

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 who is involved in the promotion, marketing, and recruitment for event wagering business in exchange for a commission or other fee.
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.
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 by a responsible party who: (a) is a primary management official responsible for the operation of event wagering in the State, (b) has the capability to affect the outcome of an event wager; (c) has the capability to affect a payout to a patron; or (d) is determined to be an event wagering employee by the Department.
9. "Event Wagering Platform" means the internet location, user interface, and appearance package, also known as, and to include, a skin, website, mobile platform, or mobile application, used by a patron to place event wagers.
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, 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.
14. "Integrity Monitoring Provider" means an independent third person who assists in the identification of suspicious wagering activity.
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. "Patron" means a player or participant who places event wagers pursuant to the Act and this Article.
21. "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.
22. "Responsible Party" means event wagering operators, designees, limited event wagering operators, and management services providers.
23. "Retail Wagering Area" or "Retail" means the designated area within an event wagering facility where event wagering activity under the Act takes place.
24. "State" means the State of Arizona not to include the Indian lands within its exterior boundaries.
25. "Supplement" means a form of application approved by the Department for qualified applicants.
26. "Supplier" or "Vendor" includes persons who provide goods 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, to include:
 - a. identity verification service providers;
 - b. integrity monitoring providers;
 - c. official league data providers;
 - d. non-official league data providers;
 - e. dissemination service providers;
 - f. payment processors;
 - g. data centers providing physical security and infrastructure;
 - h. marketing services;
 - i. affiliates;
 - j. geofence providers;
 - k. independent test laboratories;
 - l. independent integrity and security assessment professionals; and
 - m. any other person as determined by the Department.
27. "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.
28. "Ticket" means a printed or electronic document utilized to record a wager by an event wagering system.
29. "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.

30. "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 meet the terms of, 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 test all or any part of each event wagering system;
 - 2. Inspect and test kiosks;
 - 3. Access, review and/or copy all books, records, and/or data maintained by a licensee; 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. 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.
- C. A designee appointed by an event wagering operator shall have obtained a license from the Department prior to providing event wagering services. A designee shall have obtained a renewal of the license every five (5) years thereafter before continuing to operate event wagering. 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. A limited event wagering operator shall have obtained a license from the Department. A limited event wagering operator that holds a permit issued by the Department – Division of Racing to provide services at a racetrack enclosure or additional wagering facility may submit a supplement to the application on file.
- E. A management services provider shall have obtained a license from the Department.
- F. Suppliers, including ancillary suppliers, are subject to the licensing requirements of this Article.
 - 1. The Department may waive the requirement that ancillary suppliers be licensed if in its sole discretion it

determines that licensing the ancillary supplier is not necessary to protect the public interest.

- 2. On a monthly basis, responsible parties shall provide to the Department a list of the names and addresses of all their suppliers.

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, and the application fee.
- B. An applicant certified by the Department and licensed by a Tribal Gaming Office in the State may submit a supplement to the application on file.
- C. On a monthly basis, responsible parties shall provide to the Department a list of the names, job titles, and addresses of all employees who directly impact the integrity of event wagering in the State.
- D. Payment of Fees.
 - 1. License fees for responsible parties are non-refundable. 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 along with their completed applications.
 - 3. A responsible party may submit an application for renewal of its license only if it has submitted all of its annual license fees.
- E. Event wagering employees and suppliers shall submit a license renewal fee if applying for license renewal.
- F. 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 (30) days after appointment or election. The license shall remain valid unless the Department denies the application.
- G. An applicant for renewal may continue to be employed or engaged under the expired license until action is taken on the renewal application by the Department. Applicants for renewal of a license shall not be required to resubmit historical data already available to the Department. The Department may choose not to conduct an additional background investigation if there is no new information concerning the applicant's continuing eligibility for a license.
- H. 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.
- I. The fees for licensure shall be the following:
 - 1. Event Wagering Operator
 - Application Fee \$
 - Initial License \$
 - Annual License Fee \$
 - 2. Designee
 - Application Fee \$
 - Initial License \$
 - Annual License Fee \$
 - 3. Limited Event Wagering Operator
 - Application Fee \$
 - Initial License \$
 - Annual License Fee \$
 - 4. Management Services Provider
 - Application Fee \$
 - Initial License \$

