

LAW AND PUBLIC SAFETY

DIVISION OF GAMING ENFORCEMENT

Internet and Mobile Gaming

Applications

Forms; Information; Fees

Casino Licensees

Maintaining Agreements; Filing of Agreements

Casino Operation Accounting Controls and Standards

Casino Licensee's Organization; Standard Financial and Statistical Reports; Network Security for Internet, Mobile or Server-Based Gaming Systems

Exclusion of Persons

Persons Required to be Excluded; Self-Exclusion; Forfeiture of Winnings by Prohibited Person

Persons Doing Business with Casino Licensees

Definitions; Gaming-Related Casino Service Industry Enterprise License Requirements

Taxes

Gross Revenue Tax; Internet Gaming Gross Revenue Tax

Description of Taxes; Definitions; Tax Year; Tax Payer; Computation of Taxes; Return and Reports; Examination of Accounts and Records

Deduction for Promotional Gaming Credits

Adopted Amendments: N.J.A.C. 13:69A-9.4 and 9.8; 13:69C-10.2; 13:69D-1.6 and 1.11; 13:69G-1.1, 1.2, 1.3, 1.5, 1.7, 2.1, 2.2, 2.3, 2.4, 2.5, and 3.2; 13:69J-1.1 and 1.2; and 13:69L-1.1, 1.2, 1.3, 1.4, 1.5, 1.6, 1.7, 1.8, and 1.11

Adopted New Rules: N.J.A.C. 13:69A-5.19 and 7.17 and 13:690

Proposed: June 3, 2013 at 45 N.J.R. 1355(a).

Adopted: September 26, 2013 by David L. Rebuck, Director, Division of Gaming Enforcement.

Filed: September 26, 2013 as _____, **with substantial and technical changes** not requiring additional public notice or comment (see N.J.A.C. 1:30-6.3).

Authority: N.J.S.A. 5:12-5, 12, 38a, 69, 70, 76, 82, 92, 100, 104, and 129.1.

Effective Date: October 21, 2013.

Expiration Dates: December 19, 2018, N.J.A.C. 13:69A;
December 19, 2018, N.J.A.C. 13:69C;
March 19, 2019, N.J.A.C. 13:69D;
December 19, 2018, N.J.A.C. 13:69G;
December 19, 2018, N.J.A.C. 13:69J;
December 19, 2018, N.J.A.C. 13:69L;
October 21, 2020, N.J.A.C. 13:690.

Summary of Public Comments and Agency Responses:

The Division received comments from the following parties: The Council on Compulsive Gambling of New Jersey, Inc. (CCGNJ); WorldPay Limited (WorldPay); Martin Shapiro; Dictao; Aristocrat Technologies Inc. and Aristocrat Australia Pty Limited (together, Aristocrat); Association of Gaming Equipment Manufacturers (AGEM); Bally Technologies (Bally Tech); International Gaming Technologies (IGT); Skrill USA, Inc. (Skrill); Interactive Communications International, Inc. (InComm); Optimal Payments Plc (Optimal); WMS Gaming Inc. (WMS);

Gaming Laboratories International (GLI); Experian; Sightline Payments (Sightline); Caesars Interactive Entertainment New Jersey (CIENJ); Trump Plaza Associates, LLC and Trump Taj Mahal Associates, LLC (together, Trump); Betable; MasterCard Worldwide (MasterCard); Tropicana Casino and Resort (Tropicana); PokerStars and Full Tilt Poker (together, Rational Group); New Jersey Association of Mental Health and Addiction Agencies, Inc. (NJAMHAA); Chris Strycharz; Black Gate Technologies (Black Gate); R.L. Johnson; Pokertrip Enterprises, Inc. (Pokertrip); LaserLock Technologies, Inc. (LaserLock); and Ultimate Gaming.

COMMENT: CCGNJ recommends that the direct link required by proposed N.J.A.C. 13:690-1.2(1)14 guide patrons to CCGNJ's website, as it is the only Statewide organization providing services in New Jersey. NJAMHAA submitted a comment indicating that it joins in CCGNJ's formal comments.

In a related comment, Aristocrat recommends that N.J.A.C. 13:690-1.2(1)14iii, requiring that the player protection page contain a direct link to at least one domestic organization dedicated to helping people with potential gambling problems, be amended to use the phrase "continental USA," rather than the term "domestic."

RESPONSE: The Division has amended N.J.A.C. 13:690-1.2(1)14iii to require a direct link to CCGNJ and one other domestic organization dedicated to help people with potential gambling problems.

N.J.A.C. 13:690-1.2(1)14iii is amended to replace "domestic" with the phrase "based in the United States."

COMMENT: CCGNJ seeks to clarify proposed N.J.A.C. 13:690-1.2(s) relating to games that do not require a wager. CCGNJ seeks to preclude operators from promoting access to free games on other websites or from offering gambling-like games through social media because these activities are engaged in by minors.

IGT desires to allow free games to have a payout percentage that is within the range of any approved game and to permit free game play without patron log in to an Internet gaming system. In a related comment, Betable suggests that free games should be accessible after log in to comply with the rules that apply to their "real-money" counterpart.

WMS asks if it is permissible to offer free games to patrons not physically located in the State of New Jersey.

RESPONSE: To provide the requested guidance and clarification regarding free games, the Division is also temporarily adopting new rules, which the Division expects to propose for final adoption. The temporary adoption limits the types of free games that may be offered by operators. The temporary adoption allows for the offering of games that do not require a wager or payment from a patron's Internet or mobile gaming account provided they comply with certain requirements. The Division does not have the statutory authority to regulate free games on other operator-controlled websites, and therefore the temporary adoption does not address these games. However, under the temporary adoption, operators are permitted to offer social games, provided that they are neither funded nor accessed through a patron's Internet or mobile gaming account.

The temporary adoption prohibits the offering of free games with an award to patrons under the age of 21. To protect patrons, the temporary adoption requires any free game that is substantially similar to a game approved by the Division to be offered at a payout percentage equal to or less than the lowest payout percentage for the approved game. The temporary adoption allows free games to be played on an Internet gaming system without logging into the system, provided the games comply with the conditions within the regulations and discussed above.

The temporary adoption requires that "casino style" free games offered from an Internet gaming system use the same rules as their "real-money" counterparts.

COMMENT: CCGNJ recommends an automatic message at log off providing an option for patrons to view or request an account statement with account details.

RESPONSE: The requirement that a patron's account statement be available on-demand provides sufficient consumer protection in this context.

COMMENT: CCGNJ notes that N.J.A.C. 13:690-1.4(j), relating to the suspension of accounts, can afford further protection to those who may have a problem with gambling and are seeking a "time-out." CCGNJ recommends a time-out period of more than 24 hours.

In a related comment, Rational Group suggests that the time-out period not be for a fixed time, but instead that the patron be permitted to choose the time period.

RESPONSE: The commenters' concerns are addressed in a separate temporary adoption of new rules regarding free games and the "time-out" feature. The temporarily adopted new rules will be proposed for final adoption at a later date. The temporary adoption requires that any patron-initiated suspension may be for a period of time determined by the patron; however, the minimum time-out period shall be 72 hours.

COMMENT: CCGNJ recommends that, with respect to responsible gaming limits, any increase to a limit should not take effect until a period of more than 24 hours has elapsed. CCGNJ recommends that an increase to limits should not take effect until 72 hours after the request or a variable waiting period based upon the amount of the requested increase.

In a related comment, Rational Group suggests that the proposal be amended to include only deposit limits, buy-in limits, and self-exclusion as responsible gaming measures.

Ultimate Gaming seeks to amend the subsection regarding responsible gaming limits in several ways. First, the wager limit should be deleted because the other limits afford the same protection. Second, any decrease to responsible gaming limits shall take effect immediately, rather than the next log in. Third, the requirement that a patron reaffirm a request for an increase should be deleted.

RESPONSE: The commenters' concerns are addressed in amendments to the proposed rules. First, any increase to responsible gaming limits shall not take effect until the previous limit has expired. For example, if a patron sets a monthly deposit limit and reaches that limit in the first week of the month, the patron may not increase or

relax that limit until the following month. Second, the Division has consolidated the types of limits that are available to clarify and make them easier for potential problem gamblers to understand. The rule also contains a "spend limit" that encompasses the concepts embodied by wager, buy-in, and loss limits.

It is permissible to immediately apply a decrease to a responsible gaming limit if the operator chooses to do so. The rules allow for application of the decrease upon the next log in of the patron to accommodate various system configurations. Finally, the reaffirmation of an increase to a limit is an important responsible gaming protection.

COMMENT: CCGNJ comments that the patron history log has substantial potential value in understanding problem gambling patterns. CCGNJ urges the Division to consider releasing this data in an anonymous form to qualified researchers.

In a related comment, Ultimate Gaming seeks guidance on how to comply with the requirement that a system keep a patron history log.

RESPONSE: The Division has amended the proposed rules to no longer require a formal patron history log. Rather, all data required to recreate patron game play and account activity during each patron session, including any identity or location verifications, shall be retained for a period of no less than 10 years. By requiring all data regarding game play and account activity, rather than a log of a select few items, the Division will be able to analyze that data more thoroughly than would be possible with a log of only a few items.

With respect to the data that shall be retained, the Division recognizes the potential value of this data, and is examining ways to use the data to understand, prevent and treat problem gambling. However, it is premature to make any decision regarding the public release of this data.

COMMENT: CCGNJ suggests that the Division have a link on its website to allow patrons to sign up for Internet self-exclusion.

RESPONSE: If such a link were provided, it would not be possible to verify the identity of the person completing the request. Requiring a patron to log in to his or her Internet gaming account to self-exclude is the most effective way to verify the patron's identity.

COMMENT: CCGNJ suggests that the portion of proposed N.J.A.C. 13:69G-2.2(d)5i that requires a patron requesting Internet self-exclusion to state "I am a problem Internet gambler" is problematic. CCGNJ believes it is not necessary to require such a statement from a patron who seeks self-exclusion. Second, CCGNJ opines that because the condition of problem gambling is not one limited to the Internet the Division should use only one self-exclusion list, rather than one for the Internet and one for land-based casinos. Third, CCGNJ contends that the marketing prohibition within proposed N.J.A.C. 13:69G-2.4(b)1 addressing communications related to Internet gaming should extend to all forms of gambling marketing offers.

RESPONSE: The requirement that an applicant for self-exclusion state that he or she are is a problem gambler is required by the Casino Control Act. See N.J.S.A. 5:12-71.2.a. The process for

Internet self-exclusion is intended to be consistent with that for land-based self-exclusion, and therefore the same statement is required for Internet self-exclusion.

Because Internet gaming is freely available through the use of a personal computer or mobile device anywhere within the State of New Jersey, a separate Internet self-exclusion list targets those persons who may have a problem specific to Internet gaming. As to the commenter's concern that a patron on the Internet self-exclusion list may receive marketing materials relating to land-based gaming, a patron who desires to discontinue receiving any such materials may use the more encompassing self-exclusion list.

COMMENT: CCGNJ suggests that proposed N.J.A.C 13:69A-9.4(a)6 improperly represents the statutorily required allocation of the \$250,000 Responsible Internet Gaming Fee, in that the entirety of the fee is designated for compulsive gambling treatment programs.

RESPONSE: The Division has amended the proposed rule to reference N.J.S.A. 5:12-95.29.d, which allocates \$140,000 of an annual Responsible Internet Gaming Fee to CCGNJ, and \$110,000 for compulsive gambling treatment programs in the State of New Jersey.

COMMENT: CCGNJ suggests that the requirement that the "Call 1-800-GAMBLER" message at log in and log off in proposed N.J.A.C. 13:690-1.2(b) is neither adequate nor effective.

Ultimate Gaming suggests that the requirement that "Call 1-800-GAMBLER" be displayed at log off is technologically impossible because patrons can close a browser window used for Internet gaming, or turn off a device without actually logging off.

RESPONSE: The Division recognizes the technical limitations of displaying this message at log off and its efficacy; however, this requirement is statutory. To address the technical concerns, the Division has amended N.J.A.C. 13:690-1.2(b) to require the Internet or mobile gaming system to display the message at the log on screen and also to transmit the message whenever the Internet or mobile gaming system detects a log off.

COMMENT: WorldPay, Skrill, InComm, and Optimal suggest that payment processors operating in conjunction with Internet gaming should be classified as vendor registrants, not as ancillary casino service industries enterprises or casino service industry enterprises. Similarly, MasterCard expresses concern that, as proposed, it and banks involved in the processing of payments related to Internet gaming would be subject to the Division's licensing requirements.

In a related comment, Bally Tech suggests that "tertiary" service providers, such as the Google Play store, should not be subject to licensure if they offer internet gaming applications for sale, because these providers would not profit directly from gaming activity. Similarly, Ultimate Gaming suggests that, as proposed, N.J.A.C. 13:69J-1.2(d) is overly broad because it is unclear how far "down the chain" the Division's licensing authority goes.

Trump suggests the creation of a new intermediate level of licensure, between vendor registrant and ancillary licensee, to capture those entities providing Internet related services but are not integral to operations of Internet gaming.

Experian, an identity verification provider, seeks to be classified as a vendor registrant rather than an ancillary licensee.

