ARTICLE 1. EVENT WAGERING

R19-4-101. Definitions
A. The definitions in A.R.S. § 5-1301 apply to this Article.
B. Additionally, for purposes of this Article and the Act, and unless the context requires otherwise:
1. “Act” means Title 5, Arizona Revised Statutes, Chapter 11.
2. “Affiliate” means a person, directly or indirectly, through one (1) or more intermediaries, who controls or is controlled by, a responsible party.
3. “Applicant” means any person who has applied for a license under the provisions of the Act or this Article.
4. “Application” means all the forms and documents that are required to be submitted or completed to obtain a license under the provisions of the Act or this Article.
5. “Article” means Arizona Administrative Code, Title 19, Chapter 4, Article 1.
6. “Designee” means a person authorized to act on behalf of an event wagering operator and who is responsible for the management and control of event wagering operations. A designee is not independently eligible to become an event wagering operator, nor is it eligible to transfer licensure. The term is not inclusive of designee as referenced in A.R.S. § 5-1316(C).
7. “Event Wager” means a wager on sports events or other events, portions of sports events or other events, the individual performance statistics of athletes in a sports event or combination of sports events or the individual performance of individuals in other events or a combination of other events through any system or method of wagering.
8. “Event Wagering Employee” means any person employed in the State by a responsible party who: (a) is a primary management official responsible for the operation of event wagering; (b) has the capability to affect the outcome of an event wager; (c) has the capability to affect a payout of a wager to a patron; or (d) is determined to be an event wagering employee by the Department.
9. “Event Wagering Platform” means the internet interface to a single event wagering system, which is designed to accept mobile event wagers through a website or a mobile application.
10. “Event Wagering System” means the hardware, software, firmware, communications technology or other equipment to allow patrons to place event wagers, regardless of whether event wagers are offered at retail, to include kiosks, and/or over the internet on an event wagering platform.
11. “GeoFence Provider” means a person who creates a virtual perimeter for a real geographic location.
12. “Global Risk Management” means the management of risks associated with event wagering, the setting or changing of event wagers, cutoff times for event wagers, acceptance or rejection of event wagers, laying off of event wagers, lines, point spreads, and odds for event wagers, and other activity relating to event wagering.
13. “Independent Test Laboratory” means a person who provides testing services for responsible parties to certify that event wagering systems, processes, and programs meet the technical requirements of the Act and this Article.
15. “Internal Control System” means the minimum level of operational controls developed by a responsible party to ensure the integrity of event wagering.
16. “Kiosk” means a device located within a retail wagering area that interfaces with an event wagering system and may be utilized by a patron to place event wagers, redeem winning tickets, redeem vouchers, open a player account, and make player account deposits and withdrawals.
17. “League Data Provider” means a person who provides statistical results, outcomes, and other data related to approved events.
18. “License” means an approval issued by the Department to a person pursuant to this Article to be involved in the operation of event wagering.
19. “Licensee” includes any person licensed by the Department under this Article.
20. “Marketing Affiliate” means a person who is involved in the promotion, marketing, and recruitment for event wagering business in exchange for a commission or other fee.
21. “Patron” means a player or participant who places event wagers pursuant to the Act and this Article.
22. “Player Account” means an account established by a patron with a responsible party so that the patron may place event wagers with that responsible party. Player accounts may also be referred to as event wagering accounts.
23. “Responsible Party” means event wagering operators, designees, limited event wagering operators, and management services providers.
24. “Retail Wagering Area” or “Retail” means the designated area within an event wagering facility where event wagering activity under the Act takes place.
25. “State” means the State of Arizona not to include the Indian lands within its exterior boundaries.
26. “Supplement” means a form of application approved by the Department for qualified applicants.
27. “Supplier” or “Vendor” includes persons who satisfy the definition of supplier in the Act and persons who provide goods and/or services, directly or indirectly, to a responsible party in connection with event wagering pursuant to the Act, including those referred to as ancillary suppliers for purposes of the licensing fee structure. Ancillary suppliers include:
   a. Affiliates;
   b. Bookmakers;
   c. Data centers providing physical security and infrastructure;
   d. GeoFence providers;
   e. Identity verification service providers;
   f. Independent test laboratories;
   g. Integrity monitoring providers;
   h. League data providers;
   i. Marketing affiliates;
   j. Payment processors; and
   k. Any other person as determined by the Department.
28. “Suspicious Wagering Activity” means unusual event wagering activity that cannot be explained and is indicative of any of the following: match fixing, the manipulation of an event, misuse of inside information, a potential breach of a sports governing body’s internal rules or code of conduct pertaining to event wagering, any other conduct that corrupts the outcome of an event, and any other prohibited activity.
29. “Ticket” means a printed or electronic document utilized to record a wager by an event wagering system.
30. “Unusual Wagering Activity” means abnormal wagering activity exhibited by one (1) or more authorized participants and considered by a responsible party as a potential indicator of suspicious wagering activity.

31. “Voucher” means a printed or electronic wagering instrument which may also be redeemed for cash or cash equivalents.

R19-4-102. Event Wagering Permitted
Event wagering in the State, except that which is permitted pursuant to Title 13, Chapter 33, shall only be conducted by licensed responsible parties who operate in compliance with, and pursuant to Title 13, Chapter 33, shall only be accepted from persons within the State pursuant to the Act and this Article. Event wagers, except those which are permitted pursuant to Title 13, Chapter 33, shall only be accepted from persons within the State pursuant to the Act and this Article.

R19-4-103. Power and Authority
A. The Department reserves all powers, duties, and authority granted to it by the Act and in this Article.

B. As a condition of holding a license, all licensees agree to be subject to State jurisdiction for purposes of compliance with, and enforcement of, the Act and this Article.

C. The Department shall monitor licensees, audit compliance with this Act and Article, and investigate suspected violations of any provision in the Act or this Article and may, at any time:
   1. Access and inspect all or any part of each event wagering system;
   2. Access and inspect kiosks;
   3. Access, review, and/or copy all books, records, and/or data maintained by a licensee related to event wagering in the State; and
   4. Inspect all or any part of an event wagering facility or server location.

R19-4-104. License Categories
A. Event wagering employees shall have obtained a license from the Department prior to commencing employment or performing the duties of the position. The event wagering employee license shall be in effect for two (2) years and the employee shall have obtained a renewal from the Department thereafter as a condition of continuing employment.

B. Event wagering operators are subject to the licensing requirements of the Act and this Article. Event wagering operators shall have obtained from the Department a renewal of the license every five (5) years thereafter before continuing to operate event wagering. An additional wagering facility shall be under contract with a qualified racetrack enclosure in order to apply, hold, and/or renew a limited event wagering license.

C. Designees appointed by an event wagering operator shall have obtained a license from the Department prior to providing event wagering services. The designee license shall be in effect for five (5) years and the designee shall have obtained a renewal from the Department thereafter as a condition of continuing operation. A designee shall maintain a designation from a qualified event wagering operator in order to provide event wagering services. If a designee operates event wagering, including developing and operating event wagering systems and platforms and providing odds, lines, and global risk management, a separate management services provider license is not required.