	Annual License Fee	\$
5.	Supplier	
	Initial License	\$ 5,000
	Renewal	\$ 1,000
6.	Ancillary Supplier	
	Initial License	\$ 1,500
	Renewal	\$ 500
7.	Employee	
	Initial License	\$ 250
	Renewal	\$ 125

The Department may modify any of the above fees by giving sixty (60) days notice of the intent to modify fees.

- J. 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 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.
- K. Applicants and licensees may appeal a summary suspension, or a determination by the Department which may result in the 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

- A. [TBD]

R19-4-107. Event Wagering Facility Location & Approval

- 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 ninety (90) 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.
- 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 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. Financial Services

- A. The responsible party shall establish restrictions on the provision of financial services to patrons placing event wagers.
- B. At a minimum, the restrictions shall prohibit:
 1. Locating an ATM that accepts electronic benefit transfer cards issued pursuant to a state or federal program that is intended to provide for needy families or individuals in a retail wagering area; and
 2. Accepting checks or other non-cash items issued pursuant to a state or federal program that is intended to provide for needy families or individuals.

R19-4-111. 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. Responsible parties shall adhere to the American Gaming Association's responsible marketing code for sports wagering.

R19-4-112. Retention of Records

The responsible party shall require that all books, records, and data relating to the operation and management of event wagering 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.

R19-4-113. 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. An organizational chart depicting appropriate segregation of functions and responsibilities for all positions in the operation;
 2. A description of the duties, responsibilities, and user access of each position shown on the organizational chart;
 3. A description of, and the inter-relationships and dependencies of, the event wagering system, hardware, software, and all integrated supplier platforms;
 4. A description of, and physical/logical security for, event wagering servers;
 5. Procedures for verifying geolocation services and establishing a patron's geographic location;
 6. A description of the administrative, operational, and accounting procedures designed to satisfy the requirements of R19-4-113.A.1-7;
 7. A detailed security and surveillance plan;
 8. Procedures for the use, access, and security of all keys utilized in the operation of event wagering;
 9. A description of the procedures for responding to a failure of the event wagering system and/or event wagering platform;
 10. Automated and manual risk management procedures;
 11. Change management procedures;
 12. Procedures for identifying and reporting fraudulent and/or suspicious activity, including identifying unusual betting patterns and reporting them to integrity monitoring providers;
 13. Procedures for the mitigation of risk of fraud, cheating, and/or money laundering;
 14. Bank Secrecy Act procedures;
 15. Procedures for advertising and marketing in a responsible manner;
 16. Procedures to mitigate problem gambling and curtail compulsive gambling;
 17. Problem gambling training and education program;
 18. Procedures for the identification, notice, and removal of self-excluded or barred persons from event wagering facilities and event wagering platforms;
 19. Procedures for selling tickets, cashing tickets, cancelling event wagers, voiding tickets, handling lost tickets, and issuing tax or other required forms;
 20. Procedures for, and definition of, obvious errors;
 21. Procedures for setting and moving lines;
 22. Procedures for the reconciliation of assets and documents contained in a cashier's drawer, kiosk, or player account, including drop, fill, and count procedures;
 23. Procedures for the identification and verification of patrons creating player accounts;
 24. Procedures for the issuance and acceptance of promotional and/or bonus credit for event wagers;
 25. Procedures for handling patron disputes;
 26. Procedures for creating, updating, adjusting, and closing player accounts;
 27. Internal audit procedures;
 28. Procedures for the retention of event wagering records;
 29. 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
 30. 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 letter either approving or disapproving of it.
- 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 R19-4-113.F, including, but not limited to, management advisory letters, agreed upon procedure 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.** 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.
- F.** Financial statements of the responsible party 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. 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.
- G.** Either the firm, or all independent certified public accountants engaged to do audits pursuant to R19-4-113.F, shall be licensed by the Arizona State Board of Accountancy. The Department shall be authorized to confer with the independent certified public accountant during the

audit process and to review all the independent certified public accountant's work papers and documentation relating to the responsible party.

