

CHAPTER 45

ACCOUNTING AND INTERNAL CONTROLS

Authority

N.J.S.A. 5:12-5, 63, 69, 70, 99 and 100.

Source and Effective Date

R.2007 d.368, effective November 1, 2007.
See: 39 N.J.R. 3495(a), 39 N.J.R. 5105(a).

Chapter Expiration Date

Chapter 45, Accounting and Internal Controls, expires on November 1, 2012.

Chapter Historical Note

Chapter 45, Accounting And Internal Controls, was adopted as R.1978 d.178, effective May 25, 1978. See: 10 N.J.R. 212(a), 10 N.J.R. 306(d). Chapter 45 was amended by R.1975 d.172, effective June 19, 1975. See: 7 N.J.R. 343(a); R.1979 d.336, effective August 22, 1978. See: 11 N.J.R. 307(a), 11 N.J.R. 530(d); R.1980 d.504, effective on November 18, 1980. See: 12 N.J.R. 447(b), 13 N.J.R. 48(a); R.1981 d.272, effective August 16 and September 10, 1981. See: 13 N.J.R. 47(c), 13 N.J.R. 628(a), 13 N.J.R. 541(a); R.1981 d.437, effective November 16, 1981. See: 13 N.J.R. 534(b), 13 N.J.R. 848(b); R.1982 d.171, effective June 7, 1982. See: 13 N.J.R. 534(b), 14 N.J.R. 582(a); R.1982 d.189, effective June 21, 1982. See: 14 N.J.R. 381(a), 14 N.J.R. 664(c); R.1982 d.206, effective July 6, 1982. See: 13 N.J.R. 534(b), 14 N.J.R. 710(d); R.1982 d.171, effective June 7, 1982 (operative July 15, 1982). See: 13 N.J.R. 534(b), 14 N.J.R. 582(a), 14 N.J.R. 848(b); R.1982 d.189, effective June 21, 1982. See: 14 N.J.R. 381(a), 14 N.J.R. 664(c); R.1982 d.293, effective September 7, 1982. See: 14 N.J.R. 559(a), 14 N.J.R. 983(b); R.1982 d.329, effective October 4, 1982. See: 14 N.J.R. 708(a), 14 N.J.R. 1101(c); R.1983 d.112, effective March 29, 1983. See: 15 N.J.R. 257(a), 15 N.J.R. 627(b).

Pursuant to Executive Order 66(1978), Chapter 45, Accounting and Internal Controls, was readopted as R.1983 d.125, effective April 7, 1983. See: 15 N.J.R. 240(a), 15 N.J.R. 699(a). Chapter 45 was amended by R.1983 d.239, effective June 30, 1983. See: 14 N.J.R. 1052(a), 15 N.J.R. 1040(b); R.1983 d.300, effective August 1, 1983. See: 14 N.J.R. 1053(a), 15 N.J.R. 1259(a); R.1984 d.135, effective April 16, 1984. See: 16 N.J.R. 361(a), 16 N.J.R. 927(a); R.1984 d.623, effective January 21, 1985. See: 16 N.J.R. 2075(b), 17 N.J.R. 211(b); R.1984 d.624, effective January 21, 1985 (operative September 30, 1985). See: 16 N.J.R. 2076(a), 17 N.J.R. 212(a), 17 N.J.R. 1917(b); as R.1985 d.41, effective February 19, 1985. See: 16 N.J.R. 3302(b), 17 N.J.R. 480(c); R.1985 d.229, effective May 20, 1985 (operative December 1, 1985). See: 17 N.J.R. 181(a), 17 N.J.R. 1327(a); R.1985 d.493, effective October 7, 1985 (operative December 1, 1985). See: 17 N.J.R. 1254(a), 17 N.J.R. 2456(a); R.1986 d.36, effective February 18, 1986 (operative March 1, 1986). See: 17 N.J.R. 2970(a), 18 N.J.R. 428(b); R.1986 d.77, effective April 7, 1986. See: 17 N.J.R. 2245(a), 18 N.J.R. 706(b); R.1986 d.212, effective June 16, 1986. See: 17 N.J.R. 2969(a), 18 N.J.R. 1312(a); R.1986 d.240, effective July 7, 1986. See: 17 N.J.R. 2747(a), 18 N.J.R. 1402(c); R.1986 d.302, effective October 6, 1986. See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a); R.1986 d.308, effective August 4, 1986. See: 18 N.J.R. 1096(a), 18 N.J.R. 1614(b); R.1986 d.365, effective September 8, 1986. See: 18 N.J.R. 935(b), 18 N.J.R. 1839(b); R.1987 d.277, effective July 6, 1987 (operative November 1, 1987). See: 18 N.J.R. 1929(a), 19 N.J.R. 1237(a), 19 N.J.R. 1656(a); R.1987 d.302, effective July 20, 1987. See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a); R.1987 d.395, effective October 5, 1987. See: 19 N.J.R. 54(b), 19 N.J.R. 1826(b); R.1987 d.428, effective November 2, 1987. See: 19 N.J.R. 923(a), 19 N.J.R. 2065(a); R.1987 d.457, effective November 16, 1987. See: 19 N.J.R. 1290(a), 19 N.J.R. 2202(a); R.1988 d.34, effective January 19, 1988. See: 19 N.J.R. 1890(a), 20 N.J.R. 205(a).

Pursuant to the Executive Order 66(1978), Chapter 45, Accounting and Internal Controls, was readopted as R.1988 d.178, effective March 24, 1988. See: 20 N.J.R. 382(a), 20 N.J.R. 930(a).

Petition for Rulemaking: proposing new rule, N.J.A.C. 19:45-1.26A, regarding the redemption of checks and counterchecks by authorized agents for casino licensees. See: 21 N.J.R. 3677(b).

Pursuant to Executive Order No. 66(1978), Chapter 45, Accounting and Internal Controls, was readopted as R.1993 d.147, effective March 5, 1993. See: 25 N.J.R. 277(a), 25 N.J.R. 1519(a).

Pursuant to Executive Order No. 66(1978), Chapter 45, Accounting and Internal Controls, was readopted as R.1997 d.374, effective August 15, 1997. See: 29 N.J.R. 2629(b), 29 N.J.R. 4139(b).

Chapter 45, Accounting and Internal Controls, was readopted as R.2002 d.300, effective August 15, 2002. See: 34 N.J.R. 1773(a), 34 N.J.R. 3287(a).

Chapter 45, Accounting and Internal Controls, was readopted as R.2007 d.368, effective November 1, 2007. See: Source and Effective Date.

Petition for Rulemaking. See: 40 N.J.R. 5878(b).

Petition for Rulemaking. See: 41 N.J.R. 901(a).

CHAPTER TABLE OF CONTENTS

SUBCHAPTER 1. GENERAL PROVISIONS

- 19:45-1.1 Definitions
- 19:45-1.1A Gaming day
- 19:45-1.2 Accounting records
- 19:45-1.3 Licensee's system of internal controls
- 19:45-1.4 Records regarding ownership
- 19:45-1.5 Forms, records and documents
- 19:45-1.5A Patron signature file
- 19:45-1.6 Standard financial and statistical reports
- 19:45-1.7 Annual audit and other reports
- 19:45-1.8 Retention, storage and destruction of books, records and documents
- 19:45-1.9 Complimentary services or items
- 19:45-1.9A Procedures for transportation expense reimbursements
- 19:45-1.9B Procedures for complimentary cash and noncash gifts
- 19:45-1.9C Alternative reporting procedures; accessible compli-mentaries database
- 19:45-1.10 Closed circuit television system; surveillance depart-ment control; surveillance department restrictions
- 19:45-1.11 Casino licensee's organization
- 19:45-1.11A Jobs compendium submission
- 19:45-1.12 Personnel assigned to the operation and conduct of gaming
- 19:45-1.12A Internal control procedures for access badge system and issuance of temporary license credentials
- 19:45-1.13 Firearms; possession within casino or casino simul-casting facility
- 19:45-1.14 Cashiers' cage; satellite cages; master coin bank; coin vaults
- 19:45-1.14A Simulcast counter
- 19:45-1.15 Accounting controls for the cashiers' cage, satellite cages, master coin bank and coin vaults
- 19:45-1.15A Accounting controls within the simulcast counter
- 19:45-1.16 Drop boxes and slot cash storage boxes
- 19:45-1.17 Drop boxes, transportation to and from gaming tables; slot cash storage boxes, transportation to and from bill changers; storage
- 19:45-1.18 Procedure for accepting cash and coupons at gaming tables
- 19:45-1.18A Presentation of recognized credit card or debit card in exchange for gaming chips or plaques
- 19:45-1.19 Acceptance of tips or gratuities from patrons
- 19:45-1.20 Table inventories
- 19:45-1.21 Procedure for opening tables for gaming

- 19:45-1.22 Procedure for distributing gaming chips, coins and plaques to gaming tables
- 19:45-1.23 Procedure for removing gaming chips, coins and plaques from gaming tables
- 19:45-1.24 Procedure for acceptance, accounting for and redemption of patron cash deposits
- 19:45-1.24A Procedures for accepting, verifying and accounting for wire transfers and electronic fund transfers; wire transfer and electronic fund transfer fees
- 19:45-1.24B Procedure for sending funds by wire transfer or electronic fund transfer
- 19:45-1.25 Procedure for exchange of checks submitted by gaming or simulcast wagering patrons; repurchase of cash equivalents
- 19:45-1.25A Procedure for exchange of slot counter checks by slot patrons
- 19:45-1.26 Substitution, redemption and consolidation of patron checks at the cashiers' cage; initiation of transactions by mail
- 19:45-1.26A Acceptance of payments toward outstanding patron checks
- 19:45-1.27 Procedures for granting credit, and recording checks exchanged, redeemed or consolidated
- 19:45-1.27A Patron request for suspension of credit privileges
- 19:45-1.28 Procedure for depositing checks received from gaming patrons
- 19:45-1.29 Procedure for collecting and recording checks returned to the casino after deposit
- 19:45-1.30 Procedure for shift changes at gaming tables
- 19:45-1.31 Procedure for closing gaming tables
- 19:45-1.32 Count room; characteristics
- 19:45-1.33 Procedure for opening, counting and recording contents of drop boxes and slot cash storage boxes and the recording of keno revenue
- 19:45-1.33A Procedure for opening, counting and recording the contents of bill validator boxes from gaming voucher redemption machines; determination of gross revenue deduction
- 19:45-1.34 Slot booths
- 19:45-1.35 Accounting controls for slot booths and change machines
- 19:45-1.35A Accounting controls for automated jackpot payout machines and gaming voucher redemption machines
- 19:45-1.36 Slot machines and bill changers; coin and slot token containers; slot cash storage boxes; entry authorization logs
- 19:45-1.36A Slot machines; hopper storage areas
- 19:45-1.37 Slot machines and bill changers; electronically erasable/programmable storage media; identifications; signs; and meters
- 19:45-1.37A Electronic transfer credit systems
- 19:45-1.37B Slot machine tower light
- 19:45-1.37C Slot machines; tokenization; residual slot credit
- 19:45-1.38 Slot machines and bill changers; authorized locations; movements
- 19:45-1.39 Progressive slot machine jackpots
- 19:45-1.39A Linked slot machines interconnected in more than one casino; slot system operator; computer monitoring room
- 19:45-1.39B Table game progressive payout wagers
- 19:45-1.40 Jackpot and credit meter payouts that are not paid directly from the slot machine
- 19:45-1.40A Jackpot payouts of merchandise or other things of value; cash jackpot payouts offered together with or as an alternative to jackpot payouts of merchandise or other things of value
- 19:45-1.40B Jackpot payouts in the form of an annuity
- 19:45-1.40C Multi-casino slot system jackpot payouts of cash
- 19:45-1.40D Inspection of slot machine jackpots
- 19:45-1.40E Jackpot payouts of cash by a slot attendant from an imprest pouch
- 19:45-1.40F Alternative procedures for a manual slot payout of less than \$10,000
- 19:45-1.41 Procedure for filling payout reserve containers of slot machines and hopper storage areas
- 19:45-1.41A Procedures governing the removal of coin, slot tokens and slugs from a slot machine hopper
- 19:45-1.42 Removal of slot drop buckets, slot drop boxes and slot cash storage boxes; unsecured currency; meter readings
- 19:45-1.43 Procedure for counting and recording contents of slot drop buckets and slot drop boxes
- 19:45-1.44 Commission-controlled keys for dual locks; casino licensee-controlled keys and locks; notice to the Commission and surveillance department upon malfunction and repair, maintenance or replacement of alarms
- 19:45-1.45 Signatures
- 19:45-1.46 Procedures for control of coupon redemption and other complimentary distribution programs
- 19:45-1.46A Procedures and requirements for use of an automated coupon redemption machine
- 19:45-1.46B Procedures and requirements for a bill changer which can accept coupons
- 19:45-1.47 Keno booths; satellite keno booths; keno lockers; roving keno work stations
- 19:45-1.47A Keno runners
- 19:45-1.47B Public keno areas
- 19:45-1.48 Accounting controls for the operation of keno booths and keno work stations
- 19:45-1.49 Keno drawer fill procedures
- 19:45-1.50 Keno drawer credit procedures
- 19:45-1.51 Keno computer system
- 19:45-1.52 Payment of table game progressive payout wagers
- 19:45-1.53 Accounting controls for chippersons and chip carts
- 19:45-1.54 Gaming vouchers; physical characteristics; procedures for issuance and redemption
- 19:45-1.55 Computerized gaming voucher systems; required procedures

SUBCHAPTER 2. CASINO COMPUTER SYSTEMS

- 19:45-2.1 Definitions
- 19:45-2.2 Casino computer systems; authorized locations

SUBCHAPTER 1. GENERAL PROVISIONS

19:45-1.1 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

"Annuity jackpot trust check" means a check issued by an annuity jackpot trust, as defined in N.J.S.A. 5:12-2.2, in payment of winnings from an annuity jackpot. An annuity jackpot trust check shall be made payable only to the person presenting the check and shall not contain any other endorsements.

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

"Automated coupon redemption machine" means any mechanical, electrical or other device which operates independently of a slot machine and which, upon insertion of a valid casino coupon or currency, dispenses an amount of coin or slot tokens equivalent to the face value of the coupon or

currency, and which immediately upon exchange cancels the coupon.

“Authorized instrument” means a cash equivalent, a casino check, a casino affiliate check, an annuity jackpot trust check or a replacement check.

“Bank” is defined in N.J.A.C. 19:45-1.25.

“Cage cashier” is defined in N.J.A.C. 19:45-1.15.

“Cage supervisor” means any person holding a license as required by the casino licensee’s approved jobs compendium which allows that person to supervise personnel and functions within the cashier’s cage.

“Cash” means currency or coin.

“Cash equivalent” means a:

1. Certified check, cashiers check, treasurers check, recognized travelers check or recognized money order that:

i. Is made payable to the casino licensee where presented, a holding company of the casino licensee, “bearer” or “cash”;

ii. Is dated, but not postdated; and

iii. Does not contain any endorsement;

2. Certified check, cashiers check, treasurers check or recognized money order that:

i. Is made payable to the presenting patron;

ii. Is endorsed in blank by the presenting patron;

iii. Is dated but not postdated; and

iv. Does not contain any endorsement other than that of the presenting patron; or

3. Recognized credit card or debit card presented by a patron in accordance with the provisions of N.J.A.C. 19:45-1.18A or 1.25(i).

“Cash equivalent value of any merchandise or thing of value” is defined in N.J.A.C. 19:45-1.40A.

“Cashiering location” means any window in an enclosed structure within the casino hotel facility from which an employee of the casino licensee conducts casino or casino simulcasting cashiering transactions with patrons or employees including, without limitation, a cashiers’ cage, satellite cage, master coin bank, coin vault, simulcast counter, ancillary simulcast counter, slot booth, coin redemption booth, jackpot/hopper window and keno booth.

“Cashiers’ cage” is defined in N.J.A.C. 19:45-1.14.

“Casino Accounting Department” (accounting department) is defined in N.J.A.C. 19:45-1.11.

“Casino clerk (Pit clerk)” is defined in N.J.A.C. 19:45-1.12.

“Casino supervisor” means a person employed in the operation of a casino or of the authorized games in a casino simulcasting facility in a supervisory capacity or empowered to make discretionary decisions which regulate casino operations, including but not limited to, boxpersons, floorpersons, pit bosses, poker shift supervisors, table games shift managers, the assistant casino manager, and the casino manager.

“CCTV system location” means any location in the casino hotel facility, not controlled by Commission or Division employees, that has been approved by the Commission to receive transmissions from the surveillance department’s closed circuit television system including, without limitation, CCTV system monitoring rooms, surveillance department offices, CCTV system repair areas, and CCTV system emergency facilities.

“Check” is defined in N.J.A.C. 19:45-1.25.

“Check credit slip” is defined in N.J.A.C. 19:45-1.25.

“Checking account” is defined in N.J.A.C. 19:45-1.25.