RESPONSE: As proposed, payment processors were classified as "ancillary casino service industry enterprises." The Division has amended these rules, after reviewing the operations of payment processors, to classify them as vendor registrants, provided that they have no direct contact with patrons' casino gaming accounts or the Internet gaming system itself. As with any other vendor registrant, the Division may request further submissions and, if deemed appropriate, a vendor may be reclassified or "called forward" as an ancillary casino service industry enterprise. Banks and related entities, such as MasterCard, involved in processing of payments related to Internet gaming would not be subject to licensure.

"Tertiary" service providers are subject to the same licensing requirements as all land-based vendors that provide services to casino licensees. In the example identified above, Google, as operator of the Play store, would be required to register as a vendor for receiving payment from an Internet gaming operator.

The rules require that the providers enumerated in N.J.A.C. 13:69J-1.2(d), such as geo-location and age verification companies, are subject to licensure as ancillary casino service industry enterprises. Further, all providers not classified as ancillary or section 92(a)1 licensees shall file as vendor registrants, provided that the Division has the authority to require the filing of additional information or to call forward the entity to a higher level of licensure.

No determination as to Experian's license classification will be provided because it is not appropriate to address such a decision in this forum.

COMMENT: WorldPay seeks guidance as to the permissibility of transferring money from a patron's New Jersey Internet gaming account to the patron's bank account located outside the State of New Jersey.

RESPONSE: The transfer of money from a patron's New Jersey Internet gaming account to the patron's bank account located outside of the State of New Jersey is not prohibited.

COMMENT: Martin Shapiro suggests that N.J.A.C. 13:690-1.2(f), which prohibits a client terminal utilized for Internet or mobile gaming from containing patron account information or game logic, be amended to allow a quicker reconnection when a patron is disconnected from a peer-to-peer game, such as poker.

RESPONSE: The requirements cited by the commenter are crucial to patron and account security, and therefore remain unchanged.

COMMENT: Mr. Shapiro suggests that N.J.A.C. 13:690-1.3(j) be amended to require that the deposits and winnings in patrons' Internet gaming accounts be held separately and in trust by a casino licensee.

In a related comment, Aristocrat recommends that N.J.A.C. 13:690-1.3(j) be amended to allow either the Internet gaming permit holder or an Internet gaming operator partnering with the permit holder to hold the funds represented by the total balance of all patron accounts.

RESPONSE: The Division has amended N.J.A.C. 13:69-1.3(j) to require the permit holder to maintain a New Jersey bank account, separate from all other operating accounts, to ensure the security of

the funds in patron Internet gaming accounts. The funds in this account need not be the actual funds in the patron Internet gaming accounts; however, the balance of this account must be greater than or equal to the sum of the daily ending cashable balance of all patron Internet gaming accounts, any funds on game, and pending withdrawals. This requirement ensures the security of patron funds. Should an operator experience a financial or funds management problem, Internet gaming patrons would be made whole. The Division could, under its regulatory authority, act to freeze the funds in that account for the benefit of the affected Internet gaming patrons.

To ensure the amount held by the Internet gaming permit holder is accurate, the Division has amended N.J.A.C. 13:69-1.3(j) to require that, regardless of any contractual or operational agreements, the permit holder have unfettered access to all patron Internet gaming account and transaction data stored on an Internet gaming system.

COMMENT: Mr. Shapiro objects to the forfeiture of funds in "dormant accounts."

RESPONSE: N.J.S.A. 5:12-95.24 requires that funds remaining in a "dormant account" are subject to forfeiture. The Division has amended N.J.A.C. 13:690-1.2(1)8 and 1.3(b)8 to provide notification of this requirement to patrons.

COMMENT: Mr. Shapiro and Ultimate Gaming suggest that the requirement set forth in N.J.A.C. 13:690-1.4(g)4, requiring that a patron session be terminated in the event a patron reaches any self-imposed limit, be amended to allow the patron to continue play.

RESPONSE: The Division has removed this requirement because a patron session should not be terminated when a self-imposed limit is reached. Instead, the action required after reaching a limit will be dictated by the type of limit reached. For example, if a patron reaches a deposit limit, the patron will not be permitted to make further deposits. Also, if a patron reaches a spend limit, the patron will not be permitted to make any further wagers.

COMMENT: Mr. Shapiro suggests N.J.A.C. 13:690-1.8(i) be amended to require that the results of all software authentication attempts be retained for a period of more than 90 days. Mr. Shapiro's concern is that this time period is not sufficient to review gameplay history thoroughly for cheating, fraud, or theft.

RESPONSE: A retention period of greater than 90 days is necessary for gameplay history. N.J.A.C. 13:690-1.8(i), however, concerns the log of software authentication issues, not game play history. In any case, the Division has amended N.J.A.C. 13:690-1.8(d) to clarify that all information necessary to recreate patron gameplay history shall be retained for a period of not less than 10 years.

COMMENT: Mr. Shapiro submitted a "Guideline for Online Poker Regulation" for the Division to consider in drafting regulations related to Internet gaming.

RESPONSE: Many of the concerns embodied in the commenter's submission are already included in the rules.

COMMENT: Dictao suggests changes to N.J.A.C. 13:690-1.8 that seek to require Internet gaming operators to utilize a standard independent system that enables the Division to review stored data.

Dictao also provides a "Technical requirement proposal for New Jersey Mobile and Internet gaming." Dictao identifies itself as "a leading IT security compliance software vendor and service provider for iGaming operations."

RESPONSE: The rules require data to be stored in a secure manner, and the Division has access to that data. The amendments suggested by Dictao limit the flexibility of Internet gaming operators in designing their systems. The submission of the "Technical requirement proposal" is not responsive to specific provisions of the proposal.

COMMENT: Aristocrat, Bally Tech, AGEM, and IGT suggest that the definition of "primary gaming equipment" in proposed N.J.A.C. 13:690-1.1 be amended to allow for certain components of an Internet gaming system be located outside of the premises of a casino hotel within the territorial limits of Atlantic City. Aristocrat reasons that to duplicate components already operational in other parts of the world would be costly and may limit the viability of Internet gaming in the State of New Jersey. Further, AGEM reasons that there is no constitutional or statutory requirement that a "Game Content Server" (GCS) be located in a casino in Atlantic City, despite the fact that the GCS houses and transmits the game's random outcomes.

RESPONSE: The enabling legislation authorizing Atlantic City casinos to offer Internet gaming, P.L. 2013, c. 27, amended and supplemented the Casino Control Act in several ways. The new provisions authorizing Internet gaming require the Division to regulate Internet gaming closely, and to ensure that any games offered

are fair and safe, and that only those of good character and fitness may provide Internet gaming to patrons. The legislation also requires that key hardware, software, and other equipment used to conduct Internet gaming be located on the premises of a casino hotel in Atlantic City. Therefore, the equipment comprising the game, including the equipment that determines the outcome of a game, must be physically located in an Atlantic City casino.

COMMENT: N.J.A.C. 13:690-1.2(e)1 provides that mobile gaming shall only occur within the property boundaries of an approved casino hotel facility. It also provides that a mobile gaming system shall disable all gaming activity on a client terminal whenever it is removed from the property boundaries. Aristocrat suggests amendments to inform patrons of these requirements.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.2(1)14xiii, which governs the terms and conditions of Internet and mobile gaming and the required player protection page, to include disclosure of this mobile gaming limitation.

COMMENT: Aristocrat suggests that the timeframe for providing copies of patron complaints and responses to the Division should be 30 days, rather than five.

IGT and Ultimate Gaming suggest that there should not be a requirement to forward all complaints to the Division.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.2(1)14vi to clarify the processing of patron complaints relating to Internet gaming. N.J.A.C. 13:690-1.2(1)14vi requires that the terms and conditions for Internet gaming describe the method for patrons to file

a complaint with the Division. An unresolved complaint may be filed with the Division utilizing an Internet Dispute Form on the Division's website, after all reasonable means to resolve the complaint with the licensee have been exhausted.

The Division has also amended N.J.A.C. 13:690-1.2(r) to require that the licensee need only provide a response to patron complaints to the Division within five days for complaints relating to patron accounts, game outcomes, and/or illegal activity. Notably, this five-day requirement does not preclude a licensee from providing an initial response to the Division noting that further investigation will follow. Responses to complaints concerning issues other than those identified above need only be provided on a biweekly basis.

COMMENT: Aristocrat requests that N.J.A.C. 13:690-1.2(t)1 be amended to clarify what messages are permissible to display to a patron upon log off.

RESPONSE: During the system approval process, the Division will review any message to be displayed to a patron attempting to log off an Internet gaming system. At that time, the Division will review the content of these messages on a case-by-case basis.

COMMENT: Pursuant to N.J.A.C. 13:69C-10.2, any written agreement between a casino licensee and a casino service industry enterprise licensee involving a percentage of revenue must be approved by the Division. Aristocrat suggests an amendment to this requirement to prescribe which party is obligated to file the agreement with the Division, and when that filing is required.

RESPONSE: The duty to file the agreement is imposed jointly and severally upon both parties, and the agreement is to be filed when executed.

COMMENT: Aristocrat and AGEM seek guidance as to the access standards for employees conducting service and support related to Internet gaming activities. Further, Aristocrat and AGEM seek guidance regarding whether their employees will be subject to the same standards as technicians for the installation, maintenance, and repair of gaming equipment at land-based casinos. Aristocrat requests that service and support related activities for Internet gaming be permitted to occur outside New Jersey.

RESPONSE: The Division intends to separately propose amendments to N.J.A.C. 13:69D-1.12A, to codify the identification of employees of vendors and their access to the casino floor and other restricted areas. Under that forthcoming proposal, no distinction will be made between access of employees involved with land-based operations or Internet gaming operations. The commenter's concern regarding remote access to Internet gaming system components is covered by N.J.A.C. 13:69D-2.2.

COMMENT: Aristocrat suggests that N.J.A.C. 13:69D-1.6(e)1 be amended to expressly state that monthly Internet gaming gross revenue tax return reports are required to be filed by the "Casino Operator."

RESPONSE: By "Casino Operator," it is assumed the commenter is referring to the Internet gaming permit holder. In all cases, an

Internet gaming permit holder is a casino licensee, the obligor for all gaming taxes.

COMMENT: Aristocrat comments regarding the duties and functions of required IT personnel in proposed N.J.A.C. 13:69D-1.11(b)3 and, along with Betable, seeks guidance regarding the required location of employees responding to patron or customer service requests and employees conducting routine maintenance relating to Internet activities.

RESPONSE: N.J.A.C. 13:69D-1.11(b)3 sets forth the mandatory staffing of a casino licensee's IT department. It does not govern the employees responding to patron or customer service requests and employees conducting routine maintenance relating to Internet activities. These concerns are addressed in a simultaneously published temporary adoption that the Division expects to propose for final adoption in the near future. The temporary adoption amends N.J.A.C. 13:690-1.2(w), and requires employees of Internet gaming operators who perform certain activities to be physically present in New Jersey. These activities include Internet casino accounting, patron identification and verification, problem gaming detection, anti-money laundering detection, fraud prevention, and other similar functions requiring access to confidential patron accounts or gaming system information.

COMMENT: AGEM seeks guidance as to whether a single GCS may be used by more than one Internet gaming permit holder.

RESPONSE: The rules do not preclude such an arrangement.

COMMENT: AGEM seeks guidance as to which party is responsible for the security and maintenance of a shared GCS. Also, AGEM seeks confirmation that game manufacturers are not required to provide any security sensitive data, such as access codes to the Internet gaming permit holder's IT department.

RESPONSE: All parties who share a GCS, along with the manufacturer, are jointly and severally responsible for its physical security. Logical security and access to sensitive data located on a GCS are addressed during submission and approval process with the Division's Technical Services Bureau. Once the GCS is operational, the Division's Regulatory Enforcement Bureau will ensure that its physical and logical security complies with the conditions of its approval and each licensee's internal controls.

COMMENT: Bally Tech indicates its support for the use of deposit limits, loss limits, buy-in limits and time-based limits as useful responsible gaming tools. Bally Tech, however, suggests several technical changes to N.J.A.C. 13:690-1.2(1)9 and 14, 1.3(i)5, and 1.4(g)4, to make clear that responsible gaming limits are self-imposed.

RESPONSE: The Division has made technical changes to the rules to reflect that the responsible gaming limits are self-imposed. As to the specific limits that are available and how they are applied, the Division has amended N.J.A.C. 13:690-1.4(n), as more thoroughly

discussed in response to previous Comments. In addition, the Division has amended the rules regarding time-based limits to require that they be available on a daily basis, and be measured hourly from the patron's log in to log off. To preserve the player experience, there is an exception to the time-based limit requirement to accommodate completion of any tournament or round of play.

COMMENT: Bally Tech and IGT submitted a list of changes to various sections of the proposal. For example, N.J.A.C. 13:69A-9.4(a)3 defines "casino operator" as a casino licensee who "is designated as the primary obligor for payment of gross revenue taxes and Internet gaming revenue taxes in accordance with N.J.A.C. 13:69L." Bally Tech suggests that this paragraph be amended to read that a casino licensee is designated as "the primary obligor for payment of gross revenues taxes *which includes casino, mobile, and internet gaming taxes* in accordance with..."

Additionally, N.J.A.C. 13:690-1.2(g) states that client terminal software used for Internet or mobile gaming shall not contain unauthorized malware. IGT suggests that language be added to make clear this prohibition does not include malware introduced by a patron.

Bally Tech, LaserLock, and WMS also submitted questions specifically related to the compliance of their respective systems.

