004), repromulgated LR 30:442 (March 2004).

§2411. Regulatory, Communication, and Reporting Responsibilities

A. General Provisions

1. For purposes of this Section quarters of the year are defined as follows:

- a. first quarter shall be July 1-September 30;
- b. second quarter shall be October 1-December 31;
- c. third quarter shall be January 1-March 31; and
- d. fourth quarter shall be April 1-June 30.

2. For purposes of this Section, business days are defined as Monday through Friday, not including state or federal holidays.

3. Semi-annual reports, if required, shall be postmarked no later than the last business day of July for the reporting period of January through June and no later than the last business day of January for the reporting period of July through December.

4. Quarterly reports, if required, shall be postmarked no later than the fifteenth day of the first month following the end of the quarter for which they are required.

5. Monthly reports, if required, shall be postmarked no later than the tenth day of the first month following the end of the month for which they are required.

6. Any semi-annual, quarterly, or monthly report that is requested by the division which is either postmarked later than the date required by these regulations, or inaccurate or incomplete shall constitute a violation of these rules.

7. All licensees shall retain all records for a period of three years, except that licensed manufacturers shall maintain all records for a period of five years.

8. Any licensee who seeks to surrender his license and cease participation in video gaming shall surrender his license to the division, and if requested, shall also provide copies to the division of all of the licensee's records pertaining to video gaming activities.

9. All licensees shall maintain all required records, submit all required reports, and keep the division currently informed, in writing, of any changes which could affect the status of any records, reports, or gaming devices.

10. All licensees shall keep and maintain the following records:

- a. all video gaming bank account documents and other related financial documents; and
- b. all business documents of the licensee including, but not limited to records of:
 - i. employee salary payments and hours worked;
 - ii. all federal, state, and local taxes paid;
 - iii. all contracts and/or subcontracts that exist with the licensed business; and
 - iv. if applicable, certified technician training records of employees.

11. Except as otherwise provided in these regulations and the Act, all licensees, upon divesting or selling a licensed entity, shall surrender their video gaming license to the division within 10 business days of the effective date of the change of ownership.

12. All licensed manufacturers and distributors shall maintain a current record of devices received, devices sold, and devices in inventory, and if requested, must provide this information to the division.

13. All licensed manufacturers and distributors shall develop and provide to all licensed device owners and licensed service entities, a division approved program to train and certify technicians. In addition, all licensed manufacturers and distributors shall award certification to authorized service personnel, and maintain all training records and certificate awards, which shall be provided to the division upon request.

14. All licensed manufacturers and distributors shall provide the division with a current list of authorized service entities and other personnel that they have certified. The list, which shall be updated and provided quarterly in a format specified by the division, shall include, but not be limited to, the following information:

- a. name and address of service entity and all of its certified technicians;
- b. Social Security number and date of birth of all technicians;
- c. date of certification of all technicians; and
- d. level(s) of certification of all technicians.

B. Licensed Manufacturers

1. If requested by the division, all licensed manufacturers shall provide a semi-annual report, signed by the licensee or an authorized representative of the licensee, on authorized forms provided by the division.

2. The semi-annual report shall include, but not be limited to the following information:

- a. gross machine sales for that period;
- b. specific delivery location of all devices and identity of person(s) purchasing and receiving devices;
- c. names and addresses of carriers used in transporting devices;
- d. names and addresses of licensees to whom the devices were sold;
- e. number of devices sold to each licensee;
- f. make, model, and serial number of all devices; and
- g. the sale price of each device.

3. All licensed manufacturers shall request authorization for any device modifications and updates from the division. Any device operating in, or shipped to or within, Louisiana that is modified without prior written approval from the division, shall be considered an illegal gambling device as provided in the Act.

4. All licensed manufacturers shall sell or lease video gaming devices only to licensed video gaming distributors.

C. Licensed Distributors

1. If requested by the division, all licensed distributors shall provide a quarterly report, signed by the licensee or an authorized representative of the licensee, on authorized forms provided by the division.

2. The quarterly report shall include, but not be limited to, the following information:

- a. gross device sales for the quarter;
- b. make, model, and serial number of all devices sold or leased;
- c. name and address of all licensees that the devices were sold or leased to;
- d. number of devices sold or leased to each licensee;
- e. delivery address of each device sold or leased; and
- f. if requested, copies of invoices, credit memos, and/or documents substantiating any transactions and/or sales.

3. In addition, if requested by the division, all licensed distributors shall provide a quarterly inventory report, signed by the licensee or an authorized representative of the licensee, on authorized forms provided by the division.

4. The inventory report shall include, but not be limited to, the following information:

- a. total number of devices in inventory; and
- b. make, model, and serial number of all devices in inventory.

5. A licensed distributor shall only purchase or lease video gaming devices from, or sell or lease video gaming devices to, a licensed manufacturer, licensed device owner, or another licensed distributor.

D. Licensed Device Owners

1. If requested by the division, a licensed device owner shall provide a monthly report, signed by the licensee or an authorized representative of the licensee, on authorized forms provided by the division.

2. The monthly report shall include, but not be limited to, the following information:

- a. gross and net device revenue;
- b. make, model and serial number of all devices;
- c. physical location of each device;
- d. number of devices at each licensed establishment;
- e. mechanical (hard) and electronic (soft) meter readings for each device on the last day of the month of the reporting period; and
- f. actual cash collected from each device.

3. All licensed device owners shall maintain all audit tapes for a period of three years.

4. Except as otherwise provided in this Section, all licensed device owners shall only purchase or lease video gaming devices from, or sell or lease video gaming devices to, licensed distributors, or other licensed device owners.

5. All licensed device owners are prohibited from possessing RAM clear chips.

6. If a device is to be removed for service and/or repair for a period of less than 72 hours, the device owner shall notify the division technical staff prior to such removal for the service and/or repair.

7. Any time a device located in a licensed establishment is disabled from the central computer for a period in excess of 72 hours, the device owner shall transfer the device to its warehouse or to a licensed service entity, and notify the division using the appropriate transfer report form within five business days.

E. Licensed Establishments

1. If requested by the division, licensed establishments shall file a quarterly report, signed by the licensee or an authorized representative, on authorized forms provided by the division.

2. The quarterly report shall include, but not be limited to, the following information:

- a. device owners who have devices on licensed premises;
- b. number of devices each device owner has on the premises; and
- c. make, model, and serial number of all devices on the premises.

3. All licensed establishments that are qualified truck stop facilities shall provide to the division all necessary diesel and gasoline fuel sales data consisting of beginning and ending pump meter readings and summaries of all diesel and gasoline fuel sales, in gallons. Such information shall be given to the division on a monthly basis, on a form supplied by the division.

4. All licensed establishments that are qualified truck stop facilities shall maintain records that would enable the division to verify daily fuel sales on a pump-by-pump basis. Failure to maintain such records shall be considered grounds for suspension or revocation of the licensed establishment's video gaming license.

5. The division shall evaluate each monthly report to establish the average monthly fuel sales for the quarter in question. This shall determine the number of electronic video draw poker devices that can be legally operated at the truck stop facility during the next quarterly period. The division shall disable or enable devices in accordance with the Act.

6. For purposes of this Section, only nonbulk transfers of fuel to over-the-road motor vehicles, sold at prices not less than the delivered fuel cost, shall be used to compute average monthly fuel sale totals. Sales to marine vessels shall not be used to compute these fuel totals.

F. Licensed Service Entities

1. All licensed service entities shall be required to maintain the following records:

- a. invoices, of all services and/or repairs to devices, which shall contain, but not be limited to:
 - i. date device was received;
 - ii. date device was serviced;
 - iii. date device was returned;
 - iv. service entity name and license number;
 - v. device owner name and license number;
 - vi. manufacturer, make, and model number of the device;
 - vii. device serial number;
 - viii. description of service and/or repair performed on the device;
 - ix. name of certified technician performing service and/or repair on the device; and
 - x. electronic (soft) and mechanical (hard) meter readings before and after service and/or repair of the device;
- b. a list of all certified technicians, including a list of the types of devices that each is certified to service and/or repair, and who certified the technician.

2. All licensed service entities shall have a certified technician or technicians who are employed by the licensed service entity, adequate facilities approved by the division to repair, service, and maintain video gaming devices, and the ability to make service calls at licensed establishments.

3. A service entity may contract with a device owner to maintain, repair, and service video gaming devices.

4. All licensed service entities are prohibited from possessing RAM clear chips.

G. Required Forms

1. The division shall have the authority to require, design, prescribe, and amend all forms.

2. The division shall have the authority to require submission of any additional forms, reports, or records that it deems necessary.

3. If applicable, all licensees shall provide the division with all required device-related reports, to include, but not be limited to, the following:

- a. APPLICATION FOR VIDEO POKER DEVICE PERMIT, which shall be submitted for any enrollment, device renewal, device transfer, decal replacement, or withdrawal within five business days of any enrollment, device renewal, device transfer, decal replacement, or withdrawal;

- b. GAMING DEVICE OWNERSHIP TRANSFER NOTIFICATION, which shall be submitted for any change of ownership of any device within five business days of the change of ownership;

- c. VIDEO GAMING DEVICE SHIPMENT NOTIFICATION, which shall be submitted for any shipment of any device at least three business days prior to the date of shipment of any device; and

- d. VIDEO GAMING DEVICE SERVICE/REPAIR FORM, which shall be submitted when any service or repair is done to a device that may alter any meter reading of the device within five business days of the service or repair.

H. Contracts

1. Misrepresentation of contracts concerning activities regulated by the Act is prohibited and shall be grounds for denial, suspension, or revocation of a license, as well as possible criminal charges as provided in the Act.

2. All applicants and licensees shall submit copies of all written contracts pertaining to the operation of video gaming devices and summaries of all oral contracts pertaining to the operation of video gaming devices to which they are party or intend to become party within 10 business days of signing or making such contracts.

3. If requested, every person who is party to any video gaming contract with an applicant for a video gaming license, or a licensee of the division, shall provide the division with any and all information requested by the division that is necessary for a determination of suitability.

4. No licensee shall enter into or continue any contract with any person, natural or juridical, whom the division determines to be unsuitable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:196 (February 1992), amended LR 21:582 (June 1995), LR 30:269 (February 2004), repromulgated LR 30:444 (March 2004).

§2413. Devices

A. Device Specifications

1. All devices shall include all of the specifications and features as provided in R.S. 27:302. In addition, all devices shall include the following specifications and features:

- a. a video display screen utilizing a cathode ray tube and microprocessors in order for a person or persons to view the actual games;

- b. a maximum expected payback value for one credit that shall not exceed 94 percent of the value of a credit based on optimum operating play strategy;

- c. a pay table for each hand of poker which shall be conspicuously displayed;

- d. accept only United States coins and/or currency;

- e. display only information on the screen or housing that has been approved, in writing, by the division. In addition:

i. all information required for external display shall be kept under a pre-approved transparent material, (i.e., shatterproof glass or Plexiglas); and

ii. the phrase "NO PERSON UNDER THE AGE OF 21 ALLOWED TO PLAY" shall be conspicuously displayed on the face of all devices.

f. fully functioning electronic (soft) meters and mechanical (hard) meters capable of displaying monetary transactions and printing a record of those transactions. In addition, the electronic (soft) meters shall be capable of printing a record of the monetary transactions;

g. electronic (soft) meters that shall retain the following transactions for a period of no less than 180 days, including:

- i. credits in;
- ii. credits played;
- iii. credits won;
- iv. credits paid out;
- v. number of games played;
- vi. number of games won;
- vii. number of credits representing money inserted by a player; and
- viii. credit for games won but not collected (i.e., credit balance);
- ix. number of times logic area is accessed; and
- x. number of times cash door is accessed;

h. main logic board and printed circuit board which shall contain a game EPROM, and which shall be separate in a locked area of the device. All EPROMs and logic boards shall have a nonremovable number affixed or inscribed;

i. permanent serial numbers not to exceed nine alpha and/or numeric characters. The serial number plate shall be located in the upper (front) right side panel of the device, unless otherwise approved by the division, and shall contain the following information:

- i. serial number of the device;
- ii. manufacturer's name;
- iii. model number of the device; and
- iv. date of final assembly of the device;

j. line filter and surge protector that shall control all A.C. electrical current to the device, and a back-up or alternate power supply source capable of maintaining the integrity of all electronic meters and the time and date functions for a 30-day period during any power fluctuation or total power loss. In addition:

i. the battery or back-up power source shall be in a state of charge or readiness during the normal operation of the device; and

ii. all devices shall pass a static discharge test before being certified (the test shall be uniform for all similar devices);

k. games which shall be random and shall be tested to at least a 99 percent certainty using a standard correlation test or analysis (a correlation test or analysis for purposes of this Section is defined as the process by which each card or number position is chosen independently without regard to any other card or number drawn within that game play);

l. an approved and fully functioning security system that shall temporarily disable the gaming function of the device while the device is open. If there is a breach of security, all devices shall notify the central computer system via electronic signal upon polling;

m. a circuit-interrupting device, method, or capability which shall disable the operation of the device if the division approved program of the device is accessed or altered;

n. a lockout mechanism which prohibits the device from accepting coins and currency during the play of a hand;

o. construction which meets UL-22 or CSA/NRTL standards;

p. a ticket voucher printing system located in a locked compartment of the device in order to safeguard the audit copy. In addition:

i. printing of all totals from the meters shall occur automatically by means of a switch attached to the locking mechanism each time the device is accessed;

ii. the printing system shall have a paper sensing device that prevents play and disables the device if there is insufficient paper to print a ticket voucher for a player or an audit copy. Upon sensing the "paper low" or "paper out" signal, the device shall finish printing the ticket voucher for the last game played and prevent further play; and

iii. the paper contained in the printing mechanism for the printing of the ticket vouchers and the audit copy shall be of a type which diminishes the ability to copy, alter, or falsify;

q. upon command be able to display the most recent game history of at least two plays, including the current game play;

r. meet the required central computer communications protocol requiring compatibility with the system during the enrollment procedure. A security related data exchange shall occur between the device and the central computer prior to the transmission of any information. Failure of the device to send the appropriate data back to the central computer shall indicate a communication failure and shall preclude operation of the device. In addition:

i. if a device is not polled by the central computer within the specified time period, the device shall automatically become disabled. The device shall accept a parameter from the central computer that specifies the time period; and

ii. all devices shall report electronically as required or it may be disabled by the division; and

s. a feature that shall accept a "shutdown" command from the central computer and obey that command.

2. Devices shall not have any switches, jumpers, wire posts, or any other means of manipulation that could be used to affect the outcome of a game.

3. Devices shall not have any functions or parameters which are adjustable by or through any separate video display or input codes, except for adjustment features which are cosmetic.

4. A valid ticket voucher shall contain all information required by R.S. 27:302.A(5)(h). In addition, a valid ticket voucher shall contain the program name and/or software number.

5. Devices shipped to and transported through Louisiana shall at all times remain in the demonstration mode. In addition, no device operating in demonstration mode shall accept coin or currency.

6. All manufacturers shall submit to the division and its designated testing facility, in writing, a complete description, explanation, and location of all hidden icons.

B. Testing of Video Gaming Devices

1. The division shall supply all licensed manufacturers with a timetable for the implementation of acceptance testing and adaptability of the video gaming devices to the central computer of the division.

2. All manufacturers shall supply the division with timetables and guidelines for accomplishing tasks involved in the acceptance testing of video gaming devices within the division parameters. This shall include system functions and communication procedures of information to and from the division's central computer and the devices.

3. Upon request by the division, all manufacturers shall be required to provide assistance in troubleshooting, communication and technical problems once the devices are placed at the licensed establishments, at no cost to the division.

4. Upon request by the division, all manufacturers shall submit schematic diagrams, illustrations, technical and operational manuals, program source codes, and other information necessary for the operation, maintenance, and testing of the devices. Such information shall remain confidential.

5. Testing of the devices shall require that working models of devices, associated equipment, and documentation described above be transported to locations specified by the division for examination and analysis.

6. The testing, examination, and analysis of the devices may require dismantling of devices, and some tests may result in permanent damage to one or more components. All manufacturers shall be required to provide

additional parts or components to complete testing, and specialized testing equipment to ensure integrity and durability to the satisfaction of the division. In addition:

a. all manufacturers shall submit all hardware, software, and testing equipment for the testing of their video gaming devices;

b. all devices shall have built in diagnostic functions for the testing of all major components;

c. the quality of the hardware, software, and components submitted for testing shall be of the same quality as that in devices offered to licensees; and

d. no device shall contain software that has any transparent codes, security features, or passwords, that would or could evoke any functions, or sub-routines that would alter any game characteristics, required features, specifications, or device capabilities such as pay tables, payout percentages, or counters.

7. The division may accept the results of testing done by division-approved independent laboratories which were performed on specified devices at the request of the division.

8. All manufacturers shall bear all costs associated with initial device testing and subsequent testing and investigation.

C. Device Modifications

1. No device shall be altered or modified, temporarily or permanently, without prior written approval from the division.

2. Unauthorized modifications of any type shall be grounds for immediate suspension and/or revocation, in accordance with these rules and the Act.

D. Enrollment Procedures

1. Once a licensed establishment receives a video gaming license, the device owner may file the necessary paperwork to notify the division in order to initiate enrollment procedures.

2. No device shall be enrolled into the central computer system without proper coordination and security procedures between the central computer office personnel and authorized personnel at the licensed establishment where the devices are located.

3. Validation decals shall be issued by the division for devices and shall be promptly affixed by a division representative to an enrolled device. The validation decal shall be affixed to the upper (front) right side of the device, or as otherwise approved by the division.

E. Maintenance

1. Only certified technicians may access the interior of an enrolled and enabled video gaming device. Access of the devices includes routine maintenance, repairs or replacement of parts, paper, etc. In addition:

a. a certified technician level 1 and certified technician level 2 shall only be employed by an entity that is licensed by the division;

b. a certified technician level 2 who is employed by a licensed establishment in another capacity shall not perform certified technician level 2 services and/or repairs to devices in the licensed establishment; and

c. a licensee who authorizes a certified technician to access the licensee's video gaming device(s) is responsible for any actions by the certified technician that would constitute a violation of these regulations or the Act.

2. All device owners shall maintain a current, written maintenance log for each device operating within a licensed establishment, on a form approved by the division, for the purpose of keeping records of routine maintenance and repairs. All log entries shall contain the following information:

- a. time and date of access of the device;
- b. reason for access of the device;
- c. mechanical (hard) and electronic (soft) meter readings of the device;
- d. the signed and printed name and Social Security number of the certified individual accessing the device;
- e. area of the device accessed; and
- f. time and date the device was secured.

3. A division-approved RAM clear chip and procedure shall be used when a video gaming device's memory is to be cleared.

4. Whenever a video gaming device's software program is to be changed or upgraded, prior approval shall be obtained from the division, and the video gaming device's memory shall be cleared using a division-approved RAM clear chip.

5. Only licensed manufacturers, licensed distributors, and division personnel are allowed to possess RAM clear chips for video gaming devices.

6. Use of any other method to clear a video gaming device memory is prohibited unless specifically authorized by the division.

7. The division shall be notified before a device is disconnected from the division's central computer.

8. A device may not be substituted or replaced until the replacement device has been approved by the division and the proper validation decal has been affixed.

F. Device Security and Shipments

1. Any licensee who is shipping devices into, within, or from this state for any purpose shall provide the division with information relating to those shipments, in writing, on a form provided by the division. No licensee shall ship any device until the shipment is approved by the division.

2. The shipper shall provide the division with the make, model, serial number, and an inventory of the devices being shipped.

3. The division shall be notified at least three business days prior to shipment of any device.

4. The devices shall be shipped within 10 business days of the shipment notification. The division shall be notified immediately by the shipper if the devices cannot be moved within the time frame specified on the shipment notification. A copy of the completed form containing the approval for shipment shall be in the possession of the carrier during shipment of the listed devices.

5. All manufacturers, distributors, and device owners who ship devices to a destination other than an approved location by the division, shall be subject to suspension or revocation of their license or the imposition of a fine.

G. Damage to or Theft from Devices

1. Upon discovery of damage to or theft from a video gaming device, the device owner, licensed establishment owner, or a designated representative of the licensed establishment shall request the local law enforcement agency to investigate.

2. After investigation by local law enforcement authorities, the device owner shall obtain and forward the following reports to the division:

- a. service/repair report with the electronic (soft) and mechanical (hard) meter readings from the device with an audit ticket attached. The meter readings shall be taken as soon as possible after the discovery of damage or theft; and

- b. when possible, an offense/complaint report from the local enforcement agency.

3. The device owner or licensed establishment owner shall immediately notify the division, in writing, of any damage to or theft from a device.

H. Devices Permanently Removed from Service

1. When a device is permanently removed from service by a licensed device owner, the validation decal shall be removed by that device owner and shall be returned to the division with the completed device transfer report provided by the division.

2. The completed device transfer report shall be submitted to the division within five business days by the United States Postal Service certified or registered mail, return receipt requested or private or commercial interstate carrier.

3. No devices which are permanently removed from service shall have a validation decal displayed on it.

4. For purposes of this Section, devices permanently removed from service shall mean devices:

- a. that are sold back or otherwise returned, and shipped to the distributor or manufacturer;
- b. that are damaged beyond repair due to theft, vandalism, or natural disasters; or
- c. that are completely dismantled for parts or destroyed and properly discarded as waste.

5. If a device is damaged beyond repair due to theft, vandalism, or natural disaster, the device owner may petition the division in writing for a device operation fee credit, to be applied to a replacement device of the same make and model, in the amount previously received by the division for the device to be replaced.

I. Contraband Equipment and Unregulated Devices

1. No licensee shall place or allow the placement of any video gaming device in any establishment unless the device is placed pursuant to the provisions of these regulations and the Act.

2. No licensee may possess or offer for play any unlicensed device, or any other gambling device as defined in R.S. 15:31, whether electronic or mechanical, that plays, emulates, or simulates the game of draw poker and contains a circuit, meter, or switch capable of recording the removal of credits earned by a player or any variation thereof. Possession of such contraband devices shall constitute a violation of the division's rules and the law.

J. Disabling or Seizure of Devices

1. The division shall have the authority to disable and/or seize any device at any location when a violation of the Act occurs, in accordance with the procedure provided therein.

2. In those cases where the division determines that the device owner was not responsible for or involved in, the violation of the Act, the device(s) may be returned to the device owner.

K. Warehouses

1. Devices stored in a warehouse shall be stored in a manner which easily displays the device serial number plate and/or the state issued permit sticker.

2. Device owners who wish to share warehouse space must execute a written lease agreement outlining the conditions and method of the space sharing. A copy of the lease agreement, along with a diagram indicating the method of device separation, must be sent to the division within five calendar days from the date of execution.

a. The shared warehouse must be partitioned in such a manner as to visually distinguish each device owner's video gaming devices.

b. Device owners shall not commingle their video gaming devices.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq. and R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997), amended LR 25:85 (January 1999), LR 30:269 (February 2004), repromulgated LR 30:446 (March 2004).

§2415. Gaming Establishments

A. Establishment Licenses

1. The division may issue a license to qualified applicants based on the type of business being conducted. The types of licenses and the requirements for these licenses are as follows.

a. Type "I" License ~~C~~any bar, tavern, cocktail lounge, or club only, as defined in R.S. 27:301.B(8) (licensed establishment) shall be designated as a Type "I" establishment.

b. Type "II" License ~~C~~any restaurant, as defined in R.S. 27:301.B(12) shall be designated as a Type "II" establishment.

c. Type "III" License ~~C~~a hotel or motel as defined in R.S. 27:301.B(7) and R.S. 27:306.A(2) shall be designated as a Type "III" establishment.

d. Type "IV" License ~~C~~a Louisiana State Racing Commission licensed race track, pari-mutuel wagering facility, or off-track wagering facility as defined in R.S. 27:301.B(8) (licensed establishment) shall be designated a Type "IV" establishment.

e. Type "V" License ~~C~~a qualified truck stop facility as defined in R.S. 27:306 shall be designated a Type "V" establishment.

B. Security

1. Licensed and insured uniformed security guards or off duty uniformed P.O.S.T. (Peace Officers Standards and Training) certified law enforcement officers shall be required in all Type IV and Type V establishments with more than 20 devices. Security guards, other than off duty P.O.S.T. certified law enforcement officers, shall possess a security guard identification card issued by the Louisiana State Board of Private Security Examiners at all times while on duty at the licensed establishment. In addition:

a. a sufficient number of security personnel shall be provided for the safe operation of the establishment; and

b. if the division determines that an unsafe situation exists, the division shall have the authority to mandate that a licensee provide additional security measures.

2. All Type V establishments with 20 or more video gaming devices enrolled for play, shall provide video security surveillance, approved by the division, for the continuous monitoring of all gaming activities.

C. Placement of Devices in Licensed Establishments

1. Device groupings shall be physically located within the licensed establishment.

2. No device shall be placed closer than 12 inches to any other device, except devices may be placed back to back or in a carousel.

3. No video draw poker devices which a qualified truck stop facility is licensed to operate on the premises shall be located or operated in the convenience store, trucker

lounges, laundry rooms, shower rooms, and/or hallway areas of the truck stop facility. Video draw poker devices shall be located and operated in areas designated primarily for gaming, as defined in R.S. 27:301 et seq., and/or in lounges/bars and restaurants that meet the criteria of R.S. 27:301 et seq., and Part II of Chapter 1 or Part II of Chapter 2 of Title 26 of the Louisiana Revised Statutes of 1950. In areas legally accessible to minors the device areas shall comply with the provisions of R.S. 27:302.D(2) and LAC 42:XI.2415.D.2.

D. Structural Requirements for Licensed Establishments

1. No licensed establishment shall be altered, renovated, or expanded if such alteration, renovation, or expansion is for the purpose of moving devices or installing additional devices, without first submitting to the division for approval, a written notification, via delivery by the United States Postal Service certified or registered mail, return receipt requested or a private or commercial interstate carrier, of the intent and a set of plans illustrating the projected changes.

2. Any licensed establishments that allow mixed patronage, shall have devices for play and operation only in designated areas. These gaming areas shall be physically separated by a partition as provided in R.S. 27:302.D(2). The partition shall be permanently affixed and solid except for an opening to allow for player access into the gaming area.

3. A licensed establishment which is connected by a doorway or other opening to any other business establishment whether or not such other establishment is eligible for licensing by the division shall:

- a. have a door or doors between the licensed establishment and the other entity which shall automatically close;
- b. have a separate outside entrance for patrons such that an individual patron may enter each establishment from the exterior of the building;
- c. keep business records and books that are separate from those of the other entity; and
- d. have personnel who work solely for the licensed establishment and not for the other entity during all hours of operation of the licensed establishment.

4. Each qualified truck stop facility licensed after having filed a new application on or after July 1, 2000 shall comply with the following requirements.

- a. Each new application shall contain a scale drawing of the qualified truck stop facility prepared by a registered civil engineer which indicates the overall dimension of the facility and parking area and upon which is superimposed the areas and dimensions for 50 parking stalls measuring 12 feet wide and 65 feet long and for travel lanes measuring 50 feet wide at those facilities with two-way truck travel. At those facilities having one-way truck travel, the travel lane shall be 30 feet wide.

b. The parking area design, plans and construction shall be in compliance with all applicable federal, state, and local laws and regulations and in compliance with the most appropriate and applicable national or regional association or industry design and construction guidelines applicable to the geographical area in which the qualified truck stop facility is proposed to be located as reasonably determined by the registered civil engineer.

c. The parking area shall be constructed of asphalt or concrete in accordance with a design and plans prepared by a registered civil engineer. The travel lanes shall be constructed in accordance with a design and plans prepared by a registered civil engineer.

d. The licensee or applicant shall submit to the division written certification from the registered civil engineer that construction was in accordance with the design and construction plans and these rules.

5. The licensee has a continued responsibility to maintain the parking area and travel lanes in accordance with the Act and these rules. The licensee shall upon request provide to the division applicable documentation supporting the design and construction of the parking area in accordance with the Act and these rules.

E. Location of Licensed Establishment

1. Except as otherwise provided in this Section, video gaming activities shall be prohibited as provided in R.S. 26:281.

2. All applicants for a truck stop license shall comply with the distance requirements as provided in R.S. 27:306.C(2).

3. In addition, a licensed establishment which is a qualified truck stop facility shall be located adjacent to a major state or interstate highway. For purposes of this Section, the word adjacent shall mean that the property line of the premises upon which a qualified truck stop facility is located shall be within a distance of 2,000 feet to the nearest edge of the traveled portion of the roadway which is a major state highway or interstate highway.

AUTHORITY NOTE: Promulgated in accordance with L.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of the State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997), LR 24:1504 (August 1998), LR 26:1321 (June 2000).

§2417. Code of Conduct of Licensees and Permittees

A. General Provisions

1. All licensees and permittees shall comply with all applicable federal, state, and local laws and regulations.

2. All licensees and permittees shall, at all times, conduct themselves in a professional manner when communicating with the public, the division and the board.

3. Any violation of the provisions of the Act, shall also constitute a violation of these rules.

B. Unsuitable Conduct

1. No licensee or permittee shall engage in unsuitable conduct or practices or shall employ or have a business association with any person, natural or juridical, which engages in unsuitable conduct or practices.

2. For purposes of this Section, unsuitable conduct or practices shall include, but not be limited to the following:

a. employment of, in a managerial or other significant capacity as determined by the division or board, business association with, or participation in any enterprise or business with, except for race horse care personnel, a person convicted of a felony or declared unsuitable by the division or board;

b. employment of, association with, or participation in any enterprise or business with a documented or identifiable organized crime group or recognized organized crime figure;

c. misrepresentation of any material fact or information to the division or board;

d. engaging in, furtherance of, or profit from any illegal activity or practice, or any violation of these rules or the Act;

e. obstructing or impeding the lawful activities of the board, division or its agents;

f. persistent or repeated failure to pay amounts due or to be remitted to the state; and

3. A licensee or permittee shall not engage in, participate in, or facilitate by any means, any criminal activity.

4. Any person required to be found suitable or approved in connection with the granting of any license or permit shall have a continuing duty to notify the division of his/her/its arrest, summons, citation or charge for any criminal offense or violation including D.W.I.; however, minor traffic violations need not be included. All licenses and permittees shall have a continuing duty to notify the division of any fact, event, occurrence, matter or action that may affect the conduct of gaming or the business and financial arrangements incidental thereto or the ability to conduct the activities for which the licensee or permittee is licensed or permitted. Such notification shall be made within ten calendar days of the arrest, summons, citation, charge, fact, event, occurrence, matter or action.

5. A licensee or permittee shall not intentionally make, cause to be made, or aid, assist, or procure another to make any false statement in any report disclosure, application, permit form, or any other document, including improperly notarized documents, required by these rules or the Act.

C. Additional Causes for Disciplinary Action

1. Further instances of conduct by a licensee or permittee where the division or board may sanction a licensee or permittee shall include but not be limited to when:

a. the licensee or permittee has been involved in the diversion of gaming equipment for unlawful means;

b. the licensee or permittee or a designated representative of the licensee or permittee has been involved in activities otherwise prohibited by law or the willful purpose of which was to circumvent or contravene the provisions set forth in the division's rules;

c. the licensee or permittee has demonstrated a reluctance or inability to comply with the requirements set forth in these rules and the Act, particularly after repeated warnings;

d. the licensee or permittee violates written conditions;

e. the division discovers incomplete or erroneous information as to a material or a substantial matter provided on an application or any item affecting the decision whether to license the applicant;

f. the division discovers substantial, incomplete, or erroneous information provided in a report or other required communication; and

g. the licensee or permittee has failed to timely pay a fine imposed by the division or board;

h. tardy, inaccurate, or incomplete reports;

i. failure to respond in a timely manner to communications from the division or board; and

j. unavailability of the licensees or permittees, their designated representatives, or any agents of the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq., R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:59 (January 2001), LR 30:270 (February 2004), repromulgated LR 30:447 (March 2004).

§2419. Investigations

A. Background Investigations

1. All applicants shall be subject to a background investigation in order to ensure that licensing requirements are met.

2. All applicants shall, upon request, make available to the division, records and documentation to substantiate statements and support information supplied in the application process.

3. All licensees and their employees shall provide the following information upon request:

- a. their immediate families' and relatives' names and addresses;
- b. their affiliations with any organized groups or organizations;
- c. their affiliations with any corporations, firms, or any other business entities; or
- d. their association or involvement with any criminal or illicit activity.

4. Any information provided to the division by an applicant or licensee shall be a public record unless excepted by R.S. 44:1 et seq., or any other law.

B. Inspections

1. Inspections of Facilities

a. During all hours of operation, any licensed premises upon which a licensee conducts any video gaming activity, shall be subject to inspection by the division, without advance notice, in order to ensure compliance with the rules of the division and the provisions of the Act.

b. Once an inspection commences, the licensee or a designated representative shall render full courtesy and cooperation to agents.

c. Upon completion of an inspection, agents may advise the licensee or a designated representative of any violation or problems which may exist.

d. Agents shall provide the licensee or a designated representative with a copy of an inspection report.

2. Inspection of Records

a. Upon request, all licensees shall make available to the division, all required information and records, including, but not limited to:

i. video gaming bank account documents including, but not limited to:

- (a). bank statements;
- (b). canceled checks;
- (c). deposit slips; and
- (d). other related documents of this nature;

ii. licensed establishment documents including, but not limited to:

- (a). payroll records of all employees;
- (b). tax records for federal, state, and local jurisdictions;
- (c). licensee contracts concerning the licensed premises;
- (d). video gaming contracts and agreements with other businesses; and
- (e). other video gaming related documents of this nature;

iii. device and gaming documents including but not limited to:

- (a). rental, lease or purchase agreements;
- (b). all maintenance records for the devices operated;
- (c). prize and award records; and
- (d). other video gaming related documents of this nature.

b. The division may require a licensee to submit any and all video gaming records or documents that are necessary for the facilitation and/or completion of an investigation pertaining to a violation of these rules or the Act.

3. Inspection of Devices

a. Agents of the division may, at any time, without advance notice, inspect any device located within a licensed premises.

b. All devices shall have, at all times, the proper validation decal affixed to the device and maintenance log books properly secured in the device and available for inspection by the division.

c. Agents of the division may disable and/or seize any device which it finds to be in violation of any of these rules or the law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:270 (February 2004), repromulgated LR 30:447 (March 2004).

§2421. Miscellaneous

A. Required Meetings

1. The division may summon a licensee or permittee to appear for a consultation, explanation, discussion, clarification, training session, or other meeting considered by the division to be of potential benefit, or otherwise aid in the effective regulation of the video gaming industry.

2. Any information obtained in any required meeting may be used by the division to substantiate the imposition of an administrative sanction.

B. Security Interest Holders

1. Any variance to the rules pertaining to security interests and trusts contained herein shall be at the discretion of the division only, and shall only be granted by the division in writing.

2. The division recognizes the rights of a person who holds a security interest in video gaming devices. However, the right to possess a video gaming device under the Act requires an entity to be licensed by the division, and that any movement within, into, or from Louisiana be monitored by the division.

3. In order to facilitate both the security interest holder's and the division's regulatory responsibilities, the following procedures shall be followed during voluntary repossession proceedings and judicial actions to recognize and enforce security interests:

a. the security interest holder shall notify the division in writing regarding its intent to repossess any video gaming device;

b. the video gaming devices shall be identified by make, model, serial number, and location;

c. the security interest holder shall notify the division, in writing, of the proposed date and time of repossession of the devices;

d. agents from the division shall be present at the location to secure the gaming device, and to record serial numbers and meter readings of the devices;

e. the division shall be advised of the location of all devices and shall coordinate activities regarding the movement of such devices. The division shall issue a document authorizing the movement of the devices and said document shall accompany the devices during movement;

f. the security interest holder or former security interest holder which purchases devices at a judicial sale, may be granted a provisional license for a maximum of 90 days only, inclusive of weekends and holidays, for the express purpose of selling the same devices to a licensed manufacturer, distributor, or device owner only;

g. upon request, names and addresses of licensed manufacturers, distributors, and device owners may be provided by the division to the security interest holder in order to aid in the sale of the devices; and

h. all applicable transportation forms shall be completed in whole by the licensee before video gaming devices are transported by the security interest holder.

C. Proceeds from the Sale of Devices

1. For purposes of these rules and the Act, a device owner may pay an entity holding a security interest in a device a portion or percentage of the proceeds received by the owner from the device as long as there is a fixed purchase price, with or without a fixed rate of interest, which shall not exceed a payment term of four years.

2. All contracts for the sale of devices where the price is paid to the seller by the owner out of device proceeds shall be in writing and approved by the division.

D. Disposition of Secured Assets

1. The division recognizes that distributors, device owners, device operators, and establishment owners have a need to secure financing for their business and operations, that the rights of persons granting such financing require protection in order to insure the continued availability of financing, and that the disposition of assets in liquidation, foreclosure and bankruptcy requires regulation in order to insure compliance with the provisions of the Act.

2. In order to facilitate the disposition of assets that are regulated or require licensure as regulated activities under the Act, in whole or in part, the following provisions shall apply to the transfer or assignment of such assets:

a. creditors who have provided financing to distributors, operators, or establishment owners and who have secured such financing by security interests under Article 9 of the Uniform Commercial Code may enforce their rights or remedies through the transfer or assignment of assets in accordance with the provisions of this Section;

b. the benefits of this provision shall apply only to state or federally chartered and insured banking institutions, chartered or licensed lending institutions authorized to do business in Louisiana, or persons holding any form of video gaming license under the Act; and

c. the transfer or assignment of assets may only be made pursuant to a confirmed bankruptcy plan of reorganization or liquidation, or other judicial proceedings to foreclose on a security interest under Louisiana law, and only after the division shall have been given notice of such assignment and the opportunity to be heard in the bankruptcy or other proceeding on all aspects of the assignment or transfer.

E. Provisions for Transfer of Assets

1. Unless the proposed transferee of the asset is fully licensed under the Act to own and/or operate the particular asset to be transferred, or if previously approved by the division, has contracted with a properly licensed device owner and/or operator of the asset to be transferred, the following provisions shall apply to such transfer:

a. the creditor shall establish a trust for its benefits in a form acceptable to the division to which legal title to the asset may be transferred; and

b. no transfer of assets shall be consummated until the trust shall have been established, and the trust and the trustee(s) thereof shall have received all required approvals, permits and/or licenses from the division.

2. The trust shall be managed by one or more trustees who shall be appointed by the creditor beneficiary.

3. No trustee shall be empowered to act without first having received approval to serve in such position from the division.

F. Operation of Trust

1. The trustee(s) shall hold legal title to the assets of the trust and administer those assets in accordance with the provisions of the Act, and shall perform such other duties as may be required by law or the trust instrument.

2. The trust shall neither conduct nor contract for the operation of any video gaming activity without first having obtained all approvals or licenses which may be required for such activity from the division.

3. The trust shall be permitted to contract with a person holding the appropriate video gaming license from the division for the operation of any video gaming activity without the necessity of the trust itself receiving such license.

4. In the event that the creditor who is the beneficiary of the trust shall be a person holding any form of video poker license under the Act, then the trust may delegate the right to contract with a licensee for any licensed activity to the creditor beneficiary pursuant to provisions of the trust instrument.

G. Required Provisions of Trust Instrument

1. The trust shall be constituted for a limited term under provisions that shall require it to divest itself of all assets within six months after the creditor beneficiary has recouped in net disbursements from the trust the full amount of its original indebtedness, plus accrued interest and other monies due under the security agreement.

2. The trustee(s) shall be required to provide the division with reports on a quarterly basis as to the financial affairs, operations and other business of the trust as the division may direct.

3. The trust instrument shall contain provisions governing contracts for the conduct of activities requiring licensure under the Act that are satisfactory to the division and appropriate to the particular circumstances of the creditor beneficiary. The division shall review and approve such provisions of the trust instrument and, upon approval, and provided that the trust and creditor beneficiary only

enter into contracts consistent with such provisions, the division shall not require either the trust, the trustee(s) or the creditor beneficiary to apply for or obtain any license under the Act. This provision shall not affect the requirement for approvals from the division required by other provisions of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 18:197 (February 1992), amended LR 21:582 (June 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:270 (February 2004), repromulgated LR 30:447 (March 2004).

§2425. Severability Clause

A. If any provision of these rules is declared invalid for any reason, the invalidity of that provision shall not affect the validity of the remaining rules or any other provision thereof.

AUTHORITY NOTE: Promulgated in accordance with R.S. 33:4862.1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Video Gaming Division, LR 21:582 (June 1995).

Title 42
LOUISIANA GAMING
Part XIII. Riverboat Gaming
Subpart 1. Riverboat Gaming Commission

**Chapter 1. Issuance and Construction
of Regulations and Administrative
Matters**

§101. Definitions

A. As used in this Subchapter, the following words and phrases shall have the following meanings.

Act The Louisiana Riverboat Economic Development and Gaming Control Act.

Administrative Decision The final action, decision, order, or disposition by (the supervisor) or chairman of a request for administrative approval.

Advisory Panel A panel or group of persons appointed by the chairman with and given a request to study, consider, and advise the commission regarding specific or generalized issues, areas or courses of action.

Applicant Any person who has filed any part of an application with the commission seeking any certificate or permit authorized by the Act or by rule of the commission.

Application All the information, documents, forms, and materials required by the Act and commission rules to be filed with the commission (or division) for any license, certificate, or permit authorized by the Act, commission rule or division rule.

Architectural Plans and Specifications or Architectural Plans or Plans or Specifications All the plans, drawings, and specifications for the construction, furnishing, and equipping of a riverboat, and including but not limited to, detailed specifications of and illustrative drawings or models depicting the proposed size, layout and configuration of the component parts of the vessel, including electrical and plumbing systems, engineering, structure, and aesthetic interior and exterior design as prepared by one or more licensed professional architects and engineers.

Berth The approximate location or locations where a riverboat is or will be authorized to dock as provided in the Act and commission rules.

Certificate Can approval or authority issued by the commission. *Certificate* shall also mean the document or writing issued by the commission as evidence of the approval or authority granted.

Certificate of Final Approval A certificate issued by the commission when and if, upon completion, the vessel and all support facilities comply with all requirements of the Act and the regulations and, after a final inspection, have been

certified by the applicant to be constructed in accordance with the riverboat plans, specifications and any conditions previously approved by the commission.

Certificate of Preliminary Approval A certificate approving construction of a riverboat in accordance with a certificate and conditions thereto and preliminary approval of a proposed riverboat route and operations, as described in the application.

Chairman The chairman of the Louisiana Riverboat Gaming Commission.

Commission The Louisiana Riverboat Gaming Commission.

Compliance Ruling A nonemergency ruling or opinion issued by the chairman determining whether a proposed action of a person subject to commission jurisdiction or a holder of a certificate will comply or has complied with a commission order or regulation, or condition of a certificate.

Component A substantial portion or tangible part of a riverboat that must be constructed, modified or installed in or on the riverboat to complete construction of a riverboat, including but not limited to hulls, decks, paddlewheels, engines, motors, boilers, modular units, generators, electrical systems and wiring, plumbing systems and apparatus, heating and cooling systems, custom-made furniture and fixtures. Component shall not include gaming devices, equipment and supplies.

Condition A condition or term upon which a certificate is issued. A condition may be voluntary or proposed by the applicant, or may be ordered by the commission even if not agreed to or proposed by the applicant in his application for certificate.

Day As used in these rules and regulations, shall mean a calendar day.

Designated Waterways Those waterways listed in the Act.

Division The Louisiana Riverboat Gaming Enforcement Division of the Office of State Police.

Dock To lower the gangplank to a pier or shore or to anchor a riverboat at a pier or shore, or both. The term also means the place where docking occurs and where one or more berths may be located.

Emergency Order Can an order or approval issued by the chairman or his designee when an emergency or safety consideration necessitates immediate modification of an order of the commission, of a certificate or a condition thereof, or authorized route or operation of a riverboat.

Excursion That period of time when a riverboat is away from its approved berth or is embarking or disembarking passengers at its approved berth.

Gaming Operator A person issued a license by the division to conduct gaming operations upon a riverboat.

Hearing A proceeding conducted by or at the direction of the supervisor or the commission and includes formal proceedings conducted by a hearing officer at the request of the commission to determine issues of fact or law and take such other action as authorized and provided in the Act or the commission rules.

Hearing Officer An agent of the commission appointed by the chairman from a list approved by the commission to conduct a hearing, who has the following qualifications:

- a. must be at least 21 years of age;
- b. must be licensed to practice law in the state of Louisiana;
- c. must have a working knowledge of the Act and the regulations; and
- d. such other qualifications required by the commission.

Holder The person to whom a certificate has been issued.

Inspection A surveillance or observation by the commission or its agents of operations conducted by a licensee or permittee, which surveillance and observation may or may not be made known to the licensee or permittee. *Inspection* also means a surveillance or examination of the activities of a holder of certificate including construction of a riverboat and any operation or activity conducted by a person holding a certificate.

License or Operator's License A riverboat gaming operator's license.

Licensee A person who holds a license or operator's license.

Meeting A gathering of the commission pursuant to law at which a quorum is present for the purpose of deliberating toward a decision or making a decision. The term includes but is not limited to, consideration of an application for certificate, the consideration of appeals taken from decisions of the division concerning license or permit applications, transfer of interest, issues involving matters of taxation, fees, charges and/or penalties, disciplinary proceedings, and exclusion list proceedings.

Modification A change or modification of a material or substantial term, condition, part or portion of a certificate or commission order which is initiated by an applicant or holder.

Operation The conducting of activities, excursions or gaming operations as described in an application or certificate.

Operator's License A riverboat gaming operator's license.

Passenger Access Area Any enclosed or unenclosed area of a riverboat that is open to the public including but not limited to lavatories, restaurants, shopping areas, seating, lounges, entertainment areas, the outside deck areas and the designated gaming area.

Permit A permit other than a certificate issued by the commission.

Permittee A person who holds a permit by the commission.

Person A person as defined in the Act.

Riverboat A vessel that carries a valid certificate of inspection issued by the United States Coast Guard with regard to the carriage of passengers on designated rivers or waterways within or contiguous to the boundaries of the state of Louisiana, carries a valid Certificate of Inspection from the United States Coast Guard for the carriage of a minimum of 600 passengers and crew, has a minimum length of 150 feet, is of such type and design so as to replicate in the opinion of the commission as nearly as practicable historic Louisiana river borne steamboat passenger vessels of the nineteenth century era, and is paddlewheel driven. For purposes of this Chapter, *paddlewheel driven* shall mean that the riverboat has one or more functional paddlewheels which, in the opinion of the commission, substantially contribute to the overall propulsion of the riverboat. A riverboat as defined herein is not required to be steam propelled or maintain overnight facilities for its passengers.

Riverboat Operator An owner and/or operator of a riverboat.

Route The authorized route or path of a riverboat moving upon designated rivers and waterways as permitted or authorized by the commission.

Rule or Regulation An administrative rule promulgated by the commission pursuant to the Act.

Supervisor The individual in charge of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§103. Commission Rules and Regulations; Promulgation

A. Commission rules shall be promulgated in accordance with the Administrative Procedure Act.

B. Any rule or regulation proposed by the division shall be submitted to the commission for approval. The commission shall reject any rule or regulation which it finds unacceptable, or which does not comply with the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§105. Construction of Regulations; Severability

A. Nothing contained in these regulations shall be so construed as to conflict with any provision of the Act or any other applicable statute. If any provision of any rule or regulation is held invalid by any state or federal court in Louisiana, such provision shall be deemed severed from the rule and the court's finding shall not be construed to invalidate any of the other provisions of the regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§107. Definitions, Captions, Pronouns, and Gender

A. The terms defined in the Act have the same meaning in these rules as they have in the Act, unless the context otherwise requires. Captions appearing at the beginning of the rule are descriptive only, are for convenient reference to the rule and in no way define, limit or describe the scope, intent or effect of the rule. Masculine and feminine pronouns shall be substituted for the neuter form and vice-versa, and the plural shall be substituted for the singular form and vice-versa, in any place or places in the rule where the context requires such substitution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§109. Delegation to Chairman

A. The commission hereby delegates to the chairman the authority to issue rulings on meeting scheduling, procedural and evidentiary matters and other matters as provided in these rules that may be presented to the commission during the course of conducting a meeting or hearing or that may arise when the commission is not meeting. Any ruling issued by the chairman hereunder shall be deemed the ruling of the commission, unless objection is taken to such ruling as provided hereinafter.

B. The commission may, upon a majority vote in a specific case, temporarily abrogate the general delegation granted to the chairman by this rule, and any specific ruling or decision of the chairman is subject to consideration by the entire commission upon the request of any member of the commission or upon timely request by a person adversely affected by such ruling or decision.

C. The chairman may sign all orders on behalf of the commission.

D. The chairman may continue a meeting or hearing, recess a meeting or hearing, or call a special meeting of the commission.

E. Any person desiring to have a matter heard or decided upon by the commission at a regularly scheduled meeting shall submit a written request to the chairman no less than 10 days prior to the scheduled date of the meeting. These

requests shall be sent to the chairman's business address with a copy mailed to the commission's office. Facsimile transmittal shall not be accepted. Such requests shall state in detail the matter submitted and shall include all supporting documentation to be presented at the meeting. In the event the matter is placed on the meeting agenda, copies of the supporting documentation shall be submitted to each commission member's address no less than 72 hours prior to the date and time of the meeting at which the matter is scheduled to be heard.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993), amended LR 21:703 (July 1995).

§111. Establishment of Advisory Panels

A. The chairman may, at his discretion, appoint advisory panels to study and report to the commission on any matter appropriate to the commission's administration of the Act and these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§113. Appeal of Commission Decision after Review of Administrative Decision

A. The decision of the commission concerning its review of an administrative decision may be appealed as other decisions by the commission are appealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

§115. Annual Commission Report; Periodic Special Reports

A. The commission shall make an annual report to the president of the Senate, speaker of the House, the chairmen of the committees having legislative oversight and the Joint Legislative Committee on the Budget concerning riverboat gaming operations and activities and shall include in the report recommendations for changes in the Act. A copy of this report shall be transmitted simultaneously to the governor.

B. The commission shall report immediately to the governor, the House of Representatives Committee on Administration of Criminal Justice and the Senate Committee on the Judiciary, Section B if any matter arises that necessitates prompt action or consideration or that requires changes in the Act or Louisiana law to prevent abuses and evasions of the Act or to correct undesirable conditions in connection with the operation and regulation of riverboat gaming.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

Chapter 7. Operating Standards

§711. Stops during Excursion; Gaming Prohibited

A. Gaming on a riverboat that is stopped during an excursion is prohibited, except where the stop is the result of an emergency order, navigation delay, coast guard order,

safety delay, engine malfunction or failure and repairs are underway.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Riverboat Gaming Commission, LR 19:895 (July 1993).

Title 42
LOUISIANA GAMING
Part XIII. Riverboat Gaming
Subpart 2. State Police Riverboat Gaming Division

Chapter 17. General Provisions

§1701. Definitions

A. As used in the regulations, the following terms have the meanings described below.

Act—the Louisiana Riverboat Economic Development and Gaming Control Act.

Affiliate—any person who directly or indirectly controls, is controlled by, or is under common control of another person.

Agent—any commissioned Louisiana state police trooper or designated employee of the Louisiana State Police, Riverboat Gaming Enforcement Division.

Applicant Records—those records which contain information and data pertaining to an applicant's criminal record, antecedents and background, and the applicant's financial records, furnished to or obtained by the division from any source incidental to an investigation for licensure, findings of suitability, registration, or other affirmative approval.

Architectural Plans and Specifications or *Architectural Plans* or *Plans* or *Specifications*—all the plans, drawings, and specifications for the construction, furnishing, and equipping of a riverboat, including, but not limited to, detailed specifications and illustrative drawings or models depicting the proposed size, layout and configuration of the component parts of the vessel, including electrical and plumbing systems, engineering, structure, and aesthetic interior and exterior design as are prepared by one or more licensed professional architects and engineers. *Architectural Plans and Specifications* does not include FF&E, as defined in this Chapter.

Associated Equipment—any gaming equipment which does not affect the outcome of the game, except as otherwise provided in these regulations.

Berth—a location where a riverboat is or will be authorized to dock as provided in the Act and regulations.

Business Year—the annual period used by a licensee for internal accounting purposes as defined and approved by the division.

Candidate—any person whom the division believes should be placed on the list of excluded persons.

Certification Fees—the fees charged by the division incidental to the certification of documents.

Certified Electronic Technician—qualified service personnel trained by a manufacturer, supplier, or other qualified entity, or through training programs approved by the division, who are capable of performing any repairs, parts replacements, maintenance, and other matters relating to servicing of devices.

Chip—a nonmetal or partly metal representative of value, redeemable for cash, and issued and sold by a licensee for use at the licensee's gaming establishment.

Component—any substantial or tangible part of a riverboat that must be built or made to complete construction of the riverboat or that must be modified for installation or use in or on the riverboat, including but not limited to engines, motors, boilers, generators, electrical systems and wiring, plumbing systems and apparatus, heating and cooling systems, custom-made furniture and fixtures. *Component* does not include FF&E as defined this Chapter.

Confidential Record—any paper, document or other record or data reduced to a record which is not open to public inspection.

Day—as used in these regulations shall mean a calendar day.

Designated Gaming Area—those portions of a riverboat in which gaming activities may be conducted, which shall be determined by measuring the area (in square feet) inside the interior walls of the riverboats, excluding any space therein in which gaming activities may not be conducted, such as bathrooms, stairwells, cage and beverage area, and emergency evacuation routes. Such designated gaming area shall not exceed 60 percent of the total square footage of the passenger access area of the vessel or 30,000 square feet, whichever is lesser, and plans, therefore, shall be submitted to and approved by the board.

Designated Representative—a person designated by the licensee to oversee and assume responsibility for the operation of the licensee's gaming business.

Designated River or Waterway—those rivers or bodies of water listed in the Act upon which gaming activities may be conducted.

Division Surveillance Room—a room or rooms on each riverboat for the exclusive use of division agents.

Dock or Docking—to lower the gangplank to a pier or shore or to anchor a riverboat at a pier or shore, or both.

Dock Side Facility—the place where docking occurs and where one or more berths may be located.

Drop—

a. for table games, the total amount of money, chips, and tokens contained in the drop boxes;

b. for slot machines, the total amount of money and tokens removed from the drop box and the bill validator acceptor drop box, or for cashless slot machines, the amounts deducted from a player's slot account as a result of slot machine play.

Duplication Fees—a charge for duplicating documents for release to the requesting person.

Economic Interest or Interest—any interest in a licensee whereby a person receives or is entitled to directly receive, by agreement or otherwise, a profit, gain, thing of value, loss, credit, security interest, ownership interest, or other benefit. Economic interest in a licensee includes voting shares of stock or otherwise exercising control of the day to day operations of the licensee through a management agreement or similar contract. Economic interest does not include a debt unless upon review of the contract the division determines the obligee of such security has an economic interest in the licensee.

Electronic Fund Transfer—any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument that is initiated through an electronic terminal, telephone, computer, or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit an account.

Electronic Gaming Device—any mechanical or electrical device or machine which upon payment of consideration is available to play or operate, operation of which, whether by reason of the skill of the operator, or application of the element of chance, or both, may deliver or entitle the person playing or operating the machine to receive premiums, merchandise, tokens, redeemable game credits or anything of value other than unredeemable free games whether the payoff is made automatically from the machines or in any other manner.

Emergency Evacuation Route—those areas within the designated gaming area of a riverboat which are clearly defined and identified by the licensee as necessary and approved by the United States Coast Guard for the evacuation of passengers and crew from the riverboat, and from which and in which no gaming activity may be conducted.

Enforcement Action—any action undertaken by the division, to consider sanctions authorized by the Act including the suspension, revocation or conditioning of a license or permit, or the assessment of a civil penalty upon the conclusion of an investigation into a violation of the Act or of the rules adopted pursuant to the Act, a violation of a condition, restriction or limitation placed on a license or permit, a violation of the licensee's rules of play, or a violation of the licensee's internal controls as approved by the division.

Excluded List—a list or lists which contain identities of persons who are excluded from any licensed gaming operation pursuant to the Act.

Excluded Person—any person who has been placed on the list of excluded persons by the division and who has failed to timely request a hearing or who remains on the list after a final determination.

FF&E (Furniture, Fixtures and Equipment)—any part of a riverboat that may be installed or put into use as purchased from a manufacturer, supplier, or nongaming supplier, including but not limited to gaming devices, television cameras, television monitors, computer systems, computer programs, computers, computer printers, ready made furniture and fixtures, appliances, accessories, and all other similar kinds of equipment and furnishings.

Financial Statements—those statements and the information contained therein which relate to the assets, expenses, owner's equity, finances, earnings, or revenue of an applicant, licensee, permittee, registered company, or person who provides such records as part of an application or division investigation.

Fiscal Year—a period beginning July 1 and ending June 30 the following year.

Game Outcome—the final result of the wager.

Inspection—periodic surveillance and observation by the division of operations conducted by a licensee or permittee, which surveillance and observation may or may not be made known to the licensee or permittee.

Internal Control System—internal procedures and administration and accounting controls designed by the licensee and approved by the division, for the purpose of exercising control over the gaming operations.

Key Gaming Employee—

a. any individual who is employed in a director or department head capacity and who is empowered to make discretionary decisions that regulate gaming activities including, but not limited to, the general manager and assistant general manager of the riverboat, director of finance, accounting controller, director of cage and/or credit operations, director of casino operations, director of table games, director of slots, director of security, director of surveillance, director of management information systems, any employee who supervises the operations of these departments or to whom these individual department directors report, and such other positions which the division or the board shall later determine, based on detailed analysis of job descriptions as provided in the internal controls of the licensee as approved by the division. All other gaming employees, unless determined otherwise by the division or the board, shall be classified as non-key gaming employees;

b. in the case of vacation, leave of absence, illness, resignation, termination, or other planned or unplanned extended absence of a key employee, a non-key assistant director or manager of the above named individual

departments may serve not more than 90 calendar days during any one calendar year as head of that department, after written request to and written approval of the supervisor of the division or the chairman of the board.

Louisiana Business, Louisiana Company or Louisiana Corporation—a business, company or corporation which is at least 51 percent owned by one or more Louisiana domiciliaries who also control and operate the business. Control in this context means exercising the power to make policy decisions. Operate in this context means being actively involved in the day-to-day management of the business.

Manufacturer—any person that manufactures, assembles, produces, or programs any gaming device for use or play in this state.

Minority Business Enterprise or Minority Owned Business—a business which is at least 51 percent owned by one or more minority individuals domiciled in Louisiana who also control and operate the business. *Control* in this context means exercising the power to make policy decisions. *Operate* in this context, means being actively involved in the day-to-day management of the business.

Net Gaming Proceeds—the total of all cash and property (including checks whether collected or not) received by the licensee from gaming operations, less the total of all cash paid out as winnings to patrons.

Nongaming Supplier or Supplier of Goods or Services Other Than Gaming Devices or Equipment—any person who sells, leases or otherwise distributes, directly or indirectly, goods and/or services other than gaming devices and equipment to a licensee.

Operation—a licensed riverboat gaming operation or the operation of a manufacturer or supplier pursuant to the issuance of a permit or the operation of racehorse wagering pursuant to the issuance of a permit under the Act.

Operator's License—a riverboat gaming operator's license.

Patron—an individual who is at least 21 years of age and who has lawfully placed a wager in an authorized game on a riverboat.

Payout—winnings earned on a wager.

Permittee—any employee, agent, person, or entity who is issued or applying for a permit pursuant to the Act. Permittee does not include an applicant in those particular Sections or Subsections where an applicant is treated differently than a permittee.

Person—any individual, partnership, association, joint stock association, trust, corporation, or other business entity whether incorporated or not.

Premises—land, together with all buildings, vessels, improvements, and personal property located thereon.

Public Record—any paper, document, or other record required to be kept or necessary to be kept, in the discharge of a duty imposed by law, not declared confidential by statute or regulation.

Randomness—the observed unpredictability and absence of pattern in a set of elements or events that have definite probabilities of occurrence.

Records—accounts, correspondence, memorandums, audio tapes, videotapes, computer tapes, computer disks, electronic media, papers, books, and other documents or transcribed information of any type, whether expressed in ordinary or machine language.

Regulations—the riverboat gaming regulations promulgated pursuant to the Act.

Renewal Applicant—a person who has filed any part of an application for renewal of any license or permit authorized by the Act.

Renewal Application—all of the information, documents, forms, and materials required by the Act and regulations to be filed with the division to renew any license or permit authorized by the Act.

Riverboat—a vessel that carries a valid certificate of inspection issued by the United States Coast Guard with regard to the carriage of passengers on designated rivers or waterways within or contiguous to the boundaries of the state of Louisiana, carries a valid certificate of inspection from the United States Coast Guard for the carriage of a minimum of 600 passengers and crew, has a minimum length of 150 feet, is of such type and design so as to replicate as nearly as practicable historic Louisiana river borne steamboat passenger vessels of the 19th century era, and is paddlewheel driven. A riverboat as defined herein is not required to be steam propelled or maintain overnight facilities for its passengers.

Riverboat Operator—an owner and/or operator of a riverboat.

Route—the path of one or more riverboats moving continuously on designated rivers and waterways as permitted or authorized by the commission.

Sensitive Keys—all keys, including originals and duplicates, used in the process of accessing cash, chips, tokens, die and cards. Sensitive keys also include, but are not limited to drop box release and content keys, gaming device cabinet keys except slot machine access keys, and all keys used to access secure areas. Sensitive keys also include any keys so designated in the licensee's internal controls as approved by the division.

Statements on Auditing Standards—the auditing standards and procedures published by the American Institute of Certified Public Accountants.

Supplier of Gaming Devices and Equipment or Supplier—any person that sells, leases, markets, offers, or otherwise distributes, directly or indirectly, any gaming devices or equipment for use or play in this state or sells, leases, or otherwise distributes any gaming devices or equipment.

Token—a metal representative of value, redeemable for cash, and issued and sold by a licensee for use in Electronic Gaming Devices, table games or counter games at the licensee's gaming establishment.

Wager—a sum of money or thing of value risked on a game.

Win—the total of all cash and property (including checks received by a licensee, whether collected or not) received by the licensee from gaming operations, less the total of all cash paid out in winnings to patrons.

