

**AMENDED AGENDA**  
**(amended items in bold)**  
KANSAS RACING AND GAMING COMMISSION  
10:00 am, Thursday, February 17, 2011

AUDITORIUM B  
Dwight D. Eisenhower State Office Building  
700 SW Harrison, Suite 460  
Topeka, Kansas

A. CALL TO ORDER

B. APPROVAL OF AGENDA

C. APPROVAL OF MINUTES

1. [Minutes of January 14, 2011](#)

D. CONSENT AGENDA

*Items listed on the consent agenda are routine in nature. If requested by a commissioner, an item may be removed from the Consent Agenda and placed under Commission Items for further discussion and consideration.*

1. Approvals and revocations for certain lottery facility games and related components
  - a. [GLI approvals/revocations](#)
2. Internal control amendment approvals
  - a. [Boot Hill Casino and Resort internal control amendment approvals](#)
3. License renewals
  - a. Virgil Croxell (GTECH) Level 2
  - b. William Davis (GTECH) Level 2
  - c. Kathy Lynn Pfannenstiel (GTECH) Level 2
  - d. Stephanie Conde (Boot Hill) Level 3
  - e. Carlo Marin (Spielo) Level 3
4. Disciplinary Review Board's settlement agreements in Matters 2010-004 and 2010-005
  - a. [Staff Memo](#)

E. KANSAS LOTTERY COMMISSION REPORT

F. LOTTERY GAMING FACILITY REPORTS/ITEMS

1. Boot Hill Casino and Resort
  - a. [January 2011 Gaming Revenue Report](#)
2. Hollywood Casino at Kansas Speedway
  - a. [January 2011 Progress Report](#)
3. Kansas Star Casino

G. COMMISSION ITEMS

1. Semi-Annual Activity Report of Inspections and Investigations of Bingo Operations  
*Commission Action:* Commission review and discussion  
*Staff Presentation:* Patsy Congrove, Director of Charitable Bingo  
*Staff Recommendation:* Acknowledge receipt of report
  - a. [Staff Memo](#)
  - b. [ABC Activity Report](#)
2. KHA Reimbursement from Kansas Bred Program  
*Commission Action:* Commission review and discussion  
*Staff Presentation:* Neysa Thomas, Interim Executive Director  
*Staff Recommendation:* Staff recommends approval
  - a. [Staff Memo](#)
  - b. [KHA Letter](#)
  - c. [Kansas Bred Registry Income and Cash Flow](#)
3. Final Approval of "Wave Five" KRGC Gaming Regulation Changes  
*Commission Action:* Roll call vote to approve this set of regulations  
*Staff Presentation:* Patrick Martin, Assistant Attorney General  
*Staff Recommendation:* Staff recommends approval
  - a. [Staff Memo](#)
  - b. [Appendix of Amended Regulations](#)
  - c. [Double-stamped Regulations](#)
4. Presentation of Annual Report for the year 2010  
*Commission Action:* Review and approval  
*Staff Presentation:* Don Cawby, Director of Administration  
*Staff Recommendation:* Staff recommends approval
  - a. [Staff Memo](#)
  - b. [2010 Annual Report](#)
  - c. [State Gaming Agency Supplement to the Annual Report](#)

H. PUBLIC COMMENTS

I. STAFF REPORTS

1. Interim Executive Director
2. Responsible Gambling Coordinator
  - a. [Voluntary Exclusion Report](#)
  - b. [Problem Gambling Fact Sheet](#)
3. Director of Administration
  - a. [Commission Calendar](#)

J. EXECUTIVE SESSIONS

*The Commission conducts executive sessions in accordance with the Kansas Open Meetings Act and all discussions are limited to the specified purposes listed in K.S.A. 75-4319. The Commission utilizes executive sessions to consult with the Commission's attorney, to discuss personnel matters, to protect the confidentiality of necessarily closed information, and to protect the integrity of gaming and finances.*

1. Attorney-client communications
2. Background reports

K. OTHER BUSINESS/FURTHER COMMISSION ACTION

1. Consideration of proposed gaming licenses
  - a. ShuffleMaster employees:
    - i. Michael Boley Level 2
    - ii. John Brassfield Level 2
    - iii. Brian Finton Level 2
    - iv. Gregory Walser Level 2
  - b. Konami employee:
    - i. Paul Vick Level 2
  - c. WMS Employee
    - i. Joseph Lewis Level 2
  - d. Penn National employee:
    - i. Steven Snyder Level 1
  - e. Spielo/GTECH employee:
    - i. Serge Allah Level 2
    - ii. Christopher Hawk Level 3
  - f. Bowe Bell & Howell employee:
    - i. Bryan Phipps Level 2
  - g. Butler National employee:
    - i. Sharon Stroburg Level 1

- h. KRGK employees:
  - i. Holly Anderson Level 1
  - ii. Corbin Spellman Level 1
- i. Boot Hill Casino and Resort employees:
  - i. Stacy Bush Level 2
  - ii. Emma Cecil Level 2
  - iii. Christopher Conrardy Level 2
  - iv. Jessica Dominguez Level 2
  - v. Sheena Gingrich Level 2
  - vi. Kathy Konrade Level 2
  - vii. Larry Lemaster Level 2
  - viii. Souk Luangchia Level 2
  - ix. Terry Lucas Level 2
  - x. James Myers Level 2
  - xi. Dominique Owens Level 2
  - xii. Jimmy Parks Level 2
  - xiii. Raymond Ritchey Level 2
  - xiv. Kayla Schriener Level 2
  - xv. Renata Troncoso Level 2
  - xvi. Ricardo Correa Level 3
  - xvii. Leonardo Garcia Level 3
  - xviii. Sandra Ventura Level 3

L. ADJOURNMENT

## KANSAS RACING AND GAMING COMMISSION

### MINUTES – JANUARY 14, 2011

- CALL TO ORDER:  
(A.)
- Chair Falstad called the January 14, 2011, meeting to order at 10:03 am at 700 SW Harrison, Auditorium A, Suite 450, Topeka, Kansas. Commissioners Falstad, Braun, Sader, Schwan, and McKechnie were all present at the meeting. Others present included Interim Executive Director Neysa Thomas; Assistant Attorney General Patrick Martin; Deputy Director of Security Don Brownlee; Deputy Director of Audit/Electronic Security Charles LaBoy; Deputy Director of Administration Don Cawby; Recording Secretary Linda Pendarvis and other staff.
- COMMENTS FROM CHAIR:
- Chair Falstad thanked Commissioner Carol Sader for her years of service as chair of the commission. He announced that Governor Brownback has asked Neysa Thomas to serve as interim executive director effective immediately.
- MOTION, APPROVE AGENDA:  
(B.)
- Commissioner Sader (McKechnie) moved to approve the agenda. Motion passed unanimously.
- MOTION, APPROVE DECEMBER 17, 2010, MEETING MINUTES:  
(C.)
- Commissioner Braun (Schwan) moved to approve the minutes of the December 17, 2010, commission meeting as submitted. Motion passed unanimously.
- MOTION, APPROVE CONSENT AGENDA:  
(D.)
- Commissioner Schwan (Sader) moved to approve the consent agenda as submitted, taking into consideration correction of a typo on page 2 as clarified by Mr. LaBoy. Motion passed unanimously.
- KANSAS LOTTERY COMMISSION REPORT:  
(E.)
- The commission heard Keith Kocher, director of gaming facilities for the Kansas Lottery, report on the current status of casinos. Mr. Kocher noted that:
- The deadline for applications in the Southeast Gaming Zone expires January 20, 2011. The Lottery has not received any contacts about that zone recently.
  - Construction continues on the Hollywood Casino in Kansas City.
  - The Boot Hill Casino and Resort had a financially successful first year.
- LOTTERY GAMING FACILITY REPORTS/ITEMS:  
(F.1.)
- Mark Kashuda, general manager of the Boot Hill Casino and Resort, reported that:
- Boot Hill exceeded December's planned revenues by about 8%.

LOTTERY GAMING  
FACILITY  
REPORTS/ITEMS:  
(F.2.)

Marty Naumann, General Manager for Hollywood Casino at the Kansas Speedway, reported:

- The monthly construction report from Turner Construction progress.

PRESENTATION,  
LOTTERY GAMING  
FACILITY MANAGEMENT  
CONTRACT FOR  
PENINSULA GAMING  
PARTNERS, LLC:  
(G.1.)

Mr. Kocher highlighted the major points of the lottery gaming facility management contract between Peninsula Gaming Partners, LLC and the Kansas Lottery, including:

- The official commencement date for the 15 year term of the contract begins with the day games are first offered.
- The casino will be built near Exit 33 on the Kansas Turnpike.
- Peninsula will construct an interim facility within thirteen months of the contract's final approval by the commission.
- The contract includes increasing percentages for state revenue based on gross gaming amounts.
- The contract includes a scholarship fund.

INTRODUCTION OF,  
PENINSULA GAMING  
PARTNERS, LLC:  
(G.2.)

Mr. Brent Stevens, Chairman and CEO of Peninsula Gaming Partners, LLC reviewed the company's history, its business philosophy, and plans for the Kansas Star Casino and Resort.

PUBLIC COMMENTS:  
(H.)

Chair Falstad called for public comments and the following people spoke in these represented capacities:

- Rep. Vince Wetta, Sumner County resident
- Roger King, IBEW Electrical Workers Local #271
- John Shepherd, Plumbers and Pipefitters Local #441
- Charles Morgan, Manager at Carson Bank
- Bruce Christiansen, real estate developer and investor
- Janis Hellard, director of the Sumner County Economic Development Commission
- Gary Yager, president of Vision Bank Topeka
- Dr. Shelly Steadman, Mulvane resident
- Gerald Johnson, Kansas Horsemen's Association
- Paul Sutherland, Sumner County resident
- Kyle Steadman, Mulvane resident
- Nancy Mottola, Mulvane resident
- Jeri Myers, director of Mulvane senior center
- Bill Sims, vice president of operations for McPherson Contractors
- Dave Heinemann, Stand Up for Kansas
- Diana Friend, Kansas Quarter Horse Association
- Joan Storck, resident of Salem Township Sedgwick County

STAFF REPORT, THOMAS:  
(I.1.)

The commission heard a staff report from Ms. Thomas:

- Ms. Thomas recognized the service of Jay Hall over the past

three years and announced that he has accepted a position with Legislative Research.

RESPONSIBLE  
GAMBLING REPORT,  
SPIKER:  
(I.2.)

The commission heard a responsible gambling report from Carol Spiker, Director of the Office of Responsible Gambling, who reported that:

- Voluntary exclusion data in Kansas to date generally follows national trends.
- The state's responsible gambling Helpline provides important trending data, with recent increased activity in certain counties.

STAFF REPORT, CAWBY:  
(I.3.)

The commission heard a staff report from Mr. Cawby.

- Tentative meeting dates for the remainder of this calendar year are on the commission calendar.
- The agency has not received any substantive budget recommendations.

MOTION, EXECUTIVE  
SESSION:  
(J.1.)

Commissioner Sader (Braun) moved that the commission adjourn into executive session for a period of 45 minutes from 11:15 am to 12:00 pm for the purpose of receiving confidential information on the background of Peninsula Gaming Partners, LLC and its key employees. Those included in the executive session were the commission, Ms. Thomas, Mr. Martin, Mr. Brownlee, and security staff. No action is to be taken in executive session and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 12:00 pm with all members present as previously noted.

MOTION, EXECUTIVE  
SESSION:  
(J.1.)

Commissioner Sader (Schwan) moved that the commission re-adjourn into executive session for a period of one hour and 15 minutes from 12:00 pm until 1:15 pm for the purpose of continuing with the confidential background information on Peninsula Gaming Partners, LLC and its key employees, with additional time for attorney client communication. Those included in the first part of the executive session were the commission, Ms. Thomas, Mr. Martin, Mr. Brownlee, and security staff, with Mr. Brownlee and security staff leaving for the attorney-client communications matters. The executive session would proceed into attorney client communication with those previously noted minus the security staff. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be

maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE:

The commission meeting reconvened at 1:15 pm with all members present as previously noted.

MOTION, APPROVE  
BACKGROUND REPORTS:  
(K.1.)

Commissioner Braun (Sader) moved to approve the backgrounds for:

- a. Michael Luzich Level 1
- b. Natalie Schramm Level 1
- c. Elizabeth Tranchina Level 1
- d. Andrew Whittaker Level 1
- e. Terrance Oliver Level 3

Motion passed unanimously.

MOTION, APPROVE  
BACKGROUND REPORTS:  
(K.1.)

Commissioner Braun (Sader) moved to approve the backgrounds for:

- a. Martin Stevens Level 1
- b. Jonathan Swain Level 1

Motion passed on a vote of 4-1, with Commissioner Schwan dissenting.

MOTION, APPROVE  
BACKGROUND REPORT:  
(K.1.)

Commissioner Braun (Sader) moved to approve the background of Peninsula Gaming Partners, LLC. Motion passed unanimously.

MOTION, APPROVE  
CONTRACT:  
(K.1.)

Commissioner Braun (Sader) moved to approve the lottery gaming facility management contract between Peninsula Gaming Partners, LLC and the Kansas Lottery. Motion passed on a vote of 4-1, with Commissioner Schwan dissenting.

MOTION, EXECUTIVE  
SESSION:  
(K.2.)

Commissioner Schwan (Sader) moved to adjourn into executive session for a period of 45 minutes from 1:20 pm until 2:05 pm for the purpose of receiving confidential background information related to license applicants. Those included in the executive session were the commission, Ms. Thomas, Mr. Martin, and Mr. Brownlee. No action is to be taken in executive session, and the subjects discussed are to be limited as previously described. A full record of this motion is to be maintained as a part of the permanent record of the Kansas Racing and Gaming Commission. At the conclusion of the executive session, the meeting is to be continued in open session. Motion passed unanimously.

RECONVENE: The commission meeting reconvened at 2:09 pm with all members present as previously noted.

MOTION, TABLE  
BACKGROUND  
APPROVAL:

(K.2.)

Commissioner Braun (Sader) moved to table approval of the background of:

- i. Sonthsada Marshall Level 2

Motion passed unanimously.

MOTION, APPROVE  
LICENSES:

(K.2.A. and B.)

Commissioner Braun (Schwan) moved to approve the following backgrounds, certificates or licenses:

A. Aristocrat Technologies, Inc. employee:

- i. Kent Kreidler Level 2

B. Boot Hill Casino and Resort employees:

- i. Jessica McNiece Level 1
- ii. Michelle Stephens Level 1
- iii. Kayla Anderson Level 2
- iv. Eric Brandstetter Level 2
- i. Scott Campbell Level 2
- ii. Lincoln Hamilton Level 2
- iii. Kyle Hinrichs Level 2
- iv. Martiza Marquez Level 2
- v. Amanda Nufer Level 2
- vi. Ricardo Sanchez Level 2
- vii. Andrew Schneider Level 2
- viii. Saline Sisavatdy Level 2
- ix. Samath Tun Level 2
- x. Gregory Wachter Level 2
- xi. Hugo Zammarron Level 2
- xii. Susana Aguirre Level 3
- xiii. Daisy Beatriz Level 3
- xiv. Brenna Hernandez Level 3
- xv. Margarita Medina Level 3
- xvi. Robert Monarco Level 3
- xvii. Megan Neubauer Level 3
- xviii. Angelica Ortega Level 3
- xix. Eva Ramirez Level 3
- xx. Lanette Resor Level 3

Motion passed unanimously.

MOTION TO CLARIFY  
EARLIER MOTION:

Commissioner Braun (Sader) moved to clarify his earlier motions related to Peninsula Gaming Partners, LLC to ensure that the company's name was recited correctly. Motion passed unanimously.

MOTION, NEW  
COMMISSION  
SECRETARY:

Commissioner Sader (Braun) moved that Commissioner Barry Schwan be made the secretary of the commission. Motion passed unanimously.

ADJOURN:

Commissioner Schwan (Braun) moved to adjourn at 2:12 pm. Motion passed unanimously.

SUBMITTED BY:

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Barry L. Schwan  
Secretary

APPROVED BY:

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William Falstad  
Chair



## Lottery Facility Game Approvals and Revocations

February 17, 2011

Recommended for Approval					
	Manufacturer	File Number	ID Number	Version	Game Name
1	ARISTOCRAT	MO-22-ARI-10-89	1.05-60965	RFX GEN7	Mad Scatter
2	ARISTOCRAT	MO-22-ARI-10-97	1.02-60967	RFX GEN7	Through the Looking Glass
3	ARISTOCRAT	MO-22-ARI-10-104	3.12.1-1.02.0	RFX GEN7	N/A
4	ARISTOCRAT	SY-22ARI-09-08	Aristocrat.OASIS.Bus	1.1.0.6	N/A
5	ARISTOCRAT	SY-22ARI-09-08	Aristocrat.OASIS.Bus	2.1.0.1	N/A
6	ARISTOCRAT	SY-22ARI-09-08	Aristocrat.OASIS.Pre	2.1.0.1	N/A
7	ARISTOCRAT	SY-22ARI-09-08	MeterCopmarison.exe	11.6.1.1	N/A
8	ARISTOCRAT	SY-22ARI-09-08	Aristocrat Technolog	1.0.0.3	N/A
9	BALLY	MO-22-BAL-10-18	AVBBP26SIMP07	7	Bios
10	BALLY	MO-22-BAL-10-18	AVOS00000336-09	9	Operating System
11	IGT	MO-22-IGT-10-320	GT014-004-00701-04	AVP INSTALL	AVP Stepper/REELdepth
12	IGT	MO-22-IGT-10-320	TYPE014-004-00701-04	AVP TYPE PKG	AVP Stepper/REELdepth
13	IGT	MO-22-IGT-10-328	HARDWARE	75832800W	PCB,CAB CONT CONN,G20 V2 ASSY
14	IGT	MO-22-IGT-10-328	HARDWARE	911005XX	ASSEMBLY,PCB,CAB CONTROLLER,G20 V2
15	IGT	MO-22-IGT-10-316	HARDWARE	N/A	PCB.
16	KONAMI GAMING INC.	MO-73-KON-10-35	TDSS101G12	GAME PROGRAM	Diamond Solitaire Deluxe Tiki Tiki Adventure
17	KONAMI GAMING INC.	MO-73-KON-10-35	TDSS101G12	GAME PROGRAM	Diamond Solitaire Deluxe Tiki Tiki Adventure
18	KONAMI GAMING INC.	MO-73-KON-10-35	TDSS101G12-CF	SOUND/GRAPHICS	Diamond Solitaire Deluxe Tiki Tiki Adventure
19	KONAMI GAMING INC.	MO-22-KON-10-14	HARDWARE	N/A	N/A
20	KONAMI GAMING INC.	MO-22-KON-10-14	iVIZION-100(USA)-SS\	1.38-01	N/A
21	SDS	SY-73-SDS-10-05	iView 3 Hardware	212159 REV. C	N/A
22	SDS	SY-73-SDS-10-25	DMGlass.hex	IDMTS01000F1201_2	N/A
23	SDS	SY-73-SDS-10-27	\Apps	IIVWX01000A1211_7	N/A
24	SDS	SY-73-SDS-10-27	\Apps	IIVWX01000A1211_7	N/A
25	SDS	SY-73-SDS-10-27	\Apps	IIVWX01000A1211_7	N/A
26	SDS	SY-73-SDS-10-15	DMVerify.exe	1	N/A
27	SDS	SY-73-SDS-10-29	iView Display Manager	2.1	N/A
28	WESTERN MONEY	MO-73-WEM-10-03	66B310198220	3.10/2.20	N/A
29	WMS	MO-77-WMS-10-11	DA50-000-1020D1	1020 H13.21	Fairy's Fortune
30	WMS	MO-22-WMS-10-218	DA48-000-1020D1	1020 H13.21	WINTER WOLF
31	WMS	MO-122-WMS-10-08	DD70-000-1010D1	1010 H13.21	Dragon's Fire

<b>Manufacturer</b>	<b>File Number</b>	<b>ID Number</b>	<b>Version</b>	<b>Game Name</b>	
<b>32</b>	WMS	MO-22-WMS-10-226	DD86-000-1010C2	1010 H13.21	RECORD JACKPOTS
<b>33</b>	WMS	MO-22-WMS-10-239	DD82-000-1020D0	1020 H13.21	GORILLA CHIEF
<b>34</b>	WMS	MO-22-WMS-10-241	DD84-000-1030D0	1030 H13.21	DRAGON'S REALM
<b>35</b>	WMS	MO-22-WMS-10-242	DD88-000-1020C2	1020 H13.21	MORE MORE MORE
<b>36</b>	WMS	M)-22-WMS-11-01	DD69-000-1020D1	1020 H13.21	BUFFALO SPIRIT
<b>37</b>	WMS	MO-22-WMS-10-225	DD89-000-1010C2	1010	Chili Pepper Party
<b>38</b>	WMS	MO-253-WMS-10-03	HARDWARE	75219	N/A
<b>39</b>	WMS	MO-22-WMS-10-243	DD83-000-1030D0	1030	Great Eagle II
<b>40</b>	WMS	MO-22-WMS-10-252	DD53-000-1030C2	1030	Queen of the Wild
<b>41</b>	WMS	MO-22-WMS-10-250	DD54-000-1030C2	1030	Vampire's Embrace

### Recommend Revocation

<b>Manufacturer</b>	<b>File Number</b>	<b>ID Number</b>	<b>Version</b>	<b>Game Name</b>
<b>1</b>	KON	MO-07-KON-09-21	JSFV100G12	JACKPOT SAFARI: FREE GAME HUNT replace by 6 April 2011
<b>2</b>	KON	MO-07-KON-09-70	JSFV101G12	JACKPOT SAFARI: FREE GAME HUNT replace by 6 April 2011



**Kansas Racing and Gaming Commission**  
700 SW Harrison, Suite 500, Topeka, Kansas 66603  
(785) 296-5800, Fax (785) 296-0900

## **Boot Hill Casino and Resort Internal Control Amendments**

*February 17, 2011*

<u>Item # / (Description)</u>	<u>Regulation/IC Reference</u>	<u>Staff Recommendation</u>
BH133 (Promo Activities)	112-108-19(a)(2)	Approval
BH137 (Count & Drop)	112-104-18	Approval
BH148 (Intoxicated Person)	810.090	Approval
BH149 (Shuffling)	112-108-6	Approval
BH150 (Issuing Comps)	112-104-9	Approval
BH151 (Emergency Drop)	112-108-47	Approval
BH152 (Prenumbered Forms)	112-104-4	Approval
BH153 (Statistical Report)	112-108-51	Approval
BH154 (Player Rewards)	260.020.	Approval
BH155 (Purchasing)	112-102-24	Approval
BH156 (IT)	112-107-20(b)	Approval



**Kansas Racing and Gaming Commission**  
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## **STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** February 17, 2011

**AGENDA ITEM:** **Disciplinary Review Board Settlement in Matter Nos. 2010-004 and -005**

**PRESENTER:** None – Consent Agenda

**ISSUE SUMMARY:** Pursuant to K.A.R. 112-114-1 *et seq.*, the KRGC disciplinary review board considered potential violations of gaming regulations by the Boot Hill Casino and Resort. One alleged violation concerned performance of emergency money collection procedures. The other concerned access and changes to computer system software. The disciplinary review board and Boot Hill Casino and Resort successfully resolved the matters, and discharged both matters through settlement agreements.

**COMMISSION ACTION REQUIRED/REQUESTED:** Ratification of the disciplinary review board's settlement agreement with Boot Hill Casino and Resort.

**STAFF RECOMMENDATIONS:** Staff recommends approval of settlement agreement



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**BOOT HILL CASINO & RESORT**

**Lottery Gaming Facility Revenue\***

January 31, 2011

	January 2011	YTD 2011	Fiscal YTD 2011
Electronic gaming machines	2,773,962.89	2,773,962.89	18,834,238.61
Table games	<u>570,000.00</u>	<u>570,000.00</u>	<u>3,623,671.88</u>
Total Lottery Gaming Facility Revenue	<u>3,343,962.89</u>	<u>3,343,962.89</u>	<u>22,457,910.49</u>
State Share 22%	735,671.84	735,671.84	4,940,740.31
Local Share 3%	100,318.89	100,318.89	673,737.31
Problem Gambling Share 2%	66,879.26	66,879.26	449,158.21
Casino Share 73%	2,441,092.91	2,441,092.91	16,394,274.66

\*as reported by the Kansas Lottery's central computer system



# HOLLYWOOD *Casino*<sup>®</sup>

***AT KANSAS SPEEDWAY***<sup>®</sup>

## **Turner**

**Summary Monthly  
Progress Report  
January 2011**

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  - LBE/MBE/WBE Report

## **Executive Summary—January 2011**

- BP#1 (Mass Excavation/Grading) continued this month, with material fill at the north fill zone and backfill of the Service Level. MSE wall adjacent to the Garage was completed this month.
- BP #2 (Site & Off Site Water and Gas) - On Site water main is 100% complete. Water main tie-in from site to Service Level began at the end of the month.
- BP #3 (BPU Ductbank and Site Communication) - The final section of electrical ductbank to the building transformers was approved by BPU. Installation of the final ductbank section was underway at the end of January.
- BP#4 (Casino Foundations) - The foundations and slab on grade for the Central Plant were completed this month. Grade beams and footing pads at Casino Level were 90% complete. The final Casino Level elevated deck pour over Service Level were made at the end of January.
- BP#5 (Elevators/Escalators) - Equipment is in factory fabrication.
- BP#6 (Off Site Grading and Storm Sewer) - Rock and rip-rap liner in the drainage ditch adjacent to Village West Parkway as weather permitted.
- BP#8A (Mechanical & Plumbing) - Service Level overhead rough-in continued this month. Underground rough-in completed at the Central Plant. Casino Level underground rough-in continued this month. Rough-in within the elevated deck over Service Level completed this month.
- BP#9A (Electrical Work) - Underground rough-in completed at the Central Plant this month. Overhead rough-in at the Service Level continued this month. Underground rough-in at Casino Level began this month.
- BP#10 (Structural Steel) - Steel shop drawings and engineered submittals/fabrication continue to be expedited. Steel erection completed this month at Casino Level, over Service Level. Casino Level structural steel and roof joists/deck continued erection this month.
- BP#16 (Garage Precast) - Garage precast panel integral color was approved this month. Garage structural precast fabrication continued this month. Spandrel panel fabrication began this month.
- BP#17 (Masonry) - Masonry block installation at the main electrical room completed this month. CMU installation began at the Service Level north wall and Central Plant this month.
- BP#18 (Fireproofing) - Fireproofing of structural steel over Service Level was 50% complete.
- BP#21 (Metal Studs/Drywall) - Layout of Service Level walls and installation of stud wall top track continued. Installation of Service Level stud walls also began.

# Field Status Report

**AS OF JANUARY 31, 2011**

## **Work Completed During the Past 30 Calendar Days**

### **Casino**

- Concrete foundations continued this month at Casino Level.
- Concrete slab on grade completed this month at Central Plant.
- Concrete slab on deck over Service Level completed this month.
- Basement wall backfill continued this month.
- Underground plumbing rough-in continued this month.
- Underground electrical rough-in continued this month.
- Structural steel erection continued this month.
- Masonry block continued this month.
- Service Level framing continued this month.
- Service Level fireproofing started this month.
- Service Level overhead MEP work started this month.
- Completed TPO roofing work at Main Electrical room this month.
- Elevator cylinders were set in place this month.