“Chief gaming executive” means the natural person located at a single casino hotel facility who is responsible for the daily conduct of an applicant’s or casino licensee’s gaming business including, except as otherwise specified therein, the direct or indirect supervision of the departments required or authorized by N.J.A.C. 19:45-1.11, regardless of the applicant’s or casino licensee’s form of business association or the particular title which that person or any other person holds. Unless the chief gaming executive also serves as the “chief executive officer” of the applicant or casino licensee in the manner authorized by N.J.A.C. 19:40-1.2, the chief gaming executive shall report directly to the chief executive officer of the applicant or casino licensee.

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

“Coin vault” is defined in N.J.A.C. 19:45-1.14.

“Compensation” means direct or indirect payments for services performed including, but not limited to, salary, wages, bonuses, deferred payments, and overtime and premium payments.

“Complimentary distribution program” is defined in N.J.A.C. 19:45-1.46.

“Complimentary services or items” is defined in N.J.A.C. 19:45-1.9.

“Complimentary Vigorish Form” is defined in N.J.A.C. 19:47-3.3(c)3i and 7.3(c)3i.

“Counter Check” is defined in N.J.A.C. 19:45-1.25.

“Coupon” means a document which is issued in accordance with the coupon redemption and complimentary distribution programs in N.J.A.C. 19:45-1.46(a), and includes a match play coupon and a progressive wager coupon.

“Credit card cash transaction” means a transaction in which a patron obtains cash or slot tokens from a cashier by presenting a recognized credit card in accordance with the provisions of N.J.A.C. 19:45-1.25(i).

“Credit Slip” is known as a “Credit” and is defined in N.J.A.C. 19:45-1.23.

“Debit card cash transaction” means a transaction in which a patron obtains cash or slot tokens from a cashier by presenting a recognized debit card in accordance with the provisions of N.J.A.C. 19:45-1.25(i).

“Denomination,” when used in conjunction with or in reference to a slot machine, means the value of the lowest wager that can be placed on the slot machine.

“Derogatory information” is defined in N.J.A.C. 19:45-1.27(c)2iii.

“Drop box” is defined in N.J.A.C. 19:45-1.16.

“Electronic fund transfer” means a 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. For the purposes herein, the term does not include a debit card cash transaction as defined in this section, a debit card chip transaction as defined in N.J.A.C. 19:45-1.18A(a), or any transactions exempt, by statute or regulation, from the provisions of Title IX of the Federal Consumer Protection Act, 15 U.S.C. § 1693.

“Fill Slip” is known as a “Fill” and is defined in N.J.A.C. 19:45-1.22.

“Gaming voucher credit” means the equivalent value of coins or slot tokens registered on the credit meter of a slot machine as a result of a patron inserting a gaming voucher into the slot machine, which value shall also be recorded on the value voucher in meter.

“Gaming voucher receipt” is defined in N.J.A.C. 19:45-1.54(d)8ii.

“Gaming voucher system” is defined in N.J.A.C. 19:45-1.55.

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

“Hopper fill” is defined in N.J.A.C. 19:45-1.41.

“Hopper inventory level” means the total dollar value of the initial fill of a slot machine hopper or an adjusted total that includes any subsequent increases in the total dollar value of the initial fill.

“Hopper storage area” is defined in N.J.A.C. 19:45-1.36A.

“Identification credential” means a valid credit card, driver license, passport or other document generally accepted in business as a form of identification and which contains, at a

minimum, the person signature. A personal reference does not constitute an identification credential.

“Imprest basis” means the basis on which cashiers’ cage and slot booth funds are replenished from time to time in exactly the value of the net of expenditures made from the funds and value received. A review is made by a higher authority of the propriety of the expenditures before the replenishment.

“Incompatible function” means a function, for accounting control purposes, that places any person or department, in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties. Anyone recording transactions and having access to assets ordinarily is in a position to perpetrate errors or irregularities. Persons may have incompatible functions if such persons are members of departments which have supervisors not independent of each other.

“Jackpot Payout Receipt” is defined in N.J.A.C. 19:45-1.40.

“Jackpot Payout Slip” is defined in N.J.A.C. 19:45-1.40.

“Keno booth” is defined in N.J.A.C. 19:45-1.47.

“Keno drawer” is defined in N.J.A.C. 19:45-1.48.

“Keno drop” means the sum of the total value of currency, coin, gaming chips, coupons and slot tokens wagered on keno tickets.

“Keno payout” means the currency, coin or casino check paid to a player in exchange for a winning keno ticket.

“Keno request” is defined in N.J.A.C. 19:47-15.1.

“Keno ticket” is defined in N.J.A.C. 19:47-15.1.

“Keno win or loss” means the total value of currency, coin, gaming chips, coupons and slot tokens wagered by patrons at keno less the total value of currency and coin paid to patrons for winning keno wagers.

“Keno work station” is defined in N.J.A.C. 19:45-1.47.

“Master coin bank cashier” is defined in N.J.A.C. 19:45-1.15.

“Master Game Report (Stiff Sheet)” means a record of the computation of the win or loss or, for the game of poker, the poker revenue, for each gaming table, each game, and each shift.

“Match play coupon” means a coupon with a fixed, stated value that is issued, utilized and redeemed pursuant to N.J.A.C. 19:45-1.18 and 1.46, and the stated value of which, when presented by a patron with gaming chips which are equal to or greater in value to the stated value of the coupon, is included in the amount of the patron’s wager in de-

termining the payout on any winning bet at an authorized game.

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

“Outstanding patron check” means any Counter Check, Slot Counter Check or replacement check that is not due for deposit or presentation pursuant to N.J.A.C. 19:45-1.28 and has not in fact been deposited or presented for payment or redeemed by the drawer.

“Pari-mutuel window net” means the total value of credit vouchers issued and wagers placed on simulcast horse races at a pari-mutuel window less the total value of simulcast payouts at the same pari-mutuel window. Pari-mutuel window net shall be calculated by the totalisator.

“Patron cash deposit” means the total value of cash, cash equivalents, complimentary cash gifts, slot tokens, prize tokens, gaming chips or plaques deposited with a casino licensee by a patron for his or her subsequent use pursuant to N.J.A.C. 19:45-1.24.

“Patron check” means a Counter Check, a Slot Counter Check or a replacement check.

“Payout” is defined in N.J.A.C. 19:45-1.40, 1.40A, and 1.54.

“Poker revenue” means the total value of rake charged to patrons at all poker tables pursuant to N.J.A.C. 19:47-14.14. The poker revenue is determined by adding the value of cash, coupons, the amount recorded on the Closer, the totals of amounts recorded on the Credits and issuance copies of Counter Checks removed from a drop box, the total of the amounts recorded on documents that evidence the exchange of gaming chips or plaques as part of credit card or debit card chip transactions, and subtracting the amount on the Opener and the total of amounts recorded on Fills removed from a drop box.

“Progressive wager coupon” means a coupon that:

1. Is issued, utilized and redeemed pursuant to N.J.A.C. 19:45-1.18 and 1.46;
2. Has a fixed, stated value that is equal to that required for a table game progressive payout wager; and
3. Is redeemable only at specified table games offering progressive payout wagers pursuant to N.J.A.C. 19:45-1.39B.

“Propriety” means the quality of being proper; conforming to sections of this chapter.

“Rake” is defined in N.J.A.C. 19:47-14.1.

“Recognized credit card” means a credit or charge card that:

1. Is issued by or under an agreement with a company that, as a normal part of its business, supplies its customers, either directly or through a national credit card network, with credit or charge cards that can be used for and are routinely accepted in consumer transactions;
2. Qualifies as a credit card for purposes of Regulation Z issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 226);
3. Expires on an expiration date that is imprinted on the card and is later than the date of the transaction for which the card is presented; and
4. Has a clearly visible registered credit card logo that is a permanent part of the card.

“Recognized debit card” means a debit card that:

1. Is issued by or under an agreement with a company that qualifies as a “depository institution” as defined in Section 19(b) of the Federal Reserve Act, 12 U.S.C. § 461(b), and that, as a normal part of its business, supplies its customers, either directly or through a registered debit card verification agency, with access to funds maintained for the cardholder in such depository institution by means of a debit card that is routinely accepted in consumer transactions or used to obtain cash;
2. Qualifies as an access device for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and
3. Has a clearly visible registered debit card logo that is a permanent part of the card.

“Redemption receipt” is defined in N.J.A.C. 19:45-1.26.

“Registered credit card logo” means a logo, permanently affixed on a recognized credit card, that a casino licensee, prior to accepting the card, has designated in its internal controls as the type of logo that must appear on any such card before the casino licensee will accept the card in a credit card cash or chip transaction and that is commonly seen on credit or charge cards that are routinely accepted in the United States, including, without limitation, the following:

1. American Express;
2. Carte Blanche;
3. Diners Club;
4. Discover;
5. MasterCard; or
6. Visa.

“Registered debit card logo” means a logo, permanently affixed on a recognized debit card, that a casino licensee,

prior to accepting the card, has designated in its internal controls as the type of logo that must appear on any such card before the casino licensee will accept the card in a debit card cash or chip transaction and that is commonly seen on debit cards that are routinely accepted in the United States, including, without limitation, the following:

1. Money Access Card (MAC); or
2. New York Cash Exchange (NYCE).

“Registered debit card verification agency” means an organization that:

1. Verifies, upon request from a merchant, the validity and account sufficiency of a recognized debit card in the normal course of its business;
2. Is authorized to perform the verification for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and
3. A casino licensee has identified in its internal controls as a company that will be used to verify recognized debit cards that are presented in debit card cash or chip transactions.

“Registered electronic funds transfer company” means an organization that:

1. Verifies, upon request from a merchant, the validity and account sufficiency of a recognized credit card in the normal course of its business;
2. Is authorized to perform the verification for purposes of Regulation E issued by the Board of Governors of the Federal Reserve System (12 C.F.R. Part 205); and
3. A casino licensee has identified in its internal controls as a company that will be used to verify recognized credit cards that are presented in credit card cash or chip transactions.

“Replacement check” is defined in N.J.A.C. 19:45-1.26.

“Request for Fill” is defined in N.J.A.C. 19:45-1.22.

“Request for Credit” is defined in N.J.A.C. 19:45-1.23.

“Request for Jackpot Payout Slip” is defined in N.J.A.C. 19:45-1.40.

“Residual slot credit” means a slot machine credit, on a slot machine equipped with tokenization, in an amount which is less than the denomination of the token that the slot machine is designed to accept and pay out, and which cannot be totally and automatically paid from the slot machine for that reason.

“Returned check” is defined in N.J.A.C. 19:45-1.29.

“Scan” means to attempt to verify a gaming voucher or coupon in a gaming voucher system or coupon acceptance system by utilizing a device that can read its bar code, or by

manually inputting the serial number of the gaming voucher or coupon into the system.

“Security department member” means any person employed by a casino licensee or its agent to provide physical security in an establishment.

“Shift” means the regular, daily work period of a group of employees administering and supervising the operation of table games, slot machines, simulcast counter, keno booths, cashiers’ cage and satellite cages, working in relay with another such succeeding or preceding group of employees or specific times, as approved by the Commission, during the day that all drop boxes attached to gaming tables are removed, expeditiously transported to the count room, and replaced with empty ones.

“Signature” is defined in N.J.A.C. 19:45-1.45.

“Simulcast count sheet” is defined in N.J.A.C. 19:45-1.15A(b).

“Simulcast handle” means the total value of currency, coin, gaming chips, slot tokens and coupons wagered by patrons on a simulcast horse race, less the total value of canceled or refunded tickets.

“Slot booth” is defined in N.J.A.C. 19:45-1.34.

“Slot cashier” is defined in N.J.A.C. 19:45-1.35.

“Slot cash storage box” is defined in N.J.A.C. 19:45-1.16.

“Slot counter check” is defined in N.J.A.C. 19:45-1.25A.

“Slot drop box” is defined in N.J.A.C. 19:45-1.36.

“Slot drop bucket” is defined in N.J.A.C. 19:45-1.36.

“Slot machine drop” means the total value of coins, slot tokens, and foreign slot tokens in a slot drop bucket or a slot drop box, the total value of currency, gaming vouchers and coupons in a slot cash storage box, and the total value of electronic credits withdrawn from patron accounts pursuant to N.J.A.C. 19:45-1.37A, if applicable.

“Slot machine win” means the value determined by subtracting the hopper fills, other than initial fills of slot machine hoppers and hopper storage areas or any subsequent increases to those initial fills, cash payouts pursuant to N.J.A.C. 19:45-1.40, and gaming vouchers redeemed pursuant to N.J.A.C. 19:45-1.54 from the slot machine drop.

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

“Suspicious gaming voucher report” is defined in N.J.A.C. 19:45-1.54(d)5.

"Table game drop" means the sum of the total value of currency, coin, coupons other than match play coupons and 50 percent of the total value of match play coupons, the total amounts recorded on issuance copies of Counter Checks removed from a drop box, and the total of the amounts recorded on documents that evidence the exchange of gaming chips or plaques as part of credit or debit card chip transactions.

"Table game win or loss" means the value of gaming chips and plaques and cash won from patrons at gaming tables less the value of gaming chips, plaques and coins won by patrons at gaming tables other than poker tables and the value paid to patrons in cash or by casino check for progressive payout wagers in accordance with N.J.A.C. 19:45-1.39B and 1.52. The table game win or loss is determined by adding the value of cash, total value of coupons other than match play coupons and 50 percent of the total value of match play coupons, the amount recorded on the Closer, the totals of amounts recorded on the Credits and the issuance copies of Counter Checks removed from a drop box, the total of the amounts recorded on documents that evidence the exchange of gaming chips or plaques as part of credit or debit card chip transactions, and the total of the amounts recorded on Complimentary Vigorish Forms that document uncollected baccarat or minibaccarat vigorish, subtracting the amount recorded on the Opener and the total of amounts recorded on fills removed from a drop box, and making any adjustments required by the internal controls of the casino licensee to account for the value of any progressive payout wagers paid pursuant to N.J.A.C. 19:45-1.39B and 1.52.

"Tokenization" means the capacity of a slot machine to accept and pay out a slot token of a denomination that is greater in value than the denomination of a slot machine game contained within the slot machine, for example, a nickel slot machine game contained in a slot machine which only accepts and pays out \$1.00 tokens.

"Travel Disbursement Voucher" is defined in N.J.A.C. 19:45-1.9A.

"Unredeemed gaming voucher record" is defined in N.J.A.C. 19:45-1.54.

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

"Unscanned gaming voucher transfer form" is defined in N.J.A.C. 19:45-1.54(d)6v. Subject to Commission approval, an unscanned gaming voucher transfer form may be combined with any other form(s) utilized by a cashier to transfer documents or paperwork.

"Unsecured currency," "unsecured gaming voucher" and "unsecured coupon" are defined in N.J.A.C. 19:45-1.42.

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

"Unverified gaming voucher log" is defined in N.J.A.C. 19:45-1.54(d)14.

"Unverified gaming voucher log summary report" is defined in N.J.A.C. 19:45-1.54(d)16.

"Unverified gaming voucher transfer form" is defined in N.J.A.C. 19:45-1.54(d)9. Subject to Commission approval, an unverified gaming voucher transfer form may be combined with any other form(s) utilized by a cashier to transfer documents or paperwork.

"Vault cashier" is defined in N.J.A.C. 19:45-1.12.

"Verbalize" means to orally express something in words.

"Wire transfer" means a transfer of funds by means of the Federal Reserve Bank wire system in accordance with the requirements of 12 CFR 210.25 et seq. and the Commission's rules.

Amended by R.1981 d.437, effective November 16, 1981.

See: 13 N.J.R. 534(b), 13 N.J.R. 848(b).

"Cash equivalent" and "identification credentials" added.

Amended by R.1983 d.112, effective March 29, 1983.

See: 15 N.J.R. 257(a), 15 N.J.R. 627(b).

Originally filed as an emergency adoption (R.1983 d.37) on January 27, 1983. Readopted as R.1983 d.112. Added "or items" to definition of "complimentary services." Deleted definition of junket.

Amended by R.1984 d.623, effective January 21, 1985.

See: 16 N.J.R. 2075(b), 17 N.J.R. 211(b).

Added the word "coupons" to the definition "change person".

Amended by R.1985 d.41, effective February 19, 1985.

See: 16 N.J.R. 3302(b), 17 N.J.R. 480(c).

"Cash equivalent" substantially amended.

Amended by R.1986 d.77, effective April 7, 1986.

See: 17 N.J.R. 2245(a), 18 N.J.R. 706(b).

Added definition "casino check".

Amended by R.1987 d.302, effective July 20, 1987.

See: 18 N.J.R. 2005(a), 19 N.J.R. 1321(a).

Definitions amended.

Petition for Rulemaking: Slot machine bill changer system.

See: 19 N.J.R. 1110(a).

Amended by R.1988 d.34, effective January 19, 1988.