Women's Business Enterprise or Woman Owned Business—a business which is at least 51 percent owned by one or more women who are citizens of the United States domiciled in Louisiana and who also control and operate the business. Control in this context means exercising the power to make policy decisions. Operate in this context means being actively involved in the day-to-day management of the business. In determining whether a business is 51 percent owned by one or more women, the percentage ownership by a woman shall not be diminished because she is part of the community property regime.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 22:1139 (November 1996), LR 24:344 (February 1998), LR 26:1314 (June 2000), LR 29:363 (March 2003).

§1703. Ownership of Licenses and Permits

A. Licenses and permits issued by the division as provided in the Act and rules and regulations promulgated pursuant to the Act are and shall remain the property of the division at all times.

B. All licenses and permits shall be surrendered to the division upon their expiration or revocation at which time they will be destroyed unless they are needed for a pending investigation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§1705. Transfers of Licenses or Permits

A. Licenses and permits are not transferable or assignable. If the status of the licensee or permittee should change such that the person no longer needs or is entitled to the license or permit, then the license or permit shall be canceled and any tangible item which evinces such a license or permit shall be surrendered to the division within five days of the change of status. Any license or permit surrendered pursuant to the Section shall be marked canceled or destroyed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

Chapter 19. Administrative Procedures and Authority

§1901. Issuance and Construction of Regulations and Administrative Matters

A. Division Rules and Regulations; Promulgation; Commission Approval

1. The division shall submit any proposed regulation to the commission prior to promulgation of the regulation.

2. The commission may reject any regulation submitted by the division. Upon rejection of a regulation by the commission, said regulation shall not be promulgated by the division.

3. Upon commission acceptance of a regulation submitted by the division, the regulation may then be promulgated in accordance with the Administrative Procedure Act.

B. Construction of Regulations; Severability. Nothing contained in these regulations shall be so construed as to conflict with any provision of the Act or any other applicable statute. If any regulation is held invalid by a final order of a court of competent jurisdiction at the state or federal level, such provision shall be deemed severed and the court's finding shall not be construed to invalidate any other regulation.

C. Definitions, Captions, Pronouns, and Gender. The terms defined in the Act have the same meaning in the regulations as they have in the Act, unless the context otherwise requires. Captions appearing at the beginning of regulations are descriptive only, are for convenient reference to the regulations and in no way define, limit or describe the scope, intent or effect of the regulation. Masculine or feminine pronouns or neuter gender may be used interchangeably and the plural shall be substituted for the singular form and vice-versa, in any place or places in the regulations where the context requires such substitution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

Chapter 21. Licenses and Permits

§2101. General Authority of the Division

A. The board and/or division shall have the authority to call forth any person who, in the board and/or division's opinion, exercises influence over a licensee, permittee, applicant or the gaming industry, and such person shall be subject to all suitability requirements. In the event a person is found unsuitable, then no licensee, permittee, or applicant shall have any association or connection with such person. No licensee, permittee, or applicant shall have any association or connection with any person that has had an application for a license or permit denied or had a license or permit revoked.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.; R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995), LR 29:363 (March 2003).

§2103. Applications in General

A. Any license or permit issued by the division is deemed to be a revocable privilege, and no person holding such a license or permit is deemed to have acquired any vested rights therein. An applicant for a riverboat gaming license or permit authorized by the Act and/or these regulations, is seeking the granting of a privilege, and the burden of proving his qualification to receive the license or permit is at all times on the applicant. An applicant accepts the risk of adverse public notice, embarrassment, criticism, or other action or financial loss that may result from action with respect to an application and expressly waives any claim for damages as a result thereof, except relating to willful misconduct by the division. The filing of an application under the Act and the regulations constitutes a request for a decision upon the applicant's general suitability, character, integrity, and ability to participate or engage in or be associated with the riverboat gaming industry, and by filing an application, the applicant specifically consents to the making of such a decision by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2105. Investigations

A. The division shall investigate all applications for licenses or permits or other matters requiring division approval. The division may investigate, without limitation, the background of the applicant, the suitability of the applicant, the suitability of the applicant's finances, the applicant's business probity, the suitability of the proposed premises for gaming, the suitability of a person with an economic interest in the applicant of 5 percent or more, and the proposed establishment's compliance with all applicable federal, state, and local laws and regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2107. Applicants in General; Restrictions

A. The securing of a license or permit required under the Act is a prerequisite for conducting, operating, or performing any activity regulated by the Act. Each applicant must file a complete application.

1. Except as provided herein, if the applicant is a general partnership or joint venture, each individual partner and joint venturer must file a complete application.

2. If the applicant is a corporation, each officer and director of the corporation must file a personal history form. Any shareholder with 5 percent or more of the corporation must file a completed personal history form, and if such shareholder is other than a natural person, then each officer, director, or person with an economic interest equal to or greater than 5 percent in the applicant must file a personal history form.

3. If the applicant is a limited partnership, the general partner and each limited partner having 5 percent or more interest must file a complete application. If the partner or limited partner is other than a natural person, then each officer, director, or person with an economic interest equal to or greater than 5 percent in the applicant must file a personal history form.

4. If the applicant is a limited liability company, pursuant to R.S. 12:1301 et seq., each officer or manager of the company must file a personal history form. Any member of 5 percent or more of the company must file a personal history form, and if such member is other than a natural person, then each officer, director or person with an economic interest equal to or greater than 5 percent in the applicant must file a personal history form.

5. If the applicant is a registered limited liability partnership, pursuant to R.S. 9:3431 et seq., the managing partner and each partner having 5 percent or more interest must file a personal history form. If the partner is other than a natural person, then each officer, director or person with an economic interest equal to or greater than 5 percent in the applicant must file a personal history form.

6. A personal history form may be required to be filed by any person who is shown by a preponderance of evidence to:

- a. have influence over the operation of gaming on a riverboat or riverboats;
- b. receive any share or portion of the gaming money or property won by the operator of gaming on a riverboat; or
- c. receive compensation or remuneration in excess of \$50,000 per annum (as an employee of a licensee or in exchange for any service or thing) provided to the licensee on a riverboat; or
- d. be a lessor or provider of goods or services; or
- e. have any contractual agreement with a licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2108. Nongaming Suppliers

A. Except as provided in Subsections E and F of this Section, any nongaming supplier shall obtain a nongaming supplier permit from the division, upon providing goods and/or services to a licensee in an amount in excess of \$50,000 during the preceding fiscal year period.

B. Any nongaming supplier, regardless of whether having been permitted or not and regardless of the dollar amount of goods or services provided to a licensee may be requested to apply to the division for a finding of suitability.

C. Unless otherwise notified by the division in writing, a licensee shall conduct business with a nongaming supplier only if:

1. such supplier possesses a valid nongaming permit which has been placed in an approved status by the division; or

2. such supplier has been issued a waiver from the division regarding the necessity of obtaining a permit, pursuant to the provisions of Subsections E or F of this Section; or

3. during the immediate preceding fiscal year period, such supplier has received \$50,000 or less from the licensee as payment for providing nongaming services or goods to the licensee.

D. It shall be the responsibility of each licensee to ensure that it has not paid more than \$50,000 to any nongaming supplier during the preceding fiscal year period as payment for providing nongaming services or goods, unless such nongaming supplier holds a valid nongaming permit which has been placed in an approved status by the division or has been issued a waiver regarding the necessity of obtaining such a permit from the division pursuant to Subsections E or F of this Section.

E. The following nongaming suppliers shall be deemed to have been waived by the division from the necessity of obtaining a nongaming permit pursuant to this Section:

1. nonprofit charitable organizations, and educational institutions which receive funds from the licensee, including educational institutions that receive tuition reimbursement on behalf of employees of a licensee:

a. *nonprofit charitable organization* shall mean a nonprofit board, association, corporation, or other organization domiciled in this state and qualified with the United States Internal Revenue Service for an exemption from federal income tax under Section 501(c)(3), (4), (5), (6), (7), (8), (10), or (19) of the Internal Revenue Code;

2. entities which provide one or more of the following services to a licensee and which are the sole source provider of such service:

- a. water;
- b. sewage;
- c. electricity;

d. natural gas; or

e. local telephone services;

3. regulated insurance companies providing insurance to a licensee and its employees including providers of medical, life, dental, and property insurance;

4. administrators of employee benefit and retirement plans including incorporated 401K plans and employee stock purchase programs;

5. national or local professional associations which receive funds from a licensee for the cost of enrollment, activities, and membership;

6. all state, federal, and municipal operated agencies;

7. all liquor, beer and wine industries regulated by the Office of Alcohol and Tobacco Control;

8. state and federally regulated banks and savings and loan associations;

9. newspapers, televisions stations and radio stations which contract with licensees to provide advertising services;

10. providers of professional services, including but not limited to accountants, architects, attorneys, consultants, engineers and lobbyists, when acting in their respective professional capacities.

F. Any nongaming supplier required to obtain a nongaming permit, other than those listed in Subsection E in this Section may request a waiver of the necessity of obtaining a nongaming permit. The division may grant such a request upon a showing of good cause by the nongaming supplier. The division may rescind any such waiver which has been previously granted upon written notice to the nongaming supplier.

G. Junket representatives shall be subject to the provisions of this Section in the same manner as other nongaming suppliers.

H. Each licensee shall submit to the division, on a quarterly basis, a report containing a list of all nongaming suppliers which have received \$5,000 or more from the licensee during the previous quarter, or \$50,000 or more during the preceding fiscal year period as payment for providing nongaming services or goods to the licensee. This report shall include the name and address of the nongaming supplier, a description of the type of goods or services provided, the nongaming suppliers nongaming permit number, if applicable, federal tax identification number, and the total amount of all payments made by the licensee, or any person acting on behalf of the licensee, to each nongaming supplier during the previous four quarters. For each nongaming supplier listed in this quarterly report which is a provider of professional services as defined in Paragraph E.10 of this Section, each licensee shall also submit a brief statement describing the nature and scope of the professional service rendered by each such provider, the number of hours of work performed by each such provider, and the total amount paid to each such provider by the licensee or any

person acting on behalf of the licensee during the previous quarter. This report shall be received by the board and the division not later than the last day of the month following the quarter being reported.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:1317 (June 2000).

§2109. Suitability Determination

A. The riverboat gaming license shall be in the name of the gaming operator. Said gaming operator, vessel owner and/or operator, owner and/or operator of onshore facilities, officer or director, or any person having a 5 percent or more interest in such entity shall be required to submit to an investigation to determine suitability. All costs associated with conducting an investigation for suitability of the vessel owner, owner and/or operator of onshore facilities, officer or director, or any person having any economic interest in such entity, shall be borne by said individuals. An initial advance of \$2,000 shall be paid to the division with a maximum of \$10,000 to cover the cost of the investigation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2110. Maritime Requirements

A. The applicant or licensee shall submit all plans and specifications of the vessel and his qualifications, including a statement of maritime experience as a riverboat operator to the division and the commission. The licensee shall have an ongoing duty to update the division of changes in the vessel plans, specifying layout and design as they become available. The licensee shall have an ongoing duty to update the division and the commission of changes in the vessel plans, specifying the layout and design as they become available. Such changes are subject to prior approval by the division or the commission as the case may be.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2111. License or Permit Disqualification Criteria

A. The division shall not award a license or permit to any person who is disqualified on the basis of any of the following criteria:

1. failure of the applicant to prove by clear and convincing evidence that he is qualified in accordance with the provisions of the Act;
2. failure of the applicant to prove by clear and convincing evidence that he is qualified in accordance with the provisions of these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2113. Gaming Operator License and Permits; Suitability

A. No person shall be eligible to receive a license to conduct gaming operations on a riverboat or any license or permit issued pursuant to the provisions of the Act or these regulations unless the division finds that:

1. the applicant is a person of good character, honesty, and integrity;
2. the applicant is a person whose prior activities, criminal record, reputation, habits, and associations do not pose a threat to the public interest of this state or to the effective regulation and control of gaming, or create or enhance the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gaming or the carrying on of the business and financial arrangements incidental thereto.

B. In addition to meeting the above requirement's, no person shall be issued a license to conduct gaming operations unless the division finds that:

1. the applicant is capable of conducting gaming operations, which means that the applicant can demonstrate the capability, either through training, education, business experience, or a combination of the above to operate a gaming casino;
2. the proposed financing of the riverboat and the gaming operations is adequate for the nature of the proposed operation and from a source suitable and acceptable to the division;
3. the applicant has demonstrated a proven ability to operate a vessel of comparable size and capacity and of comparable complexity to a riverboat so as to ensure the safety of its passengers as set forth in the commission regulations;
4. the applicant has submitted a detailed plan of design of the riverboat;
5. the applicant has shown adequate financial ability to construct and maintain a riverboat;
6. the applicant has designated the docking facilities to be used by the riverboat;
7. the applicant has a good-faith plan to recruit, train, and upgrade minorities in all employment classifications;
8. the applicant has a plan to provide the maximum practical opportunities for participation by the broadest number of minority-owned businesses;
9. the applicant, if a natural person, is a Louisiana domiciliary and if not, is a Louisiana corporation, partnership, limited liability company, or a registered limited liability partnership licensed to conduct business in the state of Louisiana.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2114. Tax Clearances Required of an Applicant for a License

A. The applicant, its officers, directors and any person with an economic interest of 5 percent or more in an applicant must receive tax clearances from the appropriate federal and state agencies prior to the granting of a license.

B. The applicant, its officers, directors and any person with an economic interest of 5 percent or more shall remain current in filings of tax returns and the payments required pursuant to such returns.

C. The violation of this Section is grounds to condition, suspend, or revoke a permit or license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2115. Tax Clearances

A. An applicant for a gaming employee permit shall be current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding contested amounts pursuant to applicable statutes, and items for which the department of revenue and taxation or the Internal Revenue Service has accepted a payment schedule of back taxes.

B. It shall be the sole responsibility of a gaming employee permittee to remain current in filing all applicable tax returns and in the payment of all taxes, interest and penalties owed to the state of Louisiana and the Internal Revenue Service, excluding contested amounts pursuant to applicable statutes, and items for which the department of revenue and taxation or the Internal Revenue Service has accepted a payment schedule of back taxes except as provided in R.S. 27:28.B.

1. Any failure to timely file all applicable tax returns or any tax deficiency shall be corrected within 30 days of the notice to the division of such failure to file or tax deficiency.

2. At the expiration of the 30 days, if the failure to file or the tax deficiency is not corrected to the appropriate taxing authority's satisfaction, the permit shall be revoked upon 30 days written notice with an opportunity to request a hearing before the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2116. Cash Transaction Reporting

A. A licensee shall report a cash transaction reporting violation to the division within five days of knowledge by the licensee of the violation.

B. Violation of cash transaction reporting requirement in other states shall be reported to the division within 30 days of the notice of violation in the other jurisdiction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2117. Certification Required

A. Before any riverboat may be operated under the authority of the Act, the applicant or, if the application has been approved, the licensed operator, must provide to the division evidence that the riverboat has been certified by the United States Coast Guard for carriage of passengers on navigable rivers, lakes, and bayous as provided by the Act and has been authorized by the United States Coast Guard to carry a minimum total of 600 passengers and crew. In addition, the applicant or operator must document compliance with all applicable federal, state and local laws.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2118. Indemnification

A. Every contract for construction of a riverboat shall contain an indemnification provision for the protection of the state, the board and division and their agents and employees against claims for personal injury or property damage arising out of errors and omissions in the:

1. approval of riverboat or support facility plans, designs and specifications;
2. granting of approval or licensure;
3. issuance of emergency orders;
4. denial, suspension or revocation of a license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2825 (December 2000).

§2119. Single Operator's License

A. One license to operate riverboat gaming will be issued for each riverboat with a designated gaming area, even though multiple individuals may file or be required to file applications related thereto.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat

Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2121. Form of Application for a License

A. An application for a license must be filed by way of forms prescribed by and obtained from the division. Such forms shall include, but not be limited to:

1. a history record regarding the background for the 10-year period preceding submission of the application, unless otherwise extended by the supervisor;
2. a financial statement;
3. a statement disclosing the nature, source, and amount of any financing, the proposed uses of all available funds, the amount of funds available after opening for the actual operation of the riverboat, and economic projections for the first three years of operation of the riverboat;
4. an affidavit of full disclosure, signed by the applicant;
5. an authorization to release information to the division and commission, signed by the applicant;
6. a standard bank confirmation form, signed by the applicant;
7. a release of all claims, signed by the applicant;
8. in addition, the division may require an applicant to provide such other information and details as it needs to discharge its duties properly. Failure to supply any information within the prescribed time periods, after receiving the division's or the commission's request, may constitute grounds for delaying consideration of the application and/or constitutes grounds for denial of the application; and
9. security statement explaining the type of security procedures, practices, and personnel to be utilized by the applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2123. Additional Application Information Required

A. Every application for a license shall contain the following additional information including but not limited to:

1. two copies of detailed plans of design of the riverboat, including a layout of each deck stating the projected use of each area;
2. a statement that the vessel is or shall be certified by the United States Coast Guard;
3. the proposed route to be followed;

4. the total estimated cost of construction of the riverboat and shore and dock facilities, proposed by this application, distinguishing between known costs and projections, and shall separately identify:

- a. facility design expense;
- b. land acquisition or site lease costs;
- c. site preparation costs;
- d. construction cost or renovation cost;
- e. equipment acquisition cost;
- f. cost of interim financing;
- g. organization, administrative and legal expenses;
- h. projected permanent financing costs;

5. the construction schedule proposed for completion of the riverboat; including therein a projected date of completion. Indicate whether the construction contract includes a performance bond;

6. explanation and identification of the source or sources of funds for the construction of the riverboat;

7. description of the casino size and approximate configuration of slot machines, video games of chance and table games;

8. the adequacy of security enforcement on the riverboat;

9. the type of slot machines and video games of chance to be used; also, indicate the proposed suppliers and manufacturers of this equipment;

10. riverboat days and periods of time that the gaming area will be in operation; and

11. the proposed management of the facility, management personnel by function and organizational chart by position;

12. a description of planned excursions including all proposed designated waterways and routes, frequency and approximate schedule of excursions, projected passenger load, admission charges, and a proposed general location of the berth;

13. a general promotion and advertising plan. A general description of the amounts, kinds and types of general promotion and advertising campaign(s) which will likely be undertaken by the applicant or operator including information whether any national or regional advertising will occur, the medium(s) which may be used, the proposed market and whether any other facility or activity except the riverboat will be included in such advertising;

14. a feasibility study. Each applicant shall submit or make available to division or board personnel a feasibility study performed by an independent or approved applicant's staff consultant, which study shall examine, evaluate and attest to the feasibility of the applicant's proposed operation and shall describe or list the evaluation methodology used. The feasibility study shall include a list of the consultant's

qualifications, a discussion of the overall market for riverboat gaming operations and the effect of the proposed riverboat on the market. In addition, the feasibility study shall address possible competition from other riverboat gaming and other forms of gaming in all areas of Louisiana and other states;

15. an economic development and utilization plan. Each applicant shall submit an economic development plan addressing the purchasing of or utilization of goods and services in the construction and operation of proposed operations. The plan shall include a list and offer of voluntary conditions by the applicant regarding the following procurement:

a. an estimated procurement budget for resources and goods to be used in the operation of a riverboat listing the amount of the proposed utilization of Louisiana resources, goods and services in the operation of the riverboat and the area from which they will be procured;

b. a list of employees which the applicant anticipates employing in the riverboat operation, including job classifications and total estimated salaries;

c. the percentage of Louisiana residents projected to be hired and the percentage of minorities projected to be employed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:703 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2825 (December 2000).

§2125. Access to Applicants' Premises and Records

A. Each applicant shall upon request immediately make available for inspection by the division or agents of the division, all papers, books and records used, or to be used, in the licensed or permitted operation. The division, or any agent of the division, shall be given immediate access to any portion of the premises of any riverboat or premises of a manufacturer or supplier for the purpose of inspecting or examining any records or documents required to be kept under the provisions of the Act and the regulations and any gaming device or equipment or the conduct of any gaming activity. Access to the areas and records that may be inspected or examined by the division, or division agents, must be granted to any such individual who displays division credentials.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2127. Information Constituting Grounds for Delay or Denial of Application; Amendments

A. It is grounds for denial of the application or enforcement action for any person to make any untrue statement of material fact in any application, or in any statement or report filed with the division or commission, or any statement or report required by the Act to be filed with the commission or willfully to omit in any such application, statement or report, any material fact which is required to be stated therein, or which is necessary to make the facts stated not misleading.

B. All information included in an application must be true and complete to the best of the applicant's knowledge and in the opinion of the division as of the date submitted. An applicant shall immediately supply by amendment any new information based on facts occurring after the original application.

C. An application may be amended upon approval of the supervisor. An amendment to an application may have the effect of establishing the date of such amendment as the filing date of the application with respect to the time requirements for action on the application. Request for amendment to an application must be in writing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2129. Other Considerations for Licensing

A. Sections 2129-2137 set forth criteria which the division may consider when deciding whether to issue a license to conduct riverboat gaming. The various criteria set forth may not have the same importance in each instance. Other factors may present themselves in the consideration of an application for a license. The following criteria are not listed in order of priority.

1. Proper Financing. The division may consider whether the proposed riverboat is properly financed.

2. Adequate Security. The division may consider whether the proposed riverboat is planned in a manner which provides adequate security for all aspects of its operation and for the people working, visiting, or traveling on the riverboat.

3. Character and Reputation. The division may consider the character and reputation of all persons identified with the ownership and operation of the riverboat, and their capability to comply with the regulations of the division, regulations of the commission, and the provisions of the Act.

4. Miscellaneous. The division may consider such other factors as may arise in the circumstances presented by a particular application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2131. Timetable for Financing and Construction

A. In conjunction with an affiant's submission of its completed application, an applicant shall submit a timetable for financing arrangements, commencement and completion of construction activities and set forth the date upon which gaming activities will begin. This timetable will be subject to approval by the division, and monitored for compliance by the supervisor. All licenses issued on or after December 8, 1994 shall be subject to the condition that within 24 months from the date the license is granted the riverboat shall commence gaming operations. All licenses issued prior to July 20, 1995 shall continue to be subject to LAC 42:XIII.2131 as promulgated in the September 20, 1993 *Louisiana Register* found at page 1176. Upon the recommendation of the division, an extension of time may be granted.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2133. License Term and Filing of Application

A. Initial licenses to conduct riverboat gaming operations shall expire five years from the date the license was granted.

B. Each application, including renewal applications, shall be deemed filed with the division when the application form has been received by the division, as evidenced by a signed receipt.

C. Renewal applications for licenses to conduct riverboat gaming operations shall be submitted to the division no later than 120 days prior to the expiration of the license.

D. All renewal applications for permits shall be submitted to the division no later than 60 days prior to the expiration of the permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:344 (February 1998).

§2135. Completeness of Application

A. Upon receipt of an application for a riverboat gaming license, the division shall, within seven days, make an initial determination as to the reasonable completeness of the application and shall notify the applicant in writing within said seven days of the determination. If the initial

examination determines the application to be incomplete, the notice to the applicant shall set forth in summary terms the reasons thereof.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2137. Fingerprinting

A. An initial application is not complete unless the applicant, any person who is an officer, director or holder and/or who has a 5 percent or greater economic interest in the applicant has submitted to fingerprinting by or at the direction of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2139. Application Filing Fees

A. All monies deposited by an applicant to defray the costs associated with the applicant investigation conducted by the division must be deposited into a designated state treasury fund.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2141. Renewal Applications

A. Applications for renewal of a riverboat gaming license or any permit authorized by the Act shall be made by way of forms prescribed by the division and shall contain all information requested by the division. Prescribed forms shall contain a statement made, under oath, by the applicant, each officer or director of the applicant, and each person with a 5 percent or greater economic interest in the applicant that any and all changes in the history and financial information provided in the previous application have been disclosed.

B. Renewal applications shall further contain:

1. a list of all civil lawsuits to which the applicant is a party instituted since the previous application;
2. a current list of all stockholders of the applicant, if the applicant is a corporation, or list of all partners or persons with a 5 percent or greater economic interest in the applicant;
3. a list of all administrative actions instituted or pending in any other jurisdiction against or involving the applicant or parent corporation of the applicant, if applicable;

4. prior year's corporate or company tax return of the applicant;

5. a list of all charitable and political contributions made by the applicant during the last three years, indicating the recipient and amount contributed.

C. The board or division may require an applicant to provide all other such documentation or information as is necessary to determine suitability of the applicant or to discharge their duties under the Act and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:344 (February 1998).

§2143. Conduct of Investigation; Time Requirements

A. All investigations conducted by the division in connection with an application must be conducted in accordance with the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2144. Notice of Concerns and Discrepancies

A. The division shall give written notice to the applicant for a license of any facts which could serve as a basis to deny a gaming license.

B. The division may give the applicant an opportunity to respond to this notice prior to the public hearing being scheduled.

C. The division may include a brief statement describing the facts which could serve as a basis to deny a gaming license in the notice for the public hearing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2145. Division Hearing to Consider Application

A. Hearings by the division to consider gaming license applications will be noticed and conducted in accordance with the provisions of the Act and the regulations of the division.

1. The division will notify the applicant in writing of the date, time, and place of the hearing to consider his application at least 20 days prior to said hearing.

2. The division may summon any person named in an application to appear and testify before the division, and all such testimony must be under oath and may embrace any matter that the supervisor deems relevant to the application.

Failure of applicant to appear and testify fully at the time and place designated, unless excused by the supervisor, is grounds for denial of the application. Any request by applicant for excuse of appearance must be in writing and filed with the supervisor at least five days prior to the scheduled appearance.

3. The hearing by the division to consider the application shall be conducted by the supervisor or by a representative designated by him.

4. The supervisor may name a panel to make recommendations regarding the granting or denying of a license.

B. The applicant shall prove by clear and convincing evidence that it is qualified to receive a license under the provisions of the Act and the rules and regulations promulgated pursuant to the Act.

C. The applicant shall agree to all conditions proposed by the division for the prospective license prior to the division rendering a decision to grant or deny a license.

D. The failure to comply with a condition attached to a license shall be grounds to revoke the license.

E. An applicant shall indicate in writing its agreement to all conditions attached to the license pursuant to Subsection C prior to the issuance of the license. Failure to comply with this requirement is grounds to revoke the license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2146. Subpoenas and Subpoenas Duces Tecum

A. The division or the licensee or permittee, as the case may be, may subpoena witnesses to appear and give testimony at any hearing scheduled by the division.

B. The division or the licensee or permittee, as the case may be, may subpoena documents and other physical evidence to be produced at the hearing scheduled by the division.

C. The division must receive all requests for subpoenas in writing at least 10 days prior to the scheduled hearing date.

D. Witness fees shall be \$40 for law enforcement officers and \$25 for all other witnesses. A separate check, made payable to each witness subpoenaed, shall be sent with the written request for the subpoena. Witness fees for persons employed by the Department of Public Safety and Corrections, Public Safety Services, shall not be sent with the subpoena request. Upon receipt of a request for a subpoena directed to an employee of the Department of Public Safety and Corrections, public safety services, the division will notify the party requesting the subpoena to whom the witness fee check shall be made payable. The party requesting the subpoena shall, upon notification,

forward a separate check for each witness subpoenaed payable as directed by the division. Failure to comply with this Section shall result in the nonissuance of the subpoena.

E. Any expert witnesses fees shall be agreed upon by the party requesting the subpoena and the expert witness prior to requesting the subpoena. The party requesting the subpoena shall notify the division of the agreement and provide a check in the appropriate amount with its subpoena request.

F. A subpoena duces tecum will be issued for documents and other physical evidence when such a request is received in writing at least 10 days prior to the scheduled hearing date. A check in the amount of \$25 payable to the person to whom the subpoena duces tecum is directed must be included with the subpoena request. The request must describe the items subpoenaed with sufficient detail for identification. Excessive requests may require an additional fee to be assessed by the division.

G. Any objections to a subpoena or a subpoena duces tecum must be received by the division in writing prior the hearing. A copy of the objection must be served on the party requesting the subpoena or subpoena duces tecum. The division may limit or quash a subpoena based on the objection.

H. The failure of the party requesting a subpoena or a subpoena duces tecum to comply with these rules shall result in the denial of any such request or the quashing of a subpoena or subpoena duces tecum improperly requested.

I. In the event a witness is subpoenaed to appear during his regular work hours or while he is on duty, the witness fee shall be paid to the witness's employer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2147. Issuance of Decision

A. The division must issue its decision concerning the application for a license on the record at the time of the public hearing, or if taken under advisement, in writing within 10 days after the hearing and include therein a statement of the reasons for the decision. The division must provide a copy of its decision to the applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2149. Appeal of Division Decision to Commission

A. Any person whose application for license or permit has been denied by the division or any person adversely affected by an action, order, or decision of the division may appeal the action, order, or decision of the division to the commission by filing a notice of appeal with the commission within seven days of certified mailing of notice of the action,

order, or decision by the division. The division, upon notice of appeal to the commission, shall transmit to the commission the record of proceedings before the division at which the action, order, or decision appealed from was taken. The person appealing an action, order, or decision of the division shall remit to the division the cost of preparing the record of the proceedings before the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2151. Waiver of Privilege

A. An applicant may claim any privilege afforded by the Constitution of the United States or of the state of Louisiana in refusing to answer questions by the supervisor, but a claim of privilege with respect to any testimony or evidence pertaining to an application may constitute sufficient grounds for denial of the application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2153. Multiple Licensing Criteria

A. A person licensed as a riverboat gaming operator may apply for additional licenses. In all such cases, the division shall consider whether such multiple approval is in the best interest of the state of Louisiana, having due regard for the state's policy concerning economic development and gaming. In making this determination, the division may consider any index or criteria deemed by the supervisor to be relevant to the effect of multiple licenses upon the public health, safety, morals, good order and general welfare of the public of the state of Louisiana, including but not limited to the following factors:

1. the quality of the applicant's performance under the Act and regulations;
2. the adequacy of resources available to the applicant to undertake additional operations, including but not limited to manpower, managerial and financial resources;
3. whether additional operations would jeopardize the stability of the existing operation; and
4. whether additional operations would be inimical to the economic development of the state.

B. If a licensee is issued more than one license by the division and has a license suspended or revoked, the division may suspend or revoke all licenses issued.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat

Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2155. Withdrawal of Application

A. A request for withdrawal of an application must be made in writing to the supervisor at any time prior to issuance by the division of its determination with respect to the application. The division may deny or grant the request with or without prejudice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2156. Modifications of Routes, Excursion Schedules and Berth

A. Except for emergency orders and applications therefor, all proposed modifications to routes, excursion schedules, and berth shall be submitted by the applicant or licensee for prior approval by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2825 (December 2000).

§2157. Application after Denial

A. Any person whose application for license or permit has been denied by the division, and who has not successfully appealed the decision of denial to the commission, or whose application has been withdrawn with prejudice is not eligible to reapply for any approval authorized by the Act for a period of five years unless the supervisor rules that the denial is without prejudice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2158. Criteria for the Issuances of Permits

A. All applicants for any type of permit issued by the division as authorized by the Act shall meet the qualification requirements contained in R.S. 27:28 through R.S. 27:29.5, 27:70 as well as the qualification requirements contained in the rules promulgated pursuant to the Act.

B. All applicants for any type of permit issued by the division as authorized by the Act shall pay all fees required by the Act or the rules promulgated pursuant to the Act prior to the issuance of permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2159. Gaming Employee Permits Required

A. No person may be employed as a gaming employee unless such person is the holder of a valid gaming employee permit issued by the division.

B. The licensee shall secure an application and fingerprint cards from the division for each prospective employee.

C. Every gaming employee shall keep his gaming employee permit on his person and displayed in accordance with §2165 at all times when actively engaged in gaming operations, or on the licensed premises.

D. The division may investigate the applicant and may either grant or deny the gaming employee permit.

E. The division may issue a temporary permit subject to denial of the application for a gaming employee permit. Upon the denial of the application, the employee shall surrender his permit to the division or a person designated by the division and cease working as a gaming employee. Since temporary gaming employee permits are issued as a convenience to the licensee and to the gaming employee, a temporary permit is not valid unless the applicant for the gaming employee permit shall agree in writing to the rules regarding temporary permits.

F. A gaming employee permit is not transferable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2161. Application for Gaming Employee Permit; Procedure

A. An applicant for a gaming employee permit shall submit to fingerprinting at the direction of the division and supply two passport size photographs. The photographs must be satisfactory to the division and must have been taken not earlier than three months before the date of filing the application. The applicant shall also provide any other information requested by the division.

B. An applicant for a gaming employee permit shall pay the application fee established by the Act prior to the issuance of the permit.

C. Gaming management persons shall be subject to a fee of \$100 as provided in the Act. Those persons shall include supervisory employees empowered to make discretionary decisions that regulate gaming activities including: audit manager, casino manager, chief of security, controller, EDP manager, and slot department manager.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2163. Withdrawal of Temporary Gaming Employee Permit

A. A holder of a temporary gaming employee permit shall surrender such permit upon the denial of the application for the gaming employee permit.

B. The gaming employee may surrender the permit to a designated employee of the licensee who must forward the permit to the division within seven days of its surrender.

C. A timely written request for a hearing pursuant to a denial of an application for a gaming employee permit does not allow the person to continue working as a gaming employee unless the division issues a written extension of the privilege pending a hearing decision. If such extension is granted, the permit will be returned to the employee pending a hearing decision.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2165. Display of Gaming Employee Permit

A. A gaming employee permit as required by these rules shall be worn by all employees during work hours. The gaming employee permit shall be clearly displayed and worn in a manner as prescribed by the division.

B. A fee of \$15 shall be paid to the division for any necessary replacement(s) or modifications of a permit.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2169. Fees for Issuance of Licenses and Permits

A. As prescribed pursuant to the Act, R.S. 27:91, the scheduled fees for licenses and permits shall include:

1. the annual fees for gaming employee, manufacturer, supplier, and other permits issued under the provisions of this Chapter shall be as follows.

Manufacturer of Slot Machines	\$5,000
Manufacturer of Gaming Devices or Equipment, or Equipment other than Slot Machines	\$2,500
Supplier of Gaming Devices or Equipment	\$1,500
Supplier of Goods or Services other than Gaming Devices or Equipment	\$ 250
Gaming Employee or other Permit	\$ 100
Permit to Conduct Racehorse Wagering	\$1,000

2. the license fee to conduct gaming activities on a riverboat shall be the total of the following:

a. \$50,000 for each riverboat for the first year of operation and \$100,000 per year per riverboat thereafter;

b. an amount equal to 3 1/2 percent of net gaming proceeds.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:344 (February 1998).

Chapter 23. Compliance, Inspections and Investigations

§2301. Applicability and Resources

A. These rules and regulations are applicable to inspections and investigations relative to compliance with the Act and the rules and regulations promulgated pursuant to the Act. The supervisor is empowered to employ such personnel as may be necessary for such inspections and investigations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2303. Inspections and Observations

A. The division is empowered to make periodic inspections of the licensed riverboat, the premises where gaming will be conducted, and the premises where gaming equipment or gaming devices are manufactured, sold or distributed, during construction and thereafter. The division shall further observe gaming activities and operations and inspect gaming equipment and supplies upon and destined for riverboats to ensure compliance with the Act and regulations. Such inspections and observations may or may not be made known to the applicant, licensee or permittee. All requests for access to premises and production of records and documents in connection with any inspection must be granted in accordance with the provisions of the Act and division regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2305. Inspections during Construction

A. The supervisor may designate one or more agents of the division to inspect the construction of the riverboat and dockside facility. Upon presentation of identification, any designated agent of the division may demand and shall be given immediate access to any place where construction of the riverboat or any of its component parts is underway. The supervisor shall certify in writing to the applicant or licensee, as the case may be, that the designated gaming area has been inspected at least twice during construction and that said area:

1. complies with the plans and specifications and any applicable change orders; or

2. does not comply with the plans and specifications or applicable change orders, in which event a description of such noncompliance will be included.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2307. Investigations

A. All investigations of any alleged violations of the Act or of the rules and regulations by an applicant, licensee or permittee must be conducted by the division and may or may not be made known to the applicant, licensee or permittee before being completed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2309. Investigative Powers of the Division

A. In conducting an investigation, the division is empowered to:

1. inspect and examine the entire licensed riverboat wherein gaming activities are conducted, proposed to be conducted or gaming devices are maintained or repaired and where all papers, books, records, documents and electronically stored media are maintained;

2. summarily seize and remove gaming equipment and devices from such premises and impound any equipment for the purpose of examination and inspection;

3. have access to inspect, examine, and photocopy all papers, books, records, documents and information of an applicant, licensee, or permittee pertaining to the licensed or permitted operation or activity, on all premises where such information is maintained;

4. review all papers, books, records, and documents pertaining to the licensed or permitted operation;

5. issue subpoenas, as provided in this Chapter, in connection with any investigative hearing conducted by the division;

6. conduct investigative hearings; and

7. issue written interrogatories.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2311. Seizure and Removal of Gaming Equipment and Devices

A. Gaming devices and equipment may be summarily seized by the division. Whenever the division seizes and removes gaming equipment or devices:

1. an inventory of the equipment or devices seized will be made by the division, identifying all such equipment or devices as to make, model, serial number, type, and such other information as may be necessary for authentication and identification;

2. all such equipment or devices will be sealed or by other means made secure from tampering or alteration;

3. the time and place of the seizure will be recorded; and

4. the licensee or permittee will be notified in writing by the division at the time of the seizure, of the fact of the seizure, and of the place where the seized equipment or device is to be impounded. A copy of the inventory of the seized equipment or device will be provided to the licensee or permittee upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2315. Seized Equipment and Devices as Evidence

A. All gaming equipment and gaming devices seized by the division shall be considered evidence, and as such shall be subject to the laws of Louisiana governing chain of custody, preservation and return, except that:

1. any article of property that constitutes a Cheating Device shall not be returned. All cheating devices shall become the property of the division upon their seizure and may be disposed of by the division, which disposition shall be documented as to date and manner of disposal;

2. the division shall notify by certified mail each known claimant of a cheating device that the claimant has 10 days from the date of the notice within which to file a written claim with the division to contest the characterization of the property as a cheating device;

3. failure of a claimant to timely file a claim as provided in Paragraph 2 above will result in the division's pursuit of the destruction of property;

4. if the property is not characterized as a cheating device, such property shall be returned to the claimant within 15 days after final determination;

5. items seized for inspection or examination may be returned by the division without a court order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2317. Subpoenas in Connection with Investigative Hearings

A. The supervisor has full power and authority to issue subpoenas and compel the attendance of witnesses for investigative hearings at any place within the state, including subpoenas compelling production of documents, and to administer oaths and require testimony under oath. Any such subpoena issued by the supervisor will be served in a manner consistent with the service of process and notices in civil actions. The supervisor may require reasonable fees to be submitted with subpoenas, in order to pay transportation and related expenses that may occur.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2319. Contempt

A. For failure or refusal to comply with any subpoena or order issued by the supervisor and duly served, the supervisor may cite the subpoenaed party for contempt and may impose a fine as provided in the laws of the state of Louisiana. Such contempt citations and fines may be appealed to the nineteenth judicial district court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2321. Investigative Hearings

A. Investigative hearings shall be conducted by the division or by a hearing officer appointed by the supervisor, at such times and places, as may be convenient to the division. Investigative hearings may be conducted in private at the discretion of the supervisor or hearing officer. A transcript of the hearing shall be made by a licensed court reporter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2323. Interrogatories

A. All interrogatories propounded by the supervisor must be in writing and must be served in the manner consistent with the service of process in civil actions. The respondent is entitled to 15 days within which to respond.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 19:895 (July 1993), repromulgated LR 19:1176 (September 1993), amended LR 21:702 (July 1995).

§2325. Imposition of Sanctions

A. The division may assess a civil penalty as provided for in the penalty schedule. The penalty schedule lists a base fine and proscriptive period for each violation committed by the licensee or permittee. The proscriptive period is the amount of time determined by the division in which a prior violation is still considered active for purposes of consideration in assessment of penalties. A prior violation is a past violation of the same type which falls within the current violation's proscriptive period. The date of a prior violation shall be considered to be when the licensee or permittee receives the significant action report or violation/inspection report. If one or more violations exist within the proscriptive period, the base fine shall be multiplied by a factor based on the total number of violations within the proscriptive period. The violation of any rule may result in the assessment of a civil penalty, suspension, revocation, or other administrative action. If the calculated penalty exceeds the statutory maximum of \$100,000, the matter shall be forwarded to the board for further administrative action. In such case, the board shall determine the appropriate penalty to be assessed. Assisting in the violation of rules, laws, or procedures as provided in §2931 may result in a civil penalty in the same amount as provided in the penalty schedule for the respective violation.

B. The division may impose any sanction authorized by the Act for any violation of any condition, restriction, or limitation imposed by the division on a license or permit. The division shall determine the appropriate sanction using the standards contained in the Act.

C. The division may impose any sanction authorized by the Act or these rules for violation of the licensee's internal controls as are approved by the division. For purposes of this Section, the licensee's internal controls shall include:

1. accounting and financial controls including procedures to be utilized in counting, banking, storage and handling of cash;
2. procedures, forms, and where appropriate, formulas covering the calculation of hold percentages, revenue drop, expenses and overhead schedules, complimentary services, cash equivalent transactions, salary structure, and personnel practices;
3. job descriptions and the systems of personnel and chain-of-command, establishing a diversity of responsibility among employees engaged in gaming operations and identifying primary and secondary supervisor positions for areas of responsibility, which areas shall not be so extensive as to be impractical for and individual to monitor;
4. procedures within the cashier's cage for the receipt, storage, and disbursal of chips, cash, and other cash equivalents used in gaming, the payoff of jackpots, and the recording of transactions pertaining to gaming operations;

LOUISIANA GAMING

5. procedures for the collection and security of monies at the gaming tables;

6. procedures for the transfer and recordation of chips between the gaming tables and the cashier's cage;

7. procedures for the transfer of monies from the gaming tables to the counting process;

8. procedures for the counting and recordation of revenue;

9. procedures for the security, storage, and recordation of chips and other cash equivalents utilized in other gaming operations;

10. procedures for the transfer of monies or chips from and to the slot machines;

11. procedures and standards for the opening and security of slot machines;

12. procedures for the payment and recordation of slot machine jackpots;

13. procedures for the cashing and recordation of checks exchanged by patrons;

14. procedures governing the utilization of the private security force within the designated area;

15. procedures and security standards for the handling and storage of gaming apparatus, including cards, dice, machines, wheels, and all other gaming equipment;

16. procedures and rules governing the conduct of particular games and the responsibilities of the riverboat gaming personnel in respect thereto; and

17. such other procedures, rules or standards that the division may impose on a licensee regarding its operations.

D. A sanction for purposes of this Section includes, but is not limited to suspension, revocation, or cancellation of a license or permit, the imposition of a civil penalty and such other costs as the division deems appropriate, or other conditioning, limiting, or restricting of a license or permit.

E. Penalty Schedule

Section Reference	Description	Base Fine	Proscriptive Period (Months)
Chapter 21. Licenses and Permits			
2101	General Authority of the Division	\$10,000	18
2108	Nongaming Suppliers	\$2,000	12
2110	Maritime Requirements	\$10,000	18
2116.A	Cash Transaction Reporting	\$5,000	12
2116.B	Cash Transaction Reporting (Violations in Other States)	\$20,000	24
2125	Access to Applicants' Premises and Records	\$25,000	60
2127.A	Information Constituting Grounds for Delay or Denial of an Application	\$10,000	24
2159.A	Gaming Employee Permits Required	\$10,000	18
2165	Display of Gaming Employee Permit	\$500	12

Section Reference	Description	Base Fine	Proscriptive Period (Months)
Chapter 23. Compliance, Inspections, and Investigations			
2325	Imposition of Sanctions	\$2,500	12
Chapter 25. Transfers of Interest in Licensees and Permittees; Loans and Restrictions			
2521	Loans and Lines of Credit	\$75,000	60
Chapter 27. Accounting Regulation			
2701	Procedures for Reporting and Paying Gaming Taxes and Fees		
	Late Reports	\$2,000	12
	Late Wire Transfers	\$5,000	12
2703.A	Accounting Records (per issue)	\$2,000	12
2705	Records of Ownership	\$500	12
2707	Records Retention	\$10,000	18
2709.B	Quarterly Financial Statements	\$1,000	12
2709.C	SEC Reports	\$500	12
2711.B	Required Signatures	\$500	12
2711.D	Change of CPA Requirements	\$10,000	60
2711.F	Audited Financial Statements (Submission Date)	\$10,000	60
2711.G	Change of Business Year	\$2,000	60
2711.H	Other CPA Reports	\$2,000	60
2711.I	Quarterly Net Win Reports	\$5,000	24
2711.J	Additional CPA Information	\$10,000	60
2713.C	Written Approval Required for Licensees Own Calculation Procedure	\$5,000	12
2713.D	Submit Monthly Calculation to Division	\$5,000	12
2713.E	Submission of Revised Calculated Amount	\$5,000	12
2715.A.1-7, 13	General Requirements	\$2,500	12
2715.A.8 -12	Key Control & Entry Logs	\$10,000	24
2715.D	Internal Audit Department Failure to Investigate and Resolve Material Exceptions & to Document Results	\$10,000	18
2715.E	Late Submission	\$10,000	60
2715.F-G	Amendment of Computerized Controls* and Amendments to Internal Controls	\$25,000	24
2715.H	Amendments to Internal Controls Required by the Division	\$20,000	24
2715.J-M	General Credit Requirements	\$5,000	18
2715.O	Quarterly Credit Report	\$5,000	18
2715.Q	Value of Tokens	\$5,000	12
2716	Clothing Requirements	\$5,000	12
2717	Internal Controls, Table Games		
2717.A-E	Fills and Credits	\$2,000	12
2717.F	Table Inventory	\$5,000	12
2717.G	Credit Procedures in Pit	\$2,000	12
2717.H	Non-Marker Credit Play	\$5,000	12
2717.I	Call Bets	\$10,000	18
2717.J	Table Games Drop Procedures	\$10,000	24
2717.K	Table Games Count Procedures	\$10,000	24
2717.L	Table Games Key Control Procedures	\$10,000	24
2717.M		\$5,000	12
2717.N	Supervisory Controls of Table Games	\$2,500	12
2717.O	Table Games Records	\$2,500	12

Section Reference	Description	Base Fine	Proscriptive Period (Months)
2717.P	Accounting and MIS Functions	\$2,500	12
2719.A & B	Handling of Cash at Gaming Tables	\$5,000	18
2719.B	No Cash Wagers Allowed	\$10,000	18
2721	Tips and Gratuities		
	Licensee Violation	\$2,000	12
	Permittee Violation	\$500	12
2723	Internal Controls, Slots		
2723.B & C	Jackpot Request	\$2,000	12
2723.D	Jackpot Payout Slip	\$2,000	12
2723.E	Jackpot Payout Slips greater than \$1,200	\$1,000	12
2723.F	Jackpot Payout Slips greater than \$5,000	\$5,000	12
2723.G	Jackpot Payout Slips greater than \$10,000	\$10,000	18
2723.H	Jackpot Payout Slips greater than \$100,000	\$15,000	24
2723.I	Slot Fill Slips	\$2,000	12
2723.J	Slot Hard Drop	\$10,000	12
2723.K	Slot Count	\$10,000	12
2723.L	Hard Count Weigh Scale	\$10,000	12
2723.M	Accurate and Current Records for Each Slot Machine	\$5,000	12
2723.N	Slot Machines Removed from Gaming Floor	\$10,000	18
2723.O	Key Control,& Entry Logs	\$10,000	24
2723.P	Sensitive Keys Removed from Vessel	\$10,000	24
2723.Q	Currency Acceptor Drop and Count Standards	\$10,000	24
2723.R	Computer Records	\$5,000	12
2723.S	Management Information Systems (MIS) Functions	\$5,000	18
2723.T	Accounting Department Audit Procedures Relative to Slot Operations	\$10,000	24
2723.U	Slot Department Requirements	\$2,000	12
2723.V	Progressive Slot Machines	\$5,000	12
2723.W	Training	\$5,000	24
2725.A-F	Poker	\$2,500	12
2727	Race Book	\$5,000	12
2729	Cage and Credit		
2729.A-H	Cage Procedures	\$5,000	12
2729.I-HH	Credit Extension/Check Cashing	\$5,000	12
2729.II-NN	Other Credit Issues	\$5,000	12
2730	Exchange of Chips and Tokens	\$1,000	12
2731	Currency Transaction Reporting	\$5,000	12
2735	Net Gaming Proceeds Computation	\$5,000	12
2736	Treatment of Credit for Computing Net Gaming Proceeds	\$5,000	12
Chapter 29. Operating Standards			
2901	Methods of Operation Generally	\$10,000	24
2911	Accessibility to Premises; Parking	\$1,000	12
2913	Access to Premises and Production of Records	\$10,000	24
2915	Methods to Prevent Minors from Gaming Area	\$10,000	12
2919	Finder's Fees	\$10,000	12

Section Reference	Description	Base Fine	Proscriptive Period (Months)
2921.A	Agencies Who May Collect	\$10,000	60
2921.B	Collection by Unsuitable Person	\$10,000	60
2921.C	Recordation of Collection Arrangements; Division Inspection	\$10,000	60
2933	Compulsive/Problem Gamblers - Telephone Info and Referral Service Posting (see Title 27:58.10)	\$1,000	24
2935	Entertainment Activities	\$5,000	12
2943	Gaming Employees Prohibited from Gaming	\$2,500	12
2945	Restrictive Areas	\$10,000	24
2953	Promotions	\$5,000	12
2954	Tournaments	\$5,000	12
2955	Managerial Representative on Premises	\$25,000	18
Chapter 31. Rules of Play, All Rule Violations Other than §3101 and §3105			
3101	Authority & Applicability		
3101.A&C	Only Authorized Games Allowed: 90 Day Trial Period	\$25,000	24
3101.B	Games Must Be Conducted According to Rules and Licensee's Rules of Play	\$5,000	12
3103	House Rules	\$5,000	12
3105	Submission of Rules	\$25,000	24
3107	Wagers	\$10,000	18
3109	Game Limits	\$5,000	12
3111	Publication of Payoffs	\$5,000	12
3113	Periodic Payoffs	\$5,000	12
3115	Blackjack	\$5,000	12
3117	Craps	\$5,000	12
3119	Roulette	\$5,000	12
3121	Mini-Baccarat	\$5,000	12
3123	Big Six Wheel	\$5,000	12
3125	Bourée	\$5,000	12
3127	Poker	\$5,000	12
3129	Variations of Poker	\$5,000	12
3131	Red Dog	\$5,000	12
3133	Sic Bo	\$5,000	12
Chapter 33. Surveillance and Security			
3301	Required Surveillance Equipment	\$10,000	24
3303	Surveillance System Plans	\$25,000	24
3305.A	Division Room	\$10,000	24
3305.B	Access to Surveillance Equipment	\$10,000	24
3305.C	Surveillance Employees Prohibited from Other Gaming Duties	\$5,000	24
3305.D&E	Security of Division and Surveillance Rooms	\$10,000	24
3305.F	Division Agents Access to Surveillance Room	\$15,000	24
3305.H	Licensee Surveillance	\$5,000	24
3307	Segregated Telephone Communication	\$5,000	24
3309.A	Maintaining Logs	\$10,000	24
3309.B	Logging of Unusual Occurrences	\$10,000	24
3311	Storage and Retrieval	\$20,000	24
3313	Dock Side Division Facility	\$10,000	24
3315	Maintenance and Testing	\$20,000	24
3317	Surveillance System Compliance	\$25,000	24

LOUISIANA GAMING

Section Reference	Description	Base Fine	Proscriptive Period (Months)
Chapter 35. Patron Disputes			
3501	Division Notification	\$1,000	12
Chapter 37. List of Excluded Persons			
3705	Duty of Licensees and Permittees to Exclude	\$5,000	12
Chapter 41. Enforcement Actions			
4103	Chairman Action by Order	\$20,000	18
Chapter 42. Electronic Gaming Devices			
4202	Approval of Gaming Devices; Applications and Procedures; Manufacturers and Suppliers	\$10,000	12
4204	Progressive EGDs	\$5,000	12
4205	Computer Monitoring Requirements of Electronic Gaming Devices	\$10,000	12
4208	Certification by Manufacturer	\$1,000	12
4209	Approval of New Electronic Gaming Devices	\$5,000	12
4211	Duplication of Program Storage Media	\$20,000	24
4212	Marking, Registration, and Distribution of Gaming Devices	\$5,000	12
4213	Approval to Sell or Dispose of Gaming Devices	\$10,000	24
4214	Maintenance of Gaming Devices	\$20,000	24
4219	Approval of Associated Equipment; Application and Procedures	\$5,000	12
Chapter 43. Specifications for Gaming Devices and Equipment			
4301	Approval of Chips and Tokens; Applications and Procedures	\$5,000	12
4309	Use of Chips and Tokens	\$1,000	12
4311	Receipt of Gaming Chips and Tokens	\$1,000	12
4313	Inventory of Chips	\$5,000	12
4315	Redemption and Disposal of Discontinued Chips and Tokens	\$5,000	12
4317	Destruction of Counterfeit Chips and Tokens	\$5,000	12
4319	Approval and Specifications for Dice	\$5,000	12
4321	Dice; Receipt, Storage, Inspections and Removal From Use	\$5,000	12
4323	Approval and Specifications for Cards	\$5,000	12
4325	Cards; Receipt, Storage, Inspections and Removal From Use	\$5,000	12
4327	Approval of Gaming Devices; Applications and Procedures; Manufacturers and Suppliers	\$10,000	12
4331.B&C	Display	\$2,000	12
4331.D	Amount Reduction	\$5,000	12
4333	Computer Monitoring Requirements of Electronic Gaming Devices	\$10,000	12
4339	Certification by Manufacturer	\$1,000	12
4343	Duplication of Program Storage Media	\$20,000	24
4345	Marking, Registration, and Distribution of Gaming Devices	\$5,000	12

Section Reference	Description	Base Fine	Proscriptive Period (Months)
4347	Approval to Sell or Dispose of Gaming Devices	\$10,000	24
4349	Maintenance of Gaming Devices	\$20,000	24
4355	Approval of Associated Equipment; Application and Procedures	\$5,000	12
Title 27. Louisiana Gaming Control Law			
Chapter 4. The Louisiana Riverboat Economic Development and Gaming and Control Act			
Part I. General Provisions			
27:47	License or Permit Required	\$10,000	60
Part III. Gaming Enforcement Division			
27:61(1)	Net Gaming Procedures	\$2,000	12
27:61(2)	Tax Paid	\$2,000	12
27:61(3)	Quarterly Financial Statements	\$1,000	12
27:61(3)	Annual Financial Statements	\$10,000	60
Part V. Conducting of Gaming Operations			
27:65B(1)	Sailing Requirements	\$5,000	12
27:65B(2)	Sailing Duration	\$5,000	12
27:65B(3)	Division Agents May Inspect Anytime	\$25,000	60
27:65B(4)	Gaming Equipment Must Be from Permitted Suppliers	\$25,000	
27:65B(5)	Wagering Restrictions	\$10,000	18
27:65B(7)	Gaming Equipment Storage	\$25,000	60
27:65B(9)	No One under 21 Allowed	\$10,000	12
27:65B(11)	Wagering Only with Chips, Tokens, etc.	\$10,000	18
27:65B(13)	Adequate Insurance	\$25,000	60
27:65B(15)	Must Obey All Rules	\$10,000	18
Part VII. Application and Licensing			
Part VIII. Issuance of Permits to Manufacturers, Suppliers, and Others			
27:82C	Distribution of Unapproved Devices/Supplies	\$25,000	60
27:82E	Supplier Requirements	\$5,000	12
27:84	Gaming Employee Permits	\$10,000	18
27:85A	Unpermitted Employee	\$10,000	18
27:85B	Underage Patron/Employees	\$10,000	12
27:86	Issuance of Permit to Conduct Racehorse Wagering	\$5,000	12

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 26.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:1318 (June 2000), LR 27:2255 (December 2001), LR 28:1029 (May 2002), LR 29:363 (March 2003).

§2327. Proof of Compliance

A. Any notice issued by the division to a licensee or permittee regarding a violation of the Act or of the rules adopted pursuant to the Act may include a statement that the licensee or permittee may submit proof of compliance with the Act and of the rules adopted pursuant to the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2329. Notification of Vendor Recommendations or Solicitations

A. All persons licensed to conduct riverboat gaming operations shall report on the last day of each month, in writing, to the Gaming Control Board the name, address, and telephone number of any person or legal entity who or which recommends to or solicits through any agent, employee or representative, who has authority to contract for the licensee, for the purpose of the licensee considering the purchase of goods and/or services from a particular vendor. The licensee shall report the name, address, and telephone number of the recommended vendor to the board at the same time. This provision shall only apply to the solicitation or purchase of goods and/or services with a value in excess of \$5,000. This provision shall not apply to any recommendations made to the licensee for the hiring of employees working in the day-to-day operations of the vessel.

B. *Vendor*, for the purposes of this rule, shall include, but is not limited to, any manufacturer, distributor, gaming supplier, nongaming supplier, junket representative, professional, independent contractor, consultant, or other person in the business of providing goods and services regardless of whether required to be licensed, permitted, or registered.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:956 (May 1998).

§2331. Supplier Permit Criteria

A. The division shall determine whether suppliers providing goods and/or services to licensees are legitimate ongoing businesses. In making such determination the division shall consider any or all of the following nonexclusive factors:

1. years in business providing specific goods and/or services procured by licensees;
2. number of employees;
3. total customer base;
4. dollar volume of all sales compared to sales to licensees;
5. existence and nature of warehouse and storage facilities;
6. existence and number of commercial delivery vehicles owned or leased;
7. existence and nature of business offices, equipment and facilities;
8. whether the goods and/or services provided to the licensee are brokered, and if so whether the actual supplier distributes through brokers as a common business practice;
9. registration with and reporting to appropriate local, state and federal authorities, as applicable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:346 (February 2000).

Chapter 25. Transfers of Interest in Licensees and Permittees; Loans and Restrictions

§2501. Transfers in General

A. The transfer of a license, permit, or of an application for a license or permit is prohibited. The transfer of an interest in a license, permit, or of an application for a license or permit is also prohibited.

B. An interest in a licensee or permittee shall be considered either an ownership interest or an economic interest.

1. Ownership interest is defined to include owning shares or securities issued by a corporation, being a partner in any kind of partnership, being a member of a limited liability company, or owning or possessing any interest in any other kind of legal entity.

2. Economic interest as defined in the Act means any interest in a license or licensee whereby a person receives or is entitled to receive, by agreement or otherwise, a profit, gain, thing of value, loss, credit, security interest, ownership interest, or other economic benefit.

C. No person shall sell, purchase, assign, lease, grant or foreclose a security interest, hypothecate or otherwise transfer, convey or acquire in any manner whatsoever, any of the following interests without prior written approval of the division and notice to the commission by all persons involved in the transaction:

1. an economic interest of 5 percent or more in any licensee or permittee;
2. an ownership interest of 5 percent or more in any licensee or permittee other than a corporation;
3. an economic interest of 5 percent or more in any person required to meet the qualification requirements or suitability requirements of the Act.

D. The acquisition of any interest in a licensee or permittee not listed in Paragraphs C.1, 2 and 3 is conditional and ineffective if disapproved by the division. The persons involved in this type of acquisition may seek prior approval of the transaction from the division.

E. The requirements of Subsection C shall apply should an accumulation of transfers occur wherein 5 percent or more ownership interest or economic interest is transferred.

F. Any person seeking any approval required by this Section shall comply with the provisions of this Chapter unless the division waives any or all of the requirements after the receipt of a written request made by such person.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2503. Requirements of Full Disclosure

A. No person shall transfer or convey in any manner whatsoever any interest of any sort, in or to any person required to meet the qualification requirements and or suitability requirements of the Act, by any person acting as an agent, trustee or other representative capacity for or on behalf of another person without first having fully disclosed all facts pertaining to such representation to the division and the commission.

B. Any person filing an application for approval of a transfer of any interest required by §2501.C or D must provide the following to the division:

1. any application forms including personal history forms required by the division;
2. all documents which evince the transfer of the interest including any financing agreements;
3. all documents which evince any side agreements or related agreements regarding the transfer of any interest;
4. any other documents the division may deem necessary for a full and complete evaluation of the transferees' qualifications and suitability to hold an interest in a licensee or permittee.

C. All costs associated with the division's investigation of the application for a transfer will be born by the person seeking to acquire the interest. An application fee of up to \$50,000 shall be paid at the time of filing of the application with the division to defray the costs associated with the background investigation conducted by the division. Any part of the fee remaining upon the completion of the background investigation shall be refunded to the person filing the application.

D. All persons required to obtain approval under this Chapter must meet the same qualification requirements and suitability requirements as a licensee or permittee as the case may be.

E. The division shall give the applicant and the commission notice of the granting or denying of its application for a transfer. The granting of an application for a transfer may be subject to any condition, limitation or restriction in the same manner as the granting of a license or permit. The applicant shall indicate its acceptance of any condition, limitation or restriction in a manner approved by the division. The notice required by this Subsection shall be sent by certified mail. An applicant served with notice of a denial may make a written request for a hearing in the same manner as is provided in Part III, Chapter 1. The hearing shall be conducted in the same manner as provided in Part III, Chapter 1, except that the applicant shall prove by clear and convincing evidence that he is qualified in accordance with the Act. Appeals of any action, order or decision of the division resulting from such a hearing shall be made to the commission as provided in the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2505. Prior Approval of Transfers Required

A. No transfer of any interest for which prior approval is required pursuant to this Chapter may be completed unless the transfer and the transferee have been approved by the division in writing.

B. Should a cumulation of transfers occur wherein 5 percent or more of an interest is transferred, the entire transfer shall not be effective unless the transfer and the transferee have been approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2507. Transfer of Economic Interest among Licensees and/or Permittees

A. If a licensee, permittee, or person who has met the qualification requirements and suitability requirements of the Act proposes to transfer an interest to another licensee, permittee, or person who has met the qualification requirements and suitability requirements of the Act, then the following shall apply.

1. Both parties shall give written notice to the division of the proposed transfer, including the names and addresses of the parties, the extent of the interest proposed to be transferred and the consideration thereof.

2. The proposed transferee shall furnish the following to the division:

- a. a sworn statement explaining and identifying the source of funds used in acquiring the interest;
- b. a sworn statement by each person with an economic interest of 5 percent or more in the proposed transferee indicating that each person continues to meet the qualification and suitability requirements of the Act;
- c. all documents which evince the transfer of the interest including any financing agreements;
- d. all documents which evince any side agreements or related agreements regarding the transfer of any interest;
- e. any other documents the division may deem necessary for a full and complete evaluation of the transferees' qualifications and suitability to hold an interest in a licensee or permittee.

