

**DEPARTMENT OF FINANCE
OFFICE OF THE STATE LOTTERY
Rule 7.16.2 Game Requirements
Statutory Authority: 29 Delaware Code, Section 4805(a) (29 Del.C. §4805(a))**

FINAL

ORDER

Pursuant to 29 **Del.C.** §10115 and 29 **Del.C.** §4805(a), the Delaware Lottery Office issues this Order adopting proposed amendments to the Video Lottery Regulations. Following notice and a public hearing held on December 21, 2004, the Lottery makes the following findings and conclusions:

Summary of the Evidence

1. The Lottery posted public notice of the proposed amendments in the December 1, 2004 *Register of Regulations* and for two consecutive weeks in the Delaware Capital Review and Delaware State News. The Lottery's proposed amendments were as follows: i) amend Video Lottery Regulation 4.2 to provide that any entity proposing to contract with the Lottery or a video lottery agent must obtain a technology provider license; ii) amend Video Lottery Regulation 6.34(5) to provide that temporary employees, consultants, or contractors must obtain a license and vendors who propose to contract with the Lottery or a video lottery agent must obtain a technology provider license; iii) amend Video Lottery Regulation 6.35 to require video lottery agents to file copies of video lottery related contracts in excess of \$50,000; iv) amend Video Lottery Regulation 7.16.2 to require a video lottery agent to update the self-exclusion list within forty-eight (48) hours after receiving notice from the Lottery or the Video Lottery Enforcement Unit.

2. The Lottery received no written comments from the public during the period from December 1, 2004 through December 30, 2004. The Lottery received no public comments at the public hearing on December 21, 2004.

Findings of Fact and Conclusions

3. The public was given notice and an opportunity to provide the Lottery with comments in writing and by testimony at the public hearing on the proposed amendments to the Video Lottery Regulations.

4. The Lottery finds that the amendments to the Video Lottery Regulations should be adopted as proposed. The proposed amendments are necessary under 29 **Del.C.** §4805 (a) to permit the Lottery to operate the video lottery in a manner that produces the maximum amount of net revenues consonant with the dignity of the State and the general welfare of the people of Delaware. The proposed amendments are necessary steps to strengthen the licensing and enforcement procedures authorized by 29 **Del.C.** §4805(a)(16-17).

5. The effective date of this Order shall be ten (10) days from the publication of this Order in the *Register of Regulations* on February 1, 2005. This Order adopts the proposed amendments to the Video Lottery Regulations in their entirety as published in the *Register of Regulations* in December, 2004, **8 DE Reg 842**.

IT IS SO ORDERED this 10th day of January, 2005.

Don Johnson, Hearing Officer

7.0 Game Requirements

7.1. The Director shall authorize such video games to be played on the agent's premises in conformity with approved business plans, as amended.

7.2. Video games shall be based on bills, coins, tokens or credits, worth between \$.01 and \$100.00 each, in conformity with approved business plans as amended.

7.3. The Director, in his or her discretion, may authorize play on a video lottery machine to which the maximum wager limit of \$100.00 shall not apply.

7.4. Each video game shall display the amount wagered and the amount awarded for each possible winning occurrence based on the number of credits wagered.

7.5 Each video game shall provide a method for players to view payout tables.

7.6 Each player shall be at least twenty-one (21) years of age. In the event an underage player attempts to claim

a prize, the video lottery agent should treat the play of the game as void and the underage player shall not be entitled to any prize won or a refund of amounts bet. In the event a person illegally on the premises or a self-barred person attempts to claim a prize, the video lottery agent will also treat the play of the game as void and the person shall not be entitled to any prize won or a refund of amounts bet. This policy prohibiting persons underage, persons illegally entering the premises, and persons self-barred from winning prizes shall be prominently displayed on the premises of the video lottery agent.