D. Limited event wagering operators are subject to the licensing requirements of the Act and this Article. Limited event wagering operators shall have obtained from the Department a renewal of the license every five (5) years thereafter before continuing to operate event wagering. An additional wagering facility shall be under contract with a qualified racetrack enclosure in order to apply, hold, and/or renew a limited event wagering license.

E. Management services providers are subject to the licensing requirements of the Act and this Article. Management services providers shall have obtained from the Department a renewal of the license every two (2) years thereafter before continuing to manage event wagering services.

F. Suppliers, including ancillary suppliers, are subject to the licensing requirements of the Act and this Article. Suppliers, including ancillary suppliers, shall have obtained from the Department a renewal of the license every two (2) years thereafter before continuing to provide goods and/or services.

G. On a quarterly basis, responsible parties shall provide to the Department a list of the names and addresses of their suppliers, including ancillary suppliers, who provide goods and/or services for event wagering in the State.

R19-4-105. Procedures for Licensing
A. Every applicant for a license shall submit a complete application in the form prescribed by the Department, which shall include all information and documentation required by the Department, along with the applicable fees.
   1. Required parties shall submit a non-refundable application fee. The application fee shall be credited towards the initial license fee if the applicant is granted a license.
   2. Event wagering employees and suppliers shall submit a non-refundable license fee.

B. An applicant licensed, certified, or permitted by the Department may request to submit a supplemental application on file and shall submit the applicable fees.

C. The fees for licensure shall be the following:
   1. Event Wagering Operator
      Application Fee $ 100,000
      Initial License $ 750,000
      Annual License Fee $ 150,000
   2. Designee
      Application Fee $ 100,000
      Initial License $ 750,000
      Annual License Fee $ 150,000
   3. Limited Event Wagering Operator
      Application Fee $ 5,000
      Initial License $ 25,000
      Annual License Fee $ 5,000
   4. Management Services Provider
      Application Fee $ 1,000
      Initial License $ 10,000
      Annual License Fee $ 5,000
   5. Supplier
      Initial License $ 5,000
      Renewal $ 1,000
   6. Ancillary Supplier
      Application Fee $ 1,500
      Renewal $ 500
   7. Employee
      Initial License $ 250
      Renewal $ 125

D. Within one hundred and eighty (180) days of being approved for licensure, the responsible party shall conduct
event wagering in the State or the license shall revert back to the Department.

E. Within five (5) days following its receipt of a complete application for licensure of an event wagering employee or supplier, the Department shall issue a temporary license to the applicant unless the Department does not believe that the applicant will qualify for licensure. If the employee or supplier does not receive a response from the Department regarding the approval or denial of the applicant’s temporary license by the close of the fifth (5th) day following the receipt of a complete application for licensure, then the applicant’s temporary license shall be deemed approved by the Department. The results of a Department background investigation shall not be required prior to the issuance of a temporary license. The temporary license shall become void and be of no effect upon either the issuance of licensure or upon the issuance of a notice of denial.

F. Responsible parties shall require all event wagering employees in a retail wagering area to wear in plain view identification cards issued by the Department. The identification cards will include a photograph, first and last name, an identification number unique to the license, the Department’s seal or signature, and a date of expiration.

G. Responsible parties shall remit the annual license fee to the Department within twelve (12) months of the date in which they were approved for licensure, and annually thereafter.

H. If a responsible party has remitted each of the annual license fees and is applying for license renewal, the responsible party shall submit their completed renewal application to the Department at least thirty (30) days prior to the expiration date of their license. Responsible parties may continue to be engaged under their expired license until action is taken on the renewal application by the Department.

I. If event wagering employees or suppliers are applying for license renewal, event wagering employees and suppliers shall submit their completed renewal application along with the license renewal fee to the Department at least thirty (30) days prior to the expiration date of their license. Event wagering employees and suppliers may continue to be engaged under their expired license until action is taken on the renewal application by the Department.

J. As part of the reporting of material changes required by A.R.S. § 5-1305(E), after an applicant other than an event wagering employee is licensed, it shall file a report of each change of its principals with the Department. Each new principal shall file a complete application within thirty (30) days after appointment or election. The license shall remain valid unless the Department denies the application.

K. Applicants and licensees may appeal a summary suspension, or a determination by the Department of a revocation, suspension, or denial of licensure.

L. An applicant for licensure or renewal that wishes to withdraw an application shall submit a request to the Department in writing. The application shall not be considered withdrawn without the written permission of the Department.

R19-4-106. Allocation for Applicants

R19-4-107. Event Wagering Facility Location

A. An event wagering operator or limited event wagering operator shall provide written notice to the Department of the proposed physical location of the event wagering facility, or of any proposed changes to the location of an existing event wagering facility. The notice shall be provided to the Department at least sixty (60) days prior to the intended opening date of the new or relocated event wagering facility so that the Department may determine whether the proposed physical location meets the requirements of the Act.

B. The Department shall provide a written response within thirty (30) days of receipt of the notice.

R19-4-108. Retail Wagering Area Determination

A. The responsible party authorized to operate an event wagering facility shall determine and document the retail wagering area(s) of its facility. The determination and documentation shall be provided to the Department prior to the pre-operation inspection required under R19-4-109.B.

B. Any changes to the retail wagering area(s) shall be submitted to the Department in writing for review and approval at least thirty (30) days prior to implementation.

C. The Department shall issue a letter approving the determination or otherwise delineating the retail wagering area(s).

R19-4-109. Retail Wagering Area Inspection

A. A responsible party may not operate a retail wagering area without the written approval of the Department.

B. Prior to the initial opening of the retail wagering area, or any changes to the retail wagering area approved under R19-4-108.B, the Department shall conduct a pre-operation inspection to verify that the proposed retail wagering area complies with the applicable requirements of the Act and this Article. The Department shall send the results of the inspection in writing within seven (7) days of the inspection and shall approve the opening of the retail wagering area if it determines that the area meets the required compliance.

C. If the Department determines that the retail wagering area does not comply with the applicable requirements of the Act and this Article, a non-compliance letter shall be sent within seven (7) days of the inspection that shall set forth the matters of non-compliance upon which the Department bases its decision. If the matters of non-compliance identified by the Department are resolved, the Department shall approve the opening of the retail wagering area. The Department’s decision to deny opening of a retail wagering area shall become final sixty (60) days after the pre-operation inspection if the issues of non-compliance identified by the Department are not resolved.

R19-4-110. Responsible Advertising

A. Advertising, marketing, and promoting of event wagering shall not target, or otherwise be of a kind that specifically appeals to, persons under twenty-one (21) years of age.

B. Advertising, marketing, and promoting of event wagering shall not be misleading or contain false information.

C. Advertising, marketing, and promotion of event wagering shall not promote irresponsible or excessive participation in event wagering, or suggest that social, financial, or personal success is guaranteed by engaging in event wagering.