- H. 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.

R19-4-114. Fees for Operating

- A. As per A.R.S. § 5-1318(A), the established fee for the privilege of operating event wagering shall be [TBD] of adjusted gross event wagering receipts.
- 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.

R19-4-115. Technical Standards

Event wagering systems shall comply with Gaming Laboratories International (GLI) Standards GLI-20, GLI-26, GLI-27, GLI-33, and any future amendments and updates thereto. If GLI ceases to publish these standards, then they shall be replaced by corresponding and equally rigorous technical standards adopted by the Department.

R19-4-116. 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 and the geofence provider shall implement a means to notify a patron of a geolocation failure.
- F. The Department shall have access to real-time geofence data. Unauthorized attempts to access an event wagering platform shall be reported to the Department by the geofence provider as soon as practically possible.

R19-4-117. Servers and Cloud Storage

- A. Responsible parties shall only conduct event wagering on servers located in the State. Responsible parties shall provide the Department with the physical location of each server that accepts event wagers. The server(s) shall have physical and logical security as provided in the responsible party's internal control system. The responsible party may utilize cloud storage for duplicate data upon written approval by the Department.

- B. An event wagering system shall be designed to ensure the integrity and confidentiality of all patron communications, security and confidentiality of patron data, personal and financial information, and the proper identification of the sender and receiver of all communications.

R19-4-118. Integrity Monitoring

- A. All integrity monitoring providers shall share information 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.

R19-4-119. League Data

- A. Official league data offered to responsible parties by the governing body of a sports league, organization or association or other authorized entity for the purposes of event wagering shall be subject to the following terms:
 - 1. The data source and corresponding data shall be complete, accurate, reliable, timely, and available; and
 - 2. The data source shall be appropriate to settle approved events and wagers.
- B. The responsible party may submit a written request to the Department for the use of a non-official league data provider. The request shall include a detailed analysis of the necessity of the use of non-official league data.
- C. Within seven (7) days of receipt of the written request, the Department shall issue a letter to the responsible party either approving or disapproving the request.
- D. An approved non-official league data provider shall also be subject to the terms of R19-4-119.A.1-2.

R19-4-120. 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. Responsible parties shall not implement these changes without the written approval of the Department. The Department will determine if additional testing or certification is required by an independent test laboratory.
 - 2. Low impact changes. Responsible parties may implement these changes with prior notification to the Department.

3. No impact changes. Responsible parties may implement these changes without prior notification to the Department.
 4. Emergency changes. Responsible parties may implement these changes immediately without prior notification to the Department to deal with open threats or liabilities. Responsible parties shall notify the Department as soon as practically possible of the necessity of the emergency and its resolution.
- D.** The change management log, which shall include at a minimum:
1. Date and time that a change is internally approved for release;
 2. Components to be changed;
 3. Details of the change;
 4. Anticipated release date of the change;
 5. Category of the change; and
 6. Name of the authorized employee(s).
- E.** Implementation procedures to include notification to system users, scheduling, project planning, and recovery.

R19-4-121. Systems and Platforms

- A.** Each event wagering operator may only have one (1) event wagering system, whether its own or as provided by a management services provider.
- B.** [TBD]
- C.** 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.

R19-4-122. Self-Monitoring of Critical Components

Event wagering systems shall perform a self-authentication process on all critical components contained on an event wagering system upon initial installation of the software, each time the software is loaded for use, and every 24 hours thereafter.