### **Garage**

- Underground M/E/P rough-in completed this month.

### **Site Work**

- MSE Wall work completed this month.
- Private water line testing started this month.

### **Offsite**

- Rip-rap along Village West Parkway continued this month.
- BPU water line testing completed this month.

# Field Status Report

**AS OF JANUARY 31, 2011**

## Work Scheduled for the Next 30 Calendar Days

### **Casino**

- Continue concrete foundations work.
- Continue Service Level foundation wall backfill.
- Continue underground plumbing rough-in work.
- Continue underground electrical rough-in work.
- Begin concrete slab on grade pours.
- Continue structural steel erection.
- Continue masonry block work.
- Continue Service Level framing work.
- Continue Service Level fireproofing work.
- Continue Service Level MEP overhead work.
- Continue elevator cylinder install work.
- Continue Service Level drywall work.
- Begin Casino Level exterior wall framing work.
- Start electrical equipment installation work.
- Set roof joists and deck at Central Plant.
- Start TPO roofing at Central Plant.

### **Garage**

- Complete M/E/P underground rough-in backfilling.
- Start precast panel delivery to site.

### **Site Work**

- Continue private water line testing and tie-ins.

### **Offsite**

- Continue Village West Parkway drainage rip-rap work.

Activity ID	Description	Original Duration	Early Start	Early Finish
+OWNER ITEMS				
+DESIGN ITEMS				
+PERMIT ITEMS				
+SITE				
+PARKING GARAGE				
+CASINO STRUCTURE				
+SERVICE LEVEL				
+CASINO ENVELOPE				
CASINO INTERIORS				
+CASINO MAIN FLOOR				
+BUFFET				
+FINAL CUT STEAKHOUSE				
+3 MEAL				
+CASH CAGE AREA				
+VIP HIGH ROLLERS				
+RETAIL & COFFEE				
+WALK UP BAR				
+POKER ROOM				
+MAIN KITCHEN				
+SPORTS BAR				

Start date 02NOV08  
 Finish date 28FEB12  
 Data date 31DEC10  
 Run date 11JAN11  
 Page number 1A

**TCCo (12/31/10) UPDATE**  
**Hollywood Casino At Kansas Speedway**

© Primavera Systems, Inc.



# Weekly Status Report for Week Ending 1/7/11



- Prefabricated Service Level bathroom equipment delivered.



- Service Level fireproofing began in Electrical Room 0139.



- Roof joists complete from grid lines 18-14 and F-P.



- Sequence 7 steel being set from grid lines 10-5 and F to C.



- Central Plant rough-in for slab pour on 1/7/11.



- Main Electrical Room masonry complete 1/7/11.



- Slab on deck pour #3 from grid lines 10-5 and L-F.
- Slab on grade pour at Central Plant

## **Work Scheduled for Week Starting 1/10/11**

- Continue Service Level fireproofing.
- Continue Service Level wall layout from grid lines 14-5 and L-F.
- Continue sequence 7 steel erection.
- Set roof joists in the Main Electrical room.
- Start masonry work on the Central Plant.
- Start slab on grade prep from grid lines 17.2-13 and F-A.3.
- Backfill along L line and continue Casino Level footings at grid lines N & P.
- Continue Garage electrical rough-in.

**\*\*Week of 1/10/11 dependent on pending winter weather**

# Weekly Status Report for Week Ending 1/14/11



- Start installing masonry block along grid line 5/South wall of Central Plant.



- Frame Electrical Room 0096.



- Start installing metal studs along grid line L.

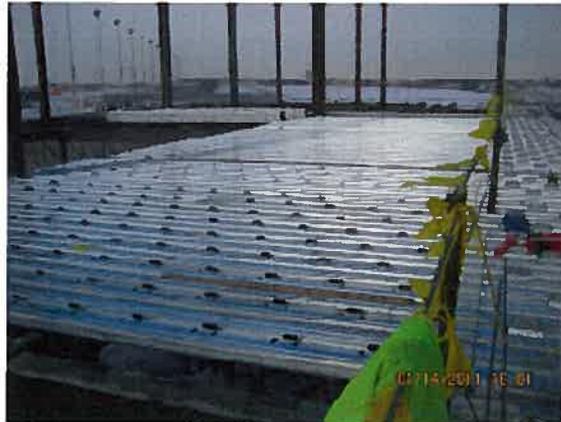
\*All work is subject to weather conditions.



- Install Penthouse steel.



- Install roof joists between grid lines 14 & 9.3.



- Start installing metal deck from grid lines F-E and 10-5.

\*All work is subject to weather conditions.



- Start installing MEP trapeze hangers in the Service Level.

## **Work Scheduled for Week Starting 1/17/11**

- Continue Service Level fireproofing.
- Continue metal stud top track installation in the Service Level.
- Continue sequence 7 steel erection (NW).
- Continue installing roof joists from grid lines 14 to 5.
- Set roof joists/deck at Main Electrical room.
- Continue installing MEP trapeze hangers.
- Continue masonry work on the Central Plant.
- Continue underground MEP rough-in from grid lines 17.2-13 and F-A.3.
- Continue Casino Level footings along grid lines N & P.
- Continue Garage underground rough-in.

\*All work is subject to weather conditions.

# Weekly Status Report for Week Ending 1/21/11



- Set steel and roof joists for sequence #7 (NW).



- Final slab on deck pour completed on 1/28/11.



- Trash chute masonry installed.

\*All work is subject to weather conditions.



- Service Level framing work continued at South end.



- Central Plant scaffolding enclosed and CMU work is in progress.



- Main Electrical Room TPO roof completed on 1/26/11.

\*All work is subject to weather conditions.



- Service Level fireproofing completed from 18-7 line.

## Work Scheduled for Week Starting 1/24/11

- Continue steel erection on sequence #4 & #6.
- Continue installing roof joists from grid lines 10 to 5.
- Start MEP rough-in for slab on grade pour from grid lines 17-14/A.3-F.
- Pour slab on grade from grid lines 17-14/A.3-F on 2/4/11 (pending weather).
- Continue Service Level fireproofing from grid lines 9-5.
- Continue metal stud installation in the Service Level.
- Continue installing MEP trapeze hangers on Service Level.
- Continue mechanical and plumbing overhead rough-in on Service Level.
- Start electrical overhead rough-in on Service Level.
- Continue masonry work on the Central Plant.
- Start masonry work along 5 & 6 line.
- Continue underground MEP rough-in from grid lines 14-5 and L-P.

\*All work is subject to weather conditions.

# Weekly Status Report for Week Ending 1/28/11



- Set steel and roof joists for sequence #7 (NW).



- Final slab on deck pour completed on 1/28/11.



- Trash chute glazed block installed.

\*All work is subject to weather conditions.



- Service Level framing work continued at South end.



- Central Plant scaffolding enclosed and CMU work is in progress.



- Main Electrical Room TPO roofing completed on 1/26/11.

\*All work is subject to weather conditions.



- Service Level fireproofing completed from 18-7 line.



- Overhead MEP work continued from grid lines 16-10.

\*All work is subject to weather conditions.

## Work Scheduled for Week Starting 1/31/11

- Continue steel erection on sequence #4 & #6.
- Continue installing roof joists from grid lines 10 to 5.
- Start MEP rough-in for slab on grade pour from grid lines 17-14/A.3-F.
- Pour slab on grade from grid lines 17-14/A.3-F on 2/4/11 (pending weather).
- Continue Service Level fireproofing from grid lines 9-5.
- Continue metal stud installation in the Service Level.
- Continue installing MEP trapeze hangers on Service Level.
- Continue mechanical and plumbing overhead rough-in on Service Level.
- Start electrical overhead rough-in on Service Level.
- Continue masonry work on the Central Plant.
- Start remaining masonry work along 5 & 6 line (NW).
- Continue underground MEP rough-in from grid lines 14-5 and L-P.
- Start escalator pit excavation and foundation.

\*All work is subject to weather conditions.

**HOLLYWOOD**  
*Casino*  
**AT KANSAS SPEEDWAY**

## Progress Photo #1

- Photo #1— Deck pour #3
- Date taken: 1/7/11



**HOLLYWOOD**  
*Casino*  
**AT KANSAS SPEEDWAY**

## Progress Photo #2

- Photo #2— Prefab Service Level
- Date taken: 1/7/11



## Progress Photo #3

- Photo #3— Penthouse Steel erection
- Date taken: 1/13/11



**HOLLYWOOD**  
*Casino*  
**AT KANSAS SPEEDWAY**

## Progress Photo #4

- Photo #4— Sequence #7 Steel erection and Sports Bar area
- Date taken: 1/28/11



**HOLLYWOOD**  
*Casino*  
**AT KANSAS SPEEDWAY**

## Progress Photo #5

- Photo #5— View of Casino steel erection from the south
- Date taken: 1/28/11



**HOLLYWOOD**  
*Casino*  
**AT KANSAS SPEEDWAY**

## Progress Photo #6

- Photo #6— Aerial view of temporary weather protection at Central Plant CMU installation
- Date taken: 1/28/11



**HOLLYWOOD**  
*Casino*  
**AT KANSAS SPEEDWAY**

## Progress Photo #7

- Photo #7— Aerial view of Casino
- Date taken: 1/28/11



## **Design—Document Status**

**The following casino revision documents have been issued in the month of January:**

1. None.

The following work remains to be completed:

1. Final architectural detailing of the revised façade at Sports Bar.
2. Interior design of front-of-house (casino, restaurants, other public spaces).
3. Mechanical systems front-of-house distribution.
4. Lighting design for all front-of-house areas.
5. Electrical systems front-of-house distribution.
6. Audio-visual systems design and associated infrastructure.
7. Fire alarm and fire suppression systems (coordination with interior design).
8. Landscape design.
9. Graphics – branding and wayfinding.
10. Completion of Sports Bar Design, which is now on a separate schedule from the schedule for items 1-7 above.
11. Final interior construction drawings completing items 1-7 above with final M/E/P construction drawings are expected on February 3, 2011.
12. Final landscape construction drawings are expected February 17, 2011.
13. Sports Bar and associated final construction documents have been delayed from February 3, 2011 to March 28, 2011.

The following parking garage revision documents have been issued in the month of January:

1. January 7, 2011, ASI No 6. Architectural revisions to add applied stucco architectural “frame” details at shear wall segments of the garage. Later re-coded as PR No. 01-G on January 13, 2011.

In addition to the above, work is ongoing on the following:

1. Audio-visual systems design and associated infrastructure.
2. Graphics – branding and wayfinding.



**HOLLYWOOD**  
*Casino*  
**AT KANSAS SPEEDWAY**

## **Purchasing**

- Please reference attached LBE/MBE/WBE Summary Report. We are currently exceeding all LBE/MBE/WBE goals.

**Hollywood Casino at Kansas Speedway - KANSAS CITY, KS**

**LBE/MBE/WBE - UTILIZATION PLAN**

**CONSTRUCTION**

**JANUARY, 2011**

**Total dollars under contract to date: \$ 41,478,504**

	<b>Goal</b>		<b>Actual</b>
Total by Classification	15.00%	LBE	29.61%
	15.00%	MBE	22.63%
	7.00%	WBE	7.23%
	28.00%	COMBINED	59.48%



**Kansas Racing and Gaming Commission**  
700 SW Harrison, Suite 500, Topeka, Kansas 66603  
(785) 296-5800, Fax (785) 296-0900

## **STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** February 17, 2011

**AGENDA ITEM:** **Semi-annual Activity Report of Inspections and Investigations of Bingo Operations**

**PRESENTER:** Patsy Congrove, Director of Charitable Bingo

**ISSUE SUMMARY:** Kansas statute KSA 79-4715 requires the director of Alcoholic Beverage Control to submit semi-annual activity reports to the Commission concerning inspections and investigations of bingo operations in Kansas. The current report is for first six months of calendar year 2010.

**COMMISSION ACTION REQUIRED/REQUESTED:** No action needed.

**STAFF RECOMMENDATIONS:** No action needed.

**SEMI-ANNUAL REPORT OF BINGO ADMINISTRATION TO THE**  
**KANSAS RACING & GAMING COMMISSION**  
**July 1 to December 31, 2010**

**Prepared by Patsy Congrove**  
**Administrator of Charitable Gaming**  
**Kansas Department of Revenue**  
**02/09/11**

- During this period there were 16 investigations by compliance agents.
- Compliance violations include:
  - K.S.A. 79-4705 (a) On dates prescribed by the administrator, every operator shall make a return to the administrator upon forms prescribed by the administrator.  
*Organizations failed to file reports on time. Twenty five fines were issued.*
  - K.S.A. 79-4703 (f) Each registration certificate, or renewal thereof, issued under the provisions of subsection (e) shall expire at midnight on June 30 following its date of issuance.  
*Organization failed to renew license on time, conducted play and a violation was issued.*
  - K.S.A. 79-4706 (b) All persons working or assisting in conducting a call or instant bingo game must: Be a member or spouse of a member of the licensed organization conducting the bingo game or be a member or spouse of a parent or auxiliary unit or society of the licensed organization.  
*Organization reported they were using outside volunteers to conduct play. An agreement was reached with the organization the fines were abated. The licensee went on inactive status.*
  - K.A.R. 92-23-14 (b) Whenever a licensee intends to conduct bingo games on a date or at a time different from that previously furnished in writing to the secretary of revenue, the licensee shall submit written notice of the change to the bingo enforcement unit of the department of revenue at least seven days prior to the effective date of that change.  
*Both parlor and organization failed to notify the administrator of changes in play. Violations were issued to both licensees.*
  - K.S.A. 79-4703 (c) No lease which has been approved by the administrator, shall be amended, modified or renewed in any manner until such amendments, modifications or renewals of such lease has been approved by and are on file with the administrator.  
*The licensee changed the terms of the lease and failed to make proper notification. A violation was issued.*



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## **STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** February 17, 2011

**AGENDA ITEM:** **KHA Reimbursement from Kansas Bred Program**

**PRESENTER:** Neysa Thomas, Interim Executive Director

**ISSUE SUMMARY:** The Kansas Horsemen's Association (KHA) is requesting approval and reimbursement of expenses incurred for the operation of the Kansas Bred Program for November 2009 totaling \$337.50. The expenses presented for reimbursement are less than expenses incurred by the KHA in the past. Due to declining horse registrations, the KHA reduced the overhead for the Kansas Bred program.

The Commission is authorized by K.S.A. 74-8830 to "contract with and designate an official registering agency to implement the registration of horses." Funds shall be withdrawn from the Kansas Bred Program account only for maintaining and administering the program and only with the prior approval of the Commission or the Commission's executive director

**COMMISSION ACTION REQUIRED/REQUESTED:** Commission discussion, consideration and possible action on the request for reimbursement.

**STAFF RECOMMENDATIONS:** Staff recommends approval of the November 2009 expenses for the operation of the Kansas Bred Program and reimbursement of those expenses subject to availability of funds.

October 25, 2010

Ms Neysa Thomas  
Kansas Racing and Gaming Commission  
700 SW Harrison  
Topeka, Kansas

Dear Ms. Thomas,

The Kansas Horsemen's Association would like to request that the expenses for the month of November 2009 be placed before the commission for approval and reimbursement.

The amount of the expense for November 2009 is \$337.50

Sincerely,  
Garry Stwalley, President  
Kansas Horsemen's Association

UMB Bank, n.a.  
Post Office Box 419226  
Kansas City, Missouri 64141-6226



KANSAS HORSEMENS ASSOCIATION INC  
KANSAS BRED PROGRAM  
400 E 137TH  
CARBONDALE KS 66414-9387

000665

ACCOUNT NUMBER 98  
43 0032 052 8 0  
STATEMENT DATE 25  
12-31-10 PAGE 1

DIRECT WRITTEN INQUIRIES TO THE ABOVE ADDRESS. FOR PERSONAL ACCOUNTS  
YOU MAY CALL 877-860-8621, FOR COMMERCIAL ACCOUNTS, 800-860-4862

CHECKING ACCOUNT SUMMARY

PREVIOUS STATEMENT 11-30-10, BALANCE OF 501.88  
CURRENT BALANCE AS OF STATEMENT DATE 501.88  
AVERAGE COLLECTED BALANCE THIS PERIOD 501.88

When you do not have an account with us, we will credit your account for the amount you think is in error so that you will have the use of the money during your investigation. If we decide to do more than a credit, we will credit your account for the amount you think is in error so that you will have the use of the money during your investigation. If we ask you to put your complaint or question in writing and we do not receive your response within 10 business days for the amount you think is in error so that you will have the use of the money during your investigation. If we ask you to put your complaint or question in writing and we do not receive your response within 10 business days for the amount you think is in error so that you will have the use of the money during your investigation.

If we have an error or why you are unhappy, we will credit your account for the amount you think is in error so that you will have the use of the money during your investigation. If we decide to do more than a credit, we will credit your account for the amount you think is in error so that you will have the use of the money during your investigation. If we ask you to put your complaint or question in writing and we do not receive your response within 10 business days for the amount you think is in error so that you will have the use of the money during your investigation. If we ask you to put your complaint or question in writing and we do not receive your response within 10 business days for the amount you think is in error so that you will have the use of the money during your investigation.

Kansas Bred Registry  
Income and Cash Flow  
2010

Income Summary	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Total revenues	3,265.00	85.00	675.00	510.00	375.00	-	-	-	-	-	-	-	4,910.00
Total Expenses	(1.72)	(2,178.57)	(210.66)	(4,437.14)	(121.22)	(5.84)	-	-	(710.92)	(0.67)	-	-	(7,666.74)
Net Income (Loss)	3,263.28	(2,093.57)	464.34	(3,927.14)	253.78	(5.84)	-	-	(710.92)	(0.67)	-	-	(2,756.74)
Cash Flow													
KS Bred checking, beginning balance	3,268.62	6,521.90	4,428.33	4,892.67	965.53	1,219.31	1,213.47	1,213.47	1,213.47	502.55	501.88	501.88	501.88
Add: Receipts	3,265.00	85.00	675.00	510.00	375.00	-	-	-	-	-	-	-	-
Less: Distributions	(1.72)	(2,178.57)	(210.66)	(4,437.14)	(121.22)	(5.84)	-	-	(710.92)	(0.67)	-	-	-
KS Bred checking, ending balance	6,521.90	4,428.33	4,892.67	965.53	1,219.31	1,213.47	1,213.47	1,213.47	502.55	501.88	501.88	501.88	501.88

KANSAS HORSEMEN'S ASSOCIATION  
MONTHLY EXPENDITURES AND BUDGET COMPARISION  
NOVEMBER 2009

KANSAS BRED PROGRAM FUND

	MONTHLY EXPENSE	YEAR TO DATE EXPENSE	BUDGET MONTHLY	YEARTO DATE BUDGET	COMPARISON (OVER) UNDER
INSURANCE	-0-	-0-	47.67	524.37	524.37
TRAVEL	-0-	-0-	65.00	715.00	715.00
TELEPHONE	30.00	328.85	99.62	1095.82	766.97
Salary	-0-	9903.80	2145.82	23604.02	13700.22
FICA	-0-	757.60	164.15	1805.65	1048.05
TAXES	-0-	56.00	6.29	69.19	13.19
Misc	307.50	981.40	48.75	536.25	(445.15)
TOTAL	337.50	12027.65	2577.30	28350.30	16322.65
SALARY CLERICAL		-0-			
FICA		-0-			
TOTAL		-0-			

KANSAS BRED FUND STATUS

BALANCE OCT 31, 2009 1460.22  
 DEPOSITS MADE IN NOV 200.00  
 SERVICE FEE NOV ( .97 )  
 BALANCE NOV 30, 2009 1659.25

1 HORSE REGISTERED IN NOVEMBER  
 0 HORSES CERTIFIED IN NOVEMBER  
 3 HORSE PUT IN PENDING FILES IN NOVEMBER  
 YEAR TO DATE TOTALS

KS DOM MARE REGISTRATIONS

QH  
 TB 16  
 PA

KS MARE CERTIFICATIONS

QH 1  
 TB 24  
 PA

KS DOM STALLION REGISTRATIONS

QH  
 TB  
 PA  
 AP

KS STALLION CERTIFICATIONS

QH  
 TB  
 PA  
 AP

WEANLINGS QH 15 TB 6 PA APP 1  
 YEARLINGS QH 2 TB  
 2 YEAR OLD AND UP QH 2 TB 9



**Kansas Racing and Gaming Commission**  
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## **STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** February 17, 2011

**AGENDA ITEM:** **Final Approval of “wave five” KRGC Gaming Regulation Changes**

**PRESENTER:** Patrick D. Martin, Asst. A.G.

**ISSUE SUMMARY:** The commission preliminarily approved the attached wave of 35 regulation changes at its August 13, 2010 meeting. In short, those changes sought to improve existing regulations that – based on a year’s worth of implementation – needed refinement.

In the six months since preliminary approval, the regulations have been: (1) edited by the Department of Administration; (2) reviewed for legality by the Attorney General’s office; (3) commented on by the Legislative Joint Committee on Administrative Rules and Regulations; (4) commented on by members of the regulated community; (5) revised by staff; and (6) re-approved by the DOA and AG’s office. We have incorporated needed revisions from that process.

The Commission’s final approval of the revised regulations is required before the regulations can be published in the Kansas Register and become permanent.

**COMMISSION ACTION REQUIRED/REQUESTED:** Roll call vote to approve this set of regulations.

**STAFF RECOMMENDATIONS:** Staff recommends approval.



## **Appendix of Amended Regulations**

~~August 13, 2010~~ February 17, 2011

### **112-102-8 Disqualification criteria**

- Adds “interviews” to (7) for clarity
- Decreases notification requirement from 11 to 7 days – this change is consistent with other regulations

### **112-103-2 License levels**

- Rewords (b) to make the section more clear and concise, adds a catch-all section to allow the executive director to designate others for level II licensure
- ~~Requires a level II license for valets~~

### **112-103-4 Application for a license**

- Eliminates language regarding the deduction of background costs

### **112-103-5 Applicant identification**

- Reorders the list of approved identification and proof of name change methods for clarity and efficiency

### **112-103-15 License mobility; limitations**

- Shifts notification responsibility from licensee to facility manager
- Requires licensees to request commission approval prior to moving to a new facility

### **112-104-1 Definitions; internal control system**

- Adds definitions for “blind count”, “critical program storage media”, and “lottery facility game”
- Removes definitions for “gaming cashiers”, “general cashiers and window cashiers”, and “main bank cashiers”
- Modifies definitions for “Drop”, “Drop team”, “Bill validator”, “Generally accepted accounting practices and GAAP”, and “Unredeemed ticket”
- Increases internal control plan submission date from 90 to 180 days prior to opening to allow time for KRGC to review and allow facility to train employees on plan, but allows executive director to decrease deadline for good cause.
- Modifies internal control plan submission requirements

### **112-104-8 Retention, storage, and destruction of books, records, and documents**

- Adds references to “kiosk” to retention schedule

### **112-104-13 Patron deposits**

- Makes clear that a driver’s license or government issued passport are the best identifiers

### **112-104-14 Cage and main bank**

- Adds references to “main bank”
- Adds references to “gaming chips”
- Modifies requirements for doors and locks

**112-104-15 Countroom and main bank requirements**

- Adds references to “main bank”
- Modifies requirements for doors and locks
- Adds section detailing requirements of main bank

**112-104-16 Accounting controls for the cage and main bank**

- Adds references to “main bank”
- Adds accounting protocol for cashiers

**112-104-32 Unclaimed winnings**

- Makes clear that a driver’s license or government issued passport are the best identifiers
- Allows Kansas Lottery to apportion any unclaimed winnings

**112-105-1 Security department**

- Makes clear to facility security that KRGC agents may order detention of individuals

**112-105-2 Security plan**

- Increases security plan submission from 90 to 120 days prior to opening to allow time for KRGC to review and allow facility to train employees on plan

**112-105-3 Emergency operations plan**

- Adds words “or any other weapons” and criminal code reference for what those “other weapons” are

**112-106-1 Surveillance system**

- Requires surveillance system to monitor entire property, except private offices and restrooms
- Adds “exterior entrances and exits of property” to areas being monitored
- Changes “recorder” and “single unit” to “monitor”

**112-106-2 Surveillance system plan**

- Increases surveillance plan submission from 90 to 120 days prior to opening to allow time for KRGC to review and allow facility to train employees on plan
- Requires director of surveillance to submit surveillance plan

**112-106-5 Surveillance room**

- Allows any KRGC agent to give approval to enter surveillance room
- Eliminates requirement for surveillance personnel and KRGC agents to sign surveillance log

**112-106-6 Monitoring**

- Adds “ancillary areas” to areas being monitored

**112-107-3 Submission for testing and approval**

- Adds 48 hour notification requirement by manufacturer for defective or malfunctioning Lottery Facility Game

**112-107-10 Master list of approved gaming machines**

- Allows executive director to use a computer system to meet regulation requirements

**112-107-21 Progressive LFGs**

- *Allows only authorized personnel to make meter adjustments*

**112-107-22 Wide-area progressive system**

- *Allows log to be maintained electronically*

**112-110-3 Central computer system security**

- *Requires connectivity by a remote, non gaming terminal be approved by the executive director and Kansas Lottery*

**112-112-3 Responsible gambling plan**

- *Wording change to “responsible gambling” rather than “responsible gaming”*

**112-112-7 Confidentiality of the self-exclusion list**

- *Wording change to “responsible gambling” rather than “responsible gaming”*

**112-101-6. Disqualification criteria.** (a) A facility manager's certificate shall be denied or revoked by the commission if the applicant or certificate holder itself has been convicted of any felony, crime involving gambling, or crime of moral turpitude.

(b) A certificate may be denied, suspended, or revoked by the commission, and a certificate holder may be otherwise sanctioned by the commission as specified in K.A.R. 112-113-1 if the certificate holder or its officers, directors, key gaming employees, or any person directly or indirectly owning an interest of at least 0.5% in the applicant meets any of the following conditions:

- (1) Has any employees who have knowingly or negligently provided false or misleading material information to the commission or its staff;
- (2) fails to notify the commission staff about a material change in the applicant's or certificate holder's application within ~~three~~ seven days;
- (3) is delinquent in paying for the cost of regulation, oversight, or background investigations required under the act or any regulations adopted under the act;
- (4) has violated any provision of the act or any regulation adopted under the act;
- (5) has failed to meet any monetary or tax obligation to the federal government or to any state or local government;
- (6) is financially delinquent to any third party;
- (7) has failed to provide information or documentation requested in writing by the commission in a timely manner;
- (8) does not consent to or cooperate with investigations, inspections, searches, or

**ATTORNEY GENERAL**

AUG 20 2010  
APPROVED  
MF

DEPT. OF ADMINISTRATION

AUG 13 2010

G.3.c (1 of 135)  
APPROVED

having photographs and fingerprints taken for investigative purposes;

(9) has failed to meet the requirements of K.A.R. 112-101-4;

(10) has officers, directors, key gaming employees, or persons directly or indirectly owning an interest of at least 0.5% that have any present or prior activities, criminal records, reputation, habits, or associations meeting either of the following criteria:

(A) Pose a threat to the public interest or to the effective regulation of gaming; or

(B) create or enhance the dangers of unfair or illegal practices in the conduct of gaming; or

(11) has violated any contract provision with the Kansas lottery. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8751 and 74-8772; effective April 17, 2009; amended P-\_\_\_\_\_.)