D. Advertising, marketing, and promoting of event wagering shall not occur at event venues where most of the audience at many of the events at the venue is reasonably expected to be under twenty-one (21) years of age.

E. Event wagering messages, including logos, trademarks, or brands, shall not be used, or licensed for use, on clothing, toys, games, or game equipment intended primarily for persons under twenty-one (21) years of age.

F. Event wagering shall not be promoted or advertised in college or university-owned news assets or advertised on college or university campuses.

R19-4-111. Internal Control System

A. Responsible parties shall operate event wagering, including each event wagering system, retail wagering area, kiosk,
and/or event wagering platform, pursuant to a written internal control system approved by the Department. The internal control system shall be designed to reasonably assure that:

1. Assets are safeguarded and accountability over assets is maintained;
2. Liabilities are properly recorded and contingent liabilities are properly disclosed;
3. Financial records including records relating to revenues, expenses, assets, liabilities, and equity/fund balances are accurate and reliable;
4. Transactions are performed in accordance with the responsible party’s general or specific authorization;
5. Access to assets is permitted only in accordance with the responsible party’s specific authorization;
6. Recorded accountability for assets is compared with actual assets at frequent intervals and appropriate action is taken with respect to any discrepancies; and
7. Functions, duties, and responsibilities are appropriately segregated and performed in accordance with sound practices by qualified personnel.

B. The internal control system shall include:

1. A description of, and the inter-relationships and dependencies of, the event wagering system, hardware, software, and all integrated supplier modules;
2. A description of, and physical/logical security for, event wagering servers;
3. Procedures for verifying geolocation services and establishing a patron’s geographic location;
4. A detailed security and surveillance plan;
5. Procedures for the use, access, and security of all keys utilized in the operation of event wagering;
6. A description of the procedures for responding to a failure of the event wagering system and/or event wagering platform;
7. Automated and manual risk management procedures;
8. Change management procedures;
9. Procedures for identifying and reporting fraudulent and/or suspicious activity, including identifying unusual betting patterns and reporting them to integrity monitoring providers;
10. Procedures for the mitigation of risk of fraud and cheating;
11. Bank Secrecy Act procedures;
12. Procedures for advertising and marketing in a responsible manner;
13. Procedures to mitigate problem gambling and curtail compulsive gambling;
14. A problem gambling training and education program;
15. Procedures for the identification, notice, and removal of self-excluded or barred persons from event wagering facilities and event wagering platforms;
16. Procedures for selling tickets, cashing tickets, cancelling event wagers, voiding tickets, handling lost tickets, and issuing tax or other required forms;
17. Procedures for, and definition of, obvious errors;
18. Procedures for setting and moving lines;
19. Procedures for the reconciliation of assets and documents contained in a cashier’s drawer, kiosk, or player account, including drop, fill, and count procedures;
20. Procedures for the verification of player identification;
21. Procedures for the issuance and acceptance of promotional and/or bonus credit for event wagers;
22. Procedures for handling patron disputes;
23. Procedures for creating, updating, adjusting, and closing player accounts;
24. Procedures for internal audit;
25. Procedures for the retention of event wagering records;
26. Procedures for the disposition of claims arising from personal injury or property damage, loss of funds, and/or compromised personal or financial information alleged to have been suffered by patrons; and
27. Procedures for the identification and prohibition of prohibited participants from participation in event wagering.

C. Responsible parties shall have obtained written approval of the internal control system, or any changes to it, from the Department prior to implementation. The Department shall review the system, or any change to the system, and issue a written approval or disapproval of it. If, after thirty (30) days, the responsible party has not received a response from the Department regarding the internal control system, or any changes to it, then the internal control system shall be deemed approved by the Department.

D. For event wagering under the Act, responsible parties shall maintain:

1. Accurate, complete, legible, and permanent records of all transactions in a manner suitable for audit under the standards of the American Institute of Certified Public Accountants;
2. General accounting records using a double entry system of accounting with transactions recorded on a basis consistent with generally accepted accounting principles;
3. Detailed supporting and subsidiary records;
4. Detailed records identifying revenues, expenses, assets, liabilities, and fund balances or equity;
5. All records required by the internal control system including, but not limited to, those relating to any event wagering activity authorized by the Act;
6. Journal entries;
7. Detailed records sufficient to accurately reflect gross income and expenses relating to its operations;
8. Detailed records of any reviews or audits, whether internal or otherwise, performed in addition to the annual audit required in R19-4-111.E, including, but not limited to, management advisory letters, agreed upon procedures reviews, notices of non-compliance, and reports on the internal control system; and
9. Records of any proposed or adjusting entries made by an independent certified public accountant.

E. Financial statements of the responsible party related to event wagering operations in the State shall be audited, not less than annually at its fiscal year end, by an independent certified public accountant at the expense of the responsible party. The audit shall also include, or be supplemented with, an attestation by the auditor that adjusted gross event wagering receipts are accurately reported.

F. The Department shall be authorized to confer with the independent certified public accountant at the conclusion of the audit process and to review all the independent certified public accountant’s work papers and documentation relating to the responsible party.

G. Responsible parties shall notify the Department in writing of their fiscal year end and any changes to the fiscal year end within ten (10) days after deciding on a fiscal year end or a change to that year end. If the responsible party changes its fiscal year end, it may elect either to prepare financial statements for a short fiscal year or for an extended fiscal year, but in no event shall an extended fiscal year extend more than fifteen (15) months.

R19-4-112. Privilege Fee
A. As per A.R.S. § 5-1318(A), the established fee for the privilege of operating event wagering shall be eight percent (8%) of adjusted gross event wagering receipts for retail operations and ten percent (10%) of adjusted gross event wagering receipts for mobile operations.

B. The calculation of adjusted gross event wagering receipts shall be reported in the format required by the Department. The responsible party shall submit all necessary supporting documentation as directed by the Department to confirm the calculation of adjusted gross event wagering receipts. The report and supporting documentation shall be submitted to the Department no later than the twenty-fifth (25th) day of each month for the preceding month.

1. Fees paid pursuant to the Act and this Article shall be paid to the Department in the manner prescribed by the Department.
2. Following the Department’s receipt of the annual audit pursuant to A.R.S. § 5-1319, any overpayment of fees by the responsible party shall be credited to the responsible party’s next monthly fee payment. Any underpayment of fees shall be paid by the responsible party within thirty (30) days of the Department’s receipt of the annual audit.

R19-4-113. Reserve Requirements and Bank Accounts

A. Responsible parties shall maintain a reserve in the form of cash, cash equivalents, payment processor reserves, payment processor receivables, an irrevocable letter of credit, a bond, or any combination of the aforementioned, in an amount that is the greater of either $500,000 or the amount that is necessary to ensure the responsible party’s ability to cover all outstanding wagering liability and the funds held for player accounts.

