

Historic Horse Racing (HHR) Rule (Lot 8200)

Inquiry #1-

Proposed Rule:

Lot 8202.02- Obtaining a License to Offer Pari-Mutuel Wagers of Historic Horse Racing

- (e) When the operation of the pari-mutuel wagers and pools are provided via a contract between the HHR licensee and an operations provider, the following shall apply:
 - (4) Prior to operations commencing, the operations provider shall:
 - a. Complete a criminal background check, prior to any work being performed and every 2 years thereafter, on each employee who will perform any work related to the operation of pari-mutuel wagers on historic horse racing in New Hampshire regardless of whether that work takes place at the HHR licensees' location or remotely;

Question:

Just to clarify (relative to Lot 8202.02(e)(4)a), HHR specific employees will only need criminal background checks done every two years, and any crossover employees from the casino will still be required to get yearly criminal background checks. Will one background check suffice for both every other year, or will these be issued separately?

Response:

The requirement in Lot 8202.02(e)(4)a. are specific to "operations provider" as defined by Lot 8202.01(1). This term does not include employees (i.e. primary and secondary game operators) of the GOE. Any employee of the GOE that is involved in HHR will need to have a valid GOC license issued in accordance with RSA 287-D and Lot 7200 (see below).

Inquiry #2-

Proposed Rule:

Lot 8203.01 General Requirements for the Operation of Historic Horse Racing.

- (e) A valid license issued in accordance with RSA 287-D shall be required for any person who:
 - (1) Is party to, engages in, or supervises others in the operation of historic horse racing in any capacity;
 - (2) Has access to sensitive areas relative to historic horse racing, including the internal components of the terminal, or the areas where the surveillance and operating systems are housed; or
 - (3) Has authority to sign checks or withdraw funds from the historic horse racing accounts.

Question:

Could we insert an exception or supervision requirement for contractors, such as electricians who may have to service the machines, or police who may want to review surveillance systems?

Response:

The purpose of this requirement is to ensure that individuals who have some control over the integrity of the games have been vetted and license. Neither the police officer nor the electrician should be given unfettered access to sensitive areas of the system, or the accounting. This is further clarified in the Surveillance and Minimum Internal Control Standards.

Minimum Internal Controls Standards (MICS):

Inquiry #3-

Proposed MICS:

Controls for Cashier's Cage and Main Bank general rules.

Question:

There are functions written out for a Cage Cashier and a Main Bank cashier. In our smaller rooms, those functions are served by a single cashier, or a combination of Manager and Cashier. Would this overlapping of duties be an issue in smaller rooms?

Answer:

Ideally, a game room should employ a Cage Cashier and a separate Main Bank Cashier. However, if a smaller game room can demonstrate that the purpose of these separate cashier types can be satisfied with a single cashier, the game room may request a waiver of the rule in accordance with Lot 200.

Inquiry #4-

Proposed MICS:

Table Game Documentation

The GOE is responsible for ensuring procedures are in place to mitigate the possibility of error, theft or fraud in table game operations. As such, controls over documentation and authorization of transactions is critical.

1. Fill/credit slips must be in at least triplicate form, in a continuous numerical sequence, and pre-numbered or concurrently numbered in a manner such that each slip has a unique identification number.
9. The part of the fill/credit slip that is placed in the table game drop box is of a different color for fills than for credits, unless the type of transaction is clearly distinguishable in another manner.

Question:

This Table Game Documentation section is premised on a three part fill/credit slip, with a third part that is a different color left with the drop boxes. (My game room) hasn't used a system like this, since members of the count team are both the people who would be filling out these slips, and the people who would be collecting them. It's redundant as a double check on our fill/credit cashier team, as they are also the count team.

(My game room) has been through audits, and inspections without this being an issue, but the language has been greatly expanded on with the three part system as the cornerstone the rest of the language is built upon. Will you need us to rework our fill/credit system to account for this?

