

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

PUBLIC NOTICE

**Rule 4.2 Licensing of Technology Providers;
Rule 6.34 & 6.35 Agents: Duties;
Rule 7.16.2 Game Requirements**

PROPOSED

The Delaware Lottery Office proposes to amend the Video Lottery Regulations. The Lottery's proposed amendments are: 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 VLEU. The proposed amendments are issued pursuant to 29 **Del.C.** §4805(a) and 29 **Del.C.** §10115. The Lottery will accept written comments on the proposed amendments to the Video Lottery Regulations from December 1, 2004 through December 30, 2004. The Lottery will hold a public hearing on the proposed amendments to the Video Lottery Regulations on December 21, 2004 at 10:00 a.m. at the Delaware State Lottery Office, 1575 McKee Road, Suite 102, Dover, DE 19904-1903. Written comments or requests for copies of the proposed Regulation amendments should be submitted to Don Johnson at the Delaware Lottery Office.

4.0 Licensing of Technology Providers

4.1 As deemed necessary, the Director shall give public notice of the agency's intent to select technology providers of video lottery machines through a request for proposal and qualifications by advertising in a newspaper of general circulation in Delaware and in a prominent trade publication requesting expressions of interest to serve as a technology provider. The licensing of a technology provider shall not serve as the basis of requiring the Director to select the technology provider under the procurement procedures set forth in Chapter 69 of Title 29 of the **Delaware Code**.

4.2 Each person desiring to obtain a license from the agency as a technology provider shall submit a license application on a form specified and supplied by the agency. Any person or entity, including video lottery manufacturers, who proposes to contract with a video lottery agent or the Lottery for the provision of goods or services, including management services, related to video lottery operations, must obtain a technology provider license pursuant to these Video Lottery Regulations. The license application shall, among other things:

4.2.1 Give notice that the applicant may be required to submit to a background investigation, the cost of which must be borne by the applicant.

4.2.2 Require the applicant to supply specified information and documents related to the applicant's fitness and the background of its owners, partners, directors, officers, key employees, and video lottery operations employees, including but not limited to copies of financial statements, tax returns, insurance policies, and lists of creditors.

4.2.3 Require the applicant to disclose the identity of all customers to whom it has furnished video games or other gambling equipment or technology within the three years immediately preceding the date of the application.

4.2.4 Require the applicant to list all persons with whom the applicant has a communications protocol agreement.

4.2.5 Require the applicant to disclose whether the applicant, or any of its present or former officers, directors, owners, partners, key employees, or video lottery operations employees, is or has been the subject of an investigation in another jurisdiction, the nature of the investigation, and the outcome, if any, of such investigation.

4.2.6 Provide a description of the means by which the applicant exercises security and financial control over the activities of service technicians in order to insure the integrity of video lottery operations.

4.2.7 Require the applicant to disclose its legal name, form or entity (e.g., general or limited partnership, corporation), the names, addresses, social security numbers and dates of birth of its directors, officers, partners,

owners, key employees and video lottery operations employees.

4.2.8 Require the applicant to disclose the names and addresses of individuals who have been authorized by the applicant to engage in dealings with the agency for purposes of representing the interests of the applicant.

4.2.9 Require the applicant to enclose copies of its audited financial statements for the preceding three (3) fiscal years and a copy of internally prepared financial statements for the current fiscal year or at the close of the most recent fiscal quarter.

4.2.10 Require the applicant to provide a description of its engineering and software development resources, technical support capabilities and ability to manufacture and deliver the video lottery machines.

4.2.11 Require persons who are proposing to contract with the agency or a video lottery agent to provide a copy of their contract proposal.

4.3 Upon request, the applicant shall supplement the information provided in the application form as deemed necessary by the Director.

4.4 To the extent, if any, that the information in the application or the supplemental information provided by the applicant becomes inaccurate or incomplete, the applicant shall so notify the agency in writing as soon as it is aware that the information is inaccurate or incomplete, and shall at that time supply the information necessary to make the application or supplementary information accurate and complete.

4.5 The applicant shall cooperate fully with the agency and the Delaware State Police VLEU in any background investigation of the applicant.

4.6 The applicant, upon request of the agency or the Delaware State Police VLEU, shall make any and all of its books and records available for inspection by the agency or the Delaware State Police VLEU. Provided, however, that any information obtained pursuant to this subsection shall, to the extent provided by law, be held in confidence and not subject to the Delaware Freedom of Information Act.