B. The notice is deemed filed with the division when all the items required have been accepted by the division as evidenced by a signed receipt.

C. Within 10 days after the notice has been filed, the division shall notice the transferee that the notice is complete, or if incomplete, will request such additional information as is deemed necessary.

D. The division will conduct an investigation pertaining to the proposed transfer as is deemed appropriate. The division may assess a fee to cover the costs of the investigation in accordance with §2503.C of this Chapter.

E. The division shall grant or deny approval of the proposed transfer in the same manner as provided in §2503.E.

F. After receiving approval, the parties shall immediately notify the division and the commission when the approved transfer is actually effected.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2509. Transfer of Economic Interest to Nonlicensee or Nonpermittee

A. No person who owns an economic interest of 5 percent or more in any licensee or permittee shall in any manner whatsoever, transfer that economic interest to any person who is not then a licensee, permittee or person who has met the qualification requirements of the Act. No person who owns an ownership interest of 5 percent or more in any licensee or permittee other than a corporation shall in any manner whatsoever, transfer that economic interest to any person who is not then a licensee, permittee or person who has met the qualification requirements of the Act. No person who owns an economic interest of 5 percent or more in any person required to meet the qualification requirements or suitability requirements of the Act shall in any manner whatsoever, transfer that economic interest to any person who is not then a licensee, permittee or person who has met the qualification requirements of the Act. None of the transfers described in this Subsection shall be effective for any purpose until the proposed transferee has applied for and obtained all licenses and permits required by the Act and until the transferee has been approved by the division.

B. Should a cumulation of transfers occur wherein 5 percent or more of an interest is transferred, the entire transfer shall not be effective unless the transfer and the transferee have been approved by the division.

C. The application for approval of the transfer together with any license or permit applications must be filed at the same time with the division. All applicable fees must be paid at the time the applications are filed.

D. An investigation of any such application shall be conducted by the division. Prior to the commencement of the investigation, or while the investigation is on going, the division may request such additional information or documentation as it deems necessary for a complete investigation of the applicant.

E. The division shall grant or deny the approval for the transfer as provided for in §2503.E.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2511. Statement of Restrictions Concerning Transfers

A. All securities issued by a corporation that holds a license must bear on both sides of the certificate the following statement of restrictions:

"The purported sale, assignment, transfer, pledge, or other disposition of any security or securities issued by a corporation that holds a license is conditional and ineffective until approved by the Louisiana Riverboat Gaming Enforcement Division (hereinafter referred to as the "division") as provided in the Riverboat Economic Development and Gaming Control Act, R.S. 4:501 et seq., and in particular, R.S. 4:528.B. If the division finds that the owner of this security does not meet the qualification requirements of the Act, then the division may suspend or revoke the license or the division may condition the license requiring that the disqualified person or persons may not:

1. receive dividends or interest on the securities of the corporation;
2. exercise directly or through a trustee or nominee, a right conferred by the securities of the corporation;
3. receive remuneration from the licensee;
4. receive any economic benefit from the licensee;
5. continue in an ownership or economic interest in the licensee."

B. A publicly traded corporation incorporated before January 15, 1992, is only required to put the above statement of restrictions on securities issued after the corporation files its application for a license, permit or transfer approval with the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2513. Emergency Situations

A. If the provisions of §2501.C apply to a transfer of an interest in a licensee, permittee, or person who is required to meet the qualification requirements and suitability requirements of the Act, is contemplated, and in the opinion of the division, the exigencies of the situation require that a proposed transferee be permitted to take part in the conduct of operations or to make available financing or credit for use in connection with such operation during the pendency of an application for a license, permit, or determination that the applicant meets the qualification requirements and suitability requirements of the Act, then the division may by emergency order implement the emergency procedures described in §2515.

B. An emergency as used in this Chapter may be deemed to include, but is not limited to, any of the following.

1. The licensee, permittee or person who was required to meet the qualification requirements and suitability requirements of the Act has died or has been declared legally incompetent.

2. The licensee, permittee or person who was required to meet the qualification requirements and suitability requirements of the Act is a legal entity that has been dissolved by operation of law.

3. The licensee, permittee or person who was required to meet the qualification requirements and suitability requirements of the Act has filed a petition of bankruptcy, or in the opinion of the division is or will likely become insolvent.

4. The license or permit has been suspended or revoked.

5. A person with an interest in a licensee or permittee who was required to meet the qualification requirements and suitability requirements of the Act no longer meets the qualification requirements and suitability requirements of the Act.

6. A licensee, permittee, or person who was required to meet the qualification requirements and suitability requirements of the Act or an interest in a licensee or permittee is subject to foreclosure or other forced sale permitted by law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2515. Emergency Procedures

A. A proposed transferee who seeks to participate in an operation pursuant to an emergency order as provided in §2513 must submit a written request to the division which shall contain the following:

1. a complete description of the extent to which and the manner in which the proposed transferee will participate in the operations pending the completion of the proposed transfer of an interest;

2. a complete description of the plan for effecting the proposed transfer of the interest;

3. a complete financial statement, including the sources for all funds to be used in the transfer and that will be used in the participation prior to the completion of the transfer;

4. full, true and correct copies of all documents pertaining to the proposed transfer, including but not limited to all agreements between the parties, leases, notes, mortgages or deeds of trust, and pertinent agreements or other documents with or involving third parties;

5. a complete description of any and all proposed changes in the manner or method of operations, including but not limited to the identification of all proposed changes of and additions to supervisory personnel;

6. all such additional documentation and information as may be requested by the division; and

7. a certification that a copy of the request for emergency participation has been provided to the commission.

B. The proposed transferee must file a complete application with the division for approval of the transfer of the interest and for any necessary license or permit as provided in §2507 within five days after an order for emergency participation has been issued. The division may waive any or all of the requirements of this Subsection upon written request of the proposed transferee with a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2517. Emergency Permission to Participate; Investigation

A. After the proposed transferee has complied with the requirements of §2515, the division shall determine if all the necessary documents and information have been provided by the applicant for approval for the transfer. If the division determines all of the necessary documents and information have been provided by the proposed transferee, then the division shall notify the proposed transferee of that fact in a manner deemed appropriate by the division.

B. After the notice described in §2517.A has been provided to the proposed transferee, the division shall commence the background investigation of the proposed transferee. The division may request such additional documents and information during the investigation as it deems necessary. Upon the conclusion of the background investigation, the division may grant or deny the request for emergency participation. No hearing will be granted to review the denial of a request for emergency participation. Any conditions imposed by the division on a proposed transferee must be accepted by the proposed transferee in a manner approved by the division prior to the division granting a request for emergency participation.

C. Emergency permission to participate shall be defined with respect to time, and must be limited as follows.

1. Pending final action on the application of a proposed transferee, the existing licensee, permittee or person who has met the qualification requirements and suitability requirements of the Act and the transferee approved for emergency participation shall both be responsible for the payment of all taxes, fees and fines, and for acts or omissions of each.

2. No proposed transferee who has been granted emergency permission in writing to participate shall receive any portion of the net gaming proceeds from the gaming operations or any profits from other operations of the licensee or permittee until final approval of the proposed transfer of the interest has been granted subject to the exception contained in §2517.C.3. If approval is granted, such approval shall be retroactive to the effective date of the emergency participation.

3. A proposed transferee who has been granted emergency permission to participate and who actually renders services to the licensed operation or the permitted operation may be compensated for any services actually rendered, but such compensation is subject to prior written approval by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2519. Effect of Emergency Permission to Participate; Withdrawal

A. The granting of emergency permission to participate is a revocable privilege. The granting of emergency permission to participate is not a finding by the division that the applicant for emergency participation meets the qualification requirements or suitability requirements of the Act. Such emergency permission to participate is without prejudice to any action that the division or the commission may take with respect to any application for final approval of the proposed transfer of the interest. All emergency permissions to participate are subject to the condition that they may be revoked or suspended at any time without a right to a hearing to review the division's decision. The provisions contained in this Section are to be considered a part of any emergency participation granted by the division, whether or not they are included in the order granting such emergency participation.

B. Upon notice that emergency permission to participate has been withdrawn, suspended, or revoked, the proposed transferee with such permission shall immediately terminate any participation whatsoever in the operations of the licensee, permittee or person required to meet the qualification requirements and suitability requirements of the Act. Anything of value, including money, contributed to the operations of the licensee, permittee or person required to meet the qualification requirements and suitability requirements of the Act shall be immediately returned to the proposed transferee. Noncompliance with this Section shall be considered a violation of the Act and of the rules of the division by all concerned parties.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2521. Loans and Lines of Credit

A. No licensee, permittee or person on behalf of a licensee or permittee shall borrow money, receive, accept, or make use of any cash, property, credit, line of credit, or guarantee, or grant other form of security for any loan except in accordance with these regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2523. Board Actions Concerning Loans and Lines of Credit

A. Whenever any licensee or person acting on behalf of a licensee ("borrower" herein), applies for, receives, accepts, or modifies the terms of any loan, line of credit, third-party financing agreement, sale with buy-back or lease-back provisions or similar financing transaction, or makes use of any cash, property, credit, loan or line of credit, or guarantees, or grants other form of security for a loan, such borrower shall notify the board in writing no less than 60 days prior to such transaction, unless more stringent conditions are imposed by the board. Such notice shall include the following:

1. the names and addresses of all the parties to the transaction;
2. the amounts and sources of funds;
3. the property or credit received or applied;
4. the nature and the amount of security provided by or on behalf of the borrower or person required to meet the applicable qualification requirements and suitability requirements of R.S. 27:1 et seq.;
5. the specific nature and purpose of the transaction; and
6. such other information and documentation the board or division may require.

B. The report described in Subsection A of this Section shall be signed under oath by the borrower, an authorized representative of the borrower, or person required to meet the applicable qualification requirements and suitability requirements of R.S. 27:1 et seq.

C. All transactions described in Subsection A of this Section require prior written approval by the board unless:

1. the amount of the transaction does not exceed \$2,500,000 and all of the lending institutions involved therein are federally regulated financial institutions;
2. the loan amount of the transaction does not exceed \$1,000,000 and all of the lending entities are qualified parties;
3. the transaction is exempted from the prior written approval requirement pursuant to the provisions of §2524 of this Chapter;
4. the loan amount does not exceed \$500,000 and the transaction is one other than those described in Paragraphs C.1, 2, or 3 of this Section;
5. the transaction modifies the terms of an existing loan or line of credit which has been previously approved pursuant to this Section, and after preliminary investigation pursuant to Subsection D of this Section, the board determines that the modification does not substantially alter such terms.

D. The board, after preliminary review, shall determine whether the transaction is exempt from the requirement of prior written approval, and shall notify the borrower of the determination.

E. In the event the transaction is not determined exempt pursuant to Subsection C, the board shall render a decision approving or disapproving the transaction.

F. If the transaction is disapproved, the decision of the board shall be in writing and shall set forth detailed reasons for such disapproval.

G. The board may require that the transaction be subject to conditions which must be accepted by all parties prior to approval. The acceptance of such conditions shall be in a manner approved by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:746 (June 1997).

§2524. Publicly Registered Debt and Securities

A. If the transaction described in §2523.A of this Chapter involves publicly registered debt and securities registered with the Securities and Exchange Commission (SEC), and sold pursuant to a firm underwriting understanding agreement, no board approval is required; however, in addition to filing the notice required in §2523.A and B, the borrower shall:

1. file with the board, within one business day after filing with the SEC, copies of all registration statements and all final prospectus with respect to such debt securities and will give notice to the division within one business day of the effectiveness of such registration statement; and

2. file a report with the board within 45 days after the completion of sales under such registration, setting forth the amount of securities sold and the identities of the purchasers thereof from the underwriters.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:746 (June 1997).

§2527. Escrow Accounts

A. No money or other thing of value shall be paid, remitted, or distributed, directly or indirectly, to a proposed transferee, including a transferee with emergency permission to participate, until the division has approved the transfer and the transferee.

B. All money or other things of value to be paid, remitted, or distributed, directly or indirectly, to a proposed transferee, including a transferee with emergency permission to participate, shall be placed in escrow in a manner acceptable the division until the division has approved the transfer and the transferee.

C. Upon approval of the transfer and the transferee, the money or other things of value held in escrow may be distributed to the transferee.

D. If the transfer or the transferee is disapproved by the division, any money or other thing of value placed in escrow shall be returned to the person depositing the money or other thing of value in escrow.

E. A transferee with emergency permission to participate may be paid such compensation for services rendered as has been approved by the division in writing without such compensation being placed in escrow.

F. Any violation of this Section shall be grounds to disapprove the transfer or the transferee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

Chapter 27. Accounting Regulations

§2701. Procedure for Reporting and Paying Gaming Revenues and Fees

A. All daily fee remittance summary reports, together with all necessary subsidiary schedules, required under the Act shall be submitted to the division no later than 48 hours from the end of the licensee's specified gaming day. For reporting purposes, licensee's specified gaming day (beginning time to ending time) shall be submitted in writing to the division prior to implementation. For licensees which offer 24-hour gaming, gaming day is the 24-hour period by which the casino keeps its books and records for business, accounting, and tax purposes. Each licensee shall have only one gaming day, common to all its departments. Any change to the gaming day shall be submitted to the division 10 days prior to implementation of the change. All license and franchise fees related thereto must be electronically transferred to the state's designated bank account as directed by the division. In addition to any other administrative action, civil penalties, or criminal penalties, licensees who are late in electronically transferring these fees may retroactively be assessed late penalties of 15 percent of the amount due per annum after notice and opportunity for a hearing held in accordance with the Administrative Procedure Act. Interest may be imposed on the late payment of fees at the daily rate of 0.00041 multiplied by the amount of unpaid fees for each day the payment is late.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1876 (October 1999), repromulgated LR 25:2232 (November 1999).

§2703. Accounting Records

A. The following requirements shall apply throughout all of Chapter 27.

1. Each licensee, in such manner as the division may approve or require, shall keep accurate, complete, legible, and permanent records of all transactions pertaining to

revenue that is taxable or subject to fees under the Act. Each licensee shall keep records of all transactions impacting the financial statements of the licensee, including, but not limited to, contracts or agreements with suppliers/vendors, contractors, consultants, attorneys, accounting firms; accounts/trade payable files; insurance policies; bank statements, reconciliations and canceled checks. Each licensee that keeps permanent records in a computerized or microfiche fashion shall upon request immediately provide agents of the division with a detailed index to the microfiche or computer record that is indexed by casino department and date, as well as access to a microfiche reader. Only documents which do not contain original signatures may be kept in a microfiche or computerized fashion.

2. Each licensee shall keep general accounting records on a double entry system of accounting, with transactions recorded on a basis consistent with generally accepted accounting principles, maintaining detailed, supporting, subsidiary records, including but not limited to:

a. detailed records identifying admissions to gaming excursions by excursion and day, revenues by day, expenses, assets, liabilities, and equity for each establishment;

b. detailed records of all markers, IOU's, returned checks, hold checks, or other similar credit instruments;

c. individual and statistical game records to reflect drop, win, and the percentage of win to drop by table for each table game, and to reflect drop, win, and the percentage of win to drop for each type of table game, for each day or other accounting periods approved by the division and individual and game records reflecting similar information for all other games, including slots;

d. slot analysis reports which, by each machine, compare actual hold percentages to theoretical hold percentages;

e. for each licensee, the records required by the licensee's system of internal control;

f. journal entries and all workpapers (electronic or manual) prepared by the licensee and its independent accountant;

g. records supporting the accumulation of the costs for complimentary services and items. A complimentary service or item provided to patrons in the normal course of an owner's business shall be expended at an amount based upon the full cost of such services or items to the licensee;

h. detailed gaming chip and token perpetual inventory records which identify the purchase, receipt, and destruction of gaming chips and tokens from all sources as well as any other necessary adjustments to the inventories. The recorded accountability shall be verified periodically via physical counts. The division shall have an agent, or its designee, present during destruction of any gaming chips or tokens;

i. workpapers supporting the daily reconciliation of cash and cash equivalent accountability;

j. financial statements and supporting documents; and

k. any other records that the division specifically requires be maintained.

3. Each licensee shall create and maintain records sufficient to accurately reflect gross income and expenses relating to its gaming operations.

4. If a licensee fails to keep the records used by it to calculate gross and net gaming revenue, or if the records kept by the licensee to compute gross and net gaming revenue are not adequate to determine these amounts, the division may compute and determine the amount of taxable revenue based on an audit conducted by the division, any information within the division's possession, or upon statistical analysis.

5. The division may review or take possession of records at any time upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1877 (October 1999), repromulgated LR 25:2232 (November 1999).

§2705. Records of Ownership

A. Each corporate licensee shall keep on the premises of its gaming establishment the following documents pertaining to the corporation:

1. a certified copy of the articles of incorporation and any amendments;

2. a copy of the bylaws and any amendments;

3. a copy of the certificate issued by the Louisiana secretary of state authorizing the corporation to transact business in Louisiana;

4. a list of all current and former officers and directors;

5. a certified copy of minutes of all meetings of the stockholders;

6. a certified copy of minutes of all meetings of the directors;

7. a list of all stockholders listing each stockholder's name, birth date, Social Security number, address, the number of shares held, and the date the shares were acquired;

8. the stock certificate ledger;

9. a record of all transfers of the corporation's stock;

10. a record of amounts paid to the corporation for issuance of stock and other capital contributions; and

11. a schedule of all salaries, wages, and other remuneration (including perquisites), direct or indirect, paid during the calendar or fiscal year, by the corporation, to all

officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year, equal to 5 percent or more of the outstanding capital stock of any class of stock.

B. Each limited liability company licensee shall keep on the premises of its gaming establishment the following documents pertaining to the company:

1. a certified copy of the articles of organization and any amendments;
2. a copy of the "initial report" setting forth location and address of registered office and agent(s);
3. a copy of required records to be maintained at the registered office of the LLC, including current list of names and addresses of members and managers;
4. a copy of the operating agreement and amendments; and
5. a copy of the certificate of organization issued by the Louisiana Secretary of State evidencing that the limited liability company has been organized.

C. Each partnership licensee shall keep on the premises of its gaming establishment the following documents pertaining to the partnership:

1. a copy of the partnership agreement and, if applicable, the certificate of limited partnership;
2. a list of the partners including their names, birth date, Social Security number, addresses, the percentage of interest held by each, the amount and date of each capital contribution of each partner, and the date the interest was acquired;
3. a record of all withdrawals of partnership funds or assets; and
4. a schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to each partner during the calendar or fiscal year.

D. Each sole proprietorship licensee shall keep on the premises of its gaming establishment:

1. a schedule showing the name, birth date, Social Security number and address of the proprietor and the amount and date of the proprietor's original investment and of any additions and withdrawals;
2. a schedule of salaries, wages and other remuneration (including perquisites), direct or indirect, paid to the proprietor during the calendar or fiscal year.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1877 (October 1999), repromulgated LR 25:2233 (November 1999).

§2707. Record Retention

A. Upon request, each licensee shall provide the division, at a location approved by the division, with the records required to be maintained by Chapter 27. Each licensee shall retain all such records for a minimum of five years in a parish approved by the division. In the event of a change of ownership, records of prior owners shall be retained in a parish approved by the division for a period of five years unless otherwise approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1878 (October 1999), repromulgated LR 25:2233 (November 1999).

§2709. Standard Financial Statements

A. The division shall prescribe a uniform chart of accounts including account classifications in order to insure consistency, comparability, and appropriate disclosure of financial information. The prescribed chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by the holder of an owner's license. All licensees shall prepare their financial statements in accordance with this chart or in a similar form that reflects the same information.

B. Each licensee shall furnish to the division on a form, as prescribed by the division, a quarterly financial report. The quarterly financial report shall present all data on a monthly basis as well. Monthly financial reports shall include reconciliation of general ledger amounts with amounts reported to the division. The quarterly financial report shall be submitted to the division no later than 60 days following the end of each quarter.

C. Each licensee shall submit to the division one copy of any report, including but not limited to Forms S-1, 8-K, 10-Q, and 10-K, required to be filed by the licensee with the securities and exchange commission or other domestic or foreign securities regulatory agency, within 10 days of the time of filing with such commission or agency or the due date prescribed by such commission or regulatory agency, whichever comes first.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:1322 (October 1997), LR 25:1878 (October 1999), repromulgated LR 25:2234 (November 1999).

§2711. Audited Financial Statements

A. Each licensee shall submit to the division, postmarked by the United States Postal Service or deposited for delivery with a private or commercial interstate carrier, audited financial statements reflecting all financial activities of the licensee's establishment prepared in accordance with

generally accepted accounting principles and subjected to an examination conducted according to generally accepted auditing standards by an independent Certified Public Accountant (CPA). The CPA shall incorporate the guidelines established by the division into current procedures for preparing audited financial statements. The submitted audited financial statements required under this Part shall be based on the licensee's business year as approved by the division. If the licensee or a person controlling, controlled by, or under common control with the licensee owns or operates food, beverage or retail facilities or operations on the riverboat, or any related shore terminals, facilities or buildings, the financial statement must further reflect these operational records.

B. The reports required to be filed pursuant to this Section shall be sworn to and signed by:

1. if from a corporation:
 - a. chief executive officer; and either the
 - b. financial vice president; or
 - c. treasurer; or
 - d. controller;
2. if from a partnership, by a general partner and financial director;
3. if from a sole proprietorship, by the proprietor; or
4. if from any other form of business association, by the chief executive officer.

C. All the audits and reports required by this Section shall be prepared at the sole expense of the licensee.

D. Each licensee shall engage an independent Certified Public Accountant (CPA) licensed by the Louisiana State Board of Certified Public Accountants. The CPA shall examine the statements in accordance with generally accepted auditing standards. The licensee may select the independent CPA with the division's approval. Should the independent CPA previously engaged as the principal accountant to audit the licensee's financial statements resign or be dismissed as the principal accountant, or if another CPA is engaged as principal accountant, the licensee shall file a report with the division within 10 days following the end of the month in which the event occurs, setting forth the following:

1. the date of the resignation, dismissal, or engagement;
2. any disagreements with a former accountant, in connection with the audits of the two most recent years, on any matter of accounting principles, or practices, financial statement disclosure, auditing scope or procedure, which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference in connection with his report to the subject matter of the disagreement; including a description of each such disagreement; whether resolved or unresolved;

3. whether the principal accountant's report on the financial statements for any of the past two years contained an adverse opinion or a disclaimer of opinion or was qualified. The nature of such adverse opinion or a disclaimer of opinion, or qualification shall be described; and

4. a letter from the former accountant furnished to the licensee and addressed to the division stating whether he agrees with the statements made by the licensee in response to this Section of the licensee's submission of accounting and internal control.

E. Unless the division approves otherwise in writing, the statements required must be presented on a comparative basis. Consolidated financial statements may be filed by commonly owned or operated establishments, but the consolidated statements must include consolidating financial information or consolidated schedules presenting separate financial statements for each establishment licensed to conduct gaming by the division. The CPA shall express an opinion on the consolidated financial statements as a whole and shall subject the accompanying consolidating financial information to the auditing procedures applied in the examination of the consolidated financial statements.

F. Each licensee shall submit to the division two originally signed copies of its audited financial statements and the applicable CPA's letter of engagement not later than 120 days after the last day of the licensee's business year. In the event of a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent, the licensee or former licensee shall, not later than 120 days after the event, submit to the division two originally signed copies of audited statements covering the period between the filing of the last financial statement and the date of the event. If a license termination, change in business entity, or a change in the percentage of ownership of more than 20 percent occurs within 120 days after the end of the business year for which a statement has not been submitted, the licensee may submit statements covering both the business year and the final period of business.

G. If a licensee changes its fiscal year, the licensee shall prepare and submit to the division audited financial statements covering the period from the end of the previous business year to the beginning of the new business year not later than 120 days after the end of the period or incorporate the financial results of the period into the statements for the new business year.

H. Reports that directly relate to the independent CPA's examination of the licensee's financial statements must be submitted within 120 days after the end of the licensee's business year. The CPA shall incorporate the guidelines established by the division into current procedures for preparing the reports.

I. Each licensee shall engage an independent CPA to conduct a quarterly audit of the net gaming proceeds. Two signed copies of the auditor's report shall be forwarded to the division not later than 60 days after the last day of the applicable quarter. For purposes of this Part, quarters are defined as follows: January through March, April through

June, July through September and October through December. The CPA shall incorporate the guidelines established by the division into current procedures for preparing the quarterly audit.

J. The division may request additional information and documents from either the licensee or the licensee's independent CPA, through the licensee, regarding the financial statements or the services performed by the accountant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1878 (October 1999), repromulgated LR 25:2234 (November 1999).

§2713. Cash Reserve and Bonding Requirements; General

A. Each licensee shall maintain in cash or cash equivalent amounts sufficient to protect patrons against defaults in gaming debts owed by the holder of an owner's license as defined below:

GAMES:	All Table Games	
	Number of games X table limit average X \$50 =	_____
SLOTS:	Nonprogressive:	
	Number of Machines X \$50 =	_____
	Progressive:	
	Total of all in house progressive jackpots =	
KENO:	Number of Games X \$25,000 =	_____
	(or game limit, whichever is smaller)	
OTHER:	Operating Accounts Payable =	_____
	(amount equal to two weeks payables)	
	Payroll for Two Weeks =	_____
	Debt Service for One Month =	_____
TOTAL REQUIREMENTS:		_____
CASH RESERVE COMPRISED OF		
	Cash in Cage:	_____
	Cash in Banks, TCD, Savings, etc.=	_____
	Casino Cash on Hand	_____
	(Do not include slot machine bucket cash)	
	Less: Safekeeping Money	(____)
TOTAL CASH RESERVE AVAILABLE		_____

B. For the purposes of this Section, *table limit average* shall be defined as the sum of the highest table limit set for each and all tables during the calendar month, divided by the total number of tables. All tables shall be included in the calculation whether they are opened or closed.

C. Each licensee may submit its own procedure for calculating its cash reserve requirement which shall be approved by the division in writing prior to implementation. Such procedure shall be implemented after the licensee receives the division's written approval.

D. Each licensee shall submit monthly calculations of its cash reserve to the division no later than 30 days following the end of each month.

E. Cash equivalents are defined as all highly liquid investments with an original maturity of 12 months or less and available unused lines of credit issued by a federally regulated financial institution as permitted in Chapter 25 and approved pursuant to that Chapter. Approved lines of credit shall not exceed 50 percent of the total cash reserve requirement. Any changes to the initial computation submitted to the division shall require the licensee to resubmit the computation with all changes delineated therein including a defined time period for adjustment of the cash reserve account balance, e.g., monthly, quarterly, etc.

F. Each licensee shall be required to secure and maintain a bond from a surety company licensed to do business within the state of Louisiana that ensures specific performance under the provisions of the Act for the payment of fees, fines and other assessments. The amount of the bond shall be set at \$250,000 unless the division determines that a higher amount is appropriate. The licensee shall submit the surety bond to the division prior to the commencement of gaming operations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1879 (October 1999), repromulgated LR 25:2235 (November 1999).

§2715. Internal Control; General

A. Each licensee shall establish and implement beginning the first day of operations administrative and accounting procedures for the purpose of determining the licensee's liability for revenues and fees under the Act and for the purpose of exercising effective control over the licensee's internal fiscal affairs. Each licensee shall adhere to the procedures established and implemented under the requirements of this Section of the administrative rules and regulations. The procedures shall be implemented to reasonably ensure that:

1. all assets are safeguarded;
2. financial records are accurate and reliable;
3. transactions are performed only in accordance with the licensee's internal controls as approved by the division;
4. transactions are recorded adequately to permit proper reporting of gaming revenue, fees and taxes, and all revenues deriving from riverboat, terminal and related facilities and to maintain accountability for assets;
5. access to assets is permitted only in accordance with the licensee's internal controls as approved by the division;
6. recorded accountability for assets is compared with actual assets at least annually and appropriate action is taken with respect to any discrepancies;
7. functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel;

8. sensitive keys are maintained in a secure area that is subject to surveillance as follows:

- a. all restricted sensitive keys shall be stored in an immovable dual lock box;
- b. one key shall open only one lock on the dual lock box;
- c. a dual key system shall be implemented wherein both keys are required to open the dual lock box and shall not be issued to different employees in the same department;
- d. an employee shall be issued only a single key to the dual lock box; and
- e. there shall be a surveillance camera monitoring the dual lock box at all times;

9. restricted sensitive keys are properly secured. Restricted sensitive keys shall be defined as those keys which can only be reproduced by the manufacturer of the lock or its authorized agent. These keys shall be stored in a dual lock box, with the exception of the cages, change banks/booths and the dual lock box keys. All restricted sensitive keys shall be inventoried and accounted for on a quarterly basis. These keys include but are not limited to:

- a. slot drop cabinet keys;
- b. bill validator release keys;
- c. bill validator contents keys;
- d. table drop release keys;
- e. table drop contents keys;
- f. count room keys;
- g. high level Caribbean stud key;
- h. vault entrance key;
- i. CCOM (processor) keys;
- j. card and dice storage keys;
- k. slot office storage box keys;
- l. dual lock box keys;
- m. change bank/booth keys;
- n. secondary chip access keys;
- o. weigh calibration key;

10. all other sensitive keys not listed in §2715.A.9 are listed in the licensee's internal controls and are controlled as prescribed therein;

11. all damaged sensitive keys are disposed of timely and adequately. The licensee shall notify the division of the destruction. Notification shall include type of key(s), number of key(s), and the place and manner of disposal;

12. all access to the count rooms and the vault is documented on a log maintained by the count team and vault personnel respectively. Such logs shall be kept in the count rooms and vault room respectively, such logs shall be available at all times, and such logs shall contain entries with the following information:

- a. name of each person entering the room;
- b. reason each person entered the room;
- c. date and time each person enters and exits the room;
- d. date, time and type of any equipment malfunction in the room;
- e. a description of any unusual events occurring in the room; and
- f. such other information required in the licensee's internal controls as approved by the division;

13. only transparent trash bags are utilized in restricted areas.

B. Each licensee and each applicant for a license shall describe, in such manner as the division may approve or require, its administrative and accounting procedures in detail in a written system of internal control. Each licensee and applicant for a license shall submit a copy of its written system of internal controls to the division for approval prior to commencement of the licensee's operations. Each written system of internal control shall include:

- 1. an organizational chart depicting appropriate segregation of functions and responsibilities;
- 2. a description of the duties, responsibilities, and access to sensitive areas of each position shown on the organizational chart;
- 3. a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of §2715.A and §2325.C;
- 4. a flow chart illustrating the information required in Paragraphs 1, 2, and 3 above;
- 5. a written statement signed by an officer of the licensee or a licensed owner attesting that the system satisfies the requirements of this Section;
- 6. other information as the division may require.

C. The licensee may not implement its initial system of internal control procedures unless the division, in its sole discretion, determines that the licensee's proposed system satisfies §2715.A, and approves the system in writing. In addition, the licensee must engage an independent CPA to review the proposed system of internal control prior to implementation. The CPA shall forward two signed copies of the report reflecting the results of the evaluation of the proposed internal control system prior to implementation.

D. A separate internal audit department (whose primary function is performing internal audit work and who is independent with respect to the departments subject to audit) shall be maintained by either the licensee, the parent company of the licensee, or be contracted to an independent CPA firm. The internal audit department or independent CPA firm shall develop quarterly reports providing details of all exceptions found and subsequent action taken by management. All material exceptions resulting from internal audit work shall be investigated and resolved. The results of the investigation shall be documented and retained within the state of Louisiana for five years.

E. Each licensee shall require the independent CPA engaged by the licensee for purposes of examining the financial statements to submit to the licensee two originally signed copies of a written report of the continuing effectiveness and adequacy of the licensee's written system of internal control 150 days after the end of the licensee's fiscal year. Using the guidelines and standard internal control questionnaires and procedures established by the division, the independent CPA shall report each event and procedure discovered by or brought to the CPA's attention which the CPA believes does not satisfy the internal control system approved by the division. Not later than 150 days after the end of the licensee's fiscal year, the licensee shall submit an originally signed copy of the CPA's report and any other correspondence directly relating to the licensee's system of internal control to the division accompanied by the licensee's statement addressing each item of noncompliance as noted by the CPA and describing the corrective measures taken.

F. Before adding or eliminating any game; adding any computerized system that affects the proper reporting of gross revenue; adding any computerized system of betting at a race book; or adding any computerized system for monitoring slot machines or other games, or any other computerized equipment, the licensee shall:

1. amend its accounting and administrative procedures and its written system of internal control;
2. submit to the division a copy of the amendment of the internal controls, signed by the licensee's chief financial officer or general manager, and a written description of the amendments;
3. comply with any written requirements imposed by the division regarding administrative approval of computerized equipment; and
4. after compliance with Paragraphs 1-3 and approval has been obtained from the division, implement the procedures and internal controls as amended.

G. Any change or amendment in procedure including any change or amendment in the licensee's internal controls previously approved by the division shall be submitted to the division for prior written approval as provided in Chapter 29 of these rules.

H. If the division determines that a licensee's administrative or accounting procedures or its internal controls do not comply with the requirements of this Section, the division shall so notify the licensee in writing. Within 30 days after receiving the notification, the licensee shall amend its procedures and written system accordingly, and shall submit a copy of the internal controls as amended and a description of any other remedial measures taken.

I. The division can observe unannounced the transportation and count of each of the following: Electronic Gaming Device drop, all table game drops, tip box and slot drops, slot fills, fills and credits for table games, as well as

any other internal control procedure(s) implemented. For purposes of these procedures, *unannounced* means that no officers, directors or employees of the holder of the owner's license are given advance information, regarding the dates or times of such observations.

J. Except as otherwise provided in this Section, no licensee shall make any loan, or otherwise provide or allow to any person any credit or advance of anything of value or which represents value to enable any person to take part in gaming activity. The failure to deposit for collection a negotiable instrument by the second banking day following receipt shall be considered an extension of credit.

K. A licensee may extend credit to a patron only in the manner(s) provided in its internal control system approved by the division.

L. The internal control system shall provide that:

1. each credit transaction is promptly and accurately recorded in appropriate credit records;
2. coupon redemption and other complimentary distribution program transactions are promptly and accurately recorded; and
3. credit may be extended only in a commercially reasonable manner considering the assets, liabilities, prior payment history and income of the patron.

M. No credit shall be extended beyond 30 days. In the event that a patron has not paid a debt created under this Section within 30 days, a holder of an owner's license shall not further extend credit to the patron while such debt is outstanding.

N. A licensee shall be liable as an insurer for all collection activities on the debt of a patron whether such activities occur in the name of the owner or a third party.

O. The licensee shall provide to the division a quarterly report detailing all credit outstanding from whatever source, including nonsufficient funds checks, collection activities taken and settlements, of all disputed markers, checks and disputed credit card charges pertaining to gaming. The report required under this Part shall be submitted to the division within 15 days of the end of each quarter.

P. The value of chips or tokens issued to a patron upon the extension of credit, the receipt of a check or other instrument or via a complimentary distribution program shall be included in the computation of net gaming proceeds.

Q. The licensee shall have a continuing duty to review its internal controls to ensure the internal controls remain in compliance with the Act and the division's rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1879 (October 1999), repromulgated LR 25:2235 (November 1999), amended LR 26:2306 (October 2000).

§2716. Clothing Requirements

A. All authorized persons accessing any count room when unaudited funds are present shall wear clothing without any pockets or other compartments with the exception of division agents, security, internal audit, and external audit.

B. Cage employees shall not bring purses, handbags, briefcases, bags or any other similar item into the cage unless it is transparent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1881 (October 1999), repromulgated LR 25:2237 (November 1999).

§2717. Internal Controls; Table Games

A. Table Games Fill and Credit Slip Requirements (Computerized and Manual). Each licensee shall utilize fill/credit slips to document the transfer of chips and tokens to and from table games. All table game fill/credit slips shall be safeguarded in their distribution, use, and control as follows.

1. Fill/credit slips shall, at a minimum, be in triplicate form, in a continuous numerical series, pre-numbered by the computer in a form utilizing the alphabet and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year.

a. Each slip shall be clearly and correctly marked "Fill" or "Credit", whichever applies, and shall contain the following:

- i. correct date and time;
- ii. shift;
- iii. table number;
- iv. game type;
- v. amount of fill/credit by denomination and in total;
- vi. sequential slip number (manual slips may be issued in sequential order by location); and
- vii. identification code of the requestor, in stored data only.

b. All fill slips shall be distributed as follows.

i. One part shall be transported to the pit with the fill and, after the appropriate signatures are obtained, deposited in table drop box by the dealer/boxperson. The part that is placed in the drop box shall be of a different color for fills than that used for credits.

ii. One part shall be retained in the cage for reconciliation of the cashier bank.

iii. One part shall be forwarded to accounting or retained internally within the computer. This computer copy shall be known as the "restricted copy" and shall not be

accessible to cage or pit employees. The stored data shall not be susceptible to change or removal by cage or pit personnel after preparation of a fill, with the exception of voids. Accounting shall be given access to the restricted copies of the fill slips.

c. All credit slips shall be distributed as follows.

i. One part shall be retained in the cage for reconciliation of the cashier bank upon completion of the credit transaction.

ii. One part shall be transported to the pit by the security officer who brought the chips, tokens, markers or monetary equivalents from the pit to the cage, and after the appropriate signatures are obtained, deposited in the table drop box by the dealer/boxperson. The part that is placed in the drop box shall be of different color for credits than that used for fills.

iii. One part shall be forwarded to accounting or retained internally within the computer. This computer copy shall be known as the *restricted copy* and shall not be accessible to cage or pit employees. The stored data shall not be susceptible to change or removal by cage or pit personnel after preparation of a credit, with the exception of voids. Accounting shall be given access to the restricted copies of the credit slips.

2. Processed slips shall be signed by at least the following individuals to indicate that each has counted the amount of the fill/credit and the amount agrees with the slip:

- a. cashier who prepared the slip and issued the fill or received the items transferred from the pit;
- b. runner, who shall be a gaming employee independent of the transaction, who carried the chips, tokens, or monetary equivalents to or from the table;
- c. dealer/boxperson who received the fill or had custody of the credit prior to the transfer; and
- d. pit supervisor who supervised the fill/credit.

3. Fill/credit slips that are voided shall be clearly marked "Void" across the face of all copies. On manual slips, the first and second copies shall have "Void" written across the face. The cashier shall print his employee number and sign his name on the voided slip. A brief statement of why the void was necessary shall be written on the face of all copies. The pit or cage supervisor who approves the void shall print his employee number and sign his name and shall print or stamp the date and time the void is approved. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

4. Access to slips and slip processing areas shall be restricted to authorized personnel.

a. All unissued fill/credit slips shall be securely stored under the control of the accounting or security department.

b. All unissued fill/credit slips shall be controlled by a log which the accounting department shall agree to fill or credit slips purchase documents monthly.

5. The accounting department shall account for all slips daily and investigate all missing slips within 10 days. The investigation shall be documented and the documentation retained for a minimum of five years.

B. Computerized Table Game Fill Procedures. Computerized table fill transactions shall be:

1. initiated by a pit supervisor and the order acknowledged by a cage cashier prior to the issuance of a fill slip and transportation of the chips, tokens, and monetary equivalents. The pit supervisor or pit clerk shall process the order for fill by entering the following information into the computer:

- a. correct date and time (computer may automatically generate);
- b. shift;
- c. table number;
- d. game type;
- e. amount of fill by denomination and in total; and
- f. identification code of preparer, in stored data only;

2. transported and deposited on the table only when accompanied by a legitimately executed fill slip;

3. physically transported from the cage by a gaming employee from a department independent of the transaction;

4. broken down or verified by the dealer/boxperson in public view before the dealer/boxperson places the fill in the tray;

5. acknowledged by the pit clerk or cage personnel via computer upon completion of the fill.

6. finalized by the cage cashier who shall complete the transaction via computer entry.

C. Cross-Fills. Cross-fills between tables shall not be permitted.

D. Computerized Table Game Credit Procedures. Computerized table credit transactions shall be:

1. initiated by a pit supervisor and the order acknowledged by a cage cashier prior to the issuance of a credit slip and transportation of the chips, tokens, and monetary equivalents. The pit supervisor or pit clerk shall process the order for credit by entering the following information into the computer:

- a. correct date and time (computer may automatically generate);
- b. shift;
- c. table number;
- d. game type;
- e. amount of credit by denomination and in total; and
- f. identification code of preparer, in stored data only;

2. broken down or verified by the dealer/boxperson in public view before the dealer/boxperson places the credit in racks for transfer to the cage;

3. transacted and transferred from the table to the cage only when accompanied by a legitimately executed credit slip;

4. physically transported from the table by a gaming employee from a department independent of the transaction;

5. acknowledged by the pit clerk or cage personnel via computer upon completion of the credit;

6. finalized by the pit clerk or cage cashier who shall complete the transaction via computer entry.

E. Alternate Internal Control Procedures for Non-Computerized Table Games Transactions. For any non-computerized table games systems, alternate documentation and/or procedures which provide at least the level of control required by the above standards for fills and credits will be acceptable. Such procedures must be enumerated in the licensee's internal controls and approved by the division.

F. Table Games Inventory Procedures. All table games shall be counted each gaming day simultaneously by a dealer/boxperson and a pit supervisor, or two pit supervisors. The count shall be conducted at the end of the gaming day except for tables which are counted and closed before the end of the gaming day. These tables do not have to be recounted at the end of the gaming day if they remained closed. At the beginning and end of each gaming day, each table's chip, token, and coin inventory shall be counted and recorded on a table inventory form. Additionally, tables which have remained closed after crediting the entire inventory back to the cage will be exempt from conducting a daily count; however, the zero balance shall be documented in the table games paperwork for each day that they maintain a zero balance.

1. Table inventory forms shall be prepared, verified and signed by the dealer/boxperson and a pit supervisor, or two pit supervisors.

2. If the table banks are maintained on an imprest basis, a final fill or credit shall be made to bring the bank back to par.

3. If final fills are not made, beginning and ending inventories shall be recorded on the master game sheet for win calculation purposes.

4. Table inventory forms shall be placed in the drop box by someone other than a pit supervisor.

G. Credit Procedures in the Pit

1. Prior to the issuance of gaming credit to a player, the employee extending the credit shall determine if credit is available by entering the patron's name or account number into the computer. A password shall be used to access such information. Once availability is established, credit shall be extended only on the remaining balance authorized.

2. Proper authorization of credit extension in excess of the previously established limit shall be documented.

3. Amount of credit extended in the pit shall be communicated to the cage or another independent source with the amount documented to update the manual and/or computerized system within a reasonable time subsequent to each issuance.

4. The following information shall be maintained either manually or in the computer system:

a. the signature or initials of the individual(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);

b. the name of the individual receiving the credit;

c. the date and shift granting the credit;

d. the table on which the credit was extended;

e. the amount of credit issued;

f. the marker number;

g. the amount of credit remaining after each issuance or the total credit available for all issuances;

h. the amount of payment received and nature of settlement (e.g., credit slip number, cash, chips, etc.); and

i. the signature or initials of the individual receiving payment/settlement.

5. Marker preparation shall be initiated and other records updated within approximately one hand of play following the initial issuance of credit to the player.

6. All credit extensions shall be initially evidenced by marker buttons which shall be displayed on the table in public view and placed there by supervisory personnel.

7. Marker buttons shall be removed only by the dealer or boxperson employed at the table upon completion of a marker transaction.

8. The marker slip shall, at a minimum, be in triplicate form, pre-numbered by the printer, and utilized in numerical sequence whether marker forms are manual or computer-generated. Manual markers may be issued in numerical sequence by location. The three parts shall be utilized as follows:

a. original, maintained in the pit until settled or transferred to the cage;

b. payment slip, sent immediately to the cage; accompanied by the original and a transfer slip; or maintained in the pit until:

i. the marker is paid, including partial payments; at which time it shall be placed in the drop box;

ii. the end of gaming day; at which time it shall be sent immediately to the cage; accompanied by the original and a transfer slip;

c. issue slip, inserted into the appropriate table drop box when credit is extended or when the player has signed the original.

9. The original marker shall contain at least the following information:

a. preprinted number;

b. player's name and signature;

c. date; and

d. amount of credit issued.

10. The issue slip or stub shall include the same preprinted number as the original, the table number, date and time of issuance, and amount of credit issued. The issue slip or stub also shall include the signature of the individual extending the credit, and the signature or initials of the dealer at the applicable table, unless this information is included on another document verifying the issued marker.

11. The payment slip shall include the same preprinted number as the original. When the marker is paid in full in the pit, it shall also include the table number where paid, date and time of payment, nature of settlement (cash, chips, etc.) and amount of payment. The payment slip shall also include the signature of a pit supervisor acknowledging payment, and the signature or initials of dealer/boxperson receiving payment, unless this information is included on another document verifying the payment of the marker.

12. The pit shall notify the cage via computer when the transaction is completed.

13. Markers (computer-generated and manual) that are voided shall be clearly marked "Void" across the face of all copies. The supervisor who approves the void shall print his employee number and sign his name, print or stamp the date and time the void is approved, and print the reason for the void. All copies of the voided marker shall then be forwarded to accounting for accountability and retention for a minimum of five years.

14. Marker documentation shall be inserted in the drop box by the dealer/box person at the table.

15. When partial payments are made in the pit, a new marker shall be completed reflecting the remaining balance and the marker number of the marker originally issued.

16. When partial payments are made in the pit, the payment slip of the marker which was originally issued shall be properly cross-referenced to the new marker number and inserted into the drop box.

17. The cashier's cage or another independent source shall be notified when payments (full or partial) are made in the pit so that cage records can be updated for such transactions. Notification shall be made no later than when the patron's play is completed or at shift end, whichever is earlier.

18. All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.

19. An investigation shall be performed, by the accounting department, immediately following its notice of missing forms or any part thereof, to determine the cause

and responsibility for loss whenever marker credit slips, or any part thereof, are missing, and the result of the investigation shall be documented, by the accounting department. The division shall be notified in writing of the loss, disappearance or failure to account for marker forms within 10 days of such occurrence.

20. When markers are transferred to the cage, marker transfer slips shall be utilized and such documents shall include, at a minimum, the date, time, shift, marker number(s), table number(s), amount of each marker, the total amount transferred, signature of pit supervisor releasing instruments from pit, and instruments at the cage.

21. Markers shall be transported to the cashier's cage by an individual who is independent of the marker issuance and payment functions (pit clerks may perform this function).

22. Marker log documentation shall be maintained by numerical sequence, indicating marker number, name of patron, date marker issued, date paid, method of payment (if combination, i.e., chips/cash, amount paid by each method), and amount of credit remaining. This marker log documentation shall also be maintained by patron name in order to determine that credit was not extended beyond 30 days.

H. Nonmarker Credit Play

1. Nonmarker credit play shall be prohibited except as provided in this Section.

2. Prior to the transacting of credit instruments (except traveler's checks) with a player, the employee extending the credit shall contact the cashier or another independent source to determine if the player's credit limit has been properly established and the remaining credit available is sufficient for the advance.

3. All credit instruments shall be transferred to the cashier's cage immediately following the acceptance of the instrument and issuance of chips.

4. An order for credit shall be completed which includes the patron's name and amount of the credit instrument in addition to the information required for a standard table credit.

5. The standards used for table credits shall be strictly adhered to for "name credits," where applicable, including patron's name and amount of credit instrument.

6. The acceptance of payments in the pit for nonmarker credit instruments shall be strictly prohibited.

7. All nonmarker credit play shall be evidenced by the placement of a lammer or other identifiable designation in an amount equal to the wager.

8. The dealer shall place the lammer in the wagering area of the table only after the supervisor's specific authorization.

9. Nonmarker credit extensions shall be settled at the end of each hand of play by the preparation of a marker, repayment of credit extended, or payoff of the wager.

I. Call Bets. Call bets shall be prohibited. A call bet is a wager made without chips, tokens, or cash.

J. Table Games Drop Procedures. The drop process shall be conducted at least once each gaming day according to a schedule submitted to the division setting forth the specific times for such drops. Each licensee shall notify the division of any changes to such schedules prior to the implementation of the change. Emergency drops which require removal of the table drop box require written notification to the division within 24 hours. The drop process shall be conducted as follows.

1. All locked drop boxes shall be removed from the tables by an individual independent of the pit shift being dropped. Surveillance shall be notified when the drop process begins. The entire drop process shall be videotaped by surveillance. At least one surveillance employee shall monitor the drop process at all times. This employee shall record on the surveillance log the times that the drop process begins and ends, as well as any exceptions or variations to established procedures observed during the drop including each time the count room door is opened.

2. Upon removal from the tables, the drop boxes are to be placed in a drop box storage rack and locked therein for transportation directly to the count area or other secure place approved by the division and locked in a secure manner until the count takes place.

3. The transporting of drop boxes shall be performed by a minimum of two individuals, at least one of whom is a security officer.

4. Access to all drop boxes regardless of type, full or empty, shall be restricted to authorized members of the drop and count teams.

K. Table Games Count Procedures. The counting of table game drop boxes shall be performed by a soft count team with a minimum of three persons. Count tables shall be transparent to enhance monitoring. Surveillance shall be notified when the count process begins and the count process shall be monitored in its entirety and video taped by surveillance. At least one surveillance or internal audit employee shall monitor the count process at least one randomly selected day per calendar week. This employee shall record any exceptions or variations to established procedures observed during the count. Surveillance shall notify count team members immediately if surveillance observes the visibility of hands or other activity is consistently obstructed in any manner. Testing and verification of the accuracy of the currency counter shall be conducted and documented quarterly. This test shall be witnessed by someone independent of the count team members.

1. Count team members shall be:

a. rotated on a routine basis. Rotation is such that the count team is not the same three individuals more than four days per week;

b. independent of transactions being reviewed and counted and the subsequent accountability of soft drop proceeds.

2. Soft count shall include:

- a. a test count of the currency counter prior to the start of each count;
- b. the emptying and counting of each drop box individually, daily;
- c. the recordation of the contents of each drop box on the count sheet in ink or other permanent form prior to commingling the funds with funds from other boxes;
- d. the display of empty drop boxes to another member of the count team or to surveillance;
- e. the comparison of table numbers scheduled to be dropped to a listing of table numbers actually counted, as reflected on the master gaming report, to ensure that all table game drop boxes are accounted for during each drop period;
- f. the correction of information originally recorded by the count team on soft count documentation by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change;
- g. the signature of all members of the soft count team on the count sheet attesting to the accuracy of table games drop after the count sheet has been reconciled to the currency;
- h. the transfer of all monies and monetary equivalents that were counted to the cage cashier who is independent of the count team or to an individual independent of the revenue generation and the count process for verification. This individual certifies by signature as to the accuracy of the monies delivered and received from the soft count team; if a pass-through window between the count room and the vault is not utilized, transfer of monies shall be accomplished in a locked transport cart;
- i. the delivery of the count sheet, with all supporting documents, promptly to the accounting department by a count team member. Alternatively, it may be adequately secured (e.g., locked in a container to which only accounting personnel can gain access) until retrieved by the accounting department;
- j. access to drop boxes, full or empty, shall be restricted to authorized members of the drop and count teams;
- k. access to the count room during the count shall be restricted to members of the drop and count teams, agents of the division, authorized observers as approved by the division and supervisors for resolution of problems. Authorized maintenance personnel shall enter only when accompanied by security. A log shall be maintained in the count room and shall contain the following information:
 - i. name of each person entering the count room;
 - ii. reason each person entered the count room;
 - iii. date and time each person enters and exits the count room;

iv. date, time, and type of any equipment malfunction in the count room; and

v. a description of any unusual events occurring in the count room.

3. Accounting/Auditing shall perform the following functions:

- a. match the original and first copy of the fill/credit slips;
- b. match orders for fills/credits to the fill/credit slips;
- c. examine fill and credit slips for correctness and recordation on the master gaming report;
- d. trace or record pit marker issue and payment slips to the master gaming report by the count team, unless other procedures are in effect which assure that issue and payment slips were placed into the drop box in the pit;
- e. examine and trace or record the opening/closing table and marker inventory forms to the master gaming report;
- f. review accounting exception reports for the computerized table games on a daily basis for propriety of transactions and unusual occurrences. Documentation of the review and its results shall be retained for five years.

L. Table Games Key Control Procedures. The keys used for table game drop boxes and soft count keys shall be controlled as follows.

1. Drop box release keys shall be maintained by a department independent of the pit department. Only the person authorized to remove drop boxes from the tables shall be allowed access to the release keys. Count team members may have access to the release keys during the soft count in order to reset the drop boxes. Persons authorized to remove the table game drop boxes are precluded from having access to drop box contents keys. The physical custody of the keys needed for accessing full drop box contents requires involvement of persons from three separate departments. The involvement of at least two individuals independent of the cage department is required to access empty drop boxes.

2. Drop box storage rack keys shall be maintained by department independent of the pit department. Someone independent of the pit department shall be required to accompany such keys and observe each time drop boxes are removed from or placed in storage racks. Persons authorized to obtain drop box storage rack keys shall be precluded from having access to drop box contents keys with the exception of the count team.

3. Drop box contents keys shall be maintained by a department independent of the pit department. Only count team members are allowed access to the drop box contents keys. This control is not applicable to emergency situations which require drop box access at other than scheduled count times. At least three persons from separate departments, including management, must participate in these situations. The reason for access must be documented with the signatures of all participants and observers.

4. The issuance of soft count room keys and other count keys shall be witnessed by two gaming employees, who shall be from different departments. Neither of these two employees shall be members of the soft count team.

5. All duplicate keys shall be maintained and issued in a manner which provides the same degree of control over drop boxes as is required for the original keys.

6. Sensitive keys shall not be removed from the vessel unless to an extension of the vessel as previously approved by the division. Access to the keys addressed in this Section shall be documented on key access log forms.

a. The logs shall contain the date and time of issuance, the key or ring of keys issued, the printed name, signature and employee number of the person to whom the key is issued, the printed name, signature and employee number of the person issuing the key the date and time of the key return, and reason for access to the secure area. If key rings are used, there shall be a listing with the key log specifying each key on each ring. Accountability is required.

b. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The videotape of the log-in process shall be retained for 30 days.

M. Security of Cards and Dice. Playing cards and dice, not yet issued to the pit, shall be maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering. Perpetual inventory records of the card and dice inventory are to be maintained according to parameters established by §4321 and §4325.

N. Supervisory Controls. Pit supervisory personnel with authority equal to or greater than those being supervised shall provide supervision of all table games.

O. Table Games Records. Each licensee shall maintain records and reports reflecting drop, win and drop hold percentage by table and type of game by day, cumulative month-to-date, and cumulative year-to-date. The reports shall be presented to and reviewed by management independent of the pit department on at least a monthly basis. The independent management shall investigate any unusual statistical fluctuations with pit supervisory personnel. At a minimum, investigations are performed for all statistical percentage fluctuations from the base level for a month in excess of plus or minus three percentage points. The *base level* is defined as the licensee's statistical win to statistical drop percentage for the previous business year. The results of such investigations are documented in writing and maintained for at least five years by the licensee.

P. Accounting and MIS Functions. Accounting and MIS personnel who perform table game computer functions shall be adequately trained.

1. Backup and Recovery

a. MIS shall perform tape backup of system data daily. Backup and recovery procedures shall be written and distributed to all applicable personnel. These policies shall include information and procedures, e.g., a description of the system, systems manual, etc., that ensure the timely restoration of data in order to resume operations after a hardware or software failure.

b. MIS shall maintain either hard or disk copies of system-generated edit reports, exception reports, or transaction logs.

2. Access to Software/Hardware

a. MIS shall establish security groups based on each employee's job requirements. These groups will determine the access level of the employee. This information shall be maintained (by MIS) which includes the employee's name, position, identification number, and the date authorization is granted. These files shall be updated as employees or the functions they perform change.

b. MIS shall print and review the computer security access report at the end of each month. Discrepancies shall be investigated, documented, and maintained for five years.

c. Only authorized personnel shall have physical access to the computer software/hardware.

d. All changes to the system and the name of the individual who made the change shall be documented.

e. Reports and other output generated by the system shall only be available and distributed to authorized personnel.

3. Computer Control

a. The pit credit system shall be secured, such that only authorized users can access it.

b. The delete option within an individual program shall be secured, such that only authorized users can execute it, i.e., delete a record.

c. The licensee shall change passwords periodically, as specified in the licensee's internal controls, to ensure security against false entry by unauthorized personnel.

d. The "secured copies" and the necessary documents shall be retained for five years.

e. The division shall have access to all information pertaining to table games, e.g., restricted copies of slips so accuracy can be verified.

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§2719. Internal Controls; Handling of Cash

A. Each gaming employee, owner, or licensee who receives currency of the United States from a patron in the gaming area of a gaming establishment shall promptly place the currency in the lock box in the table or, in the case of a cashier, in the appropriate place in the cashiers' cage, or on those games which do not have a lock box or on poker tables, in an appropriate place on the table, in the cash register, or other repository approved by the division.

B. No cash wagers shall be allowed to be placed at any gaming table. Such cash shall be converted to chips or tokens prior to acceptance of a wager. All wagers other than those made with the licensee's approved chips and tokens are expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1887 (October 1999), repromulgated LR 25:2242 (November 1999).

§2721. Internal Controls; Tips or Gratuities

A. No gaming employee other than slot gaming employees, change persons, cashiers, and bar tenders shall accept currency as a tip or gratuity from any patron, during or outside a shift unless immediately converted into value chips. Security personnel may accept currency as a tip or gratuity only outside the designated gaming areas on the riverboat.

B. No riverboat gaming operation key employee or boxperson, floorperson or any other riverboat gaming operation employee who serves in a supervisory position shall solicit or accept, any tip or gratuity from any player or patron of the riverboat gaming operation where he is employed. The licensee shall not permit any practices prohibited by Subsection A of this Section.

C. All tips and gratuities given to gaming employees other than slot machine gaming employees shall be:

1. immediately deposited in a transparent locked box reserved for that purpose. If nonvalue chips are received at a roulette table, the marker button indicating their specific value shall not be removed from the slot or receptacle attached to the outer rim of the roulette wheel until after a dealer in the presence of a supervisor has converted them into value chips which are immediately deposited in a transparent locked box reserved for that purpose;

2. accounted for by a recorded count conducted by randomly selected dealer and a randomly selected employee who is independent of the tokens being counted, excluding the employees referenced in §2721.A;

3. placed in a pool for pro rata distribution among the dealers on a basis that coincides with the normal pay period, with a distribution approved by the division. Tips or gratuities from this pool shall be deposited into the licensee's payroll account. Distributions to dealers from this pool shall

be made following the licensee's payroll accounting practices and shall be subject to all applicable state and federal withholding taxes; and

4. the licensee may elect to handle tips generated in its poker room separately from the pro rata distribution pool. Tips or gratuities may be assigned to the dealer generating the tip or gratuity, and the following procedures shall be used;

- a. each dealer shall have a locked transparent box that has been marked with their name or otherwise coded for identification. Keys to these boxes shall be maintained by the cage department. When not in use, these boxes shall be stored in a locked storage cabinet or other approved lockable storage medium in the poker room itself. Keys to the storage cabinet shall be maintained by a poker room supervisor, hereinafter referred to as the keyholder;

- b. when a poker dealer arrives at his assigned poker table, the dealer and the keyholder shall obtain the dealer's marked transparent locked box from the locked storage cabinet. The box shall be placed at the poker table in the same manner as any other dealer token box. If the dealer leaves the poker table for any reason, the dealer's marked box shall be removed from the table by the dealer and the keyholder and returned to the storage cabinet;

- c. at the end of the dealer's shift, the dealer along with an independent verifier (an employee independent of the table games and cage departments), shall take that dealer's marked transparent locked box to the cage for counting. The cage employee shall unlock, empty, and relock the box. The cage employee shall count the contents of the box in the presence of the dealer and the independent verifier. The amount shall be recorded on a three-part voucher, and signed by the cage employee, the dealer, and the independent verifier. The three parts of the voucher shall be distributed as follows:

- i. one part shall be given to the dealer;
 - ii. one part shall be maintained by the cage; and
 - iii. one part shall be forwarded to the payroll department;

- d. tips or gratuities counted above shall be deposited into the licensee's payroll account. Distribution to the dealer for the tips or gratuities earned by the dealer at poker tables shall be made in accordance with the licensee's payroll accounting practices and shall be subject to all applicable state and federal withholding taxes and regulations. No distributions shall be made to the dealer in any other manner;

- e. a poker room dealer may tip any cashier working as the poker room cashier during the poker room dealer's shift. Any such tip shall be handled when the poker room dealer's tips are counted as defined above. A section of the dealer's tip voucher shall be marked to allow the dealer to indicate which cashier the dealer wishes to tip and the amount of the tip. The tip shall be deducted from the dealer's total tips at the time of the count. Tips given to a cashier in

this manner shall be distributed to the cashier in accordance with the licensee's payroll accounting practices and shall be subject to all applicable state and federal withholding taxes and regulations. No tips from a poker room dealer shall be made to a cashier in any other manner;

f. the licensee shall maintain a minimum level of supervision over the poker room tables. Surveillance shall have the capabilities to monitor and shall continuously record open poker tables.

D. Upon receipt from a patron of a tip or gratuity, a dealer assigned to the gaming table shall extend his arm in an overt motion, and deposit such tip or gratuity in the transparent locked box reserved for such purpose.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:1503 (August 1998), LR 25:1887 (October 1999), repromulgated LR 25:2242 (November 1999).

§2723. Internal Controls; Slots

A. Any reference to slot machines or slots in this Section includes all electronic gaming devices.

B. Whenever a patron Wins a jackpot that is not totally and automatically paid directly from the electronic gaming device, a slot attendant shall prepare and process according to the licensee's internal controls, a request for jackpot payout form. A request for jackpot payout form is not required if all of the following conditions are met:

1. a slot representative manually inputs the jackpot information into the computer;
2. a jackpot slip is generated through the computer system; and
3. the cashier uses this information to pay the jackpot.

C. The request for jackpot payout form (if required) shall contain, at a minimum, the following information:

1. date and time the jackpot was processed;
2. the electronic gaming device machine number and location number;
3. the denomination of the electronic gaming device;
4. number of coins/tokens played;
5. combination of reel characteristics;
6. on short pays, amount the machine paid; and
7. amount of hand-paid jackpot.