B. The responsible party shall maintain bank account(s) that are separate and distinct from all other corporate accounts, unless otherwise agreed to by the Department. The account(s) shall be used for all player deposits, receipts, and disbursements relating to its operation of event wagering under the Act. The responsible party shall utilize a software accounting system that separates and distinguishes all receipts and disbursements regarding or in any way relating to event wagering activity under the Act, the operation, and the construction or operation of event wagering facilities.

R19-4-114. League Data

A. Upon written request by the governing body of a sports league, organization or association, or other authorized entity that maintains official league data, responsible parties shall utilize official league data for event wagers which are not determined solely by the final score or final outcome and shall utilize official league data for the purposes of event wagering shall be subject to the following terms:

1. The data source shall be commercially reasonable;
2. The data source and corresponding data shall be complete, accurate, reliable, timely, and available; and
3. The data source shall be appropriate to settle approved events and wagers.

B. The Department shall notify responsible parties within seven (7) days of receipt of the written request by the governing body of a sports league, organization or association, or other authorized entity that maintains official league data of the use of a non-official league data provider during the sixty (60) day period.

C. Official league data offered to responsible parties by the governing body of a sports league, sports organization, or sports association or other authorized entity that maintains official league data for the purposes of event wagering shall be subject to the following terms:

1. The data source shall be commercially reasonable;
2. The data source and corresponding data shall be complete, accurate, reliable, timely, and available; and
3. The data source shall be appropriate to settle approved events and wagers.

D. Responsible parties may submit a written request to the Department for the use of a non-official league data provider within sixty (60) days of receiving the notification from the Department regarding the availability of official league data. The request shall include a detailed analysis of the necessity of the use of a non-official league data provider. Responsible parties may use a non-official league data provider during the sixty (60) day period.

E. Within seven (7) days of receipt of the written request from a responsible party to utilize a non-official league data provider, the Department shall issue a written approval or disapproval.

F. An approved non-official league data provider shall be subject to the terms of R19-4-114.B.1-2.

G. The Department shall publish a list of approved non-official league data providers on its website.

R19-4-115. Integrity Monitoring

A. All integrity monitoring providers shall share information with each other and shall disseminate all reports of unusual and/or suspicious wagering activity to all responsible parties. All responsible parties shall review such reports and notify the integrity monitoring providers whether they have experienced similar activity.

B. The integrity monitoring providers shall notify the Department and the appropriate sport’s governing body of any suspicious wagering activity as soon as practically possible.

C. Responsible parties receiving a report of suspicious wagering activity shall be permitted to suspend wagering on events related to the report but shall not cancel related event wagers until receiving written approval from the Department.

D. If a sports governing body submits a written request to the Department requesting access to information related to suspicious wagering activity, responsible parties shall comply with the request pursuant to A.R.S. § 5-1316.

R19-4-116. Servers and Cloud Storage

A. Responsible parties shall only accept event wagers on a server(s) located in the State. Responsible parties shall provide the Department with the physical location of each server used to conduct event wagering. The server(s) shall have physical and logical security as provided in the responsible party’s internal control system.

B. The responsible party may utilize cloud storage for duplicate data or data not related to transactional wagering data upon written approval by the Department.

R19-4-117. GeoFencing

A. The responsible party shall utilize a geofence system to dynamically monitor the physical location of patrons attempting to place wagers on event wagering platforms.

B. The geofence system shall perform a geolocation check prior to the placement of an event wager in an authorized session.

C. The geofence system shall perform recurring geolocation checks throughout a patron’s authorized session.

D. If a geolocation check determines that a patron is not located in the State, the patron shall be blocked from placing event wagers on the event wagering platform.

E. The responsible party or the geofence provider shall implement a means to notify a patron of a geolocation failure.

F. The geofence provider shall provide to the Department access to real-time geofence data.

G. Attempts to place wagers from unauthorized locations shall be entered into a log by the responsible party and/or geofence provider. The log shall be available to the Department upon request.
R19-4-118. Technical Standards
Event wagering systems shall comply with Gaming Laboratories International (GLI) Standards GLI-33, including any appendices, and any future amendments and updates thereto. If GLI ceases to publish this standard, then it may be replaced by corresponding and equally rigorous technical standards adopted by the Department.

R19-4-119. Systems and Platforms
A. An event wagering system shall be designed to ensure the integrity and confidentiality of all patron communications, security and confidentiality of patron data including personal and financial information, and the proper identification of the sender and receiver of all communications.
B. Each event wagering operator may only have one (1) event wagering system, whether its own or as provided by a management services provider which may include one (1) separate and distinct set of hardware, software, firmware, communications technology, or other equipment to allow patrons to place event wagers on an event wagering platform and, if applicable, one (1) set of hardware, software, firmware, communications technology, or other equipment to allow patrons to place event wagers at an event wagering facility.
C. Responsible parties may use more than one (1), and up to two (2), event wagering platforms. Responsible parties shall submit a written request to the Department prior to offering a second event wagering platform. The Department shall exercise its discretion in its consideration of the written request for a second event wagering platform. Factors the Department may consider in reaching its determination include:
   1. Numbers of responsible parties and authorized event wagering platforms;
   2. The introduction of a unique brand or affiliate;
   3. The expansion of the patron base in the State;
   4. Market size, scope, development, and growth;
   5. Advances in technology; and
   6. Other factors deemed relevant by the Department or the responsible party.
D. The Department shall provide a written response within thirty (30) days of receipt of the written request.
E. Each event wagering platform shall display the name, brand, and/or logo of the responsible party and/or affiliate.
   1. If the responsible party changes the name, brand, and/or logo of its event wagering platform, it shall submit the changes to the Department prior to implementation.
   2. The responsible party shall not terminate use of an event wagering platform without prior written approval from the Department.
F. Responsible parties shall establish test accounts for the Department to be used to test the various components and operations of the event wagering system.

R19-4-120. Event Wagering System Testing
A. An independent test laboratory shall test to determine whether an event wagering system complies with all applicable technical standards referenced in the Act and this Article, including an initial geofence system test to verify that event wagers can only be accepted from persons located within the State.
B. The responsible party shall provide the independent test laboratory all information necessary for the independent test laboratory to render its opinion.
C. The Department shall have secure access to the independent test laboratory certification report that contains the results of the testing.
D. The Department reserves the right to require additional testing and to require corrective action if an event wagering system is determined to be non-complying.

R19-4-121. Event Wagering System Shipping (Retail and Kiosk)
Responsible parties shall provide the Department twenty-four (24) hours advanced notice of any shipment or delivery of a kiosk and/or event wagering system software.

R19-4-122. Event Wagering System Installation
A. The responsible party shall notify the Department in writing at least ten (10) days prior to the tentative date when the responsible party intends to place an event wagering system into use. The responsible party and Department shall then agree upon a firm date and time for testing.
B. The Department’s testing of an event wagering system shall be conducted to determine compliance with the Act and this Article. These tests shall include, but need not be limited to:
   1. Verifying event wagering system software;
   2. For retail and kiosks, verifying equipment serial numbers;
   3. Verifying that all applicable event wagering system software and/or hardware has been certified by an independent test laboratory;
   4. Verifying system reporting processes; and
   5. Verifying physical and logical security.
C. If approval is denied, the Department shall provide written notice to the responsible party detailing the reasons for the denial no later than three (3) days after the completion of testing.
D. For kiosks, the Department shall affix an identifying approval seal or equivalent when it is approved for use.
E. For retail and kiosks, the Department shall ensure that event wagering system equipment and event wagering activity under the Act have the required surveillance coverage.