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**112-102-8. Disqualification criteria.** (a) A certificate shall be denied or revoked by the commission if the applicant or certificate holder has been convicted of any felony, crime involving gambling, or crime of moral turpitude.

(b) A certificate may be denied, suspended, or revoked by the commission, and a certificate holder may be sanctioned by the commission under K.A.R. 112-113-1 if the certificate holder or its officers, directors, key gaming employees, or any person known to directly or indirectly own an interest of at least 0.5% in the applicant meets any of the following conditions:

(1) Has knowingly provided false or misleading material information through its employees to the commission or commission staff;

(2) fails to notify the commission staff about a material change in the application within ~~14~~ seven days;

(3) has violated any provision of the act or any regulation adopted under the act;

(4) has failed to meet any monetary or tax obligation to the federal government or to any state or local government;

(5) is financially delinquent to any third party;

(6) has failed to provide information or documentation requested in writing by the commission in a timely manner;

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(7) does not consent to or cooperate with investigations, interviews, inspections, searches, or having photographs and fingerprints taken for investigative purposes;

(8) has failed to meet the requirements of K.A.R. 112-102-6;

(9) has any officers, directors, key gaming employees, or any person known to directly or indirectly own an interest of at least 0.5% in the applicant that has any present or prior activities, criminal records, reputation, habits, or associations meeting either of the following criteria:

(A) Pose a threat to the public interest or to the effective regulation of gaming;

or

(B) create or enhance the dangers of unfair or illegal practices in the conduct of gaming; or

(10) has violated any contract with the Kansas lottery. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8751 and 74-8772; effective Aug. 14, 2009; amended P-\_\_\_\_\_.)

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**112-103-2. License levels.** (a) Each of the following persons who will be employed by or working for a facility manager in a position that includes the responsibility or authority specified in this subsection, regardless of job title, shall be considered key employees and shall be required to hold a current and valid temporary work permit or level I occupation license issued in accordance with the act and these regulations:

(1) Any person who has authority to perform any of the following:

(A) Hire or fire employees of a facility manager;

(B) establish working policies for a facility manager;

(C) act as the chief financial officer or have financial management responsibility for a facility manager;

(D) manage all or part of a gaming facility; or

(E) direct, control, manage, or engage in discretionary decision making over a facility manager;

(2) any person who has the authority to develop or administer policy or long-term plans or to make discretionary decisions about the management of a gaming facility or ancillary lottery gaming facility, including any of the following persons:

(A) General manager or chief executive officer;

(B) electronic gaming machine director;

(C) director of surveillance;

(D) director of security;

(E) controller;

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- (F) director of internal audit;
- (G) manager of the management information systems section or of any information system of a similar nature;
- (H) marketing department manager;
- (I) administrative operations manager;
- (J) hotel general manager; or
- (K) restaurant or bar general manager; or
- (3) any other person designated as a key employee by the executive director.

(b) Each person whose responsibilities predominantly involve the maintenance of gaming equipment or assets associated with gaming activities or the whose responsibilities predominantly involve conducting of gaming activities or equipment and the assets associated with gaming activities or who will be required to work regularly in a restricted area shall obtain a temporary work permit or a level II occupation license. Each person who will be employed by or working for a facility manager in a position that includes any of the following responsibilities shall obtain a temporary work permit or a level II occupation license:

- (1) Supervising the pit area;
- (2) functioning as a dealer or croupier;
- (3) conducting or supervising any table game;
- (4) repairing and maintaining gaming equipment, including slot machines and

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bill validators;

(5) functioning as a gaming cashier or change person;

(6) assisting in the operation of electronic gaming machines and bill validators, including any person who participates in the payment of jackpots and in the process of filling hoppers, or supervising those persons;

(7) identifying patrons for the purpose of offering them complimentaries, authorizing the complimentaries, or determining the amount of complimentaries;

(8) analyzing facility manager operations data and making recommendations to key personnel of the facility manager relating to facility manager marketing, complimentaries, gaming, special events and player ratings, and other similar items;

(9) entering data into the gaming-related computer systems or developing, maintaining, installing, or operating gaming-related computer software systems;

(10) collecting and recording patron checks and personal checks that are dishonored and returned by a bank;

(11) developing marketing programs to promote gaming in the gaming facility;

(12) processing coins, currency, chips, or cash equivalents of the facility manager;

(13) controlling or maintaining the electronic gaming machine inventory, including replacement parts, equipment, and tools used to maintain electronic gaming machines;

(14) having responsibilities associated with the installation, maintenance, or

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operation of computer hardware for the facility manager computer system;

(15) providing surveillance in a gaming facility;

(16) providing security in a gaming facility; or

(17) supervising areas, tasks, or staff within a gaming facility, ~~including any of the following:~~ or ancillary lottery gaming facility operations; or

(18) any other person designated by the executive director.

~~(A) — The surveillance investigations and operations in a facility manager;~~

~~(B) — the count room;~~

~~(C) — the facility manager shift manager;~~

~~(D) — the shift manager or supervisor of the electronic gaming machine~~

~~operation;~~

~~(E) — the repair and maintenance of the electronic gaming machines and the bill~~

~~validators;~~

~~(F) — the surveillance department during a shift;~~

~~(G) — repair or maintenance of the surveillance system equipment;~~

~~(H) — a surveillance department trainee or a surveillance room technician;~~

~~(I) — the security department;~~

~~(J) — the cage, satellite cage, and vault;~~

~~(K) — the collection unit of the facility manager;~~

~~(L) — the internal audit department; or~~

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~~(M) — the management information systems department.~~

(c) Each person who will be employed by or working for a facility manager or with an ancillary lottery gaming facility operator and who is not required under the act or these regulations to obtain a level I or level II occupation license shall obtain a temporary work permit or a level III occupation license. (Authorized by and implementing K.S.A. 2008 2009 Supp. 74-8772; effective April 17, 2009; amended P-\_\_\_\_\_.)

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112-103-4. **Application for a license.** Each applicant for a level I, level II, or level III occupation license shall submit a completed application on a commission-approved form to the human resources department of the facility manager with which the applicant seeks employment. The human resources staff shall ensure the form's completeness and shall submit the form to the commission's licensing staff, ~~along with an approval to deduct the amount of the applicant's background investigation fees and costs from the facility manager's background deposit provided to the commission.~~ (Authorized by and implementing K.S.A. 2007 2009 Supp. 74-8772; effective April 17, 2009; amended P-\_\_\_\_\_.)

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**112-103-5. Applicant identification.** (a) Each applicant shall have the responsibility to identify that person to commission staff provide identification when submitting an application by presenting one of the following:

(1) ~~A current and valid U.S. passport or certification of naturalization; or~~

(2) ~~a current identification card issued by the immigration and naturalization service (INS) containing a photograph or fingerprints and containing identification information including name, date of birth, sex, height, color of eyes, and address.~~

(b) ~~If the documents specified in subsection (a) are not available and the applicant is a student and a citizen of another country with a federal J-1 authorization, the applicant shall present a signed J-1 authorization document and a valid and current foreign passport with the United States citizenship and immigration stamp attached to the passport.~~

(c) ~~If none of the documents specified in subsection (a) or (b) are available, the applicant shall present one of the following documents:~~

(1) ~~A current and valid state issued driver's license that has a photograph on the license;~~

(2) ~~a current and valid identification card issued to persons who serve in the U.S. military or their dependents that contains a photograph or other identifying information, or both;~~

(3) ~~a current and valid school identification card containing a photograph, an expiration date, the seal or logo of the issuing institution, and the signature of the card~~

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holder;

~~(4) a current and valid identification card issued by a federal, state, or local government agency that contains a photograph and other identifying information; or~~

~~(5) a certified U.S. birth certificate.~~

~~(d) — If the applicant is not a citizen of the United States and cannot provide the documents specified in subsection (a), (b), or (c), the applicant shall provide identification showing a country identification number from the applicant's country of citizenship.~~

~~(e) — If the name on any identification document provided by an applicant is different from the name on the application form, the applicant shall provide the commission with a marriage certificate, a divorce decree, a copy of a court order granting a petition for a name change, or any other valid document to verify the applicant's use of a different name.~~

~~(f) — If the commission staff determines that there are irregularities with any documentation or type of identification presented by an applicant, the staff may require supplemental identification.~~

(1) A current and valid state-issued driver's license that has a photograph of the applicant on the license;

(2) documentation for American citizens or persons born in the United States that includes one or more of the following:

(A) A certified United States birth certificate;

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(B) a certified birth certificate from a United States territory;

(C) a current and valid United States passport or passport card;

(D) a current and valid United States military card;

(E) a certified order of adoption that is an original United States document;

(F) a certificate of naturalization with intact photo or a certificate of United States citizenship;

(G) a United States military common access card with photo, date of birth, and name and branch of service; or

(H) a United States government-issued consular report of birth abroad;

(3) documentation for persons not born in the United States or persons who are not American citizens that includes one or more of the following:

(A) A valid foreign passport with a form I-94 or valid "processed for I-551" stamp with a mandated departure date more than 60 days in the future. This shall exclude border-crossing cards;

(B) a form I-94 with refugee status;

(C) a valid form I-551 green card or alien registration; or

(D) a valid photo employment authorization issued by the United States department of justice; or

(4) documentation for proof of name change that includes one or more of the following:

(A) A certified United States marriage certificate indicating the city, county, and

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state where issued;

(B) a certified United States divorce decree containing an official signature;

(C) a certified United States court order of name change;

(D) a certified court order of adoption; or

(E) a marriage certificate from a foreign country. If the marriage certificate from a foreign county is not in English, the certificate shall be translated into English.

(b) The facility manager shall review the identification documents, ensure to the best of that person's ability the authenticity of the documents, and ensure that the applicant is legally in the United States.

(c) Each applicant shall have the responsibility to identify that person to the commission enforcement agents by submitting the applicable documents listed in this regulation, upon request. (Authorized by and implementing K.S.A. 2008 2010 Supp. 74-8772; effective April 17, 2009; amended P-\_\_\_\_\_.)

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**112-103-8. Disqualification criteria for a level I, level II, or level III license.** (a) A level I license shall be denied or revoked by the commission if the applicant or licensee is or has been convicted of any felony, crime involving gambling, or crime of moral turpitude.

(b) Any license may be denied, suspended, or revoked by the commission, and any licensee may be sanctioned by the commission if the applicant or licensee meets any of the following conditions:

- (1) Has knowingly provided false or misleading material information to the commission or its staff;
- (2) fails to notify the commission staff about a material change in the applicant's or licensee's application within ~~10~~ seven days;
- (3) has violated any provision of the act or any regulation adopted under the act;
- (4) is unqualified to perform the duties required;
- (5) has failed to meet any monetary or tax obligation to the federal government or to any state or local government;
- (6) is financially delinquent to any third party;
- (7) has failed to provide information or documentation requested in writing by the commission in a timely manner;
- (8) does not consent to or cooperate with investigations, interviews, inspections, searches, or having photographs and fingerprints taken for investigative

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purposes;

(9) has failed to meet the requirements of K.A.R. 112-103-6; or

(10) has any present or prior activities, criminal records, reputation, habits, or

associations that meet either of the following criteria:

(A) Pose a threat to the public interest or to the effective regulation of gaming;

or

(B) create or enhance the dangers of unfair or illegal practices in the conduct of gaming. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; effective April 17, 2009; amended P-\_\_\_\_\_.)

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**112-103-15. License mobility; limitations.** (a) Any licensee may work in any other position at or below that license level. If a licensee changes positions for more than one shift in a seven-day period ~~or moves to another facility~~, ~~the licensee shall notify facility manager shall request approval from~~ the commission's licensing staff about the change.

(b) If the commission's licensing staff determines that the person's license no longer reflects that person's actual position, the person shall be required to reapply for the appropriate occupation license.

(c) Each licensee who wants to work for a different lottery gaming facility shall request approval from the commission's licensing staff before commencing employment at the other lottery gaming facility. That employee shall submit an updated license application and a personal disclosure form. (Authorized by and implementing K.S.A. 2007 2010 Supp. 74-8772; effective April 17, 2009; amended P-\_\_\_\_\_.)

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**112-104-1. Definitions; internal control system.** (a) The following words and terms, when used in this article, shall have the following meanings unless the context indicates otherwise:

(1) "Accounting department" means a facility manager's internal department that is responsible for the management of the financial and accounting activities relating to electronic gaming machines being utilized on an approved gaming floor.

(2) "Asset number" means a unique number assigned to an electronic gaming machine by a facility manager for the purpose of tracking the electronic gaming machine.

(3) "Bill validator" means an electronic device designed to interface with an electronic gaming machine for the purpose of accepting and validating any combination of United States currency, gaming tickets, coupons, or other instruments authorized by the commission for incrementing credits on an electronic gaming machine.

(4) "Bill validator canister" means a mechanical or electronic device designed to interface with an electronic gaming machine for the purpose of storing any combination of United States currency, gaming tickets, coupons, or other instruments authorized by the commission for recording credits on an electronic gaming machine.

(5) "Blind count" means the counting of currency or gaming chips by a person who does not know the inventory balance.

(6) "Cash equivalents" means instruments with a value equal to United States currency or coin, including certified checks, cashier's checks, traveler's checks, money orders, gaming tickets, and coupons.

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~~(6)~~ (7) "Cashier's booth" means an area from which a cashier conducts transactions associated with gaming cashiers or window cashiers.

(7) (8) "Change person" means a person who exchanges coins, currency, and coupons with patrons.

(8) (9) "Complimentary" means any lodging, service, or item that is provided directly or indirectly to an individual at no cost or at a reduced cost and that is not generally available to the public. This term shall include lodging provided to a person at a reduced price due to the anticipated or actual gaming activities of that person. Group rates, including convention and government rates, shall be deemed generally available to the public.

(9) (10) "Count room" means a room secured by keys controlled by two separate facility manager departments with limited access, where the contents, including currency, gaming tickets, and coupons, of bill validator canisters are counted by the count team.

(10) (11) "Currency counters" ~~mean~~ means a device that counts currency and tickets.

(12) "Critical program storage media" and "CPSM" mean any media storage device that contains data, files, or programs and is determined by the commission to be capable of affecting the integrity of gaming.

(11) (13) "Drop" means the total amount of money, tickets, and coupons removed from ~~electronic gaming machines or kiosks~~ any lottery facility game or kiosk.

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~~(12)~~ (14) "Drop team" means the group of employees of a facility manager who participate in the transportation of ~~electronic gaming bill validator canisters~~ the drop.

~~(13)~~ (15) "EGM" means electronic gaming machine.

~~(14)~~ "Electronic gaming machine bill validator" means a component made up of software and hardware that accepts and reads instruments including bills, tickets, and coupons into gaming devices, including electronic gaming machines and automated gaming ticket and coupon redemption machines.

~~(15)~~ "Gaming cashiers" means the facility manager's employees who oversee an imprest fund and maintain custody of the gaming booth inventory comprising currency, coin, gaming tokens, forms, documents, and records normally associated with the function of the gaming booth.

(16) "Gaming day" means a period not to exceed 24 hours corresponding to the beginning and ending times of gaming activities for the purpose of accounting reports and determination by the central computer system of net ~~EGM~~ lottery facility game income.

(17) "Generally accepted accounting principles" and "GAAP" mean the standards, conventions, and rules that accountants in the United States follow in recording and summarizing transactions and in the preparation of financial statements. GAAP is derived from the following:

~~(A) Issuances from the public company accounting oversight board or from an authoritative body designated by the American institute of certified public accountants~~

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~~(AICPA), including the financial accounting standards board (FASB) statements, FASB-adopted accounting principles board opinions, and FASB-adopted accounting research bulletins;~~

~~(B) other AICPA and FASB issuances, including AICPA industry guides;~~

~~(C) AICPA accounting standards executive committee practice bulletins and FASB emerging issues task force pronouncements;~~

~~(D) industry practices; and~~

~~(E) accounting literature in the form of books and articles.~~

~~(18) “General cashiers” and “window cashiers” mean cashiers that conduct transactions including transactions with patrons and the main bank in the form of currency, coin, tokens, negotiable instruments, forms for patron deposits, jackpots paid, and wire transfers. General cashiers shall operate with an imprest fund obtained from the main bank. have the meaning specified in K.A.R. 74-5-2.~~

(19) ~~(18)~~ “Imprest” means the basis on which the operating funds of general cashiers and gaming cashiers are maintained. The opening and closing values shall be equal, and any difference shall result in a variance. The funds may be replenished as needed in exactly the value of the net of expenditures made from the funds for value received.

(20) ~~(19)~~ “Incompatible functions” means functions or duties that place any person or department in a position to perpetuate and conceal errors, fraudulent or otherwise.

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(20) "LFG" means lottery facility game.

(21) "Main bank" means the central location in the gaming facility where acts that include the following are performed:

(A) Transactions for recording currency, coin, tokens, cash equivalents, and negotiable instruments;

(B) preparation of bank deposits;

(C) acceptance of currency from the count room; and

(D) reconciliation of all cage transactions.

~~(22) "Main bank cashiers" means cashiers who conduct or participate in transactions normally associated with the main bank.~~

~~(23)~~ (22) "Trolley" means a wheeled apparatus used for the secured transport of electronic gaming cash storage boxes and drop boxes.

(24) ~~(23)~~ "Unclaimed winnings" means gaming winnings that are held by the facility manager as a liability to a patron until that patron is paid.

~~(25)~~ (24) "Unredeemed ticket" means a ticket issued from a gaming machine an LFG containing value in U.S. dollars that has not been presented for payment or accepted by a bill acceptor at a gaming machine and has not been marked as paid in the ticket file.

~~(26)~~ (25) "Weigh scale" means a scale that is used to weigh coins and tokens and that converts the weight to dollar values in the count process.

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(b) Each applicant for a facility manager certificate shall submit to the commission and the Kansas lottery a written plan of the applicant's initial system of administrative and accounting procedures, including its internal controls and audit protocols, at least ~~90~~ 180 days before opening a gaming facility, unless the executive director finds good cause for a shorter deadline. This plan shall be called the internal control system and shall include the following:

~~(1) Records of direct and indirect ownership in the applicant and its affiliates, intermediaries, subsidiaries, and holding companies. These records shall be available for inspection and provided in an electronic format to the commission. The records shall include the following:~~

- ~~(A) If a corporation, the following:~~
  - ~~(i) A copy of the articles of incorporation and any amendments;~~
  - ~~(ii) a copy of the bylaws and any amendments;~~
  - ~~(iii) a certificate of good standing from the state of its incorporation;~~
  - ~~(iv) a list, including names and addresses, of all current and former officers and directors;~~
  - ~~(v) a copy of minutes of all meetings of the stockholders and directors;~~
  - ~~(vi) a current list of all stockholders including the names of beneficial owners of shares held in other names;~~
  - ~~(vii) the name of any business entity and a current list of all stockholders in that entity, including the names of beneficial owners of shares held in other names, in which the corporation has a direct or indirect interest;~~

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- ~~(viii) a copy of the stock certificate ledger;~~
  - ~~(ix) a complete record of all transfers of stock;~~
  - ~~(x) a record of amounts paid to the corporation for issuance of stock and other capital contributions and the date of each payment;~~
  - ~~(xi) a record of all dividends distributed by the corporation; and~~
  - ~~(xii) a record for each year of the previous five years of all salaries, wages, and other remuneration, including perquisites, direct or indirect, paid during the calendar or fiscal year, by the corporation, to all officers, directors, and stockholders with an ownership interest at any time during the calendar or fiscal year equal to or greater than 0.5 % of the outstanding capital stock of any class of stock;~~
- ~~(B) if a partnership of any kind, the following:~~
- ~~(i) A certified copy of the partnership agreement;~~
  - ~~(ii) if applicable, a certificate of limited partnership of its domicile;~~
  - ~~(iii) a list of the current and former partners, including names, addresses, the percentage of interest in net assets, profits and losses held by each, the amount and date of each capital contribution of each partner and the date the interest was acquired;~~
  - ~~(iv) a record of all withdrawals of partnership funds or assets; and~~
  - ~~(v) a record for each year of the previous five years of salaries, wages, and other remuneration, including perquisites, direct or indirect, paid to each partner during the calendar or fiscal year; and~~
- ~~(C) for other entities, documents as requested by the executive director;~~

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- (2) Organization charts depicting segregation of functions and responsibilities;
- (3) (2) a description of the duties and responsibilities of each licensed or permitted position shown on the organization charts and the lines of authority;
- (4) (3) a detailed narrative description of the administrative and accounting procedures designed to satisfy the requirements of this article;
- (5) (4) a record retention policy in accordance with K.A.R. 112-104-8;
- (6) (5) procedures to ensure that assets are safeguarded and counted in conformance with effective count procedures;
- (7) (6) the following controls and procedures:
  - (A) Administrative controls that include the procedures and records that relate to the decision making processes leading to management's authorization of transactions;
  - (B) accounting controls that have as their primary objectives the safeguarding of assets and revenues and the reliability of financial records. The accounting controls shall be designed to provide reasonable assurance that all of the following conditions are met:
    - (i) The transactions or financial events that occur in the operation of an EGM LFG are executed in accordance with management's general and specific authorization;
    - (ii) the transactions or financial events that occur in the operation of an EGM LFG are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles, the act, and this article;

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(iii) the transactions or financial events that occur in the operation of an EGM LFG are recorded in a manner that provides reliable records, accounts and reports, including the recording of cash and evidence of indebtedness, for use in the preparation of reports to the commission related to EGMs LFGs;

(iv) the transactions or financial events that occur in the operation of an EGM LFG are recorded to permit proper and timely reporting and calculation of net EGM LFG income and fees to maintain accountability for assets;

(v) access to assets is permitted only in accordance with management's general and specific authorization; and

(vi) the recorded accountability for assets is compared with existing physical assets at reasonable intervals, and appropriate action is taken with respect to any discrepancies;

(C) procedures and controls for ensuring that all functions, duties, and responsibilities are segregated and performed in accordance with legitimate financial practices by trained personnel;

(D) procedures and controls for ensuring all applicable technical standards as adopted by the commission under article 110 are followed; and

(7) a completed internal control checklist; and

(8) any other items that the commission may require to be included in the internal controls.

(c) The internal control system shall be accompanied by the following:

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(1) An attestation by the chief executive officer or other competent person with a direct reporting relationship to the chief executive officer attesting that the officer believes in good faith that the submitted internal controls conform to the requirements of the act and this article; and

(2) an attestation by the chief financial officer or other competent person with a direct reporting relationship to the chief financial officer attesting that the officer believes in good faith that the submitted internal controls are designed to provide reasonable assurance that the financial reporting conforms to generally accepted accounting principles and complies with all applicable laws and regulations, including the act and this article.

~~(d) The internal control system shall also be accompanied by a report from an independent, registered certified public accounting firm licensed to practice in Kansas. The report shall express an opinion as to whether the submitted internal control system conforms with the requirements of this article and article 107.~~

(e) Each internal control system shall be reviewed by the commission in consultation with the Kansas lottery to determine whether the system conforms to the requirements of the act and this article and provides adequate and effective controls to ensure the integrity of the operation of ~~EGMs~~ LFGs at a gaming facility. If the commission determines that the system is deficient, a written notice of the deficiency shall be provided by the executive director to the applicant or facility manager. The applicant or facility manager shall be allowed to submit a revision to its submission.

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Each facility manager shall be prohibited from commencing gaming operations until its internal control system is approved by the commission.

~~(f)~~ (e) If a facility manager intends to update, change, or amend its internal control system, the facility manager shall submit to the commission for approval and to the Kansas lottery a written description of the change or amendment and the two original, signed certifications described in subsection (c). ~~The facility manager may implement the change or amendment on the 30th calendar day following the filing of a complete submission, unless the facility manager receives notice from the executive director under subsection (g) relating to the change or amendment.~~

~~(g) If, during the 30-day review period specified in subsection (f), the commission preliminarily determines that a procedure in a submission contains an insufficiency likely to have an adverse impact on the integrity of EGM operations or the control of net EGM income, written notice that meets the following requirements shall be given to the facility manager:~~

~~(1) Specifies the nature of the insufficiency and, when possible, an acceptable alternative procedure; and~~

~~(2) directs that the facility manager not implement any internal controls at issue until approved by the executive director.~~

~~(h) Submissions that may be determined to contain an insufficiency likely to have an adverse impact on the integrity of EGM operations or the control of net EGM income may include any of the following:~~

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~~(1) Submissions that fail to provide an audit trail sufficient to permit the review of gaming operations or the reconstruction of net EGM income transactions;~~

~~(2) submissions that fail to provide for the segregation of incompatible functions so that no employee is in a position both to commit an error or to perpetrate a fraud and to conceal the error or fraud in the normal course of the employee's duties;~~

~~(3) submissions that do not include forms or other materials referenced in the submission or required by the act or this article that are essential elements of the internal controls;~~

~~(4) submissions that would implement operations or accounting procedures not authorized by the act or this article; or~~

~~(5) submissions that are dependent upon the use of equipment or related devices or software not approved by the commission, unless the submissions are required as part of an authorized test of the equipment or related device or software.~~

~~(i) Any facility manager may submit a revised change or amendment within 30 days of receipt of the written notice of insufficiency from the commission. The facility manager may implement the revised change or amendment on the 30th calendar day following the filing of the revision, unless the facility manager receives written notice under subsection (g) relating to the change or amendment.~~

~~(j) (f) A current version of the internal control system of a facility manager shall be maintained in or made available in electronic form through secure computer access to the accounting and surveillance departments of the facility manager and the commission's~~

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on-site facilities. The facility manager shall also maintain a copy, in either paper or electronic form, of any superseded internal control procedures, along with the two certifications required to be submitted with these procedures, for at least seven years. Each page of the internal control system shall indicate the date on which the page was approved by the commission. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-104-8. Retention, storage, and destruction of books, records, and documents.**

(a) Each facility manager's internal control system shall include internal controls for retention, storage, and destruction of books, records, and documents.

(b) For the purposes of this regulation, "books, records, and documents" shall mean any book, record, or document pertaining to, prepared in, or generated by the operation of the gaming facility, including all forms, reports, accounting records, ledgers, subsidiary records, computer-generated data, internal audit records, correspondence, and personnel records required by this article to be generated and maintained by this article. This definition shall apply without regard to the medium through which the record is generated or maintained, including, paper, magnetic media, and encoded disk.

(c) The facility manager shall ensure that all original books, records, and documents pertaining to the operation of a gaming facility meet the following requirements:

(1) Are prepared and maintained in a complete, accurate, and legible form.

Electronic data shall be stored in a format that ensures readability, regardless of whether the technology or software that created or maintained the data has become obsolete;

(2) are retained at the site of the gaming facility or at another secure location approved under subsection (e);

(3) are kept available for inspection by agents of the commission and the Kansas lottery during all hours of operation;

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(4) are organized and indexed in a manner to provide accessibility upon request to agents of the commission and the Kansas lottery; and

(5) are destroyed only after expiration of the minimum retention period specified in subsection (d). However, upon the written request of a facility manager and for good cause shown, the destruction at an earlier date may be permitted by the executive director.