7.7 Agents shall redeem credit slips, tokens, or video lottery machine credits presented by a player in accordance with procedures proposed by the agent and approved by the Director prior to the opening of the premises for video game play. Such procedures shall be modified at the direction of the Director in his or her sole discretion at any time. Nothing in this subsection (7.7) shall prohibit the use of coin-in/coin-out machines. Players claiming prizes may be required to present sufficient identification as required by the agency.

7.8 Credit slips and prize claim forms may be redeemed by a player at the designated place on the premises where the video game issuing the credit slip or prize claim form is located during the one year redeeming period commencing on the date the credit slip or prize claim form was issued.

7.9 No credit slip shall be redeemed more than one (1) year from the date of issuance. No jackpot from a coin-in/coin-out machine shall be redeemed more than one (1) year from the date on which the jackpot occurred. Funds reserved for the payment of a credit slip or expired unclaimed jackpot shall be treated as net proceeds if unredeemed one (1) year from the date of issuance of the credit slip or occurrence of the winning jackpot. The one year redemption policy in this regulation shall be prominently displayed on the premises of the video lottery agent.

7.10 No payment for a credit slip or a prize claim form for a prize awarded on a video lottery machine may be made unless the credit slip or prize claim form meets the following requirements:

7.10.1 It is presented on a fully legible, valid, printed credit slip on paper approved by the agency, containing the information as required;

7.10.2 It is not mutilated, altered, unreadable, or tampered with in any manner, or previously paid;

7.10.3 It is not counterfeit in whole or in part; and

7.10.4 It is presented by a person authorized to play.

7.11 Method of Payment - The management of each licensed agent shall designate employees authorized to redeem credit slips during the hours of operation. Credits shall be immediately paid in cash or by check when a player presents a credit slip for payment meeting the requirements of this section.

7.12 Restrictions on Payment - Agents may only redeem credit slips for credits awarded on video lottery machines located on its premises. The agency and the State of Delaware are not liable for the payment of any credits on any credit slips.

7.13 Redeemed Tickets Defaced - All credit slips redeemed by a licensed agent shall be marked or defaced in a manner that prevents any subsequent presentment and payment.

7.14 Liability for Malfunction - The agency and the State of Delaware are not responsible for any video lottery machine malfunction or for any error by the agent that causes credit to be wrongfully awarded or denied to players.

7.15 Video lottery machines shall not be operated or available for play on Christmas, or after 4:00 a.m. on Easter, or between the hours of 4:00 a.m. and 12:00 p.m. on Sundays, or between the hours of 4:00 a.m. and 8:00 a.m. on any day other than Sunday.

7.16 Self-Excluded Players

7.16.1 A "self-excluded person" means any person whose name is included, at his or her request, on the self-exclusion list maintained by the Lottery Director or Deputy Director.

7.16.2 "Self-exclusion list" means a list of names of persons who, pursuant to this subchapter, have voluntarily agreed to be excluded from all video lottery agent premises and to be prohibited from collecting any winnings or recovering any losses at all licensed video lottery agents.

7.16.3 Request for Self-Exclusion

7.16.3.1 Any person may have his or her name placed on the self-exclusion list by submitting a request for self-exclusion in the form and manner required by these Video Lottery Regulations.

7.16.3.2 Any person requesting placement on the self-exclusion list shall submit in person, a completed request for self-exclusion as required in this Regulation. The request shall be delivered to the Delaware State Lottery Office, 1575 McKee Road, Dover, DE. Any person submitting a self-exclusion request shall be required to present valid identification credentials containing his or her signature and a photograph and general physical description. Any person requesting self-exclusion pursuant to these Regulations shall be required to have his or her

photograph taken by the VLEU upon submission of the request.