See: 19 N.J.R. 1890(a), 20 N.J.R. 205(a).

Deleted definition for "Affiliate".

Amended by: R.1988 d.387, effective August 15, 1988.

See: 20 N.J.R. 765(a), 20 N.J.R. 769(a), 20 N.J.R. 2090(a).

Amended by R.1989 d.233, effective May 1, 1989.

See: 20 N.J.R. 3012(a), 21 N.J.R. 1152(b).

Added definitions for "cage supervisor" and "wire transfer".

Amended by R.1989 d.611, effective December 18, 1989.

See: 21 N.J.R. 2953(a), 21 N.J.R. 3931(b).

Added "Travel Disbursement Voucher".

Amended by R.1990 d.2, effective January 2, 1990.

See: 21 N.J.R. 2954(a), 22 N.J.R. 63(a).

In "Casino check": stylistic changes, adding phrase "or for winnings ... payoffs."

In "Slot machine": deleted language regarding a special token to be exchanged for merchandise or thing of value.

Amended by R.1991 d.152, effective March 18, 1991.

See: 22 N.J.R. 3708(b), 23 N.J.R. 885(a).

Added "Automated coupon redemption machine" and "change machine".

- Amended by R.1991 d.229, effective May 6, 1991.
See: 22 N.J.R. 3205(a), 23 N.J.R. 1455(a).
Added definitions of "master coin cashier," "slot cashier" and "slot counter check."
Amended by R.1991 d.230, effective May 6, 1991.
See: 22 N.J.R. 3325(a), 23 N.J.R. 1461(a).
Added definitions: "Asset number," "Location number" and "Manufacturer's serial number."
Amended by R.1991 d.301, effective June 17, 1991.
See: 23 N.J.R. 191(a), 23 N.J.R. 1963(b).
Added definitions for "bank," "check," and "checking account" with N.J.A.C. references.
Amended by R.1991 d.381, effective August 5, 1991.
See: 23 N.J.R. 1302(a), 23 N.J.R. 2323(a).
Added definition of "Chief executive officer".
Amended by R.1992 d.233, effective June 1, 1992.
See: 23 N.J.R. 3085(a), 24 N.J.R. 2078(a).
Added definition of "coin vault."
Amended by R.1992 d.360, effective September 21, 1992.
See: 24 N.J.R. 2137(a), 24 N.J.R. 3336(a).
Hopper storage area provisions added.
Amended by R.1993 d.37, effective January 19, 1993.
See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).
Simulcast provisions added.
Amended by R.1993 d.75, effective February 16, 1993.
See: 24 N.J.R. 2536(a), 24 N.J.R. 4243(a), 25 N.J.R. 717(a).
Added definition of "coupon"; amended definition of "Table game drop".
Administrative correction to definition of "slot counter check."
See: 25 N.J.R. 1519(b).
Amended by R.1993 d.144, effective April 5, 1993.
See: 24 N.J.R. 2692(b), 25 N.J.R. 1520(a).
Added definition of complimentary distribution program.
Amended by R.1993 d.318, effective July 6, 1993 (operative October 15, 1993).
See: 25 N.J.R. 1503(b), 25 N.J.R. 2908(a).
Amended by R.1993 d.491, effective October 4, 1993.
See: 25 N.J.R. 2227(b), 25 N.J.R. 4615(a).
Amended by R.1993 d.492, effective October 4, 1993.
See: 25 N.J.R. 3107(b), 25 N.J.R. 4618(a).
Amended by R.1994 d.31, effective January 18, 1994.
See: 25 N.J.R. 4866(a), 26 N.J.R. 486(a).
Amended by R.1994 d.33, effective January 18, 1994 (operative February 22, 1994).
See: 25 N.J.R. 4737(a), 26 N.J.R. 489(a).
Amended by R.1994 d.69, effective February 7, 1994.
See: 25 N.J.R. 4471(a), 26 N.J.R. 829(a).
Amended by R.1994 d.137, effective March 21, 1994.
See: 25 N.J.R. 5902(a), 26 N.J.R. 1373(b).
Amended by R.1994 d.141, effective March 21, 1994.
See: 25 N.J.R. 5906(a), 26 N.J.R. 1380(a).
Amended by R.1994 d.265, effective June 6, 1994.
See: 25 N.J.R. 5893(a), 26 N.J.R. 2463(a).
Amended by R.1994 d.471, effective September 19, 1994.
See: 26 N.J.R. 2212(a), 26 N.J.R. 3891(c).
Amended by R.1994 d.504, effective October 3, 1994.
See: 26 N.J.R. 2872(a), 26 N.J.R. 3253(a), 26 N.J.R. 4089(a).
Administrative Correction.
See: 27 N.J.R. 382(a).
Amended by R.1995 d.40, effective January 17, 1995.
See: 26 N.J.R. 3825(a), 27 N.J.R. 382(b).
Amended by R.1995 d.285, effective June 5, 1995.
See: 26 N.J.R. 2218(a), 27 N.J.R. 2254(a).
Amended by R.1995 d.430, effective August 7, 1995.
See: 27 N.J.R. 1767(b), 27 N.J.R. 2967(a).
Amended definition of "Table game win or loss".
Amended by R.1995 d.466, effective August 21, 1995.
See: 27 N.J.R. 2113(a), 27 N.J.R. 3219(a).
Added definition of "Annuity jackpot trust check".
Amended by R.1996 d.31, effective January 16, 1996.
See: 27 N.J.R. 3921(a), 28 N.J.R. 281(a).
Amended definitions of "Table game drop" and "Table game win or loss".
Amended by R.1996 d.314, effective July 15, 1996.
See: 28 N.J.R. 1612(a), 28 N.J.R. 3622(a).
Amended by R.1996 d.350, effective August 5, 1996.
See: 28 N.J.R. 2348(a), 28 N.J.R. 3816(a).
Amended by R.1996 d.439, effective September 16, 1996.
See: 28 N.J.R. 2809(a), 28 N.J.R. 4236(a).
Amended by R.1996 d.486, effective October 21, 1996.
See: 27 N.J.R. 4992(a), 28 N.J.R. 4601(a).
Amended by R.1996 d.562, effective December 2, 1996.
See: 28 N.J.R. 3900(a), 28 N.J.R. 5082(a).
Amended by R.1997 d.130, effective March 17, 1997.
See: 28 N.J.R. 2807(a), 29 N.J.R. 918(a).
Added "Vault cashier".
Amended by R.1997 d.131, effective March 17, 1997.
See: 28 N.J.R. 4572(a), 29 N.J.R. 919(a).
Added "Redemption receipt".
Amended by R.1997 d.132, effective March 17, 1997.
See: 28 N.J.R. 5160(a), 29 N.J.R. 923(a).
Deleted "Gaming chips and plaques".
Amended by R.1997 d.423, effective October 6, 1997.
See: 28 N.J.R. 4181(b), 29 N.J.R. 4304(b).
Amended "Match play coupon".
Amended by R.1997 d.489, effective November 17, 1997.
See: 29 N.J.R. 1289(a), 29 N.J.R. 4862(b).
Amended "Slot machine win"; and added "Hopper inventory level".
Amended by R.1998 d.18, effective January 5, 1998.
See: 29 N.J.R. 3432(b), 30 N.J.R. 112(b).
Amended "Cage supervisor" and "Casino supervisor."
Amended by R.1998 d.267, effective June 1, 1998.
See: 30 N.J.R. 807(a), 30 N.J.R. 2076(a).
In "Identification credential", inserted "document generally accepted in business as a" following "other".
Amended by R.1998 d.369, effective July 20, 1998.
See: 30 N.J.R. 298(a), 30 N.J.R. 2637(a).
Inserted "Authorized instrument" and "Outstanding patron check".
Amended by R.1999 d.43, effective February 1, 1999.
See: 30 N.J.R. 3173(a), 31 N.J.R. 455(a).
Inserted "Complimentary Vigorish Form"; and in "Table game win or loss", inserted "and the total of the amounts recorded on Complimentary Vigorish Forms that document uncollected baccarat or minibaccarat vigorish," following "debit card chip transactions," in the second sentence.
Amended by R.2000 d.333, effective August 21, 2000.
See: 32 N.J.R. 1918(a), 32 N.J.R. 3076(a).
In "Cash equivalent", added reference to holding companies of casino licensees in ii.
Amended by R.2001 d.451, effective December 3, 2001.
See: 33 N.J.R. 772(a), 33 N.J.R. 4151(b).
Deleted "Theoretical slot machine payout percentage".
Amended by R.2002 d.282, effective September 3, 2002.
See: 34 N.J.R. 655(a), 34 N.J.R. 3128(a).
Added "Electronic fund transfer".
Amended by R.2003 d.4, effective January 6, 2003.
See: 34 N.J.R. 2012(a), 35 N.J.R. 259(a).
Rewrote the section.
Amended by R.2003 d.161, effective April 21, 2003.
See: 35 N.J.R. 88(c), 35 N.J.R. 1689(b).
Added "Denomination", "Residual slot credit" and "Tokenization".
Petition for Rulemaking.
See: 35 N.J.R. 5171(b).
Petition for Rulemaking.
See: 36 N.J.R. 892(a).
Amended by R.2004 d.464, effective December 20, 2004.
See: 36 N.J.R. 3473(a), 36 N.J.R. 5703(a).
Inserted "Derogatory information".
Amended by R.2005 d.12, effective January 3, 2005.
See: 36 N.J.R. 4105(a), 37 N.J.R. 100(a).
Deleted "Jackpot".
Amended by R.2005 d.86, effective March 7, 2005.
See: 36 N.J.R. 623(a), 37 N.J.R. 789(a).
Rewrote "Chief executive officer".
Petition for Rulemaking.
See: 37 N.J.R. 812(a).
Amended by R.2005 d.216, effective July 5, 2005.
See: 36 N.J.R. 3242(a), 37 N.J.R. 2561(a).

Deleted "Access control".

Amended by R.2005 d.266, effective August 15, 2005.

See: 36 N.J.R. 4115(a), 37 N.J.R. 3065(a).

Added definitions "Cashiering location" and "CCTV system location"; deleted "Commission inspector" definition.

Amended by R.2008 d.13, effective January 7, 2008.

See: 39 N.J.R. 3289(a), 40 N.J.R. 206(a).

Added definitions "Gaming voucher receipt", "Scan", "Suspicious gaming voucher", "Suspicious gaming voucher report", "Unscanned gaming voucher", "Unscanned gaming voucher transfer form", "Unverified gaming voucher", "Unverified gaming voucher log", "Unverified gaming voucher log summary report" and "Unverified gaming voucher transfer form".

Petition for Rulemaking.

See: 41 N.J.R. 1278(a), 1533(a).

19:45-1.1A Gaming day

(a) The "gaming day" for a casino licensee on a calendar day which has not been approved for extended hours of operation pursuant to N.J.S.A. 5:12-97(a) shall commence at 10:00 A.M. or the actual time when the casino opens to the public, whichever is later, and shall terminate:

1. At 4:00 A.M. on the next calendar day, if the next calendar day is a weekday which is not a holiday;
2. At 6:00 A.M. on the next calendar day, if the next calendar day is a Saturday, Sunday or State or Federal holiday;
3. In accordance with (b) below, if the next calendar day has been approved by the Commission for extended hours of casino operation pursuant to N.J.S.A. 5:12-97(a); or
4. When the casino actually closes if such time is earlier than the time specified in (a)1 through 3 above.

(b) The "gaming day" for a casino licensee on a calendar day which has been approved for extended hours of operation pursuant to N.J.S.A. 5:12-97(a) shall commence and terminate, and the end of the gaming day for the previous calendar day shall terminate, at those times set forth in the approved system of internal procedures and administrative and accounting controls of each casino licensee. Each casino licensee

may establish a gaming day for slot machines which is different from its gaming day for table games and different from its gaming day for the game of keno; provided, however, that no gaming day shall be longer than 24 hours.

New Rule, R.1992 d.110, effective March 2, 1992.

See: 23 N.J.R. 3243(a), 24 N.J.R. 858(c).

Amended by R.1995 d.285, effective June 5, 1995.

See: 26 N.J.R. 2218(a), 27 N.J.R. 2254(a).

19:45-1.2 Accounting records

(a) Each casino licensee shall maintain complete, accurate, and legible records of all transactions pertaining to the revenues and costs for each establishment.

(b) General accounting records shall be maintained on a double entry system of accounting with transactions recorded on the accrual basis. Detailed, supporting, subsidiary records sufficient to meet the requirements of (c) below shall also be maintained in accordance with the requirements of this chapter.

1. The Commission shall periodically prescribe a uniform chart of accounts and accounting classification in order to insure consistency, comparability, and effective disclosure of financial information.

i. The chart of accounts shall provide the classifications necessary to prepare the standard financial statements required by N.J.A.C. 19:45-1.6.

ii. The prescribed chart of accounts shall be the minimum level of detail to be maintained for each accounting classification by the licensee.

iii. The licensee shall not use other than the prescribed chart of accounts but may, with the permission of the Commission, expand the level of detail for some or all accounting classifications and/or alter the account numbering system. In such instances, the licensee shall provide to the Commission, upon request, a cross-reference from the licensee's to the prescribed chart of accounts.

(i) Licensees shall report to the Commission essential details of any loans, borrowings, installment contracts, guarantees, leases, or capital contributions no later than 10 days after the end of the month in which the transaction or event occurs.

(j) Copies of all financial statements and statistical reports required to be filed with the Commission shall be furnished by the licensee to the Division.

As amended, R.1984 d.135, effective August 16, 1984.
See: 16 N.J.R. 361(a), 16 N.J.R. 927(a).

(c): delete alternative basis for quarterly reports.
Amended by R.1996 d.160, effective March 18, 1996.
See: 28 N.J.R. 75(a), 28 N.J.R. 1559(a).

Amended by R.2005 d.86, effective March 7, 2005.
See: 36 N.J.R. 623(a), 37 N.J.R. 789(a).

In (d), inserted reference to "Chief Gaming Executive".
Petition for Rulemaking.
See: 37 N.J.R. 812(a).

19:45-1.7 Annual audit and other reports

(a) Each casino licensee, unless specifically exempted by the Commission, shall, at its own expense, cause its annual financial statements to be audited in accordance with generally accepted auditing standards by an independent certified public accountant licensed to practice in the State of New Jersey.

(b) The annual financial statement shall be prepared on a comparative basis for the current and prior calendar year, and shall present financial position and results of operations in conformity with generally accepted accounting principles.

(c) The financial statements required by this section shall include a footnote reconciling and explaining any differences between the financial statements included in the casino licensee's annual report, filed in conformity with N.J.A.C. 19:45-1.6, and the audited financial statements. Such footnote shall, at a minimum, disclose the effect of such adjustments on:

1. Revenues from the casino and authorized games in the casino simulcasting facility;
2. Casino simulcasting revenues;
3. Revenues net of complimentary services;
4. Total costs and expenses;
5. Income before extraordinary items; and
6. Net income.

(d) Two copies of the audited financial statements, together with the report thereon of the casino licensee's independent certified public accountant, shall be filed with the Commission and the Division not later than April 30 following the end of the calendar year.

(e) Each licensee shall require its independent certified public accountant to render the following additional reports:

1. Report on material weaknesses in internal accounting control. Whenever in the opinion of the independent certified public accountant there exists no material weaknesses in internal accounting control, the report shall so state.

2. Report expressing the opinion of the independent certified public accountant that based on his examination of the financial statements the licensee has followed, in all material respects during the period covered by his examination, the system of internal accounting control approved by the Commission. Whenever, in the opinion of the independent certified public accountant, the licensee has materially deviated from the system of internal accounting control approved by the Commission or the accounts, records, and control procedures examined are not maintained by the licensee in accordance with the Casino Control Act and this chapter, the report shall enumerate such deviations and such areas of the system no longer considered effective, and shall make recommendations regarding improvements in the system of internal accounting control.

3. The licensee shall prepare a written response to the independent certified public accountant's reports required by (e) 1 and 2 above. The response shall indicate, in detail, the corrective actions taken. Such response shall be submitted to the Commission and Division within 90 days from receipt of the independent certified public accountant's reports.

(f) In accordance with the requirements of section 146 of the Casino Control Act, each licensee who has made a decision to pay the in lieu taxes prescribed by that section on his licensed premises and whose decision has been approved by the Commission shall file with the Department of the Treasury, not later than 90 days following the completion of the project, a schedule which details by major classification, the costs incurred in the project. Accompanying the schedule shall be a report expressing the opinion of the licensee's independent certified public accountant that such costs are presented fairly in such schedule.

(g) Two copies of the reports required by (e) above, and two copies of any other reports on internal accounting control, administrative controls, or other matters relative to the licensee's accounting or operating procedures rendered by the licensee's independent certified public accountant, shall be filed with the Commission and the Division by the licensee by April 30 following the end of the calendar year or upon receipt, whichever is earlier.