Response:

Pre-numbered 3-part table credit and fill slip are a requirement set forth in the statute (see RSA 287-D:22, VII(g)). The agency does not have the authority to waive statutory requirements; however, enforcement of this requirement had been a low priority in the past. As gaming volume increases, so does the need to ensure that game rooms incorporate strong internal controls, including the use of pre-numbered 3 part credit/fill slips.

Pre-numbered 3-part credit/fill slips are commonly used by game rooms in other states because it provides the room a means to confirm and reconcile the credit/fill process. One copy of the document remains with the cage cashier, one copy is placed in the table game drop box and the third copy goes to the person handling the accounting. At the end of a game day, the slips in the drop box and the cashier's drawer should be compared to ensure they reconcile. Accounting personnel would confirm all three slips reconcile. This prevents any one individual from making changes to a single fill slip they have exclusive access to. The sequential numbering ensures all slips are accounted for.

Inquiry #5-

Proposed MICS:

HHR Analysis Report:

4. At a minimum, large year-to-date variances between theoretical hold and actual hold, by HHR wagering device/network ID and by denomination are investigated and resolved with the findings documented no later than 30 days after the generation of the HHR analysis report.

Question

We definitely anticipated investigating variances, and respect that we're learning, and might not have solid answers yet, but will there be a definition for what constitutes a "Large" variance that will require documentation?

Response:

The terminal provider should be providing guidance on what would be deemed a large variance worth of further investigation. The variance will likely vary by manufacturer and game type.

Inquiry #6-

Proposed MICS:

On-line HHR Metering Systems

5. For each gaming date, accounting personnel review all meter readings for reasonableness using pre-established parameters.

Question:

I wanted to know if the reasonableness or the pre-established parameters had a definite value, or if our partners in HHR machines would know exactly what this meant, and have that all sorted out.

Response:

The terminal provider should establish pre-estimated parameters for determining reasonableness.

Surveillance Standards

Inquiry #7-

Proposed Surveillance Standard:

Table Games

1. Each table game offered within a gaming room must be monitored by dedicated cameras that provide coverage of:
 - c. A separate, dedicated camera positioned to view the playing surface, including chips and currency inserted into the drop box opening, and the number and denominations of all chips and lammer buttons in the chip tray, and any additions or removals of chips or lammers to or from the chip tray.

Roulette

All roulette areas shall have 1 overhead dedicated camera covering the roulette wheel and 1 dedicated camera covering the play of the table.

Question:

The language implied that each table game must have two cameras on them, and each Roulette table must have two cameras. Currently, we have one camera on each table, and with its zoom function, it's more than capable of covering the table, dropbox and chips. For roulette, one camera can show the entire playing surface, and cover the roulette wheel as well.

Response:

The standard does require two cameras; however, if the game room can demonstrate that the purpose of the second camera can be satisfied with a single camera, the game room may request a waiver of the rule in accordance with Lot 200.

Inquiry #8-

Proposed Surveillance Standard:

Cage and Vault

3. The cage or vault area in which fills and credits are transacted must be monitored by a dedicated camera or motion-activated dedicated camera that provides coverage with sufficient clarity to identify chip values and the amounts on the fill and credit slips. Controls provided by a computerized fill and credit system will be deemed an adequate alternative to viewing the fill and credit slips.

Question:

This is the only instance of the phrase 'motion-activated camera' being used, that I can find. As this would be acceptable for the most sensitive area of the room, could we switch to motion activated systems for our tables? This would save us significant memory storage space, as currently, all our table games are set to continuously record during the hours we're open, and record terabytes of blank data, as tables are empty.

Response:

As noted above (see response in #7), if the game room can demonstrate that they can meet the intent of the rule in a different way, the game room may request a waiver of the requirement. In this case, the game room will want to maintain surveillance coverage of the area of the table to ensure that illicit activities are captured when the table specific cameras are not activated.