7.16.3.3 A request for self-exclusion shall be in a form prescribed by the Lottery which form shall include:

7.16.3.3.1 The following identifying information concerning the person submitting the request for self-exclusion:

7.16.3.3.1.1 Name, including any aliases or nicknames;

7.16.3.3.1.2 Date of birth;

7.16.3.3.1.3 Address of current residence.

7.16.3.3.1.4 Telephone number of current residence;

7.16.3.3.1.5 Social security number;

7.16.3.3.1.6 A physical description of the person, including height, weight, gender, hair color, eye color, and any other physical characteristic that may assist in the identification of the person;

7.16.3.3.2 The length of minimum self-exclusion requested by the person:

7.16.3.3.2.1 One year;

7.16.3.3.2.2 Five years; or

7.16.3.3.2.3 Lifetime;

7.16.3.3.3 A waiver and release which shall release and forever discharge the State of Delaware, its employees, and agents, and all video lottery agents, and their employees and agents from any liability to the person requesting self-exclusion and his or her heirs, administrators, executors, and assigns for any harm, monetary or otherwise, which may arise out of or by reason of any act or omission relating to the request for self-exclusion or request for removal from the self-exclusion list, including:

7.16.3.3.3.1 Its processing or enforcement;

7.16.3.3.3.2 The failure of a video lottery agent to prevent video lottery play by a self-excluded person, or the failure by the agent to restore the ability of self-excluded person to play video lottery machines.

7.16.3.3.3.3 Permitting a self-excluded person to engage in video lottery play at a video lottery agent's premises while on the list of self-excluded persons; and

7.16.3.3.3.4 Disclosure of the information contained in the self-exclusion request or list, except for a willfully unlawful disclosure of such information.

7.16.3.3.4 The signature of the person submitting the request for self-exclusion indicating acknowledgement of the following statement:

"I am voluntarily requesting exclusion from all gaming activities at all licensed Delaware video lottery agents (Delaware Park, Dover Downs, and Harrington/Midway Slots and Simulcast) because I am a problem gambler. I certify that the information provided above is true and accurate, and that I have read and understand and agree to the waiver and release included with this request for self-exclusion. I am aware that my signature below authorizes the Lottery and the VLEU to direct all licensed video lottery agents to prohibit my access to the all video lottery facilities in accordance with this request and unless I have requested to be excluded for life, until such time as the Lottery removes my name from the self-exclusion list in response to my written request to terminate my voluntary self-exclusion. I am aware and agree that during any period of self-exclusion, I shall not collect any winnings or recover any losses resulting from any gaming activity at all licensed video lottery agents premises, and that any money or thing of value obtained by me from, or owed to me by a video lottery agent as a result of video lottery play by me while on the self-exclusion list."

7.16.3.3.5 The type of identification credentials examined containing the signature of the person requesting self-exclusion, and whether said credentials included a photograph and general physical description of the person; and

7.16.3.3.6 The signature of an authorized Lottery employee accepting the request, indicating that the signature of the person on the request for self-exclusion appears to agree with that contained on his or her identification credentials and that any photograph and physical description of the person appears to agree with his or her actual appearance.

7.16.4 Self-exclusion list.

7.16.4.1 The Lottery shall maintain the official self-exclusion list and shall notify each video lottery agent of any addition to or deletion from the list by mailing a notice to each video lottery agent. The Lottery may provide copies of the official self-exclusion list to the VLEU.

7.16.4.2 Each video lottery agent shall maintain its own copy of the self-exclusion list and shall establish procedures to ensure that its copy of the self-exclusion list is updated and that all appropriate employees and agents of the video lottery agent are notified of any addition to or deletion from the list within forty-eight (48) hours after the ~~day~~ notice is mailed by the Lottery or VLEU. The notice mailed by the Lottery/

VLEU shall include the name and date of birth of any person whose name shall be removed from self-exclusion list and the following information concerning any person whose name shall be added to the self-exclusion list:

7.16.4.2.1 Name, including any aliases or nicknames;

7.16.4.2.2 Date of birth;

7.16.4.2.3 Address of current residence;

7.16.4.2.4 Telephone number of current residence;

7.16.4.2.5 Social security number;

7.16.4.2.6 A physical description of the person, including height, weight, gender, hair color, eye color, and any other physical characteristic that may assist in the identification of the person; and

7.16.4.2.7 A copy of the photograph taken by the Lottery or VLEU.

7.16.4.3 Information furnished to or obtained by the Lottery or VLEU shall be deemed confidential and not be disclosed except in accordance with these Regulations.