(h) If the casino licensee or any of its affiliates is publicly held, the licensee or the affiliate shall submit five copies to the Commission and one copy to the Division of any report, including, but not limited to, forms S-1, 8-K, 10-Q, 10-K, proxy or information statements and all registration statements, required to be filed by such licensee or affiliates with the Securities and Exchange Commission or other domestic

or foreign securities regulatory agency, at the time of filing with such commission or agency.

(i) If an independent certified public accountant who was previously engaged as the principal accountant to audit the casino licensee's financial statements resigns or is dismissed as the casino licensee's principal accountant, or another independent certified public accountant is engaged as principal accountant, the casino licensee shall file a report with the Commission and the Division within 10 days following the end of the month in which such event occurs, setting forth the following:

1. The date of such resignation, dismissal or engagement.
2. Whether in connection with the audits of the two most recent years preceding such resignation, dismissal, or engagement there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or 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 disagreement, including a description of each such disagreement. The disagreements to be reported include those resolved and those not resolved.
3. Whether the principal accountant's report on the financial statements for any of the past two years contained an adverse opinion or disclaimer of opinion or was qualified. The nature of such adverse opinion, disclaimer of opinion, or qualification shall be described.
4. The casino licensee shall request the former accountant to furnish to the casino licensee a letter addressed to the Commission, with a copy furnished to the Division, stating whether he agrees with the statements made by the casino licensee in response to (i) of this section. Such letter shall be filed with the Commission as an exhibit to the report required by (i) of this section.

Amended by R.1981 d.272, effective September 10, 1981.

See: 13 N.J.R. 47(c), 13 N.J.R. 628(a).

Amended by R.1991 d.470, effective September 16, 1991.

See: 23 N.J.R. 2006(a), 23 N.J.R. 2868(b).

In subsections (b), (d) and (g), deleted "fiscal" from text to update rule.

Amended by R.1992 d.500, effective December 21, 1992.

See: 24 N.J.R. 3225(a), 24 N.J.R. 4563(a).

In (h), added copy requirements, including proxy and registration statements.

Amended by R.1993 d.37, effective January 19, 1993.

See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).

Simulcast provisions added at (c)1 and 2.

Amended by R.1996 d.29, effective January 16, 1996.

See: 27 N.J.R. 4176(a), 28 N.J.R. 282(a).

(e)2 required reported deviations to be material.

19:45-1.8 Retention, storage and destruction of books, records and documents

(a) All original books, records and documents pertaining to the casino licensee's operations and approved hotel shall be:

1. Prepared and maintained in a complete, accurate and legible form;
2. Retained on the site of the approved hotel building or at another secure location approved in accordance with (d) below for the time period specified in (c) below;
3. Held immediately available for inspection by agents of the Commission and Division during all hours of operation;
4. Organized and indexed in such a manner so as to provide immediate accessibility to agents of the Commission and Division; and
5. Destroyed only after:
 - i. Expiration of the minimum retention period specified in (c) below, except that the Commission may, upon the written petition of any casino licensee and for good cause shown, permit such destruction at an earlier date; and
 - ii. Written notice to the Commission and Division in accordance with (f) below.

(b) For the purposes of this section, "books, records and documents" shall be defined as any book, record or document pertaining to, prepared in or generated by the operation of a casino, a casino simulcasting facility, a multi-casino progressive slot system or an approved hotel including, but not limited to, all forms, reports, accounting records, ledgers, subsidiary records, computer generated data, internal audit records, correspondence and personnel records. This definition shall apply without regard to the medium through which the record is generated or maintained, for example, paper, magnetic media or encoded disk.

(c) All original books, records and documents shall be retained by a casino licensee in accordance with the following schedules. For purposes of this subsection, "original books, records or documents" shall not include copies of originals, except for copies, which contain original comments or notations or parts of multi-part forms.

1. The following original books, records and documents shall be retained indefinitely unless destruction is requested by the casino licensee and approved by the Commission:
 - i. Corporate records required by N.J.A.C. 19:45-1.4;
 - ii. Records of corporate investigations and due diligence procedures;

- iii. Current casino and casino key employee personnel files; and
 - iv. A record of any original book, record or document destroyed, identifying the particular book, record or document, the period of retention and the date of destruction.
2. The following original books, records and documents shall be retained by a casino licensee for a minimum of five years:
- i. Gaming-related documents not otherwise specified in (c)3 below, including, without limitation, records concerning gaming-related casino service industries;
 - ii. Personnel files of terminated casino and casino key employees; and
 - iii. Any other original book, record or document not otherwise specified in this subsection.
3. The following original books, records and documents shall be retained by a casino licensee for a minimum of four years from the date of the actual filing of the gross revenue tax return pursuant to N.J.A.C. 19:54-1.7 for the tax year in which the book, record or document was generated:
- i. Casino cage documents;
 - ii. Documentation supporting the calculation of table game win;
 - iii. Except as otherwise provided in (c)6 and 8 below, documentation supporting the calculation of slot machine win;
 - iv. Suspicious gaming vouchers and unverified gaming vouchers;
 - v. Documentation supporting the calculation of poker revenue;
 - vi. Documents associated with the accounting and reconciliation of assets contained within the keno drawers, including the reporting of overages and shortages, keno fill slips, keno credit slips, keno count sheets and reports generated by the keno computer system;
 - vii. Documentation supporting the calculation of the provision for uncollectible patron checks pursuant to N.J.A.C. 19:54-1.6; and
 - viii. Suspicious gaming voucher reports; unscanned gaming voucher transfer forms; unverified gaming voucher transfer forms; gaming voucher receipts; unverified gaming voucher logs; unverified gaming voucher log summary reports; and all documents associated with investigations of unverified gaming vouchers conducted pursuant to N.J.A.C. 19:45-1.54(d)13 and 14.
4. The following original books, records and documents shall be retained by a casino licensee for a minimum of three years:
- i. Hotel income audit documents, including, without limitation, telephone call records and charges;
 - ii. Non-gaming hotel-related documents, including, without limitation, records concerning hotel guests; records concerning banquets; food and beverage documents; records of retail stores, accounts receivable and other records of transactions in which the casino licensee is a vendor; and entertainment records;
 - iii. Payroll records, except as provided in (c)1 above;
 - iv. Signature cards of terminated employees;
 - v. Marketing department records;
 - vi. Security incident reports;
 - vii. Insurance department records relating to guest claims and copies of arrest records;
 - viii. Credit union records;
 - ix. Hotel-related documents which pertain to the purchasing department and accounts payable department;
 - x. Patron gaming records;
 - xi. Records concerning junkets;
 - xii. Petty cash documentation;
 - xiii. General ledgers and supporting journals; and
 - xiv. Accounts receivable documents from store rentals and travel wholesalers.
5. The following original books, records and documents shall be retained by a casino licensee for a minimum of one year:
- i. Complimentary settled guest checks;
 - ii. Card and dice transaction and inventory reports;
 - iii. Returned check aging reports, except for year-end reports;
 - iv. Vendor registration forms;
 - v. Register tapes and room service checks;
 - vi. Files and workpapers used to prepare budgets;
 - vii. Records generated by the mailroom;
 - viii. Advertising records;
 - ix. Slot department daily activity logs;
 - x. Surveillance employee duty logs including, but not limited to, those required pursuant to N.J.A.C. 19:45-1.10(d), VCR/tape logs, surveillance department visitor logs, and equipment malfunction reports;
 - xi. Any document, except for a document specified in (c)3ii through vi above, for which the casino licensee can demonstrate that the information contained thereon

is duplicative or less than that recorded on another document retained in accordance with (c)1 through 4 above;

xii. Daily operating reports generated by multi-casino progressive slot systems;

xiii. Logs of all multi-casino progressive slot system events and problems;

xiv. With the exception of cashed pari-mutuel tickets and credit vouchers, the original books, records and documents related to the revenues and expenses of casino simulcasting, including, but not limited to, all reports generated by the totalisator and all records maintained in accordance with N.J.A.C. 19:45-1.2(c)10, shall be retained by a casino licensee or hub facility for a minimum of one year; and

xv. Any and all reports or documents prepared pursuant to or in connection with N.J.A.C. 19:48-3 relating to the forfeiture of winnings or things of value obtained by a prohibited person as defined in that subchapter.

6. The following original books, records and documents shall be retained by a casino licensee for a minimum of six months:

i. Except as provided in (c)11xxiv below, coupons entitling patrons to cash, slot tokens, gaming chips, plaques, simulcasting wagers, progressive wager coupons or match play coupons, including unused, voided and redeemed coupons;

ii. Gaming vouchers redeemed at any location other than a slot machine pursuant to N.J.A.C. 19:45-1.54, and which have been verified and electronically cancelled by the gaming voucher system;

iii. Voided gaming vouchers;

iv. Redeemed or voided keno tickets;

v. The following hotel income audit documents: Cashier reports, room tally reports, over/short reports, rate variations and missing check reports;

vi. Load count arrival forms;

vii. Credit card settled guest checks pertaining to restaurant and bar charges;

viii. Room charge settled guest checks pertaining to restaurant and bar charges;

ix. Credit card vouchers used to settle guest checks in restaurants and bars;

x. Guest check control sheets used to control the issuance and return of guest checks to cashiers, bartenders and food servers;

xi. Credit applications with unused lines of credit;

xii. Zeroed-out countercheck envelopes;

xiii. Emergency drop box approval forms; and

xiv. Solicited resumes or employment applications, provided that such documents pertain to persons who were not hired by the casino licensees.

7. The following original books, records and documents shall be retained by a casino licensee for a minimum of 90 days:

i. Coin bag tags, provided that the information contained thereon is duplicative or less than that recorded on another document; and

ii. Documents relating to promotions, such as entry forms and game tickets.

8. The following original books, records and documents shall be retained by a casino licensee for a minimum of 30 days:

i. Hotel cashier envelopes.

9. The following original books, records and documents shall be retained by a casino licensee for a minimum of seven days and may be destroyed without the notice required by (f) below unless the Commission or Division directs otherwise pursuant to (g) below:

i. Pari-mutuel tickets and credit vouchers which have been cashed, cancelled or refunded in the casino licensee's casino simulcasting facility;

ii. Gaming vouchers redeemed at slot machines pursuant to N.J.A.C. 19:45-1.54, and which have been verified and electronically cancelled by the gaming voucher system;

iii. Contribution invoices sent to casino licensees participating in a multi-casino progressive slot system; and

iv. Jackpot activity reports generated by a multi-casino progressive slot system.

10. The following original books, records and documents do not have to be retained by a casino licensee for any minimum period of time, but may be destroyed only upon notice in accordance with (f) and (g) below:

i. Any serially pre-numbered form required by Commission rules that is blank or unused, unless otherwise specified by this section; and

ii. Any original book, record or document that has been copied and stored on a microfilm, microfiche or other media system approved by the Commission.

11. The following original books, records and documents do not have to be retained by a casino licensee for any minimum period of time and may be destroyed without the notice required by (f) below:

i. Parking ticket stubs;

ii. Coat check tickets;

iii. Housekeeping reports;

- iv. Maintenance department records;
- v. Patron mailing lists;
- vi. Blank entry forms;
- vii. Bellman and baggage forms;
- viii. Cash settled guest checks;
- ix. Food credit and complimentary beverage coupons;
- x. Drink chits;
- xi. Food and beverage order slips;
- xii. Bottle sales slips;
- xiii. Showroom starter slips;
- xiv. Communication department records;
- xv. Unsolicited resumes or letters requesting employment;
- xvi. Register tapes, provided that the information contained thereon is duplicative or less than that recorded on another document retained in accordance with (c)3 above;
- xvii. Survey questionnaires regarding service in the casino hotel;
- xviii. Records of hours worked by persons employed in gaming-related positions in an abstract or other readily accessible format;
- xix. Any blank or unused form except as provided in (c)8i above, unless otherwise specified by this section;
- xx. Keno requests;
- xxi. Laundry charges;
- xxii. Slot machine meter reports generated by a multi-casino progressive slot system;
- xxiii. Handle pull or play reports generated by a multi-casino progressive slot system; and
- xxiv. Any coupon issued and mailed or otherwise given to a patron and subsequently returned unused to the sender, provided that all reconciliations required pursuant to N.J.A.C. 19:45-1.46 and the casino licensee's approved internal controls have been conducted and resolved, and that any coupons with unresolved discrepancies are retained in accordance with (c)6i above.

(d) A casino licensee may petition the Commission at any time for approval of a facility off the site of the approved hotel building to be used to generate or store original books, records and documents. Such petition shall include:

1. A detailed description of the proposed off-site facility, including security and fire safety systems; and

2. The procedures pursuant to which Commission and Division agents will be able to gain access to the original books, records and documents retained at the off-site facility.

(e) A casino licensee may petition the Commission for approval of a microfilm, microfiche or other suitable media system for the copying and storage of original books, records and documents. Such a system shall be approved if it contains the following elements to the satisfaction of the Commission:

1. A system that provides for the processing, preservation and maintenance of books, records and documents in a form which makes them readily available for review and copying on the site of the approved hotel building or other site approved by the Commission;

2. A system of inspection and quality control which ensures that microfilm, microfiche or other media when displayed on a reader (viewer) or reproduced on paper exhibit a high degree of legibility and readability;

3. A reader-printer available for use by the Commission or Division on the site of the approved hotel building or other site approved by the Commission which permits the ready location, reading and reproduction of any book, record or document being stored on microfilm, microfiche or other media; and

4. A detailed index of all microfilmed, microfiched or other stored data maintained and arranged in such a manner as to permit the immediate location of any particular book, record or document.

(f) A casino licensee shall, except as otherwise provided in (c) above, notify the Commission and the Division in writing at least 15 days prior to the scheduled destruction of any original book, record or document. Such notice shall list each type of book, record and document scheduled for destruction, including a description sufficient to identify the books, records and documents included; the retention period; and the date of destruction. Each casino licensee shall retain this record of destruction in accordance with (c)1 above.

(g) The Commission or the Division may prohibit the destruction of any original book, record or document by so notifying the casino licensee in writing within 15 days of receipt of the notice of destruction pursuant to (f) above or, in the case of a book, record or document governed by (c)9 above, within the seven-day retention period. Such original book, record or document may thereafter be destroyed only upon notice from the Commission or Division, or by order of the Commission upon the petition of the casino licensee or by the Commission on its own initiative.

(h) The casino licensee may utilize the services of a disposal company for the destruction of any books, records or documents except those related to credit. Any cash complimentary coupons to be destroyed by a disposal company shall be cancelled with a void stamp, hole punch or similar device,

or must contain a clearly marked expiration date which has expired.

(i) Nothing herein shall be construed as relieving a casino licensee from meeting any obligation to prepare or maintain any book, record or document required by any other Federal, state or local governmental body, authority or agency.

Amended by R.1983 d.112, effective March 29, 1983.

See: 15 N.J.R. 257(a), 15 N.J.R. 627(b).

Originally filed as an emergency adoption (R.1983 d.37) on January 27, 1983. Readopted as R.1983 d.112. Repealed section on junkets which are now codified at N.J.A.C. 19:49.

New Rule, R.1985 d.51, effective February 19, 1985.

See: 16 N.J.R. 3303(a), 17 N.J.R. 481(a).

Amended by R.1992 d.361, effective September 21, 1992.

See: 24 N.J.R. 2348(b), 24 N.J.R. 3332(a).

Revised to meet statutory changes regarding records retention, storage and destruction. Eliminate current petition process for records destruction and off-site record generation or storage. In (a)2: revised text to reference new text at (c) and (d). Added (a)5. At (b): added final sentence regarding the medium. Added new subsection (c). Recodified (c) as new (d), deleting existing (d). Deleted existing (c)1, recodifying (c)2 as new (c)1 and recodifying existing (c)5 as (c)2, with no change in text. Deleted existing (f) and added (f)-(h), recodifying existing (g) as (i), with no change in text.

Amended by R.1993 d.37, effective January 19, 1993.

See: 24 N.J.R. 3695(a), 25 N.J.R. 348(b).

Simulcast provisions added.

Amended by R.1993 d.110, effective March 1, 1993.

See: 24 N.J.R. 3694(b), 25 N.J.R. 1008(b).

Record retention schedule revised at (c).

Amended by R.1994 d.137, effective March 21, 1994.

See: 25 N.J.R. 5902(a), 26 N.J.R. 1373(b).

Amended by R.1994 d.138, effective March 21, 1994.

See: 25 N.J.R. 5905(a), 26 N.J.R. 1376(a).

Amended by R.1995 d.285, effective June 5, 1995.

See: 26 N.J.R. 2218(a), 27 N.J.R. 2254(a).

Amended by R.1996 d.123, effective March 4, 1996.

See: 27 N.J.R. 4993(a), 28 N.J.R. 1403(b).

Amended by R.1996 d.438, effective September 16, 1996.

See: 28 N.J.R. 3243(a), 28 N.J.R. 4235(a).

Amended by R.1996 d.562, effective December 2, 1996.

See: 28 N.J.R. 3900(a), 28 N.J.R. 5082(a).