RESPONSE: These recommended changes are stylistic and, if followed, would not affect the meaning of the rules. With respect to

the first example, the tax imposed on gross revenue from mobile gaming operations is effectively included in casino gross revenue as revenue from gaming operations.

With respect to the second example, the Division does not have the jurisdiction to prevent patrons from choosing which software they install on their devices. The intent of this subsection is to prevent an Internet or mobile gaming operators from including malware in software they provide for Internet or mobile gaming.

No responses will be provided to the commenters' questions regarding the compliance of their own systems. Those matters will be addressed in the submission and approval process with the Division's Technical Services Bureau.

COMMENT: Bally Tech questions whether it would be required to maintain the waiver and release referenced in N.J.A.C. 13:69G-2.2(d)3 as part of the Internet self-exclusion process. Also, Bally Tech seeks guidance as to how the Internet gaming system will communicate with the Division to process Internet self-exclusion requests.

RESPONSE: The patron's waiver and release is part of the Internet self-exclusion request processed by the Division, not the casino licensee or Internet gaming operator. Therefore, it will be created and maintained by the Division. Internet gaming system communications with the Division to process Internet self-exclusion requests will be handled on a case-by-case basis during the submission

and approval process, because each system has different technological characteristics.

COMMENT: Bally Tech recommends that N.J.A.C. 13:69G-3.2(b)1 be amended to clearly define what action is required of an Internet gaming operator after a patron has self-excluded from Internet gaming.

RESPONSE: The Division has amended N.J.A.C. 13:69G-3.2(b)1 to state that a patron who has self-excluded from Internet gaming shall be prohibited from accessing his or her Internet gaming account.

COMMENT: Bally Tech and Ultimate Gaming request clarification regarding the meaning of "suspended" Internet gaming accounts, and how they should be treated by the Internet gaming system.

RESPONSE: The Division has amended the rules to consistently use the terms "suspend," "disable," and "terminate," and to define the phrase "suspended account." The Division has amended N.J.A.C. 13:690-1.2(d) and 1.4(j) to delineate the circumstances requiring the suspension of an account.

COMMENT: Bally Tech seeks guidance regarding the interplay between Internet gaming and mobile gaming. First, Bally Tech asks if a patron may have one account for both mobile and Internet gaming. Second, Bally Tech asks whether a single digital wallet can be used to fund both Internet and mobile gaming. Third, Bally Tech asks whether a patron would be required to log off and back on to switch between mobile and Internet gaming if a single account can be used for both forms of gaming. Fourth, Bally Tech asks if the gaming system must

automatically switch a patron from mobile gaming to Internet gaming if a patron leaves a casino facility.

RESPONSE: The rules do not forbid the use of the same account for Internet and mobile gaming, nor do they prohibit the use of a single digital wallet to fund both Internet and mobile gaming. Additionally, if one account is used, the rules do not require the patron to log off and then back on to switch between the two forms of gaming, nor does it require the system to automatically switch a player from one system to another based on his or her location. Systems may initially require a patron to log off to switch from one form of gaming to the other; however, as written, the regulations allow providers to develop an alternative that allows a patron to switch from mobile gaming to Internet without logging off. If such an alternative system were proposed, it would have to be capable of accounting for the different tax treatments of Internet and mobile gaming.

COMMENT: Bally Tech asks for clarification of N.J.A.C. 13:690-1.2(1)10 regarding player-initiated suspensions. Specifically, it asks if it is required to allow the patron to set the time period for "self-exclusion," or if it is acceptable to offer several preset time periods as choices for "self-exclusion."

RESPONSE: The commenter's use of the term "self-exclusion" is inaccurate in this context, as there are specific rules prescribing fixed self-exclusion time periods at N.J.A.C. 13:69G-2. Pursuant to N.J.A.C. 13:690-1.2(1)10, a patron is permitted to suspend his or her

account for a period of at least 72 hours. The operator must allow the patron to set this time period, rather than offer several preset time periods.

COMMENT: Bally Tech suggests an amendment to N.J.A.C. 13:690-1.3(b) to require encryption of only certain information contained in the electronic patron file.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.3(b) to require the encryption of Social Security numbers or equivalents, passwords, and certain financial information (for example, bank account and credit card numbers). The type of information required to be encrypted was amended to include only sensitive patron financial information. To require encryption of all information would be unnecessary and overly burdensome.

COMMENT: Bally Tech suggests amendments to N.J.A.C. 13:690-1.3(b) to reduce the number of patron acknowledgments required during the registration process.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.3(b) to require three acknowledgments by the patron: 1) that the information provided is true and accurate; 2) that the legal age for Internet or mobile gaming is 21, and that the patron is prohibited from allowing any other person from using his or her account; and 3) that the patron accepts the terms and conditions applicable to Internet gaming. The Division has removed the requirement that the patron separately acknowledge the rule regarding the treatment of dormant accounts,

because that information must be addressed in the terms and conditions.

COMMENT: Bally Tech seeks an interpretation of N.J.A.C. 13:690-1.4(a) to clarify the log in procedures and requirements for Internet gaming account security. LaserLock, IGT, Ultimate Gaming, and Betable suggest changes to N.J.A.C. 13:690-1.3(b)3, to reduce the stringency of password rules by removing the requirement that a PIN be used to log in to an Internet gaming system.

LaserLock also suggests that the proposal be amended to include its "dynamic facial recognition technology" as a method of identity verification.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.3(b) and 1.4 to require that a patron create a username and a password of sufficient length and complexity to ensure their effectiveness. These regulations are also amended to require "strong authentication" log in protection is offered. Strong authentication is a method of authentication, demonstrated to the satisfaction of the Division, to provide higher security than a username and password alone. One form of strong authentication that is acceptable is "multi-factor authentication," which uses two of the following tools to verify a patrons identity: 1) information known only to the patron such as another password, a pattern or answers to challenge questions; 2) an item possessed by the patron such as an electronic token, physical token or identification card; or 3) a patron's biometric data, such as fingerprints, facial or voice recognition.

Specific technologies or methods to verify the identity of a patron are to be considered during the system approval process, and are not included in the rules.

COMMENT: Bally Tech suggests amendments to N.J.A.C. 13:690-1.4(g) governing the system termination of a patron session. First, Bally Tech seeks removal of the provision requiring a patron session to be terminated when a patron reaches a self-imposed limit. Second, Bally Tech seeks the creation of a new subsection to set forth the requirements of an Internet gaming system when a patron reaches a self-imposed limit. Bally Tech suggests that a patron session should not be terminated when the patron reaches a deposit limit. Bally Tech suggests that the action taken by the Internet gaming system should vary depending on the type of limit reached.

In a related comment, Ultimate Gaming seeks clarification of the requirements of N.J.A.C. 13:690-1.2(o).

RESPONSE: The Division has amended N.J.A.C. 13:690-1.4(g) to delete the provision requiring a patron session be terminated when a patron reaches a self-imposed limit. The Division has further moved N.J.A.C. 13:690-1.4(g)4 to N.J.A.C. 13:690-1.4(o), and the rules now require an Internet gaming system to prevent patrons who have reached their spend limit from placing wagers. Deposit limits are omitted from N.J.A.C. 13:690-1.4(o) because if a deposit limit is reached, a patron should not be prohibited from wagering. The Division has moved N.J.A.C. 13:690-1.4(g)5 to N.J.A.C. 13:690-1.2(o), and this rule

requires that after 15 minutes of inactivity, a patron must re-enter his or her username and password to resume play.

COMMENT: Bally Tech suggests N.J.A.C. 13:690-1.4(g)6 be amended to require the termination of the game session, rather than the patron session, when a system error impacts gameplay. Bally Tech states that termination of the player session is not necessary because the game may be provided by a content provider, separate from the provider managing the patron's Internet gaming account.

Ultimate Gaming suggests that the term "gaming session" is confusing as applied to poker and poker tournaments.

Betable suggests the requirement that an Internet gaming system assign unique identifiers for each game session be amended, stating that this requirement is not necessary to satisfy the Division's reporting and security concerns.

RESPONSE: Termination of the entire patron session is necessary. Although the patron's account and the game being played may be managed by separate components of the Internet gaming system, it is crucial to ensure those components work properly together. In the event there is a system error, the Division cannot be certain that those components are communicating properly, so as to ensure that the integrity of the transaction is preserved.

Further, the Division has removed the phrase "gaming session" from the rules. Requiring all providers to configure their systems to account for a "gaming session" would limit their ability to

independently develop their systems. An Internet gaming system will provide sufficient tools to satisfy the Division's investigatory and audit needs.

COMMENT: Bally Tech questions whether the requirements of a server-based gaming system also apply to an Internet gaming system.

RESPONSE: The Division has amended the definitions of "Internet gaming system" and "mobile gaming system" to make clear that they are types of server-based gaming systems.

COMMENT: IGT suggests the requirement that an Internet or mobile gaming system detect the physical location of a patron logged into the system every hour is not the most effective requirement.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.2(e) to require the Internet or mobile gaming system to detect the location of the patron at log in and "as frequently as specified in the Internet gaming permit holder's approved submission." During the system approval process, the Division will require each provider to use geo-location methodology to ensure that only persons located in the State of New Jersey participate in Internet gaming.

COMMENT: IGT asks if the Division intends to publish internal control guidelines to assist licensees in developing their own internal controls.

RESPONSE: The Division intends to publish minimum internal controls to provide guidance to licensees.

COMMENT: IGT suggests that an oversight was made in N.J.A.C. 13:690-1.2(1)3iv by requiring persons in other states to consent to New Jersey's jurisdiction.

RESPONSE: The subparagraph requires that the law of New Jersey govern disputes in the event of a reciprocal agreement. When entering into a reciprocal agreement, the Director has the statutory authority to relax this position.

COMMENT: IGT, Rational Group, and Ultimate Gaming believe that N.J.A.C. 13:690-1.2(t)2 is overly broad because it may prohibit licensees from engaging in traditional marketing activity.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.2(t) to prohibit only licensees from inducing patrons to "continue placing wagers when play is in session, when the patron attempts to end a session, or when a patron wins or loses a bet." The Division has removed N.J.A.C. 13:690-1.2(t)2.

COMMENT: IGT suggests that N.J.A.C. 13:690-1.3(a) be amended to allow for patrons to register and create an Internet gaming account prior to having their identity verified. IGT further suggests that full identity verification only be required when the patron begins wagering.

RESPONSE: Identity verification at the time of registration is crucial to prevent unlawful access to Internet gaming systems by underage or otherwise prohibited persons.

COMMENT: IGT suggests that N.J.A.C. 13:690-1.3(b) be amended to allow for the collection of alternative government identification for purposes of patron identification in the place of a Social Security number.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.3(b) to allow the electronic patron file to contain either the Social Security number of a patron, or the last four digits thereof, if voluntarily provided by the patron. Additionally, the Division has amended this subsection to require the licensee to record any other information collected to verify the patron's identity. Under this subsection, a licensee may use a driver's license number or other similar form of identification to verify a patron's identity.

COMMENT: IGT suggests a series of amendments to N.J.A.C. 13:690-1.3(d), (e), and (f). First, it suggests specifically enumerating payment sources such as PayPal, NetTeller, and Skrill as valid means of funding Internet gaming accounts. Second, IGT suggests that N.J.A.C. 13:690-1.3(e) be amended because the term "cash-out" is confusing. Third, it suggests that N.J.A.C. 13:690-1.3(e) be amended because the withdrawal of funds from an Internet gaming account to a credit card is not always permitted. Fourth, IGT, MasterCard, and Rational Group suggest that N.J.A.C. 13:690-1.3(f)1 be amended because funds are not "withdrawn" from an Internet gaming account to fund gameplay. Fifth, IGT, Ultimate Gaming, and Rational Group suggest that the requirement that a patron register a bank account in person be deleted.

RESPONSE: N.J.A.C. 13:690-1.3(d)7 allows the funding of Internet and mobile gaming accounts through the use of "[a]ny other means approved by the Division." This contemplates the use of either cash or payment providers mentioned above, provided that such methods are demonstrated to be satisfactory to the Division during the approval process. References to specific providers are not included in the rules, but rather a provider may submit its processes for Division approval.

The Division has amended N.J.A.C. 13:690-1.3(e) to reflect that "cash-out" is a type of withdrawal. The Division has further amended N.J.A.C. 13:690-1.3(e) to reflect that the withdrawal of funds from an Internet or mobile gaming account to a credit card is not always permitted, but is required when permitted. The Division has not amended N.J.A.C. 13:690-1.3(f) because the suggested changes are non-substantive. Finally, the requirement that bank accounts be registered in person is deleted because prior to cashing-out to a bank account a patron's identity has already been verified.

COMMENT: IGT suggests that N.J.A.C. 13:690-1.3(j) be amended to replace the daily reconciliation of patron account balances with a weekly or monthly reconciliation.

RESPONSE: The daily reconciliation of patron account balances with the amount held by the Internet gaming permit holder is vital to public confidence in Internet gaming. As such, the Division has not amended this requirement.

COMMENT: IGT seeks clarification of N.J.A.C. 13:690-1.4(e), requiring an Internet of mobile gaming system to "associate a patron's account with a single client terminal during each patron session." IGT suggests that if different providers are used for Internet and mobile gaming, it may not be technologically possible to prevent a patron from simultaneously using both accounts.