R19-4-123. Annual Testing

- A.** The responsible party shall perform an integrity and security assessment of the event wagering system within ninety (90) days after the commencement of operations, and annually thereafter. The assessment shall be conducted by an independent integrity and security assessment professional licensed by the Department. The scope of the assessment shall include, at a minimum, the following:
1. A vulnerability assessment of 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 internal, external, and wireless networks to confirm if identified vulnerabilities of all devices, platforms, and applications are susceptible to compromise;
 3. A geofencing field test of all available device types and connections;
 4. A policy and procedures review against the current information security management system standard or another similar standard approved by the Department; and
 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.

R19-4-124. Event Wagering System Testing

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. The Department shall have secure access to the independent test laboratory certification report that contains the results of the testing. The responsible party shall provide the independent test laboratory all information necessary for the independent test laboratory to render its opinion. 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.

R19-4-125. 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 a newly installed 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 a newly installed 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 and equipment serial numbers;
 2. Verifying that all applicable event wagering system software and/or hardware has been certified by an independent test laboratory.
 3. Verifying system reporting processes; and
 4. 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.

R19-4-126. 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.

R19-4-127. Event Wagering System Updates and Changes

- A.** Responsible parties shall only update or change an event wagering system under the change management requirements in R-19-4-120.
- B.** If the Department requires additional testing, those updates or changes shall be tested for certification by an independent test laboratory prior to use.

- C. The Department may test an event wagering system or kiosk to verify the independent test laboratory certification of the updates or changes.

R19-4-128. Event Wagering System Log

An event wagering system maintenance, repair, and/or replacement log shall be maintained by the responsible party and shall contain the following:

- A. The date of access;
- B. The time of access;
- C. The name or employee identification number of the person accessing the event wagering system;
- D. The reason for access; and
- E. The signature or initials of the person accessing the event wagering system.

R19-4-129. Event Wagering System Communication

If an event wagering system is down for more than two (2) hours, the responsible party shall notify the Department as soon as practically possible.

R19-4-130. Event Wagering System Recertification

- A. Annually, the event wagering system shall be submitted to an independent test laboratory for recertification under R19-4-124.
- 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 R19-4-125 at an agreed upon date and time.

R19-4-131. Forms of Payment for Event Wagers

All payment for event wagers made for event wagering activity under the Act shall be made by cash, cash equivalent, electronic funds transfer, debit card, personal check, winnings, or promotional or bonus credit. Other forms of payment may be utilized upon written approval of the Department.

R19-4-132. Reserve Requirements

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 event wagers accepted by its event wagering system.

R19-4-133. 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 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, the Department shall issue a letter to the responsible party either approving or disapproving the event and/or wager type.
 - 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.

R19-4-134. Wager Rules (Retail and Kiosk)

- 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.
- B. Upon acceptance of an event wager, a ticket shall be immediately issued.
- C. Winning tickets shall be immediately payable to the patron upon validation of the ticket by an event wagering system.
- D. 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.
- E. 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.
- F. 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 five (5) days after receipt.
- G. 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.
- H. Event wagers under the Act shall only be accepted in the retail wagering area or at a kiosk.
- I. An event wager shall not be accepted upon an event whose outcome has already been determined.
- J. An event wager shall not be accepted upon an event that has already started unless otherwise approved by the Department pursuant to the Act and this Article.
- K. The responsible party shall not unilaterally cancel any wager without prior written approval of the Department.
- L. The responsible party may cancel an accepted wager for obvious error.
- M. All tickets shall be considered final at the start of the event.
- N. If a patron wishes to void a ticket written prior to the start of the event, the ticket shall be entered into the event wagering system and a void designation shall be branded by the computer on the ticket and a refund given to the patron.

R19-4-135. Wager Rules (Mobile)

- A. All mobile event wagers under the Act shall be transacted on an event wagering system through an event wagering platform.