R19-4-123. Change Management
Responsible parties shall implement a change management process that details evaluation procedures for all updates and changes to an event wagering system and event wagering platforms. The change management process shall address at a minimum:
A. A clear and transparent framework to assist in managing deployments and other changes in the regulated live production environment.
B. A description of the process, to include roles in the change management process, handling requests for change, and the change classification categories.
C. The categories of requests for change which shall be based on their impact to the security, integrity, recovery, confidentiality, accountability, and availability of an event wagering system:
   1. High impact changes which have a high impact on regulated components or reporting of the event wagering system. Responsible parties shall not implement these changes without the written approval of the Department. The Department shall provide a written response to the responsible party within five (5) days of the notification. The Department will determine if additional testing or certification is required by an independent test laboratory. Examples include:
      a. Implementation of a new wagering feature or a change which impacts wagering logic;
A. A change impacting required regulatory reports or data used for financial reconciliation;
B. The independent test laboratory’s certification report shall be submitted to the Department no later than three (3) days after the recertification is complete. The Department shall test the recertified event wagering system as per R19-4-122.B at an agreed upon date and time.

R19-4-127. Integrity and Security Assessment
A. The responsible party shall perform an integrity and security assessment of the event wagering system within one hundred and twenty (120) days after the commencement of operations, and annually thereafter. The assessment shall be conducted by an independent integrity and security assessment professional. The scope of the assessment shall include, at a minimum, the following:
1. A vulnerability assessment of mobile platforms, mobile applications, internal, external, and wireless networks with the intent of identifying vulnerabilities of all devices, platforms, and applications connected to or present on the networks;
2. A penetration test of all mobile platforms, mobile applications, internal, external, and wireless networks to confirm if identified vulnerabilities of all devices, platforms, and applications are susceptible to compromise;
3. A policy and procedures review against the current ISO 27001 standard or another similar standard approved by the Department;
4. A review of the firewall rules to verify the operating condition of the firewall and the effectiveness of its security configuration;
5. Any other specific criteria or standards for the integrity and security assessment as required by the Department.
B. The full independent integrity and security assessment professional’s report on the assessment shall be submitted to the Department no later than thirty (30) days after the assessment is conducted and shall include the following:
1. Assessment procedures and scope;
2. Name and company affiliation of the individual(s) who conducted the assessment;
3. Date of assessment;
4. Findings;
5. Recommended corrective action, if applicable; and
6. The responsible party’s response to the findings and recommended corrective action.

R19-4-128. Forms of Payment
A. Payment for event wagering activity or for deposit into a player account shall be made by cash, cash equivalent, electronic funds transfer, credit card, debit card, check, wire transfer, winnings, and/or promotional or bonus credit. Other forms of payment may be utilized upon written approval of the Department.
B. In the retail wagering area, the responsible party shall not allow a patron to conduct an electronic benefit transfer card transaction from a program intended to provide temporary assistance for needy families pursuant to A.R.S. § 46-297.

R19-4-129. Events and Wagers
A. The responsible party shall submit a catalogue to the Department of the events on which it intends to accept wagers and types of wagers it intends to offer. The catalogue and any changes shall be submitted to the Department prior to implementation.
B. The responsible party shall submit a written request to the Department for an event not previously authorized. The request shall include a detailed description of the event and its governing body so that the Department may determine:
1. How wagers will be placed and how winning wagers will be determined;
2. How the event will be conducted and supervised;
3. Whether any wager could affect the outcome of the event;
4. How the outcome of the event will be verifiable and generated through a reliable and independent process; and
5. How the event would be conducted in compliance with any applicable laws.

C. The responsible party shall submit a written request to the Department for a wager type not previously authorized. The request shall include a detailed description of the wager type so that the Department may determine:
1. How the wager will be placed and how winning will be determined;
2. Whether the wager could affect the outcome of an event; and
3. How the wager could be made in compliance with any applicable laws.

D. Within seven (7) days of receipt of the written request for an event and/or wager type, the Department shall issue a written approval or disapproval to the responsible party.

E. The Department shall publish a list of authorized events and wager types on its website.

F. The Department may prohibit a particular event or wager type.

R19-4-130. Wager Rules
A. All event wagering shall be transacted through an event wagering system. In the event of a computer or power failure, no tickets shall be manually written.
1. Anonymous event wagers shall only be accepted in the retail wagering area or at a kiosk; and
2. Mobile event wagers shall only be accepted from a verified player account through an event wagering platform.

B. An event wager shall not be accepted from a person who is placing the event wager for the benefit of another for compensation or is placing the event wager in violation of state or federal law.

C. An event wager shall not be accepted upon an event whose outcome has already been determined.

D. Upon acceptance of an event wager, a ticket shall be immediately issued.

E. The responsible party may cancel an accepted wager for obvious error as defined in the responsible party’s internal control system.

F. Except for obvious error, the responsible party shall not unilaterally cancel any wager without prior written approval of the Department.

G. If a patron wishes to void a ticket written prior to the start of an event, and the void request is approved by the responsible party, the ticket shall be voided by the event wagering system and a refund shall be given to the patron. For printed tickets, a void designation shall be branded on the ticket.

H. Upon verification, winnings from player account wagers shall be immediately deposited into the player account.

I. Winnings from anonymous wagers shall be immediately payable to the patron upon validation of the ticket by an event wagering system.

J. In the case of a computer or power failure, tickets may be manually paid. All manually paid tickets shall be marked as “paid” and entered into an event wagering system as soon as possible to verify the accuracy of the payout. All manually paid tickets shall be reviewed as part of the daily audit process.

K. A log for all manually paid tickets shall be maintained and include:
1. The unique transaction identified;
2. Date and time;
3. Amount of the payout; and
4. Employee name.

L. Winning tickets shall be honored for at least one (1) year after the conclusion of the event(s) unless otherwise approved by the Department. Redemption by mail shall be accepted and payment shall be made by the responsible party no later than seven (7) days after receipt.

R19-4-131. Layoff Wagers
A. The responsible party may accept event wagers placed under the Act with another responsible party. The responsible party shall inform the other responsible party accepting the event wager that the event wager is being placed and shall disclose its identity.

B. The amounts of event wagers placed with a responsible party and the amounts received by the responsible party as payments on such event wagers shall not affect the computation of the adjusted gross event wagering revenue.