RESPONSE: This subsection is intended to prevent a patron not only from utilizing his or her Internet and mobile accounts simultaneously, but also from using two different devices simultaneously with one account. If compliance with this provision is not technologically possible, a provider can seek relief by proposing another method to satisfy the Division's concerns.

COMMENT: IGT seeks guidance as to how pending wagers should be accounted for by an Internet gaming system.

RESPONSE: The Division has amended the rules to require that all server-based gaming systems to maintain a "pending wager account" to track the balance of all wagers with undetermined outcomes.

COMMENT: WMS asks if a data warehouse used with an Internet gaming system may be located outside a casino hotel facility.

RESPONSE: The Division has amended the rules to define "data warehouse" as "a system of one or more servers located in New Jersey for the purpose of storing transactions received from the primary gaming equipment." The Division has added N.J.A.C. 13:690-1.5(s) to require that a server-based gaming system utilizing a data warehouse

shall be designed to securely transmit a copy of all transactions to the data warehouse.

COMMENT: WMS asks for clarification of the requirement in N.J.A.C. 13:690-1.4(d) that prohibits the storage of patron account access information on client terminals. WMS asks how the Division will control the storage of log in information on web browsers contained on client terminals.

RESPONSE: The subsection cited by the commenter prevents an Internet gaming operator from requiring the patron to store access information on a client terminal. A patron may have the ability to independently store information on a client terminal or the browser utilized by the patron's client terminal.

COMMENT: GLI commented that it may be inferred that certain land-based requirements are inapplicable to Internet and mobile gaming because the rules do not address: 1) control and verification of critical internet gaming files; 2) game rules and game help screens; 3) requirements of random number generators; and 4) Information Systems Security protocols for operators of Internet gaming systems.

RESPONSE: The current land-based requirements for these topics apply to Internet and mobile gaming.

COMMENT: Sightline suggests an amendment to N.J.A.C. 13:690-1.3(d)3 to permit bank-issued pre-paid cards to be treated the same as credit and debit cards with respect to verification of the patron cardholder in funding Internet or mobile gaming accounts.

RESPONSE: The rules allow for bank-issued prepaid cards to be used as a method to fund Internet or mobile gaming accounts. Under N.J.A.C. 13:690-1.3(d)3, if a bank-issued pre-paid card can be verified as issued to a patron and is non-transferrable, it may be used to fund that patron's account.

COMMENT: CIENJ asks if N.J.A.C. 13:690-2.1(b) permits a content provider, supplying either games, or a remote gaming server to an Internet gaming permit holder, to advertise promotions and offers to patrons.

RESPONSE: A content provider is permitted to advertise its games and promotional offers. However, any offers redeemable on an Internet gaming system are the responsibility of the Internet gaming permit holder.

COMMENT: CIENJ asks if N.J.A.C. 13:690-1.2(n) allows for backup equipment (hot site) located outside of Atlantic City to be used to continue gaming operations.

RESPONSE: The Division adopts N.J.A.C. 13:690-1.2(n) without change. However, the Division is also adopting temporary regulations that address this issue that will be proposed for future adoption. In the temporary adoption, the Division has amended N.J.A.C. 13:690-1.2(n) to permit the use of backup equipment to continue gaming operations, only if the equipment comprising the game is located in an Atlantic City casino. Furthermore, the use of authorized backup equipment is permitted for a period of up to 60 days per outage.

COMMENT: CIENJ suggests an amendment to N.J.A.C. 13:69D-1.11(b) to permit it to have only one IT department manager for all four of its properties. CIENJ suggests that requiring a separate IT department manager for each of its four properties is unnecessary.

RESPONSE: The suggested amendment decreases the amount of oversight in the IT department. As such, the amendment is not made.

COMMENT: CIENJ and Betable seek guidance regarding the requirement in N.J.A.C. 13:690-1.3(c) that a patron have only one Internet or mobile gaming account for each casino licensee, and how that requirement applies if an Internet gaming permit holder partners with multiple Internet gaming providers.

RESPONSE: The Division has amended this rule to allow one account for each "Internet gaming intermediary," defined in N.J.A.C. 13:690-1.1 as "an independent entity approved by the Division to offer Internet gaming and affiliated with an Internet gaming operator, the customer accounts of such intermediary are owned by the Internet gaming permit holder." Thus, a patron may have more than one Internet gaming account associated with each Internet gaming permit holder.

COMMENT: Bally Tech suggests a series of amendments to shift responsibility for regulatory compliance from the Internet gaming permit holder to its service providers, and to codify requirements of the structural organization of Internet gaming service providers.

RESPONSE: Section 92(a)1 casino service industry enterprises already share the responsibility for regulatory compliance with

Internet gaming permit holders under the rules. The Division does not codify the organizational structure for casino service industry enterprises, and will not do so here.

COMMENT: Trump suggests that a provision be added to the rules requiring "that any customer-related information provided to an internet gaming operator or related vendor from a casino licensee or generated by an internet gaming operator or related vendor while operating under a casino licensee's Internet gaming permit shall at all times remain at the property of the casino licensee."

RESPONSE: The Division has not made the suggested amendment because: 1) multiple permit holders may share content providers that may require data to be located at only one permit holder's property; and 2) a data warehouse storing customer data may be located outside of the property of a casino licensee.

COMMENT: Trump seeks to limit the deductibility of Internet-related promotional gaming credits to only revenue derived from Internet gaming operations.

RESPONSE: The statute authorizing Internet gaming does not authorize the deduction of Internet-related promotional gaming credits against revenue derived from Internet gaming operations.

COMMENT: Trump suggests an amendment to N.J.A.C. 13:69G-2.2(c)3iv limiting a casino licensee's liability for allowing an Internet self-excluded patron to engage in Internet gaming activity, while on the list of Internet gaming self-excluded persons. Trump

seeks insulation from liability from its own personnel's human error, in the event an Internet self-excluded person is permitted to engage in Internet gaming.

RESPONSE: Human error is a type of error that gives rise to a regulatory violation in such a matter, and therefore the Division declines to implement this suggestion.

COMMENT: Trump suggests that N.J.A.C. 13:690-1.4(q) and 1.8(h) should be deleted because the requirement to record all offers marketed to Internet patrons be recorded is unnecessary.

RESPONSE: To protect patrons and ensure public confidence in the gaming industry's conduct of Internet gaming, the Division must have access to records of all marketing offers.

COMMENT: Betable suggests amendment to the rules allowing for Internet gaming system software to be modified without Division approval.

RESPONSE: The requirement that providers obtain Division approval of software changes ensures the integrity of Internet gaming systems.

COMMENT: Betable suggests amendments to the random number generator requirements contained in N.J.A.C. 13:69E-1.28G(b)4.

RESPONSE: The substantive random number generator requirements in N.J.A.C. 13:69E-1.28G(b)4 are not part of the rules contained in this adoption notice.

COMMENT: Betable questions the feasibility of continuously displaying current time and time elapsed on small patron devices, such as cellular phones and tablets, but suggests that any time display be based on the time according to the client terminal. Ultimate Gaming suggests any time display be according to server time.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.2(h) to require either a continuous time display or the display of a pop up message every half hour, advising the patron of the current time and time elapsed since log in. The Division has further amended N.J.A.C. 13:690-1.2(h) to require that all time displays show the time of the system server.

COMMENT: Betable suggests the deletion of the requirement that a patron session be ended after 15 minutes of inactivity.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.2(o) to no longer require the termination of a patron session after 15 minutes of patron inactivity. Rather, the rule requires that after 15 minutes of inactivity, the patron must re-enter his or her username and password.

COMMENT: MasterCard suggests removal of the phrase "which has been registered and verified pursuant to the requirements of the issuer" from N.J.A.C. 13:690-1.3(d)2. MasterCard reasons that the terms "registered" and "verified" are used in a different context in banking law, and it is unlikely that an issuing bank would share such information with Internet gaming permit holders. MasterCard also suggests a similar amendment to N.J.A.C. 13:690-1.3(d)3, to allow for

the use of all pre-paid cards, rather than only non-transferrable pre-paid cards, because its system is unable to distinguish between a transferrable and non-transferrable pre-paid card. The effect of this requirement is that pre-paid cards in their current form will not comply with the rules.

RESPONSE: The phrase "which has been registered and verified pursuant to the requirements of the issuer" in N.J.A.C. 13:690-1.3(d)2 has been removed. The Division, however, has not amended N.J.A.C. 13:690-1.3(d)3. If the Division permitted transferrable pre-paid cards, the Division's ability to identify the card user and track the funds used in Internet gaming would be compromised.

COMMENT: MasterCard suggests that a patron should be permitted to cash-out to a pre-paid card, irrespective of whether the patron utilized that card to fund his or her Internet gaming account.

RESPONSE: Allowing the withdrawal of funds to a pre-paid card not used to fund the patron's account could invite abuse, such as money laundering.

COMMENT: MasterCard and Ultimate Gaming suggest that the Division remove the requirement in N.J.A.C. 13:690-1.3(f)6 that the Internet gaming permit holder verify the validity of the account with the account-issuing bank prior to cash-out to a patron bank account.

RESPONSE: The Division has not removed this requirement because the Internet gaming permit holder must be able to verify the existence of the bank account used for cash-out. However, the Division has

removed the requirement that an Internet gaming permit holder verify the name and address on the bank account, because under banking laws the bank holding that account would not share the name and address with the Internet gaming permit holder.

COMMENT: Tropicana suggests an amendment to the rules to require patrons to acknowledge that the information used to create an Internet gaming account may be used for the filing of Federal and State income tax documents related to winnings.

RESPONSE: Federal authorities have not provided formal guidance regarding this issue, and, therefore, the Division will not make the suggested amendment. However, an Internet gaming permit holder may include such an acknowledgement in its terms and conditions, if it so chooses.

COMMENT: Rational Group and Ultimate Gaming suggest that, rather than requiring a patron's account be temporarily deactivated after three failed log in attempts, the Internet or mobile gaming operator, or the patron, be allowed to increase the number of permissible failed log in attempts.

RESPONSE: To maintain a high level of security for patron account access information, the Division has not amended this subsection as the commenters suggest. However, the Division has amended the subsection to require that, after three failed log in attempts, an Internet or mobile gaming system disable a patron's

account, and require strong authentication to recover or reset a password or username.

COMMENT: Rational Group suggests an amendment to the rules to permit the transfer of funds between patrons, provided that the Division is assured that the operator implements limits and carries out checks to ensure those limits are followed.

RESPONSE: To prevent fraud, collusion, and money laundering, patron to patron transfers of funds will not be permitted.

COMMENT: Rational group suggests an amendment to N.J.A.C. 13:690-1.2(u), which requires a casino licensee to report, within 24 hours, any instance where a patron has been prohibited from wagering because the patron is suspected of cheating, fraud, or irresponsible conduct. Rational Group suggests that reporting should be required only when cheating, fraud, or irresponsible conduct has actually occurred.

RESPONSE: Prohibiting a patron from wagering due to suspected illicit activity is the act that triggers the reporting requirement, not the suspected activity. The licensee's reporting obligations under this subsection are for patron protection as well as their investigative value.

COMMENT: Chris Strycharz suggests that the rules require full software and hardware audits on a regular basis, and that they be carried out on occasion with no warning. Mr. Strycharz also suggests that, after some period of time, data regarding hand and play history

be released publicly to allow for an independent analysis. Finally, Mr. Strychaz recommends strong customer service oversight by the Division to ensure fair patron treatment at all times.

RESPONSE: The Division has amended this rule to require system security audits of the network used for Internet gaming. Also, the Division's Technical Services Bureau will test and evaluate all systems and software, perform inspections prior to use, and conduct periodic operation audits.

The Division is the agency responsible for analyzing and examining hand and play history to ensure that Internet gaming is fairly conducted. However, any public release of this data can only occur after the Division has performed an initial review. The Division will consider a release following this review. Finally, as addressed in previous Responses, numerous provisions in the rules address standards and procedures relating to customer service matters.

COMMENT: Black Gate suggests that the rules be amended to include specific physical and logical security requirements for any data warehouse located outside of a casino hotel facility. The suggested requirements include specific system standards, live guards, ingress and egress lighting, video surveillance, and various physical access controls. Further, Black Gate suggests that the rules set specific criteria for the location of a data storage facility to ensure quick access by Division personnel.

RESPONSE: The Division declines to make the suggested amendments because these issues will be addressed during the data storage location approval process.

COMMENT: R.L. Johnson suggests that it is not possible to prevent 1) "Teampay collusion" or 2) using online poker "as a mechanism to offer non-poker gambling i.e. slots/keno."

RESPONSE: Through the system approval process conducted by the Division's Technical Services Bureau, and the safeguards included in the rules, the public can be confident of the integrity of Internet gaming. As to the commenter's second concern, games in addition to poker are statutorily authorized if approved by the Division.

COMMENT: Pokertrip suggests that entities providing services relating to marketing activities using commission-based business models obtain an ancillary casino service industry enterprise license under N.J.A.C. 13:69J-1.2(d).

RESPONSE: The Division has amended N.J.A.C. 13:69J-1.2(d) to make clear that these entities will be considered ancillary casino service industry enterprises.

COMMENT: LaserLock suggests that the rules are inadequate because the only geo-location method required for checking a patron's physical location is through IP address verification.

RESPONSE: The rules as proposed require that an Internet or mobile gaming system employ a mechanism to detect the physical location of a patron. This requirement is meant to be broad and

flexible enough to allow providers to use varied geo-location methodologies.