Amended by R.1998 d.124, effective March 2, 1998.

See: 29 N.J.R. 4743(a), 30 N.J.R. 868(a).

In (c)4, rewrote xv; in (c)5, inserted a new ix and xi and recodified former ix as xi.; and in (c)6, added xii.

Amended by R.2005 d.101, effective April 4, 2005.

See: 36 N.J.R. 4880(a), 37 N.J.R. 1086(a).

Rewrote (c).

Amended by R.2005 d.266, effective August 15, 2005.

See: 36 N.J.R. 4115(a), 37 N.J.R. 3065(a).

Rewrote (c).

Amended by R.2005 d.354, effective October 17, 2005.

See: 37 N.J.R. 1136(a), 37 N.J.R. 4040(a).

In (b), added “, a multi-casino progressive slot system”; rewrote (c).

Amended by R.2006 d.275, effective July 17, 2006.

See: 38 N.J.R. 1420(a), 38 N.J.R. 3066(c).

Rewrote (c)9 through 11; in (f) inserted “, except as otherwise provided in (c) above,”; and in (g), deleted “the” preceding “receipt”, inserted “the” preceding “notice”, and inserted “or, in the case of a book, record or document governed by (c)9 above, within the seven-day retention period” at the end of the first sentence.

Amended by R.2008 d.13, effective January 7, 2008.

See: 39 N.J.R. 3289(a), 40 N.J.R. 206(a).

In the introductory paragraph of (c), inserted the comma following “copies”; rewrote (c)3iv; in (c)3vi, deleted “and” from the end; in (c)3vii, substituted “; and” for a period at the end; and added (c)3viii.

Amended by R.2008 d.371, effective December 15, 2008.

See: 40 N.J.R. 4757(a), 40 N.J.R. 7001(b).

In the introductory paragraph of (c)6, substituted “original” for “originals”; in (c)6i, substituted “Except as provided in (c)11xxiv below, coupons” for “Coupons” and “, plaques,” for “or plaques or”; in (c)11xxii, deleted “and” from the end; in (c)11xxiii, substituted “; and” for a period at the end; and added (c)11xxiv.

Amended by R.2009 d.310, effective October 19, 2009.

See: 41 N.J.R. 2640(a), 41 N.J.R. 3960(b).

In (c)5xiii, deleted “and” at the end; in (c)5xiv, substituted “; and” for a period at the end; and added (c)5xv.

19:45-1.9 Complimentary services or items

(a) A complimentary service or item is a service or item provided directly or indirectly by a licensee at no cost or at a reduced price.

(b) No casino licensee may offer or provide any complimentary services, gifts, cash or other items of value to any person except as authorized by N.J.S.A. 5:12-102(m). Each casino licensee shall, pursuant to the provisions of N.J.S.A. 5:12-99a(2) and N.J.A.C. 19:45-1.3, prepare and maintain internal controls for the authorization and issuance of complimentary services and items, including cash and noncash gifts issued pursuant to N.J.S.A. 5:12-102(m) and N.J.A.C. 19:45-1.9B. Such internal controls shall include, without limitation, the procedures by which the casino licensee delegates to its employees the authority to approve the issuance of complimentary services and items and the procedures by which conditions or limits, if any, which may apply to such authority are established and modified, including limits based on relationships between the authorizer and recipient, and shall further include effective provisions for audit purposes. Notwithstanding the foregoing:

1. Internal controls for complimentary distribution programs shall be subject to the requirements of N.J.A.C. 19:45-1.46;

(b) The chipperson inventory shall be placed and kept in a lockable cart approved by the Commission, known as a "chip cart." For a given shift, each chipperson shall have his or her own chip cart, and no other person shall operate from the chip cart of that chipperson. When not in use, all chip carts shall be stored in a segregated and secure area approved by the Commission.

(c) The keys to the chip carts shall be maintained and controlled either by the accounting department or the security department, in a secure place approved by the Commission. Each key shall be signed-in and signed-out in accordance with procedures approved by the Commission.

(d) Each casino licensee shall develop internal control procedures for the accounting and reconciliation of all chipperson inventories used each gaming day. These procedures shall include the documentation used by the chip bank in issuing the inventories, the documentation used by the main bank in receiving the inventories, the verification of each inventory by a cage supervisor, and the reporting of any overage or shortage, provided that any shortages of \$250.00 or more must also be reported immediately to the casino licensee's casino controller, the Commission and the Division. Copies of all documentation and reports shall be forwarded to casino accounting on a daily basis.

New Rule, R.1999 d.379, effective November 1, 1999.
Sec: 30 N.J.R. 4147(b), 31 N.J.R. 3527(a).

19:45-1.54 Gaming vouchers; physical characteristics; procedures for issuance and redemption

(a) In conjunction with, or in lieu of, the requirements of N.J.A.C. 19:45-1.36 for a hopper and either a slot drop bucket or slot drop box, a casino licensee may issue a gaming voucher to automatically pay a jackpot or the amount on a credit meter, which voucher shall be dispensed automatically from a slot machine to a patron, provided that:

1. The slot machine satisfies the requirements of N.J.A.C. 19:45-1.37(b)5 and (e)4, and such slot machine is connected to a computerized gaming voucher system ("system") that satisfies the requirements of N.J.A.C. 19:45-1.55;

2. The design specifications of the gaming voucher are submitted to and approved by the Commission prior to issuance, which specifications shall comply with the requirements of (b) below;

3. Each gaming voucher is redeemable only in accordance with the requirements of (c) through (e) below and shall not expire, provided, however, that nothing shall preclude a casino licensee from restricting the redemption location for a gaming voucher after a specified period of time, above a specified value, or both, in accordance with approved internal controls, provided that adequate written notice explaining the restriction or restrictions, as approved

by the Commission, is provided to patrons in accordance with (b)7 below;

4. Except as permitted by (a)4i below, no gaming voucher shall result in a deduction from gross revenue unless the voucher is redeemed, the system is used to verify the validity of the serial number and value of the voucher, which verification shall be performed upon redemption except as provided in (d)6 through 8 below, and the voucher is forwarded to and accepted by the casino accounting department in accordance with the requirements of this section.

i. Consistent with the provisions of (g)1v(3) below, a casino licensee may obtain a deduction from gross revenue for an unverified gaming voucher in its physical possession provided that the casino licensee:

(1) Investigates the unverified gaming voucher and records the information required by (d)14ii below;

(2) Establishes that it paid the presenting patron the stated value of the gaming voucher in redemption thereof and did not pay any other patron in redemption of the voucher; and

(3) Produces sufficient documentation from its gaming voucher system or related systems to establish that the gaming voucher was validly issued by the gaming voucher system;

5. In addition to the requirements of (a)4 above, no gaming voucher redeemed at a slot machine shall result in a deduction from gross revenue unless the gaming voucher is counted in the count room in accordance with the requirements of N.J.A.C. 19:45-1.33; and

6. The casino licensee has approved internal controls in accordance with the requirements of this chapter.

(b) Each gaming voucher shall be designed and manufactured with sufficient graphics or other security measures, so as to permit, to the greatest extent possible, the proper verification of the voucher. Notwithstanding the forgoing, each gaming voucher shall contain, at a minimum, the following information:

1. The name or trade name of the casino licensee, and if the casino licensee is affiliated with a casino in any other jurisdiction with an identical or similar name or trade name, the words "Atlantic City" or "New Jersey";

2. The date and time of issuance;

3. The value of the voucher, in both numbers and words;

4. A unique serial number, which shall be automatically generated by the system in accordance with the requirements of N.J.A.C. 19:45-1.55(e)1 and shall include a method of identifying the casino licensee issuing the voucher;

5. The asset number of the slot machine dispensing the voucher;

6. At least one anti-counterfeiting measure, which shall appear on one or both sides of the voucher;

7. The locations where the voucher may be redeemed and any restriction regarding redemption in accordance with (a)3 above; and

8. A bar code or magnetic strip which shall enable the system to identify the numeric information in (b)1 through 5 above when the voucher is subsequently presented for redemption.

(c) Except as provided in (i) below for employee redemption of gaming vouchers, each gaming voucher shall be redeemed by a patron for a specific value of cash, a casino check of that casino licensee in the amount of the gaming voucher surrendered, gaming voucher credits, or slot tokens, which value shall not exceed \$10,000. Notwithstanding the forgoing, a casino licensee shall not permit a gaming voucher that is presented for redemption to be redeemed if it knows, or reasonably should know, that:

1. The gaming voucher is materially different from the sample of the gaming voucher approved by the Commission pursuant to this section;

2. The gaming voucher was previously redeemed; or

3. The gaming voucher was printed as a test gaming voucher in accordance with the provisions of (d)9 below.

(d) Prior to issuing a gaming voucher, each casino licensee shall establish a system of internal controls for the issuance and redemption of gaming vouchers, which internal controls shall be submitted to the Commission for approval and shall, at a minimum, implement the following requirements and procedures.

1. Except as otherwise provided in (d)5 below with regard to the receipt or discovery of a suspicious gaming voucher, a general cashier, slot cashier, gaming voucher redemption machine or slot machine shall, upon the presentation of a gaming voucher for redemption, scan the gaming voucher into the gaming voucher system to verify the validity of the serial number and value of the voucher. If the gaming voucher is valid, the gaming voucher system shall immediately cancel the voucher electronically and permit the redemption of such voucher for the value printed thereon.

i. At the end of each shift, gaming vouchers redeemed by a general cashier or slot cashier and verified and electronically cancelled by the gaming voucher system shall be transferred to the main bank or master coin bank separately from all other inventory items.

ii. Gaming vouchers presented for redemption at a slot machine shall be transported to the count room in

accordance with the requirements of N.J.A.C. 19:45-1.42; and

iii. Gaming vouchers presented for redemption at a gaming voucher redemption machine shall be transported to a count room or the cashiers' cage pursuant to N.J.A.C. 19:45-1.33A.

2. The casino licensee shall maintain a record of all transactions in the gaming voucher system for a period of time specified in the casino licensee's internal controls, which period shall not be less than 90 days from the date of the transaction, provided that any such records removed from the system after 90 days shall be stored and controlled in a manner approved by the Commission.

3. Notwithstanding the provisions of (d)2 above, the casino licensee shall maintain an "unredeemed gaming voucher record" of the information required by (b)1 through 5 above for gaming vouchers that have been issued but not yet redeemed, which record shall be stored in the gaming voucher system for a period of time specified in the casino licensee's internal controls, which period shall not be less than two years from the date of issuance of the voucher, provided that:

i. Any unredeemed gaming voucher record removed from the system after two years shall be stored and controlled in a manner approved by the Commission;

ii. Prior to the redemption of a gaming voucher, the complete serial number of the unredeemed voucher shall only be available to the system;

iii. The redemption of any gaming voucher for which the unredeemed gaming voucher record is not stored in the system shall not result in a deduction from gross revenue, unless the casino licensee has approved internal controls which require that, prior to redemption, the unredeemed gaming voucher record be reloaded into the system, and the validity of the serial number and value of the voucher be subsequently verified by the system; and

iv. After the redemption of a gaming voucher for which the unredeemed gaming voucher record has been reloaded into the system, the unredeemed gaming voucher record shall be immediately canceled electronically and the gaming voucher redeemed for the value printed thereon.

4. At the end of each gaming day, the gaming voucher system shall generate reports, as approved by the Commission, which reports may be generated by the casino accounting department if they are not susceptible to alteration or deletion or provided to the casino accounting department by the MIS department. The casino accounting department shall utilize the reports for purposes of the reconciliation required by (g) below. Such reports shall contain the following information, at a minimum:

i. All gaming vouchers that have been issued by each slot machine, including at a minimum, the asset number of the slot machine and the value, date and time of issuance of each voucher;

ii. All gaming vouchers that have been redeemed and canceled by each slot machine, gaming voucher redemption machine or other redemption location, including at a minimum:

(1) The asset number of the slot machine or gaming voucher redemption machine;

(2) The location, if other than a slot machine or gaming voucher redemption machine;

(3) The serial number, value, date and time of redemption of each gaming voucher;

(4) The total value of all gaming vouchers redeemed at slot machines;

(5) The total value of all gaming vouchers redeemed at gaming voucher redemption machines; and

(6) The total value of all gaming vouchers redeemed at locations other than slot machines or gaming voucher redemption machines;

iii. The unredeemed liability for gaming vouchers;

iv. If the system is approved to record meter readings in accordance with the provisions of N.J.A.C. 19:45-1.42(o), the readings of the slot machine meters required pursuant to N.J.A.C. 19:45-1.37(b)5 and (e)4, and a comparison of such readings to the number and value of issued and redeemed gaming vouchers, as applicable; and

v. Exception reports and audit logs.

5. A casino licensee shall, in accordance with (d)5i, ii and iii below, immediately report to the Commission and the Division, using a three-part form, at a minimum (suspicious gaming voucher report), any suspicious gaming voucher that is presented for redemption or otherwise discovered; provided, however, that nothing herein shall preclude a casino licensee from issuing the presenting patron a gaming voucher receipt in accordance with (d)8 below.

i. The suspicious gaming voucher report shall be completed by a cage/slot cashier supervisor and shall contain, at a minimum, the following:

(1) The gaming date, shift and time of preparation;

(2) The issuance date and serial number of the suspicious gaming voucher;

(3) The location at which the suspicious gaming voucher was presented or discovered;

(4) The name and license number of the employee who received or discovered the suspicious gaming voucher;

(5) If applicable and available, the name and address of the patron who presented the suspicious gaming voucher;

(6) The reason(s) the gaming voucher was considered to be suspicious including, if applicable, the exact text displayed by the gaming voucher system when the voucher was scanned at the time of redemption;

(7) If there is evidence that the gaming voucher was previously redeemed, the date, value and location of the previous redemption;

(8) The signature and license number of the cage/slot cashier supervisor preparing the report; and

(9) The signature and license number of the casino security department member responsible for distributing the report pursuant to (d)5iii below.

ii. The cage/slot cashier supervisor who completes the suspicious gaming voucher report shall make two copies of the suspicious gaming voucher, sign all copies of the suspicious gaming voucher report, and forward the original and two copies of the gaming voucher together with the signed, three-part suspicious gaming voucher report to a casino security department member for distribution.

iii. The casino security department member who receives the documents pursuant to (d)5ii above shall:

(1) Sign all copies of the suspicious gaming voucher report;

(2) Place the original suspicious gaming voucher and the duplicate copy of the suspicious gaming voucher report in a sealed envelope, secure the envelope until it is picked up by the Division, and immediately notify the Division that the suspicious gaming voucher had been presented or discovered;

(3) Forward a copy of the suspicious gaming voucher and the triplicate copy of the suspicious gaming voucher report to the Commission's principal inspector; and

(4) Place a copy of the suspicious gaming voucher and the original copy of the suspicious gaming voucher report in a locked accounting box located in the main bank or master coin bank or such other location as approved by the Commission.

6. Notwithstanding the requirements of (d)1 above, if the gaming voucher system or any component thereof is inoperable and, as a result, the system is unable to determine the validity of a gaming voucher, a casino licensee may redeem a gaming voucher without first verifying its

validity and without immediately canceling the voucher electronically in the system (unscanned gaming voucher) provided that:

i. The voucher is redeemed by a general cashier or slot cashier or above, at a location approved in accordance with the requirements of N.J.A.C. 19:45-1.55;

ii. If the value of the voucher exceeds \$500.00, the cashier or supervisor shall identify the presenting patron and record the following information on the gaming voucher:

- (1) The name of the patron; and
- (2) The initials and license number of the cashier or supervisor who identified the patron;

iii. The voucher is physically canceled in a manner required by the casino licensee's approved internal controls and physically segregated and secured until it is scanned by the cashier or supervisor pursuant to (d)6iv below or transferred to the main bank or master coin bank pursuant to (d)6vi below;

iv. Any unscanned gaming voucher that is subsequently scanned during the cashier's shift and verified and electronically canceled in the system shall, thereafter be processed together with the gaming vouchers redeemed during the shift pursuant to (d)1 above;

v. Unscanned gaming vouchers remaining at the end of a cashier's shift shall be recorded on a form (unscanned gaming voucher transfer form), which shall contain, at a minimum, the following:

- (1) The gaming date, shift and time of preparation;
- (2) The total number and value of unscanned gaming vouchers redeemed during the cashier's shift; and
- (3) The signature and license number of the cashier preparing the form;

vi. The unscanned gaming voucher transfer form shall be transferred with the corresponding unscanned gaming vouchers to the main bank or master coin bank at the end of the cashier's shift;

vii. Unscanned gaming vouchers transferred to the main bank or master coin bank shall remain in the main bank or master coin bank, where they shall be secured in a locked compartment, with access to the key limited to department supervisors, subject to the requirement that such vouchers be scanned or voided in the system within seven days;

viii. Unscanned gaming vouchers that are subsequently scanned in the main bank or master coin bank and verified and electronically canceled in the system

subsequent to the cashier's shift during which they were redeemed shall be processed together with the gaming vouchers redeemed during the gaming day on which they were scanned pursuant to (d)1 above; and

ix. Unscanned gaming vouchers that the system fails to verify and electronically cancel when they are subsequently scanned shall be treated as unverified gaming vouchers.