- B. Upon acceptance of a mobile event wager, an electronic ticket shall be immediately issued.
- C. Winning electronic tickets shall be immediately deposited into the player account.
- D. A mobile 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.
- E. Mobile event wagers under the Act shall only be accepted from a verified player account.
- F. A mobile event wager shall not be accepted upon an event whose outcome has already been determined.
- G. A mobile event wager shall not be accepted upon an event that has already started unless otherwise approved by the Department pursuant to the Act and this Article.
- H. The responsible party shall not unilaterally cancel any wager without prior written approval of the Department.
- I. The responsible party may cancel an accepted wager for obvious error.
- J. All tickets shall be considered final at the start of the event.
- K. If the patron voids a ticket written prior to the start of the event, upon verification by the event wagering system a refund shall be given to the patron.

R19-4-136. 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.

R19-4-137. House Rules

- A. The house rules shall be prominently 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
 14. Notification of the self-exclusion process.
- B. Responsible parties shall submit the house rules to the Department prior to implementation. The Department shall review the house rules and issue a letter either approving or disapproving of them. Any proposed changes to the house rules shall be approved by the Department prior to implementation.

R19-4-138. Player Account Creation

- A. Responsible parties shall verify a patron's age and identity before allowing that patron to create a player account and place an event wager.
- B. Responsible parties may utilize an identity verification service provider to confirm a patron's age and identity.
- C. Responsible parties shall prohibit a patron from having more than one (1) player account and username for each event wagering platform.
- D. Responsible parties shall establish each player account file with the following:
 1. Patron's legal name;
 2. Patron's date of birth;
 3. Patron's social security number, or the last four (4) digits of the social security number, or an equivalent identification number for a noncitizen;
 4. Patron's account number or username;
 5. Patron's residential address;
 6. Patron's telephone number;
 7. Patron's e-mail address;
 8. The method used to verify the patron's identity;
 9. The document or record number of the patron's government issued identification if used to validate the identity of the patron;
 10. The date of verification; and
 11. Acknowledgement of event wagering terms and conditions, including any subsequent updates.
- E. Responsible parties shall notify patrons of the establishment of a player account and the associated terms and conditions via e-mail.
- F. 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.

R19-4-139. Player Account Terms and Conditions

- A. Player account terms and conditions shall include the following:
 1. Name of the responsible party with whom the patron is entering into a contractual relationship;
 2. Patron's consent to have the responsible party confirm the patron's age and identity;
 3. Rules and obligations applicable to the patron with regard to allowing any other person to access or use his or her player account, being physically present in the State to place a wager, and consenting to the monitoring and recording by the responsible party of any wagering communication and geographic location information;
 4. Privacy policy;
 5. Legal age policy;
 6. Rules for player account suspension;
 7. Rules for dormant player accounts;
 8. Availability of player account statements; and
 9. The statewide problem gambling toll-free helpline telephone number, text message and website information.

R19-4-140. Player Account Maintenance

- A. All adjustments to a player account shall be authorized and periodically reviewed by the responsible party.
- 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 five (5) 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 nature of the investigation of the player account;
 - b. Investigate in an expedient fashion;
 - c. Notify the Department of the investigation; and
 - d. Notify the patron and the Department of the results 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 two (2) 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.

R19-4-141. 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 and to prevent the concealment of fraud.
- C. Information technology employees shall be restricted from access to financial transactions, ledger entries, payout forms, and cash or other liquid assets.
- D. The information technology environment and infrastructure shall be maintained in a secured physical location that is restricted to authorized employees.
- E. Information technology employees shall review user access logs for:
 1. Multiple log-on attempts, or alternatively, the system shall deny user access after three failed attempts;
 2. Unauthorized changes to live data files; and
 3. Any other unusual transactions.
- F. Responsible parties shall adopt procedures for responding to, monitoring, investigating, resolving, documenting, and reporting security incidents associated with information technology systems.
- G. 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.

R19-4-142. 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
 6. Payment of vouchers.
- 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.