COMMENT: Ultimate Gaming suggests an amendment to the definition of the term "self-exclusion list" because the rules would be violated if a casino licensee allows an Internet self-excluded person to withdraw money from his or her account.

RESPONSE: The Division has amended the rules to require that after a patron is placed on the Internet self-exclusion list, the casino licensee must refund any remaining balance in the patron's account.

COMMENT: Ultimate Gaming requests clarification of N.J.A.C. 13:690-1.2(e). This subsection requires a patron's account be disabled if an Internet gaming system detects the patron is outside the authorized area for gaming. Ultimate Gaming asserts that when a patron is outside the authorized area the patron should still be permitted access to his or her account; however, he or she should be prevented from wagering.

RESPONSE: The Division has amended this subsection to allow non-wagering access to a patron's account while outside of the authorized area.

COMMENT: Ultimate Gaming suggests the removal of the requirement that the patron acknowledge that the age and identity verification checks associated with the creation of an Internet gaming account may

result in a negative impact on the patron's credit report, because these checks will not negatively impact a patron's credit report.

RESPONSE: The Division has removed N.J.A.C. 13:690-1.3(b)8 because the age and identity verification checks associated with the creation of an Internet gaming account will not negatively impact credit reports.

COMMENT: Ultimate Gaming suggests N.J.A.C. 13:690-1.3(f) be amended to permit a patron to withdraw funds from an Internet gaming account to a pre-paid cash card only if that card has been verified as non-transferrable and issued to the patron.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.3(f) to permit a patron to withdraw funds from an Internet gaming account to a pre-paid cash card, but only if that card has been verified as non-transferrable and issued to the patron. The card used to receive withdrawn funds must be verified as non-transferrable and issued to the patron in order to protect against money laundering and other illicit conduct.

COMMENT: Ultimate Gaming suggests that the requirement in N.J.A.C. 13:690-1.4(c) that systems detect and report suspicious behavior is unreasonable because a system alone cannot do so. Ultimate Gaming recognizes, however, that a system can provide valuable data to alert human operators to the possibility of suspicious behavior.

RESPONSE: The Division declines to amend N.J.A.C. 13:690-1.4(c). Although a computer system alone may not be capable of identifying collusion or other suspicious behavior, the system must be designed to provide data and alert human operators to the possibility of suspicious behavior so that this conduct can be investigated.

COMMENT: Ultimate Gaming requests clarification on how peer-to-peer-games are treated in the event of a system outage.

RESPONSE: The rules require an operator to disclose all rules applicable to Internet or mobile gaming, including those pertaining to game play. In that disclosure, the treatment of peer-to-peer games interrupted by a system outage should be covered.

COMMENT: Ultimate Gaming states that the information contained in the log required by N.J.A.C. 13:690-1.8(d) is already part of numerous databases, tables, and other records, and is therefore unnecessary.

RESPONSE: The Division has amended N.J.A.C. 13:690-1.8(d) to no longer require the creation of a patron history log. Under the rule, a gaming system shall be capable of recording all information necessary to recreate patron game play and account activity for a period of 10 years.

COMMENT: Ultimate Gaming requests clarification of the different requirements of N.J.A.C. 13:690-1.8(f) and (g), and how those subsections relate to N.J.A.C. 13:690-1.5(g).

RESPONSE: N.J.A.C. 13:690-1.8(f) requires a gaming system to record a log that captures information relating to when software is installed or removed from a gaming system, whereas, N.J.A.C. 13:690-1.8(g) covers when software installed on a gaming system is available for play. The Division has removed the requirement in N.J.A.C. 13:690-1.5(g) that a gaming system be capable of disabling and re-enabling an individual game on demand.

COMMENT: Ultimate gaming notes that a majority of typical promotional offers are not made through a gaming system. Therefore, Ultimate Gaming recommends the deletion of N.J.A.C. 13:69-1.9(h) requiring a log of all such promotions.

RESPONSE: Although an operator may offer promotions by methods other than through a gaming system, this log is important to audit compliance and respond to patron complaints regarding promotions.

COMMENT: Ultimate Gaming seeks clarification as to how N.J.A.C. 13:690-1.9(d) applies to the game of poker in the Wagering Detail Report. It further seeks an amendment to N.J.A.C. 13:690-1.9(i) to indicate that the Performance Report only applies to games with an RTP (Return to Player) and not poker.

RESPONSE: The Division has not amended N.J.A.C. 13:690-1.9(d). However, the Division has addressed this issue in the simultaneously published temporary adoption that the Division will propose for final adoption at a later date. The temporary adoption provides specific guidance on the accounting of revenue data as it relates to poker.

Further, because poker does not have an RTP, its game results have no applicability to a report used to analyze actual RTP and theoretical RTP.

Summary of Agency-Initiated Changes:

The Division has amended N.J.A.C. 13:69A-5.19(b) to require that the renewal of an Internet Gaming Permit Application to be filed 60 days prior to the original permit expiration, rather than 30 days. The Division made this change to allow it to conduct a more thorough review prior to making a decision regarding the renewal of an Internet Gaming Permit.

The Division has amended N.J.A.C. 13:69A-9.8(c) to replace the word "companies" with the phrase "persons or entities" to reflect that this subsection also applies to individual applicants for licensure.

The Division has amended N.J.A.C. 13:69G-2.2(c) to include the requirement that an application for lifetime placement on the Internet self-exclusion list to be made in person. Lifetime self-exclusion is the most extreme responsible gaming control available to patrons. Therefore, such a request is better handled in person.

The Division has amended N.J.A.C. 13:69G-2.3(b) to expedite any changes to the Internet self-exclusion list. This subsection requires that casino licensees update the Internet self-exclusion list within 24 hours of receiving notice from the Division of any change to the list. The time period relating to the self-exclusion list remains unchanged.

The Division has amended the definition of "dormant account" in N.J.A.C. 13:690-1.1 to specify that activity of an Internet gaming operator or its agents, such as the awarding of a bonus, will not prevent an Internet gaming account from becoming a dormant account.

The Division has amended N.J.A.C. 13:690-1.2(e)2 to mirror the statutory requirement at N.J.S.A. 5:12-95.31 that, unless permitted by Federal law, the law of a foreign jurisdiction, or reciprocal agreement, an Internet gaming system may not accept wagers from patrons located outside the State of New Jersey.

The Division has removed N.J.A.C. 13:690-1.2(h)1. The requirement that an Internet gaming system notify the patron via the client terminal when the patron is logged off or a communication error occurs is not always technologically possible.

The Division has amended N.J.A.C. 13:690-1.2(l)3v to require the terms and conditions of Internet or mobile gaming to prohibit automated computerized software, such as a bots. Automated computerized software is prohibited to protect the integrity of Internet gaming operation and preserve the patron experience.

The Division has amended N.J.A.C. 13:690-1.2(q) to reflect that the independent auditor used to evaluate the integrity and security of an Internet gaming system may be selected by the casino licensee, rather than the licensee's external auditor. The licensee's selection is subject to the approval of the Division.

The Division has added N.J.A.C. 13:690-1.2(v) to require an Internet or mobile gaming system to make the player protection page accessible to patrons at all times that they are logged in to their Internet or mobile gaming account. The subsection further requires the player protection page to include all terms and conditions of Internet or mobile gaming ensuring on demand patron access to all necessary information regarding Internet gaming. This access will promote public confidence in Internet gaming operations.

The Division has amended N.J.A.C. 13:690-1.3(a) to require that the Internet or mobile gaming system display a message stating that casino key employees and casino employees prohibited from wagering in any casino or simulcasting facility in the State shall not be permitted to establish and Internet or mobile account. The additional classes of persons identified the proposal have been removed upon adoption because the corresponding section of the legislation authorizing Internet gaming does not identify such persons.

To enhance the security of patron accounts, the Division has added N.J.A.C. 13:690-1.4(a)4 to require electronic notification every time a patron's Internet or mobile gaming account is accessed. However, a patron may elect not to receive these notices.

The Division has amended N.J.A.C. 13:690-1.4(e) to allow simultaneous play from the same Internet or mobile gaming account on separate client terminals, as approved by the Division. Simultaneous

play is permissible provided that the system adequately addresses the concerns of cheating or collusion to the satisfaction of the Division.

The Division has made changes to N.J.A.C. 13:690-1.4(o) to use of the word "persons" in lieu of "patrons" where appropriate. For example, in N.J.A.C. 13:690-1.4(o)1, those under the age of 21 cannot be "patrons," and, therefore, the word "persons" is used instead. In addition, the Division added N.J.A.C. 13:690-1.4(o)3 to make clear that any persons on the Internet self-exclusion list would also be prevented from placing wagers on an Internet or mobile gaming system.

The Division has amended N.J.A.C. 13:690-1.4(q) to require that records of all Internet gaming offers and promotions be maintained in an electronic file accessible by the Division. This requirement encompasses all offers, whether marketed through a client terminal, e-mail, regular mail, or any other medium. This will allow the Division to be responsive to any patron complaints regarding Internet gaming promotions.

The Division has added N.J.A.C. 13:690-1.5(t) to require that a server-based gaming system's disaster backup equipment be located in the State of New Jersey. The Division recognizes the importance of keeping this function within the State and under its jurisdiction.

Federal Standards Statement

The adopted amendments and new rules are authorized by the provisions of the Casino Control Act, N.J.S.A. 5:12-1 et seq., and do not impose any requirements that are in addition to any federal requirements or standards. Two Federal laws are applicable to the subject of these rules. 18 U.S.C. § 1084, known as "the Wire Act," prohibits the transmission of wagering information in interstate commerce or through an instrumentality of interstate commerce. The Federal Department of Justice released an opinion in December 2011 stating that the Wire Act is applicable only to sports wagering information. Accordingly, the authorization of Internet gaming as set forth in these adopted amendments and new rules neither violates nor exceeds the Wire Act.

The Unlawful Internet Gaming Enforcement Act, known as "UIEGA," 31 U.S.C. §§ 3163 through 3167, prohibits gambling businesses from knowingly accepting payments from any person engaged in interstate Internet gaming that is unlawful under Federal or state law or intrastate Internet wagering that is illegal under state law. As these rules authorize intrastate Internet wagering and specifically require gaming participants to be located within New Jersey, these rules conform to Federal law and do not impose any standard beyond what is required under Federal law.

Full text of the adoption follows (additions to proposal indicated in boldface with asterisks ***thus***; deletions from proposal indicated in brackets with asterisks ***[thus]***):

13:69A-5.19 Internet Gaming Permit Application

(a) (No change from proposal.)

(b) ***[An]* *A renewal of an*** IGPA shall be filed ***[30]* *60*** days prior to the expiration of a licensee's current Internet gaming permit.

(c) An IGPA ***and any renewal thereof*** shall be filed, accompanied by the appropriate fee, ***[to members of the Division staff as the Director may designate]* *with the Division's Intake Unit***.

13:69A-7.17 Disclosure requirements for legal, consulting, and lobbying services related to Internet gaming

(a) Pursuant to section 85h of the Act, each entity or person who is an applicant for or holder of any ***[licensee]* *license***, registration, permit, or qualification shall provide an Internet Gaming Disclosure Statement to the Division no later than December 31, 2013 and quarterly thereafter. Each new applicant for any licensee, registration, permit, or qualification shall

file an initial Internet Gaming Disclosure Statement with
[their] ***its*** application and quarterly thereafter.

(b)-(c) (No change from proposal.)

13:69A-9.4 Casino license fees

(a) For the purposes of this section, the following words and terms shall have the meanings herein ascribed to them unless a different meaning clearly appears from the context:

1.- 5. (No change from proposal.)

6. "Responsible Internet Gaming Fee" means the total fee that is required by the Act and this subchapter to be paid annually to the Department of Human Services *[for compulsive gambling treatment programs in the State]* ***and allocated pursuant to N.J.S.A. 5:12-95.29.d***.

(b) - (e) (No change from proposal.)

13:69A-9.8 Casino service industry enterprise license fee

(a) - (b) (No change from proposal.)

(c) *[Companies]* ***Persons or entities*** providing services to casino licensees regarding Internet gaming shall be responsible for the full cost of their licensure, including any investigative costs, at the hourly rate set by the Division pursuant to N.J.A.C. 13:69A-9.4(d).

(d) - (e) (No change from proposal.)

13:69G-2.2 Request for self-exclusion and Internet self-exclusion

(a) - (b) (No change from proposal.)

(c) Any person requesting placement on the Internet self-exclusion list shall submit through his or her Internet gaming account ***using strong authentication as defined in N.J.A.C.**

13:690-1.1* or other means approved by the Division, a completed request for Internet self-exclusion as required in (d) below.

***Notwithstanding the above, if a person requests to be placed on**

the Internet self-exclusion list for life such request shall be made in person at a location designated by the Division.*

(d) A request for self-exclusion or Internet self-exclusion shall be in a form prescribed by the Division, which form shall include:

1. (No change from proposal.)

2. The length of *[minimum]* self-exclusion or Internet self-exclusion, as applicable, requested by the person:

i.-iii. (No change from proposal.)

3. - 5. (No change from proposal.)

13:69G-2.3 Self-exclusion list; Internet self-exclusion list

(a) (No change from proposal.)