(1) If they are scanned during the cashier's shift during which they were redeemed, they shall be recorded and transferred in accordance with (d)9 and (10) below.

(2) If they are scanned in the main bank or master coin bank, a supervisor shall prepare an unverified gaming voucher transfer form summarizing the number and total value of the unverified gaming vouchers, and they shall be transferred to casino accounting in accordance with (d)11 below.

7. Notwithstanding the requirements of (d)1 above, a casino licensee may redeem a gaming voucher that the gaming voucher system fails to verify and electronically cancel when it is scanned (unverified gaming voucher) provided that:

i. The voucher is redeemed by a general cashier or slot cashier or above, at a location approved in accordance with the requirements of N.J.A.C. 19:45-1.55;

ii. If the value of the voucher exceeds \$500.00, the cashier or supervisor shall identify the presenting patron and record the following information on the gaming voucher:

- (1) The name of the patron; and
- (2) The initials and license number of the cashier or supervisor who identified the patron;

iii. The voucher is physically cancelled in a manner required by the casino licensee's approved internal controls; and

iv. The voucher is physically segregated and secured with other unverified gaming vouchers until transferred to the main bank or master coin bank in accordance with (d)9 and 10 below; provided, however, that nothing shall preclude the cashier or supervisor from re-scanning an unverified gaming voucher during the cashier's shift, and if the gaming voucher is verified and electronically cancelled in the system when it is re-scanned, the gaming voucher shall thereafter be processed with the gaming vouchers redeemed during the shift pursuant to (d)1 above.

8. If a casino licensee elects not to redeem an unverified gaming voucher, the casino licensee shall:

- i. Retain the voucher;

ii. Require a general cashier or slot cashier or above to prepare a two-part receipt (gaming voucher receipt) containing, at a minimum, the following:

- (1) The gaming date, shift and time of preparation;
- (2) The serial number and stated value of the gaming voucher;
- (3) The location at which the gaming voucher was presented for redemption;
- (4) The name and address of the patron who presented the gaming voucher; and
- (5) The name, license number and signature of the cashier or supervisor thereof preparing the gaming voucher receipt; and

iii. Distribute the completed gaming voucher receipt as follows:

- (1) The original shall be attached to the corresponding unverified gaming voucher and transferred to the main bank or master coin bank at the end of the cashier's shift; and
- (2) The duplicate shall be presented to the patron.

9. Unverified gaming vouchers redeemed or retained during a cashier's shift pursuant to (d)7 and 8 above shall be recorded on a form (unverified gaming voucher transfer form), which shall contain, at a minimum, the following:

- i. The gaming date, shift and time of preparation;
- ii. The total number and value of unverified gaming vouchers redeemed or retained during the cashier's shift; and
- iii. The signature and license number of the cashier preparing the form.

10. The unverified gaming voucher transfer form shall be transferred with the corresponding unverified gaming vouchers to the main bank or master coin bank at the end of the cashier's shift.

11. At the end of each gaming day, all unverified gaming vouchers redeemed or retained pursuant to (d)7 and 8 above shall be transferred to casino accounting with the corresponding unverified gaming voucher transfer form, where they shall be separately accounted for.

12. If, in the course of an investigation conducted pursuant to (d)13 and 14 below, an unverified gaming voucher that was retained but not redeemed pursuant to (d)8 above is determined to be valid, the casino licensee shall, in accordance with its approved internal controls, pay the patron identified on the corresponding gaming voucher receipt in redemption of the gaming voucher.

13. A casino licensee shall investigate all unverified gaming vouchers for which it seeks a deduction from gross

revenue pursuant to (a)4i above, all unverified gaming vouchers that it elects not to redeem pursuant to (d)8 above and, if necessary, a sufficient number of unverified gaming vouchers that it redeems pursuant to (d)7 above to represent a 10 percent sample of all unverified gaming vouchers. The investigation shall be conducted by the department responsible for the operation of slot machines and/or casino accounting in consultation, as necessary, with the MIS department to determine the reason the gaming voucher system failed to verify and electronically cancel the gaming vouchers.

14. The results of each investigation conducted pursuant to (d)13 above shall be recorded in a log (unverified gaming voucher log) that shall contain, at a minimum, the following:

- i. The gaming date, shift and time of preparation;
- ii. As to each unverified gaming voucher, the following:
 - (1) The issuance date and serial number of the voucher;
 - (2) The stated value of the voucher;
 - (3) The date the voucher was presented for redemption;
 - (4) If redeemed, the amount paid to the patron;
 - (5) The name of the patron if the voucher was redeemed for more than \$500.00;
 - (6) The location at which the voucher was redeemed;
 - (7) The exact text displayed by the gaming voucher system when the voucher was scanned at the time of redemption;
 - (8) The manufacturer, product type and asset number of the slot machine that issued the gaming voucher;
 - (9) If applicable, the manufacturer, product type and asset number of the slot machine or gaming voucher redemption machine that failed to properly redeem the gaming voucher; and
 - (10) The actual reason that the system failed to verify and electronically cancel the gaming voucher or, if the actual reason cannot be determined after a diligent investigation, the probable reason; and

iii. The signature and license number of the employee preparing the log.

15. If the unverified gaming voucher log is not prepared by casino accounting, the original log shall be transferred to casino accounting within 48 hours. A copy of the log shall be maintained by the preparer of the log, and a copy shall be forwarded to the Commission's principal inspector.

16. The casino licensee shall, in accordance with the schedule set forth in (d)17 below, summarize the results of the investigations recorded on unverified gaming voucher logs in a report (unverified gaming voucher log summary report) that includes, at a minimum, the following:

i. The total number of unverified gaming vouchers that were, as applicable, issued or rejected for redemption, listed and grouped by the product type of each slot machine manufacturer or gaming voucher redemption machine manufacturer; and

ii. The total number and value of unverified gaming vouchers listed and grouped by the reported actual or probable cause for the failure of the system to verify and electronically cancel the vouchers.

17. An unverified gaming voucher log summary report shall be filed twice a month with the Division and the Commission's principal inspector, and all supporting documentation shall be retained. The first report shall summarize all unverified gaming voucher logs prepared for gaming vouchers presented for redemption from the 1st to the 15th of the month and shall be filed on or before the end of the month. The second report shall summarize all unverified gaming voucher logs prepared for gaming vouchers presented for redemption from the 16th to the end of the month and shall be filed on or before the 15th of the following month.

18. Any unverified gaming voucher determined to be a suspicious gaming voucher in the course of the investigation conducted pursuant to (d)13 above shall be transmitted to the Division with the Division's copy of the corresponding unverified gaming voucher log summary report, and a copy of the suspicious gaming voucher shall be retained by casino accounting. All remaining unverified gaming vouchers shall be retained by the casino licensee in accordance with the requirements of N.J.A.C. 19:45-1.8(c)3iv.

19. Notwithstanding the requirements of (d)1 above, upon presentation of a gaming voucher for redemption at a slot machine, the total value of which voucher cannot be completely converted into slot credits due to the denomination of the slot machine, the slot machine shall perform one of the following procedures, as specified in the casino licensee's approved internal controls:

i. If the slot machine was approved after January 1, 2011, the slot machine shall store the value of that portion of the gaming voucher that cannot be converted into slot credits in the memory of the slot machine and return the stored value along with any other slot credits belonging to the patron when the patron cashes out; or

ii. If the slot machine was approved prior to January 1, 2011, the slot machine shall:

(1) Automatically issue a new gaming voucher containing the value that cannot be completely converted, either immediately or upon the patron's request;

(2) Not redeem the gaming voucher and immediately return the voucher to the patron; or

(3) Comply with the provisions of (d)19i above.

20. Any casino licensee that issues a gaming voucher in lieu of equipping a slot machine with a hopper shall have a slot monitoring system with the capability to preclude the generation of a Hopper Fill in accordance with the provisions of N.J.A.C. 19:45-1.41 for such slot machine, with no cashier having the ability to override such restriction, and shall have approved internal controls that identify by whom and the manner by which the non-hopper feature is enabled and to identify slot machines with a hopper separately from those without a hopper to ensure the proper collection, recordation, and reconciliation of gross revenue.

21. Any casino licensee that utilizes a system or a slot machine that does not print a test gaming voucher that is visually distinguishable from a valid gaming voucher whenever the slot machine is tested on the casino floor by a slot attendant, slot mechanic, or slot supervisor shall have approved internal controls for the issuance of test currency to a slot attendant, slot mechanic, or slot supervisor from the Cashier's Cage and the return and reconciliation of such test currency and any gaming vouchers printed during the testing process.

(e) Notwithstanding the requirements of (d) above, if a patron requests by mail to redeem a gaming voucher in any value, the casino licensee may effectuate such redemption, however, only by a cage supervisor as defined in N.J.A.C. 19:45-1.1, in accordance with the casino licensee's approved internal controls, which shall include, at a minimum, the following:

1. Procedures for using the system to verify the validity of the serial number and value of the voucher, which, if valid, shall be immediately canceled electronically by the system; and

2. Procedures for the issuance of a casino check containing the value of the voucher.

(f) Any amount paid to a patron in redemption of an unverified gaming voucher shall not be required to be recorded as a cash complimentary in accordance with the provisions of N.J.A.C. 19:45-1.9.

(g) On a daily basis, with the exception of unscanned gaming vouchers held by the main bank or master coin bank for subsequent scanning pursuant to (d)6vii above, all gaming vouchers shall be counted in accordance with this subsection and transported to the casino accounting department in a manner approved by the Commission.

1. All gaming vouchers redeemed by a bill changer shall be counted in the count room in accordance with N.J.A.C. 19:45-1.33 and shall be transported to the casino accounting department upon conclusion of the count process.

2. All gaming vouchers redeemed at a gaming voucher redemption machine shall be counted in accordance with approved internal controls in a count room in accordance with N.J.A.C. 19:45-1.33A(a)10 or at the cashier's cage in accordance with N.J.A.C. 19:45-1.33A(a)9, documented on a Balance Receipt by a main bank or master coin bank cashier and thereafter transported to the casino accounting department separate from all other inventory items.

i. If the gaming vouchers have been counted in a count room, the main bank or master coin bank shall perform a piece count of 10 percent of the number of strapped gaming vouchers and, if in agreement, record the value of all gaming vouchers, currency and coupons, as a credit. The gaming vouchers shall be transported with the Original Balance Receipt to the casino accounting department, and the currency shall be transported with the duplicate Balance Receipt to the main bank or master coin bank.

3. All gaming vouchers redeemed at a cashiering location shall be counted by the main bank or master coin bank, and either:

i. A casino accounting representative shall, prior to accepting a transfer of the vouchers, perform a piece count of the vouchers being transferred, compare the result of such count to a record of all vouchers recorded by the main bank or master coin bank, and sign the document attesting to the accuracy of the information recorded thereon. All gaming vouchers shall be then transported to the casino accounting department; or

ii. A casino accounting representative shall sign a document approved by the Commission acknowledging receipt of the vouchers, transport the vouchers in a sealed bag to the casino accounting department, perform a piece count of the vouchers, compare the result of such count to a record of all vouchers recorded by the main bank or master coin bank, and sign the document attesting to the accuracy of the information recorded thereon.

(h) Casino accounting department representatives with no incompatible functions shall perform, at a minimum, the following:

1. On a daily basis:

i. Review for the propriety of signatures and all other information on gaming voucher documentation as required in accordance with the provisions of this chapter;

ii. Compare gaming voucher system reports to gaming vouchers received in accordance with (g) above to ensure proper electronic cancellation of gaming vouchers;

iii. Calculate the unredeemed liability for gaming vouchers, such as by reconciling the total number and value of redeemed gaming vouchers to the total number and value of gaming vouchers issued through the use of system reports generated in accordance with the requirements of (d)4iii above, unless the system performs the calculation in a manner approved by the Commission;

iv. Unless the casino licensee utilizes counting equipment in its cashiers' cage or count room that enables its gaming voucher system to verify the serial number and obtain the value of gaming vouchers redeemed at locations other than slot machines, reconcile the serial number and value of gaming vouchers to the system report(s) generated pursuant to (d)4 above, by examining:

(1) No less than five percent of all gaming vouchers redeemed at such locations; or

(2) A random sample of all gaming vouchers redeemed at such locations, provided, however, that the random sample shall have a statistical confidence level of 95 percent with a precision of plus or minus two percent and that the Commission shall have approved the procedures for selecting the sample size and for assuring a proper selection of the sample.

v. Verify that casino accounting has received:

(1) The closing paperwork for each cashier and supervisor who redeemed gaming vouchers during the gaming day; and

(2) The Balance Receipt prepared for each gaming voucher redemption machine in conjunction with the bill validator drop performed at the end of the gaming day.

vi. Complete the Slot Win Report for the recordation of all gaming voucher revenue and deductions for gaming vouchers redeemed in accordance with the following:

(1) Gaming voucher drop shall be the greater of the value of gaming vouchers redeemed, as recorded on the gaming voucher system report required by (d)4ii above, or the value of gaming vouchers counted in the count room, as recorded on the Slot Cash Storage Box Report, provided, however, that unsecured gaming vouchers shall be separately reported on the Slot Win Report in accordance with N.J.A.C. 19:45-1.42;

(2) Deductions for gaming voucher redemptions by a bill changer or at a cashiering location shall be the lesser of the value, as recorded on the gaming

voucher system report required by (d)4ii above, or the total value of gaming vouchers counted in the count room, as recorded on the Slot Cash Storage Box Report, plus the value of gaming vouchers transferred in accordance with (g) above. Deductions for gaming voucher redemptions by a gaming voucher redemption machine shall be calculated in accordance with N.J.A.C. 19:45-1.33A(b); and

(3) No adjustment shall be made to the amounts recorded on the Slot Win Report in accordance with (g)1v(1) and (2) above unless the reason for the adjustment is adequately documented by casino accounting in accordance with the approved internal controls of the casino licensee and the adjustment is necessary in order to accurately report the casino licensee's gross revenue; and

vii. Attach or file with the Slot Win Report for the applicable gaming day any system reports and other items approved in the casino licensee's internal controls as supporting documentation;

2. On a weekly basis:

i. Compare the readings of the slot machine meters required pursuant to N.J.A.C. 19:45-1.37(b)5 and (e)4 to the number and value of issued and redeemed gaming vouchers, as applicable; and

ii. Review exception reports and audit logs;

3. Sign each system report or item reviewed in accordance with internal controls approved pursuant to (g), (g)1, and (g)2 above, attesting to the accuracy of the information recorded thereon; and

4. Maintain and control redeemed gaming vouchers until destruction in accordance with the requirements of N.J.A.C. 19:45-1.8.

(i) No adjustment to the value of any gaming voucher shall be made without the approval of the Commission.

(j) Employees of a casino licensee who are authorized to receive gaming vouchers as personal gratuities may redeem the gaming vouchers only at the cashiers' cage or a slot booth, subject to the terms and conditions set forth in (c) and (d) above. Gaming vouchers valued at more than \$100.00 shall be redeemed at the cashiers' cage only with the approval of the supervisor of the cashier conducting the redemption transaction.

New Rule, R.2003 d.4, effective January 6, 2003.

See: 34 N.J.R. 2012(a), 35 N.J.R. 259(a).

Amended by R.2004 d.10, effective January 5, 2004.

See: 35 N.J.R. 3292(a), 36 N.J.R. 199(b).

Rewrote (g)iv.

Amended by R.2004 d.33, effective January 20, 2004.

See: 35 N.J.R. 4625(a), 36 N.J.R. 532(a).

In (c), substituted "Except as provided in (i) below for employee redemption of gaming vouchers, each" for "Each" in the introductory paragraph; added (i).

Amended by R.2005 d.196, effective June 20, 2005.

See: 36 N.J.R. 3245(a), 37 N.J.R. 2234(a).

In (g), rewrote 1v(1) and 1v(3).

Amended by R.2007 d.117, effective April 16, 2007.

See: 38 N.J.R. 4669(a), 39 N.J.R. 1505(a).

In (d)1, inserted "gaming voucher redemption machine"; in (d)1i, deleted "and" from the end; in (d)1ii, inserted "and" at the end; added (d)1iii; rewrote the introductory paragraph of (d)4 and (d)4ii; rewrote (g); inserted new designation (h); rewrote (h)1iv; added new (h)1v; recodified former (h)1v and (h)1vi as (h)1vi and (h)1vii; rewrote (h)1vi(2); and recodified former (h) and (i) as (i) and (j).

Amended by R.2008 d.13, effective January 7, 2008.

See: 39 N.J.R. 3289(a), 40 N.J.R. 206(a).