(d) Each facility manager shall retain the original books, records, and documents for at least seven years, with the following exceptions:

(1) Gaming tickets reported to the commission as possibly counterfeit, altered, or tampered with shall be retained for at least two years.

(2) Coupons entitling patrons to cash or EGM LFG credits, whether unused, voided, or redeemed, shall be retained for at least six months.

(3) Voided gaming tickets and gaming tickets redeemed at a location other than an EGM LFG or a kiosk shall be retained for at least six months.

(4) Gaming tickets redeemed at an EGM LFG or a kiosk shall be retained for at least 30 days.

(e) Any facility manager may request, in writing, that the executive director approve a location outside the gaming facility to store original books, records, and documents. The request shall include the following:

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

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(2) the procedures under which the commission and the Kansas lottery will be able to gain access to the original books, records, and documents retained at the off-site facility.

(f) Any facility manager may request in writing that the executive director approve an unalterable media system for the copying and storage of original books, records, and documents. The request shall include a description of the following:

(1) The processing, preservation, and maintenance methods that will be employed to ensure that the books, records, and documents are available in a format that makes them readily available for review and copying;

(2) the inspection and quality control methods that will be employed to ensure that the media, when displayed on a viewing machine or reproduced on paper, exhibit a high degree of legibility and readability;

(3) the accessibility by the commission and the Kansas lottery at the gaming facility or other location approved by the executive director and the readiness with which the books, records, or documents being stored on media can be located, read, and reproduced; and

(4) the availability of a detailed index of all stored data maintained and arranged in a manner to permit the location of any particular book, record, or document, upon request.

(g) Nothing in this regulation shall be construed as relieving a facility manager from meeting any obligation to prepare or maintain any book, record, or document

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required by any other federal, state, or local governmental body, authority, or agency.

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**112-104-13. Patron deposits.** (a) Each facility manager's internal control system shall include internal controls for the receipt and withdrawal of patron deposits. The internal controls shall be submitted to and approved by the commission according to K.A.R. 112-104-1.

(b) At the request of a patron, a facility manager may hold cash, funds accepted by means of wire transfer in accordance with K.A.R. 112-104-11, or cash equivalents accepted in accordance with K.A.R. 112-104-12 for a patron's subsequent use for gaming purposes. For the purposes of this regulation, non-cash items shall be considered converted to cash and deposited as cash for credit to the patron in a patron deposit account maintained in the cage.

(c) The internal controls developed and implemented by the facility manager under subsection (a) shall include the following:

(1) A requirement that patron deposits be accepted at the cage according to the following requirements:

(A) A file for each patron shall be prepared manually or by computer before the acceptance of a cash deposit from a patron by a gaming cashier, and the file shall include the following:

- (i) The name of the patron;
- (ii) a unique identifying number obtained from a United States government-issued photo identification card or a government-issued passport;
- (iii) the date and amount of each cash deposit initially accepted from the patron;

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(iv) the date and amount of each request accepted from the patron, as a draw against a cash deposit; and

(v) the date and amount of each cash deposit redemption;

(B) the gaming cashier accepting a deposit shall prepare a patron deposit form and other necessary documentation evidencing the receipt;

(C) patron deposit forms shall be 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 function. All original and duplicate void patron deposit forms shall be marked void and shall require the signature of the preparer;

(D) for establishments in which patron deposit forms are manually prepared, a prenumbered two-part form shall be used;

(E) for establishments in which patron deposit forms are computer-prepared, each series of patron deposit forms shall be a two-part form and shall be inserted in a printer that will simultaneously print an original and duplicate and store, in machine-readable form, all information printed on the original and duplicate. The stored data shall not be susceptible to change or removal by any personnel after preparation of a patron deposit form;

(F) on the original and duplicate of the patron deposit form, or in stored data, the gaming cashier shall record the following information:

(i) The name of the patron making the deposit;

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(ii) a unique identifying number obtained from a United States government-issued photo identification card or a government-issued passport;

(iii) the total amount being deposited;

(iv) the date of deposit;

(v) the signature of the gaming cashier or, if computer-prepared, the identification code of the gaming cashier; and

(vi) nature of the amount received, including cash, cash equivalents, wire transfer, or electronic fund transfer; and

(G) after preparation of the patron deposit form, the gaming cashier shall obtain the patron's signature on the duplicate copy and shall distribute the copies in the following manner:

(i) If an original, give a copy to the patron as evidence of the amount placed on deposit with the facility manager; and

(ii) if a duplicate copy, forward the copy along with any other necessary documentation to the main bank cashier, who shall maintain the documents;

(2) a requirement that patron deposits be withdrawn by the patron at the cage or upon receipt by the facility manager of a written request for withdrawal whose validity has been established:

(A) A patron shall be allowed to use the deposit by supplying information as required by K.A.R. 112-104-10 to verify the patron's identification:

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(i) The gaming cashier shall ascertain, from the cage, the amount of the patron deposit available and request the amount the patron wishes to use against this balance. The gaming cashier shall prepare a patron deposit withdrawal form, which shall include the signature of the patron; and

(ii) the gaming cashier shall verify the signature on the patron deposit withdrawal form with the signature on the patron deposit form and sign the patron deposit withdrawal form to indicate verification;

(B) the patron's deposit balance shall be reduced by an amount equal to that on the patron deposit withdrawal form issued at the cage;

(C) a patron may obtain a refund of any unused portion of the patron's funds on deposit by performing either of the following:

(i) Sending the facility manager a signed, written request for a refund together with a signed, original patron deposit form; or

(ii) appearing personally at the cage, requesting the refund, and returning ~~an~~ the original patron deposit form;

(D) once ~~an~~ the original patron deposit form is presented at a cage, a gaming cashier shall perform the following:

(i) Verify the unused balance with the main bank gaming cashier;

(ii) require the patron to sign the original of the patron deposit form; and

(iii) prepare necessary documentation evidencing the refund, including a patron deposit withdrawal form or any other similar document that evidences the date and shift

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of preparation, the amount refunded, the nature of the refund made, the patron's name, and the signature of the gaming cashier preparing the documentation; and

(iv) verify the patron's identity with a United States government-issued photo identification card or a government-issued passport;

(E) the gaming cashier shall forward each original patron deposit form tendered by the patron pursuant to paragraph (c)(2)(D), along with any other necessary documentation, to the main bank gaming cashier, who shall compare the patron's signature on the original patron deposit form and any attached written, signed request required by paragraph (c)(2)(A)(i) to the patron's signature on the duplicate patron deposit form and on the original patron deposit withdrawal form. The main bank gaming cashier shall sign the original patron deposit form if the signatures are in agreement, notify the gaming cashier of the results of the comparison, and maintain the original patron deposit form and the documentation supporting the signature verification; and

(F) if the patron has requested the return of the patron's original deposit, the main bank gaming cashier shall return the patron's original patron deposit form to the gaming cashier. After the main bank gaming cashier has notified the gaming cashier that the signatures contained in paragraph (c)(2)(E) are a match, the gaming cashier shall then refund the unused balance of the deposit to the patron and, if applicable, return the original patron deposit form to the patron. The gaming cashier shall maintain any necessary documentation to support the signature verification and to evidence the refund;

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(3) a requirement that the patron receive a receipt for any patron deposit accepted reflecting the total amount deposited, the date of the deposit, and the signature of the cage employee accepting the patron deposit; and

(4) procedures for verifying the identity of the patron at the time of withdrawal. Signature verification shall be accomplished in accordance with the signature verification procedures under K.A.R. 112-104-10. The facility manager shall maintain adequate documentation evidencing the patron identification process and the procedure for signature verification:

(A) A log of all patron deposits received and returned shall be prepared manually or by a computer on a daily basis by main bank gaming cashiers. The log shall include the following:

(i) The balance of the patron deposits on hand in the cage at the beginning of each shift;

(ii) for patron deposits received and refunded, the date of the patron deposit or refund, the patron deposit number, the name of the patron, and the amount of the patron deposit or refund; and

(iii) the balance of the patron deposits on hand in the cage at the end of each shift; and

(B) the balance of the patron deposits on hand in the cage at the end of each shift shall be recorded as an outstanding liability and accounted for by the main bank gaming

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**112-104-14. Cage and main bank.** (a) Each facility manager's internal control system shall include internal controls for the cage and the main bank. The internal controls shall be submitted to and approved by the commission according to K.A.R. 112-104-1. Each gaming facility shall have, adjacent to the gaming floor, a physical structure known as a cage. The cage shall house the cashiers and serve as the central location in the gaming facility for functions normally associated with the cage and the main bank, including the following:

- (1) The custody of the cage inventory comprised of cash, cash equivalents, gaming chips, and the forms, documents, and records normally associated with the functions of a cage;
  - (2) the issuance, receipt, and reconciliation of imprest funds used by gaming cashiers, parimutuel tellers, and change persons in the acceptance of currency and coupons from patrons in exchange for currency;
  - (3) the exchange of currency, coin, gaming chips, and coupons for supporting documentation;
  - (4) the responsibility for the overall reconciliation of all documentation generated by gaming cashiers, parimutuel tellers, and change persons; and
  - (5) the receipt of currency, coupons, and tickets from the count room.
- (b) The cage and the main bank shall provide maximum security for the materials housed, the employees located, and the activities performed in the cage and the main

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bank. The cage and the main bank shall meet all of the following requirements, at a minimum:

(1) The cage and the main bank shall be fully enclosed except for openings through which materials, including cash, records, and documents, can be passed to patrons, gaming cashiers, parimutuel tellers, and change persons.

(2) The cage and the main bank shall have manually triggered silent alarm systems located at the cashiers' window, vault, and in adjacent office space. The systems shall be connected directly to the monitoring room of the surveillance department and to the security department.

(3) The cage shall have a double-door entry and exit system that does not permit a person to pass through the second door until the first door is securely locked. In addition, all of the following requirements shall apply:

(A) The first door leading from the gaming floor of the double-door entry and exit system shall be controlled by the ~~security department or the~~ surveillance department through a commission-approved ~~computerized~~ electronic access system designed and administered to provide a record of each entry authorization, including the authorizing employee's name and ~~credential~~ license number and the date and time of the authorization.

(B) The second door of the double-door entry and exit system shall be controlled by the cage through a commission-approved ~~computerized~~ electronic access system designed and administered to provide a record of each entry authorization, including the

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authorizing employee's name and credential license number and the date and time of authorization.

(C) The double-door entry and exit system shall have surveillance coverage, which shall be monitored by the surveillance department.

(D) An entrance to the cage that is not a double-door entry and exit system shall be an alarmed emergency exit door only.

(4) Each door of the double-door entry and exit system shall have two separate ~~computerized keypad locks~~ commission-approved locking mechanisms. ~~The combinations to these locks shall be different from each other.~~

~~(5) Each entry on the keypad shall be maintained in a computerized log indicating the name and credential number of the employee who entered the combination and the date and time of the entry. The log shall be maintained by the security department.~~

(c) Any gaming facility may have one or more satellite cages separate and apart from the cage, established to maximize security, efficient operations, or patron convenience. The employees in a satellite cage may perform all of the functions of the employees in the cage. Each satellite cage shall be equipped with an alarm system in compliance with paragraph (b)(2). The functions that are conducted in a satellite cage shall be subject to the accounting controls applicable to a cage specified in K.A.R. 112-104-16.

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(d) Each facility manager shall maintain and make available to the commission, upon request, a detailed and current list of the name of each employee meeting either of the following conditions:

(1) Possessing the combination to the locks securing the double-door entry and exit system restricting access to the cage and the main bank, any satellite cage, and the vault; or

(2) possessing the ability to activate or deactivate alarm systems for the cage, the main bank, any satellite cage, and the vault. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-104-15. Count room and main bank requirements.** (a) Each facility manager shall have a count room and a main bank. The count room and the main bank shall be adjacent to the cage.

(b) Each count room and main bank shall meet both of the following requirements:

(1) ~~The room~~ Both rooms shall have a metal door for each entrance and exit. Each of these doors shall be equipped with an alarm device that audibly signals the surveillance department monitoring room and the security department whenever the door is opened at times other than those times for which the facility manager has provided prior notice according to K.A.R. 112-104-20.

(2) Each entrance and exit door shall be equipped with two separate computerized keypad locks, ~~the combinations to which shall be different from each other and different from the lock securing the contents of each bill validator canister~~ commission-approved locking mechanisms. The combinations shall be maintained and controlled as follows:

(A) ~~The combinations to~~ One of the computerized keypad locks commission-approved locking mechanisms shall be ~~maintained and~~ controlled by the security surveillance department.

(B) ~~The combinations to the other computerized keypad lock shall be maintained and controlled by the cage department.~~

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~~(C) Each entry on the keypad shall be maintained in a computerized log indicating the name and license number of the each employee who entered the combination count room or the main bank and the date and time of the entry. The log shall be maintained by the security department.~~

(c) The following shall be located within the count room:

(1) A table constructed of clear glass or similar material for the emptying, counting, and recording of the contents of bill validator canisters; and

(2) surveillance cameras capable of video monitoring the following:

(A) The entire count process; and

(B) the interior of the count room, including any storage cabinets or trolleys used to store bill validator canisters, and any commission-approved trolley storage area located adjacent to the count room.

(d) The following shall be located within the main bank:

(1) A vault or locking cabinets, or both, for the storage of currency and gaming chips; and

(2) surveillance cameras capable of video monitoring the following:

(A) Interior of the vault room, including unobstructed views of counting surfaces;

(B) the exchange of currency, gaming chips, and documentation through any openings; and

(3) a secure opening through which only currency, gaming chips, and documentation can be passed to gaming cashiers, parimutuel tellers, and change persons.

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**112-104-16. Accounting controls for the cage and main bank.** (a) Each facility manager's internal control system shall include internal controls for cage and main bank accounting. The internal controls shall be submitted to and approved by the commission according to K.A.R. 112-104-1. ~~The cage shall consist of a main bank, which shall provide the imprest funds to gaming cashiers, parimutuel tellers, and change persons.~~ If the facility manager elects to use a satellite cage, the same requirements shall apply.

(b) The facility manager shall provide the commission with the start and end times of each cage and main bank shift.

(c) The assets for which gaming cashiers are responsible shall be maintained on an imprest basis and protected from unauthorized access. Gaming cashiers shall lock and secure any assets that are outside of their direct physical control. ~~At the end of each shift, gaming cashiers assigned to the outgoing shift shall record on a cashier count sheet the face value of each cage inventory item counted and the total of the opening and closing cage inventories and shall reconcile the total closing inventory with the total opening inventory. Each cashier count sheet shall be signed by the preparing cashier attesting to the accuracy of the information on the sheet.~~

(1) Before redeemed tickets are transferred from a cage window to the main bank, the gaming cashier shall prepare an automated system report of the total number and value of the tickets redeemed at that window and compare that report to physical tickets being transferred to ensure that they match. Before reimbursing the cashier, the main bank cashier shall total the tickets received to verify that the dollar amount matches

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the amount on the gaming cashier's report or shall compare the tickets to the report to ensure that all tickets are present.

(2) Only tickets redeemed in the system shall be forwarded to accounting. If the online validation system ceases to function through the end of the gaming day and the cage is unable to redeem in the system any tickets received in the cage that day, these unredeemed tickets shall have the bar code manually canceled by completely filling in one space of the bar code with a black permanent marker before being forwarded to accounting to prevent subsequent automated redemption.

(3) At the end of each shift, the outgoing gaming cashier shall count all assigned assets and prepare and sign a bank count sheet listing the inventory. A reconciliation of the opening imprest amount to the closing inventory total shall be performed. Any variance shall be documented on the count sheet.

~~(4)~~ (4) The incoming gaming cashier shall verify by blind count the closing inventory and sign the count sheet in the presence of the outgoing gaming cashier, attesting to accuracy of the information recorded on the sheet. If there is no incoming gaming cashier, a gaming cashier supervisor or the most senior supervisor in the department shall verify by blind count the closing inventory and sign the count sheet in the presence of the outgoing gaming cashier, attesting to accuracy of the information recorded on the sheet. At the completion of each shift, the cashier count sheets shall be forwarded to the main bank cashier.

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(d) If an imprest bank has not been opened for use, a main bank cashier or supervisor shall count and verify the imprest bank and complete a count sheet at least once every seven days.

(e) At the opening of every shift, in addition to the imprest funds normally maintained by gaming cashiers, each facility manager shall have in the cage a reserve cash bankroll sufficient to pay winning patrons.

(f) The cage, ~~and any satellite cage,~~ and the main bank shall be physically segregated by personnel and function as follows:

(1) Gaming cashiers shall operate with individual imprest inventories of cash, and their functions shall include the following:

(A) The receipt of cash and cash equivalents from patrons in exchange for cash according to K.A.R. 112-104-12;

(B) the receipt of personal checks for gaming and non-gaming purposes from patrons in exchange for cash, subject to any limitations on amount required by the commission according to K.A.R. 112-104-10;

(C) the receipt of cash, cash equivalents, checks issued by the facility manager, annuity jackpot checks, wire transfers, and cashless fund transfers from patrons to establish a patron deposit according to K.A.R. 112-104-13;

(D) the receipt of patron deposit forms from patrons in exchange for cash according to K.A.R. 112-104-13;

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(E) the preparation of jackpot payout slips in accordance with this article regulation and K.A.R. 112-104-21;

(F) the receipt of gaming tickets from patrons or from authorized employees who received gaming tickets as gratuities, in exchange for cash; and

(G) the issuance of cash to automated bill breaker, gaming ticket, coupon redemption, and jackpot payout machines in exchange for proper documentation.

(2) The main bank cashier functions shall include the following:

(A) The receipt of cash, cash equivalents, gaming tickets, jackpot payout slips, and personal checks received for gaming and non-gaming purposes from gaming cashiers in exchange for cash;

(B) the receipt of cash from the count rooms;

(C) the receipt of personal checks accepted for gaming and non-gaming purposes from gaming cashiers for deposit;

(D) the preparation of the overall cage reconciliation and accounting records. All increases and decreases shall be supported by documentation; transactions that are processed through the main bank shall be summarized on a vault accountability form and be supported by documentation according to the following:

(i) At the end of each shift, the outgoing main bank cashier shall count the inventory and record the inventory detail and the total inventory on a vault accountability form. The main bank cashier shall also record the amount of each type of accountability transaction, the opening balance, the closing balance, and any variance between the

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counted inventory and the closing balance. If there is more than one main bank cashier working during a shift, each cashier shall participate in the incoming count and the outgoing count for that shift; and

(ii) a blind count of the inventory shall be performed by the incoming main bank cashier. The incoming main bank cashier shall sign the completed vault accountability form attesting to the accuracy of the information in the presence of the outgoing main bank cashier. If there is no incoming main bank cashier, a cage supervisor shall conduct the blind count and verification and sign the completed vault accountability form in the presence of the outgoing main bank cashier;

(E) the preparation of the daily bank deposit for cash, cash equivalents, and personal checks;

(F) the issuance, receipt, and reconciliation of imprest funds used by gaming cashiers, parimutuel tellers, and change persons;

(G) the collection of documentation that is required by these regulations to establish the segregation of functions in the cage;

(H) the responsibility for the reserve cash bankroll; and

(I) the receipt of unsecured currency and unsecured gaming tickets and preparation of related reports; and

(J) the issuance, receipt, and reconciliation of imprest funds used by any redemption kiosk, which shall be done according to the following requirements:

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(i) Redemption kiosks shall be maintained on an imprest basis on the main bank accountability form and shall be counted down and reconciled within 24 hours of adding funds to or removing funds from the redemption kiosk. In order to reconcile the redemption kiosk, all currency, tickets, and coupons remaining in the redemption kiosk shall be removed, counted, and compared to the redemption kiosk report that lists the amount of each item that should have been in the redemption kiosk. Each redemption kiosk shall be reconciled at least once every three days regardless of activity at that kiosk. If redemption kiosks are used for any other type of transaction, including providing automated teller machine functions, corresponding reports shall be printed and reconciled during the kiosk reconciliation. The internal controls shall include a record of the name of each person who performs the count and reconciliation. All kiosk counts shall be performed under dedicated surveillance coverage in the count room or main bank and shall be documented. The reconciliation of the redemption kiosk shall be documented and signed by the employee performing the reconciliation;

(ii) the main bank shall have a designated area for the preparation of currency cassettes and a designated storage area for cassettes that contain cash. Both locations shall be described in the internal controls. The designated preparation area shall have overhead, dedicated surveillance coverage. The storage area of the cassettes shall have dedicated surveillance coverage to record the storage and retrieval of currency cassettes. The storage area shall be locked when cassettes are not being removed or added to the

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area. Empty currency cassettes shall not be stored with the currency cassettes containing cash;

(iii) all currency cassettes used in kiosks shall be filled with currency by a main bank cashier. The amount of currency to be placed in the cassettes shall be counted by the main bank cashier and placed in the cassette. A prenumbered tamper-resistant seal that secures the cash in each cassette shall be immediately placed on the cassette. The type of seal shall be submitted to the commission director of security for prior approval. All cassettes that contain currency and are not immediately placed in a kiosk shall be stored in the designated storage area;

(iv) a currency cassette log shall be maintained and updated each time currency cassettes are sealed. The log shall contain the following information: date, time, seal number, cassette number, amount of currency in the cassette, denomination of currency in the cassette, and signature of the main bank cashier who prepared the cassette;

(v) each cassette shall be labeled with the required dollar denomination for that cassette and a unique cassette number. The label shall be clearly visible to surveillance during the fill process;

(vi) each individual transporting currency cassettes outside of the cage shall be escorted by security;

(vii) only cassettes properly prepared and sealed in the main bank shall be used to place currency in the redemption kiosk. A seal may be broken before the count and

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reconciliation only if there is a machine malfunction. If a seal must be broken before the redemption kiosk is reconciled due to a malfunction, the cassette shall be brought to the main bank with security escort before the seal is broken. The seal shall be broken under surveillance coverage. Once the cassette is repaired, the funds shall be recounted and resealed by the main bank cashier;

(viii) the individual who removed the seal on the cassette in order to perform the count of the cassettes shall record the seal number of all cassettes used in the kiosk since the last reconciliation on the count and reconciliation documentation;

(ix) the individual who reconciles the redemption kiosk shall not be one of the individuals who initially prepared the currency in any of the cassettes used in the kiosk since the last reconciliation; and

(x) if cassettes need to be replaced during the gaming day before the redemption kiosk is dropped and reconciled, the individual cassettes that are replaced and that still contain currency shall be locked in a storage area designated in the internal controls.

This storage area shall be separate from the storage area of filled cassettes.

(g)(1) Whenever a gaming cashier, parimutuel teller, or change person exchanges funds with the main bank cashier, the cashier shall prepare a two-part even exchange form. The form shall include the following, at a minimum:

- (A) The date of preparation;
- (B) the window location;

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(C) a designation of which items are being sent to or received from the main bank;

(D) the type of items exchanged;

(E) the total of the items being exchanged;

(F) the signature of the cashier preparing the form requesting the exchange; and

(G) the signature of the cashier completing the exchange.

(2) If the exchange is not physically between a gaming cashier, parimutuel teller, or change person and the main bank, the exchange shall be transported by a representative of the security department, who shall sign the form upon receipt of the items to be transported.

~~(h) All variances shall be recorded on a cashier variance log. If the variance exceeds \$500, the variance shall be reported to the commission within 24 hours and investigated by the facility manager. The findings of the investigation shall be forwarded to the commission. Overages and shortages per employee shall be documented on a cage or bank variance slip, which shall be signed by the responsible cashier and that person's supervisor. Each variance in excess of \$50 shall be investigated and the result of the investigation shall be documented. If there is a variance of \$500 or more, the commission agent on duty shall be informed within 24 hours. Repeated shortages by an employee totaling \$500 or more over any seven-day period shall be reported to the commission agent on duty within 24 hours.~~

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(i) All cashier's cage paperwork shall include the date, shift of preparation, and location for which the paperwork was prepared.

(j) At the end of each gaming day, the cashiers' original count-sheets bank count sheet, vault accountability form, and related documentation shall be forwarded to the accounting department for verification of agreement of the opening and closing inventories, agreement of amounts on the sheets with other forms, records, and documents required by this article, and recording transactions.

(k) Each facility manager shall establish a training program for gaming cashiers and main bank cashiers, which shall include written standard operating procedures. No cashier shall be allowed to individually perform gaming cashier duties until the cashier has completed at least 40 hours of training. No cashier shall be allowed to individually perform main bank cashier duties until the cashier has completed at least 80 hours of training.

(l) Each gaming facility employee shall clear that individual's hands in view of all persons in the immediate area and surveillance immediately after the handling of any currency or gaming chips within the cage, main bank, or count room.

(m) No employee shall be permitted to carry a pocketbook or other personal container into any cashiering area unless the container is transparent. All trash shall be placed in a transparent container or bag and inspected by security when removed from the cashiering area. (Authorized by and implementing K.S.A. 2007 2009 Supp. 74-8772; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-104-32. Unclaimed winnings.** (a) Each facility manager's internal control system shall include internal controls for unclaimed winnings. The internal controls shall be submitted to and approved by the commission according to K.A.R. 112-104-1.

(b) All winnings, whether property or cash, that are due and payable to a known patron and remain unclaimed shall be held in safekeeping for the benefit of the known patron.

(c)(1) If winnings have not been provided to a known patron, the facility manager shall prepare a winner receipt form. The form shall be a two-part, serially prenumbered form and shall contain the following:

(A) The name and address of the patron;

(B) a unique identifying number obtained from a United States government-issued photo identification card or a government-issued passport;

(C) the date and time the winning occurred; and

(D) the EGM LFG upon which the win occurred, including the following:

(i) The EGM LFG asset number;

(ii) the location; and

(iii) the winning combination.

(2) The two-part receipt form shall be distributed as follows:

(A) The preparer of the original shall send the original to the gaming cashier responsible for maintaining safekeeping balances.

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(B) The duplicate shall be presented to the winning patron, who shall be required to present the duplicate receipt before being paid the winning amount due.

(d) Each facility manager shall be required to use its best efforts to deliver the winnings to the patron. The facility manager shall maintain documentation of all efforts to provide the patron with the unclaimed winnings. Documentation shall consist of letters of correspondence or notation of telephone calls or other means of communication used in the attempt to provide the winnings to the patron.

(e) Each winning patron shall collect that patron's winnings by presenting to a gaming cashier the duplicate copy of the winner receipt form signed in the presence of the gaming cashier. The gaming cashier shall obtain the original winner receipt form from safekeeping and compare the signature on the original to the signature on the duplicate receipt form. The gaming cashier shall sign the original winner receipt form, attesting that the signatures on the original and duplicate receipt forms agree, and then distribute the winnings to the patron.

(f) The gaming cashier shall retain the original receipt form as evidence of the disbursement from the gaming cashier's funds. The duplicate receipt form shall be placed in a box for distribution to accounting by security or someone who did not participate in the transaction.

(g) Undistributed winnings of any known patron held in safekeeping for 12 months or longer shall revert to the Kansas state treasurer's office in accordance with

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unclaimed property laws after reasonable efforts to distribute the winnings to the known patron, as determined from review of the documentation maintained.

(h)(1) If the identity of any patron who wins more than \$1,200 is not known, the facility manager shall be required to make a good faith effort to learn the identity of the patron. If the identity of the patron is determined, the facility manager shall comply with subsections (b) through (g).