R19-4-132. House Rules
A. The house rules shall be conspicuously displayed in the retail wagering area and/or on the event wagering platform. House rules shall address, at a minimum:
1. Types of event wagers accepted;
2. Minimum and maximum event wager amounts accepted;
3. Method for calculation and payment of winning event wagers;
4. Effect of scheduling changes and/or cancelled events;
5. Process for handling incorrectly posted events, odds, or results;
6. Method of notifying patrons of odds or proposition changes;
7. Methods of funding an event wager or player account;
8. Methods for redeeming a winning event wager;
9. Lost or damaged ticket policy;
10. Process for accepting event wagers at other than posted terms;
11. Process for canceling event wagers for obvious errors, including notification;
12. Process for patrons to submit questions and/or complaints;
13. Notification of the patron dispute process; and

B. Responsible parties shall submit the house rules to the Department prior to implementation. The Department shall review the house rules and issue a written approval or disapproval of them. Any proposed changes to the house rules shall be approved by the Department prior to implementation. If, after thirty (30) days, the responsible party has not received a response from the Department regarding the house rules, or any changes to them, then the house rules shall be deemed approved by the Department.

R19-4-133. Player Account Creation
A. A patron may establish a player account in person or by electronic means.

B. Responsible parties shall verify a patron’s age and identity before allowing that patron to create a player account from which event wagers can be placed.

C. Responsible parties may utilize an identity verification service provider to confirm a patron’s age and identity.

D. Responsible parties shall prohibit a patron from having more than one (1) player account and username.
E. Responsible parties shall establish each player account file with the following:
1. Patron’s legal name;
2. Patron’s date of birth;
3. The last four (4) digits of the patron’s social security number, the patron’s driver’s license number, or an equivalent identification number for a noncitizen;
4. Patron’s account number or username;
5. Patron’s residential address;
6. Patron’s e-mail address;
7. The method used to verify the patron’s identity;
8. The date of verification; and
9. Acknowledgement of event wagering terms and conditions, including any subsequent updates.

F. Responsible parties shall notify patrons of the establishment of a player account and the associated terms and conditions.

G. Responsible parties shall re-verify a patron’s identification upon reasonable suspicion that the patron’s identification has been compromised or the player account has been misused, or upon any suspicious activity involving the patron or player account.

R19-4-134. Player Account Terms and Conditions
Player account terms and conditions shall include the following:
A. Name of the responsible party with whom the patron is entering into a contractual relationship;
B. Patron’s consent to have the responsible party confirm the patron’s age and identity;
C. Rules and obligations applicable to the patron with regard to allowing any other person to access or use his or her player account and being physically present in the State to place a wager;
D. Patron’s consent to the monitoring and recording by the responsible party of any event wagering communication and geographic location information;
E. Privacy policy;
F. Legal age policy;
G. Rules for player account suspension;
H. Rules for dormant player accounts;
I. Rules for closing player accounts;
J. Availability of player account statements; and
K. The statewide problem gambling toll-free helpline telephone number, text message and website information.

R19-4-135. Player Account Maintenance
A. All adjustments to a player account shall be authorized by the responsible party and periodically reviewed by an employee independent of the adjustment.
B. A patron shall be allowed to withdraw the funds maintained in his or her player account.
1. The responsible party shall honor such patron request to withdraw funds within seven (7) days of the request.
2. The responsible party may decline to honor a patron request to withdraw funds if the responsible party believes that the patron engaged in either fraudulent conduct or other conduct that would put the responsible party in violation of the law or this Article. In such cases, the responsible party shall:
   a. Provide notice to the patron of the delay in honoring the request to withdraw funds from the player account;
   b. Investigate in an expedient fashion; and
   c. Notify the patron and the Department of the results of the investigation within two (2) days of the completion of the investigation.
C. The responsible party shall consider a player account to be dormant if the patron has not logged into the player account for at least three (3) years. A dormant account shall be closed by the responsible party. Upon closure of a dormant account, the responsible party shall make reasonable efforts to contact the account holder to return any unclaimed funds as required by A.R.S. § 44-307(E).

D. After one hundred and twenty (120) days of attempting to contact the account holder, the unclaimed funds in a dormant account shall be presumed abandoned. Responsible parties shall remit all abandoned funds to the Arizona Department of Revenue as required by A.R.S. § 44-307.

R19-4-136. Promotions and/or Bonuses
A. Responsible parties may offer promotions and/or bonuses.
B. The responsible party shall submit a written notification to the Department for a promotion and/or bonus prior to implementation. The responsible party need not submit structurally similar or ongoing promotions and/or bonuses after the initial submission, unless otherwise determined by the Department.
C. The promotion and/or bonus rules shall be clear and unambiguous, and include:
1. Date and time the promotion or bonus is active and expires;
2. Rules of play;
3. Nature and value of prizes or awards;
4. Eligibility restrictions or limitations;
5. Wagering and redemption requirements, including any limitations;
6. Eligible events or wagers;
7. Cancellation requirements; and
8. Terms and conditions that are full, accurate, concise, transparent, and do not contain misleading information.

D. Promotions and/or bonuses shall not be described as free unless they absolutely are free.

E. Promotions and/or bonuses shall not restrict the patron from withdrawing their own funds, or withdrawing winnings from wagers placed using their own funds.

F. Responsible parties shall make the promotion or bonus rules available to eligible patrons.

R19-4-137. Tournaments
A. Responsible parties may conduct event wagering tournaments. At such tournaments only events and wagers approved and authorized by the Department may be played.
B. The responsible party shall submit to the Department the rules and procedures governing the conduct and play of any event wagering tournament prior to implementation.
C. The tournament rules and procedures shall include but are not limited to:
1. Qualification or selection criteria which limit the eligibility of tournament patrons;
2. Regulations of the tournament (e.g., beginning and ending times, number of events, entry fee, elimination factors, cash handling procedures, etc.); and
3. Prizes to be awarded.

D. Responsible parties shall make the rules available to all tournament patrons prior to the beginning of the tournament.

R19-4-138. Cashiering (Retail)
A. A cashier shall begin a shift with an imprest amount of event wagering inventory, consisting of currency and coin. No funds shall be added to or removed from the event wagering inventory during the shift except:
1. Collection of event wagers;
2. Making change for a patron buying a ticket;
3. Collection of vouchers;
4. Payment of winning tickets;
5. Payment of voided tickets; and
B. An event wagering inventory count sheet shall be completed and signed by the cashier and a verifying employee on a per shift basis. The following shall be recorded on the count sheet:
1. The date, time, and shift of preparation;
2. The total amount of each denomination of currency and coin in the event wagering inventory issued to the cashier; and
3. The window number to which the cashier is assigned.
C. If the count of the inventory does not agree, the cashier and the verifying employee shall attempt to determine the cause of the variance in the count. Any variance not resolved by the cashier and the verifying employee shall be reported in writing to the responsible party. Any variance over $500 shall be reported to the Department. The report shall include the following:
1. The date on which the variance occurred;
2. The shift during which the variance occurred;
3. The name of the cashier;
4. The name of the verifying employee;
5. The window number; and
6. The amount of the variance.
D. If the event wagering system generated net receipts for the shift do not agree with the count sheet, the verifying employee shall record any overage or shortage. Any variance not resolved by the verifying employee shall be reported in writing to the responsible party. Any variance over $500 shall be reported to the Department. The report shall include the following:
1. The date on which the variance occurred;
2. The shift during which the variance occurred;
3. The name of the cashier;
4. The name of the verifying employee;
5. The window number; and
6. The amount of the variance.