In the introductory paragraph of (a)4, substituted "Except as permitted by (a)4i below, no" for "No" and inserted "through 8"; added (a)4i; in the introductory paragraph of (d), substituted "implement the following requirements and procedures." for "provide for the following."; rewrote the introductory paragraph of (d)1 and (d)1i; in (d)2 and the introductory paragraph of (d)3, inserted "gaming voucher"; in (d)2, (d)3iv, (d)4v and (d)19ii, substituted a period for the semicolon at the end; in the introductory paragraph of (d)3, inserted "the provisions of"; rewrote (d)5 and (d)6; added new (d)7 through (d)18; recodified former (d)7 through (d)9 as (d)19 through (d)21; in the introductory paragraph of (d)19, inserted a comma following "token"; and rewrote (d)20, (f), the introductory paragraph of (g) and (g)3.

Amended by R.2009 d.178, effective June 1, 2009.

See: 41 N.J.R. 396(a), 41 N.J.R. 2341(a).

In the introductory paragraph of (d)19, substituted "slot credits due to" for "an equivalent value of coins or slot tokens that matches", and deleted "coin or slot token, which that" preceding and "is designed to accept in order to activate play" following the second occurrence of "slot machine"; added new (d)19i and (d)19ii; recodified former (d)19i and (d)19ii as (d)19ii(1) and (d)19ii(2); in (d)19ii(1), deleted "or" from the end; in (d)19ii(2), substituted "; or" for a period at the end; and added (d)19ii(3).

19:45-1.55 Computerized gaming voucher systems; required procedures

(a) In order to issue or redeem gaming vouchers in accordance with the procedures at N.J.A.C. 19:45-1.54, a casino licensee shall operate a computerized gaming voucher system (system) which satisfies the requirements of this section. Each slot machine, gaming voucher redemption machine and other location that redeems gaming vouchers shall be connected to such a system, provided that no slot machine, gaming voucher redemption machine or other redemption location may be connected to, or disconnected from, such a system without approved internal controls and prior written approval of the Commission to connect or disconnect each slot machine and other redemption location. If the system is used by a gaming voucher redemption machine or count room equipment to obtain the value of a gaming voucher, the system shall perform a calculation or integrity check of the value of each gaming voucher. In the case of a gaming voucher redemption machine, the calculation or integrity check shall be performed prior to permitting the gaming voucher to be redeemed by the gaming voucher redemption machine.

(b) All aspects of a system, including all hardware and software utilized therein, shall be subject to testing by the Division pursuant to N.J.A.C. 19:46-1.28 and review and approval by the Commission prior to the implementation of the system by the casino licensee and following implementation, prior to any changes thereto.

(c) Each system shall perform the following functions, at a minimum, in order to control logical access to the system:

1. Generate daily monitoring logs of user access, security incidents and unusual transactions, and immediately notify the MIS department of critical security incidents and unusual transactions in a manner approved by the Commissioner;
2. Be capable of assigning rights and privileges to each user, including:
 - i. Allowance for the secure administration of a unique system account for each user to provide an adequate segregation of duties; and
 - ii. Contain adequate password parameters such as lockout, minimum length, and expiration interval;
3. Use appropriate access permissions to restrict unauthorized users from viewing, changing or deleting critical files and directories; and
4. Utilize encryption for files and directories containing critical or sensitive data, which at a minimum shall include the unredeemed gaming voucher record. Notwithstanding the foregoing, in lieu of utilizing encryption for files and directories containing critical or sensitive data, the system shall be designed to permit, and the casino licensee shall implement, internal controls approved by the Commission to restrict users from viewing the contents of such files and directories, which internal controls shall, at a minimum, provide for the following:
 - i. The effective segregation of duties and responsibilities with regard to the system in the MIS department; and
 - ii. The automatic monitoring and recording by the system of access by any person to such files and directories.

(d) Each system shall perform the following functions, at a minimum, in order to control system operations:

1. Generate daily monitoring logs and alert messages for system performance, hardware problems, and software errors;
2. Authenticate the identity of a slot machine, gaming voucher redemption machine or other redemption location from which a transmission of data is received;
3. Ensure that all data sent through a transmission is completely and accurately received;
4. Detect the presence of corrupt or lost data packets and, as necessary, reject the transmission; and
5. Utilize an appropriate cryptographic system, such as public/private key encryption, for all critical transmissions of data, such as transmissions that include a gaming voucher serial number, slot machine meter information, or

any other information used in the calculation or verification of gross revenue.

(e) Each system shall perform the following functions, at a minimum, in order to control the integrity of data:

1. Generate a unique serial number for each gaming voucher, with a portion of the serial number comprised of randomly generated numbers, symbols or characters, as approved by the Commission, or by such other method as approved by the Commission, which numbers, symbols or characters shall be constructed in a manner so as to prevent a person from being able to predict the composition of any other serial number generated by the system;
2. Validate the data type and format of all inputs to critical fields and reject any corrupt data;
3. Provide for the automatic and independent recording of critical data upon gaming voucher generation and redemption, including at a minimum, the information specified in N.J.A.C. 19:45-1.54(b)1 through 5;
4. Provide for verification of the information contained on a gaming voucher presented for redemption and the unredeemed gaming voucher record to a source that separately records and maintains transaction data, such as an automated transaction log, or such other compensating procedure as approved by the Commission, which procedure shall:
 - i. Independently verify the accuracy of the gaming voucher serial number and value prior to redeeming the gaming voucher; and
 - ii. Not be used to satisfy any other requirements of this chapter; and
5. Segregate all security critical system programs, files and directories from all other programs and files and directories contained in the system.

(f) Each system shall be equipped with the following, at a minimum, in order to address continuity:

1. Data redundancy, such as disk mirroring, which writes a complete and duplicate copy of all data on the primary disk to a secondary disk as it occurs, to permit a complete and prompt recovery of all information in the event of any malfunction;
2. Environmental protection, such as an uninterruptible power supply, and fireproof and waterproof materials designed to protect critical hardware from a natural disaster; and
3. A backup capability, which enables the casino licensee to create, in accordance with procedures approved pursuant to (h)10 below, periodic backup copies of files and data on a removable storage device, such as magnetic tape, which shall be separate from the devices required in accordance with (f)1 above.

(g) Each system shall immediately inform the casino licensee of any malfunction, in a manner approved by the Commission. Following any malfunction of a system, the casino licensee shall immediately notify the Commission and Division, and shall not utilize the system until the malfunction has been successfully repaired. Notwithstanding the foregoing, the Commission may permit a casino licensee to utilize the system prior to it being successfully repaired, for a period not to exceed 72 hours, provided that:

1. The malfunction is limited to a single storage media device, such as a hard disk drive;
2. In addition to the malfunctioning storage media device, the system contains a backup storage media device

not utilized in the normal operation of the system, which backup device shall immediately and automatically replace the malfunctioning device, to permit a complete and prompt recovery of all information in the event of an additional malfunction; and

3. Continued use of the malfunctioning system would not inhibit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.

(h) Prior to implementing a system, each casino licensee shall establish a system of internal controls which addresses the integrity, security and control of its system which internal

1. All gaming vouchers redeemed by a bill changer shall be counted in the count room in accordance with N.J.A.C. 19:45-1.33 and shall be transported to the casino accounting department upon conclusion of the count process.

2. All gaming vouchers redeemed at a gaming voucher redemption machine shall be counted in accordance with approved internal controls in a count room in accordance with N.J.A.C. 19:45-1.33A(a)10 or at the cashier's cage in accordance with N.J.A.C. 19:45-1.33A(a)9, documented on a Balance Receipt by a main bank or master coin bank cashier and thereafter transported to the casino accounting department separate from all other inventory items.

i. If the gaming vouchers have been counted in a count room, the main bank or master coin bank shall perform a piece count of 10 percent of the number of strapped gaming vouchers and, if in agreement, record the value of all gaming vouchers, currency and coupons, as a credit. The gaming vouchers shall be transported with the Original Balance Receipt to the casino accounting department, and the currency shall be transported with the duplicate Balance Receipt to the main bank or master coin bank.

3. All gaming vouchers redeemed at a cashiering location shall be counted by the main bank or master coin bank, and either:

i. A casino accounting representative shall, prior to accepting a transfer of the vouchers, perform a piece count of the vouchers being transferred, compare the result of such count to a record of all vouchers recorded by the main bank or master coin bank, and sign the document attesting to the accuracy of the information recorded thereon. All gaming vouchers shall be then transported to the casino accounting department; or

ii. A casino accounting representative shall sign a document approved by the Commission acknowledging receipt of the vouchers, transport the vouchers in a sealed bag to the casino accounting department, perform a piece count of the vouchers, compare the result of such count to a record of all vouchers recorded by the main bank or master coin bank, and sign the document attesting to the accuracy of the information recorded thereon.

(h) Casino accounting department representatives with no incompatible functions shall perform, at a minimum, the following:

1. On a daily basis:

i. Review for the propriety of signatures and all other information on gaming voucher documentation as required in accordance with the provisions of this chapter;

ii. Compare gaming voucher system reports to gaming vouchers received in accordance with (g) above to ensure proper electronic cancellation of gaming vouchers;

iii. Calculate the unredeemed liability for gaming vouchers, such as by reconciling the total number and value of redeemed gaming vouchers to the total number and value of gaming vouchers issued through the use of system reports generated in accordance with the requirements of (d)4iii above, unless the system performs the calculation in a manner approved by the Commission;

iv. Unless the casino licensee utilizes counting equipment in its cashiers' cage or count room that enables its gaming voucher system to verify the serial number and obtain the value of gaming vouchers redeemed at locations other than slot machines, reconcile the serial number and value of gaming vouchers to the system report(s) generated pursuant to (d)4 above, by examining:

(1) No less than five percent of all gaming vouchers redeemed at such locations; or

(2) A random sample of all gaming vouchers redeemed at such locations, provided, however, that the random sample shall have a statistical confidence level of 95 percent with a precision of plus or minus two percent and that the Commission shall have approved the procedures for selecting the sample size and for assuring a proper selection of the sample.

v. Verify that casino accounting has received:

(1) The closing paperwork for each cashier and supervisor who redeemed gaming vouchers during the gaming day; and

(2) The Balance Receipt prepared for each gaming voucher redemption machine in conjunction with the bill validator drop performed at the end of the gaming day.

vi. Complete the Slot Win Report for the recordation of all gaming voucher revenue and deductions for gaming vouchers redeemed in accordance with the following:

(1) Gaming voucher drop shall be the greater of the value of gaming vouchers redeemed, as recorded on the gaming voucher system report required by (d)4ii above, or the value of gaming vouchers counted in the count room, as recorded on the Slot Cash Storage Box Report, provided, however, that unsecured gaming vouchers shall be separately reported on the Slot Win Report in accordance with N.J.A.C. 19:45-1.42;

(2) Deductions for gaming voucher redemptions by a bill changer or at a cashiering location shall be the lesser of the value, as recorded on the gaming

voucher system report required by (d)4ii above, or the total value of gaming vouchers counted in the count room, as recorded on the Slot Cash Storage Box Report, plus the value of gaming vouchers transferred in accordance with (g) above. Deductions for gaming voucher redemptions by a gaming voucher redemption machine shall be calculated in accordance with N.J.A.C. 19:45-1.33A(b); and

(3) No adjustment shall be made to the amounts recorded on the Slot Win Report in accordance with (g)1v(1) and (2) above unless the reason for the adjustment is adequately documented by casino accounting in accordance with the approved internal controls of the casino licensee and the adjustment is necessary in order to accurately report the casino licensee's gross revenue; and

vii. Attach or file with the Slot Win Report for the applicable gaming day any system reports and other items approved in the casino licensee's internal controls as supporting documentation;

2. On a weekly basis:

i. Compare the readings of the slot machine meters required pursuant to N.J.A.C. 19:45-1.37(b)5 and (e)4 to the number and value of issued and redeemed gaming vouchers, as applicable; and

ii. Review exception reports and audit logs;

3. Sign each system report or item reviewed in accordance with internal controls approved pursuant to (g), (g)1, and (g)2 above, attesting to the accuracy of the information recorded thereon; and

4. Maintain and control redeemed gaming vouchers until destruction in accordance with the requirements of N.J.A.C. 19:45-1.8.

(i) No adjustment to the value of any gaming voucher shall be made without the approval of the Commission.

(j) Employees of a casino licensee who are authorized to receive gaming vouchers as personal gratuities may redeem the gaming vouchers only at the cashiers' cage or a slot booth, subject to the terms and conditions set forth in (c) and (d) above. Gaming vouchers valued at more than \$100.00 shall be redeemed at the cashiers' cage only with the approval of the supervisor of the cashier conducting the redemption transaction.

New Rule, R.2003 d.4, effective January 6, 2003.

See: 34 N.J.R. 2012(a), 35 N.J.R. 259(a).

Amended by R.2004 d.10, effective January 5, 2004.

See: 35 N.J.R. 3292(a), 36 N.J.R. 199(b).

Rewrote (g)iv.

Amended by R.2004 d.33, effective January 20, 2004.

See: 35 N.J.R. 4625(a), 36 N.J.R. 532(a).

In (c), substituted "Except as provided in (i) below for employee redemption of gaming vouchers, each" for "Each" in the introductory paragraph; added (i).

Amended by R.2005 d.196, effective June 20, 2005.

See: 36 N.J.R. 3245(a), 37 N.J.R. 2234(a).

In (g), rewrote 1v(1) and 1v(3).

Amended by R.2007 d.117, effective April 16, 2007.

See: 38 N.J.R. 4669(a), 39 N.J.R. 1505(a).

In (d)1, inserted "gaming voucher redemption machine"; in (d)1i, deleted "and" from the end; in (d)1ii, inserted "and" at the end; added (d)1iii; rewrote the introductory paragraph of (d)4 and (d)4ii; rewrote (g); inserted new designation (h); rewrote (h)1iv; added new (h)1v; recodified former (h)1v and (h)1vi as (h)1vi and (h)1vii; rewrote (h)1vi(2); and recodified former (h) and (i) as (i) and (j).

Amended by R.2008 d.13, effective January 7, 2008.

See: 39 N.J.R. 3289(a), 40 N.J.R. 206(a).

In the introductory paragraph of (a)4, substituted "Except as permitted by (a)4i below, no" for "No" and inserted "through 8"; added (a)4i; in the introductory paragraph of (d), substituted "implement the following requirements and procedures." for "provide for the following."; rewrote the introductory paragraph of (d)1 and (d)1i; in (d)2 and the introductory paragraph of (d)3, inserted "gaming voucher"; in (d)2, (d)3iv, (d)4v and (d)19ii, substituted a period for the semicolon at the end; in the introductory paragraph of (d)3, inserted "the provisions of"; rewrote (d)5 and (d)6; added new (d)7 through (d)18; recodified former (d)7 through (d)9 as (d)19 through (d)21; in the introductory paragraph of (d)19, inserted a comma following "token"; and rewrote (d)20, (f), the introductory paragraph of (g) and (g)3.

Amended by R.2009 d.178, effective June 1, 2009.

See: 41 N.J.R. 396(a), 41 N.J.R. 2341(a).

In the introductory paragraph of (d)19, substituted "slot credits due to" for "an equivalent value of coins or slot tokens that matches", and deleted "coin or slot token, which that" preceding and "is designed to accept in order to activate play" following the second occurrence of "slot machine"; added new (d)19i and (d)19ii; recodified former (d)19i and (d)19ii as (d)19ii(1) and (d)19ii(2); in (d)19ii(1), deleted "or" from the end; in (d)19ii(2), substituted "; or" for a period at the end; and added (d)19ii(3).

19:45-1.55 Computerized gaming voucher systems; required procedures

(a) In order to issue or redeem gaming vouchers in accordance with the procedures at N.J.A.C. 19:45-1.54, a casino licensee shall operate a computerized gaming voucher system (system) which satisfies the requirements of this section. Each slot machine, gaming voucher redemption machine and other location that redeems gaming vouchers shall be connected to such a system, provided that no slot machine, gaming voucher redemption machine or other redemption location may be connected to, or disconnected from, such a system without approved internal controls and prior written approval of the Commission to connect or disconnect each slot machine and other redemption location. If the system is used by a gaming voucher redemption machine or count room equipment to obtain the value of a gaming voucher, the system shall perform a calculation or integrity check of the value of each gaming voucher. In the case of a gaming voucher redemption machine, the calculation or integrity check shall be performed prior to permitting the gaming voucher to be redeemed by the gaming voucher redemption machine.

(b) All aspects of a system, including all hardware and software utilized therein, shall be subject to testing by the Division pursuant to N.J.A.C. 19:46-1.28 and review and approval by the Commission prior to the implementation of the system by the casino licensee and following implementation, prior to any changes thereto.