(2) If a patron's identity cannot be determined after 180 days from the time the patron's winnings were payable, the winnings shall ~~revert to the Kansas lottery~~ be distributed according to the formula contained in the gaming facility's management contract. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-105-1. Security department.** (a) Each facility manager shall have a security department that is responsible for the security of the gaming facility. The facility manager, through its security department, shall do the following:

- (1) Protect the people in the gaming facility;
- (2) safeguard the assets within the gaming facility;
- (3) protect the patrons, employees, and property from illegal activity;
- (4) assist with the enforcement of all applicable laws and regulations;
- (5) prevent persons who are under 21 years old from gambling or entering gaming areas;
- (6) detain any individual if a commission enforcement agent so requests or if there is reason to believe that the individual is in violation of the law or gaming regulations;
- (7) record any unusual occurrences, including suspected illegal activity;
- (8) identify and remove any person who is required to be excluded pursuant to article 111 or 112;
- (9) report security violations or suspected illegal activity to the commission security staff within 24 hours;
- (10) report to the commission's security staff, within 24 hours, any facts that the facility manager has reasonable grounds to believe indicate a violation of law, violation of the facility manager's minimum internal control standards, or violation of

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regulations committed by any facility manager, including the performance of activities different from those permitted under that person's license or certificate;

(11) notify commission security staff, within 24 hours, of all inquiries made by law enforcement officials and any inquiries made concerning the conduct of a person with a license or certificate; and

(12) establish and maintain procedures for handling the following:

- (A) Identification badges;
- (B) incident reports;
- (C) asset protection and movement on the property;
- (D) power or camera failure;
- (E) enforcement of the minimum gambling age;
- (F) firearms prohibition;
- (G) alcoholic beverage control;
- (H) disorderly or disruptive patrons;
- (I) trespassing;
- (J) eviction;
- (K) detention; and
- (L) lost or found property.

(b) No firearms shall be permitted within a gaming facility except for the following:

- (1) Kansas racing and gaming commission enforcement agents;

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- (2) law enforcement officers who are on duty and within their jurisdiction; or
- (3) trained and certified guards employed by an armored car service while on duty and working for a licensed non-gaming supplier company. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-105-2. Security plan.** (a) Each applicant for a facility manager certification shall submit a security plan to the commission ~~with its initial application or~~ at least ~~90~~ 120 days before the proposed opening of a racetrack gaming facility or lottery gaming facility. The plan shall be consistent with the applicant's contractual obligations with the Kansas lottery.

(b) A facility manager shall not commence gaming operations until its security plan has been approved by the commission.

(c) To be approved, the security plan shall include the following:

(1) An organizational chart showing all positions in the security department;

(2) a description of the duties and responsibilities of each position shown on the organizational chart;

(3) the administrative and operational policies and procedures used in the security department;

(4) a description of the training required for security personnel;

(5) a description of the location of each permanent security station;

(6) the location of each security detention area;

(7) provisions for security staffing; and

(8) the emergency operations plan required by K.A.R. 112-105-3.

(d) All amendments to the security plan shall be submitted to the commission for approval at least 30 days before the date of desired implementation. (Authorized by

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**112-105-3. Emergency operations plan.** (a) The director of security in the security department shall maintain an emergency operations plan, including evacuation procedures, to deal with the following:

- (1) The discovery or threat of an explosive device on the property;
- (2) a fire or fire alarm;
- (3) a terrorist threat directed at the property;
- (4) severe storms;
- (5) the threat or use of an unauthorized firearms firearm or any other weapon,

as described in K.S.A. 21-4201 and amendments thereto; and

(6) any other event for which the applicant determines that prior planning is reasonable.

(b) When the applicant establishes the emergency operations plan, the safety of patrons and personnel shall be the first priority.

(c) The director of security shall ensure that the commission's security staff at the facility are notified of any emergency situation at that time.

(d) All amendments to the emergency operations plan shall be submitted to the commission for approval at least 30 days before the desired date of implementation.

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**112-106-1. Surveillance system.** (a) A facility manager or applicant for a facility manager certification shall have a surveillance system before beginning gaming operations. The surveillance system shall include a digital video system capable of the following:

- (1) Instant replay;
- (2) recording by any camera in the system; and
- (3) allowing simultaneous and uninterrupted recording and playback.

(b) The surveillance system shall include a communication system capable of monitoring the gaming facility, including the security department.

(c) The surveillance system shall be connected to all facility alarm systems.

(d) The surveillance system shall be capable of monitoring the entire property, except private offices and restrooms.

(e) The surveillance system shall include the following features:

- (1) Redundant system drives;
- (2) a backup power supply capable of operating all surveillance equipment during a power outage. The backup power supply shall be tested on a monthly basis;
- (3) backup storage components that will automatically continue or resume recording in the event of failure of any single component of the system, so that the failure of any single component will not result in the loss of any data from the system; and
- (4) automatic restart if a power failure occurs.

(e) (f) The digital video system shall meet the following requirements:

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- (1) Function as a closed network;
  - (2) have its access limited to the personnel identified in the surveillance system plan;
  - (3) be equipped to ensure that any transmissions are encrypted, have a firewall at both ends, and are password-protected;
  - (4) be equipped with a failure notification system that provides an audible and visual notification of any failure in the surveillance system or the digital video recording storage system;
  - (5) record all images and audit records on a hard drive;
  - (6) be locked by the manufacturer to do the following:
    - (A) Disable the erase and reformat functions; and
    - (B) prevent access to the system data files; and
  - (7) be equipped with data encryption or watermarking so that surveillance personnel will be capable of demonstrating in a court of law that the video was not altered or manipulated in any way.
- (f) (g) The surveillance system shall include cameras dedicated to monitoring the following with sufficient clarity to identify any person:
- (1) The entrances to and exits of from the gaming facility;
  - (2) the count rooms;
  - (3) the vaults;
  - (4) the surveillance room;

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- (5) the security rooms; and
- (6) all cage areas; and
- (7) all exterior entrances to and exits from the property.

~~(g)~~ (h) The surveillance system required by this regulation shall be equipped with light-sensitive cameras with lenses of sufficient magnification to allow the operator to read information on an electronic gaming machine reel strip and credit meter and be capable of clandestine monitoring in detail and from various vantage points, including the following:

- (1) The conduct and operation of electronic gaming machines, lottery facility games, and parimutuel wagering;
- (2) the conduct and operation of the cashier's cage, satellite cashier's cages, mutuel lines, count rooms, and vault;
- (3) the collection and count of the electronic gaming bill validator canisters; and
- (4) the movement of cash and any other gaming facility assets.

~~(h)~~ (i) All cameras shall be equipped with lenses of sufficient magnification capabilities to allow the operator to clearly distinguish the value of the following:

- (1) Chips;
- (2) dice;
- (3) tokens;
- (4) playing cards;
- (5) positions on the roulette wheel; and

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(6) cash and cash equivalents.

(i) (j) The surveillance system shall provide a view of the pit areas and gaming tables capable of clearly identifying the following:

- (1) The dealers;
- (2) the patrons;
- (3) the hands of all participants in a game;
- (4) facial views of all participants in a game;
- (5) all pit personnel;
- (6) the activities of all pit personnel;
- (7) the chip trays;
- (8) the token holders;
- (9) the cash receptacles;
- (10) the tip boxes;
- (11) the dice;
- (12) the shuffle machines;
- (13) the card shoes, which are also called dealing boxes;
- (14) the playing surface of all gaming tables with sufficient clarity to determine

the following:

- (A) All wagers;
- (B) card values; and
- (C) game results; and

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(15) roulette tables, which shall be viewed by the surveillance system with color cameras.

(j) ~~(k)~~ The surveillance of the electronic gaming devices shall be capable of providing the following:

- (1) A view of all patrons;
- (2) a facial view of all patrons with sufficient clarity to allow identification of each patron;
- (3) a view of the electronic gaming device with sufficient clarity to observe the result of the game;
- (4) an overall view of the areas around the electronic gaming device;
- (5) a view of each bill validator with sufficient clarity to determine bill value and the amount of credit obtained; and
- (6) a view of the progressive games, including the incrementation of the progressive jackpot.

~~(k)~~ (l) All surveillance system display screens shall meet all of the following requirements:

- (1) Be equipped with a date and time generator synchronized to a central clock that meets the following requirements:
  - (A) Is displayed on any of the surveillance system display screens; and
  - (B) is recorded on all video pictures or digital images;
- (2) be capable of recording what is viewed by any camera in the system; and

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(3) be of a sufficient number to allow the following:

(A) Simultaneous recording and coverage as required by this article;

(B) off-line playback;

(C) duplication capabilities;

(D) single-channel ~~recorders~~ monitors in the following areas:

(i) Each entry and each exit turnstiles;

(ii) the main bank and cages;

(iii) table games; and

(iv) count rooms; and

(E) no more than four channels per ~~single-unit~~ monitor in all other areas where surveillance is required.

(~~h~~) (m) The surveillance system shall be connected to at least one video printer. Each video printer shall be capable of generating clear color copies of the images depicted on the surveillance system display screen or video recording.

(~~m~~) (n) The surveillance system shall allow audio recording in any room where the contents of bill validator canisters are counted.

(~~n~~) (o) All wiring within the surveillance system shall be tamper-resistant.

(~~o~~) (p) The surveillance system shall be linked to the commission's security office with equipment capable of monitoring or directing the view of any system camera.

(~~p~~) (q) The commission's director of security shall be notified at least 48 hours in advance of the relocation of any camera on the surveillance system's floor plan.

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**112-106-2. Surveillance system plan.** (a) Each applicant for a facility manager certification shall submit a surveillance system plan to the commission ~~with its initial application or~~ at least ~~90~~ 120 days before the proposed opening of a racetrack gaming facility or lottery gaming facility.

(b) A facility manager shall not commence gaming activities until its surveillance system plan is approved by the commission.

(c) To be approved, the surveillance system plan shall include the following:

- (1) A schematic showing the placement of all surveillance equipment;
- (2) a detailed description of the surveillance system and its equipment;
- (3) the policies and procedures for the surveillance department;
- (4) the plans for staffing as required in K.A.R. 112-106-4;
- (5) the monitoring activities for both the gaming area and adjacent areas;
- (6) the monitoring activities for a detention room; and
- (7) a list of the facility manager's personnel that may have access to the

surveillance system.

(d) All proposed changes to the surveillance system plan shall be submitted by the ~~facility manager~~ director of surveillance to the commission for approval at least 30 days before the ~~facility manager~~ director of surveillance desires to implement the changes. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-106-5. Surveillance room.** (a) Each facility manager shall have a secure surveillance room with reasonable space, as determined by the executive director, to accommodate the required equipment and operator stations.

(b) Each surveillance room shall be located out of the view of the gaming area. The entrances to the surveillance room shall be locked at all times and shall not be accessible to members of the public or non-surveillance employees of the gaming facility.

(c) Commission agents shall have unrestricted access to the surveillance room and all information received or stored by the surveillance system.

(d) Access to the surveillance room shall be limited to surveillance employees of the gaming facility and commission security employees, except that persons with a legitimate need to enter the surveillance room may do so upon receiving approval from ~~the commission's security director~~ a commission enforcement agent.

(1) Each person, other than surveillance personnel and commission enforcement agents, entering the surveillance room shall sign a surveillance room entry log.

(2) The surveillance room entry log shall meet the following requirements:

(A) Be maintained in the surveillance room by surveillance room personnel;

(B) be maintained in a book with bound numbered pages that cannot readily be removed;

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(C) be signed by each person entering the surveillance room, with each entry containing the following:

(i) The date and time of entering the surveillance room;

(ii) the entering person's name and that person's affiliation or department within the gaming facility;

(iii) the reason for entering the surveillance room; and

(iv) the date and time of exiting the surveillance room; and

(D) be retained for at least one year after the date of the last entry. The destruction of the surveillance room entry log shall be approved by the commission's director of security.

(3) The surveillance room entry log shall be made available for inspection by the commission security employees upon demand.

(e) The surveillance room shall be subject to periodic inspection by commission employees to ensure that all of the following conditions are met:

(1) All equipment is working properly.

(2) No camera views are blocked or distorted by improper lighting or obstructions.

(3) All required surveillance capabilities are in place.

(4) All required logs are current and accurate.

(5) There is sufficient staff to protect the integrity of gaming at the facility.

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(6) The surveillance room employees are not performing tasks beyond the surveillance operation. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-106-6. Monitoring.** (a) The surveillance department employees shall continuously record the transmissions from the cameras used to observe the following locations, persons, activities, and transactions:

(1) The entrances to and exits to from the following:

(A) The gaming facility;

(B) the count rooms;

(C) the vaults;

(D) the surveillance room;

(E) the security rooms; ~~and~~

(F) the cage areas; and

(G) the site of all ancillary operations;

(2) each transaction conducted at a cashiering location, whether or not that cashiering location services patrons;

(3) the main bank, vault, and satellite cages;

(4) the collection of cash storage boxes from electronic gaming machines;

(5) the count procedures conducted in the count room;

(6) any armored car collection or delivery;

(7) automated bill breaker, gaming voucher redemption, coupon redemption, and jackpot payout machines whenever the machines are opened for replenishment or other servicing; and

(8) any other areas specified in writing by the commission.

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(b) The surveillance department employees shall maintain a surveillance log of all surveillance activities in the surveillance room. The log shall be maintained in a book with bound, numbered pages that cannot be readily removed or in an electronic format with an audit function that prevents modification of information after the information has been entered into the system. The log shall contain the following, at a minimum:

- (1) The date and time of each entry;
- (2) the identity of the employee making the entry;
- (3) a summary of the activity recorded;
- (4) the location of the activity;
- (5) the location of the recorded information; and
- (6) the surveillance department's disposition of the activity.

(c) The surveillance department employees shall record by camera and log the following events when they are known to occur on the property:

- (1) Any activity by players and employees, alone or in concert, that could constitute cheating or stealing;
- (2) any activity that could otherwise be criminal;
- (3) any procedural violation by an employee;
- (4) the detention of persons;
- (5) the treatment of disorderly individuals;
- (6) emergency activities capable of being observed by the surveillance system;
- (7) the presence of persons on the involuntary exclusion list;

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- (8) the presence of persons on the self-exclusion list;
- (9) arrests and evictions;
- (10) the treatment of ill or injured patrons;
- (11) the on-site maintenance and repair of any gaming or money handling equipment; and
- (12) any jackpot winning of \$1,200 or more.

(d) Surveillance department employees shall record by camera the movement of the following on the gaming facility floor:

- (1) Cash;
- (2) cash equivalents;
- (3) tokens;
- (4) cards;
- (5) chips; or
- (6) dice.

(e) The surveillance department employees shall continuously monitor and record by camera the following:

- (1) Soft count procedures;
- (2) hard count procedures;
- (3) currency collection;
- (4) drop bucket collection; and

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(5) the removal of the daily bank deposit from the gaming facility by armored car officers. (Authorized by and implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-107-3. Submission for testing and approval.** (a) Each EGM LFG prototype and the associated equipment subject to testing and approval under this regulation shall be evaluated by the commission for the following:

- (1) Overall operational integrity and compliance with the act, this article, and the technical standards adopted by the commission under article 110;
- (2) compatibility and compliance with the central computer system; and
- (3) compatibility with any protocol specifications approved by the Kansas lottery, including the ability to communicate with the central computer system for the purpose of transmitting auditing program information, real-time information retrieval, and activation and disabling of EGMs LFGs.

(b) EGMs LFGs and associated equipment that shall be submitted for testing and commission approval include the following:

- (1) Bill validators and printers;
- (2) electronic gaming monitoring systems, to the extent that the systems interface with EGMs LFGs and related systems;
- (3) EGM LFG management systems that interface with EGMs LFGs and related systems;
- (4) player tracking systems that interface with EGMs LFGs and related systems;
- (5) progressive systems, including wide-area progressive systems;
- (6) gaming ticket systems;
- (7) external bonusing systems;

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(8) cashless funds transfer systems;

(9) machines performing gaming ticket, coupon, or jackpot payout transactions;

(10) coupon systems, to the extent the systems interface with ~~EGMs~~ LFGs and related systems; and

(11) other ~~EGM-related~~ LFG-related systems as determined by the executive director.

(c) A product submission checklist to be completed by an applicant for or holder of a gaming supplier certificate may be prescribed by the executive director.

(d) The chief engineer of the applicant for or holder of a gaming supplier certificate or the engineer in charge of the division of the gaming supplier responsible for producing the product submitted may be required by the executive director to attest that the ~~EGMs~~ LFGs and associated equipment were properly and completely tested by the gaming supplier before submission to the commission.

(e) An abbreviated testing and approval process may be utilized by the commission in accordance with the act.

(f) If a facility manager develops software or a system that is functionally equivalent to any of the electronic gaming systems specified in subsection (b), that software or system shall be subject to the testing and approval process of this article to the same extent as if the software or system were developed by a gaming supplier certificate holder. Each reference in this article to the responsibilities of a gaming supplier certificate holder shall apply to a facility manager developing software or systems subject to testing and approval under this article.

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(g) When an applicant or gaming supplier certificate holder seeks to utilize the abbreviated testing and approval process for an ~~EGM~~ LFG prototype, associated device or software, or any modification to an ~~EGM~~ LFG prototype, associated device or software, the applicant or supplier shall submit the following to the independent testing laboratory:

(1) A prototype of the equipment, device, or software accompanied by a written request for abbreviated testing and approval that identifies the jurisdiction within the United States upon which the applicant or supplier proposes that the commission rely. The applicant or supplier shall transport the equipment, device, or software at its own expense and deliver it to the offices of the independent testing laboratory;

(2) a certification executed by the chief engineer or engineer in charge of the applicant or supplier verifying that all of the following conditions are met:

(A) The prototype or modification is identical in all mechanical, electrical, and other respects to one that has been tested and approved by the testing facility operated by the jurisdiction or private testing facility on behalf of the jurisdiction;

(B) the applicant or supplier is currently certified and in good standing in the named jurisdiction, and the prototype has obtained all regulatory approvals necessary to sale or distribution in the named jurisdiction;

(C) in the engineer's opinion, the testing standards of the named jurisdiction are comprehensive and thorough and provide adequate safeguards that are similar to those required by this article; and

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(D) in the engineer's opinion, the equipment, device, or software meets the requirements of the act, this article, and the technical standards adopted by the commission under article 110, including requirements related to the central computer system;

(3) an executed copy of a product submission applicable to the submitted equipment, device, or software unless a substantially similar checklist was filed with the named jurisdiction and is included in the submission package required by paragraph (g)(4);

(4) copies of the submission package and any amendments filed with the named jurisdiction, copies of any correspondence, review letters, or approvals issued by the testing facility operated by the named jurisdiction or a private testing facility on behalf of the named jurisdiction and, if applicable, a copy of the final regulatory approval issued by the named jurisdiction;

(5) a disclosure that details any conditions or limitations placed by the named jurisdiction on the operation or placement of the equipment, device, or software at the time of approval or following approval;

(6) a complete and accurate description of the manner in which the equipment, device, or software was tested for compatibility and compliance with the central computer system and protocol specifications approved by the Kansas lottery, including the ability to communicate with the central computer system for the purpose of

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transmitting auditing program information, real-time information retrieval, and activation and disabling of ~~EGMs~~ LFGs;

(7) any hardware, software, and other equipment, including applicable technical support and maintenance, required by the independent testing laboratory to conduct the abbreviated testing and approval process required by the act, this article, and the technical standards adopted by the commission under article 110. The testing equipment and services required by this subsection shall be provided at no cost to the commission; and

(8) any additional documentation requested by the commission that is necessary to evaluate the ~~EGM~~ LFG, associated equipment, or any modification.

(h) When an applicant or a gaming supplier seeks commission approval of an ~~EGM~~ LFG, equipment, device, or software, or any modification to which the abbreviated testing process in subsection (f) is not applicable, the applicant or supplier shall submit the following to the independent testing laboratory:

(1) A prototype of the equipment, device, or software accompanied by a written request for testing and approval. The gaming supplier shall transport the equipment, device, or software at its own expense and deliver the equipment, device, or software to the offices of the commission's independent testing laboratory in accordance with instructions provided;

(2) any certifications required under this regulation;

(3) an executed copy of a current product submission checklist;

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(4) a complete and accurate description of the equipment, device, or software, accompanied by related diagrams, schematics, and specifications, together with documentation with regard to the manner in which the product was tested before its submission to the commission;

(5) any hardware, software, and other equipment, including applicable technical support and maintenance, required by the independent testing laboratory to conduct the testing and approval process required by the act, this article, and the technical standards adopted by the commission under article 110. All testing equipment and services required by this subsection shall be provided at no cost to the commission;

(6) for an EGM LFG prototype, the following additional information, which shall be provided to the commission:

(A) A copy of all operating software needed to run the EGM LFG, including data and graphics information, on electronically readable and unalterable media;

(B) a copy of all source code for programs that cannot be reasonably demonstrated to have any use other than in an EGM LFG, on electronically readable and unalterable media;

(C) a copy of all graphical images displayed on the EGM LFG, including reel strips, rules, instructions, and pay tables;

(D) an explanation of the theoretical return to the player, listing all mathematical assumptions, all steps in the formula from the first principles through the final results of

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all calculations including bonus payouts, and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy;

(E) hardware block diagrams of the major subsystems;

(F) a complete set of schematics for all subsystems;

(G) a diagram of the wiring harness connection;

(H) a technical or operator manual;

(I) a description of the security methodologies incorporated into the design of the EGM LFG including, when applicable, encryption methodology for all alterable media, auto-authentication of software, and recovery capability of the EGM LFG for power interruption;

(J) a cross reference of product meters to the required meters specified in article 110;

(K) a description of tower light functions indicating the corresponding condition;

(L) a description of each error condition and the corresponding action required to resolve the error;

(M) a description of the use and function of available electronic switch settings or configurable options;

(N) a description of the pseudo random number generator or generators used to determine the results of a wager, including a detailed explanation of operational methodology, and a description of the manner by which the pseudo random number generator and random number selection processes are impervious to outside influences,

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interference from electromagnetic, electrostatic, and radio frequencies, and influence from ancillary equipment by means of data communications. Test results in support of representations shall be submitted;

(O) specialized hardware, software, or testing equipment, including technical support and maintenance, needed to complete the evaluation, which may include an emulator for a specified microprocessor, personal computers, extender cables for the central processing unit, target reel strips, and door defeats. The testing equipment and services required by this subsection shall be provided at no cost to the commission;

(P) a compiler, or reasonable access to a compiler, for the purpose of building applicable code modules;

(Q) program storage media including erasable programmable read-only memory (EPROM), electronically erasable programmable read-only memory (EEPROM), and any type of alterable media for EGM LFG software;

(R) technical specifications for any microprocessor or microcontroller;

(S) a complete and accurate description of the manner in which the EGM LFG was tested for compatibility and compliance with the central computer system and protocol specifications approved by the Kansas lottery, including the ability to communicate with the central computer system for the purpose of transmitting auditing program information, real-time information retrieval, and activation and disabling of EGMs LFGs; and

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(T) any additional documentation requested by the commission relating to the EGM LFG;

(7) if an EGM LFG prototype is modified, including a change in theme, the following additional information, which shall be provided to the commission:

(A) A complete and accurate description of the proposed modification to the EGM LFG prototype, accompanied by applicable diagrams, schematics, and specifications;

(B) when a change in theme is involved, a copy of the graphical images displayed on the EGM LFG, including reel strips, rules, instructions, and pay tables;

(C) when a change in the computation of the theoretical payout percentage is involved, a mathematical explanation of the theoretical return to the player, listing all assumptions, all steps in the formula from the first principles through the final results of all calculations including bonus payouts, and, when a game requires or permits player skill in the theoretical derivations of the payout return, the source of strategy;

(D) a complete and accurate description of the manner in which the EGM LFG was tested for compatibility and compliance with the central computer system and protocol specifications approved by the Kansas lottery, including the ability to communicate with the central computer system for the purpose of transmitting auditing program information, real-time information retrieval and activation, and the disabling of EGMs LFGs; and

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(E) any additional documentation requested by the commission relating to the modification of the EGM LFG;

(8) for an electronic gaming monitoring system, casino management system, player tracking system, wide-area progressive system, gaming ticket system, external bonusing system, cashless funds transfer system, automated gaming ticket, coupon redemption or jackpot payout machine, coupon system, or any other equipment or system required to be tested and approved under subsection (b), the following:

(A) A technical manual;

(B) a description of security methodologies incorporated into the design of the system, which shall include the following, when applicable:

(i) Password protection;

(ii) encryption methodology and its application;

(iii) automatic authentication; and

(iv) network redundancy, backup, and recovery procedures;

(C) a complete schematic or network diagram of the system's major components accompanied by a description of each component's functionality and a software object report;

(D) a description of the data flow, in narrative and in schematic form, including specifics with regard to data cabling and, when appropriate, communications methodology for multisite applications;

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- (E) a list of computer operating systems and third-party software incorporated into the system, together with a description of their interoperability;
- (F) system software and hardware installation procedures;
- (G) a list of available system reports;
- (H) when applicable, features for each system, which may include patron and employee card functions, promotions, reconciliation procedures, and patron services;
- (I) a description of the interoperability testing, including test results for each submitted system's connection to ~~EGMs~~ LFGs, to ticket, coupon redemption, and jackpot payout machines, and to computerized systems for counting money, tickets, and coupons. This list shall identify the tested products by gaming supplier, model, and software identification and version number;
- (J) a narrative describing the method used to authenticate software;
- (K) all source codes;
- (L) a complete and accurate description, accompanied by applicable diagrams, schematics, and specifications, of the creation of a ticket and the redemption options available;
- (M) a complete and technically accurate description, accompanied by applicable diagrams, schematics, and specifications, of the creation of a coupon and the redemption options available;
- (N) any specialized hardware, software, or other equipment, including applicable technical support and maintenance required by the independent testing laboratory to

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conduct the testing and approval process required by the act, this article, and the technical standards adopted by the commission under article 110. The testing equipment and services required by this subsection shall be provided at no cost to the commission; and

(O) any additional documentation requested by the executive director related to the equipment or system being tested; and

(9) for a modification to any of the systems identified in paragraph (h)(8), the following additional information:

(A) A complete and accurate description of the proposed modification to the system, accompanied by applicable diagrams, schematics, and specifications;

(B) a narrative disclosing the purpose for the modification; and

(C) any additional documentation requested by the executive director relating to the modification.

(i) A trial period may be required by the commission to assess the functionality of the prototype or modification in a live gaming environment. The conduct of the trial period shall be subject to compliance by the gaming supplier and the facility manager with any conditions that may be required by the commission. These conditions may include development and implementation of product-specific accounting and internal controls, periodic data reporting to the commission, and compliance with the technical standards adopted under article 110 on trial periods or the prototype or modification adopted by the commission. Termination of the trial period may be ordered by the executive director if the executive director determines that the gaming supplier or the

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facility manager conducting the trial period has not complied with the conditions required by the commission or that the product is not performing as expected.

(j) At the conclusion of the testing of a prototype or modification, the independent testing laboratory shall report the results of its testing to the commission. Upon receipt of the independent testing laboratory's report, any one of the following shall be done by the commission:

- (1) Approve;
- (2) approve with conditions;
- (3) reject the submitted prototype or modification; or
- (4) require additional testing or a trial period under subsection (i).