D. Each licensee shall use multi-part jackpot payout slips as approved by the division to document any jackpot payouts or short pays. The jackpot slips shall be in a continuous numerical series, pre-numbered by the printer in a form utilizing the alphabet, and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year. Manual jackpot slips may be utilized in numerical sequence by location.

1. A three-part jackpot payout slip which is clearly marked "jackpot" shall be utilized. The third copy may be the secured copy retained in the computer or whiz machine. Each jackpot slip shall include the following information:

- a. date and time the jackpot was processed;
- b. denomination;
- c. machine and location number of the electronic gaming device on which the jackpot was registered;
- d. number of coins/tokens played;
- e. dollar amount of payout in both alpha and numeric. Alpha is optional if another unalterable method is used for evidencing the amount of the jackpot or fill;
- f. game outcome including reel symbols, card values and suits, etc., for jackpot payouts;
- g. pre-printed or concurrently-printed sequential numbers;
- h. signature of the cashier;
- i. signature of two slot attendants verifying and witnessing the payout if the jackpot is less than \$1200; Signature of one slot attendant and security officer verifying and witnessing the payout if the jackpot is \$1200 or greater.

2. Jackpot slips that are voided shall be clearly marked "Void" across the face of all copies. On manual slips, the first and second copies shall have "Void" written across the face. The cashier and slot or cage supervisor shall print their employee numbers and sign their names on the voided slip. The supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

3. Computerized jackpot/payout systems shall be restricted so as to prevent unauthorized access and fraudulent payouts by an individual.

4. Jackpot payout forms shall be controlled and routed in a manner that precludes any one individual from producing a fraudulent payout by forging signatures, or by altering the amount paid subsequent to the payout, and misappropriating the funds. One copy of the jackpot payout slip shall be retained in a locked box located outside the change booth/cage where jackpot payout slips are executed or as otherwise approved by the division.

5. Jackpot overrides shall have the notation "override" printed on all copies. Jackpot override reports shall be run on a daily basis.

6. Jackpot payout slips shall be used in sequential order.

E. If a jackpot is \$1,200 or greater in value, the following information shall be obtained by the slot attendant prior to payout and for preparation of a Form W-2G:

1. valid ID;
2. name, address, and Social Security number (if applicable) of the patron;

3. amount of the jackpot; and
4. any other information required for completion of the Form W-2G.

F. If the jackpot is \$5,000 or more, a surveillance photograph shall be taken of the winner and the payout form shall be signed by a slot supervisor or casino shift manager in addition to Subsection D and E. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

G. If the jackpot is \$10,000 or more, the slot attendant shall notify a slot technician who shall remove the electronic board housing the EPROM's. A surveillance photograph of the division seal covering the EPROM shall be taken before the jackpot is paid. This photograph shall be attached to the jackpot payout form. This is in addition to requirements as stated in Subsection D, E and F. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

H. If the jackpot is \$100,000 or more, the licensee shall notify the division immediately. A division agent shall be present prior to the opening of the electronic gaming device. Surveillance shall constantly monitor the electronic gaming device until payment of the jackpot has been completed or until otherwise directed by a division agent. Once a division agent is present, the electronic board housing the EPROM's shall be removed by a slot technician, the EPROM's shall be inspected and tested in a manner prescribed by the division. There shall be conformance to procedures as mentioned in Subsection D, E, F, and G. The payout form shall also be signed by a casino shift manager. The requirements of this Subsection shall be complied with prior to the device being returned to operation.

I. Each licensee shall use multi-part slot fill slips as approved by the division to document any fill made to a slot machine hopper. The fill slips shall be in a continuous numerical series, pre-numbered by the printer in a form utilizing the alphabet, and only in one series at a time. The alphabet need not be used if the numerical series is not repeated during the business year. Manual fill slips may be utilized in numerical sequence by location.

1. A three-part slot fill slip which is clearly marked "fill" shall be utilized. The third copy may be the secured copy retained in the computer or whiz machine. Each fill slip shall include the following information:

- a. date and time;
- b. machine and location number;
- c. dollar amount of slot fill in both alpha and numeric. Alpha is optional if another unalterable method is used for evidencing the amount of the slot fill;
- d. signatures of at least two employees verifying and witnessing the slot fill; and
- e. pre-printed or concurrently-printed sequential number.

2. Computerized slot fill slips shall be restricted so as to prevent unauthorized access and fraudulent slot fills by one individual.

3. Hopper fill slips shall be controlled and routed in a manner that precludes any one individual from producing a fraudulent fill by forging signatures, or by altering the amount paid subsequent to the fill, and misappropriating the funds. One copy of the hopper fill slip shall be retained in a locked box located outside the change booth/cage where hopper fill slips are executed or as otherwise approved by the division.

4. The initial slot fills shall be considered part of the coin inventory and shall be clearly designated as "slot loads" on the slot fill slip.

5. Slot fill slips that are voided shall be clearly marked "Void" across the face of all copies. On manual slips, the first and second copies shall have "Void" written across the face. The cashier and slot or cage supervisor shall print their employee numbers and sign their names on the voided slip. The supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies shall be forwarded to accounting for accountability and retention on a daily basis.

6. Slot fill slips shall be used in sequential order.

J. Each licensee shall remove the slot drop from each machine according to a schedule, submitted to the division, setting forth the specific times for such drops. All slot drop buckets, including empty slot drop buckets, shall be removed according to the schedule. Each licensee shall notify the division at least five days prior to implementing a change to this schedule, except in emergency situations. The division reserves the right to deny a licensee's drop schedule with cause. Emergency drops, including those for maintenance and repairs which require removal of the slot drop bucket, require written notification to the division within 24 hours. Prior to opening any slot machine, emptying or removing any slot drop bucket, security and surveillance shall be notified that the drop is beginning.

1. The slot drop process shall be monitored in its entirety and video taped by surveillance including transportation to the count room or other secured area as approved by the division. At least one surveillance employee shall monitor the drop process at all times. This employee shall record on the surveillance log the time that the drop process begins and ends, as well as any exceptions or variations to established procedures observed during the drop.

2. Each licensee shall submit its drop transportation route from the gaming area to the count room to the division prior to implementing or changing the route.

3. A minimum of three employees shall be involved in the removal of the slot drop, at least one of whom is independent of the slot department.

4. Drop team shall collect each drop bucket and ensure that the correct tag or number is added to each bucket.

5. Security shall be provided over the slot buckets removed from the slot drop cabinets prior to being transported to the count area. Slot drop buckets must be secured in a locked slot drop cabinet/cart during transportation to the count area.

6. If more than one trip is required to remove the slot drop from all of the machines, the filled carts or coins shall be either locked in the count room or secured in another equivalent manner as approved by the division.

7. At least once per year, in conjunction with the regularly scheduled drop, a complete *sweep* shall be made of hopper and drop bucket cabinets for loose tokens and coins. Such tokens/coins should be placed in respective hoppers and drop buckets and not commingled with other machines.

8. Once all drop buckets are collected, the drop team shall notify security and surveillance that the drop has ended.

9. On the last gaming day of each calendar month, the licensee's drop shall include both drop buckets and currency acceptor drop boxes of all slot machines.

K. The contents of the slot drop shall be counted in a hard count room according to a schedule, submitted to the division, setting forth the specific times for such counts.

1. The issuance of the hard count room key, shall be witnessed by two gaming employees, who shall be from different departments. Neither of these two employees shall be members of the count team.

2. Access to the hard count room during the slot count shall be restricted unless three count team members are present. All persons exiting the count room, with the exception of division agents, shall be wanded by security with a properly functioning hand-held metal detector (wand). A log shall be maintained in the count room and shall contain the following information:

- a. name of each person entering the count room;
- b. reason each person entered the count room;
- c. date and time each person enters and exits the count room;
- d. date, time and type of any equipment malfunction in the count room; and
- e. a description of any unusual events occurring in the count room.

3. The slot count process shall be monitored in its entirety and videotaped by surveillance including transportation to the count room or other secured area as approved by the division. At least one surveillance or internal audit employee shall monitor the count process at least two randomly selected days per calendar month. This employee shall record on the surveillance log the times that

the count process begins and ends, as well as any exceptions or variations to established procedures observed during the count, including each time the count room door is opened. If surveillance observes the visibility of the count team's hands or other activity is continuously obstructed at any time, surveillance shall immediately notify the count room employees.

4. Prior to each count, the count team shall perform a test of the weigh scale. The results shall be recorded and signed by at least two count team members. The initial weigh/count shall be performed by a minimum of three employees, who shall be rotated on a routine basis. The rotation shall be such that the count team shall not be the same three employees more than four days per week.

5. The slot count team shall be independent of the generation of slot revenue and the subsequent accountability of slot count proceeds. Slot department employees can be involved in the slot count and/or subsequent transfer of the wrap, if they perform in a capacity below the level of slot shift supervisor.

6. The following functions shall be performed in the counting of the slot drop.

a. The slot weigh and wrap process shall be controlled by a count team supervisor. The supervisor shall be precluded from performing the initial recording of the weigh/count unless a weigh scale with a printer is used.

b. Each drop bucket shall be emptied and counted individually. Drop buckets with zero drop shall be individually entered into the computerized slot monitoring system.

c. Contents of each drop bucket shall be recorded on the count sheet in ink or other permanent form prior to commingling the funds with funds from other buckets. If a weigh scale interface is used, the slot drop figures are transferred via direct line to computer storage media.

d. The recorder and at least one other count team members shall sign the slot count document or weigh tape attesting to the accuracy of the initial weigh/count.

e. At least three employees who participate in the weigh/count and/or wrap process shall sign the slot count document.

f. The coins shall be wrapped and reconciled in a manner which precludes the commingling of slot drop coin with coin for each denomination from the next slot drop.

g. Transfers out of the count room during the slot count and wrap process are either strictly prohibited; or if transfers are permitted during the count and wrap, each transfer is recorded on a separate multi-part prenumbered form (used solely for slot count transfers) which is subsequently reconciled by the accounting department to ensure the accuracy of the reconciled wrapped slot drop. Transfers, as noted above, are counted and signed for by at least two members of the count team and by someone independent of the count team who is responsible for authorizing the transfer.

h. If the count room serves as a coin room and coin room inventory is not secured so as to preclude access by the count team, then the next two requirements shall be complied with.

i. At the commencement of the slot count:

(a). the coin room inventory shall be counted by at least two employees, one of whom shall be a member of the count team and the other shall be independent of the weigh/count and wrap procedures;

(b). the above count shall be recorded on an appropriate inventory form.

ii. Upon completion of the wrap of the slot drop:

(a). at least two members of the count team independent from each other, shall count the ending coin room inventory;

(b). the above counts shall be recorded on a summary report(s) which evidences the calculation of the final wrap by subtracting the beginning inventory from the sum of the ending inventory and transfers in and out of the coin room;

(c). the same count team members who counted the ending coin room inventory shall compare the calculated wrap to the initial weigh/count, recording the comparison and noting any variances on the summary report;

(d). a member of the cage/vault department counts the ending coin room inventory by denomination. This count shall be reconciled to the beginning inventory, wrap, transfers and initial weigh/count on a timely basis by the cage/vault or other department independent of the slot department and the weigh/wrap procedures;

(e). at the conclusion of the reconciliation, at least two count/wrap team members and the verifying employee shall sign the summary report(s) attesting to its accuracy.

i. If the count room is segregated from the coin room, or if the coin room is used as a count room and the coin room inventory is secured to preclude access by the count team, upon completion of the wrap of the slot drop:

i. at least two members of the count/wrap team shall count the final wrapped slot drop independently from each other;

ii. the above counts shall be recorded on a summary report;

iii. the same count team members as discussed above (or the accounting department) shall compare the final wrap to the weigh/count recording the comparison and noting any variances on the summary report;

iv. a member of the cage/vault department shall count the wrapped slot drop by denomination and reconcile it to the weigh/count;

v. at the conclusion of the reconciliation, at least two count team members and the cage/vault employee shall sign the summary report attesting to its accuracy;

vi. the wrapped coins (exclusive of proper transfers) are transported to the cage, vault or coin vault after the reconciliation of the weigh/count to the wrap.

j. The count team shall compare the weigh/count to the wrap count daily. Variances of 2 percent or greater per denomination between the weigh/count and wrap shall be investigated by the accounting department on a daily basis. The results of such investigation shall be documented and maintained for five years.

k. All slot count and wrap documentation, including any applicable computer storage media, is immediately delivered to the accounting department by other than the cashier's department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

l. Corrections on slot count documentation shall be made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team employees. If a weigh scale interface is used, corrections to slot count data shall be made using either of the following:

i. crossing out the error on the slot document, entering the correct figure, and then obtaining the initials of at least two count team employees. If this procedure is used, an employee independent of the slot department and count team enters the correct figure into the computer system prior to the generation of a related slot report(s);

ii. during the count process, correct the error in the computer system and enter the passwords of at least two count team employees. If this procedure is used, an exception report is generated by the computer system identifying the slot machine number, the error, the correction and the count team employees testifying to the corrections.

m. At least three employees are present throughout the wrapping of the slot drop. If the slot count is conducted with a continuous mechanical count meter which is not reset during the count and is verified in writing by at least three employees at the start and end of each denomination count, then this requirement is not applicable.

n. If the coins are not wrapped immediately after being weighed/counted, they are secured and not commingled with other coin. The term *wrapped slot drop* includes wrapped, bagged (with continuous metered verification), and racked coin/tokens.

o. If the coins are transported off the property, a second (alternative) count procedure must be performed before the coins leave the property, and any variances are documented.

L. Each hard count area shall be equipped with a weigh scale to weigh the contents of each slot drop bucket.

1. A weigh scale calibration module shall be secured so as to prevent unauthorized access and shall have the manufacturer's control to preserve the integrity of the device. internal audit shall test the accuracy of the weigh scale at a minimum of once per quarter and document the results of the test. The manufacturer shall calibrate the weigh scale at a minimum of once per year. Someone independent of the cage, vault, slot and count team functions shall be required to be present whenever the calibration module is accessed. Such access shall be documented and maintained. The controller or his designee shall be the only persons with access to the weigh calibration keys.

2. If a weigh scale interface is used, it shall be adequately restricted so as to prevent unauthorized access.

3. If the weigh scale has a "zero adjustment mechanism", it shall be either physically limited to minor adjustments or physically situated such that any unnecessary adjustments to it during the weigh process would be observed by other count team members.

4. The weigh scale and weigh scale interface shall be tested by the internal auditors or someone else who is independent of the cage, vault and slot departments and count team at least on a quarterly basis with the test results being documented.

5. During the slot count at least two employees shall verify the accuracy of the weigh scale with varying weights or with varying amounts of previously counted coin for each denomination to ensure the scale is properly calibrated.

6. The preceding weigh scale and weigh scale interface test results shall be documented and maintained.

7. If a mechanical coin counter is used (instead of a weigh scale), procedures equivalent to those described in §2723.L.4 and §2723.L.5 shall be utilized.

M. Each licensee shall maintain accurate and current records for each slot machine, including:

1. initial meter readings, both electronic and system, including coin in, coin out, drop, total jackpots paid, and games played for all machines. These readings shall be recorded prior to commencement of patron play for both new machines and machines changed in any manner other than changes in theoretical hold;

2. a report shall be produced at least monthly showing month-to-date and year-to-date actual hold percentage computations for individual machines and a comparison to each machine's theoretical hold percentage. If practicable, the report should include the actual hold percentage for the entire time the machine has been in operation. Actual hold equals dollar amount of win divided by dollar amount of coin in:

a. variances between theoretical hold and actual hold of greater than 2 percent shall be investigated, resolved and findings documented on an annual basis;

3. records for each machine which indicate the dates and type of changes made and the recalculation of theoretical hold as a result of the changes;

4. the date the machine was placed into service, the date the machine was removed from operation, the date the machine was placed back into operation, and any changes in machine numbers and designations;

5. system meter readings, recorded immediately prior to or subsequent to each slot drop. Electronic meter readings for coin-in, coin-out, drop and total jackpots paid shall be recorded at least once a month:

a. the employee who records the electronic meter reading shall be independent of the hard count team. Meter readings shall be randomly verified annually for all slot machines by someone other than the regular electronic meter reader;

b. upon receipt of the meter reading summary, the accounting department shall review all meter readings for reasonableness using pre-established parameters;

c. meter readings which do not appear reasonable shall be reviewed with slot department employees, and exceptions documented, so that meters can be repaired or clerical errors in the recording of meter readings can be corrected;

6. the statistical reports, which shall be reviewed by both slot department management and management employees independent of the slot department on a monthly basis;

7. theoretical hold worksheets, which shall be reviewed by both slot department management and management employees independent of the slot department semi-annually;

8. maintenance of the computerized slot monitoring system data files, which shall be performed by a department independent of the slot department. Alternatively, maintenance may be performed by slot supervisory employees if sufficient documentation is generated and it is randomly verified by employees independent of the slot department on a daily basis;

9. updates to the computerized slot monitoring systems to reflect additions, deletions or movements of slot machines, which shall be made immediately preceding the addition or deletion in conjunction with electronic meter readings and the weigh process.

N. When slot machines are removed from the floor, slot loads, including hopper fills, shall be dropped in the slot drop bucket and routed to the coin room for inclusion in the next hard count.

O. Keys to a slot machine's drop bucket cabinet shall be maintained by a department independent of the slot department. The issuance of slot machine drop bucket cabinet keys shall be observed by security and a person independent of the slot drop team. Security shall accompany the key custodian and such keys and observe each time a slot

machine drop cabinet is accessed unless surveillance is notified each time the keys are checked out and surveillance observes the person throughout the period the keys are checked out. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 days.

P. Sensitive keys shall not be removed from the vessel unless to an extension of the vessel as previously approved by the division. Access to the keys shall be documented on key access log forms.

1. The logs shall contain the date and time of issuance, the key or ring of keys issued, the printed name, signature and employee number of the person to whom the key is issued, the printed name, signature and employee number of the person issuing the key, the date and time of the key return and reason for access to the secure area. If key rings are used, there shall be a listing with the key log specifying each key on each ring. Accountability is required.

2. Keys shall be logged out and logged in per shift. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 days.

Q. Currency Acceptor Drop and Count Standards

1. Devices accepting U.S. currency for credit on, or change from, slot machines must provide a locked drop box whose contents are separately keyed from the drop bucket cabinet.

2. The currency acceptor drop box shall be removed by an employee independent of the slot department according to a schedule, submitted to the division, setting forth the specific times for such drops. Emergency drops, including those for maintenance and repairs which require removal of the currency acceptor drop box, require written notification to the division within 24 hours detailing date, time, machine number and reason. Prior to emptying or removing any currency acceptor drop box, the drop team shall notify security and surveillance that the drop is beginning.

3. The currency acceptor drop process shall be monitored in its entirety and videotaped by surveillance including transportation to the count room or other secured areas as approved by the division. At least one surveillance employee shall monitor the drop process at all times. This employee shall record on the surveillance log the time that the drop begins and ends, as well as any exceptions or variations to established procedures observed during the drop, including each time the count room door is opened.

4. Each licensee shall submit its drop transportation route from the gaming area to the count room to the division prior to implementing or changing the route.

5. Drop team shall collect each currency acceptor drop box and ensure that the correct tag or number is added to each box.

6. Security shall be provided over the currency acceptor drop boxes removed from the electronic gaming devices prior to being transported to the count area.

7. Upon removal, the currency acceptor drop boxes shall be placed in a drop box storage rack and locked therein for transportation directly to the count area or other secure place approved by the division and locked in a secure manner until the count takes place.

8. The transporting of currency acceptor drop boxes shall be performed by a minimum of two employees, at least one of whom shall be a security officer.

9. Once all currency acceptor drop boxes are collected, the drop team or security shall notify surveillance and other appropriate personnel that the drop has ended.

10. The currency acceptor count shall be performed in the soft count room and shall be videotaped by surveillance. If at any time surveillance observes the visibility of the count team's hands or other activity is consistently obstructed, surveillance shall immediately notify count room employees. At least one surveillance or internal audit employee shall monitor the currency acceptor count process at least two randomly selected days per calendar month. This employee shall record any exceptions or variations to established procedures observed during the count.

11. The currency acceptor count shall be performed by a minimum of three employees consisting of a recorder, counter and verifier.

12. Currency acceptor count team members shall be rotated on a routine basis. Rotation shall be such that the count team shall not be the same three employees more than four days per week.

13. The currency acceptor count team shall be independent of transactions being reviewed and counted, and the subsequent accountability of currency drop proceeds.

14. Daily, the count team shall verify the accuracy of the currency counter by performing a test count. The test count shall be recorded and signed by at least two count team members.

15. The currency acceptor drop boxes shall be individually emptied and counted on the count room table.

16. As the contents of each box are counted and verified by the counting employees, the count shall be recorded on the count sheet in ink or other permanent form of recordation prior to commingling the funds with funds from other boxes.

17. Drop boxes, when empty, shall be shown to another member of the count team or to surveillance.

18. The count team shall compare a listing of currency acceptor drop boxes scheduled to be dropped to a listing of those drop boxes actually counted, to ensure that all drop boxes are accounted for during each drop period.

19. Corrections to information originally recorded by the count team on currency acceptor count documentation shall be made by crossing out the error, entering the correct figure, and then obtaining the initials of at least two count team members who verified the change.

20. After the count sheet has been reconciled to the currency, all members of the count team shall attest by signature to the accuracy of the currency acceptor drop count. Three verifying signatures on the count sheet shall be adequate if all additional count team employees sign a supplemental document evidencing their involvement in the count process.

21. All monies that were counted shall be turned over to the cage cashier (who shall be independent of the count team) or to an employee independent of the revenue generation and the count process for verification, who shall certify by signature as to the accuracy of the currency delivered and received.

22. Access to all drop boxes regardless of type, full or empty shall be restricted to authorized members of the drop and count teams.

23. Access to the soft count room and vault shall be restricted to members of the drop and count teams, agents of the division, authorized observers as approved by the division and supervisors for resolution of problems. Authorized maintenance personnel shall enter only when accompanied by security. A log shall be maintained in the soft count room and vault. The log shall contain the following information:

- a. name of each person entering the count room;
- b. reason each person entered the count room;
- c. date and time each person enters and exits the count room;
- d. date, time and type of any equipment malfunction in the count room; and
- e. a description of any unusual events occurring in the count room.

24. The count sheet, with all supporting documents, shall be promptly delivered to the accounting department by someone other than the cashiers department. Alternatively, it may be adequately secured (e.g., locked container to which only accounting personnel can gain access) until retrieved by the accounting department.

25. The physical custody of the keys needed for accessing full currency acceptor drop box contents shall be videotaped by surveillance at all times.

26. Currency acceptor drop box release keys are maintained by a department independent of the slot department. Only the employee authorized to remove drop

boxes from the currency acceptor is allowed access to the release keys. (The count team members may have access to the release keys during the count in order to reset the drop boxes if necessary.) Employees authorized to drop the currency acceptor drop boxes are precluded from having access to drop box contents keys.

27. An employee independent of the slot department shall be required to accompany the currency acceptor drop box storage rack keys and observe each time drop boxes are removed from or placed in storage racks. Employees authorized to obtain drop box storage rack keys shall be precluded from having access to drop box contents keys (with the exception of the count team).

28. Only count team members shall be allowed access to drop box contents keys. This standard does not affect emergency situations which require currency acceptor drop box access at other than scheduled count times. At least three employees from separate departments, including management, shall participate in these situations. The reason for access shall be documented with the signatures of all participants and observers.

29. The issuance of soft count room and other count keys, including but not limited to acceptor drop box contents keys, shall be witnessed by two gaming employees, who shall be from different departments. Neither of these two employees shall be members of the count team. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The videotape of the log-in process shall be retained for 30 days.

30. Duplicate keys shall be maintained and issued in such a manner as to provide the same degree of control over drop boxes as is required for the original keys.

31. Sensitive keys shall not be removed from the vessel unless to an extension of the vessel as previously approved by the division and access to the keys shall be documented on key access log forms.

a. The logs shall contain the date and time of issuance, the key or ring of keys issued, the printed name, signature and employee number of the person to whom the key is issued, the printed name, signature and employee number of the person issuing the key, the date and time of the key return and reason for access to the secure area. If key rings are used, there shall be a listing with the key log specifying each key on each ring. Accountability is required.

b. Keys shall be logged out and logged in on a per shift basis. The employee who logs out the key shall be the employee who logs in the key. If a different employee logs in the key, surveillance shall be notified and surveillance shall monitor the entire log-in process including the return of the key to the key box. The video tape of the log-in process shall be retained for 30 days.

R. Computer Records. At a minimum, the licensee shall generate, review, document review, and maintain slot reports on a daily basis for the respective system(s) utilized in their operation as prescribed by the division.

S. Management Information Systems (MIS) Functions

1. Backup and Recovery

a. MIS shall perform tape backup of system data daily. Backup and recovery procedures shall be written and distributed to all applicable personnel. These policies shall include information and procedures (e.g., a description of the system, systems manual, etc.) that ensure the timely restoration of data in order to resume operations after a hardware or software failure.

b. MIS shall maintain either hard or disk copies of system generated edit reports, exception reports and transaction logs.

2. Software/Hardware

a. MIS shall maintain a personnel access listing which includes, at a minimum the employee's name, position, identification number, and a list of functions the employee is authorized to perform including the date authorization is granted. These files shall be updated as employees or the functions they perform change.

b. MIS shall print and review the computer security access report at the end of each month. Discrepancies shall be investigated, documented and maintained for five years.

c. Only authorized personnel shall have physical access to the computer software/hardware.

d. All changes to the system and the name of the individual who made the change shall be documented.

e. Reports and other output generated by the system shall only be available and distributed to authorized personnel.

3. Application Controls

a. Application controls shall include procedures that prove assurance of the accuracy of the data input, the integrity of the processing performed, and the verification and distribution of the output generated by the system. Examples of these controls include:

i. proper authorization prior to data input (e.g., passwords);

ii. use of parameters or reasonableness checks; and

iii. use of control totals on reports and comparison of them to amounts input.

b. Documents created from the above procedures shall be maintained for five years.

T. The accounting department shall perform the following audit procedures relative to slot operations:

1. collect jackpot and hopper fill slips (computerized and manual) daily from the locked accounting box and the cashier cage or as otherwise approved by the division;

2. review jackpot/fill slips daily for continuous sequence. Ensure that proper procedures were used to void slips. Investigate all missing slips and errors within 10 days. Document the investigation and retain the results for a minimum of five years;

3. manually add, on a daily basis, all jackpot/fill slips and trace the totals from the slips to the system generated totals. Document all variances and retain documentation for five years;

4. collect the hard count and currency acceptor count results from the count teams and compare the actual count to the system-generated meter reports on a daily basis;

5. prepare reports of their daily comparisons by device, by denomination and in total of the actual count for hard and soft count to system-generated totals. Report variance(s) of \$100 or greater to the slot department for investigation. Maintain a copy of these reports five years;

6. compare a listing of slot machine numbers scheduled to be dropped to a listing of slot machine numbers actually counted to ensure that all drop buckets and currency acceptors are accounted for during each drop period;

7. investigate any variance of 2 percent or more per denomination between the weigh/count and wrap immediately. Document and maintain the results of such investigation for five years;

8. compare 10 percent of jackpot/hopper fill slips to signature cards for proper signatures one day each month;

9. compare the weigh tape to the system-generated weigh, as recorded in the slot statistical report, in total for at least one drop period per month. Resolve discrepancies prior to generation/distribution of slot reports to management;

10. review the weigh scale tape of one gaming day per quarter to ensure that:

a. all electronic gaming device numbers were properly included;

b. only valid identification numbers were accepted;

c. all errors were followed up and properly documented (if applicable);

d. the weigh scale correctly calculated the dollar value of coins; and

e. all discrepancies are documented and maintained for a minimum of five years;

11. verify the continuing accuracy of the coin-in meter readings as recorded in the slot statistical report at least monthly;

12. compare the "bill-in" meter reading to the currency acceptor drop amount at least monthly. Discrepancies shall be resolved prior to generation/distribution of slot statistical reports to management;

13. maintain a personnel access listing for all computerized slot systems which includes at a minimum:

- a. employee name;
- b. employee identification number (or equivalent); and
- c. listing of functions employee can perform or equivalent means of identifying same;

14. review sensitive key logs. Investigate and document any omissions and any instances in which these keys are not signed out and signed in by the same individual, on a monthly basis;

15. review exceptions, jackpot overrides, and verification reports for all computerized slot systems, including tokens, coins and currency acceptors, on a daily basis for propriety of transactions and unusual occurrences. These exception reports shall include the following:

- a. cash variance which compares actual cash to metered cash by machine, by denomination and in total;
- b. drop comparison which compares the drop meter to weigh scale by machine, by denomination and in total.

U. Slot Department Requirements

1. The slot booths, change banks, and change banks incorporated in beverage bars (bar banks) shall be counted down and reconciled, each shift utilizing appropriate accountability documentation.

2. The wrapping of loose slot booth and cashier cage coin shall be performed at a time or location that does not interfere with the hard count/wrap process or the accountability of that process.

3. A record shall be maintained evidencing the transfers of unwrapped coin.

4. Slot booth, change bank, and bar bank token and chip storage cabinets/drawers shall be constructed to provide maximum security of the chips and tokens.

5. Each station shall have a separate lock and shall be keyed differently.

6. Slot booth, change bank, and bar bank cabinet/drawer keys shall be maintained by the supervisor and issued to the change employee assigned to sell chips and tokens. Issuance of these keys shall be evidenced by a key log, which shall be signed by the change employee to whom the key is issued. All slot booth, change bank, and bar bank keys shall be returned to the supervisor at the end of each shift. The return of these keys shall be evidenced on the key log, which shall be signed by the change employee to whom the key was previously issued. The key log shall include:

- a. the change employee's employee number and signature;
- b. the date and time the key is signed out; and
- c. the date and time the key is returned.

7. At the end of each shift, the outgoing and incoming change employee shall count the bank. The outgoing employee shall fill out a count sheet, which shall include opening and closing inventories listing all currency, coin, tokens, chips and other supporting documentation. The count sheet shall be signed by both employees once total closing inventory is agreed to the total opening inventory.

8. In the event there is no incoming change employee, the supervisor shall count and verify the closing inventory of the slot booth/change bank/bar bank.

9. Increases and decreases to the security booths, change banks, and bar banks shall be supported by written documentation signed by the cage cashier and the slot booth/change bank/bar bank employee.

10. The slot department shall maintain documentation of system related problems (i.e., system failures, extreme values for no apparent reason, problem with data collection units, etc.) and note follow-up procedures performed. Documentation shall include at a minimum:

- a. date the problem was identified;
- b. description of the problem;
- c. name and position of person who identified the problem;
- d. name and position of person(s) performing the follow up;
- e. date the problem was corrected; and
- f. how the problem was corrected.

11. The slot department shall investigate all meter variances received from accounting. Copies of these results shall be retained by the accounting department.

V. Progressive Slot Machines

1. Individual Progressive Slot Machine Controls

a. Individual slot machines shall have seven meters, including a coin-in meter, drop meter, jackpot meter, win meter, manual jackpot meter, progressive manual jackpot meter and a progressive meter.

2. Link Progressive Slot Machine Controls

a. Each machine in the link group shall be the same denomination and have the same probability of hitting the combination that will award the progressive jackpot as every other machine in the group.

b. Each machine shall require the same number of tokens be inserted to entitle the player to a chance at winning the progressive jackpot and every token shall increment the meter by the same rate of progression as every other machine in the group.

c. When a progressive jackpot is hit on a machine in the group, all other machines shall be locked out, except if an individual progressive meter unit is visible from the front of the machine. In that case, the progressive control unit shall lock out only the machine in the progressive link that hit the jackpot. All other progressive meters shall show the current progressive jackpot amount.

3. Each licensee shall submit to the division detailed internal control procedures relative to progressive slot machines that incorporate the following, at a minimum:

- a. defined jackpots that are to be paid by the casino and those paid from contributions to the multi-link vendor;
- b. a schedule for the remittance of location contributions to the multi-link vendor;
- c. a defined time period for receipt of contribution reports from the multi-link vendor;
- d. contribution reports shall specifically identify the total amount of the licensee's contributions that can be deducted from the gross drop reported to the division for progressive jackpot(s) that are hit during the reporting period. The licensee's contributions shall not be reported to the division upon payout. Licensee's shall take their deductions, which are specified on the primary and secondary contribution reports from the manufacturer, on the fifteenth of every month for the previous month's jackpots;
- e. detailed jackpot payout procedures for all types of jackpots;
- f. service and maintenance parameters as set forth in contractual agreements between the licensee and the multi-link vendor.

W. Training

1. All personnel responsible for slot machine operation and related computer functions shall be adequately trained in a manner approved by the division before they shall be allowed to perform maintenance or computerized functions.

2. The training shall be documented by requiring personnel to sign a roster during the training session(s).

3. Each licensee shall have a designated instructor responsible for training additional personnel during the interim period between training by the manufacturer. The designated instructor shall meet the following requirements:

- a. shall be a full-time employee of the licensee; and
- b. shall be certified as an instructor by the manufacturer and/or a licensee's representative.

4. The licensee shall have a continuing obligation to secure additional training whenever necessary to ensure that all new employees receive adequate training before they are allowed to conduct maintenance or computerized functions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1887 (October 1999), repromulgated LR 25:2243 (November 1999), amended LR 26:2306 (October 2000).

§2725. Internal Controls; Poker

A. Supervision shall be provided during all poker games by personnel with authority equal to or greater than those employees conducting the games.

B. Poker area transfers between table banks and the poker bank or casino cage must be authorized by a gaming supervisor and evidenced by the use of a lammer button or other means approved by the division. Such transfers shall be verified by the poker area dealer and the runner. A lammer is not required if the exchange of chips, tokens, and/or currency takes place at the table.

C. The amount of the main poker area bank shall be counted, recorded and reconciled on a shift basis by two gaming supervisors or two cashiers, who shall attest to the amount counted by signing the check-out form.

D. At least once per gaming day the table banks shall be counted by a dealer and a gaming supervisor or two gaming supervisors and shall be attested to by signatures of those two employees on the check-out form. The count shall be recorded and reconciled at least once per day.

E. The procedure for the collection of poker drop boxes and the count of the contents thereof shall comply with the internal control standards applicable to the table game drop boxes.

F. Playing cards, both used and unused, shall be maintained in a secure location to prevent unauthorized access and reduce the possibility of tampering.

G. Any computer application(s) that provide internal controls comparable to that contained in this Section may be acceptable upon division approval.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1895 (October 1999), repromulgated LR 25:2251 (November 1999).

§2727. Race Book

A. Access to the computer system shall be adequately restricted (e.g., passwords are changed at least quarterly, access to computer hardware is physically restricted, etc.).

B. Procedures shall be developed prior to commencement of gaming for use in case of hardware failure, power failure, fire, etc.

C. All race book wagers shall be transacted through the computer system. In case of computer failure, tickets may be written up to 24 hours after the failure. In those instances where system failure has occurred and tickets are manually written, a log shall be maintained which includes:

- 1. date and time of system failure;
- 2. reason for failure;
- 3. date and time system restored.

D. All manually written and/or paid tickets shall be entered into the computer system as soon as possible to verify the accuracy of the write and the payout (this does not apply to purged, unpaid winning tickets). All manually-paid tickets shall be regraded as part of the end-of-day audit process should the computer system be inoperative.

E. The time generated by the computer during ticket writing shall be tested each day by a supervisor independent of the ticket writing and cashiering function (this person may also be independent of the book).

F. The test, and any adjustments necessary due to discrepancies, shall be documented in a log (or in another equivalent manner) which includes the station number, date, time of test, time per computer, name or signature of the employee performing test, and any other relevant information.

G. All date, time, and numerical sequence stamping machines used by the book (for parlay cards, voiding cards/tickets, and payouts) shall be directly and permanently wired to the electrical supply system (or in another approved manner).

H. Only maintenance, engineering or security employees/personnel shall have access to fuses or fuse-like devices used in connection with the machines.

I. At least once during each eight hours of operation each book shall examine and test the stamping machines to ensure their date and time accuracy to the nearest minute. This test shall be performed by someone independent of the ticket writing function.

J. The test, and any adjustments necessary due to discrepancies, shall be documented in a log which includes the station number, date, time of test, time on machine, name or signature of employee performing the test, and any other relevant information.

K. Keys (originals and all duplicates) to the date, time and numerical sequence stamping devices are maintained and used by a department or personnel who are independent of the ticket writing and cashiering functions.

L. Whenever a betting station is opened for wagering or turned over to a new writer, the betting ticket writer shall sign on and the computer documents the writer's identity, the date and time, and the fact that the station was opened on either the unused ticket that is first in sequence or in a separate report.

M. Whenever the betting station is closed or the writer is replaced, the writer shall sign off and the computer documents the date and time, and the fact that the station was closed out on either the unused ticket that is next in sequence after the last ticket written or in a separate report.

N. Upon accepting a wager a betting ticket shall be created which consists of at least three parts.

1. An original which shall be transacted and issued through a printer and given to the patron.

2. A copy which shall be recorded concurrently with the generation of the original ticket either on paper or other storage media (e.g., tape or diskette).

3. An internally recorded copy to which access by book employees shall be adequately restricted.

O. If a book voids a betting ticket then:

1. the word "void" shall be immediately written/stamped and the date and time at which the ticket was voided shall be stamped on the original;

2. a key employee and one other person shall sign the ticket at the time of voiding.

P. The computer system shall adequately document supervisory approval for appropriate transactions, as applicable.

Q. A race wager shall not be accepted after the occurrence of post time.

R. The computer shall be incapable of transacting/accepting a wager subsequent to the above cutoff times.

S. The computer shall be incapable of voiding a ticket subsequent to the cutoff time unless it produces a report which specifically identifies such voided tickets.

T. The computer shall be incapable of establishing or changing a cutoff/starting time to a time that is earlier than the current time of day.

U. Tickets shall not be written or voided after the outcome of an event is known.

V. Prior to patrons receiving payouts on winning tickets, results shall be input into the computer's administrative terminal for computerized grading of all wagers.

W. Prior to making payment on a ticket or crediting the winnings to the patron's account the cashier shall input the ticket sequence number into the cashier's terminal. Alternatively, the computer system may automatically update the patron's account when the event results are posted.

X. Upon computer authorization of payment the patron is paid, the patron's copy shall be marked "paid", noted with the amount of payment, and date stamped.

Y. For all payouts which are made without computer authorization, documentation supporting and explaining such payouts shall be maintained.

Z. The computer shall be incapable of authorizing payment on a ticket which has been previously paid, a voided ticket, a losing ticket, or an unissued ticket.

AA. For net winnings greater than \$10,000 (i.e., payout less initial wager) within 72 hours following the payment of a winning ticket, an employee independent of the ticket verification shall confirm the integrity of the patron's copy by comparing it to, regrading, and initialing the transaction on the computer sales/transaction report and initialing the patron's copy.

BB. If a progressive pool is used for wagers:

1. adequate documentation shall be retained regarding the rules, increment procedures and any reductions in the progressive amounts;
2. the progressive amount shall be displayed in the book;
3. the progressive liability shall be recorded on a daily basis;
4. audit personnel shall recalculate the progressive increment on a sample basis, at least once a week;
5. for each writer and cashier station:
 - a. the system shall indicate the amount of cash that should be in a given drawer;
 - b. writers and cashiers shall not be permitted access to this information without supervisory approval.

CC. For each writer station a summary report shall be completed at the conclusion of each shift including:

1. computation of net cash proceeds for the shift;
2. signatures of two employees who have verified the net cash proceeds for the shift.

DD. For each cashier station a summary report shall be completed at the conclusion of each shift including:

1. computation of cash turned in for the shift;
2. signatures of two employees who have verified the cash turned in for the shift.

EE. Employees who write or cash tickets shall not perform administrative or supervisory functions. (Administrative functions included setting up events, changing event data, and inputting results at any time. Supervisory functions include approving void tickets, large wagers and access to cash information in the computer.)

FF. Race book employees shall be prohibited from wagering on race events while on duty, including during break periods.

GG. At least the following types of reports shall be maintained (if applicable):

1. write transaction report;
2. payout transaction report;
3. credit transaction report;
4. results report;
5. futures report;
6. unpaid winners report;
7. exception report (e.g., past-post voids, past-post write, voids, odds changes);
8. daily recap report;
9. personnel access listing.

HH. The reports shall contain at least the following information:

1. write, payout and credit transaction reports (daily):
 - a. ticket number;
 - b. date/time written/paid;
 - c. type/amount of wager;
 - d. horse identification;
 - e. amount of payout;
 - f. total by writer/cashier and day;
2. futures report (daily or when applicable):
 - a. ticket number;
 - b. date/time written;
 - c. amount of wager;
 - d. future wagers for the day by total and broken out by dates of events;
 - e. summary of future wagers by dates of events and in total at the time of revenue recognition;
3. unpaid winners report (daily):
 - a. ticket number;
 - b. date/time written;
 - c. amount of wager/payout;
 - d. totals;
4. exception report (daily):
 - a. ticket number;
 - b. date/time written;
 - c. type/amount of wager;
 - d. exception;
 - e. time of exception;
 - f. summary by exception (list sorted by exception type);
5. results report (daily):
 - a. date and time of event per the cutoff time input to the computer;
 - b. horse number;
 - c. event results and any other relevant payoff data;
6. daily recap report:
 - a. date;
 - b. total:
 - i. cash write for the day;
 - ii. futures written for the day;
 - iii. futures brought back into revenue (today's events);

iv. accrual write Clause i less Clause ii plus Clause iii (above);

v. cash paid out on prior day's events;

vi. cash paid out on today's events;

vii. cash payouts for the day;

viii. unpaid tickets for the day;

ix. accrual payouts Clause vi plus Clause viii (above);

x. unpaid winners brought back into revenue;

xi. taxable revenue Clause iv less Clause vii or Clause i less Clause vii (above);

xii. book (accounting) revenue Clause iv less Clause ix plus Clause x (above);

7. personnel access listing:

a. name;

b. employer identification number;

c. listing of functions employee can perform or equivalent means of identifying same.

II. The race book accounting and audit procedures shall be performed by personnel who are independent of the transactions being audited/accounted for.

JJ. For a minimum of two writer stations per shift per month (rotated among writers) accounting personnel shall:

1. foot the sequentially connected copy of written tickets and trace the totals to those produced by the system;

2. review the connected copies for sequential numbering and document follow-up on missing numbers or blank tickets.

KK. Accounting personnel shall foot the customer copy of paid tickets for a minimum of one cashier station per month and trace the totals to those produced by the system.

LL. The write and payouts shall be compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances (i.e., overages or shortages greater than \$100 per writer/cashier).

MM. For all winning and voided race book tickets in excess of \$1,000, and for a random sample of 0.2 percent of all other winning race book tickets:

1. the tickets shall be recalculated and regraded using the computer record of event results;

2. the date and starting time of the race per the results report shall be compared to the date and time stamp on the ticket and in the computer sales/transaction report;

3. the terms of the wagers per the computer sales/transaction report or per the results report shall be reviewed and compared to an independent source for extravagant or questionable activity.

NN. For all voided tickets:

1. the computer reports which display voided ticket information shall be examined to verify that tickets were properly voided prior to the cutoff times for event wagering;

2. the voided tickets shall be examined for the word "void" and proper signatures.

OO. The book's computerized summary of events/results report shall be traced to an independent source for 5 percent of all races to verify the accuracy of starting times (if available from an independent source) and final results.

PP. Exception reports shall be reviewed on daily basis for propriety of transactions and unusual occurrences.

QQ. Any investigation performed regarding the exception reports shall be documented.

RR. At least one day per calendar quarter, the computer-generated reports shall be reviewed for proper handling of future wagers and unpaid winners.

SS. Reports shall be maintained for each day, month and year-to-date which indicate the total amount paid out on winning wagers, the net amount won by the book, and the win-to-write percentage.

TT. This information shall be presented to and reviewed by management independent of the race book on at least a monthly basis.

UU. The above referenced management shall investigate any unusual statistical fluctuations with race book personnel. This review shall be performed by comparing the current period statistics for each type of event with those of applicable prior periods.

VV. The results of such investigations shall be documented in writing and maintained for at least five years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1896 (October 1999), repromulgated LR 25:2251 (November 1999).

§2729. Internal Controls; Cage, Vault and Credit

A. Each licensee shall have a main bank which will serve as the financial consolidation of transactions relating to all gaming activity. Individuals accessing casino cages who are not employees assigned to cage areas shall sign a log maintained in each of these areas:

1. name of each person entering the cage;

2. reason each person entered the cage;

3. date and time each person enters and exits the cage;

4. date, time and type of any equipment malfunction in the cage; and

5. a description of any unusual events occurring in the cage.

B. All transactions that flow through the casino cage shall be summarized on a cage accountability form on a per shift basis and signed by the off-going and on-coming cashier. Variances of \$50 or greater shall be investigated and the results maintained for five years.

C. Increases and decreases to the cage inventory shall be supported by written documentation.

D. Open cage windows and vault including the coin room inventories shall be counted by outgoing and incoming cashiers and recorded at the end of each shift during which any activity took place, or at least once per gaming day. This documentation shall be signed by each person who counted the inventory. In the event there is a variance which cannot be resolved, a supervisor shall verify/sign the documentation.

E. All net changes in outstanding casino receivables shall be summarized on a cage accountability form or similar document on a daily basis.

F. Such information shall be summarized and posted to the accounting records at least monthly.

G. All cage paperwork shall be transported to accounting by an employee independent of the cage.

H. All cashier tips shall be placed in a transparent locked box located inside the cage and shall not be commingled with cage inventory.

I. A licensee shall be permitted to issue credit in its gaming operation.

J. Prior to the issuance of gaming credit to a player, the employee extending the credit shall determine if credit is available by entering the patron's name or account number into the computer. A password shall be used to access such information. Once availability is established, credit shall be extended only to the balance. If a manual system is used, the employee extending the credit shall, prior to the issuance of gaming credit to a player, contact the cashier or other independent source to determine if the player's credit limit has been properly established and remaining credit available is sufficient for the advance.

K. Proper authorization of credit extension in excess of the previously established limit shall be documented.

L. Each licensee shall document, prior to extending credit, that it:

1. received information from a bona fide credit-reporting agency that the patron has an established credit history that is not entirely derogatory; or
2. received information from a legal business that has extended credit to the patron that the patron has an established credit history that is not entirely derogatory; or
3. received information from a financial institution at which the patron maintains an account that the patron has an established credit history that is not entirely derogatory; or
4. examined records of its previous credit transactions with the patron showing that the patron has paid substantially all of his credit instruments and otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or

5. informed by another licensee that extended gaming credit to the patron that the patron has previously paid substantially all of the debt to the other licensee and the licensee otherwise documents that it has a reasonable basis for placing the amount or sum placed at the patron's disposal; or

6. if no credit information is available from any of the sources listed in Paragraphs 1-5 for a patron who is not a resident of the United States, the licensee shall receive in writing, information from an agent or employee of the licensee who has personal knowledge of the patron's credit reputation or financial resources that there is a reasonable basis for extending credit in the amount or sum placed at the patron's disposal;

7. in the case of personal checks, examine and record the patron's valid driver's license or, if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks, or document one of the credit checks set forth in Paragraphs 1-6.

M. In the case of third party checks for which cash, chips, or tokens have been issued to the patron or which were accepted in payment of another credit instrument, the licensee shall examine and record the patron's valid driver's license, or if a driver's license cannot be obtained, some other document normally acceptable as a means of identification when cashing checks and, for the check's maker or drawer, perform and document one of the credit procedures set forth in Subsection L.

N. The following information shall be recorded for patrons who will have credit limits or are issued credit in an amount greater than \$1,000 excluding, cashier's checks and traveler's checks:

1. patron's name, current address, and signature;
2. identification verifications, including Social Security number or passport number if patron is a nonresident alien;
3. authorized credit limit;
4. documentation of authorization by an individual designated by management to approve credit limits;
5. credit issuances and payments.

O. Prior to extending credit, the patron's credit application, and/or other documentation shall be examined to determine the following:

1. properly authorized credit limit;
2. whether remaining credit is sufficient to cover the advance;
3. identity of the patron;
4. credit extensions over a specified dollar amount shall be authorized by personnel designated by management;
5. proper authorization of credit extension over 10 percent of the previously established limit or \$1,000, whichever is greater shall be documented;

6. if cage credit is extended to a single patron in an amount exceeding \$2,500, applicable gaming personnel shall be notified on a timely basis of the patrons playing on cage credit, the applicable amount of credit issued, and the available balance.

P. The following information shall be maintained either manually or in the computer system for cage-issued markers:

1. the signature or initials of the individual(s) approving the extension of credit (unless such information is contained elsewhere for each issuance);
2. the name of the individual receiving the credit;
3. the date and shift granting the credit;
4. the amount of credit issued;
5. the marker number;
6. the amount of credit remaining after each issuance or the total credit available for all issuances;
7. the amount of payment received and nature of settlement (e.g., credit slip number, cash, chips, etc.); and
8. the signature or initials of the individual receiving payment/settlement.

Q. The marker slip shall, at a minimum, be in triplicate form, pre-numbered by the printer, and utilized in numerical sequence whether marker forms are manual or computer-generated. Manual markers may be issued in numerical sequence by location. The three parts shall be utilized as follows:

1. original—maintained in the cage until settled;
2. payment slip—maintained until the marker is paid;
3. issue slip—maintained in the cage, until forwarded to accounting.

R. The original marker shall contain at least the following information:

1. patron's name and signature;
2. preprinted number;
3. date of issuance; and
4. amount of credit issued.

S. The issue slip or stub shall include the same preprinted number as the original, date and time of issuance, and amount of credit issued. The issue slip or stub also shall include the signature of the individual issuing the credit, unless this information is included on another document verifying the issued marker.

T. The payment slip shall include the same preprinted number as the original. When the marker is paid in full, it shall also include, date and time of payment, nature of settlement (cash, chips, etc.) and amount of payment. The payment slip shall also include the signature of the cashier receiving the payment, unless this information is included on another document verifying the payment of the marker.

U. Marker log documentation shall be maintained by numerical sequence, indicating marker number, name of patron, date marker issued, date paid, method of payment (if combination, i.e., chips/cash, amount paid by each method), and amount of credit remaining. This marker log documentation shall also be maintained by patron name in alphabetic sequence in order to determine that credit was not extended beyond 30 days.

V. Markers (computer-generated and manual) that are voided shall be clearly marked "Void" across the face of all copies. The cashier and supervisor shall print their employee numbers and sign their names on the voided marker. The supervisor who approves the void shall print or stamp the date and time the void is approved. A brief statement of why the void was necessary shall be written on the face of all copies. All copies of the voided marker shall be forwarded to accounting for accountability and retention on a daily basis.

W. All portions of markers, both issued and unissued, shall be safeguarded and procedures shall be employed to control the distribution, use and access to the forms.

X. An investigation shall be performed, by the accounting department, immediately following its notice of missing forms or any part thereof, to determine the cause and responsibility for loss whenever marker credit slips, or any part thereof, are missing, and the result of the investigation shall be documented, by the accounting department. The division shall be notified in writing of the loss, disappearance or failure to account for marker forms within 10 days of such occurrence.

Y. All payments received on outstanding credit instruments shall be permanently recorded on the licensee's records.

Z. When partial payments are made on a marker, a new marker shall be completed reflecting the original date, remaining balance, and number of the originally issued marker.

AA. Personal checks or cashier's checks shall be cashed at the cage cashier and subjected to the following procedures:

1. examine and record at least one item of patron identification such as a driver's license, etc.

BB. When travelers checks are presented:

1. the cashier must comply with examination and documentation procedures as required by the issuer;
2. checks in excess of \$100 shall not be cashed unless the requirements of §2729.BB are met.

CC. The routing procedures for payments by mail require that they shall be received by a department independent of credit instrument custody and collection.

DD. Receipts by mail shall be documented on a listing indicating the following:

1. customer's name;
2. amount of payment;

3. type of payment if other than a check;
4. date payment received; and

5. the total amount of the listing of mail receipts shall be reconciled with the total mail receipts recorded on the appropriate accountability by the accounting department on a random basis for at least three days per month.

EE. Access to the credit information shall be restricted to those positions which require access and are so authorized by management. This access shall be noted in the appropriate job descriptions pursuant to §2715.B.2.

FF. Access to outstanding credit instruments shall be restricted to persons authorized by management and shall be noted in the appropriate job descriptions pursuant to §2715.B.2.

GG. Access to written-off credit instruments shall further be restricted to individuals specified by management and shall be noted in the appropriate job descriptions pursuant to §2715.B.2.

HH. All extensions of pit credit transferred to the cage and subsequent payments shall be documented on a credit instrument control form.

II. Records of all correspondence, transfers to and from outside agencies, and other documents related to issued credit instruments shall be maintained.

JJ. Written-off credit instruments shall be authorized in writing. Such authorizations are made by at least two management officials which must be from a department independent of the credit transaction.

KK. If outstanding credit instruments are transferred to outside offices, collection agencies or other collection representatives, a copy of the credit instrument and a receipt from the collection representative shall be obtained and maintained until such time as the credit instrument is returned or payment is received. A detailed listing shall be maintained to document all outstanding credit instruments which have been transferred to other offices. The listing shall be prepared or reviewed by an individual independent of credit transactions and collections thereon.

LL. The receipt or disbursement of front money or a customer cash deposit shall be evidenced by at least a two-part document with one copy going to the customer and one copy remaining in the cage file.

1. The multi-part form shall contain the following information:

- a. same preprinted number on all copies;
- b. customer's name and signature;
- c. date of receipt and disbursement;
- d. dollar amount of deposit;
- e. type of deposit (cash, check, chips).

2. Procedures shall be established to:

- a. maintain a detailed record by patron name and date of all funds on deposit;
- b. maintain a current balance of all customer cash deposits which are in the cage/vault inventory or accountability;
- c. reconcile this current balance with the deposits and withdrawals at least daily.

MM. The trial balance of casino accounts receivable shall be reconciled to the general ledger at least quarterly.

NN. An employee independent of the cage, credit, and collection functions shall perform all of the following at least three times per year:

1. ascertain compliance with credit limits and other established credit issuance procedures;
2. randomly reconcile outstanding balances of both active and inactive accounts on the listing to individual credit records and physical instruments;
3. examine credit records to determine that appropriate collection efforts are being made and payments are being properly recorded;
4. for a minimum of five days per month partial payment receipts shall be subsequently reconciled to the total payments recorded by the cage for the day.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1896 (October 1999), repromulgated LR 25:2251 (November 1999).

§2730. Exchange of Tokens and Chips

A. A licensee may exchange a patron's tokens and chips issued by another licensee only for its own tokens and chips. A licensee shall not exchange tokens and chips issued by another licensee for cash. A licensee shall document the exchange in a manner approved by the division.

B. The exchange shall occur at a single casino cage designated by the licensee in its internal controls and approved by the division.

C. The total dollar value of the chips or tokens submitted by a patron for exchange shall equal the total dollar value of the tokens or chips issued by the licensee to the patron. Tokens and chips shall not be exchanged for a discount or a premium.

D. All tokens and chips received by a licensee as a result of an exchange authorized by this Section shall be returned to the issuing licensee for redemption within 30 days of the date the tokens or chips were received as part of an exchange unless the division approves otherwise in writing. Both licensees shall document the redemption in a manner approved by the division.

E. A licensee shall not accept tokens or chips issued by another licensee in any manner other than authorized in this Section. A licensee shall not knowingly accept as a wager any token or chip issued by another licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1898 (October 1999), repromulgated LR 25:2254 (November 1999).

§2731. Currency Transaction Reporting

A. Each licensee shall be responsible for proper reporting of certain monetary transactions to the federal government as required by the Bank Records and Foreign Transactions Act (Public Law 91-508), commonly referred to as the "Bank Secrecy Act" as codified in Title 31 Section 5311-5323, and Title 12 Sections 1730.d, 1829, and 1951-1959. Specific requirements concerning record keeping and reports are delineated in Title 31 CFR 103 and shall be followed in their entirety. The "Bank Secrecy Act" and the rules and regulations promulgated by the federal government pursuant to the "Bank Secrecy Act" as they may be amended from time to time, are adopted by reference and are to be considered incorporated herein.

B. Civil and/or criminal penalties may be assessed by the federal government for willful violations of the reporting requirements of the Bank Secrecy Act. These penalties may be assessed against the licensee, as well as any director, partner, official or employee that participated in the above referenced violations.

C. All employees of the licensee shall be prohibited from providing any information or assistance to patrons in an effort to aid the patron in circumventing any, and all currency transaction reporting requirements.

D. Licensee employees shall be responsible for preventing a patron from circumventing the currency transaction reporting requirements if the employee has knowledge, or through reasonable diligence in performing their duties, should have knowledge of the patron's efforts at circumvention.

E. For each required currency transaction report, a clear surveillance photograph of the patron shall be taken and attached to the licensee's copy of the currency transaction report. The employee consummating the transaction shall be responsible for contacting the surveillance department employee. If a clear photograph cannot be taken at the time of the transaction, a file photograph of the patron, if available, may be used to supplement the required photograph taken. The licensee shall maintain and make available for inspection all copies of currency transaction reports, with the attached photographs, for a period of five years.

F. One legible copy of all currency transaction reports for casinos filed with the Internal Revenue Service shall be forwarded to the division's audit section by the fifteenth day after the date of the transaction.

G. The licensee shall be responsible for maintaining a single log which aggregates all transactions in excess of \$2,500 from the various multiple transaction logs as follows.

1. All cash transactions in excess of \$2,500 shall be recorded on a multiple transaction log for aggregation of the multiple transactions and signed by the employee handling the transaction. Records of the aforementioned transactions must be aggregated on the single log required by this Section.

2. Any multiple transaction log which reflects no activity shall be signed by the supervisor.

3. The employee handling the transaction shall be responsible for accurate and complete log entries. No log entry shall be omitted. Each log entry shall include the date and time, the amount of the transaction, the location of the transaction, the type of transaction, and the name and physical description of the patron.

4. Once any patron's cash activity has exceeded \$2,500, any and all additional cash activity shall be logged regardless of the amount or location.

5. Personnel of the pit and cage shall coordinate their efforts to ensure all cash transactions in excess of \$2,500 are properly logged and aggregated.

6. Personnel of the pit and cage shall coordinate their efforts to ensure any required currency transaction reports are properly completed.

7. As the \$10,000 amount is about to be exceeded, the employee consummating the transaction shall be responsible for obtaining and verifying the patron's identification prior to completing the transaction.

8. All multiple transaction logs shall be turned in to the cage for submittal to the accounting department daily.

H. The information required to be gathered by this Section shall be obtained from the individual on whose behalf the transaction is conducted, if other than the patron.

I. If a patron is unable or unwilling to provide any of the information required for currency transaction reporting, the transaction shall be terminated until such time that the required information is provided.

J. A transaction shall not be completed if it is known that the patron is seeking to avoid compliance with currency transaction requirements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1898 (October 1999), repromulgated LR 25:2254 (November 1999).

§2735. Net Gaming Proceeds Computations

A. For each table game, net gaming proceeds shall equal the soft count drop (cash and credit), plus or minus the change in table inventory, plus or minus the chip float

adjustment. The change in table inventory shall be equal to the beginning table inventory, plus chip fills to the table, less credits from the table, less ending table inventory. The first step in the calculation of the chip float adjustment shall be the daily chip float calculation which shall be the total chips received to date (i.e., the initial chips received from vendors plus all subsequent shipments of chips received) less the total day's chip count (i.e., the sum of chips in the vault, cage drawers, tables, change lockers and all other locations). The daily ending inventory chip count shall at no time exceed the total amount of chips in the total casino chip accountability. If at any time the calculated daily chip float is less than zero, the licensee shall adjust to reflect a zero current day chip float. Afterwards, the chip float adjustment shall be calculated daily by subtracting the previous day's chip float from the current day's chip float.

B. For each slot machine, net gaming proceeds shall equal drops less fills to the machine and jackpot payouts, plus or minus the token float adjustment. The first step in the calculation of the token float adjustment shall be the daily token float calculation which shall be the total tokens received to date (i.e., the initial tokens received from vendors plus all subsequent shipments of tokens received) less the total day's token count (i.e., tokens in the hard count room plus tokens in the vault, cage drawers, change lockers, tokens in other locations and initial tokens in hoppers). The daily ending inventory token count shall at no time exceed the total amount of tokens in the total casino token accountability. Foreign tokens and slugs do not constitute a part of token inventory. If at any time the calculated daily token float is less than zero, the licensee shall adjust to reflect a zero current day token float. The initial hopper load is not a fill and does not affect gross revenue. Since actual hopper token counts from all machines are not feasible, estimates of the token float adjustment shall be done daily based on the assumption that the hoppers will maintain the same balance as the initial hopper fill. Once a year, a statistical sample of the hoppers will be inventoried for the purpose of calculating the token float. This should be performed during the annual audit so that the external auditors can observe the test performance results. Therefore, once per year, the token float adjustment shall be based upon a physical count of tokens.

C. For each card game and any other game in which the licensee is not a party to a wager, net gaming proceeds shall equal all money received by the licensee as compensation for conducting the game, including time buy-ins. A time buy-in is a fixed amount of money charged for the right to participate in certain games for a period of time.

D. If in any day the amount of net gaming proceeds is less than zero, the licensee may deduct the excess in the succeeding days, until the loss is fully offset against net gaming proceeds.

E. Slot machine meter readings from the drop process shall not be utilized to calculate net gaming proceeds.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1899 (October 1999), repromulgated LR 25:2254 (November 1999).

§2736. Treatment of Credit for Computing Net Gaming Proceeds

A. Net gaming proceeds shall not include credit extended or collected by the licensee for purposes other than gaming. Net gaming proceeds shall include the amount of gaming credit extended to a patron when wagered.

B. Each licensee shall include in net gaming proceeds all or any portion of an unpaid balance on any credit instrument if the original credit instrument or a substituted credit instrument is not available to support the outstanding balance.

C. A licensee shall include in net gaming proceeds the unpaid balance of a credit instrument even if the licensee eventually settles the debt for less than its full amount. The settlement shall be authorized by a person designated to do so in the licensee's system of internal control, and a settlement agreement shall be prepared within 10 days of the settlement and the agreement shall include:

1. the patron's name;
2. the original amount of the credit instrument;
3. the amount of the settlement stated in words;
4. the date of the agreement;
5. the reason for the settlement;
6. the signatures of the licensee's employees who authorized the settlement; and
7. the patron's signature or in cases which the patron's signature is not on the settlement agreement, documentation which supports the licensee's attempt to obtain the patron's signature.