(b) Each casino licensee shall maintain its own copy of each list and shall establish procedures to ensure that its copy of each list is updated*.* *[and that all]* **All** appropriate

employees and agents of the casino licensee **[are]** notified of any addition to or deletion from **[each list]** ***either self-exclusion list shall update the lists accordingly.*** ***For the official self-exclusion list, changes shall be made*** within five business days after the day the notice is transmitted pursuant to (a) above. ***For the Internet self-exclusion list, changes shall be made within 24 hours after the notice is transmitted pursuant to (a) above, and any remaining balance in the patron's Internet gaming account balance shall be refunded pursuant to the licensee's internal controls.*** The notice provided by the Division shall include the name and date of birth of any person whose name shall be removed from the applicable list and the following information concerning any person whose name shall be added to the applicable list:

1.- 7. (No change from proposal.)

(c) - (d) (No change from proposal.)

13:69G-3.2 Prohibited person; forfeiture of winnings

(a) (No change.)

(b) Upon verification of a prohibited status, the casino licensee shall:

1. Remove the prohibited person from the gaming floor or immediately *[suspend any Internet or mobile gaming activity]* ***prohibit access to the person's Internet gaming account***, as applicable;

2.-3. (No change.)

(c) A casino licensee shall prepare a multipart form known as a Payout Receipt and Notice of Forfeiture, which shall include, without limitation, the information in (c)1 through 6 below. The Payout Receipt and Notice of Forfeiture shall be signed and attested to by: the prohibited person, unless the person refuses to sign or is unknown; the casino employee delivering the winnings or things of value to the cashiers' cage; and the cashiers' cage employee who received the winnings or things of value. For Internet or mobile gaming, a casino licensee shall issue a Payout Receipt and Notice of Forfeiture to the patron via electronic or regular mail.

1.-4. (No change.)

5. The location (table type and number, slot machine asset number, keno window, etc.) where the prohibited person was engaged in a gaming transaction or identification of Internet or mobile wagering *[gaming]* session; and

6. (No change.)

(d)-(i) (No change from proposal.)

13:69J-1.2 Gaming-related casino service industry enterprise license requirements

(a) - (c) (No change from proposal.)

(d) Junket enterprises, junket representatives, and enterprises providing other services including, but not limited to, payment processing and related money-transmitting services ***with direct contact with patrons' casino gaming accounts or the Internet gaming system itself***, customer identity, age verification, and geo-location verification used in the conduct of Internet and mobile gaming, regardless of any such enterprise's contractual relationship with an Internet gaming permit holder, shall be licensed as an ancillary casino service industry enterprise.

(e) Enterprises providing *[other]* services including, but not limited to, telecommunications that are not specifically designed for Internet gaming and patron interaction shall register as a vendor with the Division.

(f) (No change from proposal.)

13:690-1.1 Definitions

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

...

"Data warehouse" means a system of one or more servers located in New Jersey for the purpose of storing transactions received from the primary gaming equipment.*

"Dormant account" means an Internet gaming account, which has had no patron ***initiated*** activity for a period of one year.

...

["Gaming session" means the period of time commencing when a patron activates a particular game by placing a wager and terminating when a patron concludes playing that game.]

...

"Internet gaming intermediary" means an independent entity approved by the Division to offer Internet gaming and affiliated with an Internet gaming operator. The customer accounts of such intermediaries shall be owned by the Internet gaming permit holder."

...

"Internet gaming system" means all hardware, software, and communications that comprise a ***a type of server-based gaming*** system for the purpose of offering authorized Internet games.

...

"Mobile gaming system" means all hardware, software, and communications that comprise a ***a type of server-based gaming***

system for the purpose of offering electronic versions of authorized casino games to be played on client terminals within the property boundaries of an approved casino facility.

***"Multi-factor authentication" means a type of strong authentication that uses two of the following to verify a patron's identity:**

1. Information known only to the patron, such as a password, pattern or answers to challenge questions;
2. An item possessed by a patron such as an electronic token, physical token or an identification card; or
3. A patron's biometric data, such as fingerprints, facial or voice recognition.*

...

"Pending wager account" means the account maintained by a server-based gaming system that holds the total balance of all wagers pending disposition.

...

Suspended account means an Internet or mobile gaming account that has been temporarily disabled from engaging in wagering activity.

"Strong authentication" means a method that has been demonstrated to the satisfaction of the Division to effectively provide higher security than a user name and password alone.*

...

13:690-1.2 General requirements for Internet and mobile gaming

(a) (No change from proposal.)

(b) The message "If you or someone you know has a gambling problem and wants help, call 1-800-Gambler" shall be displayed prominently within the ***Internet or mobile gaming*** log on ***screen*** and ***a command to display this message on the*** log off ***[screens on the Internet or mobile gaming system]* *screen shall be transmitted whenever the system detects a log off*.**

(c) (No change from proposal.)

(d) If a patron has suspended his or her account *[for a period of at least 72 hours]*, a casino licensee shall not send gaming-related electronic mail to such patron while the account is suspended.

(e) The Internet or mobile gaming system shall employ a mechanism to detect the physical location of a patron ***upon*** logging into the gaming system and ***[every hour thereafter]* *as frequently as specified in the Internet gaming permit holder's approved submission****. If the system detects that the physical location of the patron is in an area unauthorized for Internet or mobile gaming, the system shall not accept wagers ***[and disable the patron's account]*** until such time that the patron is in an authorized location as follows:

1. (No change from proposal.)
2. Internet gaming shall only occur within the State of New Jersey, unless ***[otherwise authorized by a reciprocal agreement]* *the conduct of such gaming is not inconsistent with Federal law, law of the jurisdiction, including any foreign nation, in which the participating patron is located, or such gaming activity is conducted pursuant to a reciprocal agreement***

to which this State is a party that is not inconsistent with Federal law*.

(f) - (g) (No change from proposal.)

(h) Software *[downloaded onto a client terminal]* ***utilized for Internet or mobile gaming*** shall *[cause the client terminal to]* ***either***:

*[1. Notify the patron whenever:

i. The patron has been logged off due to a period of inactivity; and

ii. The client terminal is not communicating with the Internet or mobile gaming system; and]*

[2.] ***1.*** Continuously display the current time in the time zone where the *[client terminal]* ***game server*** is physically located and the time elapsed while in the current patron session*[.]**; or

2. Cause a pop-up notification, at least every half-hour, to be prominently displayed on the client terminal advising the patron

of the current time and the amount of time elapsed since his or her log on.*

(i) - (j) (No change from proposal.)

(k) A casino licensee offering Internet or mobile gaming shall describe in its internal controls the method for securely issuing, modifying, and resetting a patron's account password, Personal Identification Number (PIN), or other approved security feature, where applicable. Such method shall include at a minimum:

1. Proof of identification, if in person*[*;]**,* or

[2. The] ***the*** correct response to two or more challenge questions; and

[3.] ***2.*** (No change in text from proposal.)

(1) All terms and conditions for Internet or mobile gaming shall be included as an appendix to the internal controls of the licensee addressing all aspects of the operation, including the following:

1. - 2. (No change from proposal.)

3. Rules and obligations applicable to the patron other than rules of the game including, but not limited to:

i. - ii. (No change from proposal.)

iii. Consent to the monitoring and recording by the operator and/or the Division of any wagering communications and geographic location information; *[and]*

iv. Consent to the jurisdiction of the State of New Jersey to resolve any disputes arising out of Internet or mobile gaming*[*]**; **and**

v. Prohibition against utilizing automated computerized software or other equivalent mechanism, such as a "bot," to engage in play.*

4. - 7. (No change from proposal.)

8. *[Treatment of inactive or dormant account fund balances]*

***Notification that if the patron's Internet gaming account**

remains dormant for a period of one year any funds remaining on deposit and any pending wagers shall be forfeited*;

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

10. Patron's right to suspend his or her account for a period of *[time as chosen by the patron]* ***no less than 72 hours***;

11. - 13. (No change from proposal.)

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

i. (No change from proposal.)

ii. A direct link to*[at least one domestic]* ***the Council on Compulsive Gambling New Jersey, Inc. and one other*** organization ***based in the United States*** dedicated to helping people with potential gambling problems;

iii. Rules governing *[daily]* ***self-imposed responsible gaming*** limits;

iv. Method for changing or retrieving a password*[, PIN,]* or other approved access security feature ***and the ability to choose "strong authentication" log in protection***;

v. (No change from proposal.)

vi. Method for filing *[a]* ***with the Division an unresolved*** complaint *[with the Division]* ***after all reasonable means to resolve the complaint with the licensee have been exhausted*****[, which shall include the Division's complaint e-mail address and telephone number for the complaint hotline]* ***utilizing the Internet Dispute Form on the Division's website***;

vii. - x. (No change from proposal.)

xi. Notification that a patron is prohibited from allowing any other person to access or use his or her Internet or mobile gaming account; *[and]*

xii. Notification of Federal prohibitions and restrictions regarding Internet gaming, specifically, any limitations upon

Internet gaming as set forth in 18 U.S.C. §§ 1084 et seq. (The Wire Act) and 31 U.S.C. §§ 3163 through 3167 (UIEGA). The notice shall explicitly state that it is a Federal offense for persons physically located outside of New Jersey to engage in Internet wagering through a New Jersey casino, unless explicitly authorized by the Division *; and

xiii. Notification that for mobile gaming if the mobile device is removed from the property boundaries of the casino hotel facility the connection will be terminated.

(m) - (n) (No change from proposal.)

(o) Internet or mobile gaming systems shall *[be capable of disabling and re-enabling the following on demand]* ***require a patron after 15 minutes of user inactivity, as measured by the Internet or mobile gaming system, to re-enter his or her username and password.***

*[1. Gaming sessions;

2. Individual games; and

3. Individual patron sessions.]*

(p) (No change from proposal.)

(q) Each casino licensee offering Internet gaming shall perform ***[a network]* *an annual system*** integrity and security assessment conducted by an independent ***[network]*** professional selected by the ***[licensee's external auditor]* *licensee, subject to the approval of the Division***. The independent ***[network]*** professional's report on the assessment shall be submitted to the Division ***[prior to the commencement of Internet gaming operations, quarterly for the first year of operations and]*** annually ***[thereafter,]*** and shall include:

1. - 6. (No change from proposal.)

(r) A casino licensee shall investigate each patron complaint related to Internet gaming and provide a response to the patron within five calendar days. ***[A]* *For complaints related to patron accounts, game outcomes, and/or illegal activity, a*** copy of the complaint and ***licensee's*** response ***including all relevant documentation*** shall be provided to the Division. ***All other complaints and responses related to Internet gaming (for example, password problems, online chat disputes and technical**

matters) shall be provided biweekly or with such frequency approved by the Division.*

(s) (No change from proposal.)

(t) An Internet or mobile gaming system shall not *[:

1. Induce]* ***induce*** a patron to continue placing wagers when play is in session, when the patron attempts to end a session, or when the patron wins or loses a bet*.* *[: and

2. Have any communication with a patron to intentionally encourage the patron to:

i. Increase the amount of play;

ii. Wager continuously;

iii. Wager winnings; or

iv. Attempt to recoup losses.]*

(u) (No change from proposal.)

(v) An Internet or mobile gaming system shall allow patrons to access a player protection page at all times while logged into their Internet or mobile gaming account. The player protection page shall include all features listed in (1)14 above.

[(v)]* *(w) The authorization to conduct Internet gaming shall expire on ***[(seven years from the effective date of this chapter)]* *October 21, 2020*.**

13:690-1.3 Internet or mobile gaming accounts

(a) Prior to engaging in Internet or mobile gaming, a patron shall establish an Internet or mobile gaming account. ***[Any of the following persons]* *The Internet or mobile gaming system shall be required to display a message stating that those casino key employees and casino employees prohibited from wagering in any casino or simulcasting facility in the State* shall not be permitted to establish an Internet or mobile account*[:]**.***

***[1. The Governor or Lieutenant Governor of this State;**

2. Any State officer or employee or special State officer or employee as defined in the Casino Conflicts of Interest Law;

3. Any member of the Judiciary;
4. Any member of the Legislature;
5. Any officer of Atlantic City;
6. Any person employed as a casino key employee, and
7. Any person prohibited from gaming pursuant to N.J.S.A. 5:12-100n.]*

(b) In order to establish an Internet or mobile gaming account, a casino licensee shall:

1. Create an electronic patron file, which shall *[be encrypted and]* include at a minimum:

i. - ii. (No change from proposal.)

iii. *[Patron's]* ***Entire or last four digits of the patron's* Social Security number*, if voluntarily provided, or equivalent**

for a foreign patron such as a passport or taxpayer
identification number*;

iv. - vii. (No change from proposal.)

*viii. Any other information collected from the patron used to
verify his or her identity;*

Recodify proposed viii. and ix. as *ix. and x.* (No change in
text from proposal.)

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

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

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

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

[2.] *3.* (No change in text from proposal.)

[3.] ***4.*** Require the patron to establish a *[PIN, challenge questions, and either a]* password or other access security feature as approved by the Division*[, provided that, if a patron uses a password it shall consist of eight or more characters and include a combination consisting of letters, symbols, and numbers]* ***and advise the patron of the ability to utilize "strong authentication" log in protection*;**

Recodify proposed 4. - 6. as ***5. - 7.*** (No change in text from proposal.)

*[7.Record the patron's acknowledgement that if his or her account remains dormant for a period of one year any funds remaining on deposit shall be forfeited;

8. Record the patron's acknowledgement that verifications associated with Internet or mobile gaming, such as those for identity or location, may result in a negative impact on the patron's credit report;]*

[9.] ***8.*** Record the patron's acknowledgement that the legal age for Internet or mobile gaming is 21*[*;

10. Record the patron's acknowledgement]* ***and** that he or she is prohibited from allowing any other person to access or use his or her Internet or mobile gaming account; and

[11.] ***9.*** (No change in text from proposal.)