(k) A facility manager shall not install an EGM LFG or associated equipment, or any modification, required to be tested and approved under subsection (b) unless the equipment, device, or software has been approved by the commission and issued a certificate authorizing its use at the gaming facility. The certificate shall be prominently displayed on the approved device. A facility manager shall not modify, alter, or tamper with an approved EGM LFG, the associated equipment, or a commission-issued certificate. Before the removal of the EGM LFG or associated equipment from the gaming facility, the certificate shall be removed by a commission agent. An EGM LFG or the associated equipment installed in a gaming facility in contravention of this requirement shall be subject to seizure by any Kansas law enforcement officer.

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(l) The installation of a modification to an EGM LFG prototype or the associated equipment prototype may be authorized by the executive director on an emergency basis to prevent cheating or malfunction, upon the written request of a gaming supplier. The request shall specify the name and employer of any persons to be involved in the installation of the modification and the manner in which the installation is to be effected. Within 15 days of receipt of any authorization to install an emergency modification, the gaming supplier shall submit the modification for full testing and approval in accordance with this article.

(m) Each facility manager shall, no later than four hours after detection, notify the commission's security staff of any known or suspected defect or malfunction in any EGM LFG or associated equipment installed in the gaming facility. The facility manager shall comply with any instructions from the commission staff for use of the EGM LFG or associated equipment.

(n) Each facility manager shall file a master list of approved gaming machines as required by K.A.R. 112-107-10.

(o) Each gaming supplier shall, no later than 48 hours after detection, notify the commission of any known or suspected defect or malfunction in any LFG or associated equipment approved for use in a lottery gaming facility. (Authorized by K.S.A. 2007 2009 Supp. 74-8772; implementing K.S.A. 2007 2009 Supp. 74-8749, 74-8750, and 74-8772; effective April 24, 2009; amended P-\_\_\_\_\_.)

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**112-107-5. Transportation of EGMs LFGs.** (a) The transportation of any EGM LFG into or out of this state shall be approved in advance by the executive director. The person causing the EGM LFG to be transported or moved shall notify the executive director of the proposed importation or exportation at least 15 days before the EGM LFG is moved, unless otherwise approved by the executive director. The notice shall include the following information:

- (1) The name and address of the person shipping or moving the EGM LFG;
- (2) the name and address of the person who manufactured, assembled, distributed, or resold the EGM LFG, if different from the person shipping or moving the machine game;
- (3) the name and address of a new owner if ownership is being changed in conjunction with the shipment or movement;
- (4) the method of shipment or movement and the name and address of the common carrier or carriers, if applicable;
- (5) the name and address of the person to whom the EGM LFG is being sent and the destination of the EGM LFG, if different from that address;
- (6) the quantity of EGM LFG being shipped or moved and the manufacturer's make, model, and serial number of each machine game;
- (7) the expected date and time of delivery to, or removal from, any authorized location within this state;

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(8) the port of entry or exit, if any, of the EGM LFG if the origin or destination of the EGM LFG is outside the continental United States; and

(9) the reason for transporting or moving the EGM LFG.

(b) Each shipment of EGMs LFGs shall be sealed before being transported. On arrival at the gaming facility, the shipment shall not be opened or inventoried until the seal is witnessed and broken by an agent of the commission. An agent of the commission shall verify that the EGMs LFGs are unloaded, inventoried, and compared to the notice required in subsection (a). (Authorized by and implementing K.S.A. ~~2008~~ 2009 Supp. 74-8772; effective April 24, 2009; amended P-\_\_\_\_\_.)

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**112-107-10. Master list of approved gaming machines.** (a) At least 20 days before commencing gaming, each facility manager shall file with the commission, in writing, a complete list of the ~~EGMs~~ LFGs and gaming equipment possessed by the facility manager on its gaming floor, in restricted areas off the gaming floor but within the gaming facility as approved by the commission under K.A.R. 112-104-26, and in storage locations in this state off the premises of the gaming facility as approved by the commission under K.A.R. 112-107-6. The list shall be titled as a master list of approved gaming machines.

(b) The master list of approved LFGs and gaming machines equipment shall contain the following information that, for those ~~EGMs~~ LFGs and the gaming equipment located on the gaming floor, shall be presented for each ~~EGM~~ LFG and gaming equipment in consecutive order by the LFG or gaming equipment location number:

- (1) The date the list was prepared;
- (2) a description of each ~~EGM~~ LFG and all gaming equipment, using the following:
  - (A) Asset number and model and manufacturer's serial number;
  - (B) computer program number and version;
  - (C) denomination, if configured for multiple denominations, and a list of the denominations;
  - (D) manufacturer and machine type, noting cabinet type;

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(E) if an EGM LFG, specification of whether the EGM LFG is a progressive or a wide-area progressive EGM LFG;

(F) an indication as to whether the EGM LFG or gaming equipment is configured to communicate with a cashless funds transfer system;

(G) an indication as to whether the EGM LFG or gaming equipment is configured to communicate with a gaming ticket system;

(H) designation of which specific surveillance video system cameras will be able to view that specific machine LFG or gaming equipment; and

(I) commission certificate number;

(3) for those EGMs LFGs or gaming equipment located off the gaming floor, an indication as to whether the EGM LFG or gaming equipment is in a restricted area off the gaming floor but within the gaming facility under K.A.R. 112-104-26 or is in a commission-approved storage location in this state off the premises of the gaming facility under K.A.R. 112-107-6; and

(4) any additional relevant information requested by the commission.

(c) If an EGM LFG or gaming equipment has been placed in an authorized location on the gaming floor or is stored in a restricted area off the gaming floor but within the gaming facility as approved by the commission under K.A.R. 112-104-26, then all subsequent movements of that EGM LFG or gaming equipment within the gaming facility shall be recorded by an EGM LFG department member in a machine gaming equipment movement log, which shall include the following:

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- (1) The asset number and model and the manufacturer's serial number of the moved BGM LFG or gaming equipment;
- (2) the date and time of movement;
- (3) the location from which the BGM LFG or gaming equipment was moved;
- (4) the location to which the BGM LFG or gaming equipment was moved;
- (5) the date and time of any required notice to the Kansas lottery in connection with the activation or disabling of the BGM LFG in the central computer system;
- (6) the signature of the BGM LFG shift manager and the commission's electronic gaming inspector verifying the movement of the BGM LFG or gaming equipment in compliance with this regulation; and
- (7) any other relevant information the commission may require.
- (d) Before moving an BGM LFG or any gaming equipment that has been placed in an authorized location on the gaming floor, the facility manager shall remove the bill validator canister drop box and transport the drop box to the count room in accordance with the procedures in K.A.R. 112-104-18.
- (e) The facility manager shall daily submit documentation summarizing the movement of BGMs LFGs and gaming equipment within a gaming facility to the commission, in writing or in an electronic format approved by the commission.
- (f) On the first Tuesday of each month following the initial filing of a master list of approved ~~gaming machines~~ LFGs or gaming equipment, a facility manager shall file with the commission, in writing or in an electronic format approved by the commission,

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an updated master list of approved ~~gaming machines~~ LFGs or gaming equipment containing the information required in subsection (b).

(g) Each gaming supplier and each regulatory or law enforcement agency that possesses ~~EGMs~~ LFGs shall file with the commission, in writing or in an electronic format approved by the commission, a complete list of the ~~EGMs~~ LFGs possessed by the entity. The list shall be titled as a master list of approved gaming machines and shall be filed within three business days of the initial receipt of the ~~EGMs~~ LFGs. Each list shall contain the following information:

- (1) The date on which the list was prepared; and
- (2) a description of each ~~EGM~~ LFG by the following:
  - (A) Model and manufacturer's serial number;
  - (B) manufacturer and machine type, noting cabinet type; and
  - (C) specification of whether the ~~EGM~~ LFG is a progressive or a wide-area progressive ~~EGM~~ LFG.

(h) On the first Tuesday of each month following the initial filing of a master list of approved ~~gaming machines~~ LFGs or gaming equipment, those persons specified in subsection (f) shall file with the commission, in writing or in an electronic format approved by the commission, an updated master list of approved ~~gaming machines~~ LFGs or gaming equipment containing the information required in subsection (g).

(i) A computer system designed to meet the requirements of this regulation may be approved by the executive director. (Authorized by K.S.A. 2008 2010 Supp. 74-8772;

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implementing K.S.A. 2008 2010 Supp. 74-8750 and 74-8772; effective April 24, 2009;

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**112-107-21. Progressive EGMs LFGs.** (a) Each progressive EGM LFG shall meet the requirements of article 110.

(b) Each facility manager seeking to utilize a linked EGM LFG shall submit the location and manner of installing any progressive meter display mechanism to the executive director for approval.

(c) An EGM LFG that offers a progressive jackpot shall not be placed on the gaming floor until the executive director has approved the following:

(1) The initial and reset amounts at which the progressive meter or meters will be set;

(2) the proposed system for controlling the keys and applicable logical access controls to the EGMs LFGs;

(3) the proposed rate of progression for each progressive jackpot;

(4) the proposed limit for the progressive jackpot, if any; and

(5) the calculated probability of winning each progressive jackpot. The probability shall not exceed 50 million to one.

(d) Progressive meters shall not be turned back to a lesser amount unless one of the following occurs:

(1) The amount indicated has been actually paid to a winning patron.

(2) The progressive jackpot amount won by the patron has been recorded in accordance with a system of internal controls approved under K.A.R. 112-104-1.

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(3) The progressive jackpot has, upon executive director approval, been transferred to another progressive EGM LFG or wide-area progressive system in accordance with this article.

(4) The change is necessitated by an EGM LFG or meter malfunction. For progressive jackpots governed by subsection (a), an explanation for the malfunction shall be entered on the progressive electronic gaming summary required by this article, and the commission shall be notified of the resetting in writing.

(e) Once an amount appears on a progressive meter, the probability of hitting the combination that will award the progressive jackpot shall not be decreased unless the progressive jackpot has been won by a patron or the progressive jackpot has been transferred to another progressive EGM LFG or wide-area progressive system or removed in accordance with subsection (g).

(f) If an EGM LFG has a progressive meter with digital limitations on the meter, the facility manager shall set a limit on the progressive jackpot, which shall not exceed the display capability of the progressive meter.

(g) Any facility manager may limit, transfer, or terminate a progressive jackpot offered on a gaming floor only under any of the following:

(1) A facility manager may establish a payout limit for a progressive jackpot if the payout limit is greater than the payout amount that is displayed to the patron on the progressive jackpot meter. The facility manager shall provide notice to the commission

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of the imposition or modification of a payout limit on a progressive meter concurrent with the setting of the payout limit.

(2) A facility manager may terminate a progressive jackpot concurrent with the winning of the progressive jackpot if its EGM LFG program or progressive controller was configured before the winning of the progressive jackpot to establish a fixed reset amount with no progressive increment.

(3) A facility manager may permanently remove one or more linked EGMs LFGs from a gaming floor if both of the following conditions are met:

(A) If the EGM LFG is part of a wide-area progressive system offered at multiple facilities, the facility manager retains at least one linked EGM LFG offering the same progressive jackpot on its gaming floor.

(B) If the progressive jackpot is only offered in a single gaming facility, at least two linked EGMs LFGs offering the same progressive jackpot remain on the gaming floor.

(4) Any facility manager may transfer a progressive jackpot amount on a stand-alone EGM LFG or the common progressive jackpot on an entire link of EGMs LFGs with a common progressive meter, including a wide-area progressive system, from a gaming floor. The facility manager shall give notice of its intent to transfer the progressive jackpot to the commission at least 30 days before the anticipated transfer and shall conspicuously display the facility manager's intent to transfer the progressive

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jackpot on the front of each EGM LFG for at least 30 days. To be eligible for transfer, the progressive jackpot shall meet the following conditions:

(A) Be transferred in its entirety; and

(B) be transferred to one of the following:

(i) The progressive meter for an EGM LFG or wide-area progressive system with the same or greater probability of winning the progressive jackpot, the same or lower wager requirement to be eligible to win the progressive jackpot, and the same type of progressive jackpot. However, if no other EGM LFG or wide-area progressive system meets all of these qualifications, a transfer of the jackpot to the progressive meter of the most similar EGM LFG or wide-area progressive system available may be authorized by the executive director; or

(ii) the progressive meters of two separate EGMs LFGs or wide-area progressive systems if each EGM LFG or wide-area progressive system to which the jackpot is transferred individually satisfies the requirements of paragraph (g)(4)(B)(i).

(5) Any facility manager may immediately and permanently remove a progressive jackpot on a stand-alone progressive EGM LFG, the common progressive jackpot on an entire link of EGMs LFGs with a common progressive meter, or an entire wide-area progressive system from a gaming floor if notice of intent to remove the progressive jackpot meets the following requirements:

(A) Is conspicuously displayed on the front of each EGM LFG for at least 30 days; and

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(B) is provided in writing to the commission at least 30 days before the removal of the progressive jackpot.

(h) The amount indicated on the progressive meter or meters and coin-in meter on each EGM LFG governed by subsection (a) shall be recorded by the facility manager's accounting department or EGM LFG department on a progressive electronic gaming summary report at least once every seven calendar days. Each report shall be signed by the preparer. If not prepared by the accounting department, the progressive electronic gaming summary report shall be forwarded to the accounting department by the end of the gaming day on which it is prepared. An employee of the accounting department shall be responsible for calculating the correct amount that should appear on a progressive meter. If an adjustment to the progressive meters is necessary, the adjustment shall be made by a member of the EGM LFG department authorized by the progressive gaming supplier to make progressive meter adjustments as follows:

(1) Supporting documentation shall be maintained to explain any addition or reduction in the registered amount on the progressive meter. The documentation shall include the date, the asset number of the EGM LFG, the amount of the adjustment, and the signatures of the accounting department member requesting the adjustment and the EGM LFG department member making the adjustment; and

(2) the adjustment shall be effectuated within 48 hours of the meter reading.

(i) Except as otherwise authorized by this regulation, each EGM LFG offering a progressive jackpot that is removed from the gaming floor shall be returned to or replaced

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on the gaming floor within five gaming days. The amount on the progressive meter or meters on the returned or replacement EGM LFG shall not be less than the amount on the progressive meter or meters at the time of removal. If an EGM LFG offering a progressive jackpot is not returned or replaced, any progressive meter amount at the time of removal shall, within five days of the EGM's LFG's removal, be added to an EGM LFG offering a progressive jackpot approved by the executive director. The EGM LFG shall offer the same or greater probability of winning the progressive jackpot and shall require the same or lower denomination of currency to play that was in use on the EGM LFG that was removed. This subsection shall not apply to the temporary removal by a facility manager, for a period not to exceed 30 days, of all linked EGMs LFGs that are part of a particular wide-area progressive system if the progressive jackpot offered by the temporarily removed EGMs LFGs remains available on EGMs LFGs that are part of the same wide-area progressive system in another gaming facility.

(j) If an EGM LFG is located adjacent to an EGM LFG offering a progressive jackpot, the facility manager shall conspicuously display on the EGM LFG a notice advising patrons that the EGM LFG is not participating in the progressive jackpot of the adjacent EGM LFG. (Authorized by K.S.A. 2007 2009 Supp. 74-8772; implementing K.S.A. 2007 2009 Supp. 74-8750 and 74-8772; effective April 24, 2009; amended P-\_\_\_\_\_.)

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**112-107-22. Wide-area progressive systems.** (a) Two or more facility managers may operate linked progressive ~~EGMs~~ LFGs that are interconnected between two or more participating gaming facilities, with the prior written approval of the commission and the Kansas lottery as required under subsection (c). The ~~EGMs~~ LFGs participating in the link shall be collectively referred to as a wide-area progressive system.

(b) Each wide-area progressive system shall at all times be installed and operated in accordance with relevant requirements of the act, this article, and article 110.

(c) Each wide-area progressive system shall be operated and administered by participating facility managers in accordance with the terms and conditions of a written agreement executed by the participating facility managers. The agreement shall be referred to as an electronic gaming system agreement. Each electronic gaming system agreement shall be submitted in writing and approved by the commission and the Kansas lottery before implementation and shall meet the requirements of the act, this article, and article 110.

(d) Any facility manager participating in an electronic gaming system agreement may delegate, in whole or in part, the management and administration of a wide-area progressive system to a gaming supplier if the electronic gaming system agreement is executed by the gaming supplier and the terms of the agreement are approved by the commission and the Kansas lottery. The persons designated in an electronic gaming system agreement as being responsible for the management and administration of a wide-area progressive system shall be referred to as the wide-area progressive system operator.

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(e) An agreement between a gaming supplier and a facility manager under which a gaming supplier sells, leases, or services a wide-area progressive system shall not constitute an electronic gaming service agreement, unless the agreement also covers the management and administration of the wide-area progressive system.

(f) Each electronic gaming system agreement providing for the management and administration of a wide-area progressive system shall identify and describe with specificity the duties, responsibilities, and authority of each participating facility manager and each electronic gaming system operator, including the following:

(1) Details with regard to the terms of compensation for the electronic gaming system operator. The agreement shall address to what extent, if any, the electronic gaming system operator is receiving compensation based, directly or indirectly, on an interest, percentage, or share of a facility manager's revenue, profits, or earnings from the management of the wide-area progressive system;

(2) responsibility for the funding and payment of all jackpots and fees associated with the management of the wide-area progressive system;

(3) control and operation of the computer monitoring room required under subsection (l);

(4) a description of the process by which significant decisions with regard to the management of the wide-area progressive system are approved and implemented by the participating facility managers and electronic gaming system operator;

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(5) when applicable, terms satisfactory to the commission with regard to apportionment of responsibility for establishing and servicing any trust agreement associated with any annuity jackpot offered by the wide-area progressive system;

(6) responsibility for generating, filing, and maintaining the records and reports required under the act, this part, and article 110; and

(7) any other relevant requirements of the commission, including those required to comply with the technical standards on wide-area progressive systems adopted by the commission under article 110.

(g) An electronic gaming system agreement submitted to the commission for approval shall be accompanied by a proposed system of internal controls addressing the following:

(1) Transactions directly or indirectly relating to the payment of progressive jackpots, including the establishment, adjustment, transfer, or removal of a progressive jackpot amount and the payment of any associated fees; and

(2) the name, employer, position, and gaming license status of any person involved in the operation and control of the wide-area progressive system.

(h) The information identified in paragraph (g)(2) shall be reviewed by the executive director to determine, based on an analysis of specific duties and responsibilities, which persons shall be licensed. The electronic gaming system manager shall be advised of the executive director's findings. Each participating facility manager

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and any participating gaming supplier shall comply with the commission's licensing instructions.

(i) An electronic gaming system manager shall not commence operation and administration of a wide-area progressive system pursuant to the terms of an electronic gaming system agreement until the agreement and the internal controls required under subsection (g) have been approved in writing by the commission and any licensing requirements under subsection (h) have been met.

(j) If an electronic gaming system agreement involves payment to a gaming supplier functioning as a an electronic gaming system operator, of an interest, percentage, or share of a facility manager's revenue, profits, or earnings from the operation of a wide-area progressive system, the electronic gaming system agreement may be approved by the commission only if it determines that the total amounts paid to the gaming supplier under the terms of the agreement are commercially reasonable for the managerial and administrative services provided. Nothing in this regulation shall limit the commission's consideration of the electronic gaming system agreement to its revenue-sharing provisions.

(k) Each wide-area progressive system shall be controlled from a computer monitoring room. The computer monitoring room shall meet the following requirements:

(1) Be under the sole possession and control of employees of the wide-area progressive system manager designated in the electronic gaming system agreement for that system. The employees of the wide-area progressive system manager may be

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required to obtain a license or permit if the executive director determines, after a review of the work being performed, that the employees require a license or permit for the protection of the integrity of gaming;

(2) have its monitoring equipment subjected to surveillance coverage either by the surveillance system of a facility manager participating in the electronic gaming system agreement or by a dedicated surveillance system maintained by the wide-area progressive system manager. The surveillance plan shall be approved by the executive director;

(3) be accessible only through a locked door. The door shall be alarmed in a manner that audibly signals the surveillance monitoring room for the surveillance system elected under paragraph (1)(2); and

(4) have a computer monitoring room entry log. The log shall meet the following requirements:

(A) Be kept in the computer monitoring room;

(B) be maintained in a book with bound, numbered pages that cannot be readily removed or an electronic log approved by the executive director; and

(C) be signed by each person entering the computer monitoring room who is not an employee of the wide-area progressive system manager employed in the computer monitoring room on that person's assigned shift. Each entry shall contain the following information:

(i) The date and time of entering and exiting the room;

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(ii) the name, department, or license number of the person entering and exiting the room and of the person authorizing the entry; and

(iii) the reason for entering the computer monitoring room.

(l) In evaluating a proposed location for a computer monitoring room, the following factors may be considered by the executive director:

(1) The level of physical and system security offered by the proposed location; and

(2) the accessibility of the location to the commission's audit, law enforcement, and technical staff. (Authorized by K.S.A. ~~2007~~ 2009 Supp. 74-8772; implementing K.S.A. ~~2007~~ 2009 Supp. 74-8750 and 74-8772; effective April 24, 2009; amended P-\_\_\_\_\_.)

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**112-108-18. Tournament chips and tournaments.** (a) "Tournament chip" shall mean a chip or chiplike object issued by a facility manager for use in tournaments at the facility manager's gaming facility.

(b) Tournament chips shall be designed, manufactured, approved, and used in accordance with the provisions of this article applicable to chips, except as follows:

(1) Tournament chips shall be of a shape and size and have any other specifications necessary to make the chips distinguishable from other chips used at the gaming facility.

(2) Each side of each tournament chip shall conspicuously bear the inscription "No Cash Value."

(3) Tournament chips shall not be used, and facility managers shall not permit their use, in transactions other than the tournaments for which the chips are issued.

(c) As used in this regulation, entry fees shall be defined as the total amount paid by a person or on a person's behalf for participation in a tournament. A tournament shall mean a contest offered and sponsored by a facility manager in which patrons may be assessed an entry fee or be required to meet some other criteria to compete against one another in a gambling game or series of gambling games in which winning patrons receive a portion or all of the entry fees, if any. These entry fees may be increased with cash or noncash prizes from the facility manager. Facility managers may conduct tournaments if all of the following requirements are met:

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- (1) The facility manager shall notify the executive director of the planned tournament at least 30 calendar days before the first day of the event.
- (2) The facility manager shall not conduct the tournament unless approved by the executive director.
- (3) The facility manager shall conduct the tournament in compliance with all applicable rules, regulations, and laws.
- (4) The facility manager shall maintain written, dated rules governing the event and the rules shall be immediately available to the public and the commission upon request. Tournament rules shall, at a minimum, include the following:
  - (A) The date, time, and type of tournament to be held;
  - (B) the amount of the entry fee, if any;
  - (C) the minimum and maximum number of participants;
  - (D) a description of the tournament structure, including number of rounds, time period, players per table, and criteria for determining winners;
  - (E) the prize structure, including amounts or percentages, or both, for prize levels; and
  - (F) procedures for the timely notification of entrants and the commission and the refunding of entry fees in the event of cancellation.
- (5) No false or misleading statements, written or oral, shall be made by a facility manager or its employees or agents regarding any aspect of the tournament, and all prizes

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offered in the tournament shall be awarded according to the facility manager's rules governing the event.

(6) The facility manager's accounting department shall keep a complete record of the rules of the event and all amendments to the rules, including criteria for entry and winning, names of all entrants, all prizes awarded, and prize winners, for at least two years from the last date of the tournament. This record shall be made readily available to the commission upon request.

(7) Entry fees shall accumulate to adjusted gross gaming receipts. ~~Entry fees shall be considered as buy-in except when paid with chips or a ticket.~~

(8) Cash and noncash winnings paid in a tournament shall be deductible from adjusted gross gaming revenue, but any such deduction shall not exceed the total entry fees received for the tournament and noncash winnings shall be deductible only to the dollar value of the amount actually invoiced to and paid by the facility manager.

(9) Upon the completion of the tournament, documentation of entrants' names, names of prize winners and amounts won, and tax-reporting information shall be submitted to the commission.

(10) The facility manager shall designate in its internal control system an employee position acceptable to the commission that shall be responsible for ensuring adherence to the requirements in this regulation. (Authorized by and implementing K.S.A. 2008 2009 Supp. 74-8772; effective Jan. 8, 2010; amended P-\_\_\_\_\_.)

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112-108-36. **Required personnel for specific table games.** (a) Pit areas may be on multiple levels or locations within a gaming facility. Pit areas shall be described by facility managers in their internal controls at a minimum by their locations, configurations, and restrictions on access. Each full-size baccarat table shall be in a separate room or clearly segregated area of the floor that functions as a separate area from the other table games and is surrounded by baccarat tables. For the purposes of access to a pit, card and dice control, and other table games activities, a "pit" shall be more narrowly defined as a single, separate area that is completely enclosed or encircled by gaming tables.

(b) The number of required table games supervisors shall be determined as follows:

(1) One table games supervisor shall not oversee more than six open table games if no craps table is open.

(2) One table games supervisor shall not oversee more than four open table games if one of the open table games is a craps table.

(3) One table games supervisor shall not oversee more than two open table games if both table games are craps tables.

(c) The table games supervisors and the oversight of their assigned table games and pit operations shall be directly supervised in the following configuration by either a table games manager or casino shift manager:

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(1) In either of the following instances, a table games manager shall not be required to be on duty, but at least one casino shift manager shall provide direct supervision by acting as a table games manager:

- (A) When one craps table is open; or
- (B) when up to six tables are open.

(2) In either of the following instances, a table games manager shall provide direct supervision and a casino shift manager shall not act as a table games manager:

- (A) When two or more craps or baccarat tables are open; or
- (B) when seven to 36 table games are open.

(3) If more than 36 tables are open, one additional table games manager shall provide direct supervision for each additional set of one to 36 tables open. A casino shift manager shall not act as a table games manager.

(e) (d) Other than a casino shift manager acting as a table games manager, table games managers shall be physically present in the pit for at least 90 percent of their shift and be solely dedicated to supervising activities at open table games and activities within the pits. Each absence of a longer duration shall require a replacement table games manager to be on duty in the pit. If a facility manager uses job titles other than "table games supervisor" or "table games manager," then the internal controls shall specify which job titles used by the facility manager correspond to these positions and ensure that the job descriptions of those positions properly delineate the duties. Table games managers supervising pit areas separated by sight or sound shall have a communications

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device enabling them to be immediately notified of any incident requiring their attention and shall promptly respond. The gaming facility shift manager shall assign table games managers specific responsibilities regarding activities associated with specific tables.

(d) (e) Each full-size baccarat table shall be directly supervised by at least one table games supervisor. (Authorized by K.S.A. 2008 2010 Supp. 74-8772; implementing K.S.A. 2008 2010 Supp. 74-8752 and 74-8772; effective Jan. 8, 2010; amended P-\_\_\_\_\_.)

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**112-108-55. Shipment of table games and table game mechanisms.** (a) Each facility manager shall ensure that the shipment of any table game or table game mechanism for use in a gaming facility shall be approved in advance by the executive director. The person causing the shipment shall notify the executive director of the proposed shipment at least 15 days before the shipment, unless otherwise approved by the executive director.