D. A licensee shall include in net gaming proceeds all money, and the net fair market value of property or services received by the licensee in payment of credit instruments unless the full dollar amount of the credit instrument was previously included in the calculation of net gaming proceeds.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1899 (October 1999), repromulgated LR 25:2254 (November 1999).

§2739. Extension of Time for Reporting

A. The division in its sole and absolute discretion, may extend the time for filing any report or document required by this Chapter.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1899 (October 1999), repromulgated LR 25:2255 (November 1999).

§2741. Petitions for Redetermination; Procedures

A. A licensee filing a petition for redetermination with the board shall serve a copy of the petition on the division.

B. A licensee shall, within 30 days after the petition is filed:

1. pay all fees, penalties, or interest not disputed in the petition and submit a schedule to the division that contains its calculation of the interest due on non-disputed assessments;

2. file with the board a memorandum of points and authorities in support of a redetermination, and serve a copy of the memorandum on the division;

3. file with the board a certification that it has complied with the requirements of Paragraphs 1 and 2.

C. The division shall, within 30 days after service of the licensee's memorandum, file a memorandum of points and authorities in opposition to the licensee's petition and shall serve a copy on the licensee. The licensee may, within 15 days after service of the division's memorandum, file a reply memorandum.

D. The division and the licensee may stipulate to extend the time periods specified in this Section if their stipulation to that effect is filed with the board before the expiration of the pertinent time period. The board chairman may extend the time periods specified in this Section upon motion and for good cause shown.

E. The board may, at its discretion, deny a petition for determination if the licensee fails to comply with the requirements of this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1900 (October 1999), repromulgated LR 25:2255 (November 1999).

§2743. Claims for Refunds; Procedures

A. A licensee filing a claim for refund with the board shall serve a copy of the claim on the division.

B. A licensee shall, within 30 days after the claim is filed, file with the board a memorandum of points and authorities in support of the claim, setting forth the legal basis and the licensee's calculations of the amount of the refund and any interest due thereon, and serve a copy of the memorandum on the division, and file with the board a certification that it has complied with the requirements of this Subsection.

C. The division shall, within 30 days after service of the licensee's memorandum, file a memorandum of points and authorities in opposition to the licensee's claim and shall serve a copy on the licensee. The licensee may, within 15 days after service of the division's memorandum, file a reply memorandum.

D. The division and the licensee may stipulate to extend the time periods specified in this Section if their stipulation to that effect is filed with the board before the expiration of the pertinent time period. The board chairman may extend the time periods specified in this Section upon motion and for good cause shown.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 25:1900 (October 1999), repromulgated LR 25:2255 (November 1999).

Chapter 29. Operating Standards

§2901. Code of Conduct of Licensees and Permittees

A. General Provisions

1. All licensees and permittees shall comply with all applicable federal, state, and local laws and regulations.

2. All licensees and permittees shall, at all times, conduct themselves in a professional manner when communicating with the public and the division and the board.

3. Any violation of the provisions of the Act, shall also constitute a violation of these rules.

B. Unsuitable Conduct

1. No licensee or permittee shall engage in unsuitable conduct or practices or shall employ or have a business association with any person, natural or juridical, which engages in unsuitable conduct or practices.

2. For purposes of this Section, unsuitable conduct or practices shall include, but not be limited to, the following:

- a. employment of, in a managerial or other significant capacity as determined by the division or board, business association with, or participation in any enterprise or business with, a person convicted of a felony or declared unsuitable by the division or board;

- b. employment of, association with, or participation in any enterprise or business with a documented or identifiable organized crime group or recognized organized crime figure;

- c. misrepresentation of any material fact or information to the division or board;

- d. engaging in, furtherance of, or profit from any illegal activity or practice, or any violation of these rules or the Act;

e. obstructing or impeding the lawful activities of the board, division or its agents;

f. persistent or repeated failure to pay amounts due or to be remitted to the state.

3. A licensee or permittee shall not engage in, participate in, or facilitate by any means, any criminal activity.

4. Any person required to be found suitable or approved in connection with the granting of any license or permit shall have a continuing duty to notify the division of his/her/its arrest, summons, citation or charge for any criminal offense or violation including D.W.I.; however, minor traffic violations need not be included. All licensees and permittees shall have a continuing duty to notify the division of any fact, event, occurrence, matter or action that may affect the conduct of gaming or the business and financial arrangements incidental thereto or the ability to conduct the activities for which the licensee or permittee is licensed or permitted. Such notification shall be made within 15 calendar days of the arrest, summons, citation, charge, fact, event, occurrence, matter or action.

5. A licensee or permittee shall not intentionally make, cause to be made, or aid, assist, or procure another to make any false statement in any report disclosure, application, permit form, or any other document, including improperly notarized documents, required by these rules or the Act.

C. Additional Causes for Disciplinary Action

1. Further instances of conduct by a licensee or permittee where the division or board may sanction a licensee or permittee shall include, but not be limited to, when:

a. the licensee or permittee has been involved in the diversion of gaming equipment for unlawful means;

b. the licensee or permittee or a designated representative of the licensee or permittee has been involved in activities otherwise prohibited by law or the willful purpose of which was to circumvent or contravene the provisions set forth in the division's rules;

c. the licensee or permittee has demonstrated a reluctance or inability to comply with the requirements set forth in these rules and the Act, particularly after repeated warnings;

d. the licensee or permittee violates written conditions;

e. the division discovers incomplete or erroneous information as to a material or a substantial matter provided on an application or any item affecting the decision whether to license the applicant;

f. the division discovers substantial, incomplete, or erroneous information provided in a report or other required communication; and

g. the licensee or permittee has failed to timely pay a fine imposed by the division or board;

h. tardy, inaccurate, or incomplete reports;

i. failure to respond in a timely manner to communications from the division or board; and

j. unavailability of the licensees or permittees, their designated representatives, or their agents.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:60 (January 2001), LR 29:2507 (November 2003).

§2903. Compliance with Laws

A. Acceptance of a license or permit or renewal thereof constitutes an agreement on the part of the licensee or permittee to be bound by all of the applicable provisions of the Act and the regulations. It is the responsibility of the licensee or permittee to keep informed of the content of all such laws, and ignorance thereof will not excuse violations. Violation of any applicable provision of the Act, the regulations of the commission or regulations of the division by a licensee or permittee or by the agent, employee or representative of a licensee or permittee is contrary to the public health, safety, morals, good order and general welfare of the inhabitants of the state of Louisiana and constitutes grounds for enforcement action.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2905. Weapons on the Riverboat

A. Weapons as defined in the Louisiana Criminal Code are not permitted on the riverboat other than those in the possession of full-time commissioned law enforcement officers which are on duty and within their respective jurisdiction and licensed gaming security personnel which are on duty.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2909. Emergencies

A. A riverboat may dock at any berth other than its own authorized berth in case of emergency. An "emergency" is a call to immediate action, including but not limited to:

1. any circumstance that presents a foreseeable danger to human life; or

2. any circumstance declared to be an emergency by any governmental authority; or

3. any circumstance that presents an unreasonable risk of loss or damage to a riverboat, any dock, other vessel, or other property.

B. Should the master of the riverboat determine and certify in writing that the weather conditions or water conditions are such that danger to the riverboat is present, the riverboat may remain docked until such time as the master determines that conditions have diminished enough to proceed or until the authorized excursion has expired.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2910. Passenger Embarkation and Disembarkation

A. Except in the case of emergencies, passengers and crew may embark and disembark from a riverboat only at its authorized berth.

B. In the event that the vessel master, pursuant to the provisions to R.S. 27:65(B)(1)(a), certifies in writing that weather or water conditions make it unsafe for a riverboat to commence or continue on its authorized excursion, and gaming activities are conducted while the vessel is at dockside, there shall be no restriction on the embarking or disembarking of passengers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:2825 (December 2000).

§2911. Accessibility to Premises; Parking

A. Each licensee shall provide adequate parking for exclusive use by the division agents. Parking shall be in close proximity to the division dockside office and the number of parking spaces and location shall meet division specifications.

B. Each licensee shall ensure that division agents are provided an expedient means for entry and departure in regard to access to premises. For the purpose of this Section, premises includes but is not limited to private roads, parking lots, buildings, vessels, structures, and land which the licensee owns, leases or uses in relationship to the riverboat operation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2913. Access to Premises and Production of Records

A. Each gaming operator, manufacturer or supplier shall upon request immediately make available for inspection by the division, and commission or the agents thereof, all papers, books and records used in the licensed or permitted operation. The division, or any agent of the division, or a commissioner, or agent of the commission shall be given immediate access to any portion of the premises of any

riverboat, dockside facility or premises or a manufacturer of supplier for the purpose of inspecting or examining any records or documents required to be kept under the provisions of the Act and the regulations and any gaming device or equipment or the conduct of any gaming activity. Immediate access to the areas and records that may be inspected or examined by the division, division agents, commissioners or their agents must be granted to any such individual who displays division or commission credentials.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2915. Age Restrictions for the Casino; Methods to Prevent Minors from Gaming Area

A. No persons under the age of 21 shall:

1. play or be allowed to play any game or gaming device in the designated gaming area;
2. loiter or be permitted to loiter in or about any room, premises, or designated area where any game or gaming device is located;
3. be employed as a gaming employee.

B. Each licensee must implement methods to prevent minors from entering the designated gaming area of the eligible facility. Such methods shall be part of the licensee's system of internal controls and shall include, but shall not be limited to the following:

1. posting signs at all entrances to the gaming area notifying patrons that persons under 21 years of age are not permitted to loiter in or about the gaming area. The signs shall be displayed in English, Spanish, and Vietnamese;
2. posting signs or other approved means displaying the date of birth of a person who is 21 years old that date.

C. Each licensee shall each quarter report and remit to the division all winnings withheld from customers who are determined to be under the age of 21.

AUTHORITY NOTE: Promulgated in accordance with R.S.4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended LR 29:2507 (November 2003).

§2917. Reserved.

§2919. Finder's Fees

A. Except as limited by Subsection B, the term "Finder's Fee" means any compensation in money in excess of the sum of \$5,000 annually, or real or personal property valued in excess of the sum of \$5,000 annually, which is paid or transferred or agreed to be paid or transferred to any person in consideration for the arranging or negotiation of an extension of credit to a licensee, a registered company, or applicant for licensing or registration if the proceeds of such extension of credit are intended to be used for any of the following purposes:

1. the acquisition of an interest in a riverboat, license, licensed gaming operation or registered company;

2. to finance the gaming operations of a riverboat, license, licensed gaming operation or registered company.

B. The term "finder's fees" shall not include:

1. compensation to the person who extends the credit;

2. normal and customary payments to employees of the person to whom the credit is extended if the arranging or negotiation of credit is part of their normal duties;

3. normal and customary payments for bona fide professional services rendered by lawyers, accountants, engineers and appraisers;

4. underwriting discounts paid to a member of the National Association of Securities Dealers, Inc.

C. It is an unsuitable method of operation or practice for any licensee, registered company or applicant for licensing or registration to pay a finder's fee without the prior approval of the supervisor. An application for approval of payment of a finder's fee shall make a full disclosure of all material facts. The division may disapprove any such application if the person to whom the finder's fee is proposed to be paid does not demonstrate that he is suitable to hold a state gaming license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2921. Collection of Gaming Credit

A. Only bonded, duly licensed collection agencies, or a licensee's employees, independent agent, attorneys, or affiliated or wholly-owned corporation and their employees may collect, on the licensee's behalf and for any consideration, gaming credit extended by the licensee.

B. Notwithstanding the provisions of Subsection A, no licensee shall permit any person who has been found unsuitable, or who has been denied a gaming license or work permit, or who has had a work permit revoked, to collect, on the licensee's behalf and for any consideration, gaming credit extended by the licensee.

C. Each licensee shall maintain for the division's inspection, records that describe credit collection arrangements and shall include any written contract entered into with persons described in Subsection A, unless such persons are the licensee's key employees or junket representatives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2923. Identification Card Issuance Equipment

A. The holder of an operators license shall be required to furnish and maintain all necessary equipment for the production and issuance of gaming employee identification/permit badges. This equipment shall meet all

standards set forth by the division and must be approved by the supervisor. Said equipment shall be housed in or near the dockside facility and used exclusively by division agents.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2925. Junkets and Related Activities

A. The division may require registration and provide a procedure and forms for the regulation of junkets and for the licensing of junket representatives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2927. Advertising

A. The division may establish procedures for the regulation of advertising of riverboat gaming activities. More specifically the division may require a licensee to advertise or publish specified information, slogans and telephone numbers relating to avoidance and treatment of compulsive or problem gambling or gaming.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2929. Conservatorship

A. Definitions. The following words and terms, when used in this Subchapter, shall have the following meanings unless the context clearly indicates otherwise.

Conservator—A fiduciary appointed by the division concerning riverboat conservatorship.

Conservatorship Action—An action brought pursuant to the division's appointing of a conservator.

Creditor—The holder of any claim, of whatever character, against a person, whether secured or unsecured, matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent.

Debt—Any legal liability, whether matured or unmatured, liquidated or unliquidated, absolute, fixed or contingent.

Encumbrance—A mortgage, security interest, lien or charge of any nature in or upon property.

Property—Real property, tangible and intangible personal property, and rights, claims and franchises of every nature.

Riverboat License—Any license issued pursuant to this Act which authorizes the holder thereof to own or operate a riverboat.

Transfer—The sale and every other method, direct or indirect, of disposing of or parting with property or with an interest therein, or with the possession thereof, or of fixing a

lien upon property or upon an interest therein, absolutely or conditionally, voluntarily or involuntarily, by or without judicial proceedings, as a conveyance, sale, payment, pledge, mortgage, lien, encumbrance, gift, security or otherwise; the retention of a security interest in property delivered to a corporation shall be deemed a transfer suffered by such corporation.

B. Institution of Riverboat Conservatorship and Appointment of Conservators. Upon the suspension or revocation of a riverboat gaming license the division may appoint and constitute a conservator to, among other things, take over and into his possession and control all the property and business of the licensee relating to the riverboat.

1. Notwithstanding the foregoing, no conservator shall be constituted and appointed in any instance in which the riverboat for which the license has been issued has not been, in fact, in operation and open to the public.

2. The division may proceed in a conservatorship action in a summary manner or otherwise and shall have the power to appoint and remove one or more conservators.

C. Qualification of Conservator. No person shall be appointed as a conservator unless the division is satisfied that he is individually qualified according to the standard applicable to riverboat key employees, except that casino experience shall not be necessary for qualification.

1. The division shall investigate and report to the commission with regard to the qualifications of each person who is proposed as a candidate to serve as a conservator.

D. Bonding of Conservators. Every conservator shall, before assuming his duties, execute and file a bond for the faithful performance of his duties payable to the division in the Office of the Attorney General, Gaming Division with such surety or sureties and in such form as the division shall approve and in such amount as the division shall prescribe.

E. Powers of Multiple Conservators. When more than one conservator is appointed, the provisions of this Subchapter applicable to one conservator shall be applicable to all and the debts and property of the former or suspended licensee may be collected and received by any of them and the powers and rights conferred upon them shall be exercised by a majority of them.

F. Powers and Jurisdiction of the Division. At the time of the commencement of a conservatorship action, or at any time thereafter, the division shall have the power to enjoin the former or suspended licensee from exercising any of its privileges and franchises, from collecting or receiving any debts and from paying out, selling, assigning or transferring any of its property to other than a conservator, except as the division may otherwise order.

1. A conservator shall at all times be subject to the Act and such regulations, limitations, restrictions, terms and conditions as the division may from time to time prescribe.

2. The division shall have such further powers as shall be appropriate for the fulfillment of the purposes of the Act.

G. Effect of the Conservatorship on Licensed Riverboats. Except as may be otherwise provided, during the period of conservatorship the riverboat operation in the form of the conservatorship shall be deemed a licensed riverboat and any reference in the Act or regulations to any obligations or responsibilities incumbent upon a riverboat licensee or those persons dealing with, affiliated with, having an interest in, employed by a riverboat licensee shall be deemed to apply to said riverboat operation.

H. Powers, Authorities and Duties of Conservators

1. Upon his appointment, the conservator shall become vested with the title of all the property of the former or suspended licensee or permittee relating to the riverboat, subject to any and all valid liens, claims, and encumbrances.

2. The conservator shall have the duty to conserve and preserve the assets so acquired to the end that such assets shall continue to be operated on a sound and businesslike basis.

3. Subject to the general supervision of the division and pursuant to any specific order it may deem appropriate, a conservator shall have power to:

a. take into his possession all the property of the former or suspended licensee relating to the riverboat, including its books, records and papers;

b. institute and defend actions by or on behalf of the former or suspended licensee;

c. settle or compromise with any debtor or creditor of the former or suspended licensee, including any taxing authority;

d. continue the business of the former or suspended licensee or permittee and to that end enter into contracts, borrow money and pledge, mortgage or otherwise encumber the property of the former or suspended licensee as security for the repayment of the conservator's loans; provided, however, that such power shall be subject to any provisions and restrictions in any existing credit documents;

e. hire, fire and discipline employees;

f. review all outstanding agreements to which the former or suspended licensee is a party and advise the division as to which, if any, of such agreements should be the subject of scrutiny, examination or investigation by the division; and

g. do all further acts as shall best fulfill the purposes of the Act.

4. Except during the pendency of a suspension or during the pendency of an appeal from any action or event which precipitated the conservatorship or in instances in which the division finds that the interests of justice so require, the conservator, subject to the prior approval of and in accordance with such terms and conditions as may be prescribed by the division, and after appropriate prior consultation with the former licensee or permittee as to the reasonableness of such terms and conditions, shall endeavor to and be authorized to sell, assign, convey or otherwise

dispose of in bulk, subject to any and all valid liens, claims, and encumbrances, all the property of a former licensee relating to the riverboat only upon written notice of all creditors and other parties in interest and only to such persons who shall be eligible to apply for and shall qualify as a riverboat licensee in accordance with the provisions of the Act.

a. Prior to any such sale, the former licensee shall be granted, upon request, a summary review by the division of such proposed sale.

b. As an incident of its prior approval pursuant to this Subsection of the sale, assignment, conveyance or other disposition in bulk of all property of the former licensee relating to the riverboat, the division may, in its discretion, require that the purchaser thereof assume in a form and substance acceptable to the division all of the outstanding debts of the former licensee that arose from or were based upon the operation of the riverboat.

c. The division may require that the conservator, for an indefinite period of time, retain the property and continue the business of the former or suspended licensee relating to the riverboat. During such period of time or any period of operation by the conservator, he shall pay when due, without in any way being personally liable, all secured obligations and shall not be immune from foreclosure or other legal proceedings to collect the secured debt, nor with respect thereto shall such conservator have any legal rights, claims, or defenses other than those which would have been available to the former or suspended licensee.

I. Compensation of Conservators and Others. In any conservatorship action, the division shall allow a reasonable compensation for the services, costs and expenses of the conservator, the attorney for the conservator, the appraiser, the auctioneer, the accountant and such other persons as the division may appoint in connection with the conservatorship action.

J. Required Reports of the Conservator. A conservator shall file with the division such reports with regard to the administration of the conservatorship in such form and at such intervals as the division may prescribe.

1. The reports of the conservator to the division pursuant to this Subsection shall be available for examination and inspection by any creditor or party in interest.

2. The division may direct that copies of any such reports of a conservator to the division pursuant to this Subsection be mailed to such creditors or other parties in interest as it may designate and that summaries of any such reports be published in such newspapers of general circulation as it may designate.

K. Review of Action of Conservator. Any creditor or party in interest aggrieved by any alleged breach of a fiduciary obligation of a conservator in the discharge of his duties shall be entitled to a review thereof upon petitioning the division in writing. Such petition shall set forth in detail the pertinent facts and the reasons why such facts constitute the alleged breach.

1. The division shall summarily review any petition filed pursuant to this Subsection and take whatever action, if any, that it deems appropriate.

L. Payment of Net Earnings during the Period of Conservatorship. No payment of net earnings during the period of conservatorship may be made by the conservator without the prior approval of the division.

1. The division may, in its discretion, direct that all or any part of net earnings during the period of conservatorship be paid either to the suspended or former licensee or to the Riverboat Enforcement Fund.

2. Subject to Subsection D of this Section the division shall direct the payment of net earnings, or any portion thereof, to the Riverboat Enforcement Fund unless the division determines that the policies of the Act and public confidence in the integrity of legalized gaming operations would not be eroded by the payment of such net earnings to the former or suspended licensee.

3. Notwithstanding any other provisions of this Section, the former or suspended licensee shall be entitled to a fair rate of return out of net earnings, if any, during the period of conservatorship on the property retained by the conservator, taking into consideration that which amounts to a fair rate of return in the riverboat industry.

M. Payments Following a Bulk Sale. Following any sale, assignment, conveyance or other disposition in bulk of all the property subject to the conservatorship, the net proceeds therefrom, if any, after payment of all obligations owing to the state of Louisiana and political subdivisions thereof and of those allowances set forth in the Act, shall be paid by the conservator to the former or suspended licensee.

N. Discontinuation of Conservatorship. The division shall direct the discontinuation of any conservatorship action when the conservator has, pursuant to the Act and with the prior approval of the division, consummated the sale, assignment, conveyance or other disposition in bulk of all the property of the former licensee relating to the casino and the approved hotel.

1. The division may direct the discontinuance of a conservatorship action when it determines that for any reason the cause for which the action was instituted no longer exists.

2. Upon the discontinuation of the conservatorship action and with the approval of the division, the conservator shall take such steps as may be necessary in order to effect an orderly transfer of the property of the former or suspended licensee.

3. The sale, assignment, transfer, pledge or other disposition of the securities issued by a former or suspended licensee during the pendency of a conservatorship action shall neither divest, have the effect of divesting, nor otherwise affect the powers conferred upon a conservator by the Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2931. Assisting in Violations

A. No employee, agent, or representative of a licensee or permittee shall intentionally assist another person in violating any provisions of the Act, rules adopted pursuant to the Act, any orders of the board or division, or the licensee's internal controls. Such assistance shall constitute a violation of these rules. It is incumbent upon an employee, agent, or representative of a licensee or permittee to promptly notify the division of any possible violation of any federal, state or municipal law, the Act, rules adopted pursuant to the Act, any orders of the board or division, or the licensee's internal controls.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Gaming Enforcement Section, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended LR 26:2824 (December 2000).

§2935. Entertainment Activities

A. No motion picture shall be exhibited within any riverboat either by direct projection or by closed circuit television which would be classified as obscene material.

B. No live entertainment shall be permitted within a licensed riverboat establishment which includes:

1. the performance of acts, or simulated acts, of sexual intercourse, masturbation, sodomy, bestiality, oral copulation, flagellation or any sexual acts which are prohibited by law;
2. the actual or simulated touching, caressing or fondling of breasts, buttocks, anus or genitals; or
3. the actual or simulated display of the pubic hair, vulva, genitals, anus, female nipple or female areola.

C. No entertainment shall be offered within the designated gaming area unless the licensee receives approval from the division to provide such entertainment. The licensee shall file a written submission with the division at least five days prior to the commencement of such entertainment, which submission shall include, at a minimum, the following information:

1. the date and time of the scheduled entertainment;
2. a detailed description of the type of entertainment to be offered;
3. the number of persons involved in the entertainment;
4. the exact location of the entertainment in the designated gaming area;
5. a description of any additional security measures that will be implemented as a result of the entertainment; and

6. a certification from the licensee that the proposed entertainment will not adversely affect the security and integrity of gaming operations.

D. The submission in the above Section shall be deemed approved by the division unless the casino is notified in writing to the contrary within five day of filing.

E. The division may at any time after the granting of approval require the licensee to immediately cease any entertainment offered within the designated gaming area if the entertainment provided is in any material manner different from the description contained in the submission filed pursuant to the above Section, or in any way compromises the integrity of gaming operations.

F. In reviewing the suitability of an entertainment proposal, the division shall consider the extent to which the entertainment proposal:

1. may unduly interfere with efficient riverboat operations;
2. may unduly interfere with the security of the casino or any of the games therein or any restricted riverboat area; or
3. may unduly interfere with surveillance operations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2937. Distributions

A. The division shall receive written notice of the within five days of the completion of the following transactions:

1. withdrawal of capitol in excess of 5 percent of the licensee's net gaming proceeds for the preceding 12-month period;
2. the granting of a loan or any other extension of credit in excess of 5 percent of the licensee's net gaming proceeds for the preceding 12-month period;
3. any advance or other distribution of any type of asset in excess of 5 percent of the licensee's net gaming proceeds for the preceding 12-month period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2939. Action Based upon Order of Another Jurisdiction

A. The division may take enforcement action against a licensee or other person who has been disciplined in another jurisdiction for gaming related activity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2941. Access by Division to Licensee Computer Systems

A. The division may require a licensee to place a computer terminal in the division room on the riverboat whereby the division has contemporaneous access to records and data relating to the gaming operations. Such data shall include but not be limited to credit transactions, amounts wagered and paid to winners, player tracking information and expenses relating to payment of compensation to employees.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2943. Gaming Employees Prohibited from Gaming

A. The holder of a gaming employee permit is prohibited from participating as a patron or a player in any game or gaming activity where the permittee is employed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2944. Waivers and Authorizations

A. All waivers of the division policies, special requests, and additional approvals by the division, except matters concerning emergency situations, must be submitted, in writing, to the division no less than 90 days prior to the licensee's planned implementation date of such. No waiver or division approval is valid until such time as the licensee receives an authorization number and written approval from the division, except approvals to ship gaming devices into the state in which case the division shall give an approval number for the shipment. The division declares the right to determine what constitutes an emergency situation on a case-by-case basis.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2945. Restrictive Areas

A. Only authorized persons as provided in Chapter 27 of these rules, or in the licensee's internal controls as approved by the division, may enter restrictive areas on or within the riverboat. For the purpose of this Subsection, restrictive areas shall include, but are not limited to the following:

1. cage and cashier areas;
2. pit areas;
3. casino vault;
4. soft count and hard count;
5. surveillance room;
6. any other area designated by the licensee and/or the division.

B. The licensee shall implement procedures to insure compliance with this Subsection. The division may require the licensee to erect barriers, stanchions, signage, and other such equipment as necessary to prohibit unauthorized persons from entering these areas.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2947. Comfort Letters

A. The supervisor may authorize the issuance of "comfort letters" by the division. A "comfort letter" may be issued on any matter over which the division has regulatory power or enforcement power as authorized by the Act or by the division's rules. A "comfort letter" may be a prior approval for a matter for which such prior approval is not required by the Act or by the division's rules, a statement of no objection by the division for a matter for which an approval is not required by the Act or by the division's rules, or such other matters as the supervisor may deem appropriate.

B. A request for a "comfort letter" must be in writing and must be received by the division at least 60 days prior to the event, transaction, occurrence or other matter for which the "comfort letter" is sought. The 60-day requirement may be waived by the supervisor upon a showing of good cause.

C. A "comfort letter" shall only be a statement of the division's position on a matter as is outlined or described in the written request authorized by this Section. Any matter over which a "comfort letter" has been issued is still subject to division approval after an appropriate investigation as is authorized by the Act or the division's rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2951. Approvals

A. All approvals issued by the division are conditional and ineffective unless they are in writing and signed by the supervisor or by an agent authorized to sign on behalf of the supervisor.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§2953. Promotions

A. All promotional programs, including contests and tournaments, conducted by or on behalf of a licensee shall comply with the Act and these regulations as well as all federal and state laws and regulations and municipal ordinances including R.S. 4:701 et seq., the Louisiana Charitable Raffles, Bingo and Keno Licensing Law.

B. The licensee and its general manager conducting the promotional program is responsible for ensuring that all promotional programs of the licensee are in compliance with Subsection A of this regulation.

C. No promotional programs, including contests or tournaments may be conducted which impair the integrity of the games, the security, surveillance and well-being of persons on the licensee's property or the calculation of gaming revenue. Issuance of coupons, scrip, and other cash equivalents used in conjunction with a promotion that do not impact the calculation of gaming revenues, shall be considered a promotional expense of the licensee. Licensees who intend to offer coupons, scrip, and cash equivalents as part of a promotion shall adopt internal controls prior to the implementation of any such programs governing the use and accountability of the coupon, scrip, or cash equivalent, as prescribed by the division.

D. A slot jackpot may be increased as part of a promotional program. The increased portion of the jackpot which results from the promotion shall not be paid out by the machine itself. The increased portion of the jackpot shall be paid manually and shall be considered a promotional expense of the licensee and may not be considered a payout for purposes of calculating net gaming proceeds.

E. Any promotional program involving a giveaway of prizes or drawing for cash or prizes shall incorporate the following elements.

1. Only persons 21 years of age and older shall be eligible to participate.

2. Entry forms required in drawings open to the general public shall be displayed in a prominent manner inside the casino.

3. No payment or purchase of anything of value, including chips or tokens from the casino or any other business, shall be required for participation in any giveaway or drawing, nor shall there be a requirement to pay an entry fee.

F. After notice and reasonable opportunity for the licensee to respond and correct deficiencies or violations appropriate under the circumstances, the division may terminate a promotional program at anytime by issuance of an order. This order need not be in writing to be effective but shall be followed by written notice of the action within three business days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:1558 (September 2001), LR 30:90 (January 2004).

§2954. Tournaments

A. All gaming tournaments conducted by or on behalf of the licensee are subject to prior written approval by the division.

1. A gaming tournament is a contest or event wherein persons play a game or games previously authorized by the division in competition with each other to determine the winner of a prize or prizes.

2. A gaming tournament shall include, but is not limited to any contest or event wherein an entry fee is paid to play a game previously approved by the division. An entry fee shall include any fee paid directly or indirectly, by or on behalf of the person playing in the tournament.

3. A request for approval of gaming tournament shall be made in writing and received by the division at least 30 days prior to the commencement date of the tournament. The request for approval shall contain a complete description of the tournament, the manner of entry, a description of those persons eligible to enter the tournament, the entry fee assessed if any, the prizes to be awarded, the manner in which the prizes are to be awarded and the dates of the tournament. The division may request additional information prior to rendering a decision. Any incomplete request for approval shall be denied.

4. All entry fees shall be included in gross gaming proceeds. No cost incurred by the licensee associated with holding the tournament shall be deducted from the entry fees before calculating net gaming proceeds. All cash prizes awarded in the tournament may be deducted as payouts for purposes of calculating net gaming proceeds. No other deductions shall be made for purposes of calculating net gaming proceeds. The licensee shall not deduct the cost of any noncash prizes awarded as a result of the tournament for purposes of calculating net gaming proceeds.

5. All entry fees and cash prizes shall be reported on the daily tax remittance summaries in a manner approved by the division. Copies of source documents such as transfer slips of the participant's entry fees to either the vault or cage and transfer slips of participant's winnings paid out from either the cage or the vault must accompany the daily tax remittance summary on which the entry fee or payout is reported.

6. All tournament slot meters shall be read both electronically and manually before the machine's EPROM is changed for tournament play and again once the tournament EPROM has been installed. The meters for these machines shall be read both electronically and manually once tournament play has ended. All meter readings shall be recorded and such recordation retained in accordance with the division's rules concerning record retention in Chapter 27.

B. The division may waive the requirements of this rule upon a showing of good cause.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:1559 (September 2001).

§2955. Managerial Representative on Premises

A. Each licensee shall establish a position designated as managerial representative on premises. A managerial representative on premises shall be on the licensee's

premises at all times and shall have authority to immediately act on behalf of the general manager in any matter or concern of the board or division. A description of the duties and responsibilities of the managerial representative on premises shall be included in the licensee's internal controls as approved by the division.

B. Each licensee shall provide, in writing, a current list of all managerial representatives on premises. Each managerial representative on premises must have a valid current gaming employee permit and must be approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 28:1030 (May 2002).

Chapter 31. Rules of Play

§3101. Authority and Applicability

A. The licensee may only conduct those games and gaming activities expressly authorized by the Act, by the rules of the division or by the licensee's rules of play as are approved by the division in writing.

B. The games and gaming activities authorized by this Chapter shall be conducted pursuant to rules and procedures contained in the division's rules and the licensee's rules of play as are approved by the division in writing. In the event of a conflict or inconsistency between the division's rules and the licensee's rules of play, the division's rules shall prevail unless the division issues a written order indicating otherwise in that particular case.

C. The division may conditionally approve a new game for a period of up to 90 days to allow testing and evaluation to insure that approval of such is in the best interest of the public and patrons. A new game authorized pursuant to this Subsection shall not be conducted after the expiration of the 90-day testing and evaluation period unless the licensee's rules of play are amended to include the new game and the division has approved the amendment in writing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended LR 30:2491 (November 2004).

§3103. Rules of Play

A. As approved by the division in writing, each licensee shall adopt and make available to all patrons at its licensed premises written and comprehensive rules of play governing wagering transactions with patrons.

B. Without limiting the generality of the foregoing, the rules of play must specify the amounts to be paid on winning wagers.

C. A licensee may offer side wagers for a bonus or progressive jackpot by receiving various combinations in any authorized game, as long as the rules relating to such

wagers are clearly specified in the rules of play pursuant to this Chapter and approved by the division in writing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended LR 30:2490 (November 2004).

§3105. Submission of Rules

A. Each licensee shall submit in writing to the division for review and approval the proposed rules of play prior to the commencement of gaming operations. The licensee's rules of play shall be included in the licensee's internal controls. The licensee's rules of play shall contain detailed procedures for each game including but not limited to:

1. object of the game and method of play, including what constitutes win, loss or tie bets;
2. physical characteristics of the game, gaming equipment and gaming table;
3. opening and closing of the gaming table;
4. wagers:
 - a. permissible wagers and payout odds;
 - b. manner in which wagers may be made;
 - c. minimum and maximum wagers;
 - d. maximum table payouts as applicable;
5. for each game that uses the following, inspection procedures for:
 - a. cards;
 - b. dice;
 - c. wheels and balls;
 - d. manual and electronic devices used to operate and display progressive games;
6. for each game that uses cards:
 - a. shuffling procedures;
 - b. card cutting procedures;
 - c. procedures for dealing, taking, removing used, damaged and burning cards;
 - d. cards, number of decks, number of cards in deck and the valuation of the cards;
7. procedures for the collection of bets and payouts including all requirements for Internal Revenue Service purposes;
8. describe procedures for handling disputes including documenting and reports needed. Include copies of such reports being provided to the casino gaming section;
9. describe procedures for handling suspected cheating or irregularities including the immediate notification to the casino gaming section;

10. describe procedures for dealers/box persons etc. conducting each game including procedures for being relieved;

11. procedures describing irregularities of each game.

B. All table games utilizing cards, for which procedures are described above, shall be dealt from a shoe or shuffling device, except card games which have been approved by the casino gaming section.

C. Any change in the licensee's rules of play including permissible rules, wagers and payout odds must be submitted in writing and gain prior written approval by the division before implementation.

D. No licensee shall permit any game to be played other than those specifically named in the Act, these rules, or the licensee's rules of play as approved by the division. For each game, the licensee shall provide a written set of game rules to the division 120 days in advance of commencing the game's operation or within such time period as the division may designate.

E. The rules of play shall not be considered confidential and copies shall be made available to the public upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:2490 (November 2004).

§3107. Wagers

A. All wagers at gaming tables shall be made by placing gaming chips or tokens on the appropriate area of the gaming table layout. In addition, each player shall be responsible for the correct positioning of their wager or wagers on the gaming layout regardless of whether or not they are assisted by the dealer. Each player must ensure that any instructions they give to the dealer regarding the placement of their wager are correctly carried out.

B. Minimum and maximum wagers and maximum table payouts shall be posted on a sign at each table.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 30:2490 (November 2004).

§3109. Game Limits

A. Each licensee shall establish for each licensed game and slot machine a minimum and maximum amount that can be wagered on each opportunity of play, and shall at all times conspicuously display these limits.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3111. Publication of Payoffs

A. Payoff schedules or award cards, as approved by the division, in writing, shall be displayed at all times either in a conspicuous place on or immediately adjacent to every licensed game or gaming device. Payoff schedules or award cards must accurately state actual payoffs or awards applicable to the particular game or gaming device and must not be worded in such manner as to mislead or deceive the public. Maintenance of any misleading or deceptive matter on any payoff schedule or award card or failure on the part of a licensee to make payment in strict accordance with posted payoff schedules or award cards may be deemed a violation of the Act, a violation of the division's rules, or a violation of the licensee's rules of play.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3113. Periodic Payments

A. A licensee shall remit the total winnings and noncash prizes awarded to a patron as the result of any licensed game upon validation of the win. The payment of winnings over a specified period of time is prohibited unless otherwise approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

Chapter 33. Surveillance and Security

§3301. Required Surveillance Equipment

A. The holder of an operator's license shall install in the riverboat a closed circuit television system, in accordance with the specifications herein, and shall provide for access at all times to the system or its signal by agents of the division. The closed circuit television system must meet or exceed specifications established by the division to include:

1. solid state, black and white cameras, as approved by the division, installed in fixed positions with matrix control and/or with pan, tilt, and zoom capabilities, secreted from public and nonsurveillance personnel view to effectively and clandestinely monitor in detail, from various vantage points, the following:

- a. the gaming conducted at the electronic gaming devices; including, but not limited to the coin and currency acceptor area, the payout tray, and the designated house number assigned to the device or its location;

- b. the count processes conducted in the count rooms;

c. the movement of cash, chips, drop boxes, token storage boxes, and drop buckets within the riverboat and any area of transit of uncounted tokens, chips, cash and cash equivalents;

d. any area where tokens or chips can be purchased or redeemed;

e. the entrance and exits to the riverboat and the count rooms;

f. for all live games regardless of patron or employee position:

i. hands of all gaming patrons and dealers;

ii. tray; and

iii. overall layout of the table area capable of capturing clear individual images of gaming patrons and dealers, inclusive of, without limitation, facial views and the playing surface so that the outcome of each game may be clearly observed;

g. such other areas as the supervisor designates;

2. individual solid state, color television cameras, as approved by the division, with matrix control and/or pan, tilt, and zoom capabilities, secreted from public and nonsurveillance personnel view, augmented with appropriate color corrected lighting to effectively and clandestinely monitor in detail, from various vantage points, the following:

a. roulette tables, in a manner to clearly observe the wagers, patrons, and the outcome of each game;

b. the operations conducted at the fills and credit area of the cashier's cage(s);

3. all closed circuit cameras equipped with lenses of sufficient magnification to allow the operator to clearly distinguish the value of the chips, tokens and playing cards;

4. video monitors that meet or exceed the resolution requirement for video cameras with solid state circuitry, and time and date insertion capabilities for taping what is being viewed by any camera in the system (each video monitor screen must measure diagonally at least 12-inches and all controls must be front mounted);

5. video printers capable of adjustment and possessing the capability to generate instantaneously, upon command, a clear, color and/or black and white, copy of the image depicted on the videotape recording;

6. date and time generators based on a synchronized, central or master clock, recorded on tape and visible on any monitor when recorded;

7. wiring to prevent tampering. The system must be supplemented with a back-up gas/diesel generator power source which is automatically engaged in case of a power outage and capable of returning to full power within 7 to 10 seconds;

8. an additional uninterrupted power supply system so that time and date generators remain active and accurate, and switching gear memory and video surveillance of all riverboat entrances/exits and cage areas is continuous;

9. video switchers capable of both manual and automatic sequential switching for the appropriate cameras;

10. video tape recorders, as approved by the division, capable of producing high quality first generation pictures and recording on a standard 1/2-inch VHS tape with high speed scanning and flickerless playback capabilities in real time, or other medium approved by the division. Such videotape recorders must possess time and date insertion capabilities for taping what is being viewed by any camera in the system;

11. audio capability in the soft count room;

12. adequate lighting in all areas where camera coverage is required. The lighting shall be of sufficient intensity to produce clear videotape and still picture production, and correct color correction where color camera recording is required. The video must demonstrate a clear picture, in existing light under normal operating conditions;

13. at all times during the conduct of gaming, the licensee shall have as a reserve two back-up cameras and two video recording devices in the event of failure;

14. the division may allow alternative surveillance equipment at the supervisors discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 24:956 (May 1998).

§3303. Surveillance System Plans

A. Every applicant for a license shall submit to the division a surveillance system plan no later than 90 days prior to the start of gaming operations. The surveillance system plan must include a floor plan that shows the placement of all surveillance equipment in relation to the locations required to be covered by this regulation and a detailed description of the casino surveillance system and its equipment. The plan must also include a detailed description of the layout the surveillance room and the configuration of the monitoring equipment. In addition, the plan may include other information that evidences compliance with this Subsection by the applicant including, but not limited to, a casino configuration detailing the location of all gaming devices and equipment.

B. Any changes to the surveillance room or the surveillance system must be submitted to the division for prior approval as provided in Chapter 29 of these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3304. Surveillance Personnel Employment Provisions

A. Surveillance department employees shall be independent of all other departments. Employees of the licensee assigned to monitoring duties in the surveillance

room are prohibited from being concurrently employed in any other capacity by that licensee or any other licensee or casino owned in whole or in part by the same holding, intermediary or parent company or affiliate. This does not prohibit an employee with monitoring duties in the surveillance room from working in the same capacity at another licensee or casino owned in whole or in part by the same holding, intermediary or parent company or affiliate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:1559 (September 2001), amended LR 29:2508 (November 2003).

§3305. Surveillance and Division Room Requirements

A. There shall be, for the exclusive use of division agents and for the use by employees of the riverboat gaming operation, rooms approved by the division for monitoring and recording purposes. The room for the exclusive use of the division shall be designated the division room. The room for the use of the employees of the riverboat gaming operation shall be designated the surveillance room.

B. All equipment that is utilized to monitor or record must remain solely accessible to the surveillance room personnel and be exclusively for riverboat surveillance, except when such equipment is being repaired or replaced, unless otherwise approved by the division.

C. Employees of the licensee assigned to monitoring duties in the surveillance room shall have no other gaming related duties for the licensee.

D. The interior of the division room and the surveillance room shall not be visible to the public.

E. Each riverboat shall have a minimum of 10 monitors in the surveillance room, and three monitors in the division room. Each room shall have appropriate switching capabilities to insure that all surveillance cameras are accessible to monitors in both rooms. The equipment in the division room must be able to monitor and record, without being over ridden, anything visible by monitor to employees of the holder of an operator's license.

F. Agents of the division, upon presentation of proper division credentials, shall be provided immediate access to the surveillance room and other surveillance areas upon request. In addition, agents are to be provided, upon request, copies of recorded videotapes of activities as well as copies of any images produced on a video printer. The division shall have absolute, unfettered access to the surveillance room at all times and the division shall have the right to take control of said room.

G. The division room shall be furnished with all necessary furniture and fixtures as specified by the division and be equipped with a security radio, house telephone and shall house a dedicated computer which provides computer accessibility for division agents to review, monitor and record data with the same functionality and specifications as provided in §4205.

H. Except in the event of circumstances beyond the reasonable control of the licensee or unless authorized by the division, the surveillance room shall be manned at all times by a sufficient number of approved surveillance operators as determined by the division. The division may require additional surveillance personnel should it be determined that an inadequacy of surveillance monitoring exists.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.; R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 27:1559 (September 2001), LR 29:363 (March 2003).

§3307. Segregated Telephone Communication

A. A segregated telephone communication system shall be provided for use by division agents in the division room.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3309. Security and Surveillance Logs

A. The holder of the operator's license shall be required to maintain a surveillance log approved by the division. The log shall be maintained by surveillance room personnel in the surveillance room. The division shall have access at all times to the log. A log entry shall be made in the surveillance log of each surveillance activity. Each log entry shall include the following:

1. all persons entering and exiting the surveillance room;
2. summary, including date, time and duration, of each surveillance activity;
3. record of any equipment or camera malfunctions;
4. description of any unusual events occurring; and
5. any additional information as required by the division.

B. The holder of an operator's license shall be required to maintain a security log of any and all unusual occurrences for which the assignment of a security department employee is made. Each incident, without regard to materiality, shall be assigned a sequential number and an entry made in the log containing, at a minimum, the following information:

1. the assignment number;
2. the date;
3. the time;
4. the nature of the incident;
5. the person involved in the incident; and
6. the security department employee assigned.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3311. Storage and Retrieval

A. All videotape recordings shall be retained for at least seven days, unless these rules provide otherwise, and shall be listed on a log by surveillance personnel with the date, times, and identification of the person monitoring or changing the tape in the recorder. Original videotape recordings will be released to the division upon demand.

B. Any videotape recording of illegal or suspected illegal activity shall, upon completion of the tape, be removed from the recorder and etched with date, time and identity of surveillance personnel. The videotape shall be placed in a separate, secure area and notification given to the division.

C. All videotape recordings relating to the following shall be retained in a secure area approved by the division for at least 15 days and shall be listed on a log maintained by surveillance personnel:

1. all count room areas;
2. the vault area; and
3. all credit and fill slip confirmation recordings.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3313. Dock Site Division Facility

A. The holder of an operator's license shall provide a secure and segregated room at the dock site for the exclusive use of division agents. This room shall be in addition to the division room provided for division agents on the riverboat. The dock site room shall include a secure telephone line with a different number than the telephone lines on the riverboat and shall be furnished with all necessary furniture and fixtures as specified by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3315. Maintenance and Testing

A. At various times, all surveillance equipment shall be subject to impromptu division testing of minimum standards of resolution and operation. Any malfunction of surveillance equipment shall necessitate the immediate replacement of the faulty unit with a working unit. If immediate replacement is not possible, alternative live monitoring must be provided by riverboat security personnel.

B. Upon completion of the excursion, division personnel shall meet with representatives of the riverboat gaming operation to ascertain the approximate time needed to make necessary repairs and determine whether gaming may continue with live monitoring.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3317. Surveillance System Compliance

A. The licensee shall submit any amendments to its surveillance system plan required to bring the surveillance system plan in compliance with these rules within 30 days of the effective date of these rules.

B. The division shall review any amendments submitted pursuant to this Section and issue a decision approving, disapproving, or approving with conditions the amendments required by this Section within 30 days of the date of the receipt of the amendments by the division.

C. The licensee shall have a continuing duty to review its surveillance system plan to ensure the surveillance system plan remains in compliance with the Act and the division's rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

Chapter 35. Patron Disputes

§3501. Licensee Duty to Notify Division of Patron Dispute

A. Whenever a licensee refuses to pay winnings claimed by a patron and the patron and the licensee are unable to resolve the dispute, the licensee shall notify the division in writing of the dispute within seven days of the licensee being notified of the dispute. Such notice shall identify the parties involved in the dispute, and shall state all known relevant facts regarding the dispute.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995), amended by the Department of Public Safety and Corrections, Gaming Control Board, LR 23:747 (June 1997).

Chapter 39. Public and Confidential Records

§3901. Public Records

A. Public records shall be open to public inspection and shall include, but not be limited to, the following:

1. all public hearings conducted by the division, or its agents, including exhibits entered in the public record as public documents at those meetings or hearings;
2. a list of all applications made under the Act and the record of all formal actions taken with respect to such applications by the division;
3. division files on the enactment, amendment, or repeal of regulations;

5. the Act and the regulations promulgated thereunder;
6. licenses;
7. reports, correspondence and other documents of the division specifically prepared for public distribution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3903. Confidential Records

A. General. The Act (particularly R.S. 4:505) provides that records of the division and of the commission which relate to certain matters or which consist of certain documents are exempted from public inspection. It is the intent of this Section to further define and amplify those matters and categories of documents which are considered confidential. This Section is to be interpreted to favor the following:

1. the preservation of the integrity of gaming activities and the control thereof;
2. the security of gaming;
3. the safety of the public;
4. the privacy interests of individuals; and
5. the maintenance of legal privileges, particularly those which are designed to encourage the flow of accurate information to and among regulatory bodies, and to protect the safety of confidential informants.

B. Definitions. With regard to their application under R.S. 4:505 and related purposes, the following terms shall have the meanings set forth herein below, unless the context clearly expands their meanings.

Background Investigation Call efforts, whether prior or subsequent to application, designed to discover information about an applicant, licensee, or permittee, and includes without time limitation, any additional or deferred efforts to fully develop the understanding of information which was provided or should have been provided or obtained during the application process.

a. Examples of background investigation include: measures taken in connection with exploring information on applicants; and proceedings undertaken in connection with investigatory hearings under R.S. 4:517.B.(8) and (11), except for matters specifically disclosed in any hearing open to the public, and orders, responses, and other documents relating thereto.

Confidential Source A provider of information which is not a matter of general public knowledge or of public record, as well as an information provider, the revelation of whose identity would tend to compromise the flow of information from that particular provider or his class of providers.

a. Examples of confidential sources include: governmental agencies which provide tax records or related information; law enforcement or criminal justice agencies,

including cooperative or federally-funded data bases, which provide criminal history and related data under an information sharing or providing agreement or arrangement; private persons or entities which provide information subject to the condition that the information or their identities be kept confidential; informants, whether volunteering information or responding to investigatory measures; and any other provider or originator of information which might be deemed to be subject to a recognized privacy or confidentiality interest or a privilege against disclosure (unless the privilege has been waived), or the public disclosure of which might tend to endanger or compromise the provider of information, or impede the future furnishing of similar information.

Division Security Any matter which relates to or has an impact on: the physical safety of personnel; the effective investigatory and regulatory functions of the division; the operational plans, policies, and techniques of the division; the types and uses of any equipment utilized by the division; the design, components, layout, structure, and similar features, of facilities used, occupied, or overseen by the division; or any other aspect of the functions of the division, the public disclosure of which might tend to compromise safety or the effective enforcement of law by the division.

a. Examples of division security include: the types and locations of records maintained by the division; security plans for vessels, buildings, and offices; staffing schedules and arrangements; and lists or descriptions of equipment.

Financial Statements Both summaries of financial matters of any sort and any source documents or records from which summaries are or may be derived.

a. Examples of financial statements include balance sheets, profit and loss statements, mortgages, debt instruments, ledgers, journals, invoices, and any other document bearing on the financial status of an entity, whether historical or current.

Security Techniques, Procedures, or Practices Of an applicant, licensee, or permittee means, includes and refers to any matter which relates to or has an impact on: the physical safety of officers, an applicant, licensee, or permittee; the integrity of its operational methods and internal control systems; the design and description of all equipment, including its accounting, gaming, and criminal detection and alarm equipment; the design, components, layout, structure, and similar features, of facilities used, occupied, or overseen by it; or any other aspect of its operations, the public disclosure of which might tend to compromise personal safety or the integrity of gaming.

a. Examples of security techniques, procedures, or practices include: lists of employees or employment positions or functions; security plans for vessels, buildings, and offices; staffing schedules and arrangements; and lists or descriptions of equipment.

Trade Secrets Any matter the disclosure of which might tend to weaken a competitive advantage, whether concerning a unique, rare, or common practice, discovery, or anything whatsoever.

a. Examples of trade secrets include: operational methods; design of equipment; routing memoranda; payroll schedules; bookkeeping and accounting procedures; internal monetary control systems; equipment and component sources; and contract bid formulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3905. Sealing of Documents

A. The supervisor may allow any person interested in a contested case brought before, by, or against the division, to file a document or portions of a document with the division under seal if:

1. the document or portions of the document contain information that is confidential pursuant to the Act or these regulations;
2. the person makes a request in writing or on the record of a public hearing to allow the filing of the document or portions of the document under seal, setting forth the reasons that such filing under seal should be permitted;
3. the person requesting the filing of the document or portions of the document under seal has, to the extent practicable, segregated the portions of the document containing confidential information from the remainder of the document so that no more of the document than is necessary is filed under seal; and
4. the division finds that the public interest in maintaining the confidentiality of the information outweighs the public interest in making the information public.

B. The division may not allow the filing of the following documents under seal:

1. complaints for enforcement action;
2. answers to complaints for enforcement action; and
3. division order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3907. Access to Public Records

A. A request for access to public records must be made to a custodian of records of the division. The supervisor shall designate the custodian of the division's records. The custodian of records shall require payment of any duplication or certification fees prior to release of copies of the records. As soon as practicable after payment of the required fees, the custodian of records shall provide copies of all public records requested.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3909. Access to Confidential Records

A. The division may only release confidential records if ordered to do so by a court of competent jurisdiction or if the agency requesting the confidential records is a gaming regulatory agency or a law enforcement agency and if such agency has executed an information sharing agreement with the division.

B. All requests for access to confidential records must be made in writing to the division.

C. Pursuant to a written request, as described in Subsection B, from any duly authorized agent of any agency of the United States government, any state, or any political subdivision of this state which has executed the requisite information sharing agreement with the division, the division may release confidential records to the agency requesting them, except as otherwise provided in Subsection D, upon a finding by the supervisor that the release is consistent with the policy of this state as reflected in the Act.

D. Pursuant to a written request, as described in Subsection B, the division may release confidential records to a representative of the agency requesting them.

E. The division may require any party receiving confidential information to agree in writing or on the record of any hearing to any limitations that the division deems necessary prior to giving that party the confidential information.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§3911. Unauthorized Procurement of Records Prohibited

A. An applicant, licensee, or other person shall not, directly or indirectly, procure or attempt to procure from the division or commission information or records that are not made available by proper authority. Any violation of this regulation constitutes reasonable cause for enforcement action or to deny any application.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

Chapter 40. Designated Check Cashing Representatives

§4001. Definitions

Check Cashing Cage—the check cashing area on a riverboat not located within the designated gaming area to be accessed by the designated check cashing representative or its employees for the purposes of cashing checks and making credit card advances.

Designated Check Cashing Representative—a person designated by the licensee and permitted by the division to oversee and assume responsibility for cashing patrons' checks and facilitating credit card cash advances to patrons.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:337 (February 2000).

§4002. Application for Permit for Designated Check Cashing Representative; Additional Requirements; Summary of Proposed Operations

A. The division may require any applicant for a permit to conduct check cashing and credit card advance services pursuant to the provisions of this Chapter to provide the division with a summary describing the financial, internal, and security aspects of the proposed check cashing and credit card advance operations, including but not limited to:

1. accounting and financial controls, including the procedures to be utilized in counting, banking, storage and handling of cash;
2. procedures, forms, expense and overhead schedules, cash equivalent transactions, salary structure and personnel practices;
3. job descriptions and a system of personnel and chain of command, establishing a diversity of responsibility among employees engaged in operations and identifying primary and secondary supervisor positions for areas of responsibility;
4. procedures within the check cashing cage for the receipt, storage, and disbursal of cash and other cash equivalents;
5. procedures and security for the counting and recordation of transactions;
6. procedures for the cashing and recordation of checks exchanged by customers of the designated check cashing representative;
7. procedures governing the utilization of the licensee's security force within the check cashing cage.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:337 (February 2000).

§4003. Cash Transaction Reporting

A. A designated check cashing representative shall report a cash transaction reporting violation to the division immediately upon obtaining knowledge by the designated check cashing representative of the violation.

B. Violation of check transaction reporting requirements in other states by a designated check cashing representative shall be reported to the division within 30 days of the notice of violation in the other jurisdiction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:337 (February 2000).

§4004. General Requirements

A. The check cashing cage may be accessed by security personnel of the licensee and personnel from the division upon presentation of proper identification.

B. The designated check cashing representative shall be a single source provider for these services and these responsibilities shall not be assigned or subcontracted to any party.

C. The designated check cashing representative shall not issue credit or credit instruments, chips, markers, counter checks, tokens or electronic cards which may be used directly in gaming on the riverboat.

D. The designated check cashing representative shall be located on the riverboat in an area not within the designated gaming area and shall not participate in management or operations of any riverboat gaming operations or activity.

E. The designated check cashing representative shall be located in a designated check cashing cage.

F. No employee of the designated check cashing representative shall be an employee of any licensee.

G. The designated check cashing representative shall maintain detailed records of all returned checks.

H. The designated check cashing representative shall maintain work papers supporting the daily reconciliation of cash and cash equivalent accountability.

I. The designated check cashing representative shall maintain detailed records required to be maintained by the division.

J. The division may review records of the designated check cashing representative at any time upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:337 (February 2000).

§4005. Imposition of Sanctions

A. The division may impose any sanction authorized by the Act for violation of the designated check cashing representative's internal controls as approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:337 (February 2000).

§4006. Record Retention

A. Each designated check cashing representative shall provide the division, upon its request, with the records required to be maintained by the Act or these rules. Unless a

shorter time period is approved by the division in writing, each designated check cashing representative shall retain all records for a minimum of five years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:337 (February 2000).

§4007. Clothing Requirements

A. Designated check cashing representative's employees shall not bring purses, handbags, briefcases, bags or any other similar item into the check cashing cage unless it is transparent.

B. No employee shall wear clothing with pockets or other components.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:338 (February 2000).

§4008. Internal Controls; Designated Check Cashing Representative

A. Each designated check cashing representative shall establish and implement, beginning the first day of operations, administrative and accounting procedures for the purpose of exercising effective control over the designated check cashing representative's internal physical affairs. The procedures shall be implemented to reasonably insure that:

1. all assets are safeguarded;
2. financial records are accurate and reliable;
3. transactions are performed only in accordance with the designated check cashing representative's internal controls as approved by the division;
4. access to assets is permitted only in accordance with the designated check cashing representative's internal controls as approved by the division;
5. functions, duties and responsibilities are appropriately segregated and performed in accordance with sound practices by competent, qualified personnel.

B. Each designated check cashing representative shall describe, in such manner as the division may approve or require, its administrative and accounting procedures in detail and a written system of internal controls. Each designated check cashing representative shall submit a copy of its written system to the division for approval prior to commencement of the designated check cashing representative's operations. Each written system shall include:

1. an organizational chart depicting appropriate segregation of functions and responsibilities;
2. a description of the duties and responsibilities of each position shown on the organizational chart;

3. a detailed, narrative description of the administrative and accounting procedures designed to satisfy the requirements of Subsection A;

4. a written statement signed by an officer of the designated check cashing representative attesting that the system satisfies the requirements of this Section;

5. other information as the division may require; and

6. a flow chart illustrating the information required in Paragraphs 1, 2 and 3 above.

C. Each designated check cashing representative shall establish and provide, at the request of the division, the following:

1. an income statement summarizing the revenue and expenses of the entire check cashing cage operation;
2. summary credit card cash advance transaction information:
 - a. number of transactions per day;
 - b. total amount advanced by day; and
 - c. fee revenue generated by day;
3. summary check cashing transaction information:
 - a. number of transactions per day;
 - b. total amount advanced by day; and
 - c. fee revenue generated by day;
4. return check information:
 - a. total amount of returned checks per month; and
 - b. total amount of collections per month.

D. The designated check cashing representative shall not implement its initial system of internal control procedures unless the division determines that the designated check cashing representative's proposed system satisfies Subsection A, and approves the system in writing.

E. The designated check cashing representative shall provide to the division a monthly report detailing all insufficient fund checks. The report required under this Subsection shall be submitted to the division within 15 days of the end of each month.

F. Prior to changing any procedure required by this Chapter to be included in the designated check cashing representative's internal control system, the designated check cashing representative shall obtain written approval by the division in the manner prescribed for obtaining approvals in Chapter 29.

G. The internal control system adopted by the designated check cashing representative and approved by the division shall be incorporated into the licensee's internal controls. A violation of any part of the approved internal control system committed by an employee of the designated check cashing representative shall constitute a violation by the designated check cashing representative and shall also constitute a violation by the licensee. The licensee may be sanctioned in the same manner as the designated check cashing representative for such violation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:338 (February 2000).

§4009. Internal Controls; Cage and Credit

A. Each licensee shall maintain a main bank which will serve as the financial consolidation of transactions relating to all gaming activity. Each casino cage or check cashing cage shall comply with the following minimum requirements.

1. All transactions that flow through the check cashing cage shall be summarized on a cage accountability form on a per shift basis.

2. Personal checks or cashier checks shall be cashed at the cage cashier or at the check cashing cage by the designated check cashing representative and subjected to the following procedures:

a. examine and record at least one item of patron identification;

b. record a bank number and Social Security number on all check transactions.

3. The cashier or designated check cashing representative shall comply with examination and documentation procedures as required by the issuer.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:338 (February 2000).

§4010. Currency Transaction Reporting

A. Each designated check cashing representative shall be responsible for proper reporting of certain monetary transactions to which it is a party to the federal government as required by the Bank Records and Foreign Transactions Act (Public Law 91-508), commonly referred to as the "Bank Secrecy Act" as codified in Title 31, §§5311-5323, and Title 12, §§1730.d, 1829, and 1951-1959. Specific requirements concerning record keeping and reports are delineated in Title 31 CFR 103 and shall be followed in their entirety. The Bank Secrecy Act and the rules and regulations promulgated by the federal government pursuant to the Bank Secrecy Act as they may be amended from time to time, are adopted by reference and are to be considered incorporated herein.

B. Civil and/or criminal penalties may be assessed by the federal government for willful violations of the reporting requirements of the Bank Secrecy Act. These penalties may be assessed against the designated check cashing representative, as well as any director, partner, official or employee that participated in the above referenced violations.

C. All employees of the designated check cashing representative shall be prohibited from providing any information or assistance to patrons in an effort to aid the patron in circumventing any and all currency transaction reporting requirements to which it is a party.

D. Designated check cashing representative employees shall be responsible for preventing a patron from circumventing the currency transaction reporting requirements if the employee has knowledge, or through reasonable diligence in performing their duties, should have knowledge of the patron's efforts at circumvention.

E. For each required currency transaction report, a surveillance photograph of the patron shall be taken and attached to the licensee's or the designated check cashing representative's copy of the currency transaction report. The employee consummating the transaction shall be responsible for contacting the surveillance department employee. The designated check cashing representative shall maintain and make available for inspection all copies of currency transaction reports which it has prepared, with the attached photographs, for a period of five years. The designated check cashing representative shall be responsible for maintaining a transaction log in compliance with all requirements of §2731.G.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:339 (February 2000).

§4011. Internal Controls Compliance

A. The designated check cashing representative shall have a continuing duty to review its internal controls to ensure the internal controls remain in compliance with the Act and these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:339 (February 2000).

§4012. Servant of Licensee

A. The designated check cashing representative shall be considered a servant of the licensee for the limited purpose of R.S. 27:101 and shall not cash any of the checks identified in that Section and will be subject to the enforcement provisions of that Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:339 (February 2000).