4.7 As soon as the agency has determined that the application form is complete and that the applicant is otherwise qualified, it shall forward the same to the Delaware State Police VLEU which shall conduct as soon as practicable a background investigation of the applicant, its officers, partners, owners, directors, key employees, and video lottery operations employees and report its findings to the agency.

4.8 Notwithstanding any other provision contained herein to the contrary, the Director may determine, upon review of the licensing standards of another state, that such standards are so comprehensive, thorough, and provide similar adequate safeguards, that the license of an applicant in such other state precludes the necessity of a full application and background check. In such case, the Director shall require a limited application and background check, as determined by the Director in his sole discretion, as are necessary to assure that the applicant is fit for the license and does not pose a threat to the public interest of the State or to the reputation of or effective regulation of the video lottery.

4.9 In evaluating applications, the Director shall consider:

4.9.1 Whether the applicant has demonstrated an ability to interface its technical capabilities with the selected central system and that it has the resources, experience and ability necessary to manufacture, deliver, install and service such number of video lottery machines as it may be required to supply under a contract with an agent.

4.9.2 Any past conduct of the applicant, or any of its present or former officers, directors, partners, owners, key employees, or video lottery operations employees which may adversely reflect upon the applicant, the nature of the conduct, the time that has passed since the conduct, the frequency of the conduct and any extenuating circumstances that affect or reduce the impact of the conduct or otherwise reflect upon the applicant's fitness for the license. No license shall be issued to any applicant if any of the persons identified in this subsection have been convicted, within ten years prior to the filing of the application, of any felony, a crime of moral turpitude or a crime involving gambling.

4.9.3 Any findings provided by the State Police following its background investigation.

4.9.4 The extent, if any, to which the applicant has failed to comply with any applicable tax laws of the Federal, State or local governments.

4.9.5 The association of the applicant, or any of its officers, directors, owners, partners, key employees, or video lottery operations employees with persons of known criminal background or persons of disreputable character, that may adversely affect the general credibility, security, integrity, honesty, fairness or reputation of video lottery operations.

4.9.6 Any other information supplied in connection with the application, including substantially similar background investigations performed by other agencies or jurisdictions, which relates to the applicant's competence, financial capability, honesty, integrity, reputation, habits, or associations.

4.9.7 The degree to which the applicant has supplied accurate and complete information pursuant to the requirements of these regulations.

4.10 A license shall not be issued to a technology provider if the applicant technology provider has any direct or indirect financial interest in an agent licensee or the real or personal property of an agent licensee.

4.11 A license shall be issued to the applicant if the Director is satisfied, upon consideration of the factors specified in subsection 4.9, that the applicant would be a fit technology provider and not pose a threat to the public interest, the reputation of the lottery or to the effective control of the lottery.

4.12 An applicant for a technology provider's license shall, prior to issuance of the license, post a bond or irrevocable letter of credit in a manner and in an amount established by the agency. Any such bond shall be issued by a surety company authorized to transact business in Delaware and said company shall be approved by the State Insurance Commissioner as to solvency and responsibility.

4.13 The agency, with the assistance of the VLEU, may require licensed technology providers to annually update information submitted with their initial license application.

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

3 DE Reg. 1082 (2/1/00)

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

6.0 Agents: Duties

The following duties are required of all licensed agents:

6.1 Provide a secure location for the placement, operation, and play of all licensed video lottery machines located on the licensed agent's premises.

6.2 Permit no person to tamper with or interfere with the approved operation of any licensed video lottery machine without prior written approval of the agency and the VLEU, unless otherwise directed by the Lottery.

6.3 Assure that telephone lines from the agency's central computer to the licensed video lottery machines located on the licensed agent's premises are at all times connected, and prevent any person from tampering or interfering with the continuous operation of the lines.

6.4 With respect to video lottery operations, contract only with officers, directors, owners, partners, key employees, and suppliers of video lottery equipment and paraphernalia authorized by the agency to participate in video lottery operations within the State of Delaware.

6.5 Ensure that licensed video lottery machines are placed and remain as placed unless the agency authorizes their movement within the sight and control of the agent or a designated employee, through physical presence and by the use of surveillance cameras at all times.

6.6 Ensure that licensed video lottery machines are placed and remain as placed in the specific area of the premises as approved by the lottery. The initial placement and any subsequent relocation of any video lottery machine requires the prior written approval of the agency and the VLEU.