R19-4-143. Accounting/Revenue Audit

- A. Responsible parties shall maintain an accounting department that is independent from the operation of event wagering. Accounting/revenue audit personnel shall perform the following:
 1. 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).
 2. Daily, reconcile the dollar amount of player account transactions to the transaction summary report and investigate and document any variances.
 3. Daily, select a random sample of five (5) paid transactions from the event wagering system transaction report and trace the transaction to the customer's copy of the paid ticket.
 4. Daily, for all winning tickets equal to or greater than \$10,000 and for a random sample of ten (10) of all other winning tickets:
 - a. The tickets shall be recalculated and regraded using the event wagering system record of event results.
 - b. 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.
 - c. 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.).
 5. Daily, for retail payouts made without event wagering system authorization at the time of payment including such payouts for contest/tournament winners, shall:
 - a. Trace all payouts to the event wagering system transaction report or the purged tickets report to verify authenticity of the initial event wager.

- b. For payouts subsequently entered into the event wagering system by employees, compare the manual payout amount to the event wagering system amount.
 - c. 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.
 6. Daily, the event wagering system's summary of events/results report shall be traced to an independent source for five percent (5%) of all events to verify the accuracy of starting times (if available from an independent source) and the result.
 7. Daily, for all retail voided tickets:
 - a. The event wagering system reports which display voided ticket information shall be examined to verify that tickets were properly voided in the computer system.
 - b. The voided tickets shall be examined for a void designation.
 - c. If the event wagering system prints void tickets, a void ticket shall be attached to the original ticket.
 8. 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.
 9. Monthly, foot the customer copy of paid tickets for a minimum of one (1) cashier station and trace the totals to those produced by the event wagering system.
 10. 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.
 11. Quarterly, for at least one (1) day, the event wagering system reports shall be reviewed for the proper calculation of the following:
 - a. Amounts held by the responsible party for player accounts (if applicable);
 - b. Amounts accepted by the responsible party as wagers on events whose outcomes have not been determined (futures); and
 - c. Amounts owed but unpaid on winning event wagers through the period established for honoring winning wagers (unpaid winners and unredeemed vouchers).
 12. Quarterly, for at least one day:
 - a. Recalculate and verify the change in the unpaid winners and unredeemed vouchers balance to the total purged tickets and vouchers.
 - b. 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.
 - c. Select two (2) winning tickets to verify that the wager was accepted, and payouts were made in accordance with the posted house rules.
 13. 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.
 14. 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.
 15. For all tournaments, promotions, and bonuses the following documentation shall be maintained:
 - a. Copies of the information provided to the patrons describing the tournaments, promotions, and bonuses;
 - b. Effective dates;
 - c. Accounting treatment, including general ledger accounts, if applicable; and
 - d. For tournaments, the dollar amount of the prize pool. Additionally, if applicable, include the amount of contributions to the prize pool by patrons and the amount supplemented by the responsible party.
 16. Daily, reconcile all tournament entry and payout forms to the dollar amounts recorded in the appropriate accountability document and event wagering system report.
 17. When payment is made to the winners of a tournament, reconcile the tournament entry fees collected to the actual tournament payouts made.
 18. Monthly, review all tournaments, promotions, and bonuses to determine proper accounting treatment and proper win/loss computation.
 19. Monthly, perform procedures to ensure that promotions and bonuses are conducted in accordance with conditions provided to the patrons.
 20. If the responsible party utilizes a player tracking system, perform the following procedures at least one (1) day per quarter:
 - a. Review all point addition/deletion authorization documentation, other than for point additions/deletions made through an automated process;
 - b. Review exception reports including transfers between accounts; and
 - c. Review documentation related to access to inactive and closed accounts.
 21. Annually, the player tracking system shall be reviewed by personnel independent of the individuals that set up or make changes to the system parameters. The review shall be performed to determine that the configuration parameters are accurate and have not been altered without appropriate management authorization. The system should also be tested, if possible, to further verify the accuracy of the configuration parameters. The test results shall be documented and maintained.
 22. Documentation shall be maintained evidencing the performance of audit procedures, the exceptions noted, and follow-up of all audit exceptions.
- 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 internal audit and reconciled to records of keys made, issued, and destroyed.