R19-4-139. Accounting
Responsible parties shall maintain an accounting department that is independent from the operation of event wagering.

Accounting/revenue audit personnel shall perform the following:
A. Daily, for each cashier station except for kiosks, the write and payouts shall be compared to the cash proceeds/disbursements with a documented investigation being performed on all large variances (i.e., overages or shortages greater than $100 per cashier).
B. Daily, reconcile the dollar amount of player account transactions to the transaction summary report and investigate and document any variances.
C. Daily, select a random sample of five (5) paid retail transactions from the event wagering system transaction report and trace the transaction to the customer’s copy of the paid ticket.
D. Daily, for all winning retail payouts equal to or greater than $10,000 and for a random sample of ten (10) of all other winning retail payouts:
1. The tickets shall be recalculated and regraded using the event wagering system record of event results;
2. The date and starting time of the event per the results report shall be compared to the date and time on the ticket and in the event wagering system transaction report; and
3. The terms of the event wagers per the event wagering system transaction report or other report indicating all point spreads and money lines at which event wagers were written shall be reviewed and compared to an independent source for questionable activity (e.g., newspaper, league website, etc.).
E. Daily, for retail payouts made without event wagering system authorization at the time of payment including such payouts for contest/tournament winners, shall:
1. Trace all payouts to the event wagering system transaction report or the purged tickets report to verify authenticity of the initial event wager;
2. For payouts subsequently entered into the event wagering system by employees, compare the manual payout amount to the event wagering system amount; and
3. For payouts not entered into the event wagering system by employees, enter the payout into the event wagering system and compare the manual payout amount to the event wagering system amount. If the system is inoperative, manually regrade the ticket to ensure the proper payout amount was made.
F. Daily, for all retail voided tickets:
1. The event wagering system reports which display voided ticket information shall be examined to verify that tickets were properly voided in the computer system;
2. The voided tickets shall be examined for a void designation; and
3. If the event wagering system prints void tickets, a void ticket shall be attached to the original ticket.
G. Daily, event wagering system exception reports shall be reviewed for propriety of transactions and unusual occurrences including, but not limited to: changes in odds, cut-off times, results, event data, in-progress events, and void authorizations. All noted improper transactions or unusual occurrences noted during the review of exception reports shall be investigated with the results documented.
H. Monthly, foot the customer copy of paid retail tickets for a minimum of one (1) cashier station and trace the totals to those produced by the event wagering system.
I. Quarterly, for each kiosk, foot the winning tickets and vouchers redeemed for a week and trace the totals to the totals recorded in the event wagering system and the related accountability document. This procedure may be performed for different kiosks throughout the quarter as long as each kiosk’s activity is examined once a quarter. Accounting/revenue audit shall document the test and the results of variance investigations, by kiosk.
J. Quarterly, for at least one (1) day, the event wagering system reports shall be reviewed for the proper calculation of the following:
1. Amounts held by the responsible party for player accounts (if applicable);
2. Amounts accepted by the responsible party as wagers on events whose outcomes have not been determined (futures); and
3. For retail, amounts owed but unpaid on winning event wagers through the period established for honoring winning wagers (unpaid winners and unredeemed vouchers).
K. Quarterly, for at least one day:
1. If future wagers are accepted, review the event wagering system reports to ascertain that future wagers are properly included in write on the day of the event;
2. For retail, recalculate and verify the change in the unpaid winners and unredeemed vouchers balance to the total purged tickets and vouchers; and
3. For retail, select two (2) winning tickets to verify that the wager was accepted, and payouts were made in accordance with the posted house rules.
L. Annually, foot the write on the event wagering system record of written tickets for a minimum of three (3) cashiers for each wagering pool for one (1) day and trace the total to the total produced by the event wagering system.

M. Annually, for at least one (1) day, foot the redeemed vouchers for one (1) cashier station and trace the totals to those produced by the event wagering system.

N. Daily, reconcile all tournament entries and payouts to the dollar amounts recorded in the appropriate accountability document and/or event wagering system report.

O. When payment is made to the winners of a tournament, reconcile the tournament entry fees collected to the actual tournament payouts made.

P. Monthly, review all tournaments, promotions, and bonuses to determine proper accounting treatment and proper win/loss computation.

Q. Monthly, perform procedures to ensure that promotions and bonuses are conducted in accordance with conditions provided to the patrons.

R. Documentation shall be maintained evidencing the performance of audit procedures, the exceptions noted, and follow-up of all audit exceptions.

R19-4-140. Information Technology
A. Responsible parties shall maintain an information technology department that is responsible for the quality, reliability, and accuracy of all computer systems used in the operation.

B. Responsible parties shall ensure that duties in the information technology department are adequately segregated and monitored to detect procedural errors, unauthorized access to financial transactions and assets, and to prevent the concealment of fraud.

C. The information technology environment and infrastructure shall be maintained in a secured physical location that is restricted to authorized employees.

D. Responsible parties shall adopt procedures for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with information technology systems.

E. Information technology employees shall test the recovery procedures of the event wagering system on a sample basis at specified intervals at least annually. The results shall be documented and available to the Department upon request.

R19-4-141. Internal Audit
A. Responsible parties shall maintain a separate audit department, independent of the event wagering operation, whether internal or through an ancillary supplier.

B. The internal audit department shall be responsible for auditing the responsible party’s compliance with the Act and this Article, the internal control system, and any other applicable rules and regulations.

C. An internal audit shall be performed at least annually with the results documented in a written report which shall be available to the Department.

D. Documentation shall be maintained to evidence all internal audit work performed as it relates to the requirements of this section, including all instances of noncompliance.

E. Follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance. The verification shall be performed within six (6) months following the date of notification.

R19-4-142. Security and Surveillance Plan
Each responsible party shall establish, maintain, and adhere to a written security and surveillance plan for the retail wagering areas, kiosks, and/or event wagering platforms. The plan shall provide for the following:

A. The physical safety of employees;

B. The physical safety of patrons in a retail wagering area and at kiosks;

C. The physical and logical security of a patron’s information on an event wagering system;

D. The physical safeguarding of assets in a retail wagering area and/or kiosk;

E. The logical safeguarding of assets on an event wagering system;

F. The physical safeguarding of assets transported to and from a retail wagering area and/or kiosk; and

G. The protection of patron and responsible party property from illegal activity.

R19-4-143. Surveillance
A. Responsible parties shall have a surveillance system which monitors and records general activities in the retail wagering area.

B. Each cashier station or window shall be equipped with at least one (1) dedicated camera covering all activity, with sufficient clarity to identify the employees performing the different functions.

C. Each kiosk shall be equipped with at least one (1) dedicated camera covering all activities with sufficient clarity to identify the activity and the individuals performing it, including maintenance, drops or fills, and redemption of tickets.