(c) Each system shall perform the following functions, at a minimum, in order to control logical access to the system:

1. Generate daily monitoring logs of user access, security incidents and unusual transactions, and immediately notify the MIS department of critical security incidents and unusual transactions in a manner approved by the Commissioner;
2. Be capable of assigning rights and privileges to each user, including:
 - i. Allowance for the secure administration of a unique system account for each user to provide an adequate segregation of duties; and
 - ii. Contain adequate password parameters such as lockout, minimum length, and expiration interval;
3. Use appropriate access permissions to restrict unauthorized users from viewing, changing or deleting critical files and directories; and
4. Utilize encryption for files and directories containing critical or sensitive data, which at a minimum shall include the unredeemed gaming voucher record. Notwithstanding the foregoing, in lieu of utilizing encryption for files and directories containing critical or sensitive data, the system shall be designed to permit, and the casino licensee shall implement, internal controls approved by the Commission to restrict users from viewing the contents of such files and directories, which internal controls shall, at a minimum, provide for the following:
 - i. The effective segregation of duties and responsibilities with regard to the system in the MIS department; and
 - ii. The automatic monitoring and recording by the system of access by any person to such files and directories.

(d) Each system shall perform the following functions, at a minimum, in order to control system operations:

1. Generate daily monitoring logs and alert messages for system performance, hardware problems, and software errors;
2. Authenticate the identity of a slot machine, gaming voucher redemption machine or other redemption location from which a transmission of data is received;
3. Ensure that all data sent through a transmission is completely and accurately received;
4. Detect the presence of corrupt or lost data packets and, as necessary, reject the transmission; and
5. Utilize an appropriate cryptographic system, such as public/private key encryption, for all critical transmissions of data, such as transmissions that include a gaming voucher serial number, slot machine meter information, or

any other information used in the calculation or verification of gross revenue.

(e) Each system shall perform the following functions, at a minimum, in order to control the integrity of data:

1. Generate a unique serial number for each gaming voucher, with a portion of the serial number comprised of randomly generated numbers, symbols or characters, as approved by the Commission, or by such other method as approved by the Commission, which numbers, symbols or characters shall be constructed in a manner so as to prevent a person from being able to predict the composition of any other serial number generated by the system;
2. Validate the data type and format of all inputs to critical fields and reject any corrupt data;
3. Provide for the automatic and independent recordation of critical data upon gaming voucher generation and redemption, including at a minimum, the information specified in N.J.A.C. 19:45-1.54(b)1 through 5;
4. Provide for verification of the information contained on a gaming voucher presented for redemption and the unredeemed gaming voucher record to a source that separately records and maintains transaction data, such as an automated transaction log, or such other compensating procedure as approved by the Commission, which procedure shall:
 - i. Independently verify the accuracy of the gaming voucher serial number and value prior to redeeming the gaming voucher; and
 - ii. Not be used to satisfy any other requirements of this chapter; and
5. Segregate all security critical system programs, files and directories from all other programs and files and directories contained in the system.

(f) Each system shall be equipped with the following, at a minimum, in order to address continuity:

1. Data redundancy, such as disk mirroring, which writes a complete and duplicate copy of all data on the primary disk to a secondary disk as it occurs, to permit a complete and prompt recovery of all information in the event of any malfunction;
2. Environmental protection, such as an uninterruptible power supply, and fireproof and waterproof materials designed to protect critical hardware from a natural disaster; and
3. A backup capability, which enables the casino licensee to create, in accordance with procedures approved pursuant to (h)10 below, periodic backup copies of files and data on a removable storage device, such as magnetic tape, which shall be separate from the devices required in accordance with (f)1 above.

(g) Each system shall immediately inform the casino licensee of any malfunction, in a manner approved by the Commission. Following any malfunction of a system, the casino licensee shall immediately notify the Commission and Division, and shall not utilize the system until the malfunction has been successfully repaired. Notwithstanding the foregoing, the Commission may permit a casino licensee to utilize the system prior to it being successfully repaired, for a period not to exceed 72 hours, provided that:

1. The malfunction is limited to a single storage media device, such as a hard disk drive;
2. In addition to the malfunctioning storage media device, the system contains a backup storage media device

not utilized in the normal operation of the system, which backup device shall immediately and automatically replace the malfunctioning device, to permit a complete and prompt recovery of all information in the event of an additional malfunction; and

3. Continued use of the malfunctioning system would not inhibit the ability to perform a complete and prompt recovery of all information, and would not otherwise harm or affect the normal operation of the system.

(h) Prior to implementing a system, each casino licensee shall establish a system of internal controls which addresses the integrity, security and control of its system which internal

controls shall be submitted to the Commission for approval and shall, at a minimum, provide for the following:

1. Documentation of the system design and layout in both narrative and diagrammatic formats, user manuals, and a list of all configurable options and settings;
2. Copies of all documents generated in accordance with the requirements of (c)1 and (d)1 above;
3. Procedures for assigning a slot machine's asset number and identifying a gaming voucher redemption machine and other redemption locations in the system, and enabling and disabling voucher capabilities for such slot machines and redemption locations;
4. Procedures for issuance, modification, and termination of a unique system account for each user in accordance with the requirements of (c)2i above;
5. Constraints used to configure and maintain user passwords in accordance with the requirements of (c)2ii above;
6. Procedures for restricting special rights and privileges, such as "administrator" and override capabilities, in accordance with the requirements of (c)3 above;
7. The duties and responsibilities of the MIS, internal audit, slot and casino accounting departments, respectively, and the level of access for each position with regard to the system, in accordance with the requirements of (c)3 above;
8. Identification of all software files and directories, the location and a description of each, and the reports generated from such files, which software files, directories, and locations shall not be changed except in accordance with the provisions of (i) below;
9. A description of physical controls on all critical hardware such as locks and surveillance, including the location and security of each piece of equipment as approved by the Commission;
10. Procedures for the backup and timely recovery of critical data and failure analysis, in accordance with the requirements of (f)3 above;
11. Logs used to document and maintain the details of any hardware and software modifications upon implementation, which modifications shall be first approved in accordance with the provisions of (i) below and thereafter performed in accordance with the requirements of (j) below; and
12. Procedures for reviewing the system's operation and, the adequacy and effectiveness of policies and procedures.
 - (i) Prior to implementing any programming change, upgrade, or hardware addition or replacement to an existing system, the casino licensee shall provide at least 72 hours advanced written notice to the Commission and Division in accordance with the requirements of this subsection, except

that the Commission may permit a casino licensee to change or upgrade non-critical software files or directories or hardware, as recommended by the Division and specifically identified in the casino licensee's approved internal controls, provided that written notice in accordance with the requirements of this subsection shall be filed within 24 hours following the change. Any written notice filed by a casino licensee in accordance with this subsection shall include, without limitation, the following:

1. A description of the reasons for the proposed modification;
2. A list of the computer components and programs or versions to be modified or replaced;
3. A description of any screens, menus, reports, operating processes, configurable options, or settings that will be affected;
4. The method to be used to complete the proposed modification;
5. Date that the proposed modification will be installed and the estimated time for completion;
6. Name, title, and employer of the person(s) to perform the installation;
7. A diagrammatic representation of the proposed hardware design change;
8. Restriction on "update" access to the production code to the person implementing the modification; and
9. Procedures to ensure that user and operator manuals are updated to reflect changes in policies and procedures resulting from the proposed modification.
 - (j) Subject to any testing required pursuant to N.J.A.C. 19:46-1.28 and approval by the Commission upon receipt of the notification required by (i) above, modifications to the system shall be installed in the presence of an employee of the MIS department with no incompatible functions and a Commission inspector. Following completion of the modification, the casino licensee shall generate a record detailing the modification on the system or, if the system does not have the capability of generating such a record, such other record as may be required by the Commission. In the event the Commission determines that testing is required after the modification, the Commission shall establish the terms and conditions of such a test.
 - (k) In order to obtain a determination from the Commission that a system, as installed and configured by a casino licensee, can accurately perform the functions set forth in (c) through (f) above, the casino licensee shall, without limitation, perform the following:
 1. Submit certifications from the manager of its MIS department and a qualifier of the company that manufactured the system, both initially and following any changes

to the gaming voucher system as approved pursuant to N.J.A.C. 19:46-1.20, stating that the system, as installed and configured by the casino licensee, can accurately perform the functions set forth in (c) through (f) above;

2. Successfully complete a minimum 60-day test of the system under terms and conditions established by the Commission;

3. Have approved internal controls as required by (h) above; and

4. Provide access to the system to the Commission and Division in a manner and from such locations as approved by the Commission and Division.

New Rule, R.2003 d.4, effective January 6, 2003.

See: 34 N.J.R. 2012(a), 35 N.J.R. 259(a).

Amended by R.2007 d.117, effective April 16, 2007.

See: 38 N.J.R. 4669(a), 39 N.J.R. 1505(a).

Rewrote (a); in (d)2, inserted “; gaming voucher redemption machine”; and in (h)3, inserted “a gaming voucher redemption machine and”.

SUBCHAPTER 2. CASINO COMPUTER SYSTEMS

Authority

N.J.S.A. 5:12-5, 63(c), 69, 70, 99 and 100.

Source and Effective Date

R.2005 d.216, effective July 5, 2005.

See: 36 N.J.R. 3242(a), 37 N.J.R. 2561(a).

19:45-2.1 Definitions

The following words and terms, when used in this chapter, shall have the following meanings unless the context clearly indicates otherwise:

“Casino computer system” means all aspects of a computer system which the rules of the Commission either require or permit to be utilized by a casino licensee in the conduct or monitoring of casino operations including, but not limited to hardware, software and network interfaces; provided, however, that a casino computer system shall not be construed to include the following:

1. A slot machine or bill changer;
2. A multi-casino progressive slot system;
3. A computer system that is connected to a casino computer system only through a firewall, which has been approved in accordance with the provisions of N.J.A.C. 19:46-1.20 and for which the casino licensee has approved internal controls in accordance with the requirements of N.J.A.C. 19:45-2.2(g); and
4. Any computer system used exclusively in the conduct of casino simulcasting, in accordance with the provisions of N.J.A.C. 19:55.

“Computer access” or “logical access” means the ability of a person or process to obtain information from, or execute an action in, a casino computer system in accordance with privileges established by a casino licensee pursuant to approved internal controls, which privileges shall be specified by an approved level of computer access.

“Computer functionality” means that a casino computer system functions as designed and approved.

“Computer security” means that a casino computer system contains sufficient devices or procedures that shall:

1. Preserve computer functionality, availability, and the confidentiality of data in accordance with the requirements of the Act and the Commission’s rules;
2. Appropriately limit the ability of any person or process to deliberately or inadvertently interfere with the normal operation of the system or its data; and
3. Detect, record, preserve, and provide notice to the casino licensee of, in accordance with approved internal controls, each compromise, possible compromise, inadvertent disclosure, or deviation from computer functionality that occurs.

“Firewall” means dedicated computer hardware, software, and the related security policy that protects a casino computer system, its software, and data from access by other computer systems and users not specifically authorized to access the casino computer system, its software or data, through procedures approved by the Commission, such as monitoring and analyzing all data packets on a real-time basis and automatically rejecting all unauthorized communications. A firewall shall include, without limitation, logging and reporting, automatic alarms, and a user interface for controlling the firewall.

“Level of computer access” means the particular privileges granted to a person in a casino computer system by a casino licensee, such as read, read-write, execute, and modify, which privileges shall vary by casino computer system program, process, library, or directory, according to the following:

1. Position title and job code, for an employee of the casino licensee; and
2. Responsibilities and functions authorized to be performed, for any person not employed by the casino licensee.

19:45-2.2 Casino computer systems; authorized locations

(a) All aspects of a casino licensee’s casino computer system shall be located within the casino hotel facility unless otherwise approved by the Commission in accordance with the provisions of this section.

(b) The Commission may permit a casino licensee to maintain the software and data of its casino computer system, or any portion thereof, in a computer located in a secure location outside the casino hotel facility, referred to herein as a "remote computer," provided that:

1. The remote computer is maintained in a secure location within the casino hotel facility of another casino licensee, referred to herein as a "host casino," except as otherwise permitted by the Commission in the event of a disaster pursuant to (e) below;

2. Communications between the remote computer and all other portions of the casino computer system shall occur using a dedicated and secure communication facility, such as a leased line, as approved by the Commission;

3. The remote computer shall automatically perform, at a minimum, the following functions:

i. Generate daily monitoring logs and real time alert messages to inform the casino licensee, host casino, or both, of any system performance problems and hardware problems;

ii. Generate daily monitoring logs and real time alert messages to inform the casino licensee of any software errors;

iii. Generate daily monitoring logs to inform the casino licensee of any unsuccessful attempts by a device, person or process to obtain computer access;

iv. Authenticate the identity of each device, person and process from which communication is received before granting computer access to such device, person or process;

v. Ensure that data sent through a transmission is completely and accurately received; and

vi. Detect the presence of corrupt or lost data and, as necessary, reject the transmission; and

4. Unless a remote computer is used exclusively to maintain a casino computer system of one casino licensee, it shall be partitioned in a manner approved by the Commission, and shall include, at a minimum, the following:

i. A partition manager that complies with the following requirements:

(1) The partition manager shall be comprised of hardware and/or software and shall perform all par-

tion management tasks for a remote computer, including creating the partitions described in (b)4ii below and allocating system resources to each such partition, such as processors, communication buses, data storage devices, and memory;

(2) The casino licensee and host casino shall jointly designate and each shall identify in its approved internal controls the MIS security officer who shall be responsible for administering the partition manager and maintaining access codes to the partition manager, which MIS security officer shall be an employee of the casino licensee, host casino, or any holding, intermediary or subsidiary company thereof;

(3) Special rights and privileges in the partition manager such as "administrator" shall be restricted to the MIS department manager and the MIS security officer of the casino licensee, host casino, or any holding, intermediary or subsidiary company thereof, provided, however, that such rights and privileges may be delegated in accordance with N.J.A.C. 19:45-1.11(b)3;

(4) Access to the partition manager shall be limited to employees of the MIS departments of the casino licensee, host casino, or any holding, intermediary or subsidiary company thereof, unless otherwise approved by the Commission; and

(5) Software-based partition managers contained in a remote computer shall be functionally limited to performing partition management tasks for the remote computer, while partition managers using hardware and software that are not part of a remote computer may be utilized to perform other functions for a remote computer that are approved by the Commission;

ii. A separate and distinct partition for each casino computer system, that complies with the following requirements:

(1) The partition shall be limited to maintaining the software and data of the casino licensee or affiliate for which the partition has been established;

(2) The MIS security officer of the casino licensee for which the partition has been established shall be responsible for maintenance of access codes to the partition;

(3) Special rights and privileges in the partition such as "administrator" shall be restricted to the MIS security officer and the MIS department manager of the casino licensee for which the partition has been established, provided, however, that such rights and privileges may be delegated in accordance with N.J.A.C. 19:45-1.11(b)3; and

(4) A partition shall not utilize or share a processor, communication bus, data storage device, and memory that is not partitioned or otherwise segregated from the partition manager and any other partition, in a manner approved by the Commission; and

iii. Separate and distinct operating system software, application software, and computer access controls for the partition manager and each partition required in accordance with the provisions of (b)4i and ii above.

(c) The Commission may permit a casino licensee to establish a partition, within a computer that contains a casino computer system, for any holding, intermediary or subsidiary company thereof, or any affiliate that holds a gaming license in any other jurisdiction in the United States, in accordance with the requirements of (b)4ii(1) and (4), and (b)4iii above.

(d) The Commission may permit a casino licensee to maintain duplicate copies of the software and data of a casino computer system, or any portion thereof, in removable storage media devices, such as magnetic tapes or disks, which reside in a secure location within the casino hotel facility or such other secure location outside the casino hotel facility within the State of New Jersey approved by the Commission, for the purposes of disaster recovery.

(e) Notwithstanding the provisions of (b) above, a casino licensee may maintain the software and data of its casino computer system, or any portion thereof, in a computer located in a secure location outside the casino hotel facility, only upon the declaration of a disaster affecting the casino

computer system by the chief executive officer of the casino licensee and prior approval of the Commission.

(f) A casino licensee may locate software or data not related to a casino computer system, such as hotel-related software or data, in a computer located outside the casino hotel facility. The Commission may permit a casino licensee to connect such computer to a casino computer system, provided that:

1. Logical access to computer software and data of the casino computer system is appropriately limited as set forth in the casino licensee's approved internal controls; and

2. Communications with all portions of the casino computer system, shall occur as follows:

i. Using a dedicated and secure communication facility, such as a leased line, as approved by the Commission; and

ii. Only through a firewall or other comparable hardware and software, which has been approved in accordance with the provisions of N.J.A.C. 19:46-1.20 and for which the casino licensee has approved internal controls in accordance with the requirements of (g) below.

(g) Each firewall or comparable hardware and software required in accordance with the provisions of (b)3 or (f)2ii above shall perform the following:

1. Maintain a list of each device, person or process authorized to obtain computer access;

2. Generate daily monitoring logs to inform the casino licensee of any unsuccessful attempts by a device, person or process to obtain computer access; and

3. Authenticate the identity of each device, person and process from which communication is received before granting computer access to such device, person or process.