7.16.4.4 No video lottery agent or employee or agent thereof shall disclose the name of, or any information about, any person who has requested self-exclusion to anyone other than employees of the agent whose duties and functions require access to such information. Notwithstanding the foregoing, a video lottery agent may disclose the name of and information about a self-excluded person to appropriate employees of another video lottery agent for the purpose of alerting other video lottery agents that a self-excluded person has tried to play a video lottery machine or obtain access to the premises of a video lottery agent.

7.16.5 Duties of Video Lottery Agent

7.16.5.1 Each video lottery agent shall establish procedures that are designed, to the greatest extent practicable, to:

7.16.5.1.1 Permit appropriate employees of the video lottery agent to identify a self-excluded person when present in a video lottery facility and, upon such identification, notify;

Those employees of the video lottery designated to monitor the presence of the self-excluded persons;

Designated representatives of the Lottery and the VLEU.

7.16.5.1.2 Refuse access to the premises for any self-excluded person;

7.16.5.1.3 Deny check cashing privileges, player club membership, complimentary goods and services, and other similar privileges and benefits to any self-excluded person;

7.16.5.1.4 Ensure that self-excluded persons do not receive, from the video lottery agent any solicitations, targeted mailings, telemarketing promotions, player club materials or other promotional materials relating to video lottery activities at the video lottery agent's premises;

7.16.5.2 Each video lottery agent shall submit to the Lottery and the VLEU, a copy of its procedures established to comply with these self-exclusion regulations within thirty (30) days of the effective date of these Regulations. The agent's procedures will be incorporated into the agent's internal control submission with the agency. Any amendments to said procedures shall be submitted to the Lottery and the VLEU at least three business days prior to the implementation. If the Lottery and the VLEU do not object to said procedures or amendments thereto, such procedures or amendments shall be deemed to be approved.

7.16.6 Removal from Self-Exclusion List

7.16.6.1 Except for those persons choosing a lifetime self-exclusion, any self-excluded person may, upon the expiration of the period of self-exclusion requested pursuant to Video Lottery Regulation 7.17, request removal of his or her name from the self-exclusion list by submitting, in person, a completed request for removal as required in subsection (2) below. The request shall be delivered to the Lottery Office, 1575 McKee Road, Dover, DE. Any person submitting a request for removal from the list shall be required to present valid identification credentials containing his or her signature and a photograph and general physical description.

7.16.6.2 A request for removal from the self-exclusion list shall be in a form prescribed by the Lottery, which form shall include:

7.16.6.2.1 The identifying information specified in Video Lottery Regulation 7.17;

7.16.6.2.2 The signature of the person requesting removal from the self-exclusion list indicating acknowledgement of the following statement: "I certify that the information that I have provided above is true and accurate. I am aware that my signature below constitutes a revocation of my previous request for self-exclusion, and I authorize the Lottery to permit all video lottery agents to reinstate my video lottery privileges at licensed video lottery premises;"

7.16.6.2.3 The type of identification credentials examined containing the signature of the person

requesting removal from the self-exclusion list, and whether said credentials included a photograph and general physical description of the person; and,

7.16.6.2.4 The signature of a Lottery or VLEU employee authorized to accept such request, indicating that the signature of the person on the request for removal from the self-exclusion list appears to agree with that contained on his or her identification credentials and that any photograph and physical description appears to agree with his or her actual appearance.

7.16.6.3 The Lottery shall delete the name of the person requesting the removal from the self-exclusion list and notify each video lottery agent of such removal by mailing a notice to each video lottery agent.