The notice shall include the following information:

- (1) The name and address of the person shipping the table game or table game mechanism;
- (2) the name and address of the person who manufactured, assembled, distributed, or resold the table game or table game mechanism, if different from the person shipping the item;
- (3) the name and address of a new owner if ownership is being changed in conjunction with the shipment;
- (4) the method of shipment and the name and address of the third-party carrier, if applicable;
- (5) the name and address of the person to whom the table game or table game mechanism is being sent and the destination of the item, if different from that address;
- (6) the quantity of table games or table game mechanisms being shipped and the manufacturer's make, model, and serial number each of each item;
- (7) the expected date and time of delivery to, or removal from, any authorized location within this state;

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(8) the port of entry or exit, if any, of the table game or table game mechanism if the origin or destination of the table game or table game mechanism is outside the continental United States; and

(9) the reason for shipping the table game or table game mechanism.

(b) Each shipment of table games or table game mechanisms shall be sealed before being transported. On arrival at the gaming facility, the shipment shall not be opened or inventoried until the seal is witnessed and broken by an agent of the commission. An agent of the commission shall verify that each table game and table game mechanism is unloaded, inventoried, and compared to the notice required in subsection (a). (Authorized by and implementing K.S.A. 2008 2009 Supp. 74-8772; effective Jan. 8, 2010; amended P-\_\_\_\_\_.)

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**112-110-3. Central computer system security.** (a) Each CCS's database shall contain EGM LFG data for at least the prior 24 months. Older data shall also be available from archives for at least seven years. The CCS's vendor shall provide archived data within 24 hours of a request for the data from the Kansas lottery or the commission.

(b) Each CCS shall be capable of the following:

(1) Receiving and retaining a record of events that affect security, including all door openings, stacker access, and signature failure;

(2) receiving and retaining a record of events that affect the EGM LFG state, including power on, power off, and various faults and hardware failures;

(3) receiving and retaining a record of events that affect EGM LFG integrity, including random access memory (RAM) corruption and RAM clear;

(4) receiving and retaining a record of events that affect the status of communication between all components including the EGM LFG, including loss of communication;

(5) reporting of all events specified in this article;

(6) receiving and retaining a record of any other events as specified in writing by the Kansas lottery or the commission; and

(7) automatic reporting of faults that require a manual reactivation of the EGM LFG. These faults shall include the following:

(A) Logic area cabinet access;

(B) EGM LFG RAM reset;

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- (C) catastrophic software corruption;
- (D) unrecoverable hardware faults; and
- (E) a failed signature check.

(c)(1) A record of each of the events specified in subsection (b) shall be stored at the central point of the CCS on a hard drive in one or more files of an approved structure.

(2) The record of each stored event shall be marked by a date and time stamp.

(3) Each event shall be detected and recorded to the database and posted to a line printer or terminal monitor within 10 seconds of the occurrence.

(d) Each CCS shall meet the following security requirements:

(1) The ability to deny access to specific databases upon an access attempt, by employing passwords and other system security features. Levels of security and password assignment for all users shall be solely the function of the Kansas lottery;

(2) the ability to allow multiple security-access levels to control and restrict different classes of access to the system;

(3) password sign-on with two level codes comprising the personal identification code and a special password;

(4) system access accounts that are unique to the authorized personnel;

(5) the storage of passwords in an encrypted, nonreversible form;

(6) the requirement that each password be at least 10 characters in length and include at least one nonalphabetic character;

(7) password changes every 30 days;

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(8) prevention of a password from being used if the password has been used as any of the previous 10 passwords;

(9) the requirement that the CCS lock a user's access upon three failed attempted log-ins and send a security alert to a line printer or terminal monitor;

(10) the requirement that connectivity to any gaming system from a remote, non-gaming terminal be approved by the ~~Kansas lottery and the commission~~ executive director and reported to the Kansas lottery, in accordance with K.A.R. 112-107-31.

Remote connections shall employ security mechanisms including modems with dial-back, modems with on-off keylocks, message encryption, logging of sessions, and firewall protection;

(11) the ability to provide a list of all registered users on the CCS, including each user's privilege level;

(12) the requirement that approved software and procedures for virus protection and detection, if appropriate, be used;

(13) the requirement that only programs, data files, and operating system files approved by the Kansas lottery and the commission reside on hard drive or in the memory of the CCS computers;

(14) the requirement that nonroutine access alerts and alarm events be logged and archived for future retrieval;

(15) the requirement that software signatures be calculated on all devices at all facilities and the signatures be validated by devices on the CCS network. These devices

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shall include gaming equipment, location controllers, and cashier stations. These devices shall exclude non-gaming devices, including dumb terminals;

(16) audit trail functions that are designed to track system changes;

(17) time and date stamping of audit trail entries;

(18) capability of controlling data corruption that can be created by multiple log-ons;

(19) the requirement that the gaming software be maintained under an approved software change control system;

(20) the ability to send an alert to any terminal monitor and line printer for any security event that is generated at an EGM LFG or in the system. The system shall allow the system administrator to determine which events should be posted. The events shall be filtered by location;

(21) equipment with a continuous power supply;

(22) the capability of on-line data redundancy if a hard disk peripheral fails during operation; and

(23) provision of a secure way through a graphic user interface for an auditor to make adjustments to the system. (Authorized by and implementing K.S.A. 2007 2009 Supp. 74-8772; effective May 1, 2009; amended P-\_\_\_\_\_.)

**ATTORNEY GENERAL**

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**112-112-1. Office of responsible gaming gambling.** A staff person shall be appointed by the executive director to direct the office of responsible gaming gambling. This staff person shall administer all of the commission's programs to assist individuals with issues related to gaming gambling and to help prevent problem gambling in Kansas. The office of responsible gaming gambling shall coordinate resources to maximize the efficiency and effectiveness of the programs of other state agencies and private organizations that allocate resources to assisting individuals with issues related to gaming gambling and preventing problem gambling. (Authorized by K.S.A. ~~2007~~ 2009 Supp. 74-8772 and K.S.A. 74-8804; implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772; and 74-8773 and ~~K.S.A. 74-8825~~; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-112-3. Responsible gaming gambling plan.** (a) Each applicant for a facility manager certificate shall submit a responsible gaming gambling plan to the commission with its initial application or at least 90 days before opening a racetrack gaming facility. The responsible gaming gambling plan shall not be inconsistent with any facility manager's contractual obligation with the Kansas lottery. A responsible gaming gambling plan shall be approved by the commission before the commission issues or renews a certificate. Each plan shall include the following:

(1) The goals of the plan and the procedures and deadlines for implementation of the plan;

(2) the identification of the individual at each applicant or facility manager location who will be responsible for the implementation and maintenance of the plan;

(3) procedures for maintaining the confidentiality of the information regarding the persons on the self-exclusion list, as specified in K.A.R. 112-112-7;

(4) procedures for informing patrons about self-transaction exclusion programs;

(5) procedures for compliance with the commission's self-exclusion program;

(6) procedures for creating and disseminating promotional material to educate patrons about problem gambling and to inform patrons about treatment services available.

The applicant or facility manager shall provide examples of the material to be used as part of its promotional materials, including signs, brochures, and other media, and a description of how the material will be disseminated;

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(7) details of the training about responsible ~~gaming~~ gambling for the applicant's or facility manager's employees;

(8) the duties and responsibilities of the employees designated to implement or participate in the plan;

(9) procedures to prevent underage gambling;

(10) procedures to prevent patrons impaired by drugs or alcohol, or both, from gambling;

(11) an estimation of the cost of development, implementation, and administration of the plan; and

(12) any other policies and procedures to prevent problem gambling and encourage responsible gambling.

(b) Each applicant or facility manager shall submit any amendments to the responsible ~~gaming~~ gambling plan to the commission for review and approval before implementing the amendments. Each facility manager shall report to the commission semiannually on the status and success of the responsible ~~gaming~~ gambling plan.

(Authorized by K.S.A. ~~2007~~ 2009 Supp. 74-8772 and K.S.A. 74-8804; implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772 and ~~K.S.A. 74-8825~~; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-112-4. Self-exclusion list.** (a) A “self-exclusion list” shall consist of the names of those persons who have complied with the requirements of this article and have been placed on the list by the executive director. The self-exclusion list shall provide the means for each individual with issues related to ~~gaming~~ gambling to formally notify the commission that the individual has a ~~gaming~~ gambling problem and that the individual will refrain from visiting gaming facilities, parimutuel licensee locations, and fair association race meets in Kansas.

(b) Each facility manager shall be notified by the executive director of the placement of any person on the self-exclusion list. Any or all information contained on the person’s application may be disclosed to each facility manager and the facility manager’s agents or employees by the executive director. (Authorized by K.S.A. ~~2007~~ 2009 Supp. 74-8772 and ~~K.S.A. 74-8804~~; implementing K.S.A. ~~2007~~ 2009 Supp. 74-8772 and ~~K.S.A. 74-8825~~; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**112-112-7. Confidentiality of the self-exclusion list.** (a)(1) As part of the responsible ~~gaming~~ gambling plan required by K.A.R. 112-112-3(a), each facility manager or applicant for a facility manager certificate shall submit to the commission a plan for maintaining the confidentiality of the information regarding the persons on the self-exclusion list. The plan shall reasonably safeguard the confidentiality of the information but shall include dissemination of the information to at least the general manager, facility management, and all security and surveillance personnel. Each plan shall be submitted to the commission for approval.

(2) All information disclosed to any facility manager regarding anyone placed on the self-exclusion list shall be deemed a closed record pursuant to K.S.A. 45-221(a)(30) and amendments thereto. However, the information may be disclosed as authorized by the individual seeking placement on the list, by law, and through the provisions in this article.

(b) Any facility manager may disclose the information contained in the application to the facility manager's affiliates, employees, or agents to the extent necessary under this article.

(c) All information associated with the self-exclusion list, including the identities of individuals who have placed themselves on the list and any personal information about those individuals, shall be considered a closed record under the Kansas open records act pursuant to K.S.A. 45-221(a)(30) and amendments thereto.

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(d) For administrative, disciplinary, or penalty proceedings regarding any alleged infraction by an individual on the self-exclusion list, the individual who is on the self-exclusion list shall not be named. An alternate means of identification shall be used to keep that individual's identity confidential. (Authorized by K.S.A. 2007 Supp. 74-8772 and K.S.A. 74-8804; implementing K.S.A. 2007 Supp. 74-8772 and ~~K.S.A. 74-8825~~; effective Sept. 26, 2008; amended-P \_\_\_\_\_.)

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**112-112-9. Procedure for removal from the self-exclusion list.** (a) At any time after two years from the original date of application for placement on the self-exclusion list, any person on the self-exclusion list may petition the executive director for removal from the self-exclusion list. The authority to approve or deny each petition shall rest with the executive director. To be eligible for removal from the self-exclusion list, each person shall provide documentation acceptable to the commission that the applicant has met all of the following conditions:

(1) The person has undergone a problem gambling assessment with a compulsive gambling counselor certified by the Kansas department of social and rehabilitation services or through any other method approved by the commission.

(2) The person has completed a commission-approved education program on healthy lifestyle choices and problem gambling awareness.

(3) The person has met any other requirements deemed necessary by the commission.

(4) The person has executed an authorization and release to be removed from the self-exclusion list on a form provided by the commission.

(b) Each facility manager shall retain the ability to deny gambling privileges at a gaming facility, parimutuel licensee location, or fair association race meet to the persons who have been removed from the self-exclusion list for any other reason ordinarily available to the facility manager.

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(c) Any person who has been removed from the self-exclusion list may reapply for placement on the list at any time as provided in this article.

(d) Upon approval of a petition for removal from the self-exclusion list, a notice of removal from the self-exclusion list shall be drafted by the executive director. Each notice shall be a closed record pursuant to the Kansas open records act, including K.S.A. 45-221(a)(30) and amendments thereto, except that the notice shall be disclosed to all facility managers and their agents and employees.

(e) A copy of the notice of removal from the self-exclusion list shall be delivered by the executive director to the petitioner by regular U.S. mail to the home address specified on the petition. The petitioner shall be deemed to be removed from the self-exclusion list when the executive director mails the approved notice to the petitioner.

(f) If the executive director finds that a petitioner does not qualify for removal from the self-exclusion list, the petitioner shall be notified by the executive director by regular U.S. mail, using the home address specified on the petition. The petitioner shall remain on the self-exclusion list pursuant to this article. (Authorized by K.S.A. 2007 2009 Supp. 74-8772 and ~~K.S.A. 74-8804~~; implementing K.S.A. 2007 2009 Supp. 74-8772 and ~~K.S.A. 74-8825~~; effective Sept. 26, 2008; amended P-\_\_\_\_\_.)

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**Kansas Racing and Gaming Commission**  
700 SW Harrison, Suite 500, Topeka, Kansas 66603  
(785) 296-5800, Fax (785) 296-0900

## **STAFF AGENDA MEMORANDUM**

**DATE OF MEETING:** February 17, 2011

**AGENDA ITEM:** **Presentation of the Annual Report for 2010**

**PRESENTER:** Don Cawby, Director of Administration

**ISSUE SUMMARY:** Commission staff has developed the 2010 KRGC Annual Report for your review. Once it has been approved we will make a limited number of hard copies for official purposes and will make it available on the website in .pdf format.

**COMMISSION ACTION REQUIRED/REQUESTED:** Commission review and approval.

**STAFF RECOMMENDATIONS:** Staff recommends approval.

# **Kansas Racing & Gaming Commission**



**Neysa Thomas  
Interim Executive Director**

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## **2010 Annual Report**

# The Kansas Racing and Gaming Commission



**William Falstad** (Chair) of Fredonia has been the president of Kansas Bank Note Co. since 1963. KBNC is a printing company with customers throughout the United States, specializing in printed products for banks. He holds a Business Administration degree from the University of Wisconsin. After graduation, he worked in Chicago as a Certified Public Accountant for Arthur Anderson, 1956-1962, specializing in public utility audits, accounting systems and rate regulation. His public service began in 1970 when he became the Mayor of Fredonia, 1970-1978. He has also served on the Board of Directors of the National Printing Association, Fredonia Regional Hospital and First National Bank of Fredonia. He has been a member of and has served on the Board for the Kansas Chamber of Commerce. He has also served on the Kansas Performance Review Board and the Kansas Lottery Commission. Mr. Falstad was appointed to the Kansas Racing and Gaming Commission in 2005 and was appointed as Chairman by Governor Brownback in January 2011.



**Glenn Braun** (Vice-Chair and Chief Hearing Officer) of Hays is a partner in Glassman, Bird, Braun & Schwartz, LLP where he has practiced law for the past 26 years. He serves as the City of Hays prosecutor. He is a graduate of Kansas State University and received his juris doctorate in 1981 from Washburn University School of Law. He is a member of the Ellis County Bar Association. He is the District 10 Governor for the KBA and has served on the Executive Committee. He was twice selected for a position with the Kansas Court of Appeals. He has been a public servant for numerous agencies including CASA, Big Brothers Big Sisters, St. John's Rest Home Endowment Assoc., Thomas More Prep-Marian High School Council of Education, and Immaculate Heart of Mary. As an adjunct professor at Fort Hays State, he has taught criminal law, criminal procedure and introduction to law. Mr. Braun was appointed to the Kansas Racing and Gaming Commission in 2005.



**Carol Sader** of Prairie Village moved to Kansas in 1976. She was raised in Brooklyn, New York, graduated from Barnard College, Columbia University in 1957 with a major in Government. She taught elementary school and later went on to attend law school in Chicago and Cincinnati where she became a legal editor. In 1981, she became actively involved in public service when she was elected to the Board of Trustees of Johnson County Community College and served as Chair from 1984-1986. In 1986, she was elected to the Kansas Legislature as the State Representative for the 22nd Legislative District and served for eight years in the Kansas House. In 1994, she unsuccessfully ran for Lt. Governor of Kansas. Since 1995, she has continued her public service with appointments to the Kansas Commission on Judicial Qualifications and the Kansas State Board of Healing Arts. Ms. Sader was appointed to the Kansas Racing and Gaming Commission in 2003 and served as the Chair of the Commission from 2005 through 2010.



**Barry Schwan** of Wichita has been President of House of Schwan since 1985. He graduated with a Bachelor of Science degree from the University of Colorado in 1975. He has always taken an active role in business and community affairs. He is the current President of the Kansas Sports Hall of Fame, founding member of the Greater Wichita Area Sports Commission, serves on the Boards of the Kansas Humane Society, and Sedgwick County Zoological Society and Foundation. He has served on the Boards of Heartspring, National Beer Wholesalers Association, Wichita Chamber of Commerce, Wichita State University Foundation, Wichita Children's Home, Crestview Country Club, Kansas Beer Wholesalers Association, Chamber Pro Sports Committee and the Wichita/Sedgwick County Alcohol and Drug Abuse Advisory Board. Mr. Schwan was appointed to the Kansas Racing and Gaming Commission in 2007.



**Kristine McKechnie** of Arcadia owns and operates Horse Creek Ranch Quarter Horses. She graduated from the University of Kansas 1988 and from Kansas State University with her Masters of Public Administration degree in 1990. She has served on a number of Boards and Commissions including Governor Bill Graves Early Childhood Care, Education and Health Subcommittee, Leadership Kansas Board of Trustees, City of Pittsburg Planning and Zoning Commission, Board of Zoning Appeals, 11th Judicial District Juvenile Corrections Advisory Board, and currently serves as Vice-Chair of the Kansas Mentors Council. She co-owned and operated a weekly newspaper, the Girard Press, while serving as Director of Development at the Southeast Kansas Education Service Center. While at Greenbush she directed the Community Resources Department and dedicated her time to help create a Kansas Mentoring Partnership. Ms. McKechnie was appointed to the Kansas Racing and Gaming Commission in 2005.

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# Executive Summary 2010

## Expanded Gaming

In 2007 the Kansas Legislature passed the Kansas Expanded Lottery Act (KELA), establishing four commercial casino licenses in four gaming zones. The act also authorized electronic gaming machines to be placed at three parimutuel facilities in Kansas. The act gave the Kansas Racing and Gaming Commission the responsibility for regulating the operation of expanded lottery gaming facilities in Kansas.

## ***Review Board Activities***

The Kansas Lottery Gaming Facility Review Board (Review Board) was organized under K.S.A. 74-8735. Under this section, the Review Board was placed within the Kansas Racing and Gaming Commission for staffing purposes.

The Review Board is comprised of seven members. The current membership is as follows:

Matt All, Chairman	Lawrence
Dr. Jackie Vietti	El Dorado
Jim Bergfalk	Mission
Garry Boston	Newton
Jack Brier	Topeka
Dean Ferrell	Topeka
Bob Boaldin	Elkhart

The purpose of the Review Board as established by KELA is to review the applications forwarded from the Lottery Commission to determine the “best possible contract” in each gaming zone.

In 2009, the Review Board reviewed contracts in the Northeast and South Central zones, but by the end of 2009, only Kansas Entertainment, a joint venture with Penn National Gaming and the Kansas Speedway was selected by the Review Board. That contract was subsequently forwarded to the KRGC on December 28, 2009 for the Commission to perform background investigations on the applicant and its key employees. However, the Review Board was not able to find that the Chisholm Creek contract was the “best possible contract” in the southeast zone, and as a result, sent the Chisholm Creek contract back to the Lottery Commission

for renegotiation. In April of 2010, the applicant withdrew from the process prior to approval by the Lottery Review Board.

On October 19, 2010, the Review Board received two contracts in the South Central zone – one by Peninsula Gaming Partners and a separate contract from Global Gaming KS. In determining the best possible contract, the Review Board held 3 live meetings and 3 teleconferences, all of which were public meetings. The live meetings took place in Wellington and Topeka, from October 28 until December 15, 2009.

During the course of the Review Board's work, the Board retained a team of consultants to assist the Board in evaluating the contracts. These consultants possessed expertise in areas such as gaming revenue projections, financial stability, fiscal impact analysis and ancillary development and construction cost analysis. All of the consultants hired in this round of work, with one exception, previously consulted for the Review Board in 2009. The Board retained Dr. William Eadington as a general consultant from 2008, as well as Will Cummings and Richard Wells to provide gaming revenue projections and gaming market studies. Civic Economics was tasked with determining what the cannibalization effects of the new facilities would be on existing businesses in the community. Union Gaming Group was hired to examine the financial stability of the manager applicants. Ekay Economic Consultants, which was comprised of the same analysts from Meridian Business Advisors used in previous rounds of work, were responsible for performing fiscal impact analyses for the local governments. Construction Cost Systems was hired to perform a construction cost analysis of the applicants' proposals. The new consultant to the process was Macomber International, who was responsible for analyzing the ancillary developments included in the management applications.

KRGC staff hosted, staffed and planned all Review Board meetings, as well as compiling all information that the Review Board requested during the process. In addition, KRGC staff processed all incoming correspondence for the Review Board and maintained (and continues to maintain) all records of Review Board activities.

On December 15, 2010 the Review Board voted 6-1 in favor of the Peninsula Gaming Partners contract as the "best possible contract" in the South Central zone. That contract was subsequently forwarded to the KRGC the next day, December 16, for the Commission to perform background investigations on the applicant and its key employees. The background was approved by the Commission on January 14, 2011.

The Review Board is once again dormant and will remain as such until the Lottery Commission receives a gaming facility application in the Southeast zone.

## ***Casino Regulation***

The Boot Hill Casino and Resort opened to the public on December 15, 2009. The KRGC has a licensed law enforcement officer on site at the facility whenever the facility is open to the public, as required by state regulations. Calendar year 2010 saw the first full year of operations at Boot Hill and the beginning of construction of the Hollywood Casino at Kansas Speedway. The Hollywood Casino is slated to open in the spring of 2012.

In December of 2009, the Boot Hill Casino & Resort began operations in Dodge City, Kansas. The facility currently has 580 electronic gaming machines, 14 table games and 2 poker tables. The United Wireless Arena, a 6,000 seat arena and 10,000 sq. ft. convention center funded through local funds, is nearing completion. The arena, although not owned or operated by Boot Hill, is located adjacent to the facility and will begin hosting events in February 2011. Boot Hill hopes to see increased activity resulting from this new regional attraction.

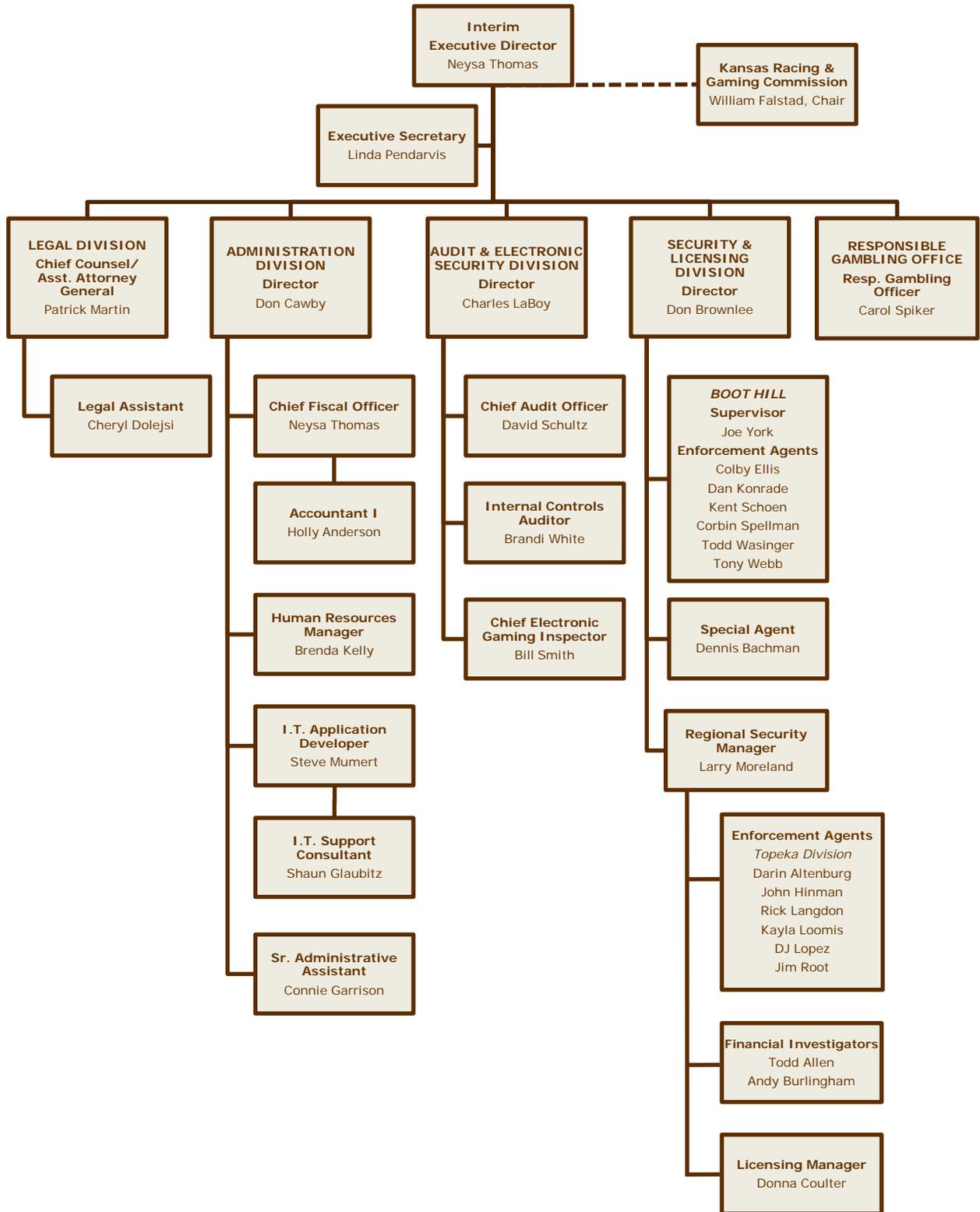
In 2010, the KRGC issued 346 permanent licenses, 302 temporary licenses, completed 449 background investigations, and certified or approved 544 electronic gaming machines or gaming machine components in the performance of its regulatory duties under KELA.

## **Parimutuel Racing**

No racing was conducted at any of the commercial tracks or fair meet tracks in calendar year 2010.

On September 9, 2008, the KRGC sent a notice to cure to each of the racetracks and non-profit organizational licensees for their failure to run live horse and greyhound races. As a result of these notices, each licensee was subject to having its license revoked. On December 5, 2008 the KRGC issued an Administrative Order extending the licenses of each licensee until thirty days after the Sine Die close of the 2009 Kansas Legislative Session. This deadline was extended twice in 2009, resulting in an expiration date of 30 days after the final adjournment of the 2010 Legislative Session, to allow for one last attempt to make Legislative changes to make pari-mutuel racing more profitable in the state of Kansas. Those changes failed to pass through the legislature and on June 28, 2010, the licenses of all three racetracks and all three non-profit organizational licensees were revoked.

# KRGC Organizational Chart



## Legal Division

The KRGC is statutorily assigned two assistant attorney generals “to assist it in all matters.” The work of the Legal Division can generally be divided into three areas: administrative, criminal and civil. Administratively, the KRGC’s attorneys research and prepare regulations and conduct administrative hearings.

Because the KRGC is also a law enforcement agency, the KRGC’s attorneys assist in criminal matters. Specifically, attorneys coordinate the KRGC’s response to complaints and information related to illegal gaming issues and act as counsel for the agency’s enforcement agents when necessary.