D. The surveillance system shall monitor and record a general overview of all areas where cash or cash equivalents may be stored or counted.

E. The surveillance system shall monitor and record patrons placing wagers with sufficient clarity to allow for them to be identified and their activities to be monitored.

F. The surveillance system shall record an accurate date and time stamp on recorded events. The displayed date and time shall not significantly obstruct the recorded view.

G. Each camera shall be installed in a manner that prevents it from being readily obstructed, tampered with, or disabled.

H. A periodic inspection of the surveillance system shall be conducted by the responsible party. When a malfunction of the surveillance system is discovered, the malfunction and necessary repairs shall be documented, and repairs initiated within seventy-two (72) hours.

I. All recordings required by this section shall be retained for a minimum of seven (7) days.

J. Suspected crimes and/or suspicious wagering activity shall be copied, documented, and retained for at least one (1) year unless otherwise authorized by the Department.

K. The Department shall have remote access to the surveillance system and its transmissions.

R19-4-144. Keys
A. Access to, and return of, keys or equivalents utilized in the operation of event wagering shall be documented with the date, time, and signature or other unique identifier of the agent accessing or returning the key(s).

B. Documentation of all keys, including duplicates, shall be maintained, including:
   1. Unique identifier for each individual key;
   2. Key storage location;
   3. Number of keys made, duplicated, and destroyed; and
   4. Authorization and access.

C. The responsible party shall identify those keys (ex. kiosk, restricted computer storage media) which are considered sensitive and require additional access control.
D. The kiosk release and contents shall require a separate and unique key lock or alternative secure access method.

E. Annually, an inventory of all sensitive keys shall be performed by an internal audit and reconciled to records of keys made, issued, and destroyed.

R19-4-145. Reporting Requirements
A. The responsible party shall report to the Department any violation or suspected violation of the Act or this Article, security breaches, breaches of confidentiality of a patron’s personal information, suspicious activity, and any other activity as required by the Department.
B. Responsible parties shall report the information listed above to the Department in writing within seventy-two (72) hours of discovery.

R19-4-146. Remedies
The Department may place conditions on a license, fine, or otherwise sanction, licensees, for violations of this Statute, or the administrative rules of the Department. The Department’s ability to impose fines and/or sanctions is subject to the following:
A. The Department shall notify the responsible party of the results of its investigation(s) and any administrative proceedings. The results of any investigation shall not be disclosed if such disclosure will compromise ongoing law enforcement investigations or activities, or would violate applicable state and federal law; and
B. All monetary fines collected by the Department, including any interest earned thereon, shall be deposited in the Event Wagering Fund established by A.R.S. § 5-1318(B).

R19-4-147. Liability for Damage to Persons and Property
Responsible parties shall maintain a policy of commercial general liability insurance with a combined single limit for a security breach, personal injury, and/or property damage of not less than five million dollars ($5,000,000) per occurrence and in the aggregate. A copy of the policy, as well as any updates and/or renewals, shall be available to the Department.

R19-4-148. Patron Disputes
A. Whenever the responsible party refuses payment of alleged winnings to a patron or there is otherwise a dispute with a patron regarding their player account, wagers, wins, or losses from event wagering, and the responsible party and the patron are unable to resolve the dispute to the satisfaction of the patron, the responsible party shall notify the patron of their right to file a written complaint. The notice shall include the procedure for filing a written complaint and the complaint resolution process.
B. Upon receipt of a complaint, the responsible party shall investigate and provide a written response to the patron within ten (10) days. The response shall include a statement that if the dispute is not resolved to the satisfaction of the patron, the patron may submit their complaint in writing to the Department.
C. The Department shall supply the responsible party with the list of persons barred from retail wagering areas, kiosks, and event wagering platforms because their conduct, criminal history, and association with career offenders or career offender organizations poses a threat to the integrity of event wagering or to the public health, safety, or welfare. The responsible party shall, upon having knowledge of a barred person’s presence in a retail wagering area, prohibit that barred person from placing any wager, directly or indirectly, in a retail wagering area on a kiosk, or on an event wagering platform. To the extent not previously provided, the Department shall send a copy of its list on a monthly basis to the responsible party, along with detailed information regarding why the person has been barred. Such persons shall be barred from all retail wagering areas, kiosks, and event wagering platforms within the State.

R19-4-150. Self-Exclusion and Problem Gambling
A. As part of their procedures and programs to mitigate problem gambling and curtail compulsive gambling, responsible parties shall:
1. Post at all public entrances and exits of the retail wagering area, kiosk, and event wagering platforms including on television, radio, internet, printed advertisements, and billboards.
2. Display on the landing page of each event wagering platform or kiosk, messaging stating that help is available if a person has a problem with gambling, to include the statewide toll-free helpline telephone number, text message, website information established by the Department, and any other information as directed by the Department.
3. Include a responsible gaming message with the Department’s statewide toll-free crisis helpline telephone number, another toll-free crisis helpline telephone number as approved by the Department, on all advertisements for event wagering, including on television, radio, internet, printed advertisements, and billboards.
B. The self-exclusion list shall not be provided to any licensed supplier without the written approval of the Department. Approval shall only be granted by the Department when sharing of the list is deemed necessary to effectuate the terms of the Act and this Article.

R19-4-151. Debt Setoff
A. If a responsible party is required to file a form W2G or a substantially similar form, regardless of whether those winnings are claimed at a retail wagering area or on an event wagering platform, the responsible party shall check to determine if the player has a past due, setoff obligation.
B. The responsible party shall withhold past due, setoff obligations from those winnings which triggered the filing of a form W2G or a substantially similar form.
C. The Department shall supply the responsible party with the lists of outstanding obligations as provided by the Arizona Department of Economic Security, Child Support Enforcement, Supplemental Nutrition Assistance Program and Assistance Overpayment, the Arizona Supreme Court, the Arizona Health Care Cost Containment System, and the Arizona Department of Revenue (State tax debt) on a monthly basis.
D. The outstanding obligation lists shall not be provided to any licensed supplier without the written approval of the
Department. Approval shall only be granted by the Department when sharing of the list is deemed necessary to effectuate the terms of the Act and this Article.

E. The responsible party shall provide a receipt to the patron for any funds withheld for outstanding obligations.

F. Any funds withheld by the responsible party shall be remitted to the Department within seven (7) days in a format provided by the Department.

R19-4-152. Retention of Records
The responsible party shall require that all books, records, and data relating to the operation and management of event wagering in the State are maintained for at least five (5) years from the date of creation. Upon written approval of the Department, books, records, and/or data may be destroyed prior to passage of the required five (5) year retention period.

R19-4-153. Calculation of Time
In computing any period prescribed or allowed by the Act or this Article, the day of the act, event, or default from which the designated period begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a legal holiday under state law or federal law. When the time prescribed or allowed is less than eleven (11) days, intermediate Saturdays, Sundays and legal holidays under state law or federal law shall be excluded from the computation period.