7.17 Promotional Tournaments

7.17.1 The Lottery will be solely responsible for the procurement of any modified video lottery terminals ("Promotional Tournament Terminals") to be used by a video lottery agent for promotional tournaments. A Promotional Tournament Terminal will be modified so that at a minimum, it does not contain any bill acceptor, coin acceptor, or hopper. A blank plate must replace the bill acceptor and coin acceptor on the Promotional Tournament Terminal

7.17.2 If a video lottery agent wishes to obtain Promotional Tournament Terminals, the agent must submit a written request to the Lottery. Under 29 Del.C. §4820(b), video lottery agents may have a maximum of thirty (30) video lottery machines used exclusively for promotional tournaments in which players are not required to pay any fee to participate. The request must be on a Promotional Tournament Request Form which will be available from the Lottery. The request must contain: i) the number of promotional tournament terminals requested; ii) a description of the location where the tournament terminal will be stored or installed on the agent's premises; iii) a description of the agent's security plan for the tournament terminals when in storage and when operated for promotional tournaments.

7.17.3 Promotional Tournament Terminals will be leased or purchased by the Lottery and provided to the video lottery agents for use for promotional tournament games.

7.17.4 The video lottery agent may store the Promotional Tournament Terminals in a secure, locked room when games are not being used for approved promotional tournaments. The locked storage area must be under surveillance at all times. The storage area must be approved by both the Lottery and the VLEU. The agent must control access to the locked storage area. The key to this area will be maintained and controlled by the video lottery agent's security with a sign-in and sign-out log. If a video lottery agent installs Promotional Tournament Terminals on a permanent basis on the gaming floor, the Promotional Tournament Terminals will be subject to the Lottery and VLEU minimum standards for security and the terms of these Video Lottery Regulations. Promotional Tournament Terminals will only be available during scheduled tournaments approved by the Lottery.

7.17.5 All Promotional Tournament Terminals at an agent location shall have the same CPU lock and this lock shall be different from locks used on other VLTs in the State of Delaware. The CPU keys will be maintained by the VLEU, unless the Lottery directs otherwise.

7.17.6 All EPROM chips and programming disks, after the standard review and approval by the independent laboratory designated by the Lottery, must be sent to the VLEU to be certified for use in the promotional tournament games, unless otherwise directed by the Lottery. EPROM chips will be taped when installed in the tournament games under the supervision of the VLEU. The VLEU will be the only persons permitted to access the logic area and chips of the Promotional Tournament Terminals, unless otherwise directed by the Lottery.

7.17.7 Any video lottery agent who wishes to conduct a tournament with the Promotional Tournament Terminals must first obtain the approval of the Lottery. The agent must complete a Promotional Tournament Request Form that will be available from the Lottery. The Tournament Request Form will require, at a minimum, the following: i) the date(s) and time(s) when the tournament will be held; ii) the rules for the tournament; iii) the location of the tournament; iv) security and surveillance arrangements for the tournament. The play area for Promotional Tournament Terminals must comply with the normal game security and surveillance requirements for all other video lottery machines under these Video Lottery Regulations. Approval by the Lottery to conduct promotional tournaments shall also constitute approval for the movement of Promotional Tournament Terminals.

7.17.8 No tournament is approved until the Lottery has reviewed and approved the Promotional Tournament Request Form and distributed copies of the completed form to the appropriate parties.

2 DE Reg. 115 (7/1/98)

2 DE Reg. 779 (11/1/98)

5 DE Reg. 1286 (12/1/01)

7 DE Reg. 202 (8/1/03)

7 DE Reg. 206 (8/1/03)

7 DE Reg. 958 (1/1/04)

***Please Note: As the rest of the sections were not amended they are not being published. A complete set of the**

rules and regulations for the Office of the State Lottery is available at: <http://lottery.state.de.us/videolottery.html>

8 DE Reg 1143 (2/1/05)