§4013. Violations by the Designated Check Cashing Representative

A. A violation of any applicable statute or rule by the designated check cashing representative shall constitute a violation of such statute or rule by the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:1 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:339 (February 2000).

Chapter 41. Enforcement Actions

§4101. Emergency Orders

A. An emergency order pursuant to R.S. 4:517.B.(10) may only be issued by the supervisor.

B. An emergency order must be in writing and must set forth the grounds upon which it is issued, including a statement of facts constituting the alleged emergency necessitating such action.

C. An emergency order is effective immediately upon issuance and service upon the licensee or permittee, or in the case of a licensee, the master of the vessel. Service of the order may be made by hand delivery to a licensee or licensee's master on the riverboat, permittee or permittee's agent, by telephone, facsimile, or certified mail.

D. An emergency order is subject to appeal in the same manner as other division orders.

E. All emergency orders will expire at the end of 10 calendar days.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4103. Supervisor Action Must Be by Order

A. If the division, after investigation, is satisfied that a license or permit should be limited, conditioned, suspended or revoked, or that other action is necessary or appropriate to carry out the provisions of the Act or regulations, the supervisor shall issue an order on behalf of the ("division order"):

1. limiting or restricting a license or a permit; or
2. suspending or revoking a license or a permit; or
3. directing actions deemed necessary to carry out the intent of the Act or regulations, including, but not limited to, requiring a licensee to keep an individual from the licensed premises, prohibiting payment for services rendered, prohibiting payment of profits, income, or accruals, or investment in the licensee or its operations. Such order may be an emergency order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4105. Form of Division Order

A. The division order must be in writing and must include a statement of all of the charges for which enforcement action is sought against the licensee, a summary of the facts supporting the division's action, and a legal basis for the action. The order must be served on the licensee or permittee as specified in §4101.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4107. Criteria for Sanctions

A. In determining his decision, the supervisor shall consider the factors identified in the Act as factors to be considered in determining sanctions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4109. Commission of Gaming Crimes

A. If the holder of a license or permit is charged with or convicted of any prohibited act or gaming offense as identified in the Act, the license or permit shall be suspended and/or revoked. The license or permit of a person convicted of a prohibited act or gaming offense shall not be renewed unless the conviction is overturned by an appellate court.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4111. Appeal of Supervisor Order to Commission

A. Any licensee, permittee or any person adversely affected by an action, order, or decision of the division may appeal the action, order, or decision to the commission by filing a notice of appeal within seven days of receiving the certified mailing of notice of the action, order, or decision by the division. The division, upon notice of appeal to the commission, shall transmit to the commission the record of proceedings before the division at which the action, order, or decision appealed from was taken. The person appealing an action, order, or decision of the division shall remit to the division the cost of preparing the record of the proceedings before the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

Chapter 42. Electronic Gaming Devices

§4201. Division's Central Computer System (DCCS)

A. Pursuant to R.S. 27:114, the Legislature of Louisiana has mandated that all electronic gaming devices on all riverboats shall be linked by telecommunications to a central computer system for purposes of monitoring and reading device activities.

B. The DCCS shall be located within and administrated by the division, and shall be on line and completely functional by June 1, 2000.

C. The DCCS shall be capable of monitoring and reading financial aspects of each electronic gaming device such as:

1. coin in, coin out, coins to the drop, games played, hand paid jackpots, bills/paper currency accepted, and bills/paper currency by denomination accepted shall all be reported to the central computer system;

2. any device malfunction that causes any meter information to be altered, cleared, or otherwise inaccurate may require immediate disablement of the electronic gaming device from patron play by the division. The licensee shall report the malfunction to the division within four hours after the occurrence;

3. no electronic gaming device shall be enabled for patron play after a meter malfunction as described in §4201.C.2 until authorized by a division agent;

4. meter information required in Paragraph C.1 of this Section will have been reported and documented by the central computer system on a previous event and will be used to provide all meter information prior to the device malfunction. Subsequent adjustments after the meter malfunction shall document a "meter reasonableness" as determined by the following procedures:

a. the meter information recorded prior to the device malfunction shall be verified as accurate by an operator of the DCCS;

b. a coin and bill validator test shall be performed on the electronic gaming device in the presence of a division agent;

c. upon successful completion of the coin and bill validator test, all final meter information shall be documented on forms prescribed by the division; and

d. the final meter information shall be reported to the DCCS operator and all final meter information shall be entered into the central computer system prior to the enablement of the electronic gaming device for patron play.

D. The DCCS shall provide for the monitoring and reading of exception code reporting to insure direct scrutiny of conditions detected and reported by the electronic gaming device, including any tampering, device malfunction, and any door opening to the drop areas, with exception of the drop team:

1. exception or event codes that signal illegal door opening(s) shall necessitate an investigation by a division agent, which may result in an administrative action against the licensee;

2. all events that can be reported by an electronic gaming device shall be transmitted to the DCCS. Examples of the events reported are, but not limited to, as follows:

- a. machine power loss;
- b. main door open/closed;
- c. BVA or stacker accessed;
- d. hard drop door open/closed;
- e. logic board accessed;
- f. reel tilt;

- g. hopper empty;
- h. excess coin dispensed by the hopper;
- i. hopper jam;
- j. coin diverter error;
- k. battery low;
- l. jackpot win;
- m. jackpot reset;
- n. logic board failure.

3. In the event of any exception or event code, or combination thereof which may indicate inappropriate meter readings, that is reported to the DCCS, the division may require the disablement of the electronic gaming device.

E. No new electronic gaming device or EGD monitoring system shall be authorized for operation unless the electronic gaming device or EGD monitoring system meets the minimum requirements of §4201.

F. The DCCS shall not provide for the monitoring or reading of personal or financial information concerning any patron's gaming activities conducted on a riverboat.

G. Any new electronic gaming device placed on line and enabled for patron play shall have the annual fee required by R.S. 27:114 paid prior to placement into operation for patron play.

H. The payment of the electronic gaming device fee shall be made in such manner as prescribed by the division.

I. Any reference to slot machine or slots in this LAC 42:XIII.Chapter 42 includes all electronic gaming devices, herein referred to as EGD's.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:716 (April 2000).

§4202. Approval of Electronic Gaming Devices; Applications and Procedures; Manufacturers and Suppliers

A. A manufacturer or supplier shall not sell, lease or distribute EGD's or equipment in this state and a licensee shall not offer EGD's for play without first obtaining the requisite permit or license and obtaining prior approval by the division/board for such action. This Section shall not apply to those manufacturers or suppliers licensed or permitted to sell, lease or distribute EGD's or equipment in the state to an entity licensed under a provision of state law other than the administrative rules when those manufacturers or suppliers are selling or distributing to such licensed entity.

B. Applications for approval of a new EGD shall be made and processed in such manner and using such forms as the division may prescribe. Licensees may apply for approval of a new EGD. Each application shall include, in addition to such other items or information as the division may require:

1. a complete, comprehensive, and technically accurate description and explanation in both technical and lay language of the manner in which the device operates, signed under penalty of perjury; and

2. a statement, under penalty of perjury, that to the best of the applicant's knowledge, the EGD meets the standards set forth in LAC 42:XIII.Chapter 42.

C. No game or EGD other than those specifically authorized in this LAC 42:XIII.Chapter 42 may be offered for play or played on a riverboat except that the division may authorize the operation of progressive electronic EGD's as part of a network of separate gaming operations licensed by the division with an aggregate prize or prizes.

D. Approval shall be obtained from the division prior to changing, adding, or altering the casino configuration once such configuration has received final divisional approval. For the purpose of this Section, altering the casino configuration does not include the routine movement of EGD's for cleaning and/or maintenance purposes.

E. All components, tools, and test equipment used for installation, repair or modification of EGD's shall be stored in the slot technician repair office, or in a division approved locked storage area. Such office/storage area shall be kept secure, and only authorized personnel shall have access.

1. Any compartment or room that contains communications equipment used by the EGD's and the EGD monitoring system shall be kept secure.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:717 (April 2000).

§4203. Minimum Standards for Electronic Gaming Devices

A. All EGD's submitted for approval:

1. shall be electronic in design and operation and shall be controlled by a microprocessor or micro-controller or the equivalent;

2. shall theoretically pay out a mathematically demonstrable percentage of all amounts wagered, which shall not be less than 80 percent and not more than 99.9 percent for each wager available for play on the device;

3. shall use a random selection process to determine the game outcome of each play of a game. The random selection process shall meet 99 percent confidence limits using a standard chi-squared test for goodness of fit and in addition:

a. each possible permutation or combination of game elements which produce winning or losing game outcomes shall be available for random selection at the initiation of each play; and

b. the selection process shall not produce detectable patterns of game elements or detectable dependency upon any previous game outcome, the amount wagered, or upon the style or method of play;

4. shall display an accurate representation of the game outcome. After selection of the game outcome, the EGD shall not make a variable secondary decision which affects the result shown to the player;

5. shall display the rules of play and payoff schedule;

6. shall not automatically alter pay-tables or any function of the device based on internal computation of the hold percentage;

7. shall be compatible to on-line data monitoring;

8. shall have a separate locked internal enclosure within the device for the control circuit board and the program storage media;

9. shall be able to continue a game with no data loss after a power failure;

10. shall have current game and the previous two games data recall;

11. shall have a complete set of nonvolatile meters including coins-in, coins-out, coins dropped and total jackpots paid;

12. shall contain a surge protector on the line that feeds power to the device. The battery backup or an equivalent for the electronic meter information shall be capable of maintaining accuracy of all information required for 180 days after power is discontinued from the device. The backup shall be kept within the locked logic board compartment;

13. shall have an on/off switch that controls the electrical current used in the operation of the device which shall be located in an accessible place within its interior;

14. shall be designed so that it shall not be adversely affected by static discharge or other electromagnetic interference;

15. shall have at least one electronic coin acceptor and may be equipped with an approved currency acceptor. Coin and currency acceptors shall be designed to accept designated coins and currency and reject others. The coin acceptor on a device shall be designed to prevent the use of cheating methods such as slugging, stringing, or spooning. All types of coin and currency acceptors are subject to the approval by the division. The control program shall be capable of handling rapidly fed coins so that occurrences of inappropriate "coin-ins" are prevented;

16. shall not contain any unsecured hardware switches that alter the pay-tables or payout percentages in its operation. Hardware switches may be installed to control graphic routines, speed of play, and sound;

17. shall contain a non-removable identification plate containing the following information, appearing on the exterior of the device:

- a. manufacturer;
- b. serial number; and
- c. model number;

18. shall have a communications data format from the EGD to the EGD monitoring system approved by the division;

19. shall be capable of continuing the current game with all current game features after a malfunction is cleared. This rule does not apply if a device is rendered totally inoperable. The current wager and all credits appearing on the screen prior to the malfunction shall be returned to the patron;

20. shall have attached a locked compartment separate from any other compartment of the device for housing a drop bucket. The compartment shall be equipped with a switch or sensor that provides detection of the drop door opening and closing by signaling to the EGD monitoring system;

21. shall have a locked compartment for housing currency, if so equipped with a currency acceptor;

22. shall, at a minimum, be capable of detecting and displaying the following error conditions which an attendant may clear:

- a. coin-in jam;
- b. coin-out jam;
- c. currency acceptor malfunction or jam;
- d. hopper empty or time-out;
- e. program error;
- f. hopper runaway or extra coin paid out;
- g. reverse coin-in;
- h. reel error; and
- i. door open;

23. shall use a communication protocol which ensures that erroneous data or signal will not adversely affect the operation of the device;

24. shall have a mechanical, electrical, or electronic device that automatically precludes a player from operating the device after a jackpot requiring a manual payout and requires an attendant to reactivate the device; and

25. shall be outfitted with any other equipment required by this LAC 42:XIII.Chapter 42.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:717 (April 2000).

§4204. Progressive Electronic Gaming Devices

A. This Section authorizes the use of progressive EGD's within one riverboat provided that the EGD's meet the requirements stated in this LAC42:XIII.Chapter 42 and any additional requirements imposed by the administrative rules, the board, or the division.

B. Wide area progressive games that link EGD's located on more than one riverboat shall be approved by the board and division on a case-by-case basis.

C. Progressive EGD's Defined

1. A progressive EGD is an electronic gaming device with a payoff that increases uniformly as the EGD or another device on the same link is played.

2. Base amount means the amount of the progressive jackpot offered before it increases.

3. "Incremental amount" means the difference between the amount of a progressive jackpot and its Base Amount.

4. A progressive jackpot may be won where certain pre-established criteria, which does not have to be a winning combination, is satisfied.

5. A bonus game where certain circumstances are required to be satisfied prior to awarding a fixed bonus prize is not a progressive EGD and is not subject to this LAC 42:XIII.Chapter 42.

D. Transferring of Progressive Jackpot Which Is in Play

1. A progressive jackpot which is currently in play may be transferred to another progressive EGD on the riverboat in the event of:

- a. EGD malfunction;
- b. EGD replacement; or
- c. other good reason deemed appropriate by the division to ensure compliance with this LAC 42:XIII.Chapter 42.

2. If the events set forth above do not occur, the progressive award shall be permitted to remain until it is won by a player or transfer is approved by the division.

E. Recording, Keeping and Reconciliation of Jackpot Amount

1. The licensee shall maintain a record of the amount shown on a progressive jackpot meter on the riverboat and/or dockside premises. The progressive jackpot meter information shall be read and documented, at a minimum, every 24 hours. Electronic meter information shall be recorded when a primary jackpot occurs on an EGD.

2. Supporting documents shall be maintained to explain any reduction in the payoff amount from a previous entry.

3. The records and documents shall be retained for a period of five years.

4. The licensee shall confirm and document, on a quarterly basis, that proper communication was maintained on each EGD linked to the progressive controller during that time.

5. The licensee shall record the progressive liability on a daily basis.

6. The licensee shall review, on a quarterly basis, the incremented rate and reasonableness of the progressive liability by either a physical coin-in test or by meter readings to calculate incremental coin-in multiplied by the rate incremented to arrive at the increase in, and reasonableness of, the progressive jackpot amount.

7. Each licensee shall formally adopt the manufacturer's specified internal controls for wide area progressive EGD's, as approved by the division, as part of the licensee's system of internal controls.

F. The Progressive Meter

1. The EGD shall be linked to a progressive meter or meters showing the current payoff to all players who are playing an EGD which may potentially win the progressive amount. A meter that shows the amount of the progressive jackpot shall be conspicuously displayed at or near the machines to which the jackpot applies.

G. Consistent Odds on Linked EGD's

1. When more than one progressive EGD is linked together, each EGD in the link shall be the same denomination, same coin in multiplier, and have the same probability of hitting the combination that will award the progressive jackpot or jackpots as every other machine in the link.

H. Operation of Progressive Controller-Normal Mode

1. During the normal operating mode of the progressive controller, the controller shall do the following:

a. continuously monitor each EGD attached to the controller to detect inserted coins or credits wagered;

b. multiply the accepted coins by the programmed rate of progression in order to determine the correct amounts to apply to the progressive jackpot.

2. The progressive display shall be constantly updated as play on the link is continued. It will be acceptable to have a slight delay in the update so long as when a jackpot is triggered the jackpot amount is shown immediately.

I. Operation of Progressive Controller-Jackpot Mode

1. When a progressive jackpot is recorded on an EGD which is attached to the progressive controller or another attached approved component or system (hereinafter progressive controller), the progressive controller shall allow for the following:

a. display of the winning amount;

b. display of the EGD identification that caused the progressive meter to activate if more than one EGD is attached to the controller.

2. The progressive controller is required to send to the EGD the amount that was won. The EGD is required to update its electronic meters to reflect the winning jackpot amount consistent with this LAC 42:XIII.Chapter 42.

3. When more than one progressive EGD is linked to the progressive controller, the progressive controller shall automatically reset to the reset amount and continue normal play. During this time, the progressive meter or another attached approved component or system shall display the following information:

a. the identity of the EGD that caused the progressive meter to activate;

b. the winning progressive amount;

c. the new normal mode amount that is current on the link.

4. A Wide Area progressive EGD and/or a progressive device where a jackpot of \$100,000 or more is won shall automatically enter into a non-play mode which prohibits additional play on the device after a primary jackpot has been won on the device. Upon conclusion of necessary inspections and tests by the division, the device may be offered for play.

J. Alternating Displays

1. When this procedure prescribes multiple items of information to be displayed on a progressive meter, it is sufficient to have the information displayed in an alternating fashion.

K. Security of Progressive Controller

1. Each progressive controller linking two or more progressive EGD's shall be housed in a double keyed compartment in a location approved by the division. All keys shall be maintained in accordance with LAC 42:XIII.Chapter 27 of the administrative rules.

2. The division may require possession of one of the keys.

3. Persons having access to the progressive controller shall be approved by the division.

4. A list of persons having access to a progressive controller shall be submitted to the division.

L. Progressive Controller

1. A progressive controller entry authorization log shall be maintained within each controller. The log shall be on a form prescribed by the division and completed by each individual who gains entrance to the controller.

2. Security restrictions shall be submitted in writing to the division for approval at least 60 days before their enforcement. All restrictions approved by the division shall be made on a case by case basis in the case of a stand-alone progressive where the controller is housed in the logic area.

3. The progressive controller shall keep the following information in nonvolatile memory which shall be displayed upon demand:

a. the number of progressive jackpots won on each progressive level if the progressive display has more than one winning amount;

b. the cumulative amounts paid on each progressive level if the progressive display has more than one winning amount;

c. the maximum amount of the progressive payout for each level displayed;

d. the minimum amount or reset amount of the progressive payout for each level displayed;

e. the rate of progression for each level displayed.

M. Limits on Jackpot of Progressive EGD's

1. A licensee may impose a limit on the jackpot of a progressive EGD if the limit imposed is greater than the possible maximum jackpot payout on the EGD at the time the limit is imposed. The riverboat licensee shall inform the public with a prominently posted notice of progressive EGD's and their limits.

N. Licensee shall not reduce the amount displayed on a progressive jackpot meter or otherwise reduce or eliminate a progressive jackpot unless:

1. a player Wins the jackpot;

2. the licensee adjusts the progressive jackpot meter to correct a malfunction or to prevent the display of an amount greater than a limit imposed pursuant to §4204.M and the licensee documents the adjustment and the reasons for it;

3. the licensee's gaming operations at the establishment cease for any reason other than a temporary closure where the same licensee resumes gaming operations at the same establishment within a month;

4. the licensee distributes the incremental amount to another progressive jackpot at the licensee's establishment and:

a. the licensee documents the distribution;

b. any machine offering the jackpot to which the licensee distributes the incremental amount does not require that more money be played on a single play to win the jackpot, than the machine from which the incremental amount is distributed;

c. any machine offering the jackpot to which the incremental amount is distributed complies with the minimum theoretical payout requirement of §4203.A.2; and

d. the distribution is completed within 30 days after the progressive jackpot is removed from play or within such longer period as the division may for good cause approve; or

e. the division approves a reduction, elimination, distribution, or procedure not otherwise described in this Subsection, which approval is confirmed in writing;

5. licensees shall preserve the records required by this Section for at least five years.

O. Individual Progressive EGD Controls

1. Individual EGD's shall have a minimum of seven electronic meters, including a coin-in meter, drop meter, jackpot meter, win meter, hand paid jackpot meter, progressive hand paid jackpot meter and a progressive meter.

P. Link Progressive EGD Controls

1. Each machine shall require the same number of tokens be inserted to entitle the player to a chance at winning the progressive jackpot and every token shall increment the meter by the same rate of progression as every other machine in the group.

2. When a progressive jackpot is hit on a machine in the group, all other machines shall be locked out, except if an individual progressive meter unit is visible from the front of the machine. In that case, the progressive control unit shall lock out only the machine in the progressive link that hit the jackpot. All other progressive meters shall show the current "Current Progressive Jackpot Amount."

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:718 (April 2000).

§4205. Computer Monitoring Requirements of Electronic Gaming Devices

A. The licensee shall have a computer connected to all EGD's on the riverboat to record and monitor the activities of such devices. No EGD's shall be operated unless it is on-line and communicating to a computer monitoring system approved by a designated gaming laboratory specified by the division/board. Such computer monitoring system shall provide on-line, real-time monitoring and data acquisition capability in the format and media approved by the division.

1. Any occurrence of malfunction or interruption of communication between the EGD's and the EGD monitoring system shall immediately be reported to the division for determination of further action to be taken. These malfunctions include, but are not limited to, system down for maintenance or malfunctions, zeroed meters, invalid meters and any variance between EGD drop meters and the actual count of the EGD drop.

2. Prior written approval from the division is required before implementing any changes to the computerized EGD monitoring system or adopting manual procedures for when the computerized EGD monitoring system is down.

3. Each and every modification of the software shall be approved by a designated gaming laboratory specified by the division/board.

B. The computer permitted by Subsection A of this Section shall be designed and operated to automatically perform and report functions relating to EGD meters, and other exceptional functions and reports in the riverboat as follows:

1. record the number and total value of tokens placed in the EGD for the purpose of activating play;

2. record the total value of credits received from the currency acceptor for the purpose of activating play;

3. record the number and total value of tokens deposited in the drop bucket of the EGD;

4. record the number and total value of tokens automatically paid by the EGD as the result of a jackpot;

5. record the number and total value of tokens to be paid manually as the result of a jackpot. The system shall be capable of logging in this data if such data is not directly provided by EGD;

6. have an on-line computer alert, alarm monitoring capability to insure direct scrutiny of conditions detected and reported by the EGD, including any device malfunction, any type of tampering, and any open door to the drop area. In addition, any person opening the EGD or the drop area shall complete the machine entry authorization log including time, date, machine identity and reason for entry; with exclusion of the drop team;

7. be capable of logging in and reporting any revenue transactions not directly monitored by token meter, such as tokens placed in the EGD as a result of a fill, and any tokens removed from the EGD in the form of a credit;

8. identify any EGD taken off-line or placed on-line of the computer monitor system, including date, time, and EGD identification number; and

9. report the time, date and location of open doors or error conditions, as specified in §4201.D.2, by each EGD.

C. The licensee shall store, in machine-readable format, all information required by Subparagraph b for the period of five years. The licensee shall store all information in a secure area and certify that this information is complete and unaltered. This information shall be available upon request by a division agent in the format and media approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:720 (April 2000).

§4206. Employment of Individual to Respond to Inquiries from the Division

A. Each manufacturer shall employ or retain an individual who understands the design and function of each of its EGD's who shall respond within the time specified by the division to any inquiries from him concerning the EGD or any modifications to the device. Each manufacturer shall on or before December 31 of each year report in writing the name of the individual designated pursuant to this Section and shall report in writing any change in the designation within 15 days of the change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:720 (April 2000).

§4207. Evaluation of New Electronic Gaming Devices

A. The division may require transportation of not more than two working models of a new EGD to a designated gaming laboratory for review and inspection. The

manufacturer seeking approval of the device shall pay the cost of the inspection and investigation. The designated gaming laboratory may dismantle the models and may destroy electronic components in order to fully evaluate the device. The division/board may require that the manufacturer provide specialized equipment or the services of an independent technical expert to evaluate the device.

B. The division/board may require the manufacturer or supplier seeking approval to provide specialized equipment or the services of an independent technical expert to evaluate the equipment, and may employ an outside designated gaming laboratory to conduct the evaluation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:720 (April 2000).

§4208. Certification by Manufacturer

A. After completing its evaluation of a new EGD, the lab shall send a report of its evaluation to the division/board and the manufacturer seeking approval of the device. The report shall include an explanation of the manner in which the device operates. The manufacturer shall return the report within 15 days and shall either:

1. certify under penalty of perjury that to the best of its knowledge the explanation is correct; or

2. make appropriate corrections, clarifications, or additions to the report and certify under penalty of perjury that to the best of its knowledge the explanation of the EGD is correct amended.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:721 (April 2000).

§4209. Approval of New Electronic Gaming Devices

A. After completing its evaluation of the new EGD, the division/board shall determine whether the application for approval of the new EGD should be granted. In considering whether a new EGD will be given final approval, the division/board shall consider whether approval of the new EGD is consistent with LAC 42:XIII.Chapter 42. Division/board approval of a EGD does not constitute certification of the device's safety.

1. Equipment Registration and Approval

a. All electronic or mechanical EGD's shall be approved by the division/board and/or its approved designated gaming laboratory and registered by the division prior to use.

b. The following shall not be used for gaming by any licensee without prior written approval of the division:

- i. bill acceptors or bill validators;
- ii. coin acceptors;
- iii. progressive controllers;

iv. signs depicting payout percentages, odds, and/or rules of the game;

v. associated gaming equipment as provided for in LAC 42:XIII.Chapter 42 of the administrative rules.

c. The licensee and/or manufacturer's request for approval shall describe with particularity the equipment or device for which the division/board's approval is requested.

d. The division/board may request additional information or documentation prior to issuing written approval.

2. Testing

a. The following shall be tested prior to registration or approval for use:

- i. all EGD's;
- ii. EGD monitoring systems;
- iii. any other device or equipment as the division/board may deem necessary to ensure compliance with this.

3. The division/board may employ the services of a designated gaming laboratory to conduct testing.

i. Any new EGD not presently approved by the division/board shall first meet the approval and testing criteria of the division/board's recognized designated gaming laboratory, who shall evaluate and test the product and issue a written opinion to the division/board of all test results. The licensee, manufacturer or supplier shall incur all costs associated with the testing of the product. This may include costs for field test, travel, laboratory test, and/or other associated costs. Failure on the part of the requesting party to timely pay these cost may be grounds for the denial of the request and cause for enforcement action by the division. Recommendations of approval by the designated gaming laboratory with regard to program approval(s) shall constitute division/board approval and do not require separate written approval by the division/board. Other test determinations shall be reviewed by the division/board and a written decision shall be issued by the division/board. In situations wherein the need for specific guidelines and internal controls are required, the division/board will work in concert with the designated gaming laboratory to develop guidelines for each licensee. Licensees shall be required to comply with these guidelines and they shall become part of the licensee's system of internal controls. At no time shall an unauthorized program, gaming device, associated equipment and/or component be installed, stored, possessed, or offered for play by a licensee, permittee, its agent, representative, employee or other person in the Louisiana Riverboat Gaming Industry.

4. Registration and/or approval shall not be issued unless payment for all costs of testing is current.

5. Registration, approval, or the denial of EGD's, or any other device or equipment shall be issued in accordance with the administrative rules, and/or this LAC 42:XIII.Chapter 42.

6. EGD's shall meet all specifications as required in §4203 and shall meet the following security and audit specifications:

- a. be controlled by a microprocessor;
- b. be connected and communicating to an approved on-line EGD monitoring system;
- c. have an internal enclosure for the circuit board which is locked or sealed, or both, prior to and during game play;
- d. be able to continue a game with no loss of data after a power failure;
- e. have game data recall for the current game and the previous two games;
- f. have a random selection process that satisfies the 99 percent confidence level using the following test:
 - i. standard chi-squared;
 - ii. runs;
 - iii. serial correlation.

Note: These tests shall not be predictable by players.

- g. clearly display applicable rules of play and the payout schedule;
- h. display an accurate representative of each game outcome utilizing:
 - i. rotating wheels;
 - ii. video monitoring; or
 - iii. any other type of display mechanism that accurately depicts the outcome of the game.

7. All EGD's shall be registered with the division/board and shall have a registration sticker affixed to the device on a viewable, accessible location on the interior of the frame of the EGD. It is incumbent on each licensee to ensure that the registration sticker is properly affixed and is valid. In the event the registration sticker becomes damaged or voided, the licensee shall immediately notify the division/board in writing. The division shall issue a replacement sticker and re-register the device as soon as practical.

8. All EGD's shall be located within the designated gaming area. This is inclusive of all "free pull" machines or similar devices. A device which is not in use may be stored in a secured area if approved in writing by the division.

9. Each licensee shall maintain a current inventory report of all EGD's and equipment. The inventory report shall include, but is not limited to, the following:

- a. the serial number assigned to the EGD by the manufacturer;
- b. the registration number issued by the division;
- c. the type of game the EGD is designed and used for;

- d. the denomination of tokens or coins accepted by each EGD;
- e. the location of EGD's equipped with bill validators and any bill validators that stand alone;
- f. the manufacturer of the EGD;
- g. the location or house number of the EGD.

10. This inventory report shall be submitted to the division's operational section on a diskette, in a data text format, upon request by the division/board.

11. All EGD's offered for play shall be given a "house number" by the licensee. This house number shall not be altered or changed without prior written approval from the division. The licensee shall issue the "house numbers" in a systematic manner which provides for easy recognition and location of the device's location. This number shall be a part of the licensee's "on-line computer EGD monitoring system", and shall be displayed, in part, on all on-line system reports. Each EGD shall have its respective house number attached to the device in a manner which allows for easy recognition by division personnel and surveillance cameras.

12. Control Program Requirements

- a. EGD control programs shall test themselves for possible corruption caused by failure of the program storage media.
- b. The test methodology shall detect 99.99 percent of all possible failures.
- c. The control program shall allow for the EGD to be continually tested during game play.
- d. The control program shall reside in the EGD which is contained in a storage medium not alterable through any use of the circuitry or programming of the EGD itself.
- e. The control program shall check the following:
 - i. corruption of RAM locations used for crucial EGD functions;
 - ii. information relating to the current play and final outcome of the two prior games;
 - iii. random number generator outcome;
 - iv. error states.
- f. The control RAM areas shall be checked for corruption following game initiation, but prior to display of the game outcome to the player.
- g. Detection of corruption is a game malfunction that shall result in a tilt condition which identifies the error and causes the EGD to cease further function.
- h. The control program shall have the capacity to display a complete play history for the current game and the previous two games.
- i. The control program shall display an indication of the following:

- i. the game outcome or a representative equivalent;
- ii. bets placed;
- iii. credits or coins paid;
- iv. credits or coins cashed out;
- v. any error conditions.

j. The control program shall provide the means for on-demand display of the electronic meters via a key switch or other mechanism on the exterior of the EGD.

13. Accounting Meters

- a. All EGD's shall be equipped with electronic meters.
- b. All EGD's electronic meters shall have at least eight digits.
- c. All EGD's shall tally totals to eight digits and be capable of rolling over when the maximum value is reached.
- d. The required electronic meters are as follows.
 - i. The coin-in meter shall cumulatively count the number of coins wagered by actual coins inserted or credits bet, or both.
 - ii. The coin-out meter shall cumulatively count the number of coins or credits that are paid as a result of a win, or credits that are won, or both.
 - iii. The coins-dropped meter shall maintain a cumulative count of the number of coins that have been diverted into a drop bucket and credit value of all bills inserted into the bill validator for play.
 - iv. The jackpots-paid meter shall reflect the cumulative amounts paid by an attendant for all jackpots.
 - v. The games-played meter shall display the cumulative number of games played (handle pulls).
 - vi. The drop door meter shall display the number of times the drop door was opened.
 - vii. If the EGD is equipped with a bill validator, the device shall be equipped with a bill validator meter that records:
 - (a). the total number of bills that were accepted;
 - (b). a breakdown of the number of each denomination of bill accepted; and
 - (c). the total dollar amount of bills accepted.
- e. EGD's shall be designed so that replacement of parts, modules, or components required for normal maintenance does not affect the electronic meters.
- f. EGD's shall have meters which continuously display the following information relating to the current play or monetary transaction:
 - i. the number of coins or credits wagered in the current game;

- ii. the number of coins or credits won in the current game, if applicable;
- iii. the number of coins or credits paid for a credit cash out or a direct pay from a winning outcome;
- iv. the number of credits available for wagering, if applicable.

g. Electronically stored meter information required by this Section shall be preserved after power loss to the EGD by battery backup and be capable of maintaining accuracy of electronically stored meter information for a period of at least 180 days.

14. No EGD may have a mechanism that causes the electronic accounting meters to clear automatically when an error occurs.

15. Clearing of the electronic accounting meters, other than due to a malfunction, may be done only if approved in writing by the division. Meter readings, as prescribed by the division, shall be recorded before and after any electronic accounting meter is cleared or a modification is made to the device.

16. Hopper

a. If a hopper is utilized on an EGD it shall be designed to detect the following and force the EGD into a tilt condition if one of the following occurs:

- i. jammed coins;
- ii. extra coins paid out;
- iii. hopper runaways;
- iv. hopper empty conditions.

b. The EGD control program shall monitor the hopper mechanism, if utilized, for these error conditions in all game states in accordance with this LAC 42:XIII.Chapter 42.

c. All coins paid from the hopper mechanism, if utilized, shall be accounted for by the EGD including those paid as extra coins during hopper malfunction.

d. Hopper pay limits shall be designed to permit compliance by licensees with all applicable taxation laws, rules, and regulations.

17. Communication Protocol

a. An EGD which is capable of a bi-directional communication with internal or external associated equipment shall use a communication protocol which ensures that erroneous data or signals will not adversely affect the operation of the EGD.

18. EGD's installed and/or modified shall be inspected and/or tested by division agents prior to offering these devices for live play. Accordingly, no device shall be operated unless and until each regulated program storage media has been tested and sealed into place by division agent(s). The division's security tape shall at all times remain intact and unbroken. It is incumbent on the licensee to

routinely inspect every device to ensure compliance with this procedure. In the event a licensee discovers that the security tape has been broken or tampered with, the power to the EGD shall be immediately turned off, surveillance shall be immediately notified and shall take a photograph of the logic board. The board shall be maintained in the surveillance office until a division agent has the opportunity to inspect the board. A copy of the device's "meal" card shall be made and shall accompany the board.

19. No licensee or other person shall modify an EGD without prior written approval from the division. A request shall be made by completing form(s) prescribed by the division/board and filing it with the respective field office. The licensee shall ensure that the information listed on the EGD form(s) is true and accurate. Any misstatement or omission of information shall be grounds for denial of the request and may be cause for enforcement action.

20. EGD's shall meet the following minimum and maximum theoretical percentage payout during the expected lifetime of the EGD.

a. The EGD shall pay out at least 80 percent and not more than 99.9 percent of the amount wagered.

b. The theoretical payout percentage shall be determined using standard methods of the probability theory. The percentage shall be calculated using the highest level of skill where player skill impacts the payback percentage.

c. An EGD shall have a probability of obtaining the maximum payout greater than one in 50,000,000.

d. An EGD shall be capable of continuing the current play with all the current play features after an EGD malfunction is cleared.

21. Modifications to an EGD's program shall be considered only if the new program has been approved by the designated gaming laboratory, and if the existing program has met the minimum requirements as set forth herein. The minimum program change requirements are unique to each program (program storage media). Therefore, it is not practical to list each one. In general, a program shall meet the 99 percent confidence interval range of 80 percent to 99.9 percent prior to being removed or replaced. As stated, this confidence interval varies by program and manufacturer. The confidence interval is determined by the designated gaming laboratory who tests each program and determines the interval. For the purpose of these procedures, an interval shall be determined by the games played on the existing program. An EGD's program shall not be approved for change unless the existing program has met or exceeded the minimum of 100,000 required games played. Exceptions to this procedure are those situations in which it can be reasonably determined that a program chip is defective or malfunctioning, or during a 90-day trial period of a newly approved program.

22. A licensee shall be allowed to test, on a limited basis, newly approved programs. The licensee shall file an EGD 96-01 Form and indicate in Field 21 that the request is for a 90-day trial period. Failure to do so may be grounds for

denial of the request to remove the program prior to reaching the 99.9 percent confidence interval. The licensee, upon approval, shall be allowed to test the program and will be allowed to replace it during this 90-day period with cause. If a request to replace the test program is not filed with the division prior to the expiration of the 90-day approval, the program shall not be replaced and the program replacement criteria as stated in these procedures shall be applicable.

23. When an approved denomination change is made to an EGD which used or uses tokens, the licensee shall make necessary adjustments to the initial hopper fill listed on the daily fee remittance summary. Additionally, an adjustment shall be made to the daily fee remittance summary to reflect the change in the initial hopper fill each time an EGD is taken off the floor or out of play. A final drop shall be made for that machine, including the hopper. The initial hopper load should be deducted to determine the final net drop for the device.

24. Randomness Events/Randomness Testing

a. Events in EGD's are occurrences of elements or particular combinations of elements which are available on the particular EGD.

b. A random event has a given set of possible outcomes which has a given probability of occurrence called the distribution.

c. Two events are called independent if the following conditions exist.

i. The outcome of one event has no influence on the outcome of the other event.

ii. The outcome of one event does not affect the distribution of another event.

d. An EGD shall be equipped with a random number generator to make the selection process. A selection process is considered random if the following specifications are met.

i. The random number generator satisfies at least 99 percent confidence level using chi-squared analysis.

ii. The random number generator does not produce a measurable statistic with regard to producing patterns of occurrences. Each reel position is considered random if it meets at least the 99 percent confidence level with regard to the runs test or any similar pattern testing statistic.

iii. The random number generator produces numbers which are independently chosen.

25. Safety Requirements

a. Electrical and mechanical parts and design principles shall not subject a player to physical hazards.

b. Spilling a conductive liquid on the EGD shall not create a safety hazard or alter the integrity of the EGD's performance.

c. The power supply used in an EGD shall be designed to make minimum leakage of current in the event of an intentional or inadvertent disconnection of the alternate current power ground.

d. A surge protector shall be installed on each EGD. Surge protection can be internal or external to the power supply.

e. A battery backup device shall be installed and capable of maintaining accuracy of required electronic meter information after power is disconnected from the EGD. The device shall be kept within the locked or sealed logic board compartment and be capable of sustaining the stored information for 180 days.

f. Electronic Discharges

i. The following shall not subject the player to physical hazards:

(a). electrical parts;

(b). mechanical parts;

(c). design principles of the EGD and its component parts.

26. On and Off Switch. An on and off switch that controls the electrical current used to operate the EGD shall be located in an accessible place and within the interior of the EGD.

27. Power Supply Filter. EGD power supply filtering shall be sufficient to prevent disruption of the EGD by a repeated fluctuation of alternating current.

28. Error Conditions and Automatic Clearing

a. EGD's shall be capable of detecting and displaying the following conditions:

i. power reset;

ii. door open;

iii. inappropriate coin-in if the coin is not automatically returned to the player.

b. The conditions listed above shall be automatically cleared by the EGD upon initiation of a new play sequence, if possible.

29. Error Conditions; Clearing by Attendant

a. EGD's shall be capable of detecting and displaying the following error conditions which an attendant may clear:

i. coin-in jam;

ii. coin-out jam;

iii. hopper empty or timed-out;

iv. RAM error;

v. hopper runaway or extra coin paid out;

vi. program error;

vii. reverse token-in;

viii. reel spin error of any type, including a misindex condition for rotating reels. The specific reel number shall be identified in the error indicator;

ix. low RAM battery, for batteries external to the RAM itself, or low power source.

b. A description of EGD error codes and their meanings shall be affixed inside the EGD.

30. Coin Acceptors

a. At least one electronic coin acceptor shall be installed in each EGD.

b. All acceptors shall be approved by the division/board or the designated gaming laboratory.

c. Coin acceptors shall be designed to accept designated coins and to reject others.

d. The coin receiver on an EGD shall be designed to prevent the use of cheating methods, including, but not limited to:

- i. slugging;
- ii. stringing;
- iii. spooling.

e. Coins which are accepted but not credited to the current game shall be returned to the player by activation of the hopper or credited toward the next play of the EGD control program and shall be capable of handling rapidly fed coins so that frequent occurrences of this type are prevented.

f. EGD's shall have suitable detectors for determining the direction and speed of the coin(s) travel in the receiver. If a coin traveling at improper speed or direction is detected, the EGD shall enter an error condition and display the error condition which shall require attendant intervention to clear.

31. Bill Validators

a. EGD's may contain a bill validator that will accept the following:

- i. \$1 bills;
- ii. \$5 bills;
- iii. \$10 bills;
- iv. \$20 bills;
- v. \$50 bills;
- vi. \$100 bills.

b. The bill acceptors may be for single denomination or combination of denominations.

32. Automatic Light Alarm

a. A light shall be installed on the top of the EGD that automatically illuminates when the door to the EGD is opened or associated equipment that may affect the operation of the EGD is exposed, excluding all bartop EGD's.

33. Access to the Interior

a. The internal space of an EGD shall not be readily accessible when the door is closed.

b. The following shall be in a separate locked or sealed area within the EGD's:

- i. logic boards;
- ii. ROM;
- iii. RAM;
- iv. program storage media.

c. No access to the area described above is allowed without prior notification to the licensee's surveillance room.

d. The division shall be allowed immediate access to the locked or sealed area. A riverboat licensee shall maintain its copies of the keys to EGD's in accordance with the administrative rules and the licensee's system of internal controls. A licensee shall provide the division a master key to the door of an approved EGD, if so requested. Unauthorized tampering or entrance into the logic area without prior notification in accordance with Subparagraph c is grounds for enforcement action.

34. Tape Sealed Areas. An EGD's logic boards and/or any program storage media in a locked area within the EGD shall be sealed with the division's security tape. The security tape shall be affixed by a division agent. The security tape may only be removed by, or with approval from, a division agent.

35. Hardware Switches

a. No hardware switches may be installed which alter the pay tables or payout percentages in the operation of an EGD.

b. Hardware switches may be installed to control the following:

- i. graphic routines;
- ii. speed of play;
- iii. sound;
- iv. other approved cosmetic play features.

36. Display of Rules of Play

a. The rules of play for EGD's shall be displayed on the face or screen of all EGD's. Rules of play shall be approved by the division/board prior to play.

b. The division/board may reject the rules if they are:

- i. incomplete;
- ii. confusing;
- iii. misleading; or
- iv. for any other reason stated by the division/board.

c. Rules of play shall be kept under glass or another transparent substance and shall not be altered without prior approval from the division.

d. Stickers or other removable devices shall not be placed on the EGD face unless their placement is approved by the division.

37. Manufacturer's Operating and Field Manuals and Procedures

a. A licensee shall comply with written guidelines and procedures concerning installations, modifications, and/or upgrades of components and associated equipment established by the manufacturer of an EGD, component, on-line system, software, and/or associated equipment unless otherwise approved in writing by the division/board, or if the guideline(s) and/or procedure(s) conflict with any portion of this LAC 42:XIII.Chapter 42.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:721 (April 2000), amended LR 29:2508 (November 2003).

§4210. Electronic Gaming Device Tournaments

A. EGD tournaments may be conducted by licensees, upon written approval by the division.

B. All tournament play shall be on machines which have been tested and approved by the division, and for which the tournament feature has been enabled.

C. All EGD's used in a single tournament shall utilize the same electronics and machine settings. Licensees shall utilize, and each device shall be equipped with an approved program which allows for tournament mode play to be enabled by a switch key (reset feature) and/or total replacement of the logic board, with an approved tournament board. Replacement of program storage media is not permissible for tournament play only. Form(s) as prescribed by the division are required to be submitted for each device used in tournament play when the non- tournament logic board is removed. The licensee shall submit, in writing, procedures regarding the storage and security of the both tournament and non-tournament boards when not in use.

D. EGD's enabled for tournament play shall not accept or pay out coins. The EGD's shall utilize credit points only.

E. Tournament credits shall have no cash value.

F. Tournament play shall not be credited to accounting or electronic (soft) meters of the EGD.

G. At the licensee's discretion, and in accordance with applicable laws and rules, the licensee may establish qualification or selection criteria to limit the eligibility of players in a tournament.

H. Rules of Tournament Play

1. The riverboat licensee shall submit rules of tournament play to the division in accordance with LAC 42:XIII.2953 or within such time period as the division may designate. The rules of play shall include, but are not limited to, the following:

a. the amount of points, credits, and playing time players will begin with;

b. the manner in which players will receive EGD assignments and how reassignments are to be handled;

c. how players are eliminated from the tournament and how the winner or winners are to be determined;

d. the number of EGD's each player will be allowed to play;

e. the amount of entry fee for participating in the tournament;

f. the number of prizes to be awarded;

g. an exact description of each prize to be awarded;

h. any additional house rules governing play of the tournament;

i. any rules deemed necessary by the division/board to ensure compliance with this LAC 42:XIII.Chapter 42.

2. A licensee shall not permit any tournament to be played unless the rules of the tournament play have been approved, in writing, by the division.

3. The rules of tournament play shall be provided to all tournament players and each member of the public who requests a copy of the rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:725 (April 2000).

§4211. Duplication of Program Storage Media

A. Personnel and Certification

1. Only the personnel defined in the licensee's, division approved, written internal controls shall be allowed to duplicate program storage media.

2. The licensee shall provide to the division certified documentation, from the manufacturer or copyright holder of the program storage media which is being duplicated, stating that the duplication of the program storage media is authorized.

3. The licensee shall assume the responsibility of complying with all rules and regulations regarding copyright infringement. Program storage media protected by the manufacturer's federal copyright laws will not be duplicated for any reason or circumstance, unless approved otherwise by the manufacturer and/or the division/board.

4. Each duplicated program storage media shall be certified by the designated gaming laboratory's signature for that program storage media.

B. Required Documentation

1. Each licensee shall maintain an program storage media duplication log which shall contain:

a. the name of the program storage media manufacturer and the program storage media identification number of each program storage media to be erased;

b. serial number of program storage media eraser and duplicator;

c. printed name and signature of individual performing the erasing and duplication of the program storage media;

d. identification number of the new program storage media;

e. the number of program storage media duplicated;

f. the date of the duplication;

g. machine number (source and destination);

h. reason for duplication;

i. disposition of permanently removed program storage media.

2. The log shall be maintained on record for a period of five years.

3. Corporate internal auditors shall verify compliance with program storage media duplication procedures at least twice annually.

C. Program Storage Media Labeling

1. Each duplicated program storage media shall have an attached white adhesive label containing the following:

a. manufacturer name and serial number of the new program storage media;

b. designated gaming laboratory signature verification number;

c. date of duplication;

d. initials of personnel performing duplication.

D. Storage of Program Storage Media and Duplicator/Eraser

1. Program storage media duplication equipment shall be stored with the security department or other department approved by the division.

2. Equipment shall be released only to the personnel defined in the licensee's, division approved, written internal controls.

3. At no time shall the personnel defined in the licensee's, division approved, written internal controls leave unattended the program storage media duplication equipment.

4. Program storage media duplication equipment shall only be released from the security department, or other department approved by the division, for a period not to exceed four hours within a 24-hour period.

5. An equipment control log shall be maintained by the licensee and shall include the following:

a. date, time, name of employee taking possession of, or returning equipment, and name of the individual assigned to the division approved storage department taking possession of, or releasing equipment.

6. All program storage media shall be kept in a secure area and the licensee shall maintain an inventory log of all program storage media.

E. Internal Controls

1. The licensee shall adopt, and have approved by the division, internal controls which are in compliance with this Section prior to duplicating program storage media.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:726 (April 2000).

§4212. Marking, Registration, and Distribution of Gaming Devices

A. No one, including a licensee, permittee, manufacturer or supplier may ship or otherwise transfer a gaming device into this state, out of this state, or within this state unless:

1. a serial number (which shall be the same number as given the device pursuant to the provisions of 15 U.S.C. 1173 of the Gaming Device Act of 1962) permanently stamped or engraved in lettering no smaller than 5 millimeters on the metal frame or other permanent component of the EGD and on a removable metal plate attached to the cabinet of the EGD; and

2. a manufacturer, supplier, or licensee shall file forms as prescribed by the division/board before receiving authorization to ship a device for use in the Louisiana Riverboat Gaming Industry;

3. each manufacturer or supplier shall keep a written list of the date of each distribution, the serial numbers of the devices, the division approval number, and the name, state of residence, addresses and telephone numbers of the person to whom the gaming devices have been distributed and shall provide such list to the division immediately upon request;

4. a registration fee of \$100 per device shall be paid by company check, money order, or certified check made payable to State of Louisiana, Department of Public Safety. This fee is not required on devices which are currently registered with the division/board and display a valid registration certificate. Upon receipt of the appropriate shipping forms and fees, the division/board shall issue a written authorization to ship for approved devices. This fee is applicable only to gaming devices destined for use in Louisiana by licensed riverboat entities or suppliers;

5. prior to actual receipt of the shipment, the licensee shall notify the division of the arrival. The division shall require that the shipper's manifest or other shipping documents are verified against the letter of authorization for that shipment. The shipment shall also have been sealed at the point of origin, or the last point of shipment. The seal number shall be recorded on the shipping documents and attached to the licensee's copy of the letter of authorization;

6. the storage of the shipment, once properly received, shall be in a containment area that is secure from any other equipment. There shall be a dual key locking system for the containment area. The containment area shall have been inspected and approved in writing by the division/board prior to any EGD storage. All electronic control boards and/or program storage media shall be securely stored in a separate containment area from the EGD's. The containment area shall have been inspected and approved in writing by the division/board prior to any electronic control board and/or program storage media storage.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:726 (April 2000).

§4213. Approval to Sell or Disposal of Gaming Devices

A. No gaming device registered by the division/board shall be destroyed, scrapped, or otherwise disassembled without prior written approval of the division/board. A licensee shall not sell or deliver a gaming device to a person other than its affiliated companies or a permitted manufacturer or supplier without prior written approval of the division/board. Applications for approval to sell or dispose of a registered gaming device shall be made, processed, and determined in such manner and using such forms as the division/board may prescribe.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:727 (April 2000).

§4214. Maintenance of Electronic Gaming Devices

A. A licensee shall not alter the operation of an approved EGD except as provide otherwise in the division/board's rules and shall maintain the EGD's as required in LAC 42:XIII.Chapter 42. Each licensee shall keep a written list of repairs made to the EGD offered for play to the public that require a replacement of parts that affect the game outcome, and any other maintenance activity on the EGD, and shall make the list available for inspection by the division upon request. The written list of repairs for all EGD's shall be kept in a maintenance log book in the slot tech office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:727 (April 2000).

§4215. Analysis of Questioned Electronic Gaming Devices

A. If the operation of any EGD is questioned by any licensee, patron or an agent of the division/board and the question cannot be resolved, the questioned device shall be examined in the presence of an agent of the division and a representative of the licensee. If the malfunction can not be cleared by other means to the satisfaction of the

division/board, the patron or the licensee, the EGD shall be disabled and be subjected to a program storage media memory test to verify "signature" comparison by the division. Upon successful verification of the signature of the program storage media, and all malfunctions resolved, the EGD in question may be enabled for patron play.

B. In the event that the malfunction can not be determined and corrected by this testing, the EGD may be removed from service and secured in a remote, locked compartment. The EGD may then be transported to the designated gaming laboratory selected by the division/board where the device shall be fully analyzed to determine the status and cause of the malfunction. All costs for transportation and analysis shall be borne by the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:727 (April 2000).

§4216. Summary Suspension of Approval of Electronic Gaming Devices

A. The division/board may issue an order suspending approval of an EGD if it is determined that the EGD does not operate in the manner certified by the designated gaming laboratory pursuant to this LAC 42:XIII.Chapter 42. The division/board after issuing an order may thereafter seal or seize all models of that EGD not in compliance with the LAC 42:XIII.Chapter 42.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:727 (April 2000).

§4217. Seizure and Removal of Electronic Gaming Equipment and Devices

A. EGD's and associated equipment may be summarily seized by the division/board. Whenever the division/board seizes and removes EGD's and/or associated equipment:

1. an inventory of the equipment or EGD's seized will be made by the division/board, identifying all such equipment or EGD's as to make, model, serial number, type, and such other information as may be necessary for authentication and identification;

2. all such equipment or EGD's will be sealed or by other means made secure from tampering or alteration;

3. the time and place of the seizure will be recorded; and

4. the licensee or permittee will be notified in writing by the division/board at the time of the seizure, of the fact of the seizure, and of the place where the seized equipment or EGD is to be impounded. A copy of the inventory of the seized equipment or EGD will be provided to the licensee or permittee upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:727 (April 2000).

§4218. Seized Equipment and EGD's as Evidence

A. All gaming equipment and EGD's seized by the division/board shall be considered evidence, and as such shall be subject to the laws of Louisiana governing chain of custody, preservation and return, except that:

1. any article of property that constitutes a cheating device shall not be returned. All cheating devices shall become the property of the division/board upon their seizure and may be disposed of by the division/board, which disposition shall be documented as to date and manner of disposal;

2. the division/board shall notify by certified mail each known claimant of a cheating device that the claimant has 10 days from the date of the notice within which to file a written claim with the division/board to contest the characterization of the property as a cheating device;

3. failure of a claimant to timely file a claim as provided in Subsection A, Paragraph 2 above will result in the division/board's pursuit of the destruction of property;

4. if the property is not characterized as a cheating device, such property shall be returned to the claimant within 15 days after final determination;

5. items seized for inspection or examination may be returned by the division/board without a court order.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:728 (April 2000).

§4219. Approval of Associated Equipment; Applications and Procedures

A. A manufacturer or supplier of associated equipment and/or non-gaming products shall not distribute associated equipment and/or non-gaming products unless such manufacturer and/or supplier has been approved by the division/board. Applications for approval of associated equipment and/or non-gaming products shall be made and processed in such manner and using such forms as the division/board may prescribe. Each application shall include, in addition to such other items or information as the division/board may require:

1. the name, permanent address, Social Security number or federal tax identification number of the manufacturer or supplier of associated equipment and non-gaming products unless the manufacturer or supplier is currently permitted by the division/board. If the manufacturer or supplier of associated equipment and non-gaming products is a corporation, the names, permanent addresses, Social Security numbers, and driver's license numbers of the directors and officers shall be included. If the manufacturer or supplier of associated equipment and non-gaming products is a partnership, the names, permanent

addresses, Social Security numbers, driver's license numbers, and partnership interest of the partners shall be included. If Social Security numbers or driver's license numbers are not available, the birth date of the partners may be substituted;

2. a complete, comprehensive and technically accurate description and explanation in both technical and non-technical language of the equipment and its intended usage, signed under penalty of perjury;

3. detailed operating procedures; and

4. details of all tests performed and the standards under which such tests were performed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 27:15 and 24.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Gaming Control Board, LR 26:728 (April 2000).

Chapter 43. Specifications for Gaming Devices and Equipment

§4301. Approval of Chips and Tokens; Applications and Procedures

A. A licensee shall not issue any chips or tokens for use in its gaming establishment, or sell or redeem any such chips or tokens, unless the chips or tokens have been approved in writing by the division. A licensee shall not issue any chips or tokens for use in its gaming establishment, or sell or redeem any such chips or tokens, that are modifications of chips or tokens previously approved by the division, unless the modifications have been approved in writing by the division.

B. Applications for approval of chips, tokens, and modifications to previously approved chips or tokens must be made, processed, and determined in such manner and using such forms as the division may prescribe. Only licensees and suppliers may apply for such approval. Each application must include, in addition to such other items or information as the division may require:

1. an exact drawing, in color or in black and white, of each side and the edge of the proposed chip or token, drawn to actual size or drawn to larger than actual size and in scale, and showing the measurements of the proposed chip or token in each dimension;

2. written specifications for the proposed chips or tokens;

3. the name and address of the manufacturer; and

4. the licensee's intended use for the proposed chips or tokens.

C. If, after receiving and reviewing the items and information described in Subsection B, the division is satisfied that the proposed chips or tokens conform with the requirements of this Chapter, the division shall notify the licensee in writing and shall request, and the licensee shall thereupon submit, a sample of the proposed chips or tokens

in final, manufactured form. If the division is satisfied that the sample conforms with the requirements of this regulation and with the information submitted with the licensee's application, the division shall approve the proposed chips or tokens and notify the licensee in writing. As a condition of approval of chips or tokens issued for use at the licensee's race book, or specific table or counter game, the division may prohibit the licensee from using the chips or tokens other than at the book or specified game. The division may retain the sample chips and tokens submitted pursuant to this Subsection.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4303. Specifications for Chips and Tokens

A. Chips and tokens must be designed, manufactured, and constructed in compliance with all applicable statutes, regulations, and policies of the United States, Louisiana, and other states, and so as to prevent counterfeiting of the chips and tokens to the extent reasonably possible. Chips and tokens must not resemble any current or past coinage of the United States or any other nation.

B. In addition to such other specifications as the division may approve:

1. the name of the issuing gaming establishment must be inscribed on each side of each chip and token, and the city or other locality and the state where the establishment is located must be inscribed on at least one side of each chip and token;

2. the value of the chip or token must be inscribed on each side of each chip and token, other than chips used exclusively at roulette;

3. the manufacturer's name or a distinctive logo or other mark identifying the manufacturer must be inscribed on at least one side of each chip and token; and

4. each chip must be designed so that when stacked with chips and tokens of other denominations and viewed on closed circuit, black and white televisions, the denominations of the chip can be distinguished from that of the other chips and tokens in the stack.

C. The names of the city or other locality and the state where the establishment is located must be inscribed on at least one side of each chip and token unless the division finds, after application by a licensee, that such an inscription is not necessary because:

1. the name of the issuing establishment is unique to one readily identifiable establishment in all Gaming Jurisdictions; or

2. the inclusion of the city or other locality and the state is not necessary or beneficial for any regulatory purpose relating to the applicant.

D. Any application submitted pursuant to Subsection C must be signed by the chief executive officer of the applicant and be on a form prescribed by the division.

E. Any approval by the division for the deletion of such an inscription shall be in writing and be limited to that period of time in which the name of the licensee is limited to one establishment and conditioned so that it may be withdrawn in the future if the division determines that the deletion results in confusion with the chips or tokens of another establishment or if such inclusion is deemed necessary or beneficial for any regulatory purpose.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4305. Specifications for Chips

A. Unless the division approves otherwise, chips must be disk-shaped, must be 0.130 inch thick, and must have a diameter of:

1. 1.55 inches for chips used at games other than baccarat;

2. 1.55 inches or 1.6875 inches for chips used at baccarat; and

3. 1.6875 inches for chips used exclusively at race books or other counter games.

B. Each side of each chip issued exclusively for use at a race book, or particular game must bear an inscription clearly indicating that use of the chip is so restricted.

C. Each denomination of value chip(s) shall have a different primary color from every other denomination of value chip(s). The primary color to be utilized by the licensee for each denomination of value chip(s) shall be:

1. \$1 white;
2. \$2 pink;
3. \$5 red;
4. \$25 green;
5. \$100 black;
6. \$500 purple; or
7. \$1,000 fire orange.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4307. Specifications for Tokens

A. Unless the division approves otherwise, tokens must be disk-shaped and must measure as follows:

1. \$0.25 tokens must be from 0.983 through 0.989 inches in diameter, from 0.064 through 0.070 inches thick, and if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 100;

2. \$1 denomination tokens must be from 1.459 through 1.474 inches in diameter, from 0.095 through 0.115 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 150;

3. \$5 denomination tokens must be 1.75 inches in diameter, from 0.115 through 0.135 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 175;

4. \$25 denomination tokens must be larger than 1.75 inches but no larger than 1.95 inches in diameter, except that such tokens may be 1.654 inches (42 millimeters) in diameter if made of 99.9 percent pure silver, must be 0.10 inch thick, and, if the token has reeds or serrations on its edges, the number of reeds or serrations must not exceed 200; and

5. tokens of other denominations must have such measurements and edge reeds or serrations as the division may approve or require.

B. Tokens must not be manufactured from material possessing sufficient magnetic properties so as to be accepted by a coin mechanism, other than that of an electronic gaming device.

C. Tokens must not be manufactured from a three-layered material consisting of a copper-nickel alloy clad on both sides of a pure copper core, nor from a copper-based material, unless the total of zinc, nickel, aluminum, magnesium, and other alloying materials is at least 20 percent of the token's weight.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4309. Use of Chips and Tokens

A. A licensee that uses chips or tokens at its gaming establishment shall:

1. comply with all applicable statutes, regulations, and policies of Louisiana and of the United States pertaining to chips or tokens;

2. sell chips and tokens only to patrons of its gaming establishment and only at their request;

3. promptly redeem its own chips and tokens from its patrons;

4. post conspicuous signs at its establishment notifying patrons that federal law prohibits the use of the licensee's tokens, and that state law prohibits the use of the licensee's chips, outside the establishment for any monetary purpose whatever; and

5. take reasonable steps, including examining chips and tokens and segregating those issued by other licensees to prevent sales to its patrons of chips and tokens issued by another licensee.

B. A licensee shall not accept chips or tokens as payment for any goods or services offered at the licensee's gaming establishment with the exception of the specific use for which the chips or tokens were issued, and shall not give chips or tokens as change in any other nongaming transaction.

C. A licensee shall not redeem its chips or tokens if presented by a person who the licensee knows or reasonably should know is not a patron of its gaming establishment, except that a licensee shall promptly redeem its chips and tokens if presented by:

1. another licensee who represents that it redeemed the chips and tokens from its patrons or received them unknowingly, inadvertently, or unavoidably;

2. an employee of the licensee who presents the chips and tokens in the normal course of employment; or

3. an employee of the licensee who received the chip and or token as gratuity or tip.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4311. Receipt of Gaming Chips or Tokens from Manufacturer or Supplier

A. When chips or tokens are received from the manufacturer or supplier thereof, they shall be opened and checked by at least two employees of the holder of an owner/operator's license from different departments. Any deviation between the invoice accompanying the chips or tokens and the actual chips or tokens received or any defects found in such chips or tokens shall be reported promptly to the division. An agent of the division will be notified of the time of delivery of any chips or tokens to the holder of an owner/operator's license.

B. After checking the chips received, the holder of the owner/operator's license shall cause to be reported in a chip inventory ledger the denomination of the chips received, the number of each denomination of chips received, the number and description of all nonvalue chips received, the date of such receipt and the signature of the individuals who checked such chips.

C. If any of the chips received are to be held in reserve and not utilized either at the gaming tables or at a cashier's cage, they shall be stored in a separate locked compartment either in the vault or in a cashier's cage and shall be recorded in the chip inventory ledger as reserve chips.

D. Any chips received that are part of the secondary set of chips of the riverboat shall be recorded in the chip inventory ledger as such and shall be stored in a locked compartment in the riverboat vault separate from the reserve chips.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4313. Inventory of Chips

A. Chips shall be taken from or returned to either the reserve chip inventory or the secondary set of chips in the presence of at least two individuals. The denominations, number and amount of chips so taken or returned shall be recorded in the chip inventory ledger together with the date and signatures of the individuals carrying out this process.

B. Each holder of an owner/operator's license shall, on a daily basis, compute and record the unredeemed liability for each denomination of chips in circulation and cause the result of such inventory to be recorded in the chip inventory ledger. On a monthly basis, each holder of an owner's license shall cause an inventory of chips in reserve to be made and cause the result of such inventory to be recorded in the chip inventory ledger. The procedures to be utilized to compute the unredeemed liability and to inventory chips in circulation and reserve shall be submitted to the division for approval. A physical inventory of chips in reserve shall be required annually if the inventory procedures incorporate the sealing of the locked compartment.