(c) A patron shall have only one Internet or mobile gaming account for each *[casino licensee]* ***Internet gaming intermediary***. Each Internet or mobile gaming account shall be:

1. - 3. (No change from proposal.)

(d) A patron's Internet or mobile gaming account may be funded through the use of:

1. (No change from proposal.)

2. A patron's credit or debit card*[, which has been registered and verified pursuant to the requirements of the issuer]*;

3. - 4. (No change from proposal.)

5. Winnings *[during a gaming session]*;

6. - 7. (No change from proposal.)

(e) Prior to any **[cash-out]** ***withdrawal***, if a patron used a credit or debit card to fund an Internet or mobile gaming account, any remaining balance in the account up to the amount of the deposit shall be refunded to the patron's credit or debit card account used to fund the Internet or mobile gaming account ***provided that a credit or debit card issuer permits the return of a withdrawal from an Internet or mobile gaming account funded by the credit or debit card of the issuer***.

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

1. (No change from proposal.)

2. Cash-out at the cashier's cage ***immediately upon patron request***;

3. (No change from proposal.)

4. A cash-out transfer to a patron's reloadable prepaid cash card, which **[was used to fund the gaming account]** ***has been verified as being issued to the patron and is non-transferable***;

5. (No change from proposal.)

6. Cash-out transfers directly to the patron's individual account with a bank or other financial institution (banking account) provided that the licensee*[:

i. Verifies that the name and address on the banking account agrees with the name and address on the Internet or mobile account;

ii. Verifies]* ***verifies*** the validity of the account with the financial institution; *[and]* ***or***

[iii. Requires the patron to register the banking account in person; or]

7. (No change from proposal.)

(g) - (h) (No change from proposal.)

(i) Internet or mobile gaming systems shall provide an account statement with account details to a patron on demand. The account statement shall include detailed account activity for

[a defined time period] ***at least the six months preceding 24 hours prior to the request***. ***In addition an Internet or mobile gaming system shall, upon request, be capable of providing a summary statement of all patron activity during the past year.*** Information to be provided ***in these statements*** shall include at a minimum, the following:

1. - 4. (No change from proposal.)

5. The self-imposed ***responsible gaming*** limit history, if applicable.

(j) A casino licensee shall ***[hold the funds in patrons' Internet gaming accounts separately in a New Jersey bank account independent from all other operating accounts of the licensee. At the end of each gaming day, a casino licensee shall ensure that the amount in this separate account is greater than or equal to the total value of the balances in the patrons' Internet gaming accounts]*** ***maintain a New Jersey bank account separate from all other operating accounts to ensure the security of funds held in patron Internet gaming accounts***. ***The balance maintained in this account shall be greater than or equal to the sum of the daily ending cashable balance of all patron Internet gaming accounts, funds on game, and pending**

withdrawals. A casino licensee shall have unfettered access to all patron Internet gaming account and transaction data to ensure the amount held in its independent account is sufficient.* The casino controller or above shall file a monthly attestation with the Division that the funds have been safeguarded pursuant to this subsection.

(k) - (l) (No change from proposal.)

13:690-1.4 Internet or mobile gaming system standards and operational controls

(a) An Internet or mobile gaming system shall utilize sufficient security to ensure patron access is appropriately limited to the account holder. Unless otherwise authorized by the Division, security measures shall include at a minimum:

1. A ***[personal identification number (PIN)]* *Username***;
2. Password ***[or other access security feature]* *of sufficient length and complexity to ensure its effectiveness***; ***[and]***

3. *[Two or more challenge questions]* ***Upon account creation the option for users to choose "strong authentication" log in protection; and**

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

(b) - (d) (No change from proposal.)

(e) *[An]* ***Unless otherwise approved by the Division, an*** Internet and mobile gaming system shall associate a patron's account with a single client terminal during each patron session.

(f) Each patron session *[and gaming session]* shall have a unique identifier assigned by the Internet or mobile gaming system.

(g) The Internet and mobile gaming system shall immediately terminate a patron session whenever:

1. - 2. (No change from proposal.)

3. The patron fails any authentication during a game or patron session; ***or***

***[4. The patron reaches any self-imposed limit;**

5. The system detects user inactivity for a time period exceeding 15 minutes if not within a gaming session; or]*

[6.]* *4. (No change in text from proposal.)

(h) (No change from proposal.)

(i) Internet and mobile gaming systems shall ***[temporarily deactivate an Internet or mobile gaming account]*** ***disable a patron's account*** after three failed log in attempts ***and require strong authentication to recover or reset a password or username***. ***[The account may be reactivated after the patron either:**

1. Correctly answers the challenge questions required in (a)3 above; or

2. Presents valid identification credentials in person to the licensee.]*

(j) - (k) (No change from proposal.)

(l) A licensee shall notify the Internet or mobile wagering account holder via electronic mail, regular mail, or other method approved by the Division, whenever his or her account has been *[deactivated]* ***closed*** or placed in a suspended mode. Such notification shall include the restrictions placed on the account and any further course of action needed to remove the restriction.

(m) (No change from proposal.)

(n) An Internet or mobile gaming system shall be capable of allowing a patron to establish ***the following responsible gaming limits*** *[a wager limit, deposit limit, loss limit, buy-in limit, or a time-based limit]*. *[Once established by a patron:
1.]* Any decrease ***to these limits*** shall be effective no later than the patron's next log in*[;]**.* ***Any increase to these limits shall become effective only after the time period of the**

previous limit has expired and the patron reaffirms the requested increase.*

[2. Any increase shall not become effective in the system until 24 hours after the patron's request and the patron reaffirms the request for the increase.]

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

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

3. A time-based limit shall be offered on a daily basis and shall specify the maximum amount of time, measured hourly from the patron's log in to log of, a patron may spend playing on an Internet gaming system, provided, however, that if the time-based limit is reached a patron will be permitted to complete any round of play, or active or prepaid tournament.*

(o) An Internet or mobile gaming system shall implement automated procedures to identify and prevent the following ***[patrons]* *persons*** from placing a wager:

1. ***[Patrons]* *Persons*** under the age of 21;

2. ***[Patrons]* *Persons*** on the self-exclusion list;

***3. Persons on the Internet self-exclusion list*;**

[3. Patrons]* *4. Persons on the exclusion list

[4.]* *5. Patrons who have had their account ***[deactivated]*
closed;**

[5.]* *6. (No change in text from proposal.)

[6.]* *7. Patrons who have exceeded their ***[daily]* *spend or
time-based*** limit.

(p) (No change from proposal.)

(q) Unless otherwise approved by the Division, ***a record of*** all bonus and promotional wagering offers***[marketed via a client**

terminal]* ***related to Internet gaming*** shall be maintained in an electronic file that is readily available to the Division. All bonus and promotional wagering offers shall be stated in clear and unambiguous terms and shall be readily accessible by the patron. Offer terms ***and the record of all offers*** shall include at a minimum:

1. - 3. (No change from proposal.)

(r) (No change from proposal.)

(s) When a patron's lifetime deposits exceed \$2,500, the Internet or mobile gaming system shall immediately prevent any wagering until the patron acknowledges the following:

1. (No change from proposal.)

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

3. (No change from proposal.)

(t) (No change from proposal.)

13:690-1.5 Server-based gaming system; server-based games
(table games, slot machines, and peer to peer)

(a) (No change from proposal.)

(b) Any software used in server-based gaming shall be designed with a method to permit the validation of software using ***a*** Gaming Authentication Tool (GAT) or other method approved by the Division.

(c) A server-based gaming system shall perform an authentication process on all control programs ***on demand and*** at least once every 24 hours ***[or on demand]***.

(d) - (f) (No change from proposal.)

[(g) Server-based gaming systems shall be capable of disabling and re-enabling an individual game on demand.]

[(h)]* ***(g) (No change in text from proposal.)**

[(i)]* ***(h) A ***server-based*** gaming system shall be designed with a method to automatically identify potential collusion or**

cheating activity and shall provide a method for a patron to report such activity to the licensee.

[(j)] ***(i)*** (No change in text from proposal.)

[(k)] ***(j)*** The following information shall be readily available through a client terminal before a ***[patron's gaming session begins and at any time during a gaming session]*** ***patron begins play on an Internet or mobile gaming system and at all times during play***, where applicable:

1. - 3. (No change from proposal.)

Recodify proposed (l) - (s) as ***(k) - (r)*** (No change in text from proposal.)

***(s) A server-based gaming system utilizing an approved data warehouse shall be designed to securely transmit a copy of all transactions received from a server-based gaming system's primary gaming equipment to the data warehouse. The data stored in the data warehouse shall be owned by the Internet gaming permit holder.**

(t) Equipment used by a server-based gaming system for the sole purpose of restoring data following a disaster shall be located in the State of New Jersey.

(u) All wagers pending disposition under (p)2i above shall be held in a pending wager account.*

13:690-1.6 Table game simulcasting

(a) - (c) (No change from proposal.)

(d) The following information shall be readily available through a client terminal before a *[patron's gaming session begins and at any time during a gaming session]* ***patron begins play on an Internet or mobile gaming system and at all times during play***, where applicable:

1. - 3. (No change from proposal.)

13:690-1.8 Mandatory gaming system logging

(a) - (c) (No change from proposal.)

(d) A gaming system shall maintain *[a patron history log (Patron Session History Log) that provides]* all information necessary to recreate patron game play and account activity during each patron session*, **including any identity or location verifications, for a period of no less than 10 years***. *[The Patron Session History Log shall contain the following at a minimum for each entry:

1. A unique patron session and gaming session identifier;
2. The date and time of each patron transaction;
3. The patron account number;
4. A description of the transaction including game outcome when applicable;
5. The patron account balance following the transaction; and
6. The amount of the transaction.

(e) An entry shall be recorded in a Patron Session History Log upon the occurrence of the following events at a minimum:

1. The start and termination of a patron session;
2. The start and termination of a gaming session;
3. When wagers are made during a gaming session;
4. Transfers of funds to and from the patron's account;
5. Withdrawal of promotional credits;
6. A reportable W2-G jackpot;
7. The award of a progressive jackpot;
8. Completion of a game after an interruption; and
9. The award of a marketing promotional bonus.]*

Recodify proposed (f) - (j) as ***(e) - (i)*** (No change in text from proposal.)

Full text of the rules as follows (additions indicated in boldface **thus**; deletions indicated in brackets [thus]):

CHAPTER 69D

GAMING OPERATION ACCOUNTING CONTROLS AND STANDARDS

SUBCHAPTER 1. GENERAL PROVISIONS

13:69D-1.11 Casino licensee's organization

(a) (No change.)

(b) In addition to satisfying the requirements of (a) above, each casino licensee's system of internal controls shall include, at a minimum, the following departments and supervisory positions. Each of the departments and supervisors required or authorized by this section (a "mandatory" department or supervisor) shall cooperate with, yet perform independently of, all other mandatory departments and supervisors of the casino licensee. Mandatory departments and supervisory positions are as follows:

1. - 2. (No change.)

3. An IT department comprised of at a minimum an IT department manager, IT security officer, and, if the licensee offers Internet and mobile gaming, an Internet and mobile games manager, all of whom shall be located in New Jersey and licensed as a casino key employee.

i. (No change.)

ii. The IT security officer shall report to the IT department manager and be responsible for:

(1) (No change.)

(2) Reviewing logs of user access, security incidents, and unusual transactions; [and]

(3) Coordinating the development of the licensee's information security policies, standards and procedures;

- (4) Coordinating the development of an education and training program on information security and privacy matters for employees and other authorized users;
- (5) Ensuring compliance with all State and federal information security policies and regulations;
- (6) Preparing and maintaining security related reports and data;
- (7) Working with internal and external audit to ensure all findings are addressed in a timely and effective manner;
- (8) Developing and implementing an Incident Reporting and Response System to address security breaches, policy violations and complaints from external parties;
- (9) Serving as the official contact for information security and data privacy issues, including reporting to law enforcement;
- (10) Developing and implementing an ongoing risk assessment program that targets information security and privacy matters by identifying methods for vulnerability detection and remediation, and overseeing the testing of those methods; and
- (11) Remain current with the latest IT security and privacy legislation, regulations, advisories, alerts and vulnerabilities to ensure the licensee's security program and security software is effective.

iii. The Internet and/or mobile gaming manager shall report to the IT department manager, **or other department manager as approved by the Division**, and be responsible for ensuring the proper operation and integrity of Internet and/or mobile gaming and reviewing all reports of suspicious behavior;

4.-6. (No change.)

(c)-(h) (No change.)

13:69D-1.24 Procedure for acceptance, accounting for, withdrawal and refund of patron deposits

(a) Whenever a patron requests a casino licensee to hold his or her cash or non-cash items (for example, cash equivalent, casino check, casino affiliate check, annuity jackpot trust check, complimentary cash gift, chips, plaques, slot tokens, prize

tokens, wire transfer, electronic fund transfer, gaming voucher, and electronic credits) authorized to be accepted pursuant to the Division's rules for subsequent use, the patron shall [deliver]:

1. Deliver the cash or non-cash item, to a general cashier who shall deposit the cash or non-cash item for credit to a patron deposit account established for that patron pursuant to this section; **or**

2. Transfer funds from the patron's Internet or mobile gaming account established pursuant to N.J.A.C. 13:690-1.3 in accordance with approved internal controls.