R19-4-145. Internal Audit

- A. Responsible parties shall maintain a separate internal audit department independent of the event wagering operation.
- B. The internal audit department shall be responsible for auditing the responsible party's compliance with the Act and this Article, technical standards, 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.
- D. Documentation, including checklists, programs, reports, corrective actions, and other items, shall be prepared to evidence all internal audit work performed as it relates to the requirements of this section, including all instances of noncompliance.
- E. Internal audit reports shall include objectives, procedures and scope, findings and conclusions, and recommendations. Reports shall be maintained and available to the Department.
- F. Internal audit findings shall be reported to management. Management shall be required to respond to internal audit findings stating corrective measures to be taken to avoid recurrence of the audit exception. Such management responses shall be included in the final internal audit report.
- G. Follow-up observations and examinations shall be performed to verify that corrective action has been taken regarding all instances of noncompliance cited by internal audit, independent certified public accountants, or by the Department. The verification shall be performed within six (6) months following the date of notification.

R19-4-146. Security and Surveillance Plan

Responsible parties shall be responsible for the on-site operation, management, security, and surveillance of the retail wagering areas, kiosks, and/or event wagering platforms. Each responsible party shall establish, maintain, and adhere to a written security and surveillance plan. 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.

R19-4-147. 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.

R19-4-148. Promotions and Bonuses

- A. Responsible parties may offer promotions and bonuses.
- B. The responsible party shall submit a written notification to the Department for a promotion or bonus prior to implementation.
- C. The promotion 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 requirements and limitations;
 6. Eligible events or wagers; and
 7. Cancellation requirements.
- D. The responsible party shall make the promotion or bonus rules available to eligible patrons.

R19-4-149. 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. The tournament rules shall be available to all tournament patrons prior to the beginning of the tournament.

R19-4-150. 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 twenty-four (24) hours of discovery.

R19-4-151. Remedies

The Department may fine, or otherwise sanction, licensees, for violations of this Statute, or the administrative rules of the Department. The Department's ability to impose 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;
- 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).

R19-4-152. 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 ten million dollars (\$10,000,000) 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.

R19-4-153. 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 wagering 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 notice that the patron may submit their complaint to the Department.
 - 1. The responsible party shall immediately notify the Department of any unresolved complaints along with the responsible party's written response to the complaint.
 - 2. The Department, in its sole discretion, may investigate the complaint and reach a final decision which may include a requirement for appropriate corrective action.
 - 3. The Department shall provide a written response to the responsible party and the patron of the results of its investigation and the corrective action it directs, if any, within five (5) days of the completion of its investigation.

R19-4-154. Barred Persons

The Department shall establish a list of persons barred from retail wagering areas, kiosks, and event wagering platforms because their conduct, criminal history, 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 prohibit barred persons 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.

R19-4-155. Self-Exclusion and Problem Gambling

- A. As a part of their procedures and programs to mitigate problem gaming and curtail compulsive gambling, responsible parties shall:
 - 1. Post at all public entrances and exits of the retail wagering area, and in close proximity to each kiosk, signage in English and Spanish 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.
 - 2. Display on the landing page of each event wagering website, kiosk, or mobile platform, 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 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.

R19-4-156. Debt Setoff

- A. Responsible parties shall check to determine if a patron has a past due, setoff obligation on the payout of winnings which trigger the obligation to file the 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.
- B. The responsible party shall withhold past due, setoff obligations from those triggered winnings.
- 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 five (5) days in a format provided by the Department.

R19-4-157. 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.

ARTICLE 2. FANTASY SPORTS