C. During nongaming hours all chips in the possession of the riverboat shall be stored in the chip bank, in the vault, or in a locked compartment in a cashier's cage except that chips may be locked in a transparent compartment on gaming tables provided that there is adequate security as approved by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4315. Redemption and Disposal of Discontinued Chips and Tokens

A. A licensee that permanently removes from use or replaces approved chips or tokens at its gaming establishment, or that ceases operating its gaming establishment, whether because of closure or sale of the establishment or any other reason, must prepare a plan for redeeming discontinued chips and tokens that remain outstanding at the time of discontinuance. The licensee must submit the plan in writing to the division not later than 30 days before the proposed removal, replacement, sale, or closure, unless the closure or other cause for discontinuance of the chips or tokens cannot reasonably be anticipated, in which event the licensee must submit the plan as soon as reasonably practicable. The division may approve the plan or require reasonable modifications as a condition of approval. Upon approval of the plan, the licensee shall implement the plan as approved.

B. In addition to such other reasonable provision as the division may approve or require, the plan must provide for:

1. redemption of outstanding or discontinued chips and tokens, in accordance with this Subsection, for at least 120 days after the removal or replacement of the chips or

tokens or for at least 120 days after operations cease, as the case may be, or for such longer or shorter period as the division may for good cause approve or require;

2. redemption of the chips and tokens at the premises of the gaming establishment or at such other location as the division may approve;

3. publication of notice of the discontinuance of the chips and tokens and of the redemption and the pertinent times and locations in at least two newspapers of general circulation in Louisiana at least twice during each week of the redemption period, subject to the division's approval of the form of the notice, the newspapers selected for publication, and the specific days of publication;

4. conspicuous posting of the notice described in Paragraph B.3 at the gaming establishment or other redemption location;

5. destruction or such other disposition of the discontinued chips and tokens as the division may approve or require; and

6. such destruction must be to the satisfaction of the division and must take place in the presence of an agent of the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4317. Destruction of Counterfeit Chips and Tokens

A. As used in this Section, "counterfeit chips or tokens" means any chip or token-like objects that have not been approved pursuant to this Chapter, including objects commonly referred to as "slugs," but not including coins of the United States or any other nation.

B. Unless a court of competent jurisdiction orders otherwise in a particular case, licensees shall destroy or otherwise dispose of counterfeit chips and tokens discovered at their establishments in such manner as the division may approve or require.

C. Unless a court of competent jurisdiction orders otherwise in a particular case, licensees may dispose of coins of the United States or any other nation discovered to have been unlawfully used at their establishments by including them in their coin inventories or, in the case of foreign coins, by exchanging them for United States currency or coins and including same in their currency or coin inventories, or by disposing of them in any other lawful manner.

D. Each licensee shall record, in addition to such other information as the division may require:

1. the number and denominations, actual and purported, of the coins and counterfeit chips and tokens destroyed or otherwise disposed of pursuant to this Section;

2. the month during which they were discovered;

3. the date, place, and method of destruction or other disposition, including, in the case of foreign coin exchanges,

the exchange rate and the identity of the bank, exchange company, or other business or person at which or with whom the coins are exchanged; and

4. the names of the persons carrying out the destruction or other disposition on behalf of the licensee.

E. Each licensee shall maintain each record required by this Subsection for at least five years, unless the division approves or requires otherwise.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4319. Approval and Specifications for Dice

A. Unless the division approves otherwise, each dice used by a licensee in its gaming establishment must meet the following specifications:

1. be formed in the shape of a perfect cube and of a size no smaller than 0.750 of an inch on each side nor any larger than 0.775 of an inch on each side;

2. be manufactured to an accuracy tolerance of no greater than 0.0002 of an inch;

3. be transparent and made exclusively of cellulose except for the spots, name of the casino and serial numbers or letters contained thereon;

4. have the surface of each of its sides perfectly flat and the spots contained in each side perfectly flush with the area surrounding them;

5. have all edges and corners perfectly square, that is forming perfect 90 degree angles;

6. have the texture and finish of each side exactly identical to the texture and finish of all other sides;

7. have its weight equally distributed throughout the cube and no side of the cube heavier or lighter than any other side of the cube;

8. have its six sides bearing white circular spots from one to six respectively with the diameter of each spot equal to the diameter of every other spot on the die;

9. have spots arranged so that the side containing one spot is directly opposite the side containing six spots, the side containing two spots is directly opposite the side containing five spots and the side containing three spots is directly opposite the side containing four spots;

10. have the name of the casino in which the die is being used imprinted or impressed thereon;

11. each spot shall be placed on the die by drilling into the surface of the cube and filling the drilled out portion with a compound equal in weight to the weight of the cellulose drilled out and which will form a permanent bond with the cellulose cube; and

12. each spot shall extend into the cube exactly the same distance as every other spot extends into the cube to an accuracy tolerance of 0.004 of an inch.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4321. Dice; Receipt, Storage, Inspections and Removal from Use

A. When dice for use on the riverboat are received from the manufacturer or supplier thereof, they shall immediately following their receipt be inspected by a member of the security department and a gaming supervisor to assure that the seals on each box are intact, unbroken and free from tampering. Boxes that do not satisfy these criteria shall be inspected at this time to assure that the dice conform to division standards and are completely in a condition to assure fair play. Boxes satisfying these criteria, together with boxes having unbroken, intact and untampered seals shall then be placed for storage in a locked cabinet or storage area. The cabinet or primary storage area shall be located in the cashier's cage or in another secure place in or immediately adjacent to the gaming area, the location and physical characteristics of which shall be approved by the division or its authorized agent. The secondary storage areas shall be located in secure areas, the location and physical characteristics of which shall be approved by the division or its authorized agent.

B. The licensee shall submit to the division for approval, procedures for:

1. a dice inventory system which shall include, at a minimum, the recordation of the following:

- a. the balance of dice on hand;
- b. the dice removed from storage;
- c. the dice returned to storage or received from the manufacturer;
- d. the date of the transaction; and
- e. the signatures of the individuals involved;

2. a physical inventory of the dice at least once every three months;

a. this inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of dice on hand; and

b. any discrepancies shall immediately be reported to the division;

3. cancellation or marking techniques for dice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4323. Approval and Specifications for Cards

A. Unless the division approves otherwise, cards used by a licensee in its gaming establishment must meet the following specifications.

1. Physical Characteristics of the Cards

a. Cards used to play blackjack and baccarat shall be in decks of 52 cards each with each card identical in size and shape to every other card in such deck.

b. Each deck shall be composed of four suits diamonds, spades, clubs and hearts.

c. Each suit shall be composed of 13 cards ace, king, queen, jack, ten, nine, eight, seven, six, five, four, three, two.

d. The backs of each card in the deck shall be identical and no card shall contain any marking, symbol or design that will enable a person to know the identity of any element printed on the face of the card or that will in any way differentiate the back of that card from any other card in the deck.

e. The backs of all cards in the deck shall be designed so as to diminish as far as possible the ability of any person to place concealed markings thereon.

f. The design to be placed on the backs of cards used by a licensee shall be submitted to the division for approval prior to use of such cards in gaming activity.

g. Each deck of cards shall be packaged separately and shall contain a seal affixed to the opening of such package.

h. Nothing in this Section shall prohibit a manufacturer from manufacturing decks of cards with jokers contained therein provided such jokers are not used by the licensee in the play of the games.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4325. Cards; Receipt, Storage, Inspections and Removal from Use

A. When decks of cards are received for use by the licensee from the manufacturer or supplier thereof, they shall be placed for storage in a locked cabinet area by at least two individuals, one of whom shall be the gaming supervisor and the other from the security department. The cabinet or primary storage area shall be located in the cashiers' cage or in another secure place in or immediately adjacent to the gaming area, the location and physical characteristics of which shall be approved by the division or its authorized designee. Any secondary storage areas shall be located in secure areas, the location and physical characteristics of which shall be approved by the division or its authorized agent.

B. The licensee shall submit to the division for approval procedures for:

1. a card inventory system which shall include, at a minimum, the recordation of the following:

- a. the balance of cards on hand;
- b. the cards removed from storage;
- c. the cards returned to storage or received from the manufacturer;
- d. the date of the transaction; and
- e. the signatures of the individuals involved.

C. Cancellation and Marking Techniques for Cards Removed from Play

D. A Physical Inventory of the Cards at Least Once Every Three Months

1. This inventory shall be performed by an individual with no incompatible functions and shall be verified to the balance of cards on hand required in Subparagraph B.1.a above.

2. Any discrepancies shall immediately be reported to the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

Chapter 45. Labor Organizations**§4501. Labor Organization Registration Required**

A. Each labor organization, union or affiliate representing or seeking to represent employees licensed by the division and employed by a licensed operator, shall register with the division annually.

B.1. The division may exempt any labor organization, union or affiliate from registration requirements where it is found that such labor organization, union or affiliate:

- a. is not the certified bargaining representative of any employee licensed under this Chapter or employed by a licensed operator; and
- b. is neither involved nor seeking to be involved actively, directly, or substantially in the control or direction of the representation of any such employee.

2. Such exemption shall be subject to revocation upon disclosure of information which indicates that the affiliate does not or no longer meets the standards for exemption.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4503. Registration Statement

A. In order to register, a labor organization, union or affiliate shall file with the division a "Labor Organization Registration Statement." These requirements shall be completed and approved by the division prior to the labor organization becoming the certified bargaining representative for employees occupationally licensed to work for a licensed operator.

B. Said statement shall be in the form prescribed by the division and shall include, without limitation, the following:

1. the names of all labor organizations affiliated with the registrant;
2. information as to whether the registrant is involved or seeking to be involved actively, directly or substantially in the control or direction of the representation of any employee licensed by the division and employed by a licensed operator;
3. information as to whether the registrant holds, directly or indirectly, any financial interest whatsoever in the licensed operator whose employees it represents;
4. the names of any pension and welfare systems maintained by the registrant and all officers and agents of such systems;
5. the names of all officers, agents and principal employees of the registrant; and
6. all written assurances, consents, waivers and other documentation required of a registrant by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4505. Registration Renewal

A. A labor organization registration shall be effective for one year. Any such registration may be renewed upon filing of an updated "Labor Organization Registration Statement" no later than 120 days prior to the expiration of the current registration. The division shall act upon such application for renewal no later than 30 days prior to the date of expiration of the current registration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4507. Continuing Duty to Disclose

A. Every registered labor organization shall be under a continuing duty to promptly disclose any change in the information contained in the "Labor Organization Registration Statement" or otherwise requested by the division.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4509. Federal Reports Exception

A. Notwithstanding the reporting requirements imposed by the regulations of the division, no labor organization, union, affiliate or person shall be required to furnish any information which is included in a report filed by any labor organization, union, affiliate or person with the secretary of labor, pursuant to 29 U.S.C., Section 431 et seq. (Labor-Management Reporting and Disclosure Act) if a copy of such report, or if the portion thereof containing such information, is furnished to the division pursuant to the aforesaid federal provisions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4511. Qualification of Officers, Agent, and Principal Employees

A. Every officer, agent and principal employee of a labor organization, union or affiliate required to register with the division pursuant to this Chapter and the regulations of the division shall be qualified in accordance with criteria contained in riverboat gaming enforcement division regulation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4513. Qualification Procedure

A. In order to be qualified, every officer, agent and principal employee of a labor organization, union or affiliate required to register with the division pursuant to the regulation of the division shall file with the division a "Labor Organization Individual Disclosure Form," which shall be completed, signed and filed in accordance with the requirements of this Chapter, provided, however, that such a form need not be filed by an officer of a national or international labor organization where that officer exercises no authority, discretion or influence over the operation of such labor organization with regard to any employment matter relating to employees licensed under the Act and employed by a licensed operator; and provided further, that any such officer of a national or international labor organization may be directed by the division to file a "Labor Organization Individual Disclosure Form" or to provide any other information in the same manner and the same extent as may be required of any other officer of a labor organization which is required to register under this Chapter.

B. Each officer, agent or principal employee required to file, a "Labor Organization Individual Disclosure Form" shall do so initially at the time the pertinent labor organization, union or affiliate applies or should apply for registration or at the time the individual is elected, appointed or hired, whichever is later.

C. Following an initial finding of qualification, each qualified individual who has filed an initial "Labor Organization Individual Disclosure Form" shall annually file with the division a properly completed, updated "Labor Organization Individual Disclosure Form."

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4515. Waiver of Disqualification Criteria

A. Notwithstanding the qualification requirements as to any such officer, agent or principal employee, the division may waive any disqualification criteria upon a finding that the interests of justice so require.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4517. Interest in Operator's License Prohibited

A. Neither a labor organization, union, or affiliate nor its officers, and agents not otherwise individually licensed under the Act and employed by a licensed operator may hold any financial interest whatsoever in the licensee whose employees they represent.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

§4519. Failure to Comply; Consequences

A. No labor organization, union or affiliate required to register with the division shall receive any dues from or on behalf of or administer any pension, welfare funds from or on behalf of any licensed employee and employed by a licensed operator or its agent:

1. if the said labor organization, union, or affiliate shall fail to properly register with the division or provide all information requested by the division in accordance with the provisions of this Chapter or the regulations of the division;

2. if any officer, agent or principal employee of such labor organization, union, or affiliate shall fail to qualify in accordance with the provisions of this Chapter or the regulations of the division; or

3. if the said labor organization, union, affiliate or any officer or agent thereof shall hold a prohibited interest in a licensed operator.

B. Nothing herein shall be construed to limit the right of the division to impose any sanctions or take any action authorized by these regulations and the Riverboat Gaming Control Act.

AUTHORITY NOTE: Promulgated in accordance with R.S. 4:501 et seq.

HISTORICAL NOTE: Promulgated by the Department of Public Safety and Corrections, Office of State Police, Riverboat Gaming Enforcement Division, LR 21:702 (July 1995).

Title 42

LOUISIANA GAMING

Part XV. Lottery

Chapter 1. On Line Lottery Games

§101. Policy Statement

A. The Louisiana Lottery Corporation (the "corporation") is authorized by R.S. 47:9008.A to adopt such rules and regulations as may be necessary to conduct specific lottery games and operations of the corporation. Pursuant to that grant of authority, the board of directors of the corporation (the "board") has adopted these on-line lottery games general rules, which are intended to provide general guidelines concerning the conduct and administration of on-line lottery games.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:63 (January 1997).

§103. Definitions

A. As used in the game rules, game directives and drawing directives, the following words and phrases shall have the following meanings unless the context clearly requires otherwise.

Board—The Board of Directors of the Louisiana Lottery Corporation.

Claim Center—A regional office or claims office of the corporation at which winners may redeem prizes.

Claim Deadline—The day after which prizes from a particular game or on-line drawing are no longer eligible to be redeemed or claimed.

Claim Form—The form provided by the corporation to be completed by prize winners when claiming a prize.

Corporation—The Louisiana Lottery Corporation.

Drawing Directive—The detailed drawing instructions followed by the corporation for each drawing event.

Free Ticket—A lottery prize for which the winner is entitled to another ticket for the same game, without charge.

Game Directive—The game-specific guidelines that itemize the particular requirements of each game.

Game Rules—These general rules regarding all on-line lottery games, prize payments, and other game parameters.

Invalid Ticket—Any ticket that fails to meet all of the validation requirements of the corporation.

Lottery—Any game of chance approved by the corporation and operated pursuant to the Louisiana Lottery Corporation Law.

Lotto—A lottery game that offers a player a choice of five, six or seven numbers out of a specified field of numbers, the winner being determined by a drawing.

Numbers Game—A lottery game permitting the player to choose a three-digit or four-digit number, the winner being determined by a drawing.

On-Line Game Ticket—An official ticket issued by the corporation in connection with any on-line lottery game, produced on official paper stock by an on-line retailer in an authorized manner, bearing player or computer selected numbers, figures and/or characters representing the type of wager, drawing date, amount of wager, and validation data.

On-Line Lottery Game—A game, authorized in §105, which is played using ticket-generating terminals linked to a central computer, with winners being determined by a drawing.

On-Line Retailer—Any person with whom the corporation has contracted to sell on-line game tickets to the public.

President—The president of the Louisiana Lottery Corporation.

Quick-Pick—A player option by which on-line game number selections are determined at random by computer software.

Valid Ticket—A ticket that meets the validation requirements of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, amended October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:64 (January 1997).

§105. General Provisions

A. These game rules authorize the corporation to offer the following on-line lottery games.

1. Pick 3 Daily Game. An on-line numbers game permitting a player to choose a three-digit number, the winner being determined by a drawing.

2. Lotto. An on-line lotto game permitting a player a choice of six numbers out of a specified field of numbers, the winner being determined by a drawing.

3. Easy 5. An on-line lotto game permitting a player a choice of five numbers out of a specified field of numbers, the winner being determined by a drawing.

4. Cash Quest. An on-line lotto game providing a player multiple sets of four numbers out of a specified field of numbers, the winner being determined by a drawing.

5. Pick 4 Game. An on-line numbers game permitting a player to choose a four-digit number, the winner being determined by a drawing.

B. Introduction of a new on-line lottery game may only be accomplished by amendment of these game rules to include the game as an authorized game. These game rules shall apply to the on-line lottery games listed in this Section. The detailed information regarding each on-line game will be contained in a game directive promulgated by the president. The game directive must be signed by the president prior to the start of the game. Each game directive will be distributed and posted at every corporation office and will be available for public inspection during the sales period of the particular game.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 22, 1992 and promulgated in *The Advocate* November 3, 1992, amended October 21, 1994, promulgated in *The Advocate* October 28, 1994, repromulgated LR 23:63 (January 1997), amended LR 24:1762 (September 1998).

§107. Probability of Winning

A. The overall probability of winning any prize in a particular game (expressed as "odds" of winning as that term is commonly used in the lottery industry) will be contained in the game directive for that game and shall be included in the promotional materials for the game. The statement of "odds" does not need to specify the "odds" of winning each particular prize. The corporation shall make every attempt to release accurate "odds" information in press releases for each on-line lottery game.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:64 (January 1997).

§109. Compliance with Law/Rules

A. In submitting an official on-line game ticket for validation, the player agrees to abide by applicable laws, all corporation rules, regulations, policies, directives, instructions, conditions, and final decisions of the president of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:64 (January 1997).

§111. Names of Winners

A. The corporation shall have the right to use the names and the city or area of residence of all prize winners in on-line lottery games. The information may be used by the corporation for advertising and publicity purposes. The corporation will not make public the addresses or phone numbers of on-line lottery winners. Such information will be

provided to authorized governmental agencies, as required by law or as deemed appropriate. Winners who grant the corporation permission to be photographed agree to allow the use of such photographs for publicity and advertising purposes without any additional compensation.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§113. Age Eligibility

A. No person under 18 years of age may purchase an on-line game ticket, but persons under 18 years of age may receive an on-line game ticket as a gift.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§115. Retailer Eligibility

A. Retailers authorized by the corporation to sell tickets may purchase tickets and may claim prizes resulting from any tickets so purchased.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§117. End of Game

A. Each on-line lottery game will continue until such ending date as may be announced by the president. The president may suspend or terminate a game without notice if such action is deemed to be in the best interest of the corporation. No tickets for a particular game may be sold for a game after the suspension or termination of the game.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§119. Winner Validation

A. Except as provided in specific game directives, the following requirements will apply to the validation of winning on-line game tickets.

1. The validation data, number selections, and drawing date(s) printed on the ticket must be present in their entirety and must correspond with the data reflected in the corporation's computer records relating to the production of the ticket.

2. The on-line ticket must be intact and not defaced in any manner.

3. The ticket must not be mutilated, altered, reconstituted, or tampered with in any manner.

4. The ticket must not be counterfeit in whole or in part, nor an exact duplicate of another winning ticket.

5. The ticket must have been issued by an authorized on-line retailer in the authorized manner on official paper stock.

6. The ticket must not be stolen or canceled.

7. The ticket must have exactly the specified number of computer selected numbers, figures and/or characters, and validation data as provided for in the game directives for the game.

8. The ticket must not be partially blank, misregistered, defectively printed, or produced in error to the extent that it cannot be validated by the corporation.

9. The ticket must be submitted for redemption within the claim period provided for in the game.

10. The ticket must be submitted for payment in accordance with the provisions set forth in each game directive.

11. The player or computer number selections, validation data and drawing date(s) of an apparent winning ticket must appear on the official transaction record of the corporation, and a ticket with that exact data must not have been previously paid.

12. The ticket must pass all other confidential security checks of the corporation.

13. In submitting an official on-line game ticket for validation, the player agrees to abide by applicable laws, all corporation rules, regulations, policies, directives, instructions, conditions, and final decisions of the president of the corporation.

B. Except as provided above, any on-line game ticket that fails to pass any of the validation requirements is void and ineligible for any prize, and no prize shall be paid. Liability for defective tickets is limited to the original purchase price of the ticket.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, repromulgated LR 23:65 (January 1997).

§121. Prize Payment

A. On-line lottery game prizes will be paid in accordance with game directives and retailer regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§122. Delay of Payment

A. The corporation shall pay prizes in a timely fashion but may delay making payment of any prize or installment of a prize under the following circumstances.

1. A dispute occurs or it appears that a dispute may occur relative to any prize.

2. There is any question regarding the identity of the claimant.

3. There is any question regarding the validity of the ticket.

4. The claim is subject to any court ordered garnishment.

5. The corporation becomes aware of a change in circumstances relative to a prize award which requires review.

B. The corporation assumes no liability for interest for any delay of payment of a prize or installment.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:65 (January 1997).

§123. Claim Form

A. For any prize of more than \$600, the owner of the apparent winning ticket shall complete an official claim form that requires the winner to provide:

1. the name of the individual or entity claiming the prize;

2. the address and city of residence of the claimant;

3. the Social Security number of the individual claimant or the federal employer's identification number issued by the IRS for multiple claimants.

B. No prize payment will be authorized if the required information is not provided by the claimant. The name of the owner printed on the back of the ticket must correspond with the name of the claimant.

C. A group, family unit, club or other organization which plays as a partnership which is not a legal entity and which does not possess a federal employer's identification number may claim a lump sum prize if it:

1. files an Internal Revenue Service Form 5754, "Statement by Person(s) Receiving Gambling Winnings," or a successor form, with the corporation, designating to whom the prize is to be paid and the person or persons to whom the prize is taxable; or

2. designates one individual in whose name the claim shall be entered and furnishes that person's Social Security number and other required information.

D. Formal recognition of partnership play will be required with respect to lotto grand prizes paid on an installment basis. Formal recognition shall include, but shall not be limited to, production of a partnership agreement or memorandum thereof, listing the names of all partners. The corporation must also be furnished a federal employer's identification number for the partnership entity. Each such recognized partnership shall receive a single annual installment payment payable to the partnership.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:66 (January 1997).

§125. Assignability

A. The right of any person to a prize after the prize is claimed shall not be assignable. The corporation may pay any prize to the estate of a deceased winner. Any prize to which a winner is entitled may be paid to any person pursuant to an appropriate judicial order.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:66 (January 1997).

§127. Installment Prizes

A. The corporation may provide for the payment of any prize of more than \$100,000 in equal annual installments. The schedule of payments shall be designed to pay the winner equal dollar amounts each year until the total payments equal the prize amount. When the prize amount is paid in installments, the president may round the actual amount of the prize to the nearest \$1,000 amount to facilitate the appropriate funding mechanism. The period of payment of any installment payment schedule shall not exceed 20 years. The corporation shall not accelerate the payment schedule of any installment prize without the consent of the winner.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:66 (January 1997), amended LR 26:703 (April 2000).

§129. Merchandise Prizes

A. If a noncash prize is offered, the value of the prize will be determined by the fair market value of any such prize, which will be the amount reported to the state and the IRS for tax purposes. If the value of the prize is \$5,000 or more, the corporation will pay withholding taxes on behalf of the winner in accordance with federal and state rules. The corporation will not be responsible for any other fees associated with the prize.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:66 (January 1997).

§131. Drawings

A. The corporation shall follow drawing directives that detail the procedures for conducting each on-line game drawing, the drawing method, and the equipment to be utilized. The corporation shall exercise care to insure a

totally random drawing process that results in the selection of prize winners in a method that favors none of the participants.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:66 (January 1997).

§133. Independent Auditor

A. All drawing events shall be witnessed by an independent auditing firm. The independent auditor shall attest to the fact that the procedures for the drawing were properly disseminated and that the procedures were followed, and shall make note of any exceptions to the procedures.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, February 18, 1992 and promulgated in *The Advocate*, February 28, 1992, repromulgated LR 23:67 (January 1997).

§135. Bulk Purchase

A. *Bulk Purchase* is the purchase of on-line game tickets for the purpose of accomplishing a buyout of a lotto jackpot or grand prize pool. The bulk purchase of on-line game tickets by an investment syndicate, investment group, corporation or any person for investment purposes is expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:67 (January 1997).

§137. Bulk Sale

A. *Bulk Sale* is the sale of on-line game tickets by a licensed on-line retailer for the purpose of assisting the purchaser in accomplishing a buyout of a lotto jackpot or grand prize pool. The bulk sale of on-line game tickets by a licensed on-line retailer is expressly prohibited.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation, October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994 and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:67 (January 1997).

§139. Enforcement

A. The game directive shall include provisions to enforce the prohibitions contained in §§135 and 137.

AUTHORITY NOTE: Promulgated in accordance with R.S.47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 22, 1992 and promulgated in *The Advocate*, November 3, 1992, amended October 21, 1994, and promulgated in *The Advocate*, October 28, 1994, repromulgated LR 23:67 (January 1997).

§141. Multi-State Lottery

A. This Section authorizes the Louisiana Lottery Corporation, through an agreement with the Multi-State Lottery Association (MUSL), to offer the following games: "PowerBall," "Daily Millions," and "Rolldown." Introduction of any new game conducted by MUSL may only be accomplished by amendment of this Section to include the game as an authorized game. The detailed information regarding the rules of the powerball game, the daily millions game, and the rolldown game will be contained in a game directive promulgated by the president. The game directive must be signed by the president prior to the start of the game. The game directive will be distributed and posted at every corporation office and will be available for public inspection during the sales period of powerball, daily millions, and rolldown.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on October 21, 1994, and promulgated in *The Advocate*, October 28, 1994, amended LR 23:67 (January, 1997), amended LR 26:1631 (August 2000).

Chapter 3. Procurement Policies and Rules

§301. Policy Statement

A. The Board of Directors of the Louisiana Lottery Corporation adopts these policies and rules in order to assure public confidence in the procedures followed by the corporation in procuring the items, products and services necessary to conduct a successful lottery. Public confidence depends on the corporation developing and maintaining procurement procedures that:

1. are subject to the highest ethical standards;
2. promote the acquisition of high quality goods and services at competitive prices;
3. promote administrative efficiency;
4. recognize that the operation of a lottery is a unique activity of an instrumentality of the state of Louisiana; and
5. afford fair treatment of all persons offering their products and services to the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:705 (April 2000).

§303. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these policies and rules.

Authorized Officers—the president, the vice president, the secretary-treasurer, the procurement officer and all persons designated as division heads in the corporation's organizational structure from time to time.

Board—the Board of Directors of the Corporation as established and existing pursuant to the Louisiana Lottery Corporation Law.

Business—any corporation, partnership, individual, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or any other legal entity through which business is conducted.

Contractor—any business with which the corporation has entered into a procurement contract.

Director—a person appointed to the board pursuant to Section 9004 of the Louisiana Lottery Corporation Law; the term shall not include ex officio, nonvoting members of the board.

Louisiana Laws—all provisions of the Constitution of the State of Louisiana and all statutes, codes, rules and regulations.

Louisiana Lottery Corporation Law—the provisions of R.S. 47:9000 et seq.

Major Procurement—shall have the same meaning ascribed to such term in Section 9002(3) of the Louisiana Lottery Corporation Law.

Minor Procurement—a Procurement of goods or services for amounts of less than \$100,000.

Non-Statutory Major Procurement—a procurement that would be a major procurement but for the fact that it is a procurement common to the ordinary operations of a corporation within the meaning of Section 9002(3) of the Louisiana Lottery Corporation Law.

Person—any business, individual, union, committee, club, firm, corporation or other organization or group of individuals.

Procurement—the acquisition by the corporation of any goods or services in return for a cash payment. The term shall not include:

- a. acquisitions from an agency or political subdivision of the state of Louisiana;
- b. employment contracts with individuals;
- c. contracts relating to the retail sales of lottery tickets;
- d. financing; or
- e. contracts for goods or services provided as part of, or related to, a lease of immovable property.

Procurement Authorization—the document prepared by the corporation pursuant to Part B, Section 2 of these policies and rules.

Procurement Officer—the officer of the corporation appointed by the president to manage and supervise procurements from time to time.

Request for Proposals or *RFP*—the document prepared by the corporation pursuant to Part B, Section 2 of these policies and rules.

Special Circumstances—the circumstances stated in Part B, Section 10 of these policies and rules.

Special Procurement—procurement authorized in Part B, Section 10 of these policies and rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:705 (April 2000).

§305. Authority of the Corporation

A. These policies and rules are adopted pursuant to the power granted to the corporation under Section 9028 of the Louisiana Lottery Corporation Law. These policies and rules are supplemental to and not in substitution for all Louisiana Laws other than those relating to procurement to which the directors, officers, employees and contractors are subject, including without limitation the Louisiana Code of Governmental Ethics and the Louisiana Lottery Corporation Law. These policies and rules shall, pursuant to Section 9028 of the Louisiana Lottery Corporation Law, render Louisiana Laws on procurement inapplicable to the corporation. Additionally, these policies and rules shall be deemed to incorporate the Louisiana Code of Governmental Ethics and the Louisiana Lottery Corporation Law such that, to the extent any conduct, action or a failure to act of any director, officer, employee or contractor is prohibited by or violates either of the Louisiana Code of Governmental Ethics or the Louisiana Lottery Corporation Law, such violation shall constitute a violation of these policies and rules. A violation of these rules by a contractor shall constitute good cause for the suspension, revocation or refusal to renew any contract entered into pursuant to these rules.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:706 (April 2000).

§307. Applicability

A. These provisions shall apply to all procurements other than minor procurements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§309. Initiation of Procurement

A. The corporation shall initiate procurement by preparation of a procurement authorization which authorizes the procurement. The procurement authorization shall clearly state the goods or services to be procured, the corporation's need for the goods or services, an estimate of the anticipated cost of the procurement and a listing of potential contractors. The listing of potential contractors shall include all businesses known to the corporation as being in the business of supplying the subject goods or

services and from whom a response to the corporation's request for proposals would enhance the competition among businesses for the procurement contract. The listing need not be included if it would include over 10 potential contractors. The president (or in his absence the vice president or the secretary-treasurer), the procurement officer and the division head of the division for which the procurement will occur shall execute the procurement authorization and the procurement officer shall immediately send copies of the procurement authorization to all directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§311. Preparation of Request for Proposals

A. Upon execution of the procurement authorization, the corporation shall prepare a request for proposals which shall include, at a minimum, the following information:

1. clear and complete specifications of the goods or services required by the corporation, prepared in such a manner as to promote comparability of responses by potential contractors;
2. a requirement that all responding proposals be in writing and the time by and place at which all responding potential contractors should submit proposals; and
3. a listing of the criteria the corporation will use in evaluating proposals by responding potential contractors and the relative weight the corporation will give the respective criteria.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§313. Dissemination of RFP

A. The corporation shall give public notice of the RFP by advertising its issuance in the official journal of Louisiana. The advertisement shall appear at least 20 days before the last day that the corporation will accept proposals by potential contractors. The advertisement shall specify the goods or services required by the corporation, the last date that the corporation will accept proposals and an address at which a copy of the RFP can be obtained. When advisable in order to enhance the competitiveness of the procurement process, the corporation shall advertise the issuance of the RFP in trade journals which serve the interests of businesses likely to respond to the RFP. Additionally, the corporation shall mail the RFP to potential contractors shown on the procurement authorization and to all directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:706 (April 2000).

§315. Cancellation or Amendment of RFP

A. The corporation may cancel or amend any outstanding RFP by written notice to all businesses to which the RFP was sent or given. The reasons for cancellation or amendment of an RFP shall be stated on a separate document attached to the version of the notice retained by the corporation, and the corporation shall deliver a copy of this version to the directors.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§317. Acceptance and Evaluation of Proposals

A. The corporation shall consider and evaluate all proposals responding to the RFP, which are submitted in compliance with the deadline and other requirements stated in the RFP. The corporation may waive any deficiency or non-conformity of a proposal or provide the responding business a reasonable period of time to cure the deficiency or non-conformity, provided that such action does not prejudice the status of other proposals. At any time prior to completion of the evaluation process, the corporation may request any responding potential contractors to clarify or expand upon provisions of their proposals. The corporation shall evaluate proposals in a manner consistent with the RFP and in accordance with a standard evaluation. The procurement contract shall be awarded in the corporation's sole and uncontrolled discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§319. Preparation of Contract

A. Upon completion of the evaluation and mutual acceptance of all terms of the proposal by the corporation and the contractor, the corporation shall prepare the contract. The contract shall contain, at a minimum, the following:

1. the name and address of the contractor;
2. the goods to be delivered or the services to be performed under the contract;
3. the term of the contract and a statement giving the corporation the right to terminate the contract unilaterally upon 30 days written notice;
4. a provision giving the corporation the right to audit those financial records of the contractor which relate to the contract;
5. a provision that the contractor shall not transfer any interest in the contract without the prior written consent of the corporation (except that claims for money due or to become due to the contractor from the corporation under the contract may be assigned to a bank, trust company or other financial institution but that the corporation shall not be bound by the assignment unless furnished sufficient notice of it);

6. a provision that the contractor shall bear responsibility for paying any taxes which become due as a result of payments to the contractor under the contract;

7. a provision that upon termination of the contract all records, reports, worksheets or any other materials related to the contract shall become the property of the corporation;

8. a provision obligating the contractor to provide the corporation with notice of any material adverse change in its condition, financial or otherwise;

9. a provision requiring the payment of liquidated damages to the corporation upon a material breach of the contract by the contractor; and

10. Louisiana laws will govern the contract.

B. A procurement contract shall not obligate the corporation for an initial term in excess of three years without the approval of the board. A contract may contain two optional periods for extensions of the contract by the corporation, provided that any individual option period or extension shall not exceed one year in duration, and any individual option period or extension may become effective only upon the specific, affirmative exercise of the option, or the specific, affirmative agreement to the extension, by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§321. Authorization and Execution of Contract

A. The corporation shall not execute a contract for a major procurement or a non-statutory major procurement unless the board reviews and approves the contract and authorizes execution of it by an authorized officer. The board may authorize execution of the contract in a form substantially similar to the form presented to the board for review, subject, however, to such modifications as are consistent with the RFP, the proposal and other documents delivered to the board, and as are reported to the board promptly after execution of the contract.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§323. Preservation of Integrity of Procurement

A. In order to preserve the honesty, fairness and competitiveness of the procurement process, the following restrictions on dissemination of information shall apply.

1. Prior to execution of a final contract, directors, officers and employees of the corporation shall not disclose the contents of a proposal or any other communication to a potential contractor to any person not employed by the corporation or its consultants.

2. Directors, officers and employees of the corporation shall not disclose to any potential contractor any information proprietary to the corporation and pertinent to the procurement for which the potential contractor may submit a proposal.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:707 (April 2000).

§325. Special Procurements

A. Notwithstanding any other provision of these policies and rules to the contrary, the corporation may make procurements, including major procurements, without complying strictly with the procedures stated in this Part, if any of the following special circumstances then exist and these circumstances require non-compliance with the procedures stated in this Part:

1. a threat to public health, welfare or safety or the integrity or operation of the corporation;

2. a unique, non-recurring opportunity to obtain goods or services at a substantial cost savings;

3. a sponsorship arrangement permitting the corporation to acquire goods or services at a reduced cost or cost-free;

4. the structure of the applicable market does not permit the corporation to procure the goods or services via a competitive bidding process;

5. the goods or services which meet the corporation's reasonable requirements can be provided only by a single business; or

6. due to time constraints not caused by the corporation, compliance with each of the policies and rules stated in this Part would materially impair the financial performance of the corporation.

B. A procurement under special circumstances shall be made only after the president determines the existence of any of the special circumstances and states the reasons for the determination in a report, which is promptly delivered, to the board. It must be made in compliance with as many of the requirements of this Part as practicable under the circumstances as determined by the president. The board may, by affirmative action prior to the completion of the special procurement, reverse the president's determination and direct the corporation not to make the special procurement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§327. Minor Procurement Procedures

A. The provisions of §329 and §331 shall apply to all minor procurements.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§329. Supervision by Procurement Officer

A. The procurement officer shall supervise, manage and bear responsibility for all minor procurements. The procurement officer shall promulgate written procedures for making competitive minor procurements to the maximum degree possible and will assure the corporation's compliance with these procedures. At the board's request, the procurement officer shall offer these procedures to the board for review, and the board may modify these procedures in its discretion.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§331. Minimum Requirements of Procedures

A. Procedures promulgated by the procurement officer pursuant to this Part shall, at a minimum, require:

1. that no minor procurement shall be structured as such in order to avoid the policies and rules applicable to procurements stated in §301;

2. that, in instances where a sole source contractor is used, it shall be fully justified in writing prior to the procurement and retained as part of the file. This requirement will not apply to procurements made under this Part against a standing order contract that was entered into on a competitive basis;

3. that all disbursements by the corporation for minor procurements be by check signed by two authorized officers;

4. that the corporation reasonably justify the need for the minor procurement; and

5. the corporation undertake reasonable steps, considering the size of the minor procurement, to obtain high quality goods or services as competitive costs.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991 and promulgated in *The Advocate* on October 8, 1991, repromulgated LR 26:708 (April 2000).

§333. Appeals

A. The procedures stated in this Part apply to an appeal of a corporation determination by a vendor, contractor, or a person seeking to become a vendor or contractor under Section 9017 of the Louisiana Lottery Corporation Law.

B. Prior to making an appeal, an appellant must send the president a request letter stating the action of which the appellant seeks modification and all reasons the appellant advances for modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request, and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are correct to the best knowledge of the appellant. The president shall respond to the request letter in writing within 10 days of the corporation's receipt of it, stating all reasons for the response.

C. An appellant may appeal the president's denial of all or any part of the appellant's request stated in the appellant's request letter by sending the president a notice of appeal. The notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the corporation within 10 days of the appellant's receipt of the president's letter denying the appeal. The notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable under Subsection E of this Section. Upon receipt of a notice of appeal, the president shall deliver the notice, the appellant's request letter and the president's denial letter to the board.

D. The board shall consider the appeal at its next regular meeting to occur five or more days after receipt of the notice of appeal. The hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act. The chairman may call a special meeting of the board to hear an appeal if the appellant has requested an expedited hearing and the chairman in his sole discretion believes that the appeal warrants an expedited hearing. The president shall give the appellant reasonable notice of the time and location of the board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the board. The presentation may not include points or subjects which were not included in the appellant's request letter. The corporation shall keep a complete record of the hearing and shall make it available to the appellant. The board shall render its decision on the appeal by majority vote within five days after conclusion of the hearing.

E. If the appellant requested an expedited hearing, the board conducts the hearing at a special meeting, and the board denies the appeal, the board may charge the appellant the corporation's reasonable costs incurred in connection with the special meeting, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:708 (April 2000).

§335. Amendment

A. These policies and rules may be amended according to Part D of the bylaws and rules of procedure of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on September 26, 1991, promulgated in *The Advocate* on October 8, 1991, amended LR 26:709 (April 2000).

Chapter 5. Retailer Regulations

§501. Policy Statement

A. In order to conduct a successful lottery, the Louisiana Lottery Corporation (the "corporation") must develop and maintain a statewide network of lottery retailers that will serve the public convenience and promote the sale of tickets, while insuring the integrity of the lottery operations, games and activities. In order to facilitate such objectives, the corporation has adopted these retailer regulations. Such retailer regulations shall be in addition to and not a substitute for the provisions of the Louisiana Lottery Corporation Law, other provisions of Louisiana or federal law and the other rules and regulations of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:709 (April 2000).

§503. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these retailer regulations.

Board—the Board of Directors of the corporation as established and existing pursuant to the Louisiana Lottery Corporation Law.

Director—a person appointed to the board pursuant to §9004 of the Louisiana Lottery Corporation Law; the term shall not include ex officio, nonvoting members of the board.

Employee—any person who is not a director or officer but who is employed by the corporation to work a regular work week of 25 or more hours per week, or any person who is not a director or officer of the corporation but who is employed or contracted by the corporation to perform work for which he or she will either:

a. work, in any six week period, more than 200 hours for the corporation; or

b. receive, in any one-year period, more than \$10,000, in the aggregate, for work performed for the corporation. "Employee" shall not include a person who otherwise meets the above criteria but who is an employee of an organization contracted to perform services for or provide products to the corporation; provided that, with regard to the conduct of such employee, such organization is subject to another provision of Louisiana law.

Instant Retailer—a person or organization that sells instant tickets to the public, and an "on-line retailer" means a person or organization that sells on-line tickets to the public. Without affecting the definitions in this Section, an instant retailer may also sell, or may in the future sell, on-line tickets, and an on-line retailer shall sell instant tickets.

Louisiana Laws—all provisions of the Constitution of the state of Louisiana and all statutes, codes, rules and regulations.

Lottery Tickets—lottery instant tickets or on-line tickets or any other ticket sold to the public as part of a lottery game.

Louisiana Lottery Corporation Law—the provisions of R.S. 47:9000 et seq.

Officer—the president, the vice president, and the secretary-treasurer.

Organization—a corporation, partnership, joint stock association, sole proprietorship, joint venture, business association, cooperative association, professional corporation or other entity existing for any purpose.

Retailer—any person or organization with whom the corporation has contracted to sell lottery tickets to the public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:709 (April 2000).

§505. Authority of the Corporation

A. These retailer regulations are adopted pursuant to the powers granted to the corporation under the Louisiana Lottery Corporation Law. These retailer regulations are supplemental to and not in substitution for other Louisiana laws to which retailers are subject.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:710 (April 2000).

§507. Ethical Rules Relating to Retailers

A. A retailer shall be subject to the Louisiana Code of Governmental Ethics and the applicable provisions of the Louisiana Lottery Corporation Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:710 (April 2000).

§509. Selection of Retailers

A. General Provisions. The following provisions shall generally apply to the selection of retailers.

1. In selecting retailers, whether of instant tickets or of on-line tickets, the corporation may consider the following factors, among others:

- a. financial responsibility;
- b. integrity;
- c. reputation;

d. accessibility of the place of business or activity to the public;

e. security of the premises;

f. sufficiency of existing retailers to serve the public convenience;

g. projected volume of sales for the lottery game involved.

2. The corporation may conduct whatever investigations it deems necessary to analyze an application and may require any applicant to produce any information the corporation deems necessary.

3. The selection of retailers shall be made without regard to political affiliation, activities, or monetary contributions to political organizations or candidates for any public office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:710 (April 2000).

§511. Threshold Criteria for Retailers

A. An applicant for retailer status may not become and remain a retailer unless the applicant meets the following threshold criteria.

1. The applicant is current in payment of all taxes, interest, and penalties owed to any taxing political subdivision where the applicant sells lottery tickets.

2. The applicant is current in filing all applicable tax returns and in payment of all taxes, interest, and penalties owed to the state of Louisiana, excluding items under formal appeal pursuant to applicable statutes.

3. The applicant has not been:

a. convicted of a criminal offense related to the security or integrity of a lottery in Louisiana or any other jurisdiction;

b. convicted of any illegal gambling activity, false statements, false swearing, or perjury in this or any other jurisdiction; or convicted of any crime punishable by more than one year imprisonment or a fine of more than \$1,000, or both;

c. found to have violated the provisions of these retailer regulations, the Louisiana Lottery Corporation Law or any administrative regulation adopted thereunder, unless either 10 years have passed since the violation, or the president and the board find the violation both minor and unintentional in nature;

d. a vendor (as defined in §9002(8) of the Louisiana Lottery Corporation Law) or any employee or agent of any vendor doing business with the corporation;

e. a resident in the same household as an officer of the corporation;

f. found to have made a statement of material fact to the corporation, knowing such statement to be false.

4. The applicant meets such other criteria as the corporation adopts from time to time relating to the integrity, reputation, financial responsibility, business practices or qualifications of an applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, amended LR 26:710 (April 2000).

§513. Criteria for Instant Retailers

A. In general, the corporation shall permit any applicant meeting the threshold criteria stated in §511 above to become an instant retailer. However, the board may from time to time adopt specific policies relative to the selection of instant retailers if it determines that the corporation's best interests will be served by such policies. The determination and policies shall be stated in a written policy statement adopted by the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:711 (April 2000).

§515. Criteria for On-Line Retailers

A. The board shall maintain a limitation on the number of on-line retailers. The limitation shall be based on the number of on-line retailers permitted under the corporation's contracts for procurement of an on-line lottery system and other appropriate objective business factors. The determination and policies shall be stated in a written policy statement adopted by the board. The mechanism and factors established to determine which applicants become on-line retailers shall be based solely on the corporation's business needs and shall afford fair and objective treatment to all applicants. By way of example, but not limitation, such determining factors may include:

1. the status of the applicant's license to sell instant tickets, if any, and the applicant's volume of instant ticket sales;

2. the distribution of retailers for on-line tickets throughout the state and the geographic area serviced by the applicant, and the sufficiency of retailers for on-line tickets to serve the public convenience at any particular location in the state;

3. the average number of customers who visit an applicant's place of business;

4. the applicant's hours of operations;

5. the capability and willingness of an applicant to pay prizes up to the maximum amount payable by retailers at various times during the day;

6. the capability and willingness of an applicant to promote the sale of lottery tickets;

7. the applicant's proposed location for the terminal to sell on-line tickets;

8. the financial stability of an applicant;

9. any problems the corporation has experienced with an applicant's electronic fund transfer account for instant ticket sales;

10. the degree to which an applicant uses display materials for instant ticket games;

11. the sales potential for on-line tickets by the applicant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:711 (April 2000).

§517. Application Procedure and Fees

A. The corporation may develop forms for the retailer applications requesting all such information required by law or that the corporation deems necessary or appropriate to evaluate retailers. The corporation may require that such application be completed, executed, acknowledged, notarized or any of the foregoing, and that an officer of the retailer execute and acknowledge or notarize any oath that the corporation deems necessary or appropriate.

B. Each applicant for a license to sell lottery tickets shall provide to the corporation a non-refundable application fee in an amount determined by the board from time to time.

C. Special procedures for application for a retailer license may be developed by the corporation for applicants that are a "chain store group," or a group of two or more stores or other retail outlets under common control. Each applicant that is a chain store group shall pay a non-refundable application fee in an amount determined by the board from time to time for each retail outlet location which shall be covered by such license.

D. Instant retailers who apply to become on-line retailers shall be assessed such uniform charges and fees as are stated in the policy statement for on-line retailers. Such uniform charges and fees are intended to satisfy the requirements of R.S. 47:9051.C. Such uniform charges and fees may be defined as reimbursements for costs associated with providing the retailer on-line status, do not constitute revenue to the corporation and may be collected on a weekly, monthly or annual basis.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated in *The Advocate* on January 1, 1994, amended LR 26:711 (April 2000).

§519. Other Business of Retailers

A. A retailer may not be engaged exclusively in the sale of lottery tickets. However, this Section does not preclude the corporation from contracting for the sale of lottery tickets with nonprofit, charitable organizations or units of local government in accordance with the provisions of these retailer regulations, the Louisiana Lottery Corporation Law and Louisiana Law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:711 (April 2000).

§521. Duty to Update

A. Any information provided by a retailer to the corporation under these retailer regulations or on any application, filing or other instrument submitted to the corporation that becomes incorrect or misleading shall immediately be updated by the retailer by providing an explanation thereof to the corporation. Without limiting the foregoing, a retailer shall notify the corporation immediately if any change in the ownership of the licensed retailer location occurs or of any conviction that would affect the retailer's eligibility to obtain a retailer license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:711 (April 2000).

§523. Retailer Certificate

A. Each applicant that is accepted by the corporation shall be issued a lottery retailer certificate, which shall be conspicuously displayed at the place where the retailer is authorized to sell lottery tickets. Lottery tickets shall only be sold by the retailer at the location stated on the lottery retailer certificate.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended in *The Advocate* on December 24, 1991, repromulgated LR 26:712 (April 2000).

§525. Annual Renewal Required

A. There shall be an annual renewal process October through December 31 of each year for licenses obtained after January 1. If a license is obtained after October 1 the license shall not expire until the next succeeding calendar year. Expired licenses not renewed by December 31 shall be suspended and/or terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:712 (April 2000).

§527. Assignability of Contracts

A. No retailer contract awarded pursuant to these retailer regulations shall be transferable or assignable. No retailer shall contract with any person for lottery goods or services except with the approval of the board.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:712 (April 2000).

§529. Suspension, Revocation or Termination of Contracts

A. Any retailer contract may, for good cause, be suspended, revoked, or terminated by the president if the retailer is found to have violated any provision of these retailer regulations, the Louisiana Lottery Corporation Law or objective criteria established by the board. All retailer contracts shall be renewable annually after issuance unless sooner canceled or terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:712 (April 2000).

§531. Cancellation of Contracts

A. Any contract executed by the corporation pursuant to these retailer regulations and the Louisiana Lottery Corporation Law shall specify the reasons for which any contract may be canceled, suspended, revoked, or terminated by the corporation, which reasons shall include but not be limited to:

1. commission of a violation of these retailer regulations, the Louisiana Lottery Corporation Law or administrative regulations adopted pursuant thereto or other provisions of Louisiana Law;
2. failure to accurately account for lottery tickets, revenues, or prizes as required by the corporation;
3. commission of any fraud, deceit, or misrepresentation;
4. insufficient sale of tickets;
5. conduct prejudicial to public confidence in the lottery;
6. the retailer filing for or being placed in bankruptcy or receivership;
7. any material change in any matter considered by the corporation in executing the contract with the retailer; or
8. failure to meet any of the objective criteria established by the board pursuant to these retailer regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:712 (April 2000).

§533. Power of President

A. If, in the discretion of the president, cancellation, denial, revocation, suspension, or rejection of renewal of a retailer contract is in the best interests of the lottery, the public welfare, or the state of Louisiana, the president may cancel, suspend, revoke, or terminate, after notice and a hearing, any contract issued pursuant to these retailer regulations or the Louisiana Lottery Corporation Law. Such contract may, however, be temporarily suspended by the president without prior notice, pending any prosecution, hearing, or investigation, whether by a third party or by the president. A contract may be suspended, revoked, or terminated by the president for any one or more of the reasons enumerated in this Section.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:712 (April 2000).

§535. Retailer Security

A. The following rules shall apply to the retailer security, which §9053 of the Louisiana Lottery Corporation Law requires of retailers.

B. The security shall consist of a letter of credit or bond issued by a bank or surety company acceptable to the corporation. For purposes of this Section, the term "bond" shall include cash, cash-equivalent instruments or such other instruments as the corporation determines provide immediate liquidity.

C. The security may be in an amount of no greater than two times the retailer's average gross sales of lottery tickets for the period within which the retailer is required to remit sales proceeds to the corporation. The calculation of the security amount shall exclude the amount of lottery tickets for which the retailer has paid in advance.

D. The security under this Section shall constitute security for all obligations of the retailer to the corporation pursuant to these retailer regulations or the retailer's contract with the corporation. The obligations of retailers shall include, without limitation, the retailer's obligation to remit sales proceeds and unsold lottery tickets to the corporation. The corporation may enforce the security immediately upon a retailer's default in any such obligations for the full amount of the defaulted obligations up to the amount of the security, without affecting the corporation's right to any deficiency. Enforcement shall occur by drawing upon a letter of credit, request for payment under a bond or otherwise according to law.

E. In order to facilitate the acquisition of the required security by retailers, the corporation shall maintain the retailer security account, a special banking account for the pooling of retailer security and the acquisition of a letter of credit or bond as required by §9053 of the Louisiana Lottery Corporation Law. In lieu of posting security, a retailer having a security obligation may pay a non-refundable \$10 fee to the corporation and the corporation shall deposit this

fee into the retailer security account. Such fee may be increased or decreased by the corporation from time to time. Upon any default by any retailer, the corporation may pay such defaulted obligations, up to the amount of the security required of the retailer, from the letter of credit or bond secured by the retailer security account. Upon such payment, the retailer shall be obligated to reimburse the corporation for the full amount of such defaulted obligation and the corporation shall deposit the reimbursement into the retailer security account. At the end of each fiscal year, the president and the board may authorize inclusion of all or a portion of the unused amounts remaining in the retailer security account at the end of the fiscal year in the revenues of the corporation for the fiscal year.

F. The retailer's authority to sell lottery tickets shall be suspended for any period in which the retailer does not maintain the security required under this Section, but will be reinstated upon the reinstatement of the security. Failure to maintain adequate security shall be grounds for suspension or termination of a retailer contract and license.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:712 (April 2000).

§537. Change of Location or Ownership

A. Any change in location or ownership of the business of a retailer will automatically suspend the retailer's certificate. An application must be filed in the same manner as provided in these retailer regulations to reinstate the retailer's certificate for the new location or the new owner of the business. Sales of lottery tickets are prohibited following a change in location or ownership of the business of a retailer until a new lottery retailer certificate is issued to the new owner or location. The corporation may employ necessary procedures to minimize interruptions in service.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§539. Proceeds from Ticket Sales

A. All proceeds from the sale of lottery tickets received by a retailer shall constitute a trust fund until paid to the corporation either directly or through the corporation's authorized collection representative. A retailer shall have a fiduciary duty to preserve and account for lottery proceeds and retailers shall be personally liable for all proceeds. Proceeds shall include unsold instant tickets received by a retailer and cash proceeds of sale of any lottery products, net of allowable sales commissions and credit for lottery prizes to winners by retailers. Sales proceeds and unused instant tickets shall be delivered to the corporation or its authorized collection representative upon demand. Retailers shall place all lottery proceeds due the corporation in accounts in institutions insured by the Federal Deposit Insurance Corporation not later than the close of the next banking day after the date of their collection by the retailer until the date

they are paid over to the corporation. The corporation may require a retailer to establish a single separate electronic funds transfer account, where available, for the purpose of receiving monies from ticket sales, making payments to the corporation, and receiving payments from the corporation. Failure to have sufficient funds available to cover an electronic funds transfer to the corporation's account shall be a cause for suspension or termination of a retailer's contract and license. Unless otherwise authorized in writing by the corporation, each retailer shall establish a separate bank account for lottery proceeds which shall be kept separate and apart from all other funds and assets and shall not be commingled with any other funds or assets. This Section shall apply to all lottery tickets generated by computer terminal or other electronic devices and any other tickets delivered to retailers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§541. Insolvency of Retailer

A. Whenever any person or organization who receives proceeds from the sale of lottery tickets in the capacity of a retailer becomes insolvent, or dies insolvent, the proceeds due the corporation from such person or his, her, or its estate shall have preference over all debts or demands.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§543. Sales Commissions

A. A retailer shall receive a sales commission equal to at least 5 percent of the gross proceeds from the sale of lottery tickets. In addition to the 5 percent sales commission the corporation may develop a system of bonuses and sales incentives based on dollar volume of business, the sale of winning tickets, or such other criteria as the corporation may develop from time to time.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§545. Sale of Lottery Tickets on Credit

A. The retailer shall not directly extend credit to the purchaser of lottery tickets, but lottery tickets may be sold for cash or by use of any credit card or similar instrument. lottery tickets may not be sold by mail (except for subscription sales established by the corporation) phone, fax or other similar method of communications.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:713 (April 2000).

§547. Sales Price of Tickets

A. No person shall sell a lottery ticket at a price other than established by the corporation, unless authorized in writing by the president. No person other than a duly certified retailer shall sell lottery tickets, but this shall not be construed to prevent a person who may lawfully purchase tickets from making a gift of lottery tickets to another. Nothing in these retailer regulations shall be construed to prohibit the corporation from designating certain of its agents and employees to sell lottery tickets directly to the public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§549. Promotional Tickets

A. Lottery tickets may be given by merchants as a means of promoting goods or services to customers or prospective customers subject to the prior written approval by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§551. Location of Sales

A. No retailer shall sell a lottery ticket except from the locations listed in the retailer's contract and certificate. No lottery tickets shall be sold at state of Louisiana rest stops.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§553. Payment of Prizes

A. Retailers shall pay any lottery prize of \$50 or less. A retailer may pay prizes greater than fifty dollars, up to \$600, after proper verification of such winning tickets as prescribed by the corporation. Prizes of more than \$600 shall be paid by the corporation by mail or at a designated corporation office.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended and repromulgated in *The Advocate* on December 24, 1991, repromulgated LR 26:714 (April 2000).

§555. Required Purchases of Lottery Tickets

A. Failure of a retailer to order lottery instant tickets for any 60-day period may result in suspension of the retailer's license, and the corporation shall notify retailer of such suspension. If the retailer does not purchase lottery instant tickets from the corporation within 30 days after the date the notice of suspension is sent by the corporation, the retailer's license may be terminated and the retailer shall pay all debts

due the corporation within 30 days of such termination. The aggregate of all orders for lottery tickets placed after the date of a notice of suspension and before the expiration of such 30-day period must be equal to at least the highest amount of lottery tickets purchased by the retailer for any of its last three purchases or the retailer license shall be automatically terminated.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:714 (April 2000).

§557. Computation of Rental Payments

A. If a retailer's rental payments for the business premises are contractually computed, in whole or in part, on the basis of a percentage of retail sales, and such computation of retail sales is not explicitly defined to include sales of tickets in a state lottery, the compensation received by the retailer from the lottery shall be considered the amount of retail sale for purposes of computing the rental payment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§559. Equipment Payment or Deposit

A. An equipment payment or deposit may be required for any equipment provided by the corporation to a retailer; provided that such charges shall be uniform and that any deposits will be returned upon the return of such equipment in good operating condition. All or any portion of a deposit may be retained by the corporation if any equipment is damaged, destroyed, lost, stolen or otherwise made unavailable or unusable for normal operations. Upon receipt of written notice from a retailer, the corporation may transfer the equipment deposit of a retailer, which has created a new entity at the same location.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:714 (April 2000).

§561. Reimbursement of Equipment Payment

A. The corporation may purchase the terminals of retailers who purchased their equipment if the corporation determines that such purchase is in the best interest of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§563. Security Procedures

A. A retailer shall provide reasonable security for all lottery tickets and other corporation property and is responsible for all lottery tickets delivered to it upon the

retailer's acknowledgment of receipt thereof. A retailer shall notify the corporation within 24 hours of any lost, stolen, missing or counterfeit tickets. The corporation shall not be liable for any event not reported within such time period, and may reimburse or credit a retailer for any tickets affected thereby.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§565. Retailer Records

A. Each retailer shall keep accurate and complete records of all transactions with the corporation, and such records shall be open to inspection by the corporation at all times during normal business hours. The corporation may make summaries or notes of any such records and may copy any such records either at the retailer's place of business or, if more convenient, off of such premises so long as such records are returned within forty eight hours of the time they are withdrawn from such place of business.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:714 (April 2000).

§567. Training School

A. Retailers shall be required to send at least one person to training sponsored by the corporation. The corporation, at its discretion, may waive the training of retailers who have previous lottery experience on the operation of lottery equipment and accounting procedures. The corporation shall encourage retailers to have new employees attend a training session.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:715 (April 2000).

§569. Compliance with All Applicable Laws

A. Each retailer agrees to operate in a manner consistent with the Louisiana Lottery Corporation Law, applicable federal laws, Louisiana Laws and local ordinances, the rules and regulations promulgated by the corporation and with his, her or its contract with the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, repromulgated LR 26:715 (April 2000).

§571. Merchandising

A. Each retailer agrees to offer no less than four instant games for sale to the public at all times if four or more instant games are available from the corporation. The retailer shall use a lottery ticket dispenser for the sale of lottery tickets, and shall place the dispenser in a prominent location in the retail establishment near the cash register or checkout

area. The retailer shall prominently display point-of-sale materials supplied by the corporation, including door decals, game posters, display tickets, danglers, change mats and lighted interior signs, unless the corporation agrees otherwise in writing. The retailer shall make lottery tickets available, and shall provide for redemption of winning lottery tickets, for the full duration of the retailer's normal business hours, provided that the hours for redemption may be subject to limitation on the availability of validation of winning lottery tickets by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:715 (April 2000).

§573. Appeals

A. The procedures stated in this Part apply to an appeal of a corporation determination by a retailer or a person seeking to become a retailer under §9017 of the Louisiana Lottery Corporation Law.

B. Prior to making an appeal, an appellant must send the president a request letter stating the action of which the appellant seeks modification and all reasons the appellant advances for modification. The request letter must state the appellant's name and address, must enclose copies of all documents relevant to the request and must be signed by the appellant. The appellant must represent that all facts stated in the request letter are correct to the best knowledge of the appellant. The president shall respond to the request letter in writing within 10 days of the corporation's receipt of it, stating all reasons for the response.

C. An appellant may appeal the president's denial of all or any part of the appellant's request stated in the appellant's request letter by sending the president a notice of appeal. The notice of appeal shall be effective only if it is in writing, states the substance and basis of the appeal, and is received by the corporation within 10 days of the appellant's receipt of the president's letter denying the appeal. The notice may request that the hearing be expedited, provided that such a request shall constitute an undertaking by the appellant to pay the costs assessable under Subsection E of this Section. Upon receipt of a notice of appeal, the president shall deliver the notice, the appellant's request letter and the president's denial letter to the board.

D. The board shall consider the appeal at its next regular meeting to occur five or more days after receipt of the notice of appeal. The hearing shall be conducted in accordance with the provisions of the Administrative Procedure Act. The chairman may call a special meeting of the board to hear an appeal if the appellant has requested an expedited hearing and the chairman in his sole discretion believes that the appeal warrants an expedited hearing. The president shall give the appellant reasonable notice of the time and location of the board meeting. The appellant shall be permitted to present the appeal orally for a time period determined by the board. The presentation may not include points or subjects which were not included in the appellant's request letter. The corporation shall keep a complete record of the hearing and

shall make it available to the appellant. The board shall render its decision on the appeal by majority vote within five days after conclusion of the hearing.