6.7 Monitor video lottery machine play and prevent access to or play by persons who are under the age of twenty-one (21) years or who are intoxicated, or whom the agent has reason to believe are intoxicated, and prohibit play by persons who are barred by law or self-barrred from playing any video lottery machine.

6.8 Commit no violations of the laws of this State concerning the sale, dispensing, and consumption on the premises of alcoholic beverages that result in suspension or revocation of an alcoholic beverage license.

6.9 Maintain at all times sufficient change and cash in denominations accepted by the video machines located in the premises.

6.10 Exercise caution and good judgment in extending credit for video lottery machine play, and comply with all applicable federal and state laws.

6.11 Exercise caution and good judgment in providing cash for checks presented for video lottery machine play. The agent shall also ensure that any contractor who performs check cashing services for the agent also exercises caution and good judgment in providing cash for checks under this regulation.

6.12 Report promptly all video lottery machine malfunctions to the appropriate technology provider and agency and notify the agency of any technology provider failure to provide service and repair of such terminals and associated equipment.

6.13 Conduct agency approved advertising and promotional activities related to video lottery operations.

6.14 Install, post and display prominently at locations within or about the premises signs, redemption information and other promotional material as may be required by the agency.

6.15 Conduct video lottery operations only during those hours established and approved by the Director or designee.

6.16 Assume responsibility for the proper and timely payment to players of credits or tokens awarded.

6.17 Prohibit the possession, use or control of gambling paraphernalia on the premises not directly related to

the lottery or horse racing or harness horse racing and prohibit illegal gambling on the premises.

6.18 Reserved

6.19 Attend all meetings, seminars, and training sessions required by the agency.

6.20 Supervise its employees and their activities to ensure compliance with these rules.

6.21 Assume responsibility for the proper and immediate redemption of all credits; however, no credits may be redeemed by a person under twenty-one (21) years of age, and no credits submitted for redemption beyond the one year time limit will be redeemed. No credits or prizes may be redeemed by any person illegally on the agent's premises or persons who have requested that they be self-banned from the agent's premises.

6.22 Provide dedicated power and a proper video lottery machine environment in accordance with the specifications of the agency. The agent shall permit no person to completely shut off power to an operational video lottery machine without the prior approval of the agency.

6.23 Furnish to the Director complete information pertaining to any change in ownership of the agent or the owner of the premises or beneficial owner (other than a change in ownership by an owner of less than twenty (20) percent of the issued and outstanding capital stock of the agent or premises owner if such stock is publicly traded).

6.24 Promptly report to the lottery any violation or any facts or circumstances that may result in a violation of State or Federal law and/or any rules or regulations pursuant thereto, excluding violations concerning motor vehicle laws.

6.25 Conduct video lottery operations in a manner that does not pose a threat to the public health, safety, or welfare of the citizens of Delaware, or reflect adversely on the security or integrity of the lottery.

6.26 Hold the Director, the State of Delaware, and employees thereof harmless from and defend and pay for the defense of any and all claims which may be asserted against the Director, the State or the employees thereof, arising from the participation in the video lottery system, except claims arising from the negligence or willful misconduct of the Director, the State or the employees thereof.

6.27 Maintain all required records.

6.28 Provide at the request of the Director or the VLEU immediate access to the premises and to all records related to any aspect of these regulations, including without limitation the duties imposed by these regulations.

6.29 Keep current on all payments, tax obligations and other obligations to the agency and other licensees with whom video lottery business is conducted. The agent shall pay the players and transfer the net proceeds to the State lottery fund in conformity with the requirements set forth in these regulations and 29 **Del. C.** chapter 48.

6.30 Ensure that there are no automated teller machines (ATMs) within twenty-five (25) feet of any video lottery machine on the premises.

6.31 Locate all video lottery machines within the viewing range of closed circuit television cameras at all times, including both normal business hours and those periods when video lottery operations are closed. The presence of these cameras is to ensure the integrity of the lottery, the video lottery operations, and the safety of the patrons. Surveillance tapes will be maintained by the agent according to a schedule established by the Director and the VLEU. The installation of any new closed circuit television or repositioning of any CCTV cameras or new surveillance system must be reviewed and approved by the Director and the VLEU before placed in to operation.