(b) If a casino licensee issues manual patron deposit withdrawals to a patron and allows the patron to participate in electronic account wagering, the casino licensee shall maintain two separate patron deposit accounts, one account strictly for the use of deposits associated with counter check and slot counter check withdrawals **and Internet or mobile gaming account withdrawals** and a second account strictly for the use of electronic account based wagering. The casino licensee shall be prohibited from commingling the accounts or allowing transfers between the accounts.

(c) Prior to accepting a deposit **at the cashiers' cage**, a general cage cashier shall:

1. - 3. (No change.)

(d) A general cashier accepting a deposit **at the cashiers' cage** shall prepare a Patron Deposit Form evidencing such receipt. Patron Deposit Forms shall be two-part and serially prenumbered. Each series of Patron Deposit Forms shall be used in sequential order and the series number of all Patron Deposit Forms shall be accounted for by employees with no incompatible functions. The Patron Deposit Form shall include, at a minimum, the following information:

1. The name of the patron;
2. The total amount of the deposit stated in numbers and words;
3. The date and time;
4. The type(s) of item(s) accepted for deposit; and
5. The signature of the general cashier.

(e) - (f) (No change.)

(g) After supplying information required by the casino licensee to verify his or her identity, a patron shall be allowed to withdraw all or a portion of the deposit for gaming activity [with] **as follows:**

1. **With** Counter Checks or Slot Counter Checks in accordance with N.J.A.C. 13:69D-1.25; [or]

2. [Electronic] **For use in** account based wagering in accordance with N.J.A.C.13:69D-1.37 **or Internet or mobile gaming pursuant to N.J.A.C. 13:690.**

(h) The patron's deposit balance shall be immediately reduced by amounts equal to the Counter Checks issued in the pit, Slot Counter Checks issued in the slot area or at the casino cage, [or] amounts electronically issued through an approved electronic account based wagering system **or amounts transferred to an Internet or mobile gaming account.**

(i) - (k) (No change.)

(l) A casino licensee shall maintain a computerized log of all patron deposit transactions. The log shall include, at a minimum, the following:

1. (No change.)

2. For each patron deposit received and withdrawn[;]:

i. - vi. (No change.)

3. (No change.)

(m) (No change.)

CHAPTER 690
INTERNET AND MOBILE GAMING

SUBCHAPTER 1. GENERAL PROVISIONS

13:690-1.2 General requirements for Internet and mobile gaming

(a) - (m) (No change.)

(n) A casino operator's primary **gaming** equipment used to conduct Internet or mobile gaming shall be located, with the prior approval of the Division, in a restricted area on the premises of the casino hotel within the territorial limits of Atlantic City, New Jersey. Subject to Division approval, a casino operator may use backup equipment located [outside] **in a restricted area on the premises of a casino hotel facility within** the territorial limits of Atlantic City to conduct Internet gaming for a time period not to exceed 60 days unless otherwise authorized by the Division.

(o) - (r) (No change.)

(s) [If an Internet gaming system offers free or demonstration games, the games shall only be accessible after log in and have the same payout percentages and odds as paying games.] **An Internet or mobile gaming system may offer games that do not require a wager or payment from a patron's Internet gaming account to patrons who have not exceeded any daily time-based limit, provided that the games comply with the following requirements:**

1. Any game substantially similar to a game approved by the Division shall utilize a payout percentage equal to or less than the lowest payout percentage of the approved game;

2. Any game not substantially similar to a game approved by the Division shall prominently display the following prior to the start of the game and during game play:

i. The game is offered for entertainment purposes only;

ii. The game is not approved by the Division; and

iii. The game outcomes may not be representative of those for a Division approved game;

3. Any game that can be played without logging into an Internet gaming account shall:

i. Require the patron to verify that he or she is 21 years of age or older prior to beginning play; and

ii. Not offer an award or thing of value;

4. Any game offering an award or anything of value shall not be offered to patrons under the age of 21;

5. A history of game play for all games played by a patron while logged into his or her Internet gaming account shall be maintained for responsible gaming purposes; and

6. Games traditionally played on social networks that may require a payment for certain game features (social games) shall not be fundable or accessible from a patron's Internet gaming account.

(t) - (v) (No change.)

(w) All employees of an Internet gaming operator who perform activities such as Internet casino accounting, patron identification and verification, problem gaming detection, anti-money laundering detection, fraud prevention or other similar functions requiring access to confidential patron account or gaming system information shall be physically present in New Jersey.

(x) Internet gaming operators and related vendors shall be prohibited from retaining patron account information without the expressed written consent of the Internet gaming permit holder.

[(w)] (y) (No change in text.)

13:690-1.4 Internet or mobile gaming system standards and operational controls

(a) - (i) (No change.)

(j) Internet and mobile gaming systems shall employ a mechanism that places an Internet or mobile gaming account in a suspended mode:

1. When requested by the patron for a specified period of time, which shall not be less than [24] **72** hours;

2. - 3. (No change.)

(k) - (t) (No change.)

13:690-1.9 Required [gaming system] reports; reconciliation

[(a) The system shall be designed to generate reports as specified by the Division that shall include at a minimum:

1. The report title;
2. The version number of the current system software and report definition;
3. The date or time period of activity, or description "as of" a point in time;
4. The date and time the report was generated;
5. Page numbering, indicating the current page and total number of pages;
6. Subtotals and grand totals as required by the Division;
7. A description of any filters applied to the data presented in the document;
8. Column and row titles, if applicable; and
9. The name of the casino licensee.

(b) All required reports shall be generated by the system, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(c) Gaming systems shall provide a mechanism to export the data generated for any report to a format approved by the Division.

(d) An Internet gaming system and a mobile gaming system shall be capable of generating the following daily reports for each gaming day in order to calculate the taxable revenue:

1. A Patron Account Detail Report, which shall include transaction information by patron for the following categories:
 - i. Beginning balance;
 - ii. Total amount of deposits;
 - iii. Total amount of transfers to games;

- iv. Total amount of transfers from games;
- v. Total amount of withdrawals; and
- vi. Ending balance;

2. A Patron Account Summary Report, which shall include a daily total of all transactions by category as reported in (d)1 above. If the Patron Account Detail Report includes daily totals, this report shall not be required;

3. A Wagering Detail Report, which shall include game activity by game type as follows:

- i. Coin in;
- ii. Coin out; and
- iii. Win/loss;

4. A Wagering Summary Report, which shall include the total win/loss for each game type and the total combined win/loss for all game types; and

5. A Variance Report, which shall include any variance between the Account Summary Report and the Wagering Summary Report.

(e) A casino licensee shall utilize the Wagering Summary Report to calculate gross revenue and Internet gaming gross revenue on a daily basis for reporting purposes. In addition, the casino licensee shall investigate each variance included on the Variance Report and:

- 1. Prepare a summary schedule of each variance, which schedule shall include the date, source of the variance, variance amount, and the reason for the variance; and
- 2. Report a manual adjustment to increase revenue by the amount of the variance whenever the total of the Account Summary Report is greater than total of the Wagering Summary Report, unless the reason for the variance documented in (e)1 above is sufficient to support a determination that revenue was properly reported.

(f) In lieu of (b) above, a licensee may summarize the daily variance report review in a manner and on a monthly schedule prescribed by the Division.

(g) A gaming system shall generate, on a daily basis commencing one year after the creation of the first Internet or mobile gaming account, a Dormant Account Report, which shall list all patron accounts that have had no activity for a period of one year. The report shall include:

1. The patron name and account number;
2. The date of the last transaction; and
3. The account balance.

(h) No voids of completed wagering transactions shall occur without Division approval.

(i) A gaming system shall generate a Performance Report, which compares the theoretical Return to Patron (RTP) as defined in *N.J.A.C. 13:69D-1.1* to the actual RTP of each game offered by a gaming system. The report shall also provide the total number of rounds of play for each game and shall be generated and reviewed weekly by the licensee to evaluate the performance of all games offered to the public.

(j) A gaming system shall generate a Patron Account Adjustments Report, which shall be reviewed by the licensee on a daily basis to evaluate the legitimacy of patron account adjustments. Unless otherwise authorized by the Division, the report shall at a minimum include:

1. The patron's name;
2. An account number;
3. The date and time of the adjustment;
4. The person who performed the adjustment;
5. The reason for the adjustment; and
6. The amount of the adjustment.

(k) An Internet gaming system shall generate a report on a weekly basis identifying potential problem gamblers, including those patrons who self-report. The casino licensee shall review the report and document any action taken.]

(a) The system shall be designed to generate reports as specified by the Division that shall include at a minimum:

1. The report title;
2. The version number of the current system software and report definition;
3. The date or time period of activity, or description "as of" a point in time;
4. The date and time the report was generated;
5. Page numbering, indicating the current page and total number of pages;
6. Subtotals and grand totals as required by the Division;
7. A description of any filters applied to the data presented in the document;
8. Column and row titles, if applicable; and
9. The name of the casino licensee.

(b) All required reports shall be generated by the system, even if the period specified contains no data to be presented. The report generated shall indicate all required information and contain an indication of "No Activity" or similar message if no data appears for the period specified.

(c) Gaming systems shall provide a mechanism to export the data generated for any report to a format approved by the Division.

(d) An Internet gaming system and a mobile gaming system shall generate the following daily reports, at a minimum, for each gaming day in order to calculate the taxable revenue:

1. A Patron Account Summary Report, which shall include transaction information for each patron account for the following categories as follows:

- i. Beginning balance;
- ii. Total amount of deposits;
- iii. Total amount of non-cashable bonuses deposited;

- iv. Total amount of non-cashable bonuses wagered;
 - v. Total amount of non-cashable bonuses expired;
 - vi. Total amount of transfers to games;
 - vii. Total amount of transfers from games;
 - viii. Total amount of withdrawals;
 - ix. Total amount of funds on game at the beginning of the gaming day (the amount of pending wagers at the end of the prior gaming day);
 - x. Total amount of funds on game at the end of the gaming day (the amount of pending wagers plus funds transferred to a game but not yet wagered);
 - xi. Win or loss, calculated as the amount of transfers to games and beginning funds on game less the amount of transfers from games and ending funds on game; and
 - xii. Ending balance;
2. A Wagering Summary Report, which shall include the following game activity by authorized game and poker variation as applicable:
- i. Total amounts wagered (Coin in);
 - ii. Total amounts won (Coin out);
 - iii. Total tournament entry or participation fees;
 - iv. Rake of vigorish, if not included in ii. above; and
 - v. Win/loss calculated as the net of the total amounts wagered and total amounts won plus tournament entry or participation fees and rake or vigorish.
3. A Non-cashable Promotional Account Balance Report which shall include the ending non-cashable promotional balance in each patron account.
- (e) A casino licensee shall utilize the Wagering Summary Report to calculate mobile gaming gross revenue and Internet gaming

gross revenue on a daily basis for reporting purposes. In addition, the casino licensee shall:

1. Prepare a Variance Report documenting the win/loss amounts from the Patron Account and Wagering Summary Reports;
2. Calculate the variance between the two amounts;
3. Document the reason for the variance; and
4. Report a manual adjustment to increase revenue by the amount of the variance whenever the total of the Patron Account Summary Report is greater than the total of the Wagering Summary Report, unless the reason for the variance as documented in (e)3 above is sufficient to support a determination that revenue was properly reported.

(f) In lieu of (e) above, a licensee may accumulate the daily Variance Report information on a monthly Variance Report in a manner described in the licensee's internal controls.

(g) A gaming system shall generate, on a daily basis commencing one year after the creation of the first Internet or mobile gaming account, a Dormant Account Report, which shall list all patron accounts including the Pending Wager Account that have had no activity for a period of one year. The report shall include:

1. The patron name and account number;
2. The date of the last transaction; and
3. The account balance.

(h) No voids of completed wagering transactions shall occur without Division approval.

(i) A gaming system shall generate a Performance Report, which compares the theoretical Return to Patron (RTP) as defined in N.J.A.C. 13:69D-1.1 to the actual RTP of each game offered by a gaming system. The report shall also provide the total number of rounds of play for each game and shall be generated and reviewed monthly by the licensee to evaluate the performance of all games offered to the public. The Performance Report shall include the data required by this subsection from the first day Internet gaming was offered to the date of the report.

(j) A gaming system shall generate a Patron Account Adjustments Report, which shall be reviewed by the licensee on a daily basis to evaluate the legitimacy of patron account adjustments. Unless otherwise authorized by the Division, the report shall at a minimum include:

1. The patron's name;
2. An account number;
3. The date and time of the adjustment;
4. The person who performed the adjustment;
5. The reason for the adjustment; and
6. The amount of the adjustment.

(k) An Internet gaming system shall generate a report on a weekly basis identifying potential problem gamblers, including those patrons who self-report. The casino licensee shall review the report and document any action taken.

(l) An Internet gaming system shall be capable of generating a Pending Transaction Account Report which shall include and separately itemize all pending transactions for each patron account, including but not limited to, funds on game and deposits and withdrawals not yet cleared.

(m) In accordance with internal controls approved by the Division, a casino licensee shall periodically submit to the Division a copy of the bank statement that reflects the balance of the restricted account maintained to protect patron funds required pursuant N.J.A.C. 13:690-1.3(j).