E. If the appellant requested an expedited hearing, the board conducts the hearing at a special meeting, and the board denies the appeal, the board may charge the appellant the corporation's reasonable costs incurred in connection with the special meeting, including any travel and per diem expenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended LR 26:715 (April 2000).

§575. Amendment

A. These retailer regulations may be amended in accordance with the provisions of Part D of the bylaws and rules of procedure of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation in *The State Times* on May 21, 1991, amended and repromulgated in *The Advocate* on January 1, 1994, repromulgated LR 26:716 (April 2000).

Chapter 7. Instant Lottery Games General Rules

§701. Policy Statement

A. The Louisiana Lottery Corporation (the "corporation") is authorized by R.S. 47:9008.A to adopt such rules and regulations as may be necessary to conduct specific lottery games and operations of the corporation. Pursuant to that grant of authority, the board of directors of the corporation (the "board") has adopted these instant lottery games general rules, which are intended to provide general guidelines concerning the conduct and administration of instant lottery games.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:699 (April 2000).

§703. Definitions

A. As used in the game rules, game directives and working papers, the following words and phrases shall have the following meanings unless the context clearly requires otherwise.

Bar Code—the representation of pack/ticket and validation information in bar code form on the back of each instant lottery ticket.

Board—the Board of Directors of the Louisiana Lottery Corporation.

Captions—the printed verification of each play symbol which appear in the game play area below the play symbol.

Claim Center—a regional office or claims office of the corporation at which winners may redeem prizes.

Claim Deadline—the day after which prizes from a particular game are no longer eligible to be redeemed or claimed.

Claim Form—the form provided by the corporation to be completed by prize winners when claiming a prize.

Corporation—the Louisiana Lottery Corporation.

Cut and Paste—the attempted forgery of an instant ticket by cutting a symbol off one ticket and pasting it on another in an attempt to make the resultant ticket look like a winner.

Defective Ticket—any ticket that was printed in error or fails to meet the distribution specifications of the corporation.

Drawing Directive—the detailed drawing instructions promulgated by the president for each drawing event.

End of Production Prize Structure—the version of the prize structure provided by the ticket printer after production, indicating the exact number of winners of each prize and any variation from the originally authorized prize structure.

Free Ticket—a lottery prize for which the winner is entitled to another ticket from the same game, without charge.

Game Directive—the game-specific guidelines that itemize the particular requirements of each game.

Game End Date—the date after which tickets are no longer authorized to be sold.

Game Number—the two-digit designation of each game for purposes of inventory control and accounting.

Game Play Area—the latex-covered area on the front of the ticket that contains the computer-generated symbols that determine winning or non-winning tickets according to game specifications.

Game Rules—these general rules regarding all instant lottery games, prize payments, and other game parameters.

Game Start Date—the date on which tickets for a particular game are authorized to be sold.

Grand Drawing—a special event designed by the corporation to award a large top prize and subordinate prizes through a random process.

Grand Drawing Finalist—a contestant in the grand drawing event.

Instant Lottery Game—a lottery game that offers pre-printed tickets that, after a latex covering is rubbed off, indicate immediately whether a player has won a prize.

Instant Lottery Ticket—any ticket produced for an instant lottery game authorized by the corporation.

Invalid Ticket—any ticket that fails to meet all of the validation requirements of the corporation and the ticket vendor.

Omitted Pack—any pack of tickets that has been removed from the game during production.

Overprint—the latex covering over the play area and the information printed on the surface of the latex.

Pack—a set of instant tickets, each bearing a common pack number, fan folded in strips of five tickets. Each pack may contain 500 tickets or some other number of tickets determined by the corporation for a particular game.

Pack/Ticket Number—the series of digits visible on the front of the ticket that designates the number of the particular pack and the sequential number of each ticket.

Play Symbols (or Prize Symbols)—a series of alphabetic or numeric characters or symbols appearing in the game play area of an instant ticket and covered by a latex material that are utilized in each game to determine winning tickets.

Preliminary Drawing—an event in which qualified entrants are selected at random to participate in the grand drawing.

President—the president of the Louisiana Lottery Corporation.

Prize Structure—the authorized itemization of prize levels and number of winners contained in the Working Papers of each game.

Quality Control Symbol—an alphabetic code appearing in the corner of the play area to serve as a visual indicator of imaging underneath the overprint.

Retailer—any person with whom the corporation has contracted to sell lottery tickets to the public.

Retailer Validation Code—an alphabetic character code present within the game play area of an instant ticket.

Security Omit—a pack of tickets omitted from the game for security purposes, temporarily or permanently.

Security Patterns (or Ben Day)—the patterns used by the ticket printer in the background of the play area to frustrate ticket forgeries.

Ticket Display Area—the area on the front of the ticket that is used for non-secure graphics, information and other printing.

Ticket Number—the three-digit number appearing on the face of the ticket which represents the sequential appearance of that specific ticket in a particular pack.

Valid Ticket—a ticket that meets all the validation requirements of the corporation and the ticket vendor.

Validation Number—the number within the play area of the ticket, covered by latex, that is utilized to determine whether the ticket is a winner in the computerized validation process.

Validation Tapes—the computer tapes provided by the ticket printer that contain the information required to determine if a ticket is the winner of any prize.

Working Papers—the printing requirements provided to the ticket printer for the production of each game.

Zip Cash—the electronic validation/accounting system utilizing bar code technology.

Zip Cash Terminal—the electronic equipment at the retailer location that is used for prize validation, ticket distribution and accounting functions.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:699 (April 2000).

§705. General

A. These game rules shall apply to all instant lottery games offered by the corporation upon adoption by the board. Any change in these rules must be approved by the board, and will take effect upon approval. The detailed information regarding each specific instant game will be contained in a game directive promulgated by the president. Each game directive will include the appropriate prize amounts, the game symbols required to win each prize, and any unique play format information or claim requirements. The game directive cannot be in conflict with these game rules. Each game directive will be distributed to and posted at every corporation office and will be available for public inspection during the sales period of the particular game. The directive must be approved and signed by the president at least 14 days prior to the start of the game. The president shall also promulgate drawing directives that prescribe the operational details of preliminary drawings, grand drawings, and any other special promotional drawings in which a prize of more than \$5,000 is offered. Promulgation shall be similar to that prescribed for game directives. The drawing directive must be approved and signed by the president at least five days prior to the drawing event.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:700 (April 2000).

§707. Odds of Winning

A. The overall odds of winning any prize in a particular game will be contained in the game directive for that game and shall be included in the promotional materials for the game or printed on the back of the ticket. The statement of odds does not need to specify the odds of winning each particular prize. The corporation shall make every attempt to release accurate odds information in press releases for each instant lottery game.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§709. Compliance with Law/Rules

A. Any person who purchases an instant lottery ticket agrees to comply and abide with state law, these game rules and game directives.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§711. Names of Winners

A. The corporation shall have the right to use the names and the city or area of residence of all prize winners in instant lottery games. That information may be used by the corporation for advertising and publicity purposes. The corporation will not make public the addresses or phone numbers of instant lottery winners. Such information will be provided to authorized governmental agencies, as required by law or as deemed appropriate. Winners who grant the corporation permission to be photographed agree to allow the use of such photographs for publicity and advertising purposes without any additional compensation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§713. Payment of Prizes

A. Instant lottery game prizes will be paid in accordance with game directives and retailer regulations, and upon presentation of a valid winning instant ticket, payment will be made to the person presenting the ticket for payment. The owner of an instant ticket bears the sole responsibility for the risk of loss or theft of the ticket. If an instant ticket is claimed by the owner in error for a lower prize than that to which the owner is entitled, the corporation shall not be liable to the owner for the higher prize not claimed. Any ticket on which the name of the owner is altered, or appears to have been altered, may be impounded by the corporation without payment to the claimant until ownership of the ticket can be determined.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§715. Age Eligibility

A. No person under the age established by law may purchase an instant lottery ticket, but persons under the age established by law may receive an instant lottery ticket as a gift.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, amended LR 26:701 (April 2000).

§717. Retailer Eligibility

A. Retailers authorized by the corporation to sell tickets may purchase tickets assigned to them and may claim prizes resulting from any tickets so purchased.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§719. End of Game

A. Each instant lottery game will end when all tickets for that game have been sold, or on a date announced in advance by the president. The president may suspend or terminate a game without notice if such action is deemed to be in the best interests of the corporation. No tickets for a particular game may be sold for a game after the game ending date or after the suspension or termination of a game. Any liability for prizes from tickets sold after that date belongs to the retailer who sells the tickets. No prize shall be paid to any claimant who fails to submit a claim within the period of time provided by law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§721. Winner Validation

A. Except as provided in specific game directives, the following requirements will apply to the validation of winning instant lottery tickets.

1. The number of play symbols in the game play area must correspond with the number of play symbols provided for in the working papers for the game.

2. Each play symbol must have a corresponding caption underneath, in accordance with the captions provided for in the working papers for the game.

3. Each of the play symbols must be present in its entirety and be fully legible.

4. Each of the play symbols and its play caption must be printed in black ink, unless a different color of ink is specified in the working papers for the game.

5. The instant ticket must be intact and not defaced in any manner.

6. The game and pack/ticket numbers must be present in their entirety and be fully legible.

7. The ticket must not be reconstituted or tampered with in any manner.

8. The ticket must not be counterfeit in whole or in part.

9. The ticket must have been issued by the corporation in the authorized manner.

10. The ticket must not be stolen or be from a pack omitted from the game by the corporation.

11. The play symbols, captions and retailer validation codes must be in a right-side-up orientation and not reversed in any manner.

12. The ticket must have within the play area exactly the specified number of play symbols and corresponding captions, and exactly the specified number of retailer validation codes, as provided for in the working papers for that game.

13. The validation number on the ticket must appear on the official validation tape for the game as provided to the corporation by the ticket printer.

14. The ticket must not be partially blank, misregistered or printed or produced in error.

15. The ticket must be submitted for redemption within the claim period provided for the game.

16. The ticket must withstand microscopic inspection of the security patterns within the play area to determine any alterations of the ticket.

17. The ticket must withstand additional confidential validation tests prescribed by the corporation.

B. Except as provided above, any instant lottery ticket that fails to pass any of the validation requirements is void and ineligible for any prize, and no prize shall be paid. Liability for defective tickets is limited to the original purchase price of the ticket.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:701 (April 2000).

§723. Delay of Payment

A. The corporation shall pay prizes in a timely fashion but may delay making payment of any prize or installment of a prize under the following circumstances:

1. a dispute occurs or it appears that a dispute may occur relative to any prize;

2. there is any question regarding the identity of the claimant;

3. there is any question regarding the validity of any ticket;

4. the claim is subject to any court ordered garnishment;

5. the corporation becomes aware of a change in circumstances relative to a prize awarded, the payee or the claim which requires review.

B. The corporation assumes no liability for interest for any delay of payment of a prize or installment.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:702 (April 2000).

§725. Claim Form

A. For any prize of more than \$500, the owner of the apparent winning ticket shall complete an official claim form that requires the winner to provide:

1. the name of the individual or entity claiming the prize;
2. the address and city of residence of the claimant;
3. the Social Security number of the individual claimant or the federal employer's identification number issued by the IRS for multiple claimants.

B. No prize payment will be authorized if the required information is not provided by the claimant. The corporation will utilize due diligence to insure that the information provided on the claim form is correct, including the verification of information by inspection of a driver's license, Social Security card or other forms of information. The name of the owner printed on the back of the ticket must correspond with the name of the claimant.

C. A group, family unit, club or other organization which is not a legal entity or which does not possess a federal employer's identification number may claim a prize if it:

1. files an Internal Revenue Service Form 5754, "Statement by Person(s) Receiving Gambling Winnings," or a successor form, with the corporation, designating to whom the prize is to be paid and the person or persons to whom the prize is taxable; or
2. designates one individual in whose name the claim shall be entered and furnish that person's Social Security number and other required information, if approved by the president.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:702 (April 2000).

§727. Assignability

A. The right of any person to a prize after the prize is claimed shall not be assignable, except as follows.

1. The corporation may pay any prize to the estate of a deceased prize winner.
2. The prize to which a winner is entitled may be paid to another person pursuant to an appropriate court order.

B. A grand drawing finalist may not assign or sell the right to participate in the grand drawing, nor can two or more finalists enter into an advance agreement to split their winnings following the grand drawing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:702 (April 2000).

§729. Installment Prizes

A. The corporation may provide for the payment of any prize of more than \$100,000 in equal annual installments. The schedule of payments shall be designed to pay the winner equal dollar amounts each year until the total payments equal the prize amount. When the prize is paid in installments, the president may round the actual amount of the prize to the nearest \$1,000 amount to facilitate the appropriate funding mechanism. The period of payment of any installment payment schedule shall not exceed 20 years, unless the prize is a guaranteed amount each year for the lifetime of the winner. If a lifetime payment guarantee is made, the minimum number of installment payments made to a winner or a winner's estate shall be 20 years. The corporation shall not accelerate the payment schedule of any installment prize without the consent of the winner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:702 (April 2000).

§731. Merchandise Prizes

A. If a non-cash prize is offered, the value of the prize will be determined by the fair market value of any such prize, which will be the amount reported to the state and the IRS for tax purposes. If the value of the prize exceeds \$5,000, the corporation will pay withholding taxes on behalf of the winner equivalent to 25 percent of the prize value. The corporation will not be responsible for any state taxes or other fees associated with the prize.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:703 (April 2000).

§733. Preliminary Drawings

A. The president shall promulgate a drawing directive that details the procedures involved in conducting a random drawing to determine grand drawing finalists. The directive shall specify the qualifications for valid grand drawing entries and a methodology for the random pre-selection of entries for purposes of the preliminary drawing, if required. The president shall exercise care in making certain that any procedures devised for finalist selection are totally fair and random, and that no entry has a greater opportunity for selection than any other.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:703 (April 2000).

§735. Grand Drawings

A. The president shall promulgate a drawing directive that details the procedure for conducting any grand drawing, including the prizes to be offered, the drawing method, and the equipment to be utilized. The president shall exercise care to insure a totally random drawing process that results in the selection of prize winners in a method that favors none of the participants.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:703 (April 2000).

§737. Independent Auditor

A. All drawing events, including preliminary drawings and grand drawings, shall be witnessed by an independent auditing firm. The independent auditor shall attest to the fact that procedures for the drawing were properly disseminated and that the procedures were followed, and shall make note of any exceptions to the procedures.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Adopted by the Louisiana Lottery Corporation on August 8, 1991 and promulgated in the *State Times* on August 15, 1991, repromulgated LR 26:703 (April 2000).

Chapter 9. Special Rules and Regulations on Payment of Prizes

§901. Policy Statement

A. The Louisiana Lottery Corporation (the "corporation") is required by R.S. 47:9026 to establish and maintain rules and regulations providing for the withholding of lottery prizes of persons who have outstanding child support arrearages as reported to the corporation. Pursuant to that mandate, the board of directors of the corporation (the "board") has adopted these rules and regulations which are intended to provide general guidelines concerning the withholding of lottery prizes of persons with outstanding child support arrearages.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§903. Definitions

A. The following italicized terms shall have the meaning set forth herein when used in these rules and regulations.

Arrearage—outstanding child support owed by a debtor to or otherwise collectible by the claimant agency.

Claimant Agency—the Louisiana Department of Social Services.

Debtor—a person who has been reported by the claimant agency to the corporation, pursuant to these rules and regulations, as having an arrearage, as evidenced by the records of the claimant agency.

Winner—a person entitled to the payment of a lottery prize of \$600 or more.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§905. Authority of the Corporation

A. These rules and regulations are adopted pursuant to the powers granted to the corporation under the Louisiana Lottery Corporation Law. These rules and regulations are supplemental to and not in substitution for the provisions of the Louisiana Lottery Corporation Law, other provisions of Louisiana or federal law and other rules and regulations of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§907. Obtaining Information from Claimant Agency

A. Promptly upon receiving a request for such information from the claimant agency, the corporation shall provide to the claimant agency a computer-readable format for the compilation, storage and maintenance of a list of debtors by the claimant agency. The list of debtors generated by the claimant agency shall contain their arrearages and such other information as is mutually determined by the corporation and the claimant agency to be necessary and compatible with the goals of R.S. 47:9026 and the efficient and effective operation of the corporation and the claimant agency. The corporation shall accept the list as the claimant agency transmits and updates it to the corporation in the prescribed format at intervals and times as specified by the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§909. Confirmation of Child Support Obligations

A. The corporation shall determine that a winner is a debtor according to the following provisions.

1. Prior to the payment of any lottery prize of \$600 or more, the corporation's staff shall determine whether the name of the winner appears on the most current list of debtors provided to the corporation by the claimant agency.

2. If the name of the winner appears on the claimant agency's most current list of debtors, the corporation may contact the claimant agency to confirm the winner's status as a debtor and verify the amount of his or her arrearage. The corporation shall not be obligated to request confirmation, but shall act in accordance with the information it obtains thereby if it does.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§911. Disbursement of Prize Money to a Debtor

A. The corporation shall disburse lottery prize money to a winner who is also a debtor as follows.

1. The corporation shall subtract the debtor's arrearage and all other amounts required to be withheld from lottery prizes from the debtor's prize, and shall pay the remainder to the debtor. If the remainder is less than zero, the debtor shall not receive a payment.

2. At regular intervals mutually determined by the corporation and the claimant agency, the corporation shall transfer all arrearages withheld by the corporation to the claimant agency.

3. Transfer of the debtor's arrearage to the claimant agency shall discharge the corporation from any liability to the debtor for payment of any prize money.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§913. Reliance on Claimant Agency Information

A. The corporation may enter into an agreement with the claimant agency entitling the corporation to rely on information it receives from the claimant agency and requiring the claimant agency to defend claims against the corporation for erroneous withholding of prize money in cases in which the corporation acts in accordance with information provided by the claimant agency. Otherwise, the corporation shall not be liable to any person for withholding a lottery prize based upon information provided to it by the claimant agency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:704 (April 2000).

§915. No Third Party Rights Created Hereby

A. These rules and regulations are not intended to create contractual rights on behalf of any person or impose contractual obligations on the corporation, but are merely intended to provide a procedure for the corporation's staff to follow in assisting the appropriate state agency in the process of withholding the lottery prizes of persons with outstanding child support arrearages. No third party rights against the corporation arise by virtue of these rules and regulations. These rules and regulations are subject to modification or change at any time at the sole discretion of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:705 (April 2000).

§917. Amendment

A. These rules and regulations may be amended according to Part D of the bylaws and rules of procedure of the corporation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 47:9001 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Lottery Corporation on August 23, 1991 in the *State Times* on September 10, 1991, amended LR 26:705 (April 2000).

Title 42

LOUISIANA GAMING

Index

- Access to Premises and Production of Records, 127, 360
- Accessibility to Premises, Parking, 126, 234, 360
- Account(s)
 - Escrow, 104, 194, 326
 - Separate Gaming, 7
- Accountability, 46
- Accounting
 - Control(s)
 - Minimum Internal, 7, 76, 79
 - Records, 104, 195, 326
- Action Based upon Order of Another Jurisdiction, 131, 231, 364
- Activit(ies)y,
 - Commencement of, 43
 - Entertainment, 229, 364
- Adjudication, Administrative Proceedings and, 30
- Administrative
 - Matters, Issuance and Construction of Regulations and, 87
 - Proceedings and Adjudication, 30
- Advertising, 128, 361
 - Mandatory Signage, 229
- Age
 - Eligibility, 402, 418
 - Restrictions for the Casino, Methods to Prevent Minors
 - from Gaming Area, 127, 232, 360
- Amendment, 409, 416, 422
- Appeal(s), 247, 408, 416
 - of Supervisor Order to Commission, 377
 - to the Board, 56
- Applicability, 47, 50, 94, 188, 238, 315, 367, 406
- Applicant(s)(')
 - Additional Information Required from a Casino Operator, 176
 - for a License, Tax Clearances Required of an, 90, 308
 - in General
 - Requirements, 175
 - Restrictions, 88, 305
 - Investigation, Conduct of, Time Requirements, 177
 - Premises and Records, Access to, 92, 178, 310
 - Suitability
 - and Business Relationships, 10, 75, 78
 - Determination of a Casino Operator, 179
 - Tax Clearances Required of an, 178
- Application(s), 47, 78, 278
 - after Denial, 93, 179, 314
 - and Procedures
 - Approval of
 - Associated Equipment, 151, 264, 274, 392
 - Chips and Tokens, 264, 392
 - Electronic Gaming Devices, Manufacturers and Suppliers, 137, 250, 378
 - Gaming Devices, Manufacturers and Suppliers, 269
 - Tokens, 152
 - and Reporting Forms, 58
 - Completeness of, 311
 - Division Hearing to Consider, 312
 - Filing Fees, 177, 311
 - for a License
 - Form of, 91, 309
 - to Conduct Charitable Gaming, 3
 - to Conduct New Orleans Cable Television Bingo,
 - Organization, 75
 - for Distributor's License, 10
 - for Gaming Employee Permit, Procedure, 94, 184, 314
 - for Manufacturer's License, 10
 - for Permit for Designated Check Cashing Representative,
 - Additional Requirements, Summary of Proposed Operations, 374
 - Form of, 176
 - Information
 - Constituting Grounds for Delay or Denial of,
 - Amendments, 92, 178, 310
 - Required
 - Additional, 309
 - Additional Type A, 91
 - in General, 87, 175, 305
 - Investigations, 177
 - License
 - and Permit Terms and Filing of, 183
 - Term and Filing of, 92, 311
 - of Sanction to Transferee, Notice of Alleged Significant Regulatory Violation, 190
 - Procedure and Fees, 411
 - Refusal to Answer, 178
 - Requirements, Volunteer Worker I.D., 76
 - Renewal, 93, 311
 - Revocation, Suspension, Restriction, Denial or Nonrenewal of
 - Fair Hearing, Judicial Review, 3
 - Temporary, 48, 50
 - Timetable for Financing and Construction, 178
 - Withdrawal of, 93, 179, 314
- Approval(s), 132, 234, 365
 - of New Electronic Gaming Devices, 142
 - Transfer of Interest Prior to, 190
- Areas
 - Restricted, 233
 - Restrictive, 132, 365
- Assembly, 4
- Assignability, 404, 420
- Auditor, Independent, 404, 421
- Audits, 77, 80

- Authority, 238, 367
 - of the Division, General, 87, 168, 304
 - Statement of, 157
- Authorizations, 131, 234, 365
- Bingo
 - Keno Cards, and Bonanza Sheets, Assigned Fixed Value Required on Disposable and Nondisposable, 9
 - Licensing Exemptions, 5
 - Machines
 - Licensing of Manufacturers, Distributors or Owners of Electronic Video, 32
 - Registration of Manufacturers, Distributors or Owners of Electronic Video, 24
 - Organization Application for a License to Conduct New Orleans Cable Television, 75
 - Progressive, 15
 - Mega Jackpot, 16
- Board
 - Actions Concerning Loans and Lines of Credit, 103, 194, 325
 - and Division, Investigative Powers of the, 95, 188
 - Appeals to the, 56
 - Enforcement Actions of the, 244
 - General Authority of the, 87, 168
 - Hearings, 55
 - to Licensee Computer Systems, Access by, 131
- Bonanza Sheets, Assigned Fixed Value Required on Disposable and Nondisposable Bingo/Keno Cards, and, 9
- Bonding Requirements, Cash Reserve and, General, 107
- Business Relationships
 - Applicant Suitability and, 10, 75, 78
 - with Public Officers, Prohibited, 233
- Cards
 - Approval and Specifications for, 269, 397
 - Receipt, Storage, Inspections and Removal from Use, 269, 397
- Cash
 - Handling of, 208
 - Internal Controls, 110, 339
 - Reserve
 - and Bonding Requirements, General, 107, 330
 - Requirements, General, 199
 - Transaction Reporting, 183, 308, 374
- Casino
 - Age Restrictions for the, Methods to Prevent Minors from Gaming Area, 127, 232, 360
 - Contractors, Leasing Equipment from Licensed Private, 43
 - Manager
 - Obligations, Duties, Responsibilities of a, 175
 - (or) Casino Operator
 - Duty to Notify Division of Patron Dispute, 242
 - Inspections of Persons Furnishing Services or Property or Doing Business with the, 188
 - Licensees and Permittees, Code of Conduct of the, 225
 - or Affiliates, Grounds for Disciplinary Action against the, 247
 - Permit Requirements for Persons Furnishing Services or Property or Doing Business with the, 184
 - Operator
 - Applicant
 - Additional Information Required from a, 176
 - Suitability Determination of a, 179
 - Is Licensee, 175
 - (or) Casino Manager
 - Duty to Notify Division of Patron Dispute, 242
 - Inspections of Persons Furnishing Services or Property or Doing Business with the, 188
 - Licensees and Permittees, Code of Conduct of the, 225
 - or Affiliates, Grounds for Disciplinary Action against the, 247
 - Permit Requirements for Persons Furnishing Services or Property or Doing Business with the, 184
 - Suitability of, 180
 - Transfers, 195
 - Casino Operating Contract, 195
 - Weapons in the, 232
- Certificate, Retailer, 412
- Certification
 - by Manufacturer, 142, 255, 272, 383
 - Required, 308
- Chairman
 - Action by Order, 136
 - Delegation to, 53, 299
- Charitable Gaming Licenses, Eligibility for, 2
- Check Cashing, 233
- Representative
 - Application for Permit for Designated, Additional Requirements, Summary of Proposed Operations, 374
 - Designated, Internal Controls, 375
 - Violations by the Designated, 376
- Child Support Obligations, Confirmation of, 421
- Chips
 - and Electronic Cards, Purchase of Tokens, 233
 - Approval of, and Tokens, Applications and Procedures, 264, 392
 - Destruction of Counterfeit, and Tokens, 267, 395
 - Inventory of, 266, 395
 - Promotional and Tournament, and Tokens, 267
 - Receipt of Gaming, or Tokens from Manufacturer or Supplier, 266, 394
 - Redemption and Disposal of Discontinued, and Tokens, 267, 395
 - Specifications for, 264, 265, 393
 - Tokens and, Exchange of, 222, 355
 - Use of, and Tokens, 266
- Civil Penalties, 54
- Claim Form, 403, 420
- Claimant Agency
 - Information, Reliance on, 422
 - Obtaining Information from, 421
- Claims for Refunds, Procedures, 125, 225, 358
- Clothing Requirements, 110, 202, 333, 375
- Code of Conduct of Licensees and Permittees, 125, 291
- Compliance, 43
 - Internal Controls, 376
 - Organization, 43
 - Proof of, 98, 190, 320

- Surveillance System, 242, 371
 - with (All Applicable) Laws/(Rules), 126, 226, 359, 402, 415, 418
- Comply, Failure to, Consequences, 156, 276, 399
- Computer
 - Monitoring Requirements of Electronic Gaming Devices, 141, 254, 271, 382
 - System, Division's Central, (DCCS), 137, 337
- Concerns and Discrepancies, Notice of, 312
- Conduct
 - Code of, of the Casino Operator, Casino Manager, Licensees and Permittees, 225
 - of Licensees and Permittees, Code of, 125, 291, 358
 - Standards of, and Ethical Rules, 54
- Conservatorship, 128, 361
- Consideration Prohibited, Additional, 44
- Construction
 - Inspections during, 94, 188
 - of Pull Tabs, Standards for, 11
 - Standards for, 3
 - TimeTable for Financing and, 92, 311
- Contempt, 96, 317
- Continuation, 157
- Contract(s), 44
 - Approval, Hotel, 227
 - Assignability of, 412
 - Authorization and Execution of, 407
 - Cancellation of, 412
 - Casino Operating, Casino Operator Transfers, 195
 - Preparation of, 407
 - Suspension, Revocation or Termination of, 412
- Contractor Background Investigation, Private, 78
- Contributions, Political, 233
- Control(s), Internal, 202, 208, 209, 219
 - Cage
 - and Credit, 376
 - Vault and Credit, 120, 219, 352
 - Compliance, 376
 - Designated Check Cashing Representative, 375
 - General, 108, 199, 330
 - Handling of Cash, 110, 208, 339
 - Internal, Tips or Gratuities, 111, 208, 339
 - Poker, 209, 219, 349
 - Slots, 111, 209, 340
 - Table Games, 202, 333
- Corporation
 - Authority of the, 406, 410, 421
 - Powers of the, 158
- Credit
 - Approval Authorization, 235
 - Board Actions Concerning Loans and Lines of, 103, 194, 325
 - Cage
 - and, Internal Controls, 376
 - Vault and, 219
 - Internal Controls, 120, 219, 352
 - Collection of Gaming, 127, 237, 361
 - Extension of, 234
 - for Computing
 - Gross Gaming Revenue, Treatment of, 224
 - Net Gaming Proceeds, Treatment of, 357
 - Limit Increases, 235
 - Loans and Lines of, 103, 193, 325
 - Privileges, Suspension of, 236
 - Provisions, General, 67
 - Sale of Lottery Tickets on, 414
- Criminal Conviction as Grounds for Disciplinary Action, 250
- Criteria
 - for Instant Retailers, 411
 - for On-Line Retailers, 411
 - for Retailers, Threshold, 410
 - for Sanctions, 136, 377
 - for the Issuances of Permits, 94, 180, 314
 - License or Permit Disqualification, 90, 182, 307
 - Multiple Licensing, 313
 - Supplier Permit, 99, 187, 321
 - Waiver of Disqualification, 155, 275, 399
- Currency Transaction Reporting, 123, 222, 356, 376
- Debt and Securities, Publicly Registered, 103, 194, 326
- Debtor, Disbursement of Prize Money to a, 421
- Decision
 - Appeal
 - of Commission Decision after Review of Administrative, 299
 - of Division, to Commission, 313
 - Issuance of, 313
- Deductions, Disallowed, 238
- Definitions, 1, 23, 31, 42, 47, 50, 53, 83, 277, 297, 301, 373, 401, 405, 409, 416, 421
 - Captions, Pronouns, and Gender, 299
 - Words and Terms, Captions, Gender References, 168
- Denial, 187
- Department Policy, Statement of, 1, 23, 277
- Detention and Ejection, 232
- Devices, 286
- Dice
 - Approval and Specifications for, 268, 396
 - Receipt, Storage, Inspections and Removal from Use, 268, 396
- Directors, 160
- Disbursement of Prize Money to a Debtor, 421
- Disciplinary Action
 - against Employees and Agents, 249
 - against Manufacturers, Distributors and Other Vendors, 249
 - against the Casino Operator, Casino Manager or Affiliates, Grounds for, 247
 - Criminal Conviction as Grounds for, 250
- Disclose, Continuing Duty to, 275, 398
- Disclosure
 - of Representative Capacity, 190
 - Requirements of Full, 100, 322
- Disqualification
 - Criteria
 - License or Permit, 182, 307
 - Waiver of, 155, 275, 399
- Distributions, 131, 226, 364
- Distributors(')
 - Background Investigation, Manufacturers' and, 10

- License, Application for, 10
- Licensing of Manufacturers and, 9
- or Owners of Electronic Video Bingo Machines
 - Licensing of Manufacturers, 32
 - Registration of Manufacturers, 24
- Payment to Organizations, 39
- Reporting Requirements for Electronic Video Bingo, 38
- State Identification Stamp, 10
- Division(s)
 - Central Computer System (DCCS), 137, 377
 - Employment of Individual to Respond to Inquires from the, 142
 - General Authority of the, 87
 - Investigative Powers of the Board and, 95, 316
 - of Patron Dispute, Licensee Duty to Notify, 136, 371
- Dock Site Division Facility, 371
- Documents
 - Delivery of, 56
 - Sealing of, 243, 373
- Donations to Public Schools, 57
- Drawings, 404
 - Grand, 420
 - Preliminary, 420
- Duty
 - to Disclose, Continuing, 155, 275, 398
 - to Update, 412
- EGD's as Evidence, Seized Equipment and, 151, 263, 392
- Eligibility
 - Age, 402, 418
 - for Charitable Gaming Licenses, 2
 - Retailer, 402, 419
- Emergenc(ies)y, 359
 - Orders, 136, 247, 377
 - Created, 247
 - Permission to Participate
 - Effect of, Withdrawal, 102, 193, 325
 - Investigation, 102, 192, 324
 - Procedures, 102, 192, 324
 - Situations, 101, 192, 323
- Employees
 - and Agents, Disciplinary Action against, 249
 - Qualification of Officers, Agent, and Principal, 155, 275, 398
- Employment
 - of Individual to Respond to Inquiries from the Division, 142, 254, 272, 383
 - Provisions, Surveillance Personnel, 135, 241, 369
- Enforcement, 29, 404
 - Actions of the Board, 244
- Entertainment Activities, 130, 229, 364
- Equipment
 - and Devices
 - as Evidence, Seized, 95, 189, 316
 - Seizure and Removal
 - of Electronic Gaming, 95, 151, 189, 263, 316, 391
 - of Gaming, Equipment and EGD's as Evidence, Seized, 151, 263, 392
 - Approval of Associated, Applications and Procedures, 151, 264, 274, 392
 - Evaluation of Associated, 274
 - from Licensed Private Casino Contractors, Leasing, 43
 - Identification Card Issuance, 128, 233, 361
 - License Required for Leasing, 43
 - Payment
 - or Deposit, 415
 - Reimbursement of, 415
 - Required Surveillance, 133, 240, 368
- Escrow Accounts, 104, 194, 326
- Evaluation of New Electronic Gaming Devices, 142, 255, 383
- Expenses, 8
- Federal Reports Exception, 155, 275, 398
- Fee(s), 27, 47
 - Application
 - Filing, 177, 311
 - Procedure and, 411
 - Collection of Use, 79
 - Finder's, 127, 227, 360
 - for Issuance
 - of Licenses and Permits, 315
 - of Permits, 177
 - Payment of Permit, 39
 - Procedure for Reporting and Paying
 - Gaming Revenues and, 195, 326
 - Taxes and, 104
 - Record Preparation, 50, 55
 - Use, Percentage Payments Prohibited, 44
- Financial Statements
 - Audited, 106, 197, 328
 - Standard, 106, 197, 328
- Financing
 - and Construction
 - TimeTable for, 92, 311
 - Applications, 178
 - Limitation on, Incurring Debt, 193
- Fingerprinting, 93, 178, 311
- Food Service, Permissible, 228
- Form(s)
 - Application and Reporting, 58
 - Claim, 403, 420
 - of Application for a License, 91, 309
 - Patron Dispute, 243
- Formation, 157
- Fund Requirements, Capital Replacement, 228
- Gambling
 - Problem, Programs, 67
 - Programs to Address Problem, 57
- Game(s)
 - Authorized, 44
 - End of, 402, 419
 - Limits, 239, 368
 - Only, Wagering on Authorized, 45
 - Table, 202, 426
- Gaming
 - Account, Separate, 7
 - Application for a License to Conduct Charitable, 3
 - Area
 - Methods to Prevent Minors from, Age Restrictions for the Casino, 127, 232, 360
 - Weapons in the Designated, 126

- Board's Controlled Space Requirements, Surveillance Room and, 241
- by Owners, Directors, Officers and Key Employees, 249
- Chips or Tokens from Manufacturer or Supplier, Receipt of, 266, 394
- Credit, Collection of, 127, 237, 361
- Crimes, Commission of, 250, 377
- Device(s)
 - Analysis of Questioned Electronic, 150, 263, 273, 391
 - Approval
 - of, Applications and Procedures, Manufacturers and Suppliers, 269
 - of Electronic, Applications and Procedures, Manufacturers and Suppliers, 137, 250, 378
 - of New, 272
 - Electronic, 142, 255, 383
 - to Sell or Disposal of, 150, 262, 273, 391
 - Computer Monitoring Requirements of Electronic, 141, 254, 271, 382
 - Evaluation of New, 272
 - Electronic, 142, 255, 383
 - Identification Badge, Display of, 94
 - Maintenance of, 273
 - Electronic, 150, 263, 391
 - Marking, Registration, and Distribution of, 150, 262, 273, 390
 - Minimum Standards for Electronic, 138, 250, 270, 379
 - Progressive Electronic, 139, 251, 380
 - Summary Suspension of Approval of, 273
 - Electronic, 151, 263, 391
 - Tournaments, Electronic, 148, 260, 389
- Employee(s)
 - Permit(s)
 - Application for, Procedure, 94, 194, 314
 - Display of, 184, 315
 - Required, 94, 184, 314
 - Withdrawal of Temporary, 315
 - Prohibited from Gaming, 131, 231, 365
 - Tax Clearances Required of a, 178
- Equipment and Devices
 - Seizure and Removal of, 95, 189, 316
 - Electronic, 151, 263, 391
- Establishments, 290
- Licenses, Eligibility for Charitable, 2
- Operator License and Permits, Suitability, 307
- Proceeds
 - Computations, Net, 356
 - Treatment of Credit for Computing Net, 357
- Prohibited, Stops during Excursion, 300
- Revenue(s)
 - and Fees, Procedure for Reporting and Paying, 195, 326
 - Computations, Gross, 223
 - Treatment of Credit for Computing Gross, 224
- Tokens from Manufacturer or Supplier, Receipt of, 153
- General, 164, 418
- Gifts Prohibited, 41
- Hearing(s), 49
 - Board, 55
 - Fair, Judicial Review, Revocation, Suspension, Restriction, Denial or Nonrenewal of Application, 3
 - Investigative, 96, 317
 - on Alleged Violations of the Rules of Conduct, Special Procedures for, 163
 - on Rule 102 Disputes, 53
 - Other Special Procedures for, 163
 - Right to Fair—Judicial Review, 14, 81
 - Subpoenas in Connection with Investigative, 95, 317
 - to Consider Application, Division, 312
- Identification
 - Badge, Display of Gaming, 94
 - Card Issuance Equipment, 128, 233, 361
 - Stamp, Distributor's State, 10
- Indemnification, 308
 - Liability, and Limitation of, 158
- Information
 - Constituting Grounds for Delay or Denial of Application, Amendments, 92, 178, 310
 - Dissemination of, 40
 - Required
 - from a Casino Operator Applicant, Additional, 176
 - Unsuitability, 43
- Insolvency of Retailer, 414
- Inspection(s), 94, 188, 315
 - during Construction, 94, 188, 315
 - Machines, and Seizure of, 37
 - of Persons Furnishing Services or Property or Doing Business with the Casino Operator or Casino Manager, 188
- Interest(s)
 - among Licensees and/or Permittees, Transfer of
 - Economic, 100, 322
 - in Holding Company or Intermediary Company or Affiliate, Notification of Ownership, 190
 - in Operator's License Prohibited, 156, 275, 399
 - Prior to Approval, Transfer of, 190
 - Prohibited, Combination of, 38, 42
 - to Non-Licensee or Non-Permittee
 - Transfer of, 191
 - Economic, 101, 323
 - General, 190
- Interrogatories, 96, 317
- Inventory of Chips, 266, 395
- Investigation(s), 88, 95, 188, 292, 305, 316
 - Application, 177
 - Background, 40
 - Conduct of
 - Applicant, Time Requirements, 177
 - Time Requirements, 93, 312
 - Emergency Permission to Participate, 102, 192, 324
 - Manufacturers' and Distributors' Background, 10
 - of License Holders, 14, 77, 80
 - of Permittee, 37
 - Private Contractor Background, 78
- Investigative
 - Hearings, 96, 317
 - Subpoenas in Connection with, 95, 317
 - Powers
 - of the Board and Division, 95, 188
 - of the Division, 316

- Judicial Review
 - Fair Hearing, Revocation, Suspension, Restriction, Denial or Nonrenewal of Application, 3
 - Right to Fair Hearing, 14, 81
- Junket(s)
 - and Related Activities, 128, 361
 - Representative(s)
 - Determination of Unsuitability of, 187
 - Permit, 185
 - Conditional, 186
 - Reporting Requirements of, 187
- Jurisdiction, Action Based upon Order of Another, 131, 231, 364
- Labor Organization Registration Required, 154, 274, 397
- Laws
 - Compliance with, 126, 226, 359
 - All Applicable, 415
 - Rules, 402, 418
- Lease Agreement, 42
- Leasing Equipment
 - from Licensed Private Casino Contractors, 43
 - License Required for, 43
- Lenders, Presumption of Suitability of Certain, 181
- Lessors, Licensing of Commercial, 40
- Letters, Comfort, 132, 234, 365
- Liability, Indemnification and Limitation of, 158
- License(s), 278
 - and/(or) Permit(s)
 - Fees for Issuance of, 315
 - Ownership of, 304
 - Suitability, 90, 179
 - Gaming Operator, 307
 - Terms and Filing of Application, 183
 - Transfers of, 87, 304
 - Application
 - for Distributor's, 10
 - for Manufacturer's, 10
 - Form of, for a, 91, 309
 - by the Department, Issuance and Renewal of, 53
 - Eligibility for Charitable Gaming, 2
 - Expiration and Renewal, 47
- Holders
 - Investigation of, 14, 77, 80
 - Reporting Requirements for, 11, 76
 - Suspension and Revocation of, 14, 80
- I.D., Volunteer/Worker, Not Transferable, 76
- Not Transferable, 7
- or Permit Disqualification Criteria, 90, 182, 307
- Ownership of, 87
- Prohibited, Interest in Operator's, 156, 275, 399
- Reissuance, Expiration of, 3, 34, 41
- Renewal, Expiration (of), 76, 78
- Required
 - for Leasing Equipment, 43
 - Specific, 43
- Single Operator's, 308
- Tax Clearances Required of an Applicant for a, 90, 308
- Term and Filing of Application, 92, 311
- to Conduct
 - Charitable Gaming, Application for a, 3
 - New Orleans Cable Television Bingo, Organization Application for a, 75
 - Transfers of, 87
- Licensee(s)
 - and/(or) Permittees
 - Code of Conduct of, 125, 291, 358
 - of the Casino Operator, Casino Manager, 225
 - Transfer of Economic Interest among, 100, 322
- Casino Operator Is, 175
- Computer Systems
 - Access by Board to, 131
 - Access by Division to, 365
- Duty to Notify Division of Patron Dispute, 136, 371
- Servant of, 376
- Licensing
 - Criteria, Multiple, 313
 - Exemptions, Bingo, 5
 - of Commercial Lessors, 40
 - of Manufacturers (and) Distributors, 9
 - or Owners of Electronic Video Bingo Machines, 32
 - Other Considerations for, 92, 310
- Loans and Lines of Credit, 103, 193, 325
 - Board Actions Concerning, 103, 194, 325
- Location or Ownership, Change of, 413
- Lockers, Storage, 41
- Logs, Security and Surveillance, 135
- Lottery
 - Multi-State, 405
- Tickets
 - on Credit, Sale of, 414
 - Required Purchases of, 414
- Machine(s)
 - Approval of, 37
 - Hardware and Software Specifications, 25
 - Inspection and Seizure of, 37
 - Operation (of), 27
 - Times of, 38
 - Prohibited, 38
 - Repair, 37
 - Specifications, 34
 - Testing, 36
- Maintenance, 136
 - and Testing, 242, 371
 - of Electronic Gaming Devices, 150, 391
- Managerial Representative on Premises, 231, 366
- Manufacturer(s')
 - and Distributor(s')
 - Background Investigation, 10
 - Licensing of, 9
 - and (or) Suppliers
 - Approval of
 - Electronic Gaming Devices, Applications and Procedures, 137, 250, 378
 - Gaming Devices, Applications and Procedures, 269
 - Receipt of Gaming Chips or Tokens from, 266, 394
- Certification by, 142, 255, 272, 383
- Distributors
 - and Other Vendors, Disciplinary Action against, 249
 - or Owners of Electronic Video Bingo Machines, Licensing of, 32

- Registration of, 24
- License, Application for, 10
- Suitability and Business Relationships, 3
- Maritime Requirements, 307
- Merchandising, 415
- Minority Participation, Nondiscrimination and, 229
- Minors from Gaming Area, Methods to Prevent, Age
 - Restrictions for the Casino, 127, 232
- Miscellaneous, 6, 159, 293
- Money, Imitation, 46
- Name Tags, 44
- Nondiscrimination and Minority Participation, 229
- Nongaming Suppliers, 88, 306
- Notice of Concerns and Discrepancies, 312
- Notification
 - of Ownership Interest in Holding Company or Intermediary Company or Affiliate, 190
 - of Vendor Recommendations or Solicitations, 98, 321
- Observations, 94, 188, 315
- Officers, 161
 - Prohibited Business Relationships with Public, 233
- Order(s)
 - and Rulings, Statutes and Rules, Petition for Declaratory, 57
 - Chairman Action by, 136
 - Emergency, 136, 247, 377
 - Form of Division, 377
 - to Commission, Appeal of Supervisor, 377
- Organization Compliance, 43
- Owners, Directors, Officers and Key Employees, Gaming
 - by, 249
- Ownership
 - Change of Location or, 413
 - Records of, 105, 196, 327
- Packaging, 4
- Panels, Establishment of Advisory, 299
- Parking, Accessibility to Premises, 126, 234, 360
- Passenger Embarkation and Disembarkation, 360
- Patron Dispute
 - Casino Operator or Casino Manager Duty to Notify Division of, 242
 - Form, 243
 - Licensee Duty to Notify Division of, 136, 371
- Payment(s)
 - Computation of Rental, 415
 - Delay of, 403, 419
 - of Permit Fees, 39
 - of Prizes, 414, 418
 - of Supplies, Timely, Penalty for Violation, 11
 - or Deposit, Equipment, 415
 - Percentage, Prohibited, Use Fees, 44
 - Periodic, 239, 368
 - Prize, 403
 - Reimbursement of Equipment, 415
 - to Organizations, Distributor's, 39
- Payoffs, Publication of, 239, 368
- Penalt(ies)y
 - Civil, 54
 - for Violation, Timely Payment of Supplies, 11
 - Provision(s), 14
- General, 40, 81
- Percentage Payments Prohibited, Use Fees, 44
- Permit(s)
 - Application for Gaming Employee, Procedure, 94, 184, 314
 - Conditional Junket Representative, 186
 - Criteria
 - for the Issuances of, 94, 180, 314
 - Supplier, 99, 187, 321
 - Display of Gaming Employee, 184, 315
 - Disqualification Criteria, License or, 90, 182, 307
 - Fees
 - for Issuance of, 177
 - of Licenses and, 315
 - Payment of, 39
 - for Designated Check Cashing Representative, Application for, Additional Requirements, Summary of Proposed Operations, 374
 - Gaming Operator License and, Suitability, 307
 - Junket Representative, 185
 - License and, Suitability, 90, 179
 - Ownership of, 87
 - of Licenses and, 304
 - Required, Gaming Employee, 94, 184, 314
 - Requirements
 - Exemptions/Waivers from Non-Gaming Vendor, 184
 - for Persons Furnishing Services or Property or Doing Business with the Casino Operator or Casino Manager, 184
 - Stamp, Machine Location, 34
 - Surrender of a, 187
 - Temporary, 48, 50
 - Terms and Filing of Application, License and, 183
 - Transfers of, 87
 - Licenses or, 87, 304
 - Withdrawal of Temporary Gaming Employee, 315
- Permittee(s)
 - Code of Conduct of Licensees and, 125, 291, 358
 - Investigation of, 37
 - Transfer of Economic Interest among Licensees and/or, 100, 322
- Permitting Process, 24, 33
- Persons
 - Furnishing Significant Services, 54
 - Required to be Excluded, 68
- Petitions for Redetermination, Procedures, 224, 358
- Plans, 90
- Poker
 - Internal Controls, 219, 349
- Policy, 167
 - Statement, 164, 401, 405, 409, 416, 421
 - of Department, 1, 23, 277
- Political Contributions, 233
- Powers of the Division, Investigative, 316
- Premises
 - Access to, and Production of Records, 127, 360
 - Accessibility to, Parking, 126, 234, 360
 - Managerial Representative on, 133, 231, 366
 - Retail, Suitability, 80
 - Sales, Retail General, 80

- President, Power of, 413
- Privilege, Waiver of, 313
- Prize(s)
 - Installment, 404, 420
 - Merchandise, 404, 420
 - Money to a Debtor, Disbursement of, 421
 - Payment (of), 403, 414, 418
 - Value of, 6
- Probability of Winning, 402
- Problem Gambling Programs, 67
- Procurement
 - Initiation of, 406
 - Officer, Supervision by, 408
 - Preservation of Integrity of, 407
 - Procedures
 - Major, 165
 - Minor, 167, 408
 - Special, 408
- Program(s)
 - Problem Gambling, 67
 - Storage Media, Duplication of, 149, 261, 273, 389
 - to Address Problem Gambling, 57
- Prohibitions, 41, 233
- Promotions, 132, 230, 365
- Proposals
 - Acceptance and Evaluation of, 407
 - Preparation of Request for, 406
- Provision(s)
 - General, 75, 77, 175, 244, 401
 - Credit, General, 67
 - Penalty, 81
 - Miscellaneous, 45, 162, 167
 - Penalty, 14
 - General, 40, 81
 - Surveillance Personnel Employment, 135, 241, 369
- Publicly Registered Debt and Securities, 103, 326
- Pull Tabs
 - Assembly and Packaging of, 12
 - Standards for Construction of, 11
 - Progressive, 13
- Purchase(s)
 - Bulk, 404
 - of Lottery Tickets, Required, 414
- Purpose, Statement of, 160
- Qualification
 - of Officers, Agent, and Principal Employees, 155, 275, 398
 - Procedure, 155, 275, 398
- Race Book, 349
- Raffles, 5
- Receipt of Gaming Tokens from Manufacturer or Supplier, 153
- Reciprocity, 58
- Recommendations or Solicitations, Notification of Vendor, 98
- Record(s)
 - Accounting, 104, 195, 326
 - Access
 - to Applicants' Premises and, 92, 178, 310
 - to Confidential, 244, 373
 - to Premises and Production of, 127, 360
 - to Public, 244, 373
 - Confidential, 243, 372
 - of Ownership, 105, 196, 327
 - Preparation Fees, 50, 55
 - Public, 243, 371
 - Requirements, Reporting and, 27
 - Retailer, 415
 - Retention, 106, 197, 328, 374
 - Requirements, 7, 77, 79
 - of Electronic Video Bingo, 39
 - Unauthorized Procurement of, Prohibited, 244, 373
- Recordkeeping, 236
 - Requirements
 - Reporting and, 48
 - Tickets, 45
- Redetermination
 - Petitions for, Procedures, 224, 358
 - Procedures, Petitions for, 125
- Refunds, Claims for, Procedures, 125, 225, 358
- Registration
 - of Manufacturers, Distributors or Owners of Electronic Video Bingo Machines, 24
 - Renewal, 155, 275, 398
 - Required, Labor Organization, 154, 274, 397
 - Statement, 154, 274, 398
- Regulation(s), 29, 168
 - and Administrative Matters, Issuance and Construction of, 87, 304
 - Construction of, Severability, 299
- Regulatory
 - Communication, and Reporting Responsibilities, 283
 - Violation, Application of Sanction to Transferee, Notice of Alleged Significant, 190
- Reimbursement of Equipment Payment, 415
- Renewal Required, Annual, 412
- Rental Payments, Computation of, 415
- Report(s)
 - Annual Commission, Periodic Special Reports, 299
 - Continuing Suitability, Duty to, 183
 - Exception, Federal, 155, 275, 398
- Reporting, 227
 - and Paying Gaming Revenues and Fees, Procedure for, 195, 326
 - and Paying Taxes and Fees, Procedure for, 104
 - and Record Requirements, 27
 - and Recordkeeping Requirements, 48
 - Cash Transaction, 183, 308, 374
 - Currency Transaction, 123, 222, 356, 376
 - Extension of Time for, 124, 224, 357
 - Forms, Application and, 58
 - Requirements, 79
 - for Electronic Video Bingo
 - Distributors, 38
 - Manufacturers, 38
 - for License Holders, 11, 76
 - for Organizations Owning Electronic Video Bingo Machines, 39
 - of Junket Representatives, 187
- Representative on Premises, Managerial, 133, 231, 366

- Requirements
 - Additional, 235
 - Application for Permit for Designated Check Cashing Representative, Summary of Proposed Operations, 374
 - Applicants
 - in General, 175
 - Volunteer Worker I.D., 76
 - Capital Replacement Fund, 228
 - Cash Reserve
 - and Bonding, General, 107, 330
 - General, 199
 - Clothing, 110, 202, 333, 375
 - Exemptions/Waivers from Non-Gaming Vendor Permit, 184
 - for Electronic Video Bingo, Reporting,
 - Distributors, 38
 - Manufacturers, 38
 - for License Holders, Reporting, 11, 76
 - for Organizations Owning Electronic Video Bingo
 - Machines, Reporting, 39
 - for Persons Furnishing Services or Property or Doing Business with the Casino Operator or Casino Manager, Permit, 184
 - General, 48, 50, 374
 - Maritime, 307
 - of Electronic Gaming Devices, Computer Monitoring, 141, 254, 271, 382
 - of Electronic Video Bingo, Record Retention, 39
 - of Full Disclosure, 100, 322
 - of Junket Representatives, Reporting, 187
 - of Procedures, Minimum, 408
 - Record Retention, 7, 77, 79
 - Recordkeeping, Tickets, 45
 - Reporting, 79
 - and Record, 27
 - and Recordkeeping, 48
 - Surveillance
 - and Division Room, 135, 370
 - Room And Gaming Board's Controlled Space, 241
 - Time
 - Conduct of Investigation, 93, 312
 - Applicant, 177
- Resources, 94, 188, 315
- Restrictions, 187
 - Stock, 191
- Restrictive Areas, 132, 365
- Retail
 - Premises
 - Sales, General, 80
 - Suitability, 80
- Retailer(s)
 - Certificate, 412
 - Criteria
 - for Instant, 411
 - for On-Line, 411
 - Eligibility, 402, 419
 - Insolvency of, 414
 - Other Business of, 412
 - Records, 415
 - Security, 413
 - Selection of, 410
 - Threshold Criteria for, 410
- Retrieval, 136, 242, 371
- Revenue(s), 282
 - and Fees, Procedure for Reporting and Paying Gaming, 326
 - Collection and Deduction from Gross, 236
 - Computations, Gross Gaming, 223
 - Treatment of Credit for Computing Gross Gaming, 224
- Review
 - Judicial
 - Fair Hearing, Revocation, Suspension, Restriction, Denial or Nonrenewal of Application, 3
 - Hearing, Right to Fair, 14, 81
- Revocation, 187
- RFP
 - Cancellation or Amendment of, 407
 - Dissemination of, 406
- Right to Fair Hearing—Judicial Review, 81
- Rights Created Hereby, No Third Party, 422
- Riverboat, Weapons on the, 359
- Routes, Excursion Schedules and Berth, Modifications of, 314
- Rule(s)
 - and Regulations, Commission, Promulgation, 298
 - Bylaws and Articles of Incorporation, Special Procedures for Promulgation of, 163
 - Compliance with Law, 402, 418
 - Display of, 45
 - Petition
 - for Agency Review of, 56
 - for Declaratory Orders and Rulings, Statutes and, 57
 - of Conduct, Special Procedures for Hearings on Alleged Violations of the, 163
 - of Play, 238, 367
 - 102 Disputes, Hearings on, 53
 - Relating to Retailers, Ethical, 410
 - Repeal of Previously Adopted, 30
 - Standards of Conduct and Ethical, 54
 - Submission of, 238, 367
- Rulings, Statutes and Rules, Petition for Declaratory Orders and, 57
- Safe Harbor, 181
- Sale(s)
 - Bulk, 404
 - Commissions, 414
 - Location of, 414
 - of Lottery Tickets on Credit, 414
 - Premises, Retail General, 80
 - Price of Tickets, 414
- Sanction(s), 189
 - Criteria for, 136, 377
 - Imposition of, 96, 317, 374
 - to Transferee, Application of, Notice of Alleged Significant Regulatory Violation, 190
- School(s)
 - Donations to Public, 57
 - Training, 415

- Security
 - and Surveillance Logs, 135, 370
 - Procedures, 415
 - Retailer, 413
 - Surveillance and, Plans, 134
- Self-Exclusion, 71
- Services, Persons Furnishing Significant, 54
- Severability Clause, 295
- Signage, Mandatory, Advertising, 229
- Slot(s)
 - Internal Controls, 111, 209, 340
 - Machine(s)
 - Proceeds Computation, Net, 124
 - Progressive, 271
- Software Information to be Provided to the Division, 36
- Specifications, 90
 - for Cards, Approval and, 269, 397
 - for Chips, 264, 265, 393
 - and Tokens, 393
 - for Dice, Approval and, 268, 396
 - for Tokens, 264, 265, 393
 - Identification, 152
 - Size and Manufacturing, 152
 - Machine, 34
 - Hardware and Software, 25
- Standards
 - for Construction, 3
 - of Pull Tabs, 11
 - for Electronic Gaming Devices, Minimum, 138, 250, 270, 379
- Statements(s)
 - Audited Financial, 106
 - of Authority, 157
 - of Department Policy, 1, 23, 277
 - of Purpose, 160
 - Standard Financial, 106, 328
- Statutes and Rules, Petition for Declaratory Orders and Rulings, 57
- Stock Restrictions, 191
- Storage, 136
 - and Retrieval, 242, 371
- Submissions, Quarterly, 56
- Subpoenas
 - and Subpoenas Duces Tecum, 93, 312
 - in Connection with Investigative Hearings, 95, 317
- Suitability
 - Continuing, Duty to Report, 183
 - Determination, 90, 307
 - of a Casino Operator Applicant, 179
 - Gaming Operator License and Permits, 307
 - License and Permits, 90, 179
 - of Casino Operator, 180
 - of Certain Lenders, Presumption of, 181
 - Other Considerations for Finding of, 179
- Supervisor Action Must Be by Order, 377
- Supplier(s)
 - Nongaming, 88, 306
 - Permit Criteria, 99, 187, 321
- Supplies
 - Acquisition of, 79
 - Payment of, 79
 - Timely Payment of, Penalty for Violation, 11
 - Transfer of Surplus, 7, 76
- Surveillance
 - and Division Room Requirements, 135, 370
 - and Security Plans, 134
 - Equipment, Required, 133, 240, 368
 - Logs, 241
 - Security and, 135, 370
 - Personnel Employment Provisions, 135, 241, 369
 - Room and Gaming Board's Controlled Space Requirements, 241
 - System
 - Compliance, 242, 371
 - Plans, 240, 369
- Tax(es)
 - and Fees, Procedure for Reporting and Paying, 104
 - Clearances, 91, 308
 - Required
 - of a Gaming Employee, 178
 - of an Applicant, 178
 - for a License, 90, 308
- Telephone Communication, Segregated, 135, 241, 370
- Terms, 23
- Testing, 136, 242, 371
- Ticket(s)
 - on Credit, Sale of Lottery, 414
 - Promotional, 414
 - Recordkeeping Requirements, 45
 - Required Purchases of Lottery, 414
- Sales
 - Price of, 414
 - Proceeds from, 413
- Time
 - for Reporting, Extension of, 124, 224, 357
 - Requirements, Conduct of Investigation, 93, 312
- TimeTable for Financing and Construction, 92
- Tips or Gratuities, Internal Controls, 111, 209, 339
- Tokens
 - and Chips, Exchange of, 222, 355
 - Approval of
 - Applications and Procedures, 152
 - Chips and, Applications and Procedures, 264, 392
 - Destruction of Counterfeit, 154
 - Chips and, 267, 395
 - Exchange of, 123
 - from Manufacturer or Supplier
 - Receipt of Gaming, 153
 - Receipt of Gaming Chips or, 266, 394
 - Identification Specifications for, 152
 - Promotional and Tournament Chips and, 267
 - Purchase of, 233
 - Redemption and Disposal of Discontinued, 153
 - Chips and, 267, 395
 - Size and Manufacturing Specifications for, 152
 - Specifications for, 264, 265, 393
 - Chips and, 264, 265, 393
 - Use of, 153
 - Chips and, 266, 394

- Tournaments, 133, 230, 366
- Transaction(s)
 - Cash, Reporting, 183, 308, 374
 - Currency, Reporting, 123, 222, 356, 376
 - Prohibited, 227
- Transfer(s)
 - in General, 99, 321
 - of Economic Interest to Nonlicensee or Nonpermittee, 101, 323
 - of Interest
 - Prior to Approval, 190
 - to Non-Licensee or Non-Permittee, 191
 - of Licenses, 87
 - or Permits, 304
 - Procedure for Proposed, 191
 - Required, Prior Approval of, 100, 322
 - Statement of Restrictions Concerning, 101, 323
- Use
 - Fee(s)
 - Collection of, 79
 - Percentage Payments Prohibited, 44
 - of Chips and Tokens, 266, 394
- Validation, Winner, 402, 419
- Value Required on Disposable and Nondisposable Bingo/ Keno Cards, and Bonanza Sheets, Assigned Fixed, 9
- Vendor Recommendations or Solicitations, Notification of, 98, 321
- Video
 - Bingo
 - Distributors, Reporting Requirements for Electronic, 38
 - Machines
 - Licensing of Manufacturers, Distributors or Owners of Electronic, 32
 - Possession of Electronic, 38
 - Record Retention Requirements of Electronic, 39
 - Registration of Manufacturers, Distributors or Owners of Electronic, 24
 - Reporting Requirements
 - for Electronic, 38
 - for Organizations Owning Electronic, 39
 - Draw Poker Devices, Operation of, 280
- Violation(s)
 - Application of Sanction to Transferee, Notice of Alleged Significant Regulatory, 190
 - Assisting in, 130, 231, 364
 - by the Designated Check Cashing Representative, 376
 - of the Rules of Conduct, Special Procedures for Hearings on Alleged, 163
 - Penalty for, Timely Payment of Supplies, 11
- Volunteer/Worker License I.D.
 - Application/Requirements, 76
 - Not Transferable, 76
- Wagers, 239, 368
- Waiver(s), 131, 234, 365
 - Exemptions, from Non-Gaming Vendor Permit Requirements, 184
 - of Disqualification Criteria, 155, 275, 399
 - of Privilege, 93, 313
- Weapons
 - in the Casino, 232
 - in the Designated Gaming Area, 126
 - on the Riverboat, 359
- Winner(s)
 - Names of, 402, 418
 - Validation, 402, 419
- Winning
 - Odds of, 418
 - Probability of, 402
- Withdrawal
 - Effect of, Emergency Permission to Participate, 193, 325
 - of Application, 314
 - of Temporary Gaming Employee Permit, 315
- Worker(s)
 - I.D., Volunteer Application/Requirements, 76
 - Register of, 46