6.32 Comply with such other requirements as shall be specified by the Director. The agent shall submit to the Director a description of its system of internal procedures and administrative and accounting controls which shall conform to the rules and regulations of the agency and be otherwise satisfactory to the Director in his or her sole discretion.

6.33 Provide, on a continuing basis, to the Director the names and addresses of all employees who are involved in the daily operation of the video lottery machines. These employees will include individuals or their supervisors involved with (1) the security of the video lottery machines, (2) the handling or transporting of proceeds from the video lottery machines, or (3) positions that provide direct access to video lottery machines. It shall be the continuing duty of the video lottery agent licensee to provide for the bonding of any of the above-mentioned employees to ensure against financial loss resulting from wrongful acts on their parts. Likewise, the agent shall post a bond or irrevocable letter of credit in a manner and in an amount established by the agency. Any such bonds shall be issued by a surety company authorized to transact business in Delaware and said company shall be approved by the State Insurance Commissioner as to solvency and responsibility.

6.34 (1) Notify the Director on a continuing basis of any change in officers, partners, directors, key employees, video lottery operations employees, and owners. The video lottery agent shall provide this information to

the Lottery and the VLEU on a weekly basis. Such persons will also be subject to a background investigation. The failure of any of the above-mentioned persons to satisfy a background investigation may constitute "cause" for the suspension or revocation of the video lottery agent's license, provided that an agent is first given a reasonable opportunity to remove or replace such person if the agent was unaware of such "cause" prior to the background investigation. The agent must supply the VLEU with the completed License Application Form ("LAF") and fingerprint cards for each employee before the employee begins employment. Agent employees required to be licensed by the Delaware Lottery laws, 29 Del.C. chapter 48, and these Regulations must have been successfully completed and been issued a valid license under section 14.0 of these Regulations prior to commencement of employment.

(2) The agent must notify the VLEU of the transfer of any employee within the agent's organization on a weekly basis. The Lottery and the VLEU will determine if a new or updated LAF must be submitted for the transferred employee.

(3) The agent must notify the Lottery and the VLEU of the termination of any employee and the reason for the termination on a weekly basis.

(4) The agent must submit to the Lottery and the VLEU on a weekly basis the names of all new employees who will work on the video lottery premises. All employees who do not meet the definition of key employees or video lottery operations employees must file a completed LAF with the VLEU within seven (7) days of commencement of employment.

(5) The agent must obtain advance approval before any temporary employee, consultant, or contractor will be permitted access to secure locations. Any such temporary employee, consultant, or contractor must submit a Request for Temporary Work Approval Form to the VLEU at least forty-eight (48) hours prior to the date of assignment. Any such temporary employee, consultant, or contractor must also submit a license application pursuant to Regulation 14.0 and must be employed by a licensed technology provider. Any vendor who proposes to contract with a video lottery agent or the Lottery for the provision of goods or services, including management services, related to the video lottery operations, must obtain a technology provider license pursuant to Video Lottery Regulation 4.0. The Lottery will consider secure areas to include, but not be limited to, access to the inside of a video lottery machine, surveillance rooms, cash vaults, and cash booths.

6.35 As soon as it is known to the agent, file with the Director a copy of any current or proposed agreement and disclose to the Director any other relationship between the agent, its parents, subsidiaries, related entities, partners, owners, directors, officers or key employees for the sale, lease, maintenance, repair or other assignment of the agent's premises, or any other relationship of any vendor, manufacturer or other person who stands to benefit financially from the possession or use of video lottery machines by such agent. The agent shall file with the Director for approval every contract in excess of ~~\$1,000~~ \$50,000 which pertains to the agent's video lottery operations. The agent shall notify the Director of any contract with an entity that is subject to the license requirements for vendors or technology providers under 29 Del.C. §4805(b)(17) and Chapter 4 of these Regulations.

6.36 Comply with the applicable requirements contained in Title 3, §10048 and §10148 and Title 28, §427 of the Delaware Code. The agent shall file an annual report, due January 15th of each year, which provides sufficient information for the Director to determine whether the agent has satisfied the requirements of this provision.

6.37. Comply with the provisions of the business plans as approved and amended.

6.38. Comply on a continuing basis with the requirements for obtaining or retaining a license under the provisions of these regulations and 29 Del.C. Chapter 48.

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

3 DE Reg. 1083 (2/1/00)

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

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

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 five (5) business days forty-eight (48) hours after the ~~day~~ the 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. 842 (12/01/04)