On civil issues, the KRGC’s attorneys assume both litigation and transactional roles – that is, the attorneys prepare contracts and represent the agency in law suits. The attorneys also act as in-house counsel providing research, analysis and communication necessary to either represent the agency or resolve any legal issues it has.

# Illegal Gambling Program

Beginning in 2007 with the passage of the Kansas Expanded Lottery Act, the KRGC was designated the coordinating agency for all illegal gambling complaints. Since that time, the KRGC has received over 800 complaints and calls regarding illegal gaming. Those complaints have come from 69 of the state's 105 counties. The agency has also seen a reduction in formal complaints and questions as a result of developing and maintaining a comprehensive illegal gaming reference page on the KRGC website.

To maximize the limited resources of all law enforcement and other state and local agencies regarding illegal gambling, the KRGC has worked with local law enforcement and prosecutors throughout the state to educate the public and gain compliance with state law regarding illegal gambling devices. Because of the agency's success in removing illegal devices in 2009, the KRGC was able to focus on non-device matters and educational outreach activities in 2010. However, the KRGC still managed to coordinate the removal or destruction of 61 illegal gambling devices in 2010.



## Responsible Gambling Office

The Responsible Gambling Office manages activities with the agency's responsible gambling program. The primary responsibility of the office is to operate the statewide Voluntary Exclusion Program (VEP). The VEP program allows anyone who thinks they might have a gambling problem to exclude themselves from the state-owned casinos. Persons have an option of excluding themselves for a term of two years or for life. Those who choose the two year option must complete a series of healthy choices classes and undergo an assessment from a certified problem gambling counselor before the commission will consider taking them off the list.

The office is also a major force behind the Kansas Responsible Gambling Alliance. The alliance was formed in 2008 in an effort to provide helpful information and support for Kansans with gambling problems. The Alliance is comprised of the Kansas Lottery, Kansas Racing and Gaming Commission, Kansas Department of Social and Rehabilitation Services, Kansas Coalition on Problem Gambling and Kansas Department of Corrections, along with a member representing the local gaming communities and an operator or supplier of gaming products representative.

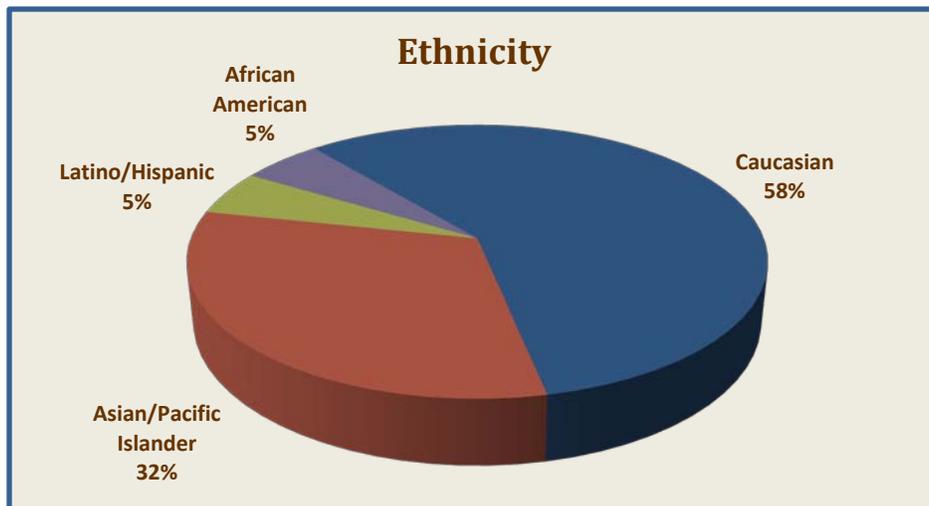
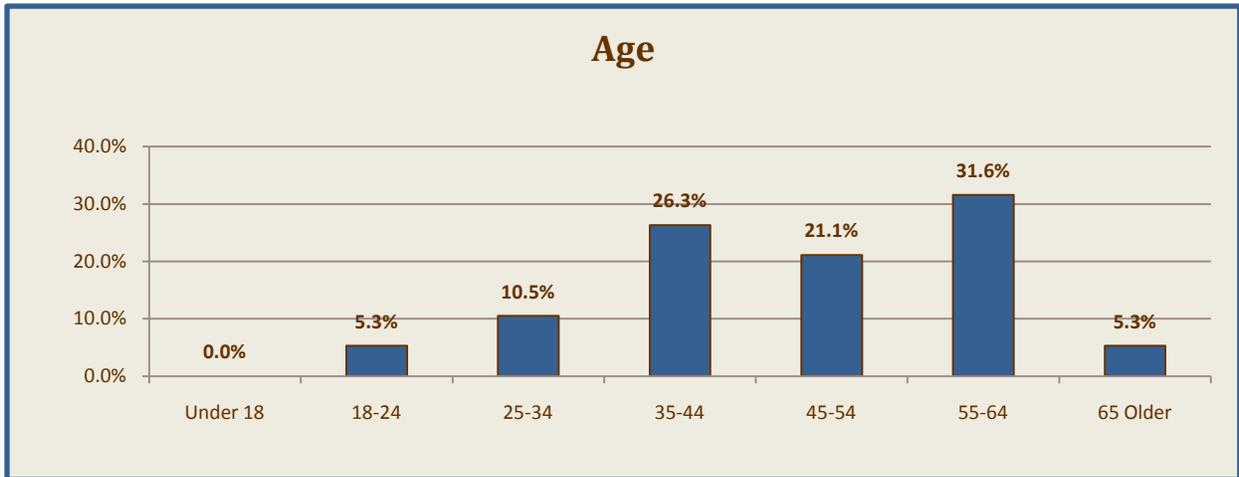
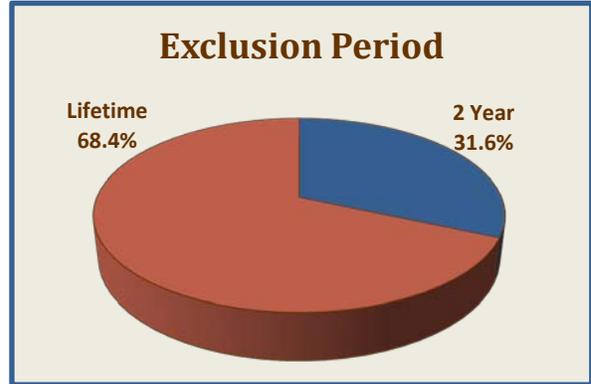
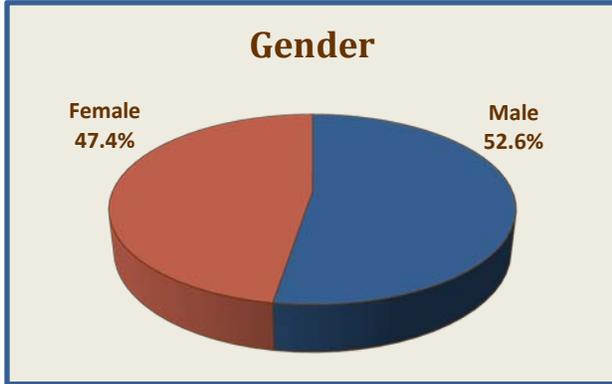
The alliance has developed a problem gambling website, [www.ksgamblinghelp.com](http://www.ksgamblinghelp.com), to provide resources to individuals with gambling addiction and to raise awareness about problem gambling. In addition to the website, the Alliance and the KRGC have endorsed and aggressively marketed the national Problem Gambling Helpline, 800-522-4700.

The Responsible Gambling Office works closely with the licensed facilities to ensure facility managers appropriately address the dangers of problem gambling. At Boot Hill Casino and Resort, the office was able to have the problem gambling helpline and website advertised directly on the slot machines, as well as on billboards around the area.

The office also assists in education and training for facilities and local communities to assist them in dealing with problem gambling issues. The office continues to coordinate training for gambling counselors in Dodge City and southwest Kansas to assist them with identifying problems encountered by clients. The office also oversees training for casino employees to identify early warning signs of potential problem gambling behavior.

# Voluntary Exclusion Program

The following graphs depict the data collection for calendar year 2010.



## Audit and Electronic Security Division

The Audit and Electronic Security Division is comprised of two sub-units, the audit unit and electronic security unit, each containing their own unique duties and functions. Both work to accomplish the goals of ensuring that the parimutuel and expanded gaming industries are held to the highest accounting and internal control standards and that the electronic systems used in those industries are accurate, secure and reliable.

The Division is comprised of experts in their fields such as certified public accountants and certified information system security professionals who work diligently to ensure the commission has the best information available to make appropriate regulatory decisions. Services provided by the department include financial and compliance audits, certification of electronic gaming devices, information system security audits and consultation to the commission and the parimutuel and gaming industries in Kansas.

<b>ELECTRONIC SECURITY</b>	<b>2009</b>	<b>2010</b>
EGM Disputes Investigated	0	3
Reel Inspections	85	40
Machine Software Inspections	0	140
EGM Certifications	584	125
EGM Hardware/Software Components Tested & Approved	857	419
Table Games Tested and Approved	7	5
<b>AUDIT</b>	<b>2009</b>	<b>2010</b>
Internal Control Plans Approved	1	0
Internal Control Plan Amendments Reviewed	53	96
Internal Control Plan Amendments Approved	17	87
Investigations of Variances	0	28
Internal Control Violations Investigated	0	10

# Security and Licensing Division

Security personnel are vested with the power and authority of law enforcement officers in the execution of the duties vested in the Commission by provisions of the Parimutuel Racing Act and the Expanded Lottery Act. The division's goals are:

- to ensure the integrity of racing and gaming in Kansas,
- to ensure racing and gaming sites are a safe entertainment venue for patrons and employees,
- to be proactive and responsive to racing and gaming laws and regulations, and
- to protect the interests of the public and the State as they relate to racing and gaming.

Security personnel work toward these goals by monitoring activities in the racing and gaming properties, and investigating criminal and regulatory violations of the acts. They serve as the on-site regulatory staff for the Kansas Racing and Gaming Commission (KRGCC) to ensure operations comply with Kansas law and Commission regulations.

Security personnel also conduct background investigations of KRGCC employees, management companies, racing and gaming facility employees, and vendors. Backgrounds are conducted to protect the public interest by maintaining a legitimate and viable gaming industry assuring honesty, good character and integrity of racing and gaming facility operators, employees, and vendors.

<b>BACKGROUND INVESTIGATIONS</b>	<b>2009</b>	<b>2010</b>	<b>LICENSES</b>	<b>2009</b>	<b>2010</b>
<b>Backgrounds Completed</b>	207	449	<b>Parimutuel Licenses Issued</b>	577	0
<b>Backgrounds in Process</b>			<b>Gaming Licenses Issued</b>		
Corporations	32	17	Corporations	28	10
Corporate Employees	324	229	Corporate Employees	140	121
Boot Hill Casino	346	159	<b>Boot Hill Employee Licenses Issued</b>		
			Commission Approved	18	215
			Denied	5	44
			Temporary	302	223
			Denied	35	38

## Administration Division

The Administration Division provides support services for the entire agency. These services include accounting, purchasing, budgeting, human resources, information technology and records management. The Division is also responsible for managing space and facilities, travel coordination, legislative tracking and fiscal note responses, the creation and management of formal agency policies, and the production of agency forms.

In 2010, the Division continues to be responsible for the implementation and maintenance of the agency's new gaming regulatory system. The IDPoint system is a comprehensive regulatory system that allows the following to be performed on one system:

- processing gaming licenses and ID card issuance,
- electronic fingerprint processing,
- electronic document storage and management,
- electronic incident reporting and security logs.

The Division has also worked with the Electronic Security Unit to implement IRIS, a gaming machine hardware and software inventory tracking system, at Boot Hill Casino. This system will be utilized at all facilities and will allow the agency to provide accurate, real-time tracking of all electronic gaming machines, components and any associated issues.

The Division is also responsible for managing the agency's budget and financial management. For FY 2010, the agency was able to reduce central operating costs by 3.4 percent under FY 2009. The agency also spent 8.0 percent less than anticipated for direct regulatory expenses at Boot Hill Casino. Additionally, the KRGC also refunded a total of \$114,715 of unused funds to Lottery Gaming Review Board applicants for FY 2010.

For the upcoming year, the Division plans to retire the entire principal and interest of the \$5.0 million Pooled Money Investment Board loan provided to the agency in FY 2007 and 2008. The loan was provided to the agency to sustain start-up and overhead expenditures until the number of viable facilities could be determined and the facility managers could be selected and billed for those costs.

A summary of actual expenditures for the past two fiscal years can be found on the following page.

# Revenue and Expenditures

REVENUES	FY 2009	FY 2010
<b>RACING</b>		
Parimutuel Tax	\$ 261,757	\$ 9,882
Admissions Tax	2,601	1,204
Unclaimed Winning Tickets	188,273	9,334
Breakage	29,337	4,548
License Fees & Fines	15,276	6,803
Operating Reimbursements	169,133	50
Transfers	(47,847)	(123)
Miscellaneous	<u>(60,994)</u>	<u>16,335</u>
Subtotal - Revenues	557,537	48,033
<b>GAMING</b>		
Loan Proceeds	\$ 2,368,000	\$ 0
Review Board Charges	0	884,295
Background Reimbursements	785,536	205,039
Operations Reimbursements	0	3,593,633
EGM Examination Deposits	0	731,311
Transfers	<u>(35,424)</u>	<u>(14,091)</u>
Subtotal – Revenues	3,118,112	5,400,187
<b>TOTAL REVENUES</b>	<b>\$ 3,675,649</b>	<b>\$ 5,448,220</b>

EXPENDITURES	FY 2009	FY 2010
<b>RACING</b>		
Grants for Fair Meets	\$ 131,579	\$ 0
Racing Operations	898,549	130,112
Breed Supplements	277,055	63,510
Research Grants	<u>0</u>	<u>0</u>
Subtotal – Expenditures	1,307,183	193,622
<b>GAMING</b>		
Central Office	\$ 2,096,844	\$ 1,966,381
Review Board	1,282,664	825,106
Boot Hill	0	561,121
Wyandotte	0	26,467
EGM Examinations	<u>0</u>	<u>579,446</u>
Subtotal – Expenditures	3,379,508	3,958,521
<b>TOTAL EXPENDITURES</b>	<b>\$ 4,686,691</b>	<b>\$ 4,152,143</b>

REVENUES AND EXPENDITURES	FY 2009	FY 2010
TOTAL REVENUES	\$ 3,675,649	\$ 5,448,220
TOTAL EXPENDITURES	\$ 4,686,691	\$ 4,152,143

# Boot Hill Casino and Resort



**Mark Kashuda**  
General Manager

4000 West Comanche Street  
Dodge City, Kansas 66111  
(877) 906-0777  
[www.boothillcasino.com](http://www.boothillcasino.com)



## Facility Information

Opened:  
December 5, 2009

Gaming Floor:  
580 Electronic Gaming Devices  
16 Table Games

Amenities:  
Restaurant  
Snack Bar

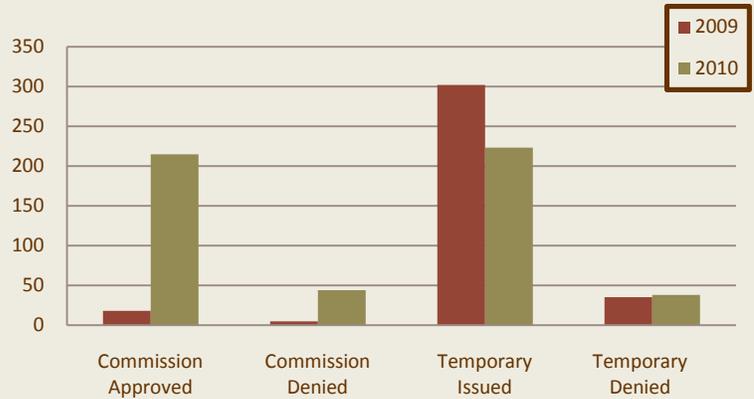
Total Employment:  
264 Full-time  
39 Part-time

## 2010 Gaming Revenue

Total Gaming Revenue  
\$ 37,787,943

Distribution to Governments:  
State (22%): \$ 8,313,347  
Locals (3%): \$ 1,113,638  
Problem Gambling (2%): \$ 755,759

## Employee License Applications



## 2010 Average Daily Slot Revenue per machine



# Hollywood Casino at Kansas Speedway



**Marty Naumann**  
*General Manager*

777 Hollywood Casino Blvd.  
Kansas City, Kansas 66111

[www.hollywoodcasinokansas.com](http://www.hollywoodcasinokansas.com)

**HOLLYWOOD**  
*Casino*  
**AT KANSAS SPEEDWAY**

## Facility Information

Scheduled Opening:  
Spring 2012

Gaming Floor (Phase 1):  
2,000 Electronic Gaming Devices  
52 Table Games

Amenities (Phase 1):  
Steakhouse  
Sports Bar  
Buffet and Food Court  
Parking Garage

Total Est. Employment (Phase 1):  
1,043 Full-time Equivalents

*No data for 2010*

# Kansas Star Casino



**Scott Cooper**  
General Manager

I-35 @ exit 33  
Mulvane, Kansas 67110  
[www.kansasstarcasino.com](http://www.kansasstarcasino.com)



## Facility Information

Scheduled Opening:  
February 2012

Gaming Floor (Phase 1a):  
1,300 Electronic Gaming Devices  
32 Table Games

Amenities (Phase 1a):  
Snack Bar

Total Est. Employment (Phase 1a):  
481 Full-time Equivalents

*No data for 2010*





## **Kansas Racing and Gaming Commission**

700 SW Harrison, Suite 500  
Topeka, KS 66603-3754  
785.296.5800

*[www.krgc.ks.gov](http://www.krgc.ks.gov)*

# State Gaming Agency

The State Gaming Agency is attached to the Kansas Racing and Gaming Commission. The budget of the State Gaming Agency, the number and qualifications of employees of the State Gaming Agency and expenditures by the State Gaming Agency for expenses of dispute resolution pursuant to a tribal-state gaming compact shall be subject to approval by the Kansas Racing and Gaming Commission. All other management functions of the State Gaming Agency are administered by the executive director, independent of the Kansas Racing and Gaming Commission.

The State Gaming Agency's mission is to uphold the integrity of Indian gaming operations in Kansas by enforcing the tribal-state compacts and the Tribal Gaming Oversight Act. Four tribes continue to operate casinos in Kansas pursuant to tribal-state gaming compacts, and annual assessments from those tribes finance the agency's operations.

The agency performs background investigations necessary prior to licensing for casino employees, management contractors, manufacturers and distributors for each tribal casino. In addition, the agency conducts inspections and monitors activity for compliance with not only the tribal-state gaming compacts but also applicable state and federal laws.

PERFORMANCE MEASURES	FY 2010
Individual employee background investigations	518
Manufacturer / distributor background investigations	17
Criminal investigations	42
Compact compliance investigations	6
Individual EGD (electronic gaming device) inspections	653

## Class III Tribal Gaming Facilities in Kansas

GAMING FACILITY	LOCATION (Closest City)	OPERATING TRIBE/NATION
Casino White Cloud	White Cloud	Iowa Tribe of Kansas and Nebraska
Prairie Band Casino & Resort	Mayetta	Prairie Band Potawatomi Nation in Kansas
Golden Eagle Casino	Horton	Kickapoo Tribe of Indians of the Kickapoo Reservation in Kansas
Sac & Fox Casino	Powhattan	Sac & Fox Nation of Missouri in Kansas and Nebraska

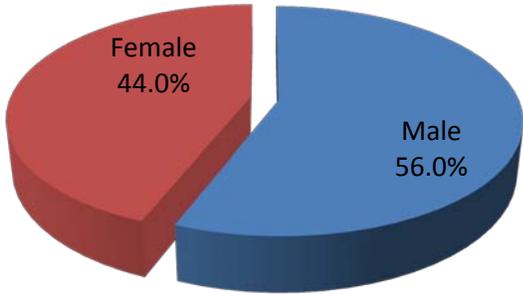


# Voluntary Exclusion Program Data

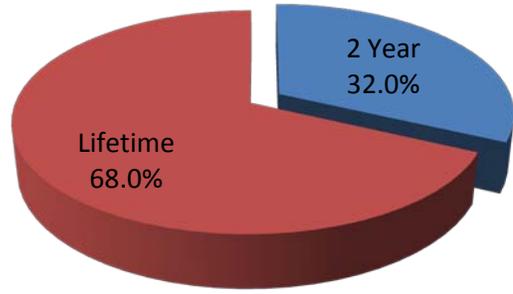
January 2010 - January 2011

Voluntary Exclusions = 25

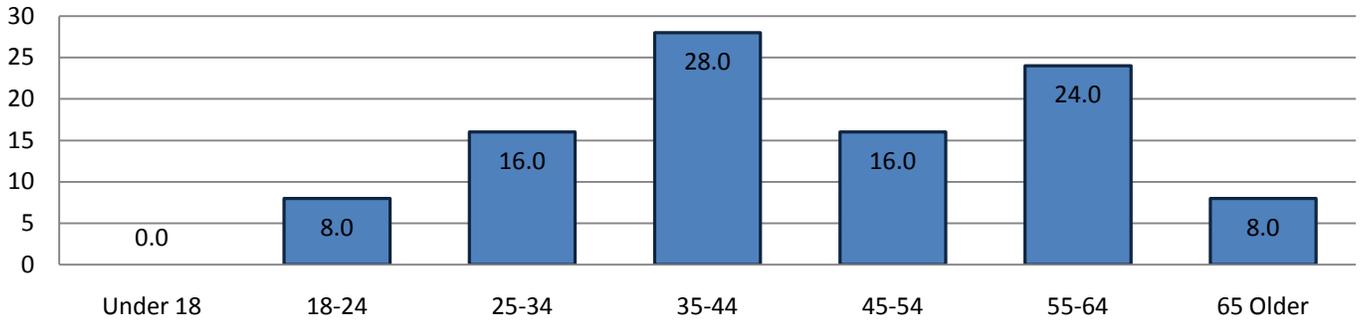
### Gender



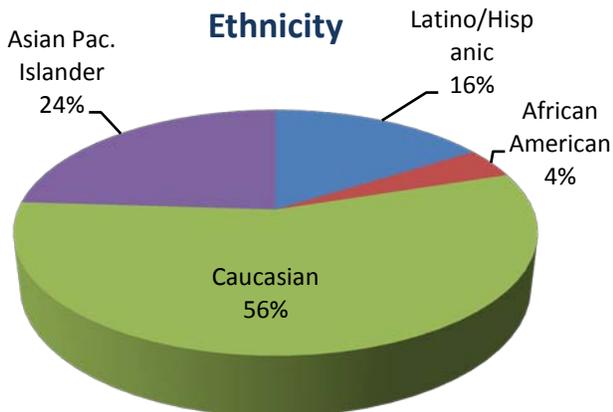
### Exclusion Period



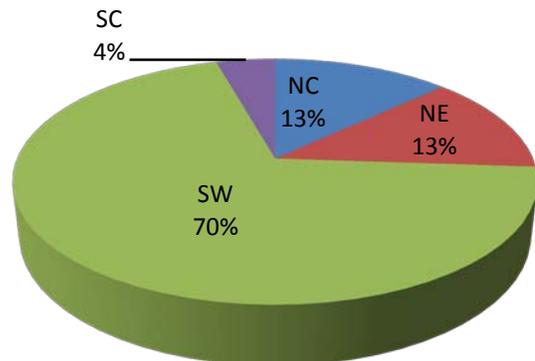
### Age



### Ethnicity



### Region of Residence





# Problem Gambling in Kansas

For most adults, gambling is a source of entertainment, a chance to socialize with others in a fun, safe and exciting atmosphere – and perhaps, to win some money. For some, gambling can become problematic.

*A 1999 National Prevalence Study revealed that .9% of the adult population, which would be approximately 18,614 Kansans, are pathological gamblers.*

Mitigating the harm caused by problem gambling can be accomplished by understanding problem gambling issues and knowing how to access help.

## Gambling activities may include the following:

Bingo	Keno
Casinos	Lottery
Commodities Market	Sports Betting
Dog/Horse Races	Stock Market
Internet Gambling	Sweepstakes

The National Council on Problem Gambling defines problem gambling as:

***“...gambling behavior which causes disruptions in any major area of life – psychological, physical, social or vocational.*”**

## Do You or Someone You Know Have A Gambling Problem?

1. Have you ever felt the need to bet more and more money?
2. Have you ever had to lie to people important to you about how much you gamble?

An answer of “yes” to either or both of these questions may indicate a problem with gambling.

Information for this Fact Sheet provided by the Kansas Responsible Gambling Alliance ~ a partnership of Kansas Department of Social and Rehabilitation Services, Kansas Racing and Gaming Commission, Kansas Lottery, Kansas Department of Corrections, Kansas Coalition on Problem Gambling, Boot Hill Casino and Resort and Kansas Community Representatives.

## Problem Gambling in Kansas

(data derived from the Kansas Problem Gambling Helpline 2001-2010)

Of the individuals that called the Kansas Helpline:

- 3700 calls for help
- 63 of those callers were suicidal
- 14,000 opportunistic calls (those who may have been inquiring but were hesitant to ask for help)
- 52% were male
- 48% were female
- 48% were 26-54 years old
- 68% were inquiring about help for themselves
- 37% and 13% indicated casino slots and casino cards as their gambling choice
- 48% were referred to Gamblers Anonymous, and
- 18% were referred to a service provider

## Problem Gambling Warning Signs

1. A preoccupation with gambling.
2. Talking only about wins, not losses.
3. Gambling is a way of escape from problems.
4. Hiding losses from family members.
5. Borrowing money in order to gamble.
6. Gambling results in withdrawal from family and friends.
7. Stopping or cutting back seems impossible.

## Getting Help

If you suspect that you or someone you know is a problem gambler, call the Kansas Problem Gambling Help Line. A specially trained counselor will answer your call. Information is provided at no cost.

**The call is toll-free and confidential.**

*Gambling problem?*

**Getting Help is your Best Bet.**

**800.522.4700** [ksgamblinghelp.com](http://ksgamblinghelp.com)

# February 2011 - January 2012

## Kansas Racing and Gaming Commission Planner

Feb 2011						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28					

### FEBRUARY

17 Commission Meeting (moved from 2/11)

### MARCH

11 Commission Meeting

### APRIL

6 Commission Meeting in Dodge City (moved from 4/15 and 4/21)

### MAY

12 Commission Meeting (moved from 5/13)

### JUNE

17 Commission Meeting

### JULY

15 Commission Meeting

### AUGUST

12 Commission Meeting (tentative)

### SEPTEMBER

9 Commission Meeting (tentative)

### OCTOBER

14 Commission Meeting (tentative)

### NOVEMBER

18 Commission Meeting (tentative)

### DECEMBER

16 Commission Meeting (tentative)

Aug 2011						
S	M	T	W	T	F	S
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Sep 2011						
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Mar 2011						
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Oct 2011						
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30	31					

Apr 2011						
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Nov 2011						
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May 2011						
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Dec 2011						
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31						

Jun 2011						
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Jan 2012						
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Jul 2011						
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23	24	25	26	27	